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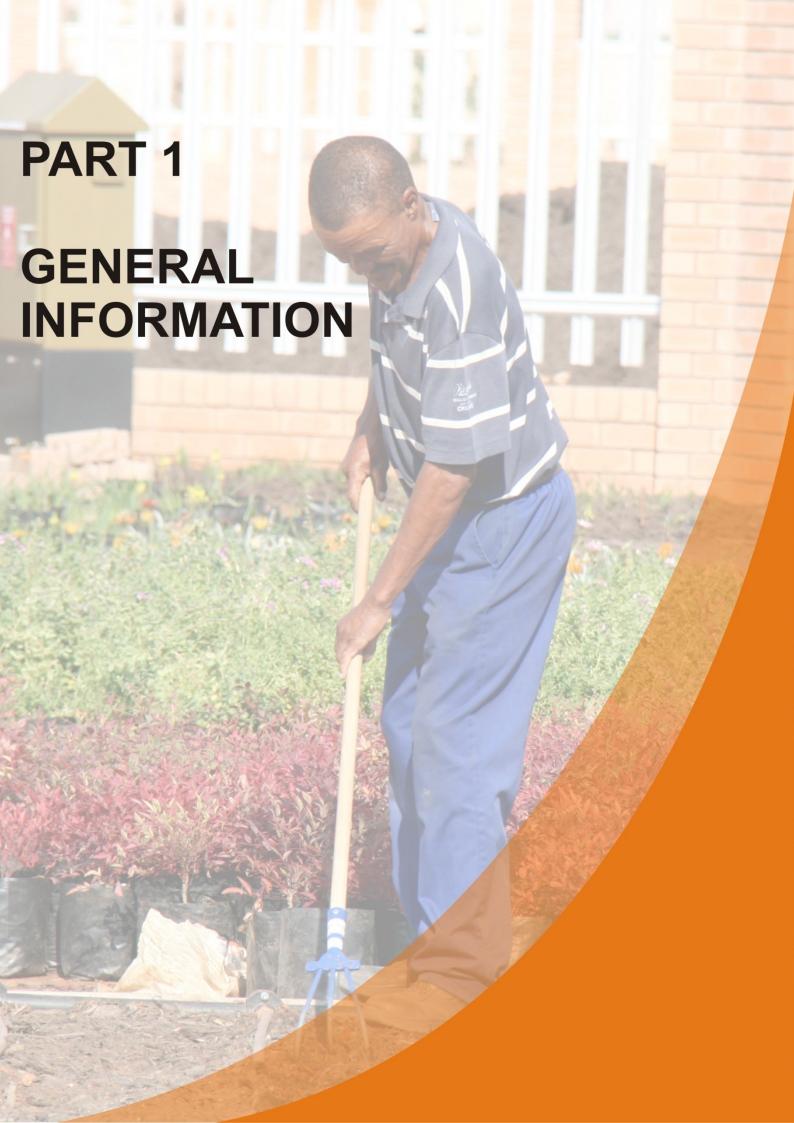
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GLOSSARY

BEE	Black economic empowerment	MEC	Member of Executive Council
BBBEE	Broad Based Black Economic	MTEF	Medium Term Expenditure
DDDEE	Empowerment		Framework
CFO	Chief Financial Officer	MTSF	Medium Term Strategic Framework
CIDB	Construction Industry Development Board	NC	Northern Cape
DORA	Division of Revenue	NCPG	Northern Cape Provincial Government
DPSA	Department of Public Service and	NCPGDS	Northern Cape Growth and
DESA	Administration	NOFGDS	Development Strategy
DRE	District Road Engineer	NYS	National Youth Service
DRPW	Department of Roads and Public Works	PAIA	Promotion of Access to Information
DREW	Department of Roads and Public Works	FAIA	Act
EBE	Engineering Built Environment	PAJA	Promotion of Just Administration Act
EE	Employment Equity	PPP	Public Private Partnership
EEA	Employment Equity Act	PPPFA	Preferential Procurement Policy
LLA	Employment Equity Act		Framework Act
EPWP	Expanded Public Works Programme	PSA	Public Service Act
FTE	Full Time Equivalent	PGDS	Provincial Growth and Development
116	Tull Time Equivalent	I ODO	Strategy
GIAMA	Government Immovable Asset Management Act	PFMA	Public Finance Management Act
HOD	Head of Department	RISFSA	Road Infrastructure Strategic
מטוו	riead of Department	MOI OA	Framework of South Africa
HR	Human Resource	SETA	Sectoral Education and Training
IIIX	Tullarricesource	OLIA	Authority
IT	Information technology	SMME	Small, Micro, & Medium Enterprises
M&E	Monitoring and Evaluation	SLA	Service Level Agreement



1. VISION

To be a trendsetter through excellence in service delivery.

2. MISSION

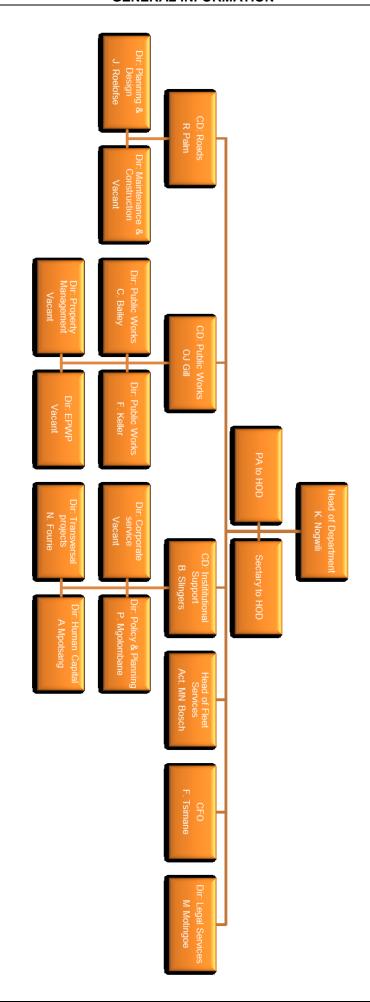
To provide and maintain all provincial land, buildings and road infrastructure in an integrated, sustainable manner.

3. 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.





4 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.

4.1 Constitutional mandates

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.

4.2 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, Act 75 of 1997, ensures sound principles in the management of personnel in terms of opportunities, working conditions, time management, etc;

GENERAL INFORMATION

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

Employment Equity Act, Act 55 of 1998, 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, Act 66 of 1995, ensuring sound labour practices within departments.

National Land Transport Act, 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, **Act 1 of 1999.** The PFMA promotes the principles of efficiency, effectiveness, economy and transparency in departmental management as well as strategic planning and performance measures as basic requirements for service delivery and the preparation of budgets;

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

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

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

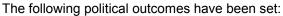
Promotion of Administrative Justice Act, Act 31 of 2000: It gives effect in order for everyone to have the right to administrative action that is lawful, reasonable, and procedurally fair. Everyone whose right have been adversely affected has the right to given reasons.

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

1.3 INFORMATION ON THE MINISTRY

My mandate as MEC of this department is to make sure we implement the policies of the government. I have set the following goals for my department:

- To promote and support good governance in the department
- Manage and maintain the provincial property portfolio according to the needs identified of client departments
- Provide and maintain integrated road infrastructure that is safe and functional to support social and economic development
- Alleviate poverty and create job opportunities



- Phase 2 started in the 2009/10 financial year. At the end of the third quarter of Year 3 (2011/12 financial year), I.e. April December 2011, Provincial Departments collectively achieved 14 030 work opportunities representing 73% of the year target. Municipalities achieved 3275 work opportunities towards a year target of 5 394work opportunities representing 61% of the Annual target.
- The department has implemented the decision to take back the function of maintaining all the gravel roads and minor roads in the province to ensure the optimal utilisation of the funds as form the 1st July 2012. All staff that was responsible for this function was also transferred to the province.
- In order to deal with the backlog on road maintenance I made a decision to purchase new plant for the department. The new plant and yellow fleet that we acquired consisted of different types of trucks, tractors, road marking machine and graders. The estimated value of the plant purchased is R 103 million.
- The rains have caused widespread damage to infrastructure and mainly road and bridge network and lot of communities were totally cut from main towns. The estimated cost for flood damage to our road infrastructure was estimated at R367 million which was approved by National Treasury.
- The organogram was informed through by some of the following factors
 - More functions and processes should be performed at the District level
 - Internal control deficiencies continues being raised by the AG
 - Lack of monitoring and oversight functions.
 - Lack of strategic planning
 - Weaknesses in the office of the CFO
 - Better alignment of with budget structure
 - Re-organisation within the department

With the liquidation of Nyumbane Fleet Services the province made a decision not to enter into a Public Private Partnership (PPP) any but to acquire its own fleet. In doing this we purchased 762 vehicles amounting to R119 million. The new trading entity also known as the Northern Cape Fleet Management Trading Entity can be labelled as an effective government transport system that is managed properly and competently.

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



ACCOUNTING OFFICER'S OVERVIEW

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

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



We have sought ways of improving working relationships between itself and the client departments. This approach includes participation of representatives from client departments in the infrastructure procurement and payments processes. Meetings between the department and clients departments have been introduced to discuss progress relating to implementation of infrastructure projects and payments to service providers. We are confident that these activities will greatly assist in alleviating many challenges related to infrastructure delivery in the province.

We are now in Phase 2 of the Expanded Public works Programme (EPWP) and the Honourable Premier has committed in a protocol document signed with the Minister of Public Works, that the Province will create 135 296 work opportunities for the 5 year period of phase 2 (106 194 for Provincial Departments and 25 102 for Municipalities).

The accessing of additional incentives has however not been encouraging as Municipalities' performance declined. In the effort to resuscitate the political will and drive, the Province became the 1st Province to host the first EPWP Summit following the National Summit that was held in Durban in 2010. The Provincial Summit was a successful event and this has resulted in a slight change in the number of reporting Public Bodies and the successful establishment of District Forums.

The successful completion of the following projects;

- **UAP Road**
- Jooste Eiland
- Karakoel research station
- Mittah Seperepere Conference Centre
- Library in Nababeep
- Maloof Skate Board Park

GENERAL INFORMATION

The department is busy with the construction of a number of projects on behalf of for client departments

- New Upington Hospital (Multi-year Project)
- New Upington Hospital Housing Complex
- New De Aar Hospital
- New De Aar Hospital: Housing Complex
- New Mental Health Facility (Multi-year Project)
- Provincial Archives Repository
- Kimberley Theatre: Repairs and Upgrading

With the establishing of the new Trading Entity for the provisioning of government fleet we have already received more than 90% of our total fleet component of 762 vehicles. By the end of May we are confident that we would be having the full complement of fleet. This is already having huge spin-offs for the various departments as their fleet budget has been significantly reduced.

This annual report is guided by the 2011/12 Annual Performance Plan and by the Medium Term Strategic Framework (2004 – 2009) as identified by the ruling party. I want to thank the staff and management of the Department of Roads and Public Works for their hard work in ensuring that the department achieved all the goals that it set itself to achieve during this quarter.

It is hereby certified that this report:

- Was developed by the management of the Department of Roads and Public Works under the guidance of MEC Dawid Rooi.
- Accurately reflects the goals and achievements for the financial year 2011/12.

ACCOUNTING OFFICER K. NOGWILI

PART 2 INFORMATION ON **PREDETERMINED OBJECTIVES**

2.1.1 Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000	
R756 601	R1 066 401	R1,091,401	R35,706	
Responsible MEC	MEC of Roads and Public Works			
Administering Department	Department of Roads and Public Works			
Accounting Officer	Head of Department of Roa	ads and Public Works		

2.1.2 Aim of the vote

The aim of the vote is to promote the creation of job opportunities, maintain integrated road infrastructure that is safe and functional to support social needs, and meet the accommodation and other needs of the provincial departments.

- Responsiveness to stakeholder needs
- The optimization of all available resources
- The on-going development of our human resources
- Continuous benchmarking of all functions

2.1.3 Summary of Programmes

Programme	Sub-programme	Performance measure		
Administration	1.1 Office of the MEC	To render advisory, parliamentary, secretarial, administrative and office support services		
To provide the overall management				
and administrative support of the department. It includes human	1.2. Management	Overall management of the department.		
resources management, financial	1.4. Corporate	To manage personnel, procurement, finance,		
management and knowledge management. In addition, it provides	Support	administration and related support services for		
for strategic direction, integrated		the department.		
planning, communication				
Public Works	2.1. Programme			
	support			
To provide accommodation for all	2.2. Design	Design of new public infrastructure – the		
provincial departments, manage the		intention is that plans should be ready for		
provincial property portfolio as custodian for the optimum benefit of		funding.		
all those concerned and to render				
	2.3. Construction	New construction and refurbishment		
professional and technical services	2.4 Maintenance	Need to have two sub-sub-programmes:		
to departments in respect of		2.1.1.Routine maintenance		
buildings and related infrastructure.		2.1.2.Alterations		

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

2.1.4 Strategic Outcome Oriented Goals

2.1.4.1 Overview of the service delivery environment 2011/12

Public Works:

The construction and maintenance of key social infrastructure and broadening economic participation.

The Department implemented a total of 64 infrastructure projects on behalf of the Department of Education of which 59 were completed and 5 are behind schedule. These projects consisted of ablution blocks, administration blocks, classroom blocks, computer classroom blocks, conversion centres, Early Childhood Development (ECD) blocks, Media centres, new schools and science laboratories.

A total number of 13 projects were implemented on behalf of the Department of Health of which 9 were completed and 5 are behind schedule. These consisted of community health centres and new clinics.

Five projects were implemented on behalf of the Department of Social Development one project, Department of Agriculture and Land Reform one project as well as the Department of Sports, Arts and Culture three projects. All were completed with schedule.

Roads infrastructure

The road infrastructure consists of surface road construction, rehabilitation and routine road maintenance as well as gravel road surfacing and re-gravelling.

The maintenance of gravel roads that previously resorted with District municipalities was transferred back to the province as form 1st July 2012. The department absorbed a total number of 244 staff members that were performing the road function under the municipalities resulting in the establishment of five district offices, namely John Taolo Gaetsewe, Frances Baard, Pixley ka Seme, Siyanda and Namakwa. The following roads were constructed:

- Hotazel Tsineng Road;
- Vosburg Carnarvon Road;
- Longlands Access Road; and
- Karakoel Research Centre Road

Expanded Public Works Programme

The Expanded Public Works Programme is the creation of job opportunities through labour intensive methods.

The programme is made up of four sector namely, Infrastructure sector, Economic Sector, Environment and Culture sector as well as the non-state sector.

Our provincial target was 19 085 job opportunities for the 2011/12 financial year. The province achieved 18 655 but overall 38 330 (this also includes National Departments and Municipalities)

National Youth Service

The Phakamile Mabija Programme was launched in the 2009/10 financial year as part of the National Youth Service (NYS) programme.

The aim of the programme is to equip young people with the necessary skills as artisans. A total number of 30 learners are still undergoing experiential training at COEGA based companies in the Eastern Cape.

Public Private Partnerships

Department of Roads and Public Works together with various mines and the consultants formed a joint partnership in upgrading the Tsineng to Hotazel road. The mine together with consultants contributed R57 million while the Department contributed R 8 million towards the project.

Another joint partnership is between the Department, BHP Billiton, Assmang Manganese Mine and the United Manganese of Kalahari Pty Ltd. This partnership is for the rehabilitation of the Kuruman to Hotazel Road. In total R69 million was sponsored by these mining companies which can be broken down as follows:

- Assmang Manganese Mine R30 million;
- BHP Billiton R17 million; and
- United Manganese of Kalahari Pty Ltd R12 million.

Purchasing of fleet

The vehicles were ordered during November 2011. All the sedans were delivered before the end of the financial year but it was too late to effect payment. The double cabs that were ordered from Toyota SA will only be delivered towards the end of May 2012.

Budget allocation

The department had some challenges on spending on the following items and had to request for roll

Property rates and Taxes

The department received an additional allocation for rates and taxes to the amount of R25 million. The under-spending of R11 million relates to the rates and taxes claimed by Sol Plaatje for the Mental Health facility. We did not disburse the amount since we are still in discussions with the Municipality on this matter.

As a province we experienced serious flood damages during the year under review. A number of roads throughout in the province was damage to the value of R367 million.

In April 2011 Nyumbane Fleet Service (PPP) was liquidated due to financial constraints. The liquidation application was made by Nissan and Toyota and not as a result of non-payment by Government. Prior to the final liquidation a memorandum was submitted to Cabinet informing them of the looming crisis.

On that basis, the Executive Council took a resolution (Resolution no: 007/2011(03) stating as follows: The Executive Council:

- Approved the cancellation of the current PPP agreement in terms of clause 24 of the contract
- Approved the establishment of the Northern Cape Provincial Fleet Management Solution under the auspices of the Trading Entity hosted by the Northern Cape Department of Roads and Public Works

The function still resides under the Department as an entity. The human and capital resources have been assigned to these services and will further be strengthened to operate at full capacity in next financial year.

Outcome based approach

The National government introduced an outcome based approach which was translated into 12 outcomes.

The Department of Roads and Public Works as tasked with implementing social and economic infrastructure falls with the following outcomes

- Outcome 4
- Outcome 6

Performance of the Department against the outcomes is as follows:

OUTCOME	OUTPUT	PERFORMANCE
Outcome 6 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	 The department received R369 million in grant funding for maintenance in the province and spent 99% of the funding. We have started with the Implementation of the Road Infrastructure Strategic framework for South Africa (RIFSA) and have already completed our assessment on roads in the province. The assessment for roads in municipality is still outstanding.
Outcome 4 Decent employment through inclusive growth	Improved Support To Small Business And Cooperatives	The purpose of the incubator program is to create an enabling environment within which selected existing contracting enterprises can develop into sustainable contracting enterprises. Preference will be applied in the accessing of work so that enterprises owned and controlled by blacks, women and the disabled persons are advanced. A Policy Document to guide Contractor Development in the Dept. has been developed. Four road shows were held across the Province. Potential contractors were invited and 66 contracting businesses and 90 contract employees applied to participate in the programme. Accredited assessments of these applicants took place and assessments were done
	Implementation of the Expanded Public Works Programme	 Phase 2 of the Expanded Public Works Programme (EPWP) the target for the Province is to create 135 296 work opportunities for the 5 year period of phase 2 (106 194 for Provincial Departments and 25 102 for Municipalities). Overall the Province has created 27962 work opportunities. This includes contribution from National Departments in the Province, Provincial Departments, Municipalities and Non-State Sector. These work opportunities were created from 353 projects implemented throughout the Province. From the 27,962 w/o; 44% were youths; 56% were women and 0,1% were people with disabilities.

2.1.4.2 Overview of the organisational environment for 2011/12

Critical and scarce skills remain a challenge of the department due to the nature of our province, a rural province. The department has designed a number of interventions in recruiting and attracting these skills however, they seem not to be working. The Department will explore other avenues of attracting and retaining critical and scare skills.

Organisationally, the department will require additional staff complement to enable it to implement the Government Immovable Asset Management Act.

In reviewing its organisational structure line with its service delivery capacity, the Department has incorporated the roads function as well as the establishment of the government garage. The roads function was done through district municipalities while the fleet function was outsource to Nyumbane Fleet Services.

Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	187	156	16.6	2
Public Works	192	122	36.5	0
Transport Infrastructure	367	463	-26.2	96
Community Based Programme	25	25	0	0
TOTAL	771	766	0.6	98

Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	3	15	-400	12
Skilled (Levels 3-5)	359	442	-23.1	83
Highly skilled production (Levels 6-8)	242	210	13.2	2
Highly skilled supervision (Levels 9-12)	141	79	44	1
Senior management (Levels 13-16)	26	20	23.1	0
TOTAL	771	766	0.6	98

2.1.5 Key policy developments and legislative changes

The following are the policy changes and development within the department:

- Phase 2 of EPWP has identified 106 193 jobs opportunities to be created in the province; the budget for job creation the next 5 years amounts to R500 million.
- Create an environment for more labour-intensive production methods, procurement policies that support local jobs and building public-private partnerships.
- Vigorously implement broad-based economic empowerment as revised in December 2011 and
 affirmative action policies and adjust them to ensure that they benefit more broad sections of our
 people, especially the workers, youth, women and people with disabilities. Our procurement
 policies are in line with meeting the objectives of BBBEE and our employment policies support
 affirmative action.
- Launch a much larger national youth service programme and other initiatives focusing on access
 to funding and employment creation, which will be linked to skills development opportunities and
 build decent work opportunities as one of the key priorities of government.

2.1.6 Departmental revenue, expenditure, and other specific topics

2.1.6.1 Collection of departmental revenue

	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual	% deviation from target
Tax revenue						10
(Specify)						
Non-tax revenue						
Sales by market establishment		3 252 237	3 229	3 295	3 338	101%
Admin fees Other	2 981	652	842		711	
Sales of capital assets						
Machinery and equipment	0					
Financial transactions	129	390	81	92	297	323%
TOTAL DEPARTMENTAL RECEIPTS	3 110	4 531	4 152	3 387	4 347	128%

2.1.6.2 Departmental expenditure for the 2011/12 financial year

Programmes	Budget	Expenditure	Over/under Spending	% Spent
Administration	213 327	169 847	43 480	80
Public Works	194 166	209 950	(15 784)	108
Road Infrastructure	627 826	625 647	2 179	100
Community Based Program	56 082	50 251	5 831	90
TOTAL APPROPRIATION	1 091 401	1 055 695	35 706	97

Economic Classification

Compensation of employees	149 148	149 141	7	100
Goods and services	228 888	224 147	4 741	98
Interest and rent on land	175	172	3	98
Transfers and subsidies	222 687	168 107	54 580	75
Payments for capital assets	490 503	514 128	(23 625)	105
TOTAL APPROPRIATION	1 091 401	1 055 695	35 706	97

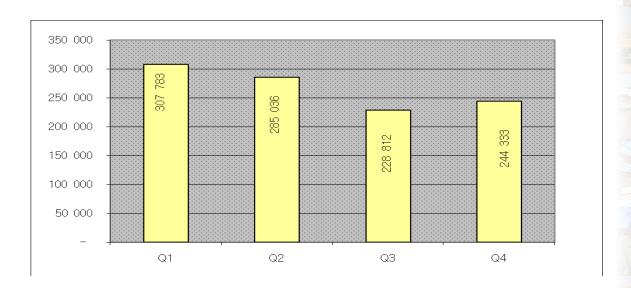
The final appropriation for the 2011/12 financial year for the Department of Roads and Public Works was R1,091 billion of this we spent R 1,056 billion which resulted in a under-spending of R 36 million. The under expenditure relates to the following; this under-spending represent 97 of the total budget in comparison with the previous financial year of

ITEM	BUDGET R'000	EXPENDITURE R'000	VARIANCE R'000
Rates and Taxes (Grant)	69 135	58 035	11 100
White Fleet Allocation (Earmark)	118 088	76 830	41 257
Incentive Grant	4 810	76	4 734
Total	192 033	134 941	57 091

If this funding was not allocated during the adjustment budget the department is under-spending due to the conference centre and the Maloof Skateboarding Park.

- Programme 1: This programme project an under-spending R43 million that relate to earmark funds for the fleet.
- Programme 2: This programme projects an overspending of R16 million that related to the Maloof Skateboarding Park cup and Conference Centre.
- Programme 3: This programme project an under-spending of R2 million that relates to the Disaster Management grant. Although programme 3 reflect an under-spending it the maintenance conditional grant which cannot be used to defray the overspending in programme 2.
- Programme 4: This programme projects an under-spending of R5,8 million that relates to the incentive grant and payment that is still outstanding. This program will definitely reflect an under-spending, because it is the Incentive Grant that was not utilised by the department.

Spending per quarter



2.1.7 Conditional grants

Name of Grant	Purpose	Budget R'000	Expenditure R'000	Variance R'000
Devolution of Property Rate Fund and Grant	To facilitate the transfer of property rates expenditure responsibility to provinces; and to enable provincial accounting officers to be fully accountable for their expenditure and payment of provincial property rates	69,135	58,035	11,100
EPWP Incentive Grant	To incentivise provinces to increase labour intensive employment through programmes that maximise job creation and skills development in line with the Expanded Public Works Programme (EPWP) guidelines	4,810	76	4,734
Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education, roads, health and agriculture; to enhance the application of labour intensive methods in order to maximise job creation and skills development as encapsulated in the Expended Public Works Programme (EPWP) guidelines; and to enhance capacity to deliver infrastructure	67,266	67,266	0
Maintenance Grant & Transport Disaster Management Grant (Flood damage)	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	369,979	367,814	2,165



2.1.8.1 Capital investment

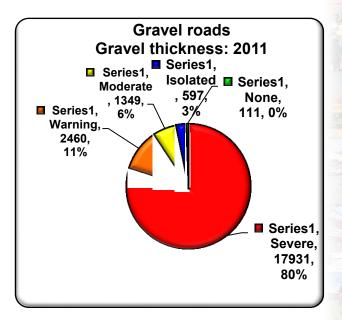
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Capital Budget	112 317	158 054	305 152	395 356	368 625	454 390	421 880
Expenditure	109 988	156 459	295 049	389 361	338 449	350 233	447 677
Variance	2 329	1 595	10 103	5 995	30 176	104 157	-25 797

Roads and Building projects that are currently in progress (list projects) and when are they expected to be completed,

NO	NAME OF PROJECT	STATUS
1.	New Clinics	3 are under construction and between 20% to 65% complete and 1 is completed.
2.	Provincial Archives Repository	The project is under construction and 30% complete.
3.	Kimberley Theatre: Repairs and Upgrading	The project is under construction and 75% complete.
4.	Widening and Maintenance of Kuruman and Hotazel Road	5 Complete
5.	Hotazel - Tsineng Road	Phase 1 of the project has started and the design of phase 2 is 80% complete.
6.	New Mental Health Facility (Multi-year Project)	
7.	Galeshewe Day Hospital: Upgrading of the Complex	90% Complete
8.	New Upington Hospital	92% complete
9.	Vosburg – Carnarvon Road	75% Complete. Anticipated completion date February 2013.

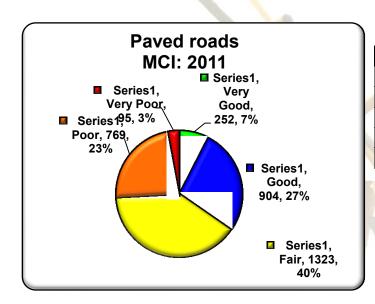
MAINTENANCE OF ROADS Gravel road Condition

Condition	Length km
Severe	17931
Warning	2460
Moderate	1349
Isolated	597
None	111
	22 448



Only 1 per cent of the unpaved road network currently has a gravel thickness of 150mm or more, compared to 32 per cent in 2003. The proportion of the network with a gravel layer thickness with a severe condition is 80%. In practice, a gravel layer thickness of 50 mm or less is considered to be ineffective as it is not possible to reshape the road with a grader with so little gravel available.

• 54% of the unpaved roads is in urgent need of re-gravelling which translates to 12 371 kilometres.



Paved road Visual Condition Index

2011	LENGTH KM
Very Good	162
Good	501
Fair	1440
Poor	1093
Very Poor	148

The province is divided into two maintenance regions and regional engineers are responsible for the budget. The budget is split between the regions according to their expenditure in the previous years. The total length of paved roads in the province that the Department maintains is 3 025 km of surfaced roads. The Departmental teams concentrate on the maintenance of the paved road surface e.g. pothole repairs, crack sealing and edge breaks, road signs etc. The amount set aside for routine maintenance on gravel roads is R55 Million.



The department has done periodic maintenance projects apart from the normal routine maintenance. We have appointed contractors to do remedial maintenance work on a number of roads and bridges. The following maintenance projects consisting of base and surface repairs, reseal, re-gravelling were completed.

- Steinkopf TR8201
- Postmasburg
- Colesburg Norvalspond
- Prieska Spitskop
- Mothibistad Maphiniki
- N14 Dithakong
- Nababeep and Okiep
- Calvinia and Williston
- Witsand DR 3300
- Resealing TR87/1



2.2 PROGRAMME PERFORMANCE

2.2.1 PROGRAMME 1: ADMINISTARTION

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

Office of the MEC

To render advisory, parliamentary, secretarial, administrative and office support services

Performance indicator	Baseline Actual Output	Α	ctual Performa	nce against Target
	2010/11	Target 2011/12	Actual 2011/12	Comments
Monthly meetings between office of MEC and Senior Managers		12	3	The target was set to high since we only had 3 executive management meetings during the year.

Management

Overall management and support of the department

Performance indicator		Baseline	Α	ctual Performa	nce against Target
		Actual Output 2010/11	Target	Actual	Comments
1	Implementation of processes		60% of all directorates	60%	Governance structures from Executive level down to SM level have been implemented. 14 Policies, including financial delegations, have been developed, approved and implemented during the current financial year.

Corporate Services

To manage personnel, procurement, finance, administration and related support services.

	Performance indicator	Baseline Actual Output		rformance t Target	
		2010/11	Target 2011/12	Actual 2011/12	Comments
Hum	an Capital				7
1	Departmental organizational structure rationalized Organization restructured	-	Organization al structure in line with service delivery requirements	Not finalized	Stakeholder consultation regarding the proposed structure has taken place. All Directorates and District staff were consulted. A draft submission to be submitted to the Department of Public Service & Administration has been compiled.
2	Implement and manage the EPMDS	-	Signed Performance Agreements for all	100% Not achieved	Al employees did sign performance agreements

	Performance indicator	Baseline Actual Output		rformance t Target	
		2010/11	Target	Actual	Comments
			2011/12	2011/12	
		100% submitted for up to 2 nd Quarter; 50% for 3 rd Quarter.	employees by 30 April Quarterly reports submitted on time	Signed quarterly reviews	The challenge is the reluctance of the employees to submit the quarterly reviews on time. Two SMS members 2 SMS members submitted their performance agreements late
3	The implementation of the grading of jobs according to the post requirements	Pre interview questionnaires were forwarded to post level 8 employees for completion.	Job evaluation conducted on post levels 6-8 and newly created posts	All clerical posts within the Department were evaluated.	periormanice agreements rate
4	Ensure the recruitment & selection of staff by filling all vacant funded posts	Conducted on a continuous basis as staff exit the Department	Conduct exit interview for staff exiting the Department	3 exit interviews were conducted.	
5	Monitor and implement the Employment Equity (EE) Plan in order to achieve the targets	Report compiled and submitted to the Department of Labour	Compile employment equity report	Employment Equity Report submitted to the Department of Labour.	
6	Integrate, support, oversee, monitor and coordinate the implementation of all gender, disability and youth programmes	3 gender programmes	4 gender programmes	18	6 Gender, 6 Disability and 6 Youth and Children Programs
7	Ensure that the department comply with the Occupational Health and Safety (OHS) Act and Regulations requirements		Roads staff informed of latest development s in terms of the act		Representatives have been appointed, however no training has taken place as yet.
8	Educate and create awareness by means of an employee wellness programme for all employees and implement an HIV and AIDS programme	4 sessions held	3 information sessions	4 Health & Wellness Days were presented in the Department.	Aids Program was held on 01 December 2011.
9	Enrol officials for adult basic education & training level 4	Currently there are 70 ABET learners in the three regions (Upington, Kuruman and De Aar)	5 Learners pass ABET level 4	5	The unit has achieved the goal that it set out for this Financial year, we are waiting for the GET certificates from DoE and Umalusi
10	Enrol employees for first year further education & training	12 wrote examinations and 4 have fully completed the programme	10 learners pass FET	0	FET Colleges have discontinued with this programme
11	Road surface maintenance NQF level 2 learnership	Did not register any	10 learners complete	0	

	Performance indicator	Baseline Actual Output		rformance t Target	
		2010/11	Target 2011/12	Actual 2011/12	Comments
		learnership	learnership	2011112	
12	Implementation of graduate and student internship	11 internships provided	9 Internships provided	8	Had two meetings in this quarter. • 1 with interns • And the other meeting with the mentors
13	The development of further studies through the departmental bursary scheme	4 extra fulltime bursaries	All employees that apply	10	Awarded 14 full-time bursaries and to date only 11 have accepted. 22 part-time and only 14 accepted, other employees were late for registration with the HET Institutions.
14	Professionalising the department through the registering of employees with their respective professional bodies.	Two exhibitions held	5 Exhibition's held	0	This program was not implemented as it required practical job experience and the department could not afford to key personnel.
15	Build sound labour relations by conducting training programmes on LR policies and procedures		100% of Managers & supervisors trained	96%	The 4 % that wasn't trained are those employees that didn't respond to the invitation. Except Managers and Supervisors, all other employees were also trained.
_					
<u>Corj</u> 16	Assessment of Anti-Virus Software	50% complete	Zero loss of computers through viruses	Achieved	-
17	Secure new computers as issued with valid software and licences	70% of all computers secured	All computers secured	Achieved	99
18	Facilitating security and pre- screening of all officials and service providers	67%	60% of all officials and service provides	Achieved	Tool Tool
19	Implement and maintain approved filing plan that is in line with current legislation and conduct regular inspections	1 file plan approved	4 inspections per year	4	
20	Bi-monthly steering committee meetings to monitor performance of fleet service	6 meetings	6	2	
21	Misuse and abuse of government vehicles	All vehicles monitored	Monitor 11 vehicles	41	Ť
22	Corporate branding of the Department that is informative, user friendly and in line with government regulations	100% presence at all major events	Developmen t and implement a branding strategy	Branding strategy was successfully developed.	Business cards, letterheads and protocol photos, templates for certificates, and invitations was standardised
23	Production of departmental newsletter	1	4	1	The newsletter was stopped in order to review the content of the newsletter.

	Performance indicator	Baseline Actual Output		rformance t Target	
		2010/11	Target 2011/12	Actual 2011/12	Comments
Lega	al Services				
24	Existence of an effective and efficient contract management system as well as a property management support system	-	3 Reports	All construction procurement and contract documents have been standardised	Construction contracts are properly filed and pre-tender processes are subjected to regular legal audit
25	Existence of systems of good governance	-	Drafting of roads policy.	Draft roads policy has been finalised	
26	Submit prescribed reports to Provincial Treasury: IYM IRM Budget Statement	All reports submitted on due dates: IYM and IRM	12 4 1	12 4 1	
27	Monthly expenditure reports to management	12	12	12	
28	Maintenance of BAS system by communication with Treasury	99%	90% of all user requirements attended to	100%	
29	Report on the entity-specific basis of accounting for the Roads Capital Account according to GAAP principles	Appointment of specific person to manage Roads Capital Account	Corrective measures identified to report according to GAAP	100%	
30	Processing of all complying invoices within 30 days after receipt of invoice	70% payments within 30 days	100% payments within 30 days	40%	
31	Submission of compliance certificate to provincial treasury that include salaries and bank reconciliation	12 reports signed and verified for reconciliation	12 reports signed by manager	12	7
32	Proper record keeping of moveable assets	Monthly Asset Register updated	Asset register up to date	12 DAMP Report(Mont hly)	
33	Distribution of all store consumables within 3 working days after received date of SLD	Store items issued twice a week "Tuesday and Thursday".	80% done within 3 working days	Consumable s stores items are issued twice a week,	
34	Procurement of goods & services from local suppliers/contractors for projects less than R200 000	70% locally	70% of material locally	40%	
35		100% awarded	70% of contracts awarded to HDI and SMME's	70%	
36		100% awarded within appropriate municipal boundaries	70% of projects awarded to local contractors	30%	

Performance indicator		Baseline Actual Output		rformance t Target	
		2010/11	Target 2011/12	Actual 2011/12	Comments
			within the appropriate municipal boundaries		
37	Perform risk assessment on all units within the Department on an annual basis	As per manager of unit request		Completed	Note that the operational register is presented as a single register. Strategic Risk Register and 4 Operational Risk Registers (1 register per Directorate)
38	Internal Auditing	100%	100%	100%	Shared internal audit function with Provincial Treasury.
POI	ICIES AND PLANNING	•			
39	Number of policies approved and implemented	6 policies approved	10	9	N. S.
40	Ensure adherence to all reporting requirements in terms of the PFMA viz Treasury Regulations and DORA:	-	4 1	4	A.S.
	 Quarterly Reports Annual Report Annual Performance Plan		1	1	



2.2.2 PROGRAMME 2 - PUBLIC WORKS

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

Program Support

Overall management and support of the program; to manage the activities of the professional components strategically; to render an administrative support service to the professional components with regard to provincial government building infrastructure and property management its management administration, financial matters and supply chain management.

Y		Performance indicator	Baseline Actual	Actual Performance against Target		
			Output 2010/11	Target 2011/12	Actual 2011/12	Comments
	1	Client relations and coordination meetings	18	22	16	Other meetings did not take place due to other urgent commitments from members
	2	Branch and directorate meetings	-	6 meetings	7	
1	3	Coordinated implementation plans	-	4 IPIP	4	
	4	Fully functional Business Systems	Proman updated and monitored	Proman 100% developed and implemented	100%	

Planning and Design

Development, monitoring and enforcement of built sector and property management norms and standards and Design of new and upgrading building infrastructure

Assist in the development of user asset management plans.

- Development of Custodian Management Plans.
- Development of Infrastructure Plans.
- Development of Infrastructure Implementation Plans

7	Perf	ormance indicator	Baseline Actual Output	Actual Performance against Target			
			2010/11	Target 2011/12	Actual 2011/12	Comments	
	1	Number of projects ready for tender	-	20	62		
	2	Number of Infrastructure Project Management Plans received	-	3	4		
	3	Number of projects registered	-	50	62		
	4	Number of projects surveyed, planned and costed	Education 26	Health 5 Education 64	9 65		

Perf	ormance indicator	Baseline Actual Output	Actual Performance against Target		
		2010/11	Target 2011/12	Actual 2011/12	Comments
		Social Dev 47	Social Dev 0	2	- Carrie
		Sport 2	Sport 1	2	
			Agriculture 0	0	
		Public Works3	Public Work 3	3	
5	Number of projects designed and	-	Health 6	12	
	procured		Education 64	59	
			Social Dev 0	0	
			Sport 1	0	
			Agriculture 0	0	
			Public Work 3	4	

Construction

New construction, upgrading and refurbishment and will entail two of the procab stages namely stage [5] Construction Period and Contract Administration and stage 6 project close out and debriefing.

	Performance indicator	Baseline Actual Output	Actual Perform Targ	•	
		2010/11	Target 2011/12	Actual 2011/12	Comments
1	Number of contracts awarded to HDI's compliance service providers		30	42	- S
2	Number of contracts awarded to WOE's		5	1	
3	Number of projects completed within prescribed time		50	74	A District
4	Number of projects completed within budget	The state of the s	50	74	
5	Number of projects in construction	Health 18 Education 58 Social Dev 1 Sport 6 Public Works 1	Health 14 Education 64 Social Dev 1 Sport 3 Agriculture 1 Public Work 3	32 83 0 4 2 5	
6	Number of projects completed		Health 13 Education 64 Social Dev 1 Sport 3 Agriculture 1 Public Work 3	8 59 1 2 1 5	5 x projects each for Health and Education are behind schedule & finishing late

Maintenance

Will entail the following four maintenance activities and or sub sub-programmes: Routine maintenance, Schedule maintenance, Conditions assessment of all buildings and Alterations

2	Performance indicator		Baseline Actual	Actual Performance against Target		
			Output 2010/11	Target 2011/12	Actual 2011/12	Comments
	1	Number of planned maintenance projects approved	-	25	97	
	2	Number of planned maintenance projects completed	-	25	93	
	3	Number of projects awarded	-	10	85	
2	4	Number of projects under implementation	-	25	106	
	5	Number of projects completed within prescribed time	-	25	73	
	6	Number of project completed within budget	-	25	83	
1	7	Number of projects identified for planned maintenance	-	20	94	
. 3	8	Number of projects surveyed, planned and costed	-	Health 10 Education 52 Social Dev 16	11 72 8	Projects did not progress –
				Sport 0 Agriculture 2 Public Work 4	0 2 9	Department of Social Services funding shortfall.
i.	9	Number of projects designed and procured		Health 10 Education 52 Social Dev 8	11 71 8	
H				Sport 0 Agriculture 2 Public Work 3	0 1 6	Delayed by client – funding shortfall
	10	Number of projects in construction	Health 22 Education 63 Social Dev 10 Sport 3 Agriculture 2 Public Works 3	Health 15 Education 52 Social Dev 8 Sport 0 Agriculture 2 Public Work 3	13 76 8 0 0 9	Client did not proceed with 5 x projects – IDT Target exceeded Target equalled Target equalled 2 x projects put on hold by client Target exceeded
	11	Number of projects completed	-	Health 15 Education 52 Social Dev 8 Sport 0 Agriculture 2 Public Work 3	13 61 5 0 1	Client did not proceed with 5 x projects - IDT Target exceeded 3 x projects behind schedule & finishing late Target equalled 2 x projects put on hold by client Target exceeded

	Performance indicator	Baseline Actual	Actual Performance against Target			
		Output 2010/11	Target 2011/12	Actual 2011/12	Comments	
12	Quality control on capital projects	-	Health 14	40	Target exceeded	
			Education 64	142	Target exceeded	
			Social Dev 1	1	Target equalled	
			Sport 3	10	Target exceeded	
			Agriculture 1	3	Target exceeded	
			Public Work 3	10	Target exceeded	

Property Management

To manage the property portfolio of the province; to establish and manage the provincial strategic and infrastructure plan; to provide accommodation for all provincial departments and other institutions; to acquire and dispose of accommodation in terms of the plan and in terms of the Northern Cape Land Administration Act.

	Performance indicator	Baseline	Actual Pe	rformance	
		Actual Output		t Target	,
		2010/11	Target	Actual	Comments
			2011/12	2011/12	
1	Number of leases concluded in respect of provincially owned properties	-	0	0	No agreements were entered into
2	Number of lease agreements in respect of office accommodation not renewed		1	1	
3	Number of properties acquired		2	0	Directorate has compiled documentation for the Acquisitions of 21 properties from various Municipalities. As prescribed in the Land Administration Act. Process to be finalised in 2012/2013
4	Number of new commercial leases concluded	-	0	1	A 9 month agreement was entered into with Templar Trust and the Office of the Premier
5	Number of properties registered in asset register	1	2 039	2052	Additional Properties were verified and added into the asset register
6	Number of properties verified in the asset register		1 600	1779	Additional fields were added into the asset register
7	Number of properties leased-out	-	34	34	
8	Number of residential properties leased-out	-	255	255	N. Carlotte
9	Number of buildings in a very good state	-	100	0	Conditional assessment of buildings in progress
10	Number of buildings in an average state	-	100	0	Conditional assessment of buildings in progress
11	Number of buildings in a poor state	-	24	0	Conditional assessment of buildings in progress
12	Number of tenders awarded for bill board advertising on road reserves	-	0	0	

T.	Performance indicator		Baseline Actual Output	Actual Performance against Target		
0.0			2010/11	Target 2011/12	Actual 2011/12	Comments
	13	Confirmation of vesting of Provincial S.L. In terms of Item 28(1) to the Constitution.	77	120	24	Of the 260 properties investigated for vesting, only 24 applications was submitted as the remainder perform a National function as stipulated in the Constitution.
	14	Management of Acquisition and Disposal of state properties.	28	25	0	Unit has submitted documentation for 5 disposal applications and 21 acquisitions from Municipalities as prescribed in the Land Administration Act.
	15	Develop Custodian management plan as per GIAMA	0	1	1	
	16	Develop User management plan as per GIAMA	12	1	1	

Facility Management

To manage the operations of buildings including facilities management, cleaning, greening, beautification, interior decoration and designs and day to day preventative maintenance of electronic, electrical, and mechanical equipment All services related to managing a building, The actual implementation cost of the projects will captured under the appropriate sub-sub programmes, including security services.

	Revenue received.		780	R5 420 948	Total revenue collected for all 289 properties leases out.
	Properties expenditures.	- ///	120	0	
	Management of cleaning, gardening and security service contracts.	36	20	14	Karibuni Security Services contract ended in December 2011 and Victory Ticket was appointed
2 - 400 10	Implementation of maintenance plan.		72	0	Implementation in progress.
	To maintain the leased property portfolio for Provincial Accommodation.	-	45	0	DRPW does not maintain leased properties
	To maintain the state owned property portfolio for Provincial Accommodation.	-	45	0	Prestige accommodation and state properties

2.2.3 PROGRAMME 3: TRANSPORT INFRASTRUCTURE

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

Programme Support

The overall management and support of the programme managing activities of the professional components strategically, rendering administrative support services to the professional components with regard to road proclamations, way leaves and financial matters.

Performance indicator		Baseline Actual Output	Actual Performance against Target			
		2010/11	Target 2011/12	Actual 2011/12	Comments	
1	Achievements of target	80% of all targets achieved	80% of all targets achieved	80% of all target achieved	Target achieved	AND WAR

Planning

Provide policy and legislative framework for transport to provide network planning for proclaimed roads; to integrate transport and spatial/development planning; transfer payments to local authorities for planning and design of roads that qualify for subsidy.

Performance indicator		Baseline Actual Output	Actual Performance against target		
		2010/11	Target 2011/12	Actual 2011/12	Comments
1	Number of reports done for management systems	4 Reports	5 Reports	5 Reports	Target achieved
2	Nr of procedure manuals completed	0	50% of maintenance procedure manuals	0	Manuals are in final draft, still need to be approved.
3	Report- Infrastructure reports	1 Report	1 Report	1 Report	Target achieved
4	Material control – As Built reports achieved	1 Report	1 reports	0	Reports in progress, only approval required.

Design

Provide geometric, material, structural and traffic engineering designs of provincial proclaimed roads; provide laboratory, survey, drafting, expropriation, and computer and road accident data services; to provide management information systems for the provincial road network.

T	Performance indicator	Baseline Actual Output 2010/11	Actual Performance against Target		
			Target 2011/12	Actual 2011/12	Comments
	1 No. of Design completed	5 designs	3 designs	2Design	The third design is in the draft stage.
	Design the necessary related structures	0	1 design	1 Design	Target achieved

Construction

To construct and rehabilitate provincial proclaimed roads through contracts and Public Private Partnerships (PPP's); to render transfer payments to local authorities for road projects that qualify for subsidy.

MC N									
	Performance indicator		Baseline	Actual Performance					
			Actual Output	against Target		0			
			2010/11	Target 2011/12	Actual 2011/12	Comments			
30	_	No object to the second of the		2011/12		Asharta			
400		Number of projects complete on	-		0	Asbestos project was not			
		safety improvements on roads		1		100% complete because of the			
iasi	2 00					bitumen shortage. Is currently			
	2	Newshar of projects completed as	2	1/2	4	at 90% complete.			
A	2	Number of projects completed on	2	5	4	1 Project was delayed due			
V.		upgrading of gravel roads to paved roads							
	6.	Toaus				performance.			
1	3	Number of projects complete on	2		0	The conditions of the			
		rehab of paved roads		1		conditional grants changed,			
			111	A CONTRACTOR OF THE PERSON OF		this prohibited the department			
						from doing any rehabilitation.			
	4	Number of projects re-gravelling	2		1				
		completed		1					
	5	Km surfaced roads constructed	0		0	Annual target is for point 6.			
	3	Nii suilaceu loaus colistiucteu	U	79	U	Target for the point is zero.			
(2)00	1000	The state of the s	Name of the last o			rarget for the point is zero.			
A	6	Km of surfaced roads upgraded	53		87.71	The target of point 5 supposed			
		100000		0	/ 1000	to be for point 6. Shortage of			
2	VS.					bitumen caused the delay of			
	No.					sealing.			
1	7	Km of surfaced roads rehabilitated	138.6		0				
	7			0					
11/3	All .								

Maintenance

To maintain provincial proclaimed roads; transfer payments to local authorities acting as agents for the province; augmentation of roads capital account (Ordinance 3 of 1962) to provide for additional capital; to render technical support including radio network services and training.

	Performance indicator	Baseline Actual Output	Actual Performance against Target		
		2010/11	Target 2011/12	Actual 2011/12	Comments
1	Patching of potholes	29 785.39	2 143.8m ²	127 237.77	Target exceeded, It depends on the deterioration of roads.
2`	Edge break repair	38 591.08	8 640m	2 155.57	Shortage of bitumen delayed most of the projects.
3	Wayleaves	65	96	63	It depends on the applications from the public.
4	Blading	153 182.53	120 000 km	58 840.58	The Annual target was given in Blade km and total is given in Road km
5	Square meters of surfaced roads resealed	204 000	O ²	1 188 940	C. S. S.
6	Km of re-gravel roads	87	-	72.56	1
7	Number of square meters of blacktop patching	29 785.39	2 143.8m ²	127 237.77	Target exceeded, It depends on the deterioration of roads.
8	Number of kilometres of roads bladed	153 182.53	120 000 km	58 840.58	The Annual target was given in Blade km and total is given in Road km



2.2.4 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. Overall management and support of the branch including provision of back office technical administration ,provision of built sector knowledge management services , finance ,built sector supply chain management and management of stores ,telecommunications as well as serving as the co coordinating division of the branch

Programme support

Overall management and support of the programme

Performance indicator		Baseline Actual Output	Actual Performance against Target		
		2010/11	Target	Actual	Comments
41	Provincial Targets:	10 172	19 085	18 655	
	Social	4 172	4 371	6 702	
	Environment	3 998	5 126	1 256	
H	Infrastructure	7 452	9 587	10 697	
2	Number of PSCC Meetings	4	4	3	2 nd quarterly meeting was cancelled due to Summit.
3	Profiling and Promotion of the program	-	5	5	

Community Development

Programmes to bring about the development and empowerment of impoverished communities

1	Performance indicator		Baseline Actual Output		rformance Target	
1			2010/11	Target 2011/12	Actual 2011/12	Comments
	1	Designated Target groupings	52% 69%	40% Women 30% Youth	55% 52%	Target exceeded Target exceeded
			0.043%	2% Disabled	0.048%	Target not achieved, attracting people with disabilities remains a national challenge.
	2	No of poverty alleviation projects created by the Dept.	22	20	6	Less projects implemented due to budget constraints, This is as a result of other mandates requiring additional funding.
	3	No. of People employed on the poverty alleviation projects	1 161	1,200	671	Less projects implemented due to budget constraints, This is as a result of other mandates requiring additional funding.
	4	No. of Youth participating in the Youth Development Program	34	50	27	

Innovation and empowerment

Programme to develop contractors' empowerment, development of new programmes and training. It also includes leaner ships and NYS

	Performance indicator	Baseline Actual Output		rformance : Target	
		2010/11	Target 2011/12	Actual 2011/12	Comments
1	No. Of contractors on CIP	2	5	5	Target reached
2	No. training programs conducted to emerging contractors on the CDP database	-	5	1	Target not achieved
3	No. projects allocated to contractor development program	-	5	5	Target achieved

EPWP Coordination and Monitoring

This sub-programme includes the management and coordination of expenditure on the Expanded Public Works Programme.

	Performance indicator	Baseline Actual Output	Actual Performance against Target		
		2010/11	Target 2011/12	Actual 2011/12	Comments
1	Number of sector plans submitted, evaluated and approved	1	12	0	Drafts were submitted, still need to be approved.
2	Number of sector meetings	4	4	6	
3	No of Road shows and Presentations to stakeholders		5	2	Summit and SALGA
4	Number of municipalities receiving technical assistance	12	90	26	

EPWP Coordination and Monitoring (As per QPR Model)

Performance indicator		Baseline Actual Output		rformance t Target	
		2010/11	Target	Actual	Comments
1	Number of people employed	10 172	19085	18 655	i uni
2	Number of employment days created	54, 891	1259610	1 334 230	Target exceeded
3	Number of jobs created	10 172	19085	18 655	Target exceeded
4	Number of FTE's	-	5476	5 801	Target exceeded
5	Number of youths (16 - 25) employed	-	5726	9 700	
6	Number of women employed	-	7634	10 260	
7	Number of PLWD	-	191	9	
8	Number of people trained	-	0	27	

PART 3

ANNUAL FINANCIAL STATEMENTS



1. REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2012. The audit committee was appointed in September 2011 and inducted on 06 December 2011. The first formal meeting of the audit committee during the year took place on 22 February 2012.

2. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

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

The names of the members of the audit committee as well as the number of meetings attended by the members are tabulated below

	Name of members	Designation	Number meetings attended	of
1	Mr. Hyacinth Chineme Ogu	Chairperson	2	
2.	Mr. Geoffrey Tshepo Pharasi	Internal Member	1	
3	Ms. Patience Mokhali	Internal Member	0	
4	Mr. Zola Luxolo Fahlani	Independent Member	2	
5	Mr. Bryan Shuan Chaplog	Independent Member	0	

Subsequent to year end, both Ms. Patience Mokhali and Mr. Bryan Shuan Chaplog are deemed to have resigned from the audit committee.

3. AUDIT COMMITTEE RESPONSIBILITY

- 3.1 Section 38(1)(a) of the PFMA and Treasury Regulation 3.1 were not fully complied with as no internal audit services were rendered to the Department during the year. Remedial measures have been approved and will be implemented subsequent to year end.
- 3.2 A draft audit committee charter was prepared during the year and has been approved by the audit committee subsequent to year-end
- As noted on 3.2 above, the audit committee charter was approved subsequent to year-end and as such compliance thereto will only commence in the 2012/2013 financial year.

4. THE EFFECTIVENESS OF INTERNAL CONTROL

- 4.1 The audit committee cannot express an opinion on the effectiveness of the system of internal control applied by the department as the audit committee was not functional throughout the year coupled with the fact that the internal audit function for the department was ineffective during the year.
- 4.2 The audit committee cannot report on the effectiveness, efficiency and transparency of the risk management of the department as it was not in a position to review the risk management system of the department during the year.
- The audit committee has reviewed the draft annual financial statements for the year ended 31 March 2012 and matters of concern have been discussed with management.
- 4.4 The audit committee has reviewed the management report of the Auditor-General and has discussed pertinent issues with management and the representative of the Auditor-General.

 Management has been directed to prepare detailed and credible action plan with

responsibilities and timelines to address the issues raised by the Auditor-General. The audit committee will review the action plan for completeness and validity and will scrupulously monitor the implementation of the action plan.

The audit committee did not review the in year management and monthly/quarterly reports submitted in terms of the PFMA and as such could not report on the quality thereof.

5. EVALUATION OF FINANCIAL STATEMENTS

- 5.1 The audit committee has reviewed the unaudited financial statements for the year ended 31 March 2012 and has discussed matters of concern with management. The audit committee has reviewed the audited financial statements and discussed the statements with the Auditor-General as well as the Accounting Officer. The audit committee concurs with the qualified audit opinion of the Auditor General
- 5.2 The audit committee has reviewed the Auditor-General's management report and management response thereof. As noted on 4.4 above, the audit committee has directed management to prepare a detailed action plan to address the issues raised by the Auditor-General and will monitor the implementation of the plan by management
- 5.3 The audit committee reviewed the accounting policies as well as changes in accounting policies and practices and is satisfied that the accounting policies are as per specimen financial statements issued by National treasury.
- 5.4 The audit committee reviewed the department's compliance with legal and regulatory provisions as part of the review of the audited financial statements and noted that in some Instances the Department did not fully comply with legal and regulatory provisions.
- 5.5 The audit committee reviewed the auditor general's management report on the information on predetermined objectives to be included in the annual report and concurs with the auditor general's conclusion.
- The audit committee reviewed significant adjustments resulting from the audit as part of the review of the audited financial statement and concurs with the adjustments made.
- 5.7 The audit committee concurs with the Auditor-General's conclusion on the annual financial statement for the year ended 31 March 2012.

6. INTERNAL AUDIT

No internal audit services were rendered to the Department during the year and as such the audit committee is of the view that the internal audit function as it relates to the Department was ineffective and has not addressed the risk pertinent to the Department.

7. AUDITOR-GENERAL SOUTH AFRICA

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

C. Ogu

Chairperson of the Audit Committee

Date: 31 August 2012

VOTE 5 REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2012

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

1. General review of the state of financial affairs

1.1 Important policy decisions and strategic issues facing the department

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

Compliance with the Construction Industry Development Board Act of 2000, that took effect 31 August 2005. As an infrastructure delivery organization, the Department registered with the Construction Industry Development Board to gain access to the Register of Projects and the Register of Contractors.

The promulgation of the Government Immovable Management Act (GIAMA) in November 2007 (Act 19 of 2007), will enhance the asset management function. This Act provides for both national and provincial governments to improve the management of their immoveable assets. This will give the department which acts as custodian of the provincial property portfolio more power to ensure that users of provincial properties use such properties optimally. We must maintain a complete asset register, alignment of assets with service delivery objectives.

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

- Accounting matters
- Budget process management
- Treasury Regulations
- PFMA
- Delegations and policies

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

- The effective implementation of EPWP;
- The effective implementation of the IDIP process;
- Integrated Infrastructure- and Service delivery.

1.2 Comment on significant events that have taken place during the year

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

We have improved the reporting of the municipalities on EPWP as well as those that is eligible for incentive grant.

The re-gravelling function was transferred back to the department on 1st July 2011 and all staff that performed the function was also transferred to the province. Other activities included the: -

Nyumbane Fleet Service was liquidated during April 2011 which led to the cancellation of the contract with the department. This created an emergency on the part of the department that there was no available fleet to render the service. We then approached AVIS and Europe car for assistance in order to make sure that service delivery continue.

1.3 Comment on major projects undertaken or completed during the year

Completed Projects

- Mittah Seperepere Conference Centre
- Libraries in Nababeep
- Maloof Skate Board Park

The following maintenance projects consisting of base and surface repairs, resealing and regravelling were completed.

- Steinkopf TR8201
- Postmasburg
- Colesburg Norvalspond
- Prieska Spitskop
- Mothibistad Maphinik
- N14 Dithakong
- Nababeep and Okiep
- Calvinia and Williston
- Witsand DR 3300
- Resealing TR87/1

1.4 Spending trends

	2009	2009-10		2010/11		1/12
Programme	Adjusted Budget	Final Expand	Adjusted Budget	Final Expand	Adjusted Budget	Final Expand
Administration	58 108	55 914	68 996	68 762	213 327	169 847
Public Works	157 887	157 716	166 994	164 447	194 166	209 950
Road Infrastructure	445 448	421 697	556 256	423 605	627 826	625 647
Public Transport	43 155	42 227	-	-		
Community Based Programme	47 992	47 900	64 690	63 206	56 082	50 251
Total	752 590	725 454	856 936	720 020	1 091 401	1 055 695

2. Service rendered by the department

The Department provides mainly four types of services:

The purpose of road infrastructure is to provide a balanced, equitable provincial road network that is accessible to all. The main functions include: the planning and design of road infrastructure; the construction of new infrastructure and the upgrading of existing; and routine, preventative and periodic maintenance as well as the rehabilitation of roads. In addition it includes the construction and maintenance of pedestrian bridges where these are required in order to allow for safe pedestrian access to public facilities in non-urban areas.

This Community Based Programme caters for the development of programmes designed to empower and transfer skills to historically disadvantaged communities, thereby facilitating the process of active participation in the economy of the country. In addition, this programme is aimed at the development and incubation of programmes that utilise the core functions of the Department to facilitate the principles of Broad Based Black Economic Empowerment and Youth development

Reasons for under/over spending.

The final appropriation for the 2011/12 financial year for the Department of Roads and Public Works was R1,091 billion of this we spent R 1,056 billion which resulted in a under spending of R 35 million. This spending represents 97% of the total budget in comparison with the previous financial year of 84%. The under expenditure relates to the

Following:

ITEM	BUDGET R'000	EXPENDITURE R'000	VARIANCE R'000
Rates and Taxes (Grant)	69 135	58 035	11 100
White Fleet Allocation (Earmark)	118 088	76 830	41 257
Incentive Grant	4 810	76	4 734
Total	192 033	134 941	57 091

The under spending on rates and taxes and white fleet was as a result of additional funding allocated to the department during adjustment budget, both these amounts will be rolled over and spent in 2012/2013.

If this funding was not allocated during the adjustment budget the department is under spending due to the conference centre and the Maloof Skateboarding Park.

Public Works include functions ranging from asset management to maintenance of the provincial building infrastructure of the province.

- The responsibility as custodian as determined by GIAMA
- Construction and maintenance of government buildings.
- Development of community infrastructure linked to economic development,
- Provision of government accommodation.

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 table below shows the approved virements.

as	Main Division					
ā		From R000	To R'000	Reason		
	Administration		4,650	Overspending due to consultants fees, the consultants are helping the departments sort out issues raised in the audit report of last financial year and to conclude forensic audits		
	Public Works		13,674	Overspending due to security services and additional capital expenditure(Conference centre and Maloof Skate Park)		
	Roads Infrastructure	14,094		Savings on current expenditure		
77.	Community Based programmes	4,230		Savings on current expenditure		

1.5 Tariff policy

The fees charged and recovered for services rendered by the various branches 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.
- Supply of information.
- Trading accounts. The basic principle of cost recovery is adhered to in the calculation of trading account tariffs.

3. Capacity constraints

Deficiencies in department capacity

The department had to review its structure as a result of policy changes and to respond to the challenges raised by the Auditor General. The units that required review was

- Property Management to respond to GIAMA
- Legal Service with view to address the issue contract management
- Policy and Planning which is continuously raised by the Auditor General
- EPWP
- Finance

The department is not only confronted with the equity profile challenge in the engineering profession, but the competition for engineering skills with the private sector has intensified with the focus put on infrastructure economic development. A number of technicians have resigned during the past financial year.

The Department is faced with a shortage of scarce skills, such as professionals in the building sector. Interventions in this regard include the development of a scarce skills strategy, increasing the number of bursaries awarded.

In order to strengthen capacity in the department and also to improve the service delivery we have seen it fit to review the organogram. It was informed through by some of the following factors

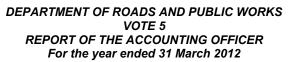
- More functions and processes should be performed at the District level
- Internal control deficiencies continues being raised by the AG
- Lack of monitoring and oversight functions.
- Lack of strategic planning
- Weaknesses in the office of the CFO
- Better alignment of with budget structure
- Re-organisation within the department

4. Utilisation of donor funds

The department does not receive any donor funds.

The department has the following trading account which is the NC: Fleet Management Trading Entity.

- The Northern Cape: Fleet Management Trading Entity is responsible for the acquiring for all fleet requirements for provincial departments in the province. The fleet hired out to all the departments in the province and is charged out on a daily basis depending on the type of vehicle. The road building equipment is hired out to the department on an hourly or daily basis depending on the type of equipment or type of construction project. Charge out rates is revised annually.
- The HOD of the department is ultimately accountable for the trading account. The day-today running of the operations was delegated to the acting Head of the trading Entity.
 Separate financial statements are submitted on an annual basis.
- Legislation under the Trading accounts was established. Roads Capital Account: Ordinance 10 of 1960. Treasury regulations and PFMA. The latter is presented in accordance with the standards of GAAP (Generally Accepted Accounting Practices) in terms of Treasury Regulation 18.2



5. Trading entities and public entities

The department has the following trading account which is the NC: Fleet Management Trading Entity.

- The NC: Fleet Management Trading Entity is responsible for the acquiring for all fleet requirements for provincial departments in the province. .The fleet hired out to all the departments in the province and is charged out on a daily basis depending on the type of vehicle. The road building equipment is hired out to the department on an hourly or daily basis depending on the type of equipment or type of construction project. Charge out rates are revised annually.
- The HOD of the department is ultimately accountable for the trading account. The Separate financial statements are submitted on an annual basis.
- Legislation under the Trading accounts was established. Roads Capital Account:
 Ordinance 10 of 1960. Treasury regulations and PFMA. The latter is presented in
 accordance with the standards of GAAP (Generally Accepted Accounting Practices) in
 terms of Treasury Regulation 18.2

Organisations to who transfer payments have been made

The department transfers funds to the following institutions:

District Municipalities

The District municipalities were appointed as Agents to do maintenance on gravel roads. Service level agreements were signed with all the district municipalities to enable the department to have better control. This agreement was however cancelled as from the 1st July 2011.

6. Public private partnerships (PPP)

The Provincial Government transport function was outsourced to Nyumbane Investments Pty Ltd. in terms of a Public Private Partnership as from a 1 January 2009. Due to the fact that Nyumbane Investments could not meet its financial obligations the company was placed under liquidation which was finalised during April 2012. In terms of the department's right as per PPP agreement the department gave written notice of termination of the PPP contract with Nyumbane Investment Pty Ltd on the 10th March 2011. A decision was taken that the department will perform the function of providing transport to departments by the department itself under the umbrella of the NC: Fleet management Trading Entity

7. Corporate governance arrangements

7.1 Risk Management

A Consolidated Risk Report was provided by the department 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 and operational management, together with their nominees should be active participants in the risk identification and assessment process.

A facilitated series of discussions and workshops would be the most effective manner in which to identify critical risks and risk areas that will need to be addressed through the activities of the internal audit and risk management functions.

The department of Roads and Public Works adhered to the principles and practices of good corporate governance during the last three financial years. This trend is set to continue, with the department focusing on the fine-tuning of certain corporate governance elements and the introduction of other. Where possible governance principles as prescribed by the King II report have been implemented, but the Department has for now mainly focused on elements as prescribed in s38 & 40 of the Public Finance Management Act.

7.2 Internal Control

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.

Compliance officers vested within an internal control inspectorate, supported by a self-assessment questionnaire, evaluated and monitored the functionality and effectiveness of internal controls and reported findings and recommendations to management. Remedial actions were taken to address control deficiencies and improve the systems as identified. There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Consequently, even an effective internal control system can only provide reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

7.3 Internal Audit

The Department makes use of a centralised Internal Audit component, as approved by the executive Council. The Shared Internal Audit Service is institutionally vested in and resourced by the Provincial Treasury. Due to capacity constraints, the internal audit component did not function very successfully during the year. The internal audit plan is approved by the Audit Committee as it is based on the risk assessment.

VOTE 5 REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2012

7.4 Audit committee

The appointment of the Audit committee is the responsibility of the Provincial Executive Council as per audit committee charter. For the period under review the committee was operational and had a number of sessions with the department.

7.5 Conflict of interest

Members of the Senior Management Service as well as other employees annually disclose their financial interest, the data of which should be captured on the personnel and salary system - PERSAL.

7.6 Code of Conduct

All employees are expected to comply with the Code of Conduct for the Public Service. 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.

7.7 Safety, health and environment issues

The Department has and maintains a Health and Safety Management Programme inclusive of Health and Safety Policy in accordance with the Occupational Health and Safety Act, 1993. We are also making provision in our contract documents for Health and Safety requirements that the contractors should adhere to.

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

a) Accountability

Annual performance contracts will be entered into with senior management of the department. The details of these contracts are based on the strategic and business plans for the 2011/12 year.

b) Discipline

Disciplinary processes within the department are aligned to both National and Provincial frameworks and are geared towards ensuring service delivery. The department at all times strives towards consistent and just application of our disciplinary processes.

c) External Reporting

Monthly reporting, focusing primarily on financial issues, will still continue during the new-year. The department will however increase its focus on reliable and accurate projections of expenditure and revenue. In the first instance, this will control the risk of incurring 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 limited. The department is continuously striving to improve its annual report, specifically relating to the disclaimer reflected in the audit report.

VOTE 5 REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2012

8. Asset management

A departmental asset management team has been established in accordance with government's asset management reform programme which drives the departmental asset management plan in association with the Provincial Treasury's asset management unit.

In terms of GIAMA the Premier delegated the powers to the MEC for Public Works. The Asset Register for Properties consists of asset at market related values, municipal values and assets at R1 values. Most of the assets with R1 values are those from the previous North West province.

9. Events after the reporting date

The service level agreement with the District municipalities expired on the 30 April 2010. The department has extended the agreements with the municipalities to 30 June 2010 whilst we were finalising the processes of taking over the function.

10. Performance information

The performance of the department is linked between the Strategic Plan and its Operational Plan and the Budget Statement. The performance agreements of senior managers are linked to the operational plan. This is reported quarterly to the Portfolio Committee. All the quarterly reports culminate into an Annual Report. The complete and comprehensive report on the performance of the Department is captured on the Annual Report.

An annual performance plan (2011/12 to 2013/14) was tabled in the Provincial Legislature. These plans attempt to align departmental activities, outputs and goals with provincial and national policy priorities and the budget. The performance of the Department, per programme, is detailed in Part 2 of the Annual Report. In Addition to this the department also submits the following reports:

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

VOTE 5 REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2012

12 Standing Committee on Public Accounts Resolutions

NR	QUESTION	RESPONSE
1	Emphasis of Matter	
1.1.	- Significant uncertainties (p.49): the department is a defendant in various law suits with an estimated contingent liability amounting to R20,286,000 note 29, Can the department please provide details relating to the law suits and progress relating to these?	 The estimated amount for claims against the department is R 20,137 and it is included in the total amount of contingent liabilities of R 20,286 as per disclosure note 20.1. The details are disclosed in Annexure 2B (page 114 – 115)of the Annual Reports and progress on these matters is given in Annexure A to this report.
1.2.	Irregular expenditure; The department incurred irregular expenditure of R68,633,000 contrary to regulation 24 of the CIDB regulations relating to supply chain management. Please provide a details explanation relating to this contravention?	 The amount included in the total of irregular expenditure as per disclosure note 26 for the current year, for contravention to regulation 24 of the CIDB (South African Construction Industry Development Board) regulations is R 26,655,000 paid to SA Fence and Gate Investments. Due to the urgency of the matter the tender was not advertised on the CIDB website due to time constrains. All other necessary advertising requirements in terms of SCM practices were followed.
1.3.	Fruitless and Wasteful Expenditure: In note 36 fruitless and wasteful expenditure of R258.515 is disclosed. Pleases clarify this finding?	 As per note 27.3 of the annual report the amount for fruitless and wasteful expenditure incurred relates to the following incidents: Interest and penalties: R 196,000 Travelling and subsistence: R 62,000
1.4.	Material Under-spending of the vote: Under-spending relating to programme 3 amounting to R138,918,000 relating to construction and maintenance projects stopped and not resumed. Can the department provide a detailed explanation relating to this finding?	• The department faced a number of challenges during the financial year that resulted in the under-spending. The problem was compounded by the suspension by National Treasury of the last trench of the infrastructure grant to province, totalling R 107m. The department battled facing invoices amounting to R 98m which could not be paid due to unavailability of cash. If these were paid expenditure at the end of the financial year total spending would have been R827m or 96% of the budget.
1.5.	Other: the provincial government transport was outsourced in terms of a public Private partnership (PPP) from 01 January 2009 - but the private party was place under provisional liquidation on 21 February 2011 and the department gave written notice of termination of the PPP contract on 10 March 2011, Can the department provide a detailed status quo update relating to this contract and subsequent termination?	The liquidation of the company was finalised during April 2011. It was not as a result of the department not paying their invoices. The application was done by Nissan and Toyota. A decision was taken by the Executive Council that the province would no longer enter into PPP's. AVIS and Europe car was the only two companies that were able to provide us with vehicles on a short notice. We are in the process of buying the vehicle form the RT contract.

NR	QUESTION	RESPONSE
2.	Additional Matters	
2.1.	Certain components of the Annual Report were not received by the AGSA during the audit and AGSA could therefore not conclude on the consistency between financial statements and the audit report (information in the annual report). Why was the complete annual report not available during the audit process?	The information that was not submitted was the General information and the HR information. This was an oversight by the department since it was never submitted during the previous years. We will make sure that it is submitted together with the Performance information on the 31 May of each year.
3.	Compliance with laws and regulations	
3.1.	Predetermined Objectives	
3.1.1.	Performance against predetermined objectives was not reported as per National Treasury guidelines – community based subprogrammes under programmes 1 and 4 were not treated independently for reporting purposes. Can the department provide details relating to this findings	We did correct this in the Annual report after we discussed this with the AG. We are making sure that the Quarterly reports correspond with the Annual performance Plan. The Policy and planning unit is sending out the templates to make sure that the units are using the correct information.
3.1.2	Inconsistency between reported performance information of the APP, quarterly reports and the annual report. Please provide clarity regarding this finding by the AGSA?	This problem was realised. We will change the template for the request of information. It will include the information of the four quarters in order to make sure that units does not need to reproduce the same portfolio of evidence that was already submitted on a quarterly basis
3.1.3.	Some performance indicators were not verifiable or well defined as well as not specific and measurable. Can the department explain these findings by the AGSA?	The department has reviewed this through the strategic planning session. It was part of the presentation on audit outcomes. They had to review all the performance indicators for the year 2012/13 in order to make sure that it is measurable and they will be able to provide portfolio of evidence.
3.1.4.	the department failed to review the quarterly performance reports and annual report	• The programme mangers did check the information. We did not request them to sign of these reports as to make sure that they check the information. As form the current year we make sure that they sign of the information as part of checking the information. The policy and planning unit is also verifying the information before submission to the HOD for sign off
3.1.5.	Reporting on actual performance results was not valid	During the Strategic planning process we made presentations to all the units on the issues that were raised by the AG. The issue of portfolio of evidence was emphasised. If this cannot be provided it raised question marks around the validity of the information. We are in the process to correct it.
3.2	The Audit Committee did not function as required by s77 of the PFMA and TR 3.1. Please explain why the Audit Committee did not function as per legislation?	The province has an Internal Audit unit that resort under Provincial Treasury. The appointment of the Audit Committee is the responsibility of the Provincial Treasury and the department cannot appoint it's own Audit Committee.

NR	QUESTION	RESPONSE
3.3.	Internal Audit did not adhere to requirements of applicable legislation. Provide reasons for this deviation from legislation?	The province has an Internal Audit unit that resort under Provincial Treasury. Provincial Treasury is responsible for the Internal Audit Unit to adhere to the requirements of applicable legislation. The department can therefore not be held accountable.
3.4.	Expenditure management	
3.4.1.	The accounting officer did not take effective action to prevent irregular expenditure (as per section 38(1)(c)(ii) of the PFMA. Can the department please explain the reasons for incurring irregular expenditure?	Before July 2010 there were limited financial delegations and policies and procedures in place. This had a carry through effect on payments made after July 2010 but committed before July 2010.
	Tor incurring irregular experionure?	The department appointed consultants to investigate all payments for the current year and previous financial year to prepare proper irregular, fruitless & wasteful expenditure registers for the 2009/2010 & 2010/2011 financial year. These registers were only completed & finally evaluated during May 2011. Provincial Treasury were constantly informed with the submission of the monthly compliance certificates from October 2010 to April 2011 that the Department is in process to identify possible irregular, fruitless & wasteful expenditure.
3.4.2.	Payment to creditors were not always settled within 30 days as per s38(1)(f) of the PFMA and TR 8.2.3. Please explain why all creditors were not paid within the timeframe as regulated?	Many invoices in the department must be certified for payment. The unavailability of the persons who must certify the invoices sometimes lead to unnecessary delays in the payment processes.
3.4.3.	Contravention of TR15.12.3 as no approval was obtained from Treasury relating to payments above R2,000 not effected electronically. Please provide reasons for this contravention?	Most of these cheques were written around the world cup period where the memo's signed by the then acting HOD and the CFO indicated the urgency of the matter and thus instructing staff to issue cheques.
3.4.4.	Contravention of DORA 17(1) as the process was not followed for stopping allocations to municipalities. Can the department provide reasons for this contravention?	The allocations was stopped telephonically and not in writing. Procedures are now in place to follow the DORA 17(1) procedure when stopping allocations to municipalities.
3.4.5.	Contravention of TR 16A9.1(a) and Practice Note 4 of 2006 relating to declarations of past supply chain practices such as fraud, abuse and non-performance by suppliers not made whether they are employed by the state or connected to persons employed by the state. Can the department please provide reasons for these contraventions?	The department utilised a declaration of interest, commonly known as "Form O". In our opinion, the evaluation of the "declaration of interest" according to the SDB4 certificate & according to "Form O" would've not been affected due to the fact that "Form O" contains comprehensive & affective data for evaluation purposes

NR	QUESTION	RESPONSE
3.5.	Revenue Management	
3.5.1	Contravention of TR7.3.1 as the accounting officer did not review the scale of tariffs for fees and charges when preparing the budget and did not obtain approval from Treasury for the proposed tariff structure. Please explain this finding by the AGSA?	The accounting officer of an institution must review, at least annually when finalising the budget, all fees, charges or rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. The accounting officer must obtain approval from the relevant treasury for the proposed tariff structure.
		No proof could be obtained that the tariff structure for the department has been submitted and approved by Treasury.
		The department will review its tariff register again this year which will be submitted to the CFO and the HOD: This information will be forwarded to Provincial Treasury for approved of the tariff register.
3.6.	Procurement and contract managemen	t
3.6.1.	Contravention of TR 16A8.3 and Practice Note 7 of 2009/10 relating to declarations by suppliers not made whether they are employed by the state or connected to persons employed by the state. Can the department please provide reasons for these contraventions?	The department utilised a declaration of interest, commonly known as "Form O". In our opinion, the evaluation of the "declaration of interest" according to the SDB4 certificate & according to "Form O" would've not been affected due to the fact that "Form O" contains comprehensive & affective data for evaluation purposes
3.7.	Agency Service	
3.7.1.	Contravention of s2(a) of the PPPFA as the preferential point system were not followed in all procurement of goods and services. Please provide reasons for this contravention?	The department appointed consultants to investigate all payment advises and tender files for 2010 and 2011. All awards made in contravention of the regulations and Treasury Guidelines were listed as irregular. The SCM unit has now been capacitated to prevent allocation of awards in contravention of s2(a) of the PPPFA.
3.7.2.	Contravention of Preferential procurement Regulations 16 and TR16A9.1(d) as awards were made to suppliers who failed to provide written proof from SARS relating to tax status. Please clarify this matter?	The department appointed consultants to investigate all payment advises and tender files for 2010 and 2011. All awards made in contravention of the regulations and Treasury Guidelines were listed as irregular. The SCM unit has now been capacitated to prevent allocation of awards without valid tax clearance certificates in future.

T	NR	QUESTION	RESPONSE
TO THE	4.	Internal Control	
	4.1.	Leadership	
	4.1.1.	No oversight from departmental leadership regarding financial and performance reporting and compliance and related internal control requirements resulting in material amendments to financial statements and non-compliance with laws and regulations	We did not have a complete Policy and Planning Unit that is fully staffed at the time. Although the programme Managers did check the progress reports it was not signed off by them when submitting to the Policy and planning unit. We have revised the structure for the Policy and planning unit to create a sub-unit for monitoring and evaluation. This unit will be responsible for the validation of the information. We have also developed a draft Policy for Performance information that indicates what the responsibility is of all the role players before the department submit the information.
K	4.2.	Financial Management	
-	4.2.1.	Material amendments to financial and performance reports due to lack of proper review of supporting information to financial disclosures	This is correct. We have appointed more officials in the policy and planning unit to make sure that the supporting documentation. Sometimes this happens after discussion with the AG, especially when it is about policy interpretation.
N	4.3.	Governance	
1	4.3.1.	Risk management activities were not implemented to ensure regular risk	A risk assessment workshop was conducted late in March 2011 to identify the risk.
	# #	assessments	The risk register and fraud prevention plan is in process of being finalized.
	5.	Forensic Investigations	
	5.1.	Note 35 refer: an independent firm — on request by the department - is conducting an investigation relating to irregular expenditure regarding the leasing of photocopiers. Can the department provide an update relating to this investigation?	The forensic reports have been finalized and the department's legal section is in the process of studying and evaluating the findings and recommendations made in the final forensic reports with the objective to make an recommendation to the Accounting Officer if any disciplinary steps should be taken.

11. Exemptions and deviations received from National Treasury

Immovable Assets

All properties vested with a province shall be recorded by the department to which the Premier has delegated the function for the administration of such assets. This would normally be the provincial department of Public Works. In the absence of such delegation, the assets shall be reflected in the asset register of the Premier's office.

A property previously accounted for in the asset register of a department not in compliance with the above should remain in the asset register of the department where there is doubt as to which department is responsible for the property and the GIAMA allocation process has not been finalized.

Where the property is reflected in more than one asset register (e.g. the department of education and public works in the province), the user department will still continue to reflect the asset in its register but not in the notes to the AFS.

12. Approval

The Annual Financial Statements set out on pages 66 to 133 have been approved by the Accounting Officer.

K. NOGWILI
ACCOUNTING OFFICER

REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 9: NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS

REPORT ON THE FINANCIAL STATEMENTS

Introduction

 I have audited the financial statements of the Northern Cape Department of Roads and Public Works set out on pages 66 to 133, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets, and the cash flow statement for the year then ended, the notes, comprising a summary of significant accounting policies, and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the *Departmental financial reporting framework* and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DORA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

- 3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Basis for qualified opinion

Immovable assets

6. Immovable assets disclosed at R1 066 289 000 in note 33 to the financial statements are understated as properties registered in the name of the province were not disclosed. Properties were also incorrectly valued, which resulted in immovable assets being understated by R71 472 249. Consequently, I was unable to determine whether any further adjustments were necessary to the amount disclosed for immovable assets.

Irregular expenditure

7. Sufficient appropriate audit evidence for awards amounting to R35 278 777 was not available for testing of procurement to ensure that irregular expenditure disclosed in note 26 to the financial statements is not understated. Consequently, I was unable to determine whether any further adjustments were necessary to the amount disclosed for irregular expenditure.

Qualified opinion

8. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Northern Cape Department of Roads and Public Works as at 31 March 2012 and its financial performance and cash flows for the year then ended, in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the PFMA and DORA.

Emphasis of matters

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

Irregular expenditure

9. The full extent of the irregularities of R21 521 750 as disclosed in note 26 to the financial statements, is still in the process of being determined.

Unauthorised expenditure

 The department incurred unauthorised expenditure of R26 891 000 due to additional capital expenditure on the conference centre and Maloof Skate Park. This was disclosed in note 10 to the financial statements.

Significant uncertainties

11. With reference to disclosure note 20 to the financial statements, the department is in a dispute with Sol Plaatje Local Municipality and the Northern Cape Department of Health regarding the arrear rates and taxes on the Mental Health Facility. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Material under-spending of the budget

- 12. As disclosed in the appropriation statement, the department has materially underspent the budget on programmes 1 and 2 by the amount of R57 091 000.
- 13. The under-spending was mainly due to the white fleet of R41 257 000 that was not paid for in full and an under-spending on the rates and taxes grant received to the amount of R11 100 000.

Additional matters

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

Unaudited supplementary schedules

15. The supplementary information set out on pages 121 to 133 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and note 34 and, accordingly, I do not express an opinion thereon.

Financial reporting framework

16. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they "present fairly". Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

- 18. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 25 to 39 of the annual report.
- 19. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury framework for managing programme performance information.
- 20. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
- 21. The material findings are as follows:

Usefulness of information

Presentation

Reasons for major variances not provided and not supported by sufficient appropriate evidence

22. The National Treasury Guide for the preparation of the annual report requires that explanations for major variances between the planned and reported (actual) targets should be explained in the annual performance report for the year under review, and that such variances also be supported by adequate and reliable corroborating evidence. Explanations as well as adequate and reliable corroborating evidence could not be provided for 58% of major variances as disclosed in the annual performance report. This was mainly due to inadequate review of the presentation of the annual performance report by management and limitations placed on the scope of my work. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the validity, accuracy and completeness of the reasons for major variances.

Reliability

Reported indicators not supported by sufficient appropriate evidence (validity, accuracy and completeness)

23. The National Treasury Framework for managing programme performance information requires that processes and systems which produce the indicator should be verifiable, requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance and requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained. I was unable to obtain sufficient, appropriate audit evidence to satisfy myself as to the validity, accuracy and completeness of the actual performance reported in the annual performance report. This was due to a lack of a documented management system and no alternative procedures could be performed.

Additional matter

24. I draw attention to the following matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

25. Of the total number of planned targets, only 82 were achieved during the year under review. This represents 39% of total planned targets that were not achieved during the year under review. This was as a result of the institution not considering relevant systems and evidential requirements during the annual strategic planning process.

Compliance with laws and regulations

26. I performed procedures to obtain evidence that the entity had complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the *General Notice* issued in terms of the PAA, are as follows:

Budget

27. The accounting officer did not take effective and appropriate steps to prevent overspending of the budget, as required by section 39(2)(a) of the PFMA.

Annual financial statements, performance and annual report

28. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of immovable assets, commitments, accruals, contingent assets, irregular expenditure, fruitless and wasteful expenditure and related parties identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

ANNUAL FINANCIAL STATEMENTS

Audit committee

- 29. The audit committee did not review the following as required by Treasury Regulation (TR) 3.1.10(a), (b), (c), (e) and (g):
 - The effectiveness of the internal audit function
 - Annual work programme of the internal audit function
 - Coordination between the internal audit function and the external auditors
 - Reports of significant investigations issued by the internal audit function
 - Responses of management to specific recommendations made by the internal audit function
 - Risk areas of the institution's operations covered in the scope of internal and external audits
 - Effectiveness of the internal control systems
 - Accounting and auditing concerns identified during the internal and external audit.
- 30. The audit committee did not review the institution's compliance with legal and regulatory provisions, as required by TR 3.1.10(f).

Internal audit

31. The accounting officer did not ensure that the internal audit function was established, as required by section 38(1)(a)(i) of the PFMA and TR 3.2.2, 3.2.3 and 3.2.4.

Procurement and contract management

- 32. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by TR 16A6.1.
- 33. Sufficient appropriate audit evidence could not be obtained that goods and services of a transaction value above R500 000 were procured by means of inviting competitive bids and that deviations were only approved by the accounting officer if it was impractical to invite competitive bids, as required by TR 16A6.1 and 16A6.4.
- 34. Contracts were extended or modified with the approval of a properly delegated official as required by TR 8.2.
- 35. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders based on points given for criteria stipulated in the original invitation for bidding, as required by SCM regulation TR 16A6.3(b) and Preferential Procurement Regulations.
- 36. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers whose tax matters had been declared by the South African Revenue Services to be in order, as required by TR 16A9.1 (d) and the Preferential Procurement Regulations.
- 37. The preference point system was not applied in the procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act (PPPFA) and TR 16A6.3 (b).
- 38. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders that scored the highest points in the evaluation process, as required by section 2(1)(f) of the PPPFA.
- 39. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they were employed by the state or connected to any person employed by the state, which is prescribed in order to comply with TR 16A8.3.
- 40. Employees of the department performed remunerative work outside their employment in the department without written permission from the relevant authority, as required by section 30 of the Public Service Act.

ANNUAL FINANCIAL STATEMENTS

41. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded in accordance with the legislative requirements as proper record keeping and record management were not in place.

Human resource management

- 42. Job descriptions were not established for all posts in which appointments were made in the current year, as required by Public Service Regulation (PSR) 1/III/I.1.
- 43. Appointments were made in posts that were not advertised, in contravention of Public Service Regulation 1/VII/C.2.
- 44. Appointments were made without the recommendation of a selection committee, in contravention of PSR I/VII/D1-4.
- 45. Employees were appointed without following a proper process to verify the claims made in their applications, in contravention of PSR 1/VII/D.8.
- 46. The accounting officer did not ensure that leave taken by employees was recorded accurately and in full as required by PSR 1/V/F (b).
- 47. All senior managers did not have signed performance agreements for the year under review as required by PSR 4/III/B.1.

Expenditure management

- 48. The accounting officer did not take effective steps to prevent unauthorised, irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.
- 49. Sufficient appropriate audit evidence could not be obtained that effective and appropriate disciplinary steps were taken against officials who made or permitted irregular expenditure and fruitless and wasteful expenditure, as required by section 38(h)(iii) of the PFMA and TR 9.1.3.
- 50. Contractual obligations and money owed by the department were not settled within 30 days or an agreed period, as required by section 38(1) (f) of the PFMA and TR 8.2.3.

Revenue management

- 51. The accounting officer did not ensure that appropriate processes were developed and implemented to provide for the reconciliation of receipts, as required by TR 7.2.1.
- 52. The accounting officer did not take effective and appropriate steps to collect money due, as required by section 38(1) (c) (i) of the PFMA and TR 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).

Asset management and liability management

53. Proper control systems to safeguard and maintain immovable assets were not implemented, as required by section 38(1) (d) of the PFMA and TR 10.1.1(a).

Internal control

54. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

- 55. The following challenges were experienced which contributed to the weaknesses in the financial environment and the ultimate audit outcome:
 - The supply chain management unit was insufficiently staffed and could consequently not prevent some of the irregular expenditure as mentioned in the qualification paragraphs.
 - The leadership did not take appropriate action with regard to a lack of controls in the finance and supply chain management directorates, resulting in non-compliance with applicable legislation. This, in turn, resulted in irregular and fruitless and wasteful expenditure.
 - Leadership did not ensure that adequate controls were implemented to ensure that the immovable asset register was updated frequently. This resulted in an incomplete immovable asset register with incorrect values.

Financial and performance management

- 56. The financial statements were subject to material corrections resulting from the audit, which can be attributed to the weaknesses in the design and implementation of internal control in respect of financial management and financial reporting, and weaknesses in the information systems.
- 57. The financial statements and other information to be included in the annual report were not sufficiently reviewed due to staff constraints in the finance unit.
- 58. The underlying systems and controls were inadequate to provide reliable and accurate evidence to support the reporting on predetermined objectives. Management did not document and approve internal policies and procedures to address the process of collection, recording, processing, monitoring and reporting on performance information. Consequently, performance processes and procedures had not been designed and implemented.

Governance

- 59. Appropriate risk management activities have not been implemented in full as the risk assessments, as well as the monitoring thereof, were not timeously performed.
- 60. The audit committee did not function throughout the year. Members were only appointed in December 2011 three months before year-end. Consequently, the committee could not fulfil all their roles and responsibilities for the year under review.
- 61. The internal audit function was not established during the year which can be attributed to vacancies in the function and lack of a fully functioning audit committee, which was only established three months before year-end.

OTHER REPORTS

Investigations

62. An investigation is currently being conducted to probe the manner in which the security contract was awarded to Victory Ticket. The investigation aims to establish whether the proper procurement processes were followed with the awarding of the contract. The investigation was still on-going at the reporting date.

Performance audits

63. During the year under review, a performance audit was conducted on the readiness of government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The audit is currently in the reporting phase and the findings will be reported on in a separate report.

audela - General

Johannesburg

16 August 2012



Auditing to build public confidence

Appropriation per programme									
2011/12								2010	/11
APPROPRIATION STATEMENT	Adjusted Appropriatio n	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Val.	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION									
Current payment	75,268	-	3,202	78,470	78,467	3	100%	65,979	65,978
Transfers and subsidies	132,103	-	229	132,332	88,856	43,476	67,1%	182	181
Payment for capital assets	1,306	-	1,219	2,525	2,524	1	100%	2,835	2,604
Payment for financial assets	-	-	-	-	-	-		-	-
-	208,677	-	4,650	213,327	169,847	43,480		68,996	68,763
2. PUBLIC WORKS									
Current payment	64,022	(19)	13,265	77,268	77,262	6	100%	70,029	70,021
Transfers and subsidies	69,292	-	148	69,440	58,339	11,101	84,0%	39,721	37,181
Payment for capital assets	47,178	19	261	47,458	74,349	(26,891)	156,7%	57,244	57,241
Payment for financial assets	-	/	-	-	-	-		-	-
	180,492	1-0	13,674	194,166	209,950	(15,784)		166,994	164,443
3. ROADS INFRASTRUCTURE				TO SERVICE STATE OF THE SERVIC					
Current payment	219,672	(6,628)	(16,303)	196,741	196,736	5	100%	127,226	111,273
Transfers and subsidies	18,265		(116)	18,149	18,146	3	100%	61,075	44,985
Payment for capital assets	403,983	6,628	2,325	412,936	410,765	2,171	99.5%	367,955	267,347
Payment for financial assets	-	-	-	- 1/15	-	-		-	-
	641,920	-	(14,094)	627,826	625,647	2,179		556,256	423,605
4. COMMUNITY BASED									
PROGRAMME									
Current payment	26,245	(76)	(437)	25,732	20,996	4,736	81.6%	24,358	23,395
Transfers and subsidies	2,765	-	1	2,766	2,766	-	100%	3,594	3,593
Payment for capital assets	31,302	76	(3.794)	27,584	26,489	1,095	96.0%	36,738	36,219
Payment for financial assets	-	<u> </u>	-	Maria Paris -	-	-		-	-
	60,312	-	(4,230)	56,082	50,251	5,831		64,690	63,207
TOTAL	1,091,401	-	-	1,091,401		35,706	96.7%	856,936	720,018

Appropriation per programme									
2011/12								201	0/11
APPROPRIATION STATEMENT	Adjusted Appropriatio n	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriatio n	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
TOTAL	1,091,401	-	-	1,091,401		35,706	96.7%	856,936	720,018
Reconciliation with statement of fi	nancial performa	nce				1			
ADD									
Departmental receipts				4,350				4,153	
Direct Exchequer receipts				31,729				-	
Aid assistance								-	
Actual amounts per statement of f	inancial performa	nce (total rever	iue)	1,127,480				861,089	
ADD									
Aid assistance									
Direct Exchequer payments									
Actual amounts per statement of f	inancial performa	nce (total expe	nditure)		1,055,695				720,018

Appropriation	per economic c	lassification

MIN.	Appropriation per dedication diagonic	ation								
	2011/12								2010	/11
		Adjusted Appropriati on	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditures % of final appropriation	Final Appropriation	Actual expenditure
	V 1957 19	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	Current payments									
A	Compensation of employees	161,851	(12,447)	(256)	149,148	149,141	7	100%	118,111	118,026
	Goods and services	223,149	5,756	(17)	228,888	224,147	4,741	97.9%	169,360	152,525
	Interest and rent on land	207	(32)	-	175	172	3	98.3%	121	115
	Transfers and subsidies									
4	Provinces and municipalities	86,660	-	//	86,660	75,559	11,101	87.2%	100,014	81,456
	Departmental agencies and accounts	134,368	-	/	134,368	90,892	43,476	67.6%	3,574	3,574
	Households	1,397	•	262	1,659	1,656	3	99.8%	909	837
NO.	Gifts and donations	-	- 3	-	-	-	-	-	75	74
			11							
	Payments for capital assets									
	Buildings and other fixed structures	438,471	(13,158)	(1,269)	424,044	447,676	(23,632)	105.6%	452,960	351,604
	Machinery and equipment	45,225	19,881	1,280	66,386	66,380	6	100.0%	11,704	11,699
6	Software and other intangible assets	73			73	72	1	98.6%	108	108
	Payments for financial assets	-	-	-	-	-	-	-	-	-
	Total	1,091,401	-	-	1,091,401	1,055,695	35,706	96.7%	856,936	720.018

2011/12								2010)/11
Direct changes against the	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
Provincial Revenue Fund	Appropriati on	Funds		Appropriation	Expenditure		as % of final appropriation	Appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
List all direct charges against the:									4
National/Provincial Revenue Fund									NA WAY
President and Deputy President				-		-			S.
salaries				-		-			
Member of executive committee /									-
parliamentary officers				-		-			#
Judges and magistrates salaries				-		-			THE RESERVE
Sector education and training									
authorities				-		-			7
SETA									100
National Skills Fund									
Total	-	-	-	-		-		-	4

	Statutory Appropriation per econom	ic classification	1							
,	2011/12								2010	/11
J. Walk	Detail per sub-programme	Adjusted Appropriati on	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	PROGRAMME 1 ADMINISTRATION	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
M	1.1 OFFICE OF THE MEC									
1	Current payment	7,751	(794)	(102)	6,855	6,854	1	100.0%	6,133	6,132
W.	Transfers and subsidies	230	(129)	-	101	101	-	100.0%	35	35
3,0	Payment for capital assets	73	602	238	913	913	-	100.0%	120	120
	Payment for financial assets	-	-		-	-	-		-	-
	11.2 MANAGEMENT OF THE									
0	DEPARTMENT									
	Current payment	16,580	(243)	// //-	16,337	16,336	1	100.0%	10,490	10,490
ASI	Transfers and subsidies	117	-	178	295	295	-	100.0%	-	-
	`Payment for capital assets	271	64	53	388	387	1	99.7%	260	260
A	Payment for financial assets	-	4-1	_	-	-	-		-	-
	1.3 CORPORATE SUPPORT				TO STATE OF THE PARTY OF THE PA					
9	Current payment	50,937	1,037	3,304	55,278	55,277	1	100.0%	49,356	49,356
N. W.	Transfers and subsidies	131,756	129	51	131,936	88,460	43,476	67.0%	147	146
1	Payment for capital assets	962	(666)	928	1,224	1,224	-	100.0%	2,455	2,224
	Payment for financial assets			-		-				
	Total	208,677	-	4,650	213,327	169,847	43,480	79.6%	68,996	68,763

Program 1 Per Economic	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
classification	Appropriati	Funds		Appropriation	Expenditure		as % of final	Appropriation	expenditure
	on						appropriation		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	45,440	(1,546)	(113)	43,781	43,780	1	100.0%	39,817	39,817
Goods and services	29,757	1,525	3,315	34,597	34,596	1	100.0%	26,094	26,094
Interest and rent on land	71	21	-	92	91	1	98.9%	68	67
Transfers and subsidies									A.
Departmental agencies and accounts	131,603	-	-	131,603	88,127	43,476	67.6%	-	-
Households	500	-	229	729	729	-	100.0%	133	132
Gifts and donations	-	-	-	-	-	-	-	49	49
Payments for capital assets									7
Buildings and other fixed structures	-	230	36	266	266	-	100.0%	1,599	1,369
Machinery and equipment	1,240	(230)	1,182	2,192	2,192	-	100.0%	1,236	1,235
Software and other intangible assets	66	-	1	67	66	1	98.5%	-	
Payments for financial assets	-	-	-	A CONTRACTOR OF THE PARTY OF TH		-	-	-	-
Total	208,677	-	4,650	213,327	169,847	43,480	79.6%	68,996	68,763

Detail per programme 2- PUBLIC WORKS INFRASTRUCTURE For the year ended 31 March 2012

LA					2011/12						
Detail per sub-programme	Adjusted Appropriati on	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		
2.1 PROGRAMME SUPPORT											
Current payment	2,484	917	-	3,401	3,400	1	100.0%	2,664	2,663		
Transfers and subsidies	-	-	-	-	-	-		-	-		
Payment for capital assets	75	(44)	-	31	31	-	100.0%	118	118		
Payment for financial assets	-	-	<u> </u>	-	-	-		-	-		
2.2 DESIGN											
Current payment	5,678	(2,662)	(2)	3,014	3.013	1	100.0%	4,667	4,666		
Transfers and subsidies	-	-	_/ //	-	-	-	-	-	-		
Payment for capital assets	33	3	-	36	36	-	100.0%	41	41		
Payment for financial assets	-	-	-		-			-	-		
2.3CONSTRUCTION		A									
Current payment	6,783	807	(146)	7,444	7,443	1	100.0%	4,814	4,811		
Transfers and subsidies	-		-		-	-		-	-		
Payment for capital assets	46,857	-	196	47,053	73,945	(26,892)	157.2%	56,596	56,595		
Payment for financial assets	-		-		-	-		-	-		
2.4 MAINTENANCE											
Current payment	23,480	804	45	24,329	24,328	1	100.0%	21,031	21,034		
Transfers and subsidies	157	-	148	305	304	1	99.7%	119	118		
Payment for capital assets	62	122	65	249	248	1	99.6%	366	365		
2.5 IMMOVABLE ASSET											
MANAGEMENT											
Current payment	25,597	115	13,368	39,080	39,078	2	100.0%	36,853	36,847		
Transfers and subsidies	69,135	-/	-	69,135	58,035	11,100	83.9%	39,602	37,063		
Payment for capital assets	151	(62)	-	89	89	-	100.0%	123	122		
Payment for financial assets	-	-	-	-	-	-		-	-		
Total	180,492	-	13,674	194,166	209,950	(15,784)	108.1%	166,994	164,443		

DEPARTMENT OF ROADS AND PUBLIC WORKS VOTE 5 APPROPRIATION STATEMENT For the year ended 31 March 2012

			2011/12					2010/	11
Program 2: Detail per Economic	Adjusted	Shifting	Virement	Final	Actual	Variance	Expenditure	Final	Actual
Classification	Appropriation	of Funds		Appropriatio	Expenditure		as % of final	Appropriatio	expenditu
				n			appropriation	n	re
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	36,875	(4,493)	(148)	32,234	32,231	3	100.0%	29,587	29,587
Goods and services	27,043	4,535	13,413	44,991	44,990	1	100.0%	40,416	40,409
Interest and rent on land	104	(61)	-	43	42	1	97.7%	26	25
Transfers and subsidies									
Provinces and municipalities	69,135	-	-	69,135	58,035	11 100	83.9%	39,600	37,061
Non-profit institutions	-	-	-	-	-	-	-	-	UHI
Households	157	-	148	305	304	1	99.7%	119	118
Gifts and donations	-	-	-	-	<u></u>	-		2	2
Payments for capital assets									
Buildings and other fixed structures	46,781	-	163	46,944	73,836	(26,892)	157.3%	56,333	56,332
Machinery and equipment	397	19	98	514	512	2	99.6%	911	909
Payments for financial assets	-	-	1	/		-		-	40
Total	180,492	-	13,674	194,166	209,950	(15,784)	108.1%	166,994	164,443

DEPARTMENT OF ROADS AND PUBLIC WORKS VOTE 5 APPROPRIATION STATEMENT For the year ended 31 March 2012

Detail per programme 3- ROAD INFRASTRUCTURE For the year ended 31 March 2012

n.A.			2011/12					2010	/11
Detail per sub-programme	Adjusted Appropriati on	Shifting of Funds	Virement	Final Appropriati on	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
46	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 PROGRAMME SUPPORT INFRASTRUCTURE									
Current payment	2,537	2,424	-	4,961	4,960	1	100.0%	2,314	2,313
Transfers and subsidies	-	-	-	-	-	-		388	318
Payment for capital assets	12	55	<u> </u>	67	66	1	98.5%	104	104
Payment for financial assets	-	-		-	-	-		-	-
3.2 INFRASTRUCTURE PLANNING									
Current payment	14,159	609	(50)	14,718	14,718	-	100.0%	11,036	10,878
Transfers and subsidies	-	-/	-	-	-	-	-	-	-
Payment for capital assets	734	(68 <mark>8</mark>)		46	45	1	97.8%	43	43
Payment for financial assets	-				-	-	-	-	-
3.3 INFRASTRUCTURE DESIGN		100							
Current payment	7,501	(4,902)	(272)	2,327	2,327	-	100.0%	2,441	2,173
Transfers and subsidies	-	-	-	/ -	-	-		-	-
Payment for capital assets	222	46	-	268	267	1	99.6%	17	17
Payment for financial assets		-		-	-	-		-	-
3.4 CONSTRUCTION									
Current payment	12,345	(4,977)	(6,489)	879	878	1	99.9%	2,219	2,217
Transfers and subsidies	-	(40,000)		-	-	-	400.00/	-	-
Payment for capital assets	348,392	(16,288)	-	332,104	332,102	2	100.0%	326,048	226,832
Payment for financial assets									

Detail per programme 3- ROAD INFRASTRUCTURE For the year ended 31 March 2012

			2011/12					2010/11	
Detail per sub-programme	Adjusted Appropriati	Shifting of Funds	Virement	Final Appropriati	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual expenditure
	8'000	R'000	R'000	on R'000	R'000	R'000	appropriation %	R'000	R'000
3.5 MAINTENANCE Current payment	183,130	218	(9,492)	173,856	173,853	3	100.0%	109,216	93,692
Transfers and subsidies	18,265	-	(116)	18,149	18,146	3	100.0%	60,687	44,667
Payment for capital assets Payment for financial assets	54,623	23,503	2,325 -	80,451 -	78,285 -	2,166	97.3%	41,743	40,351
Total	641,920	-	(14,094)	627,826	625,647	2,179	99.7%	556,256	423,605



DEPARTMENT OF ROADS AND PUBLIC WORKS VOTE 5 APPROPRIATION STATEMENT for the year ended 31 March 2012

			2011/12					2010	2010/11	
Programme 3 Per Economic	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual	
classification	Appropriatio n	Funds		Appropriatio n	Expenditure		as % of final appropriation	Appropriation	expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
2.1 CURRENT PAYMENTS										
Compensation of	71,170	(6,408)	(587)	64,175	64,173	2	100.0%	40,797	40,795	
employees										
Goods and services	148,475	(225)	(15,716)	132,534	132,530	4	100.0%	86,412	70,461	
Interest and rent on land	27	5	-	32	31	1	96.9%	17	16	
2.2 Transfers and subsidies			4							
Provinces and municipalities	17,525	-	//	17,525	17,524	1	100,0%	60,414	44,395	
Households	740	-	(116)	624	622	2	99.7%	657	587	
Gifts and Donations	-	-	-	-	-	-		4	4	
2.3Payment for capital assets										
Buildings and other fixed	360,642	(13,4 <mark>43</mark>)	2,326	349,525	347,359	2,166	99,4%	358,588	257,981	
structures				THE PARTY NAMED IN						
Machinery and Equipment	43,334	20,071	-	63,405	63,402	3	100.0%	9,259	9,258	
Software and other Intangibles	7		(1)	6	6	-	100.0%	108	108	
Payment for financial assets	78	-	-	-	-	-		-	-	
Total	641,920		(14,094)	627,826	625,647	2,179	99.7%	556,256	423,605	

DEPARTMENT OF ROADS AND PUBLIC WORKS VOTE 5 APPROPRIATION STATEMENT For the year ended 31 March 2012

Detail per programme 4- COMMUNITY BASED PROGRAMME For the year ended 31 March 2012

			2011/12					2010	/11
Detail per sub-programme	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 SUPPORT									1
Current payment	849	(277)	-	572	572	-	100.0%	504	503
Transfers and subsidies	-	-	-	-	-	-		-	2.0
Payment for capital assets	214	6	-	220	219	1	99.5%	88	88
Payment for financial assets	-	-	-	-	-	-		-	#
INNOVATIONS AND									min
EMPOWERMENT									
Current payment	6,805	1,636	474	8,915	8,914	1	100.0%	8,126	7,167
Transfers and subsidies	2,765	-	1	2,766	2,766	-	100.0%	2,008	2,007
Payment for capital assets	22	7	-	29	29	-	100.0%	20	20
Payment for financial assets	-	-	-	The state of the s	-	-		-	0.0
COORDINATION AND							The second second		
COMPLIANCE									4 4
Current payment	18,591	(1,435)	(911)	16,245	11,510	4,735	70.9%	15,728	15,725
Transfers and subsidies	-	-	-	_	-	- 10 m		1,586	1,586
Payment for capital assets	31,066	63	(3,7940)	27,335	26,241	1,094	96.0%	36,630	36,111
Payment for financial assets	-	-				-		-	-
Total	60,312	-	(4,230)	56,082	50,251	5,831	89.6%	64,690	63,207

DEPARTMENT OF ROADS AND PUBLIC WORKS VOTE 5 APPROPRIATION STATEMENT For the year ended 31 March 2012

	2011/12								2010/	11
	Program 4 Per Economic	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
d	classification	Appropriation	Funds		Appropriation	Expenditure		as % of final	Appropriati	expendit
								appropriation	on	ure
	V 62-1	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
No.	Current payments									
W.	Compensation of employees	8,366	-	592	8,958	8,957	1	100.0%	7,910	7,827
1	Goods and services	17,874	(79)	(1,029)	16,766	12,031	4,735	71.8%	16,438	15,561
7	Interest and rent on land	5	3	-	8	8	-	100.0%	10	7
19.3										
	Transfers and subsidies									
	Provinces and municipalities	-	-		-	-	-		-	-
1960	Departmental agencies and	2,765	-	/ //-	2,765	2,765	-	100.0%	3,574	3,574
	accounts									
an a	Households	-	-	1	1	1	-	100.0%	-	-
	Gifts and donations	-		-	-	-	-		20	19
100	Payments for capital assets									
W.	Buildings and other fixed structures	31,048	55	(3,794)	27,309	26,215	1,094	96.0%	36,440	35,922
	Machinery and equipment	254	21	-	275	274	1	99.6%	298	297
	Software and other intangible assets	7/16			-	-	-		-	-
	Payments for financial assets	M-)		-	-	-	-		-	-
	Total	60,312		(4,230)	56,082	50,251	5,831	89.6%	64,690	63,207

DEPARTMENT OF ROADS AND PUBLIC WORKS VOTE 5 NOTES TO THE APPROPRIATION STATEMENT For the year ended 31 March 2012

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per Programme	Fina <mark>l Appropriation</mark>	Actual Expenditure		
	R'000	R'000	R'000	%
Programme name:				
1. Administration	213,327	169,847	43,480	20%

The under spending is as result of the white fleet that was not delivered in full and therefore could not be paid in full. The difference will be requested as a roll-over

Programme name

2. Public Works 194,166 209,950 (15,784) 8%

The over spending is as result of the two unfunded mandates. The Maloof Skate and the Big Hole Conference Centre, that the department had to build

Programme name

4. Community Based Programme 56,082 50,251 5,831 10%

The main under spending is as a result of not receiving the full amount on the EPWP Incentive Grant.

DEPARTMENT OF ROADS AND PUBLIC WORKS VOTE 5

NOTES TO THE APPROPRIATION STATEMENT For the year ended 31 March 2012

Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a %of final Approp.
Current payments	R'000	R'000	R'000	%
Compensation of employees	149,148	149,141	7	0%
Goods and services	228,888	224,147	4,742	2%
Interest and rent on land	175	172	4	2%
Unauthorised expenditure approved	-	-	-	0%
Transfers and subsidies				
Provinces and municipalities	86,660	75,559	11,101	13%
Departmental agencies and accounts	134,368	90,892	43,476	32%
Households	1,257	1,254	3	0%
Gifts and donations	402	402	-	0%
Payments for capital assets				
Buildings and other fixed structures	424,044	447,676	(23,632.00)	6%
Machinery and equipment	66,386	66,380	6	0%
Software and other intangible assets	73	72	1	0%

4.2

DEPARTMENT OF ROADS AND PUBLIC WORKS Vote 5 STATEMENT OF FINANCIAL PERFORMANCE For the year ended 31 March 2012

PERFORMANCE	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Annual appropriation	1 [1,091,401	856,936
Departmental revenue	2	4,350	4,153
Direct Exchequer Receipts	3	31,729	
TOTAL REVENUE	-	1,127,480	861,089
EXPENDITURE			
Current expenditure			
Compensation of employees	5	149,141	118,026
Goods and services	6	224,147	148,658
Interest and rent on land	7	172	115
Total current expenditure	L	373,460	266,799
Transfers and subsidies			
Transfers and subsidies	8	168,107	85,941
Total transfers and subsidies	L	168,107	85,941
			San - 80
Expenditure for capital assets			
Tangible capital assets	9	514,056	367,170
Software and other intangible assets	9	72	108
Total expenditure for capital assets		514,128	367,278
Direct Exchequer Payments	3	-	
TOTAL EXPENDITURE	_	1,055,695	720,018
SURPLUS/(DEFICIT) FOR THE YEAR		71,785	141,071
			THE PARTY OF
Reconciliation of Net Surplus/(Deficit) for the year		III DATE	
Voted funds	No.	35,706	136,918
Annual appropriation		17,706	
Conditional grants		18,000	118,933
Unconditional grants			17,985
Departmental revenue and NRF Receipts	2	4,350	4,153
Direct Exchequer receipts/payments	3	31,729	Ť -
Aid assistance	4	-	- AERE
SURPLUS/(DEFICIT) FOR THE YEAR	_	71,785	141,071
	_		many many

DEPARTMENT OF ROADS AND PUBLIC WORKS VOTE 5 STATEMENT OF FINANCIAL POSITION For the year ended 31 March 2012

POSITION	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Current assets		77,301	19,028
Unauthorised expenditure	10	34,148	7,257
Cash and cash equivalents	11	32,980	1,659
Prepayments and advances	12	31	3
Receivables	13	5,844	5,811
Aid assistance receivable	4	4,298	4,298
TOTAL ASSETS	- - -	77,301	19,028
LIABILITIES			
Current liabilities	/	77,301	19,028
Voted funds to be surrendered to the Revenue Fund	14	25,906	(11,433)
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	278	944
Direct Exchequer Receipts to be surrendered to the Revenue Fund	16	31,729	-
Payables	17	19,388	29,517
			10.000
TOTAL LIABILITIES	_	77,301	19,028
NET ASSETS			

DEPARTMENT OF ROADS AND PUBLIC WORKS VOTE 5 STATEMENT OF CASH FLOW For the year ended 31 March 2012

CASH FLOW	Note	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,122,746	712,738
Annual appropriated funds received	1.1	1,086,667	708,585
Departmental revenue received	2	4,350	4,153
Direct Exchequer Receipts	3	31,729	
Net (increase)/decrease in working capital		(37,081)	18,577
Surrendered to Revenue Fund		(25,540)	(30,578)
Surrendered to RDP Fund/Donor		-	1/20
Current payments		(346,569)	(266,799)
Payments for financial assets		-	AVENTA
Transfers and subsidies paid		(168,107)	(85,941)
Net cash flow available from operating activities	18	545,449	347,997
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(514,128)	(367,278)
Net cash flows from investing activities	_ _	(514,128)	(367,278)
Net increase/(decrease) in cash and cash equivalents		31,321	(19,281)
Cash and cash equivalents at beginning of period		1,659	20,940
Cash and cash equivalents at end of period	19	32,980	1,659
oasii aliu casii equivalellis at eliu oi pellou	19 =	32,300	1,000

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

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.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund at the end if the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.1.3 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000).All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

3.2 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.3 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.4 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.5 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. Assets

4.1 Cash and cash equivalents

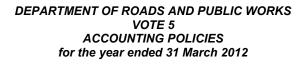
Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

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.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.



4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party(including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.3 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the discloser notes to the financial statement.

5.8 Impairment

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.9 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation reserve

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.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor inthe 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.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

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:

		2011/12		2010/11		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received		
	R'000	R'000	R'000	R'000		
Administration	213,327	213,327	-	68,996		
Public Works	194,166	194,166	-	166,994		
Transport Infrastructure	627,826	627,826	-	407,905		
Community Based	56,082	51,348	4,734	64,690		
Programme						
	1,091,401	1,086,667	4,734	708,585		

EPWP Incentive Grant was not received form National Treasury

4 3	Conditional	
1.2	(AnditiAnai	granter

		Note	2011/12 R'000	2010/11 R'000
Tota	al grants received	47	506,456	317,809
Prov	vincial grants included in Total <mark>Grants received</mark>	1 7	506,456	317,809
2.	Departmental Revenue	U		
	Tax revenue Sales of goods and services other than capital assets	2.1	4,052	4,072
	Transactions in financial assets and liabilities	2.2	298	81
	Total revenue collected		4,350	4,153
	Less: Own revenue included in appropriation	22	<u> </u>	
	Departmental revenue collected		4,350	4,153

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department Sales by market establishment Administrative fees Other sales Sales of scrap, waste and other used current goods Total 2.2 Transactions in financial assets and liabilities	Note 3	2011/12 R'000 4,052 3,339 - - 713 - 4,052	2010/11 R'000 4,072 3,229 843
Loans and advances		-	WAY AND A
Receivables		298	81
Forex gain		-	The state of the s
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		<u>-</u>	
Total		298	81
3. Direct Exchequer Receipt			Refse
Fines, penalties and forfeits		-	- 1
Interest and dividends		-	A PULLAR
Restructuring of State assets		-	
Debt portfolio receipts		-	- 7
Other		31 729	The Lane
Total		31 729	-

4. Aid assistance

4.1 Aid assistance received in cash from other sources

Local	
-------	--

NI-4-	0044/40	0040/44	
Note	2011/12	2010/11	
	R'000	R'000	
	(4,298)	(4,298)	
	-	- 1	
	-	-	
	-	-	
<u> </u>	(4,298)	(4,298)	
	Note	R'000 (4,298) - - -	R'000 R'000 (4,298) (4,298) - - - - - - - - - -

12	Total	assistance
4.Z	i otai	assistance

4.2 Total assistance			
	Note	2011/12	2010/11
		R'000	R'000
Opening Balance		-	(4,298)
Revenue		-	-
Expenditure		-	-
Current		-	-
Closing Balance		(4,298)	(4,298)
4.3 Analysis of balance			
Aid assistance receivable		(4,298)	(4,298)
Other sources		(4,298)	(4,298)
Closing Balance		(4,298)	(4,298)
5. Compensation of Employees			
5.1 Salaries and wages			
Basic salary		100,420	83,417
Performance award		1,675	2,025
Service Based		114	322
Compensative/circumstantial		1,351	1,172
Periodic payments		3,880	3,682
Other non-pensionable allowances		21,053	11,260
Total		128,493	101,878
5.2 Social Contributions			
Employer contributions			
Pension		12,746	9,477
Medical		7,864	6,619
UIF		A STREET ASSESSMENT	-
Bargaining council		38	52
Total		20,648	16,148
Total compensation of employees		149,141	118,026
	<u></u>		
Average number of employees	_	747	552

6.	Goods and service	Note	2011/12	2010/11
	Administrative fees		1,046	1,043
	Advertising		1,721	1,356
	Assets less then R5,000	5.1	911	1,474
	Bursaries (employees)		190	174
	Catering		1,198	976
	Communication		2,621	3,088
	Computer services	5.2	1,545	1,404
	Consultants, contractors and agency/outsourced services	5.3	38,012	25,409
	Entertainment		39	3,353
	Audit cost – external	5.4	4,868	4,523
	Fleet services		-	-
	Inventory	5.5	9,919	25,622
	Housing		-	- 1
	Operating leases		6,813	4,720
	Property payments	5.6	133,941	55,996
	Rental and hiring		-	-
	Transport provided as part of the departmental activities		4	4
	Travel and subsistence	5.7	17,194	15,755
	Venues and facilities	0.1	429	139
	Training and staff development		2,932	2,713
	Other operating expenditure	5.8	764	909
	Total	A second	224,147	148,658

6.1 Assets less than R5,000 Tangible assets Machinery and equipment Intangible assets Total	Note 5	2011/12 R'000 642 269 911	2010/11 R'000 1,474 - 1,474
6.2 Computer services			
SITA computer services External computer service providers Total	Note	2011/12 R'000 1,489 56	2010/11 R'000 1,171 233
6.3 Consultants, contractors and agency/ outsourced services	1	1,043	1,404
Business and advisory services Infrastructure and planning Laboratory services Legal costs Contractors Agency and support/outsourced services Total	Note	2011/12 R'000 18,007 11,734 9 2,563 5,699	2010/11 R'000 6,228 5,546 38 938 12,652 7 25,409
6.4 Audit cost- external Regularity audits Performance audits Investigations Environmental audits Computer audits Total	Note 8	2011/12 R'000 3,895 - 973 - - 4,868	2010/11 R'000 4,421 - - 102 4,523

6.5	Invento	ry
-----	---------	----

6.5 Inventory			
	Note	2011/12 R'000	2010/11 R'000
Medsas inventory interface		-	-
Learning and teaching support material		-	49
Food and food supplies		175	171
Fuel, oil and gas		561	665
Other consumable materials		6,328	22,235
Materials and supplies		619	672
Stationery and printing		2,235	1,828
Medical supplies		1	2
Total	<u> </u>	9,919	25,622
	_		AAA Y
6.6 Property payments	5	4.705	0.400
Municipal services		4,725	2,423
Property maintenance and repairs		106,154	27,250
Other Total		23,062	26,323
Total		133,941	55,996
6.7 Travel and subsistence			
Domestic travel costs		16,698	15,343
International travel costs	To be a second	496	412
Total		17,194	15,755
6.8 Other operating expenditure			
Learner ships		19	77
Professional bodies, membership and subscription fees		116	173
Resettlement costs		387	518
Gifts			-
Other		242	141
Total		764	909
7. Interest and Rent on Land			
Interest paid		172	115
Total	_	172	115

8. Transfers and Subsidies

Note	2011/12 R'000	2010/11 R'000
49,50, Annex 1A.Annex1B	75,559	81,456
Annex 1C	90,892	3,574
Annex 1G	-	-
Annex 1H	1,254	836
Annex 1K	402	75
	168,107	85,941
	49,50, Annex 1A,Annex1B Annex 1C Annex 1G Annex 1H	R'000 49,50, Annex 75,559 1A,Annex1B Annex 1C 90,892 Annex 1G - Annex 1H 1,254 Annex 1K 402

Unspent funds transferred to the above beneficiaries

9. Expenditure for capital assets

Tangible assets		514,056	367,170
Buildings and other fixed structures	45	447,676	355,565
Machinery and equipment	43	66,380	11,605
Software and other intangible assets		72	108
Computer software		72	108
	4		
Total		514,128	367,278

9.1 Analysis of funds utilised to acquire capital assets - 2011/12

	Voted funds	Aid	Total
Tangible assets	R'000 514,056	assistance R'000	R'000 514,056
Buildings and other fixed structures Machinery and equipment	447,676 66,380	-	447,676 66,380
Software and other intangible assets	72	-	72
Computer software	72	-	72
Total	514,128	-	514,128

9.2 Analysis of funds utilised to acquire	capital assets - 2010/11		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	367,170	-	367,170
Buildings and other fixed structures	355,565	-	355,565
Machinery and equipment	11,605		11,605
Computer software	108		108
Computer software	100		108
Total	367,278		367,278
10. Unauthorised Expenditure			
10.1 Reconciliation of unauthorised expe	enditure		
Opening balance		7,257	7,257
Unauthorised expenditure – discovered	in current year 14	26,891	N. M. W.
Less: Amounts transferred to receivable	es for recovery	<u> </u>	1
Unauthorised expenditure awaiting a written off	uthorisation /	34,148	7,257
10.2 Analysis of awaiting authorisation p	per economic		Jun
Current		2,038	2,038
Capital		32,110	5,219
Total		34,148	7,257
10.3 Analysis of unauthorised expenditu	re awaiting authorisation	n per type	
Unauthorised expenditure relating to over the vote or a main division within a vote Unauthorised expenditure incurred not		5,219	5,219
with the purpose of the vote or main div		28,929	2,038
Total	131011	34,148	7,257
			NAW .
10.4 Details of unauthorised expenditure	- current year	THE SERVICE STATE OF THE SERVI	
Incident	Disciplinary steps proceedings	taken/criminal	2011/12 R'000
The two unfunded mandates Maloof Skate AND the Big Hole Conference Centre			26,891
			7

Total

26,891

					2011/12	2010/11
				Note	R'000	R'000
11. Cash and Cash	Equivalents					
Consolidated Payma	ster General	Account			32,980	1,659
Total					32,980	1,659
40.5						
12. Prepayments a Staff advances	na Advances	5			24	2
Total					31 31	3 3
Iotai					31	
13. Receivables			2011/12			2010/11
		R'000	R'000	R'000	R'000	R'000
		Less	One to	Older		
		than one	three	than	Total	Total
		year	years	three		
	Note			years		
Claims recoverable	13.1	11	1,102	2,497	3,610	3,538
	Annex					
December	4	0	04	044	004	000
Recoverable	13.2	2	81	811	894	892
expenditure Staff debt	13.3	191	113	179	483	349
Other debtors	13.4	191	113	857	857	1,032
Total	10.4	204	1,296	4,344	5,844	5,811
	=		1,200	.,,,,,,	WATER ST	
			1			
13.1 Claims recoverable			14		00	20
National departments				2	29	29
Provincial departments Total					581	3,509
Total				3,	610	3,538
13.2 Recoverable expend	diture(disall	owance		1		
accounts)						
Disallowance Dama	-				447	447
Disallowance Dishor Disallowance Miscel	•	es			28	26
Disallowance Miscel	ianeous				419	419
Total					894	892

	Note	2011/12 R'000	2010/11 R'000
13.3 Staff debt			
Debt Account		481	334
Salary Reversal Control		-	5
Salary Disallowance Account			10
Salary Pension Fund		2	
Total		483	349
13.4 Other debtors			
Claims Recoverable(Provincial)		787	787
Salary Income\ Tax		70	71
Tender Deposits			174
Total		857	1,032
14. Voted Funds to be Surrendered to the Revenue			A.
Fund Opening balance		(11,433)	26,589
Transfer from statement of financial performance		35,706	136,918
Add: Unauthorised expenditure for current year		26,891	_ =
Voted funds not requested/not received	1.1	(4,734)	(148,351)
Paid during the year		(20,524)	(26,589)
Closing balance		25,906	(11,433)
15.Departmental revenue and NFR Receipts to be surrendered to the Revenue fund			
Opening balance		944	780
Transfer from Statement of Financial Performance		4,350	4,153
Paid during the year		(5,016)	(3,989)
Closing balance	-//	278	944
16. Direct Exchequer receipts to be surrenderedto the Revenue Fund			
Transfer from Statement of Financial Performance		31,729	-
Closing balance		31,729	-
17. Payable- current			
Amounts owing to other entities	Annex 5	14,823	26,832
Clearing accounts	17.1	3	6
Other payables	17.2	4,562	2,679
Total	_	19,388	29,517

17.1 Clearing accounts

Note	2011/12 R'000	2010/11 R'000
	-	-
	-	2
	_	1
	3	3
	3	6
	3,177	997
	544	500
	3	-
	7	-
	797	1,148
	34	34
/-	4,562	2,679
	71,875	141,071
	473,664	206,926
	(22)	966
	(20)	(3)
	- (40.400)	4= 044
	(10,129)	17,614
	-	-
	-	-
	-	
		367,278
	` ' /	(30,578)
		(148,351)
_	545,449	347,997
	32,980	1,659
	32,980	1,659
	Note	R'000 3 3 3 3,177 544 3 7 797 34 4,562 71,875 473,664 (33) (28) - (10,129) 514,128 (25,540) (4,734) 545,449 32,980

20 Contingent liabilities and 20.1 Contingent liabilities	d contingent assets	Note	2011/12 R'000	2010/11 R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	24	69
Claims against the departmen		Annex 3B	120,774	20,137
Other departments (interdepartments)	rtmental	Annex 5	838	125
unconfirmed balances)				
Total			121,636	20,331
20.2 Contingent assets Nature of contingent asset Claim 1: Khumbula Property S Claim 2: Khumbula Property S Claim 3: Guard Risk Vista PrkDev (PTY) Ltd Joh Al Investments Mperefere Edith Mocwaledi Vista Park Khumbula Property Services	Service		18,779 13,352 7,869 - 211 25 53	28,883 23,352 7,869 489
Total		_	40,289	60,693

21 Commitments	Note	
Current expenditure		
Approved and contracted	54,393	60,311
Approved but not yet contracted	2,775	502
	57,169	60,813
Capital Expenditure (including transfers)		
Approved and contracted	278,026	408,627
	278,026	408,627
Total Commitments	335,194	469,440

Contract for cleaning gardening and security services are for a longer period than a year. A Contract for the upgrading and surfacing of the existing gravel road at the intersection Douglas-Hopetown will be completed in a period longer than a year.

	22. Accruals			2011/12 R'000	2010/11 R'000
	Listed by economic	30 Days	30+ Days	Total	Total
	classification	oo bays	oo: Bays	Total	Total
	Goods and services	94,693	4,742	99,435	16,059
	Interest and rent on land	-	-	-	-
	Transfers and subsidies	1,131	5	1,136	12,041
	Capital assets	83,530	24,467	107,997	115,456
	Other	1,152	-	1,152	181
	Total	180,506	29,214	209,720	143,737
	Listed by programme level				
	Administration			87,677	6,285
	Public Works			4,916	15,245
	Road Infrastructure			113,796	111,554
	Community Based Programme			3,331	10,653
mu	Total		/ /	209,720	143,737
	Confirmed balances with other departm	ente	Annex 5	3,177	100
	Confirmed balances with other government		Annex 5	14,823	26,832
	entities				,
	Total			18,000	26,932
23 F	Employment benefits				
20. 2	Leave entitlement			6,540	3,527
	Service bonus (Thirteenth cheque)			4,761	3,269
	Performance awards			71	3,209 61
					9,385
NEE .	Capped leave commitments Total			10,514	
	I Otal			21,886	16,242

- The leave entitlement include negative amount to the value of: R 186,601.67 (Current Cycle Leave) and (Capped Leave) negative amounts
- 2. There are still outstanding Performance awards for the following officials;

Mr R Jacobs

Ms M Burger

Mr D Tsoai

Ms P Mogotsi

24. Lease commitments

24.1 Operating leases expenditure

2011/12	Specialised military		Buildings and other fixed	Machinery and	
	equipment R'000	Land R'000	structures R'000	equipment R'000	Total R'000
Not later than 1 year	-	-	1,165	-	1,165
Later than 1 year and not later than 5 years	-	-	7,378	-	7,378
Later than five years	-	_	888	_	888
Total lease commitments		-	9,431	-	9,431

2010/11	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		-	1,150	1,401	2,551
Later than 1 year and not later than 5 years		-	6,832	2,569	9,401
Later than five years	-	-	2,600	-	2,600
Total lease commitments		-	10,582	3,970	14,552

24.2 Finance leases expenditure

2011/12	Specialised military		Buildings and other	Machinery and	
	equipment	Land	fixed structures	equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year		-		1,284	1,284
Later than 1 year and not later than 5 years		-	Name of Street, or other Parks	8,267	8,267
Later than five years	-	-	-	-	
Total lease commitments	-	-	-	9,551	9,551
LESS: finance costs				171	171
Total present value of lease liabilities	-	-	-	9,380	9,380

2010/11	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total R'000
Not later than 1 year	-	-	-	777	777
Later than 1 year and not	-	-	-	740	740
later than 5 years					
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	1,517	1,517
LESS: finance costs				168	168
Total present value of	-	-	-	1,349	1,349
lease liabilities					

24.3Operating lease revenue

2011/12	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	-	-	632	-	632
Later than 1 year and not later than 5 years		No.	854	-	854
Later than five years		-	44	-	44
Total operating lease revenue receivable			1,530	-	1,530

2010/11	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	_	2,014	-	2,014
Later than 1 year and not later than 5 years	-	-	8,014	-	8,014
Later than five years	-	-	51	-	51
Total operating lease revenue receivable	-	-	10,079	-	10,079

		2011/12	2010/11
	Note	R'000	R'000
25. Receivables for departmental revenue			0-0-0
Sales of goods and services other than capital assets		1,017	805
Total	_	1,017	805
25.1 Analysis of receivables for departmental revenue			
Opening balance		805	584
Less: amounts received		4,003	2,817
Add: amounts recognised		4,215	3,038
Less: amounts written-off/reversed as		-	AND THE STREET
irrecoverable			
Closing balance		1,017	805
26 Irregular expenditure 26.1 Reconciliation of irregular expenditure			min July
			GRANTA TA
Opening balance		220,546	10,964
Add: Irregular expenditure – relating to prior year		19,044	14,810
Add: Irregular expenditure – relating to current year		58,155	68,772
Less: Amounts condoned		(76,389)	
Less: Amounts recoverable (not condoned)		-	- (
Less: Amounts not recoverable (not condoned)		- -	- Lucia
Irregular expenditure awaiting condonation	_	221,355	220,546
Analysis of awaiting condonation per age classification			
Current year		58,155	68,772
Prior years		163,201	151,774
Total		221,355	220,546
			1152-1627-1627

26.2 Details of irregular expenditure current year

Inadequate Procurement: Insufficient number of quotation None Inadequate Procurement: Deficient tender procedures None Inadequate Procurement: Deviation not approved None Inadequate Procurement: Invalid or no Tax Clearance Certificate None Inadequate Procurement: Payment exceeding contract value None	R'000
Inadequate Procurement: Deficient tender procedures Inadequate Procurement: Deviation not approved Inadequate Procurement: Invalid or no Tax Clearance Certificate Inadequate Procurement:	
Inadequate Procurement: Deviation not approved Inadequate Procurement: Invalid or no Tax Clearance Certificate Inadequate Procurement:	1,665
Inadequate Procurement: Invalid or no Tax Clearance Certificate None Inadequate Procurement:	1,284
Inadequate Procurement:	5,337
Dovement eveneding contract value None	22,882
Payment exceeding contract value None Non Compliance to financial delegations	18,692 60
Inadequate Procurement: None Deliberate splitting of invoices	241
Procurement Preferential None Procurement Points system	
not applied Inadequate Procurement: None	134
Travelling Agencies	7.000
(Rotation System)	7,860
Total	58,155
6.3 Details of irregular expenditures	

26.3 Details of irregular expenditures under investigation

Incident	Condoned by (condoning authority)	
Contract extension not authorised	Accounting Officer	36,817
Inadequate tendering process	Accounting Officer	26,655
Payments to non-approved supplier	Accounting Officer	26
evaluation deficiencies	Accounting Officer	12,891
Total		76,389

DEPARTMENT ROADS AND PUBLIC WORKS VOTE 5 SURE NOTES TO THE ANNUAL FINANCIAL STATE

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

26.4 Details of irregular expenditure-current year	2011/12 R'000
Incident	0
Inadequate Procurement:	
Insufficient number of quotation	1,665
Deficient tender procedures	669
Deviation not approved	5,337
Payment exceeding contract value	18,692
Non-compliance to financial delegations	60
Deliberate splitting of invoices	241
Preferential Procurement Points system	134
not applied	
Invalid or no tax clearance certificate	22,882
Total	49,680

Note	2011/12	2010/11
27 Fruitless and wasteful expenditure	R'000	R'000
27.1 Reconciliation of fruitless and wasteful		The state of the s
expenditure		
Opening balance	272	-
Fruitless and wasteful expenditure – relating to prior year	-	14
Fruitless and wasteful expenditure – relating to current year	1,218	258
Less: Amounts resolved	-	400
Less: Amounts transferred to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting	1,490	272
condonement		10000000
27.2 Analysis of awaiting condonation per economic classification		
Current	1,218	272
Capital	, -	
Transfers and subsidies	-	-
Total	1,218	272

27.3 Analysis of Current year's fruitless and wasteful				2011/12 R'000
expenditure	Disciplinary steps taken/crir			
Incident				
Interest and Penalties	None			224
Travelling and Subsistence	None			11
Legal Claims	None			692
Overpayment	None			291
Total			_	1,218
			=	
B. Related party transactions				
Revenue received		Note	2011/12	2010/11
			R'000	R'000
Total		_	-	-
		_	<u></u>	
Payments made	1	Note	2011/12	2010/11
			R'000	R'000
Goods and services			39,309	21,380
Interest and rent on land			-	-
Purchases of capital assets			76,830	8,920
Total			116,139	30,300
		1000		
Year end balances arising from	m revenue/payments			

Schedule of related party relationships:

Payables to related parties

Total

No	Department entered into	Type of Relationship	Type of Transaction	Significant Element
1	NC Department of Agriculture and Land Reform	Government Sphere	Rental	Rentals at R0
2	NC Department of COGHSTA	Government Sphere	Rental	Rentals at R0
3	NC Department of Education	Government Sphere	Rental	Rentals at R0
4	NC Department of Health	Government Sphere	Rental	Rentals at R0
5	NC Department of Legislature	Government Sphere	Rental	Rentals at R0
6	NC Department of Safety and Liaison	Government Sphere	Rental	Rentals at R0
7	NC Department of Social Development	Government Sphere	Rental	Rentals at R0
8	NC Department of Sports, Arts and Culture	Government Sphere	Rental	Rentals at R0
9	NC Department of Tourism	Government Sphere	Rental	Rentals at R0

14,823

14,823

26,832

26,832

29.	Key management personnel	
-----	--------------------------	--

	No. of	2011/12	2010/11
	Individuals		
		R'000	R'000
Political office bearers (provide detail	1	1,566	1,492
below)			
Officials:		-	-0
Level 15 to 16	2	1,088	833
Level 14 (incl. CFO if at a lower	4	3,539	3,406
level)			-34.9
Family members of key	0	-	
management personnel			
Total		6,193	5,731
30. Public Private Partnership			A.
Contract fee paid		16,810	78,197

31. Movable Tangible Capital Assets

Fixed component

Indexed component

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

31 MARCH 2012	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	13,768	31	63,299	64,992	12,106
Transport assets	1,387	-	63,440	64,068	759
Computer equipment	5,305	-	723	671	5,357
Furniture and office equipment	4,569	-	(767)	87	3,715
Other machinery and equipment	2,507	31	(46)	166	2,275
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	13,768	31	63,299	64,992	12,106

774

77,423

16,810

31.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

Non-cash

Cash

(Capital Work

Received

Total

MACHINERY AND 66,380		.	ion odon	in Progress current costs and finance lease payments)	current, not paid (Paid current year, received prior year)	
Transport assets		R'000	R'000	R'000	R'000	R'000
Computer equipment		66,380	(1,964)	(1,117)	-	63,299
Furniture and office equipment Other machinery and equipment TOTAL ADDITIONS TO	Transport assets	63,440	-	-	-	63,440
equipment Other machinery and equipment TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS 31.2 Disposals DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED31 MARCH 2012 Sold for Cash or disposals Recordes or scrapped R'000 R'000 R'000 HERITAGE ASSETS	Computer equipment	909	(186)	-	-	723
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS 31.2 Disposals DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED31 MARCH 2012 Sold for Transfer out disposals or scrapped R'000 R'000 R'000 HERITAGE ASSETS	Man of the second	854	(1,621)	-	-	(767)
MOVABLE TANGIBLE CAPITAL ASSETS 31.2 Disposals DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED31 MARCH 2012 Sold for Transfer out Total cash or disposals destroyed or scrapped R'000 R'000 R'000 HERITAGE ASSETS Heritage assets MACHINERY AND EQUIPMENT Transport assets Computer equipment Furniture and office equipment Other machinery and equipment TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL SOLD TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR Total ASSETS PER ASSET REGISTER FOR THE YEAR Ferritage asset Recipies or disposals ASSET REGISTER FOR THE YEAR For disposals Recipies 4. 4. 4. 4. 4. 4. 4. 4. 4. 4		1,177	(157)	(1,117)	-	(97)
MOVABLE TANGIBLE CAPITAL ASSETS 31.2 Disposals DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED31 MARCH 2012 Sold for Transfer out Total cash or disposals Recipied or scrapped R'000 R'000 HERITAGE ASSETS	TOTAL ADDITIONS TO	66 380	(1 964)	(1 117)		63,299
Sold for Cash or disposals destroyed or scrapped R'000 R'000 R'000 HERITAGE ASSETS	CAPITAL ASSETS 31.2 Disposals	GIBLE CAPITA	L ASSETS PE	R ASSET REGI	STER FOR THE Y	EAR
Cash Or disposals Record Gestroyed Or scrapped R'000 R	ENDED31 MARCH 2012		100			
Computer equipment Compute						Cash
R'000 R'000 R'000		casn	destroye	d		Received Actual
Heritage assets		R'000				R'000
MACHINERY AND EQUIPMENT - 64,992 64,992 Transport assets 64,068 64,068 Computer equipment 671 671 Furniture and office equipment 87 87 Other machinery and equipment 166 166 TOTAL DISPOSAL OF - 64,992 64,992 MOVABLE TANGIBLE CAPITAL - 64,992 64,992	HERITAGE ASSETS			- /		-
Transport assets Computer equipment Furniture and office equipment Other machinery and equipment TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL 64,068 64,068 671 671 87 87 87 64,992 64,992	Heritage assets				-	-
Computer equipment 671 671 Furniture and office equipment 87 87 Other machinery and equipment 166 166 TOTAL DISPOSAL OF - 64,992 64,992 MOVABLE TANGIBLE CAPITAL	MACHINERY AND EQUIPMENT	-	64,99	2 64,992	2	-
Computer equipment 671 671 Furniture and office equipment 87 87 Other machinery and equipment 166 166 TOTAL DISPOSAL OF - 64,992 64,992 MOVABLE TANGIBLE CAPITAL	Transport assets		64,06	8 64,068	3	-
Furniture and office equipment 87 87 Other machinery and equipment 166 166 TOTAL DISPOSAL OF - 64,992 64,992 MOVABLE TANGIBLE CAPITAL						-
TOTAL DISPOSAL OF - 64,992 64,992 MOVABLE TANGIBLE CAPITAL			8	7 87	7	-
MOVABLE TANGIBLE CAPITAL	Other machinery and equipment		16	6 166	3	-
		-	64,99	2 64,992		-

31.3 Movement for 2010/11

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
MACHINERY AND EQUIPMENT	12,098	11,820	10,150	13,768
Transport assets	768	9,538	8,919	1,387
Computer equipment	5,186	1,007	888	5,305
Furniture and office equipment	4,101	760	292	4,569
Other machinery and equipment	2,043	515	51	2,507
TOTAL MOVABLE TANGIBLE ASSETS	12,098	11,820	10,150	13,768

32.4 Minor assets

MINOR ASSETS OF THE DEAPRTMENT ENDED AS AT 31 MARCH 2012

	5 - 7 (1	ב.וטבט /ופי				
	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
						THE RESERVE
Opening balance	-	1,179	-	1,623	-	2,802
Current Year Adjustments to Prior	-	2,126		-	-	2,126
Year balances						ALC: NO.
Additions		269	-	641	-	910
Disposals	-	-		-	-	-
TOTAL MINOR ASSETS		3,574	1	2,264	-	5,838

	Specia- lised military assets	Intangibl e assets	Heritag e assets	Machinery and equipmen t	Biologica I assets	Total
Number of R1 minor assets Number of minor assets at cost	-	231	-	2 796 -	-	3 027
TOTAL NUMBER OF MINOR ASSETS	-	231	-	2 796	-	3 027

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Speciali sed military assets R'000	Intangibl e assets R'000	Heritag e assets R'000	Machiner y and equipmen t R'000	Biologica I assets R'000	Total R'000
Opening balance	-	1 046	-	2 700	-	3 746
Current Year						
Adjustments to Prior Year						
Balances	-	(187)	-	(2 219)	-	(2 406)
Additions	-	320	-	1 142	-	1 462
Disposals	-	-	-	-		-
TOTAL MINOR ASSETS	-	1 179	-	1 623	-	2 802

32. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

WARCH 2012					
	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1,395		(65)	5	1,325
TOTAL INTANGIBLE CAPITAL ASSETS	1,395		(65)	5	1,325

32.1 Additions ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

31 MARCH 2012					
	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
COMPUTER SOFTWARE	72	(137)	-	-	(65)
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	72	(137)	-	-	(65)

Tranefor

32.2 Disposables

Computer Software - 5 5 Mastheads and Publishing Titles Patents , Licenses, Copyright, Brand Names, Trademarks Recipes, Formulae, Prototypes, Designs, Models Services and Operating Rights TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS - 5		Sold for cash R'000	out or destroyed or scrapped R'000	Total disposals R'000
Patents , Licenses, Copyright, Brand Names, Trademarks Recipes, Formulae, Prototypes, Designs, Models Services and Operating Rights TOTAL DISPOSAL OF	Computer Software		5	5
Brand Names, Trademarks Recipes, Formulae, Prototypes, Designs, Models Services and Operating Rights TOTAL DISPOSAL OF	Mastheads and Publishing Titles		_	-
Recipes, Formulae, Prototypes, Designs, Models Services and Operating Rights TOTAL DISPOSAL OF	Patents , Licenses, Copyright,			
Designs, Models Services and Operating Rights TOTAL DISPOSAL OF	Brand Names, Trademarks	-	-	-
Services and Operating Rights TOTAL DISPOSAL OF	Recipes, Formulae, Prototypes,			
TOTAL DISPOSAL OF	Designs, Models	-	_	100
	Services and Operating Rights	-	-	
INTANGIBLE CAPITAL ASSETS - 5 5	TOTAL DISPOSAL OF			11 300
	INTANGIBLE CAPITAL ASSETS	-	5	5

32.3 Movement for 2010/11

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	1,332	63	-	1,395
TOTAL INTANGIBLE CAPITAL ASSETS	1,332	63	-	1,395

Cash received Actual R'000

33. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSET	TS PER ASSET REGIS	STER FOR THE YE	AR ENDED 31 M	1ARCH 2012	
	Opening balance	Curr Year Adjust-ments	Additions	Disposals	Closing Balance
	24.0	to prior year			
	R'000	balances R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	19,374,918	-	2,342,091	-	21,717,009
Dwellings	/ / -	-	-	-	-
Non-residential buildings	804,313		261,976	-	1,066,289
Other fixed structures	18,570,605		2,080,115	-	20,650,720
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	19,374,918	-	2,342,091	-	21,717,009

33.1 Additions

CAPITAL ASSETS

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	447,676	2,132,451	(238,036)	-	2,342,091
Dwellings	-	-	-	-	-
Non-residential buildings	77,129	225,622	(40,775)		261,976
Other fixed structures	370,547	1,906,829	(197,261)		2,080,115
<u> </u>					
TOTAL ADDITIONS TO IMMOVABLETANGIBLE	447,676	2,132,451	(238,036)	-	2,342,091

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33.2 Movement for 2010/11

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance	
	R'000	R'000	R'000	R'000	
BUILDINGS AND OTHER FIXED STRUCTURES	17,146,259	2,228,659	-	19,374,918	
Dwellings	-	-	-	-	
Non-residential buildings	1,416,163	(611,840)	-	804,313	
Other fixed structures	15,730,106	2,840,499	-	18,570,605	
TOTAL IMMOVABLE TANGIBLE ASSETS	17,146,259	2,228,659	-	19,374,918	

33.3 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2012

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
R1 Immovable assets	895	-	1	895
TOTAL	895		/	895

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2011

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
R1 Immovable assets	936	-	-	936
TOTAL	936	-	-	936

34. Assets in the process of transfer in terms of S42 of the PFMA

	No. of Assets	Value of Assets
		R'000
BUILDINGS AND OTHER FIXED STRUCTURES	572	964,834
Dwellings	73	68,269
Non-residential buildings	499	896,565
Other fixed structures		-
HERITAGE ASSETS	-	-
Heritage assets	-	-
LAND AND SUBSOIL ASSETS	2	1,338
Land	2	1,338
Mineral and similar non-regenerative resources	-	-
TOTAL	574	966,172

34. STATEMENT OF CONDITIONAL GRANTS RECEIVED

		GRA	NT ALLOC	ATION			SPENT		2010/11	
NAME OF DEPARTMENT	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust- ments	Other Adjust- ments	Total Avail- able	Amount received by departme nt	Amount spent by department	% of available funds spent by depart- ment	Division of Revenue Act	Amount spent by depart-ment
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Division of Revenue Act Provisional Grants: Infrastructure Grants Province	-	67,266		///	67,266			100%	425,393	310,164
Development of Prop Rates Funds Expanded Public Works Programme	41,754	2,381	25,000		69,135	69,135	58,035	84%	39,600	37,061
Incentive	4,810		-	-	4,810	76	76	100%	-	-
Transport Disaster Management Grant	-		-	61,219	61,219	61,219	59,054	96%	-	-
Provincial Road Maintenance Grant	308,760	-		-	308,760	308,760	308,759	100%	-	-
	355,324	69,647	25,000	61,219	511,190	506,456	493,189		464,993	347,225

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

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

		GRANT A	ALLOCATIO	LOCATION TRANSFER					2010/11		
NAME OF MUNICIPALITY	Division of Revenue Act R'000	Roll Overs R'000	Adjustme nts R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re- allocations by National Treasury or National Department	Amount received by Municipali ty R'000	Amount spent by municipality R'000	% of availabl e funds spent by municip ality	Division of Revenue Act R'000
Ga-Segonyana	558	-	-	558	557	-	-	557	557	100%	556
Gammagara	113	_	_	113	113	_	_	113	113	100%	104
Kgalagadi	-	_	_	_	-	-	-	-	-		7
Ritchterveld	39	_	-	39	39	-		39	39	100%	37
NamaKhoi	1 784	-	-	1 784	1 784	-		1 784	1 784	100%	1 006
Kamiesberg	211	_	-	211	210	-	-	210	210	100%	210
Hantam	352	-	-	352	352	-		352	352	100%	332
Karoo Hoogland	159	-	-	159	159	-	_	159	159	100%	136
Khai-Ma	152	-	-	152	152	_		152	152	100%	143
Ubuntu	333	-	-	333	333		_	333	333	100%	314
Umsobomvu	209	-	-	209	209	-	-	209	209	100%	195
Emthanjeni	634	-	-	634	634		-	634	634	100%	641
Kareeberg	423	-	-	423	422	-		422	422	100%	381
Renosterberg	100	-	-	100	100	-		100	100	100%	74

3	44 135	-	25 000	69 13 <mark>5</mark>	58 035	-	-	58 035	58 035		39 600
Phokwane	258	-	-	258	258	-	-	258	258	100%	331
Magareng	243	-	-	243	243	-	-	243	243	100%	199
Dikgatlong	-		-	-		-	-	-	-		2
Sol Plaatje	34 446	-	25 000	59 446	48 349	-	-	48 349	48 349	81%	30 920
Kgatelopele	68	-	-	68	68	-	-	68	68	100%	40
Tsantsabane	199	-	-	199	199	-	-	199	199	100%	184
Kheis	6	-	-	6	6	-	-	6	6	100%	2
Khara Hais	1 513	-	-	1 513	1 513	-	-	1 513	1 513	100%	1 083
Kai Garib	750	-	-	750	750	-	-	750	750	100%	681
Siyancuma	193	-	-	193	193	-	-	193	193	100%	476
Siyathemba	1 198	-	-	1 198	1 198	-	-	1 198	1 198	100%	1 081
Thembelihle	194	-	_	194	194	-	-	194	194	100%	465

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

		GRANT A	LLOCATION		TRAN	SFER		SPENT			
NAME OF	Amount	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferre	Amount received by municipalit	Amount spent by municipalit	% of available funds spent by municipalit	Total Available	
NAME OF MUNICIPALITY	R'000	R'000	R'000	R'000	R'000	<u>u</u> %	R'000	R'000	%	R'000	
Frances Baard DM	2,032	-	-	2,032	2,032	100%	2,032	2,032	100%	7,785	
John ToaloGaetsewe DM	2,102	-	-	2,102	2,101	100%	2,102	2,102	100%	3,975	
Namakwa DM	6,873	_	_	6,873	6,873	100%	6,873	6,873	100%	15,956	
PixleyKaSeme DM	4,663	_	-	4,663	4,663	100%	4,663	4,663	100%	19,554	
Siyanda DM	1,855	-	-	1,855	1,855	100%	1,855	1,855	100%	13,144	
	17,525	-	-	17,525	17,524		17,524	17,524		60,414	

ANNEXURE 1C STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

		TRANSFER ALL	OCATION		TRAN	SFER	2010/11
						% of	
Walter Committee of the	Adjusted					Available	
	Appro-	Roll	Adjust-	Total	Actual	funds	Appro-
	priation	Overs	ments	Available	Transfer	Transferre	priation Act
						d	
DEPARTMENT/ AGENCY/ ACCOUNT	R'000	R'000	R'000	R'000	R'000	%	R'000
Youth Commission	2,765	-	-	2,765	2,765	100%	3,574
Prov Da: Government Motor Transport	131,603	-	-	131,603	88,127	67%	-
	134,368	-		134,368	90,892		3,574

ANNEXURE 1H STATEMENT OF TRANSFERS TO HOUSEHOLDS

		TRANSFER ALLOCATION					2010/11	
	Adjusted Appropriat ion Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferre d	Appro- priation Act	
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000	
Transfers				1		1	4	
Other	1,659	-	-	1,659	1,254	76%	910	
	1,659		1	1,659	1,254		910	
Subsidies	-			-	_			
		-/		-	-			
Total	1,659	-	-	1,659	1,254		910	

ANNEXURE 1K STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

7		2011/12	2010/11
1	NATURE OF GIFT, DONATION OR SPONSORSHIP	R'000	R'000
V	(Group major categories but list material items including name of organisation	K 000	K 000

	Paid in cash	3
	Dr Izakvan Niekerk Primary School: Donation for the Tour	
	Neilerspruit Intermediate School: Donation	2
II	Cafè Bacinis: Donation Farewell Function	3
	Keipoletse Funerals: Donation: Funeral of the late veteran Mr S Masemola	8
	University of Stellenbosch:Donation: Gershan Barnard	3
2	Klipfontein Methodist Primary School: Donation	2
	University of Free State: Donation SS Mathiba	2
	Ha re etsemosadi Trading cc:50 soccer balls for the Ministry	10
	Shonaquip: Purchase of Madiba buggy wheel chair	11
	Papase Phillip Funeral Service Donation: Funeral of the late Fikile Moses Sonjica	2
	Siyathemba Begrafnisdienste:Donation Funeral of the late Frank Jantjies	2
	Boiphelo Funerals:Donation: Funeral of the late Abednigo Maoato	2
	Computers Direct: Donation: NC Women in Construction	12
	Tsharangano General & Computer Se <mark>rvices: Donation :NC Wom</mark> en in Construction Awards	2
	Tsharangano General & Computer Services: Donation :NC Women in Construction Awards	5
	Mathiba S: Donation	2

	2011/12	2010/11	
NATURE OF GIFT, DONATION OR SPONSORSHIP	R'000	R'000	
(Group major categories but list material items including name of organisation	K 000	K 000	

(Group major categories but list material items including name of organisation	R'000	R'000
Paid in cash		
Klipfontein Methodist Primary School: Donation		4
Sup & Del of Wheel Chair 7 Cushion (C E Mobility)	4	AMY_
Donation: Hoëeskool Alexanderbaai	4	A Part of the Part
Donation: Jan Isaac	6	MA
Donation: High School SA van Wyk	5	And the state of t
Payment for Sanchodox: Youth Seminar	40	
Donation Universals Rugby Club	10	
Donation Hoërskool Alexaderbaai	295	
Donation Kevin Nkoane Primary School	5	
Donation: Mr Mlungisi Gonodo Qhampa	10	THE PROPERTY.
Donation: Ekhaya Guest House for (Intergrated Youth Devolpment Strategy	2	
Reimbursement for Provincial Treasury: Universal Treasury		- Parker
Funeral Service: I Abrahams		I Byth
Donation Hoërskool Alexanderbaai	5	
Donation Kevin Nkoane Primary School	16	
Donation Mr Mlungisi Gonondo Qhampa	5	
Donation Ekhaya Guest House for Integrated Youth Development Strategy	295	1000
Reimbursement for Provincial Treasury: Universal Rugby	10	
Funeral Service I Abraham	2	
	402	75

ANNEXURE 3A STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 – LOCAL

Guarantor	Guarantee in	Original guaranteed capital amount	Opening balance 1 April 2011	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2012	Guaranteed interest for year ended 31 March 2012	Realised losses not recoverable i.e. claims paid out
institution	respect of	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
mur	Motor vehicles	-	-	/ /	-	-	-	-	-
	Subtotal			-	-	-	_	-	-
192 ac	Housing	-							
Absa		1,107	45	-	45	-	-	-	-
Firstrand Bank		273	24		-	-	24	-	-
Standard Bank		45	1		-	-	-	-	-
Nedbank Bank		345		-	STEPS TO SE	-	-	-	-
Subtotal		1,770	69	-	45	-	24	-	-
Other					-	-	-	-	-
Subtotal			-		-	-	_	-	-
TOTAL		1,770	69		45	-	24	-	-

ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of liability	Opening balance 1 April 2011 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilites recoverable (Provide details hereunder) R'000	Closing balance 31 March 2012 R'000
Claims against the department				1	
Mr H Smook	264	-	-		264
Renier Renecke	1 528	-		-	1 528
Loubser E	1 105	-	1 105		-
L&J Azevedo	6 753	-	-	-	6 753
Carmutshana	209	-			209
S.J H Venter	3	100		-	3
Danie Fourie	18	- The state of the		-	18
M van der Ryst	6 000	-		-	6 000
Vox Orion (PTY)Ltd	146	-	146	-	_
B Meadows	4		4	-	_
Z Fourie	1 (-	1	-	_
Cornelius Amos Peterson	4 100	-		-	4 100
JG Niewoudt	6	-	6		-
U Sentra Beperk	-	60	60		

Total	20 137	102 105	1 468	-	120 774
Sol Plaatje Municipality	-	52 790	-	-	52 790
Mr & Mrs Cloete	-	19	19	-	-
F.O London & 3 others	-	27 633	-	-	27 633
R.E Ruiters		3	-	-	3
X. M Pilani		1	1	-	-
Wiets Transport CC	W 1000 200	15	15	-	-
J.J Cloete	A CONTRACTOR	2	2	-	-
K.D Bosiamang		5	5		-
Pemberley Investments (Pty) Ltd		5 765	-	-	5 765
Obakeng J Isaacs	_	14	14	-	-
V Nyokong	- /	2	2	-	-
M Digketsi	/_	2	2	-	-
G Akker		708	-	-	708
Tiseko Daniel Sefojane	- ,,,	6	6	-	-
Petrus Grond	-	13	13	-	-
N.S.E Gxotha	-	1	1	-	-
Pieter Gelderblom	-	4	4	-	-
A Esterhuyse	_	28	28	-	-
Bebereki Consulting Engineers	_	15 000	-	_	15 000
J Sibiya	_	14	14	-	_
V. C Rose	_	8	8	_	_
D.J van der Heever	_	12	12	_	_

ANNEXURE 4 CLAIMES RECOVERABLE

Covernment Futitive	Confirmed outsta			ed balance Inding	Total	
Government Entity	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
National Department	29	29	-	-	29	29
Agriculture, Land Reform and Rural Development	- 1	-	23	16	23	16
Provincial Treasury	-	-	-	-	-	
Education	-	-	4	-	4	<u>.</u>
Health	-	-	647	647	647	647
Co-operative Governance Human Settlement & Traditional Affairs	149		-	196	149	196
Office of the Premier						
Transport Safety and Liaison	126	-	100	131	226	131
Agriculture(KZN)	_	THE RESERVE OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED IN COL	919	929	919	929
Tourism	- 1 To 1 T	-	9	9	9	9
Social Development	- 1 TO 1 T	-	11	-	11	- 35
Sport, Arts and Culture	-	-	811	811	811	811
Economic Development	-	-	668	700	668	700
Provincial Legislature	26		-	26	26	26
	88		The second	45	88	45
TOTAL	418	29	3,192	3,510	3,610	3,539

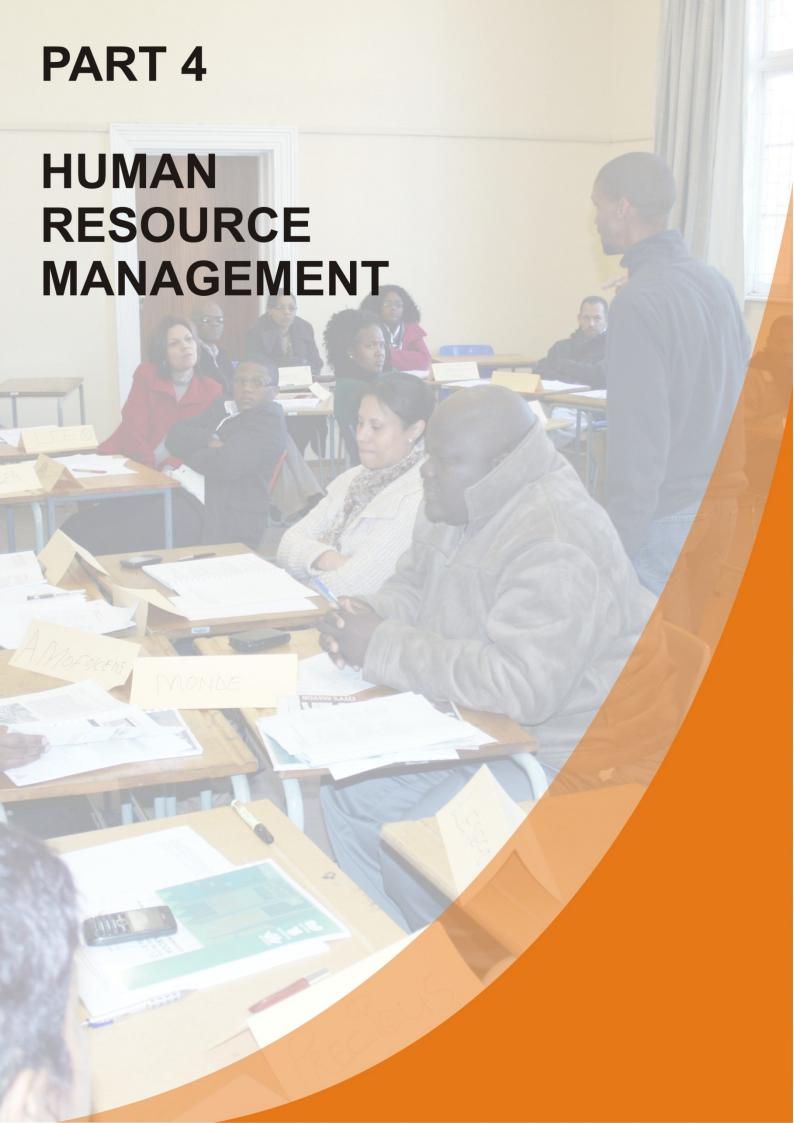
ANNEXURE 5 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balan	ce outstanding	Unconfirmed balance outstanding		TOTAL	
GOVERNMENT ENTITY	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS					·	
Current						
Claims recoverable – Province	3 <mark>,1</mark> 77	997	-	-	3,177	997
Office of the Premier	// -/	81	216	-	216	81
Co-operative Governance Human Settlement & Traditional Affairs		19	-	-		19
Government Printing Works	-	-	-	125	-	125
Department of Justice and Constitutional Development		-	621	-	621	-
Northern Cape Provincial Legislature			1		1	-
Total	3,177	1,097	838	125	4,015	1,222
I Por		and the same	7			
OTHER GOVERNMENT ENTITY						
Current						
Amount owing to other entities	14,823	26,832	-	-	14,823	26,832
Total	14,823	26,832	-	-	14,823	26,832

ANNEXURE 6 INVENTORY

		2011/1	12	201	0/11
Inventory	Note	Quantity	R'000	Quantity	R'000
Opening balance		5 403	4	19 885	9
Add/(Less): Adjustments to prior year balances		-	-	-	-
Add: Additions/Purchases – Cash		3 299	21	-	- 13
Add: Additions - Non-cash		<u>-</u>	-	-	- 1
(Less): Disposals		<u> </u>	-	-	10
(Less): Issues		(2 737)	(19)	(14 482)	(5)
Add/(Less): Adjustments			-	-	
Closing balance		5 965	5	5 403	4





HUMAN RESOURCE MANAGEMENT

1.1 – Personnel costs by programme, 2011/12

Programme	Total Expendit ure(R'00 0)	Personnel Expenditure(R'000)	Training Expenditur e (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Administration	125,081	41,446	-	-	57.9	222
Public Works	188,390	29,572	-	-	12.4	154
Transport Infrastructure	588,843	57,971	-	-	-	158
Community based programme	44,660	7,639	-	-	9.6	306
Total	946,974	136	-	-	16.4	205

1.2 - Personnel costs by salary bands, 2011/12

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	495	0.3	82,500
Skilled (Levels 3-5)	44,947	29.4	102,619
Highly skilled production (Levels 6-8)	38,051	24.9	214,977
Highly skilled supervision (Levels 9-12)	38,099	24.9	337,159
Senior management (Levels 13-16)	13,066	8.6	
Contract (Level 1-2)	286	0.2	23,833
Contract (Level 3-5)	1,267	0.8	126,700
Contract (level 6-8)	211	0.1	105,500
Contract (Level 9-12)	2,304	1.5	329,143
Contract (Level 13-16)	331	0.2	-1
Periodical Remuneration	3,203	2.1	5,347
Total	142,260	93.1	2,779,556

1.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2011/12

Programme	Salar	ries	Over	time	Home Owners Allowance		Medical Assistance		Medical Assistance		Total Personnel Cost per Programme
	Amount (R'000)	Salaries as a % of personn el cost	Amount (R'000)	Overti me as a % of person nel cost	Amount (R'000)	HOA as a % of person nel cost	Amount (R'000)	Medical Assistance as a % of personnel cost	100.00		
Administration	31,491	72.3	277	0.6	1,102	2.5	2,014	4.6	43,571		
Public Works	21,207	67.7	259	0.8	1,018	3.2	1,773	5.7	31,342		
Roads	46,794	66.7	-	-	3,054	4.4	3,426	4.9	70,116		
EPWP	4,021	52	-	-	78	1	148	1.9	7,728		
Total	103,513	67.8	536	0.4	5.252	3.4	7,361	4.8	152,757		

1.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2011/12

a.	Salary Bands	Sala	ries	Ove	rtime	Home (dical stance	Total Personn
		Amount (R'000)	Salarie s as a % of person nel cost	Amoun t (R'000)	Overtim e as a % of personn el cost	Amoun t (R'000)	HOA as a % of person nel cost	Amoun t (R'000)	Medical Assista nce as a % of personn el cost	el Cost per Program me
1	Lower skilled (Levels 1-2)	354	68.2	-	-	49	9.4	33	6.4	519
	Skilled (Levels 3-5) Highly skilled production	31,055	62.7	269	0.5	2,914	5.9	3,839	7.7	49,543
	(Levels 6-8) Highly skilled supervision	27,453	70	174	0.4	1,305	3.3	2,307	5.9	39,214
N. Y.	(Levels 9-12) Senior management (Levels	29,512	73	90	0.2	628	1.6	964	2.4	40,431
1	13-16) Contract (Level 1-2)	10,819 284	73,8 91.9	- 1	0.3	352 -	2.4	218	1.5	14,656 309
	Contract (Level 3-5)	1,260	91.5	2	0.1	-	-	-	-	1,377
1	Contract (Level 6-8)	200	94.8	-	-	-	-	-	-	211
	Contract (Level 9-12)	2,248	79	-	-	-	-	-	-	2,845
100	Contract (Level 13-16)	327	89.6	-	-	4	1.1	-	-	365
	Periodical Remuneration	-	-	-	-	<i>)</i> -	-	-	-	3,290
	Total	103,512	67.8	536	0.4	5,252	3.4	7,361	4.8	152,760

2.1 – Employment and vacancies by programme, 31 March 2012

A CANADA CONTRACTOR OF THE CON							
Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment			
Administration	187	156	16.6	2			
Public Works	192	122	36.5	0			
Roads	367	463	-26.2	96			
EPWP	25	25	0	0			
Total	771	766	0.6	98			

2.2 – Employment and vacancies by salary bands, 31 March 2012

	Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
i	Lower skilled (Levels 1-2)	3	15	-400	12
	Skilled (Levels 3-5)	359	442	-23.1	83
	Highly skilled production(Levels 6-8)	242	210	3.2	2
	Highly skilled supervision (Levels 9-12)	141	79	44	1
	Senior management (Levels 13-16)	26	20	23.1	0
SE	TOTAL	771	766	0.6	98

2.3 – Employment and vacancies by critical occupation, 31 March 2012

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishmen t
Administrative related	48	43	10.4	1
All artisans	50	40	20.4	
Cartographic surveying and related technicians	1	1	-	
Civil engineering technicians	13	8	38.5	_
Cleaners in offices, workshops, etc.	23	12	47.8	-
Client inform clerks(switchboard, reception, inform. clerks)	1	0	100	
Communication and information related	2	2	-	
Diplomats	1	1	-	
Engineering sciences related	8	6	25	3.4
Engineers and related professionals	28	28	-	
Finance and economics related	10	5	50	
Financial and related professionals	7	4	42.9	1740-2
Financial clerks and credit controllers	20	13	35	Ø-6
Food services aids and waiters	5	1	80	
General legal administration & rel. professionals	9	6	33.3	
Human resources & organisational developers & rel. professionals	5	4	20	THE RESERVE
Human resources clerks	24	13	45.8	-
Human resources related	2	2	-	-1
Information technology related	3	1	66.7	THE STATE OF THE S
Inspectors of apprentices works and vehicles	38	24	36.8	-
Language practitioners interpreters & other communicators	1	1	-	9.04
Library mail and related clerks	11	8	27.3	
Light vehicle drivers	6	6	0	The second second
Messengers porters and deliverers	6	3	50	-
Motor vehicle drivers	28	68	-142.9	_
Other administrators & rel. clerks and organisers	56	85	-51.8	and the second second
Other administrative policy and related officers	15	21	-40	
Other information technology personnel	5	3	40	
Other occupations —	1	1	-	I MAY -
Quantity surveyors &related professional not class elsewhere	4	3	25	
Risk management and security services Road workers	282	295	-4.6	101412
			_	
Secretaries & other key operating clerks	22	17	22.7	7
Senior managers	14	20	-42.9	A CA
Trade labourers	19	19	-	-
TOTAL	771	766	0.6	-

3.1 – Job Evaluation, 1 April 2011 to 31 March 2012

3.1 – Job Evaluation, 1 April 2011 to 31 March 2012							
	Number	Number of	% of posts	Posts I	Jpgraded	Posts do	owngraded
Salary band	of posts	Jobs Evaluated	evaluated by salary bands	Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	168	1	-	-	-	-	-
Contract (Level 1-2)	6	-	-	-	-	-	-
Contract (Level 3-5)	23	-	-	-	-	-	-
Contract (Level 6-8)	9	-	-	-	-	-	-
Contract (Level 9-12)	4	-	-	-	-	-	-
Skilled (Levels 3-5)	253	3	1.2	-	-	-	-
Highly skilled production (Levels 6-8)	214	1	0.5	-	-	-	-
Highly skilled supervision (Levels 9-12)	115	2	1.7	1	-	-	-
Senior Management Service Band A Senior Management Service	12	-	-	-	-	-	-
Band B	6	-	-	-	-	-	-
Senior Management Service Band C	1	-	-	_	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
TOTAL	812	6	0.7	1	16.7	-	-

4.1 – Annual turnover rates by salary band for the period 1 April 2011 to 31 March 2012

Salary Band	Number of employees per band as on 1 April 2011 April 2011 Appointments and transfers into the department		Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	3	105	14	466.7
Skilled (Levels 3-5)	291	131	50	17.2
Highly skilled production(Levels 6-8)	144	65	15	10.4
Highly skilled supervision(Levels 9-12)	80	10	5	6.3
Senior Management Service Band	15	8	2	13.3
TOTAL	533	319	86	16.1

4.2 – Annual turnover rates by critical occupation for the period 1 April 2011 to 31 March 2012

	Number of		Terminations	
	employees per	Appointments and transfers into the	and transfers	Turnover
Occupation:	occupation as on	department	out of the	rate
Administrative related	1 April 2011 28	23	department 1	3.6
All artisans	19	23	2	10.5
Artisan project and related superintendents	1	0	0	0
Cartographic surveying and related technicians	1	0	0	0
Civil engineering technicians	9	_	1	11.1
Cleaners in offices, workshops, etc.	9	1	1	11.1
Communication and information related	2	0	0	0
Engineering sciences related	4	1	0	0
Engineers and related professionals	22	7	0	0
Finance and economics related	5	0	1	20
Financial and related professionals	4	0	0	0
Financial clerks and credit controllers	12	0	0	0
Food services aids and waiters	2			The state of the s
General legal administration & rel. professionals	6	0	0	0
Human resources &organisatdevelopm& relate				-
prof Human resources clerks	3 16	1 0	0	0
		_	2	12.5
Human resources related	2	0	0 1	100
Information technology related Inspectors of apprentices works and vehicles	28	0	1	3.6
Library mail and related clerks	4	0	0	0
Light vehicle drivers	2	4	O	
Messengers porters and deliverers	3	4	1	33.3
Motor vehicle drivers	23	57	7	30.4
Other administrat & related clerks and	25	31	1	30.4
organisers	65	28	17	26.2
Other administrative policy and related officers	21	2	8	38.1
Other information technology personnel	4	0	0	0
Other occupations	1	0	0	0
Quantity surveyors &rela prof not class	3	0	0	0
Risk management and security services	2			0.00
Road workers	196	131	34	17.3
Secretaries & other keyb operating clerks	8	5	0	0
Senior managers	12	1	1	8.3
Trade labourers	15	35	8	53.3
TOTAL	533	319	86	16.1

4.3 – Reasons why staff are leaving the department

4.5 – Reasons willy stuff are leaving the departit	nene	
Termination Type	Number	% of total
Death	12	-
Resignation	9	
Expiry of contract	14	
Dismissal – misconduct	1	
Discharged due to ill-health	4	-
Retirement	17	1
Total	57	754

4.4 – Promotions by critical occupation

Occupation Semployees as at 1 April 2011 Semployees by occupation Se	ssions other vithin a v level	Notch progression s as a % of employees by occupation 332.1
All artisans 19 0 0 Artisan project and related superintendents 1 0 0 Cartographic surveying and related technicians 1 0 0 Civil engineering technicians 1 0 0 Cleaners in offices, workshops, etc. 9 0 0 Communication and information related 2 0 0 Engineering sciences related 4 0 0	0 0 0 0 0 0	332.1
Artisan project and related superintendents Cartographic surveying and related technicians Civil engineering technicians Cleaners in offices, workshops, etc. Communication and information related Engineering sciences related 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0	- - - -
Cartographic surveying and related technicians 1 Civil engineering technicians 9 0 0 0 Cleaners in offices, workshops, etc. 9 0 0 Communication and information related 2 0 0 Engineering sciences related 4 0 0	0 0 0	- - -
technicians Civil engineering technicians Cleaners in offices, workshops, etc. Communication and information related Engineering sciences related 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0	
Civil engineering technicians900Cleaners in offices, workshops, etc.900Communication and information related200Engineering sciences related400	0	-
Communication and information related 2 0 0 0 Engineering sciences related 4 0 0	0	-
Engineering sciences related 4 0 0	•	
	0	-
		-
Engineers and related professionals 22 0 0	0	-
Finance and economics related 5 0 0	0	-
Financial and related professionals 4 0 0	0	-
Financial clerks and credit controllers 12 0 0	0	-
Food services aids and waiters 2 0 0	0	-
General legal administration & rel. professionals Human resources &organisational development & relate prof General legal administration & rel. 6 0 0 0 0 0	0	-
Human resources clerks 16 0 0	0	-
Human resources related 2 9 450	1	50
Information technology related 1 0 0	0	-
Inspectors of apprentices works and vehicles Language practitioners & other commun 28 0 0 0 0	0	-
Library mail and related clerks 4 0 0	0	_
Light vehicle drivers 2 0 0	0	_
Messengers porters and deliverers 3 0 0	0	_
Motor vehicle drivers 23 0	0	_
Other administrat& related clerks and organisers 65 0 0	30	46.2
Other administrative policy and related officers 21 23 109.5 Other information technology personnel 4 0	33	157.1
Other occupations 1 0 0	0	_
Quantity surveyors &rela prof not class		
elsewhere 3 0 0 Risk management and security services 2 0	0	
Road workers 196 114 58.2	100	51
Secretaries & other keyb operating clerks 8 0 0	0	-
Senior managers 12 2 16.7	0	_
Trade labourers 15 0 0	16	106.7
TOTAL 533 159 29.8	305	57.2

4.5 – Promotions by salary band

Salary Band	Employees 1 April 2011	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	3	0	0	121	4033.3
Skilled (Levels 3-5)	291	125	43	100	34.4
Highly skilled production (Levels 6-8)	144	9	6.3	64	44.4
Highly skilled supervision (Levels 9-12)	80	23	28.8	20	25
Senior management (Levels13-16)	15	2	13.3	-	
Total	533	159	29.8	305	57.2

5.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2012

Occupational categories		Ma	le			Fema	ile		Total
(SASCO)	African	Colour ed	Indian	White	Africa n	Coloure d	Indian	White	
Legislators, senior officials and managers Professionals	6 27	5 16	0	3 2	4 12	2 5	0	0 5	20 67
Technicians and associate professionals Clerks	30 30	19 14	0 1	4 4	18 54	7 32	0	5 6	83 141
Service and sales workers	1	_ 1	0	0	0	0	0		2
Craft and related trades workers Plant and machine operators	29	31	0	2	5	1	0	1	69
and assemblers Elementary occupations	38 140	41 142	0 0	2 1	0 17	0 2	0 0	1 0	82 302
Total	301	269	1	18	110	49	0	18	766

5.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2012

		Ma	le			Fema	le		
Occupational Bands	African	Colour ed	Indian	White	African	Coloure d	Indian	White	Total
Top Management	1	-	-	-	-	1	-	-	
Senior Management	5	5	-	3	4	2	-	-	19
Professionally qualified and experienced specialists and mid-management Skilled technical and	36	18	-	6	14	2	_	3	79
academically qualified workers, junior Semi-skilled and discretionary decision making	66	52	1	5	45	27	-	14	210
	189	185	-	4	45	18	-	1	442
Unskilled and defined decision making Contract (Professionally	4	9	-	-	2	-	-	-	15
qualified) Contract (Skilled technical)	-	-	-	-	-	-	-	-	-
Contract (Semi-skilled)	-	-	-	-	-	-	-	-	
Semi-skilled	-	-	-	-	-	-	-	-	1
Total	301	269	1	18	110	49	-	18	766

5.3 – Recruitment for the period 1 April 2011 to 31 March 2012

Occupational Pands		Male)			Fema	le		
Occupational Bands	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	2	-	-	-	-	-	-	-	2
Senior Management	2	1		3	-	-	-	-	6
Professionally qualified and experienced specialists and mid-									
management Skilled technical and academically qualified	3	4	-	1	2	-	-	-	10
workers, junior Semi-skilled and discretionary decision	20	28	1	-	8	7	-	2	65
making Unskilled and defined	35	71	-	2	15	8	-	-	131
decision making	29	62	-	11	3	-	-	-	105
Total	91	166	-	17	28	15	-	2	319

5.4 - Promotions for the period 1 April 2011 to 31 March 2012

Occupational Bands		Male)			Femal	le		
Occupational Banus	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	1	0	1	2
Professionally qualified and experienced specialists and mid-					/				
management Skilled technical and academically qualified	8	4	0	0	5	3	0	8	28
workers, junior Semi-skilled and discretionary decision	16	16	1	0	23	9	0	32	97
making Unskilled and defined	52	27	0	0	11	9	0	20	119
decision making Contract (Skilled tech)	65	38	0	0	7	6	0	13	129
Permanent Contract (Semi-Skilled)	1	0	0	0	0	0	0	0	1
Permanent Contract (Unskilled)	1	0	0	0	1	1	0	2	5
Permanent	3	0	0	0	1	1	0	2	7
Total	146	85	1	0	48	30	0	78	388

5.5 - Terminations for the period 1 April 2011 to 31 March 2012

Occupational Bands	_	Male				Femal	9		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Senior Management	6	1	0	0	1	0	0	0	8
Professionally qualified and experienced specialists and midmanagement Skilled technical and	15	6	0	2	7	1	0	3	34
academically qualified workers, junior Semi-skilled and discretionary decision	30	21	1	3	23	11	0	10	99
making Unskilled and defined	85	51	0	1	23	10	0	1	171
decision making	0	0	0	0	1	0	0	0	1
Total	136	79	1	0	55	22	0	14	313

5.6 – Skills development for the period 1 April 2011 to 31 March 2012

Occupational actorograms		Male)			Femal	е		
Occupational categories	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers Professionals	6 32	5 9	0	3 1	3 10	1 0	0	0	18 52
Technicians and associate professionals Clerks	32 93	5 44	0 1	2 4	11 46	1 22	0	1 6	52 216
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers Craft and related trades	0	0	0	0	0	0	0	0	0
workers	5	7	0	0	0	0	0	0	12
Elementary occupations	6	6	0	0	0	0	0	0	12
Total	174	76	1	10	70	24	0	7	362
Employees with disabilities	0	0	0	2	0	0	0	0	2

6.1 – Performance Rewards by race, gender, and disability, 1 April 2011 to 31 March 2012

		Beneficiary Profile			Cost
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	85	301	28.2	658	7,741
Female	44	110	40	375	8,523
Asian					
Male	1	1	100.0	9	9,000
Female					
Coloured					Acres and a
Male	37	268	13.8	287	7,757
Female	19	49	38.8	146	7,684
White					a the state of the
Male	6	18	33.3	85	14,167
Female	10	18	55.6	139	13,900
Employees with a disability					
Total	202	766	150.1	1,699	8,411

6.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2011 to 31 March 2012

Salary Bands	Ber	neficiary Profi	le		Cost	
	Number of beneficiaries	Number of employee	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	5	90	5.6	148	29,600	
Skilled (Levels 3-5)	82	272	30.1	621	7,573	
Highly skilled production (Levels 6-8)	71	294	24.1	714	10,056	
Highly skilled supervision (Levels 9-12)	21	45	46.7	522	24,857	
Contract (Level 1-2)	5	9	55.6	0	0	
Contract (Level 3-5)	10	41	24.4	0	0	
Contract (Level 6-8)	8	15	53.3	0	0	
Total	202	766	26.4	2005	9,926	N.E.

	6.3 – Performance Rewards I Critical Occupations	•	pations, 1 Apr Beneficiary Pro			ost
4						Average cost
T		Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	per employee
9	Administrative related	9	30	30	245	27,222
	All artisans	3	20	15	14	4,667
Sel-A	Artisan project and related superintendents	0	1	0	0	0
100	Cartographic surveying and related					
-	technicians Civil engineering technicians	0	1 13	0	0	0
2	Cleaners in offices, workshops, etc.	4	10	40	22	5,500
	Client inform clerks (switchboard					2,000
	receptionist, inform clerks) Communication and information related	0	2	0	0	0
1	Engineering sciences related	0	4	0	0	0
1000	Engineers and related professionals	0	22	0	0	0
	Finance and economics related	3	5	60	55	18,333
	Financial and related professionals	1	3	33.3	35	35,000
1	Financial clerks and credit controllers	9	14	64,3	87	9,667
	Food services aids and waiters	2	3	66.7	14	7,000
	General legal administration & rel. professionals	0	6	0	0	0
	Human resources &organisational development & relate prof	2	3	66.7	59	29,500
-	Human resources clerks	5	16	31.3	80	16,000
	Human resources related	1	2	50	40	40,000
	Information technology related	0	1	0	0	0
1	Inspectors of apprentices works and vehicles	11	28	39.3	187	17,000
lig	Language practitioners interpreters & other communication specialist	0	1	0	0	0
1	Library mail and related clerks	6	6	100	50	8,333
	Light vehicle drivers	1	2	50	10	10,000
2,0	Messengers porters and deliverers	1	3	33.3	3	3,000
No. of Lot	Motor vehicle drivers	4	27	14.8	25	6,250
	Other administrators & related clerks and organisers	36	109	33	247	6,861
OF S	Other administrative policy and related officers	8	32	25	86	10750
	Other information technology personnel	1	4	25	20	20,000
Ç,	Other occupations	0	1	0	0	0
	Quantity surveyors & relatively professional not classified elsewhere	0	3	0	0	0
Section 1	Rank: Unknown	0	1	0	0	38.000
No.	Risk management and security services Road workers	1 77	2 269	50	38 405	38,000
	Secretaries & other keyboard operating	′′	209	28.6	495	6,429
F	clerks	9	12	75	149	16,556
1	Senior managers	0	15	0	0	0
1	Trade labourers	8	95	8.4	46	5,750
-	TOTAL	202	766	26.4	2,007	9,936

7.1 - Foreign Workers, 1 April 2011 to 31 March 2012, by salary band

Salary Band	1 April 2011		31 Marc	ch 2012	Change	
balary Band	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	1	100%	0	0%	1	100%
Total	1	100%	0	0%	1	100%

7.2 - Foreign Worker, 1 April 2010 to 31 March 2011, by major occupation

Major Occupation	1 April 2011		31 March 2012		Change	
Major Occupation	Number	% of total	Number	% of total	Number	% change
Engineers and related professionals	1	100%	0	0%	1	100%
Total	1	100%	0	0%	1	100%

8.1 - Sick leave, 1 January 2010 to 31 December 2010

Salary Band	Total days	% days with medical certificat ion	Number of Employe es using sick leave	% of total employe es using sick leave	Average days per employee	Estimate d Cost (R'000)	Total Number of Employee s using sick leave	Total number days with medical certificatio n
Lower skilled (Levels 1-2) Skilled (Levels 3-5)	24	100	3	0.7	8	6	431	24
Highly skilled production	1,873	95.2	221	51.3	8	577	431	1,784
(Levels 6-8) Highly skilled	882	85.4	129	29.9	7	541	431	753
supervision (Levels9-12) Senior management	423	86.1	60	13.9	7	518	431	364
(Levels 13-16) Contract (Level 1-2)	49	83.7	10	2.3	5	142	431	41
Contract (Level 3-5)	7	71.4	3	0.7	2	1	431	5
Contract (Level 6-8)	12	66.7	3	0.7	4	3	431	8
Contract (Level 9-12)	10	100	1	0.2	10	4	431 431	10
Total	3,282	91.1	431	100	8	1,796	431	2,991

8.2 - Disability leave (temporary and permanent), 1 January 2011 to 31 December 2011

Salary Band	Total days taken	% days with medical certificat ion	Number of Employe es using disabilit y leave	% of total employe es using disability leave	Average days per employee	Estimate d Cost (R'000)	Total Number of Employee s using sick leave	Total number days with medical certificatio n
Lower skilled (Levels 1-2) Skilled (Levels 3-5)	0	0	0	0	0	0	0	0
Highly skilled production	56	100	3	100	19	17	56	3
(Levels 6-8)	0	0	0	0	0	0	0	0
Highly skilled supervision (Levels 9- 12) Senior management (Levels 13-16)	J				J			
Total	56	100	3	100	19	17	56	3

8.3 - Annual Leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	119	17	7
Skilled Levels 3-5)	7,946	18	446
Highly skilled production (Levels 6-8)	3,190	17	187
Highly skilled supervision(Levels 9-12)	1,731	17	100
Senior management (Levels 13-16)	341	16	21
Contract (Level 1-2)	34	5	7
Contract (Level 3-5)	96	6	15
Contract (Level 6-8)	5	5	1
Contract (Level 9-12)	63	11	6
Contract (Level 13-16)	0	0	0
Total	13,525	17	790

8.4 - Capped leave, 1 January 2010 to 31 December 2011

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2011	Number of Employee who took capped leave	Total number of capped leave available at 31 Dec 2011	
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled Levels 3-5)	25	4	50	6	15,539	308
Highly skilled production (Levels 6-8) Highly skilled supervision(Levels	33	17	44	2	3,124	71
9-12)	5	2	44	3	1,991	45
Senior management (Levels 13-16)	7	7	34	1	338	10
Total	70	6	48	12	20,992	434

8.5 – Leave payouts for the period 1 April 2011 to 31 March 2012

The following table summarises payments made to employees as a result of leave that was not taken.

REASO	N	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave p	payout for 2010/11 due to non-utilisation of			
leave fo	r the previous cycle			
Capped	leave payouts on termination of service for		Visit 1 100 100 100 100 100 100 100 100 100	
2010/11		109	17	6,412
Current	leave payout on termination of service for			
2010/11	1	20	3	6,667
Total		129	20	6,450

9.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Roads Workers	We have arranged continues workshops to these employees. We also arrange wellness days where we made arrangements with the Department of Health to do voluntary testing and counselling.

9.2 – Details of Health Promotion and HIV and 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.	Х		Not in writing, but there is a SMS member handling welness matters
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		One official has been designated to promote the health and other wellbeing related programs of employees. HIV/AIDS program both internal and external resorted under special programs which dealt with all Gender, Disability, Youth and Children programs, but has been shifted to the Employee Wellness Unit at the end of this financial year
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	The program deals with all employee wellness programs of which HIV/AIDS is part of and referrals to professional services such as health practitioners, counsellors, psychologists and other professional services
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	10000	X	The Employment Equity Act , Basic Conditions of Service and the Public Service Act
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		The Department developed an HIV/AIDS policy and is being reviewed at the moment
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Х		Awareness campaigns have been held and employees were encouraged to go for voluntary testing and the response was good
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	The unit committed itself to expose 500 employees to HIV/AIDS education and two have two awareness programs. The indicator being compliance with the National HIV/AIDS strat plan of 2007-2011 as well as an HIV/AIDS Competent workforce

10.1 – Misconduct and disciplinary hearings finalised, 1 April 2011 to 31 March 2012

Outcomes of disciplinary hearings	Number	% of total	Total
Correctional counselling	1	1	1
Verbal warning	0	0	0
Written warning	0	0	0
Final written warning	1	1	1
Suspended without pay			
Fine			
Demotion			
Dismissal			
Not guilty	1	0	1
Case withdrawn			
Total	3	2	3

10.2- Types of misconduct addressed at disciplinary hearings

	V INC.			
	Type of misconduct	Number	% of total	Total
1	Abuse of state vehicles	3	37,5	3
	Fraud	1	12,5	1
	Theft	1	12,5	1
	Absenteeism	2	25	2
No.	Abuse of State Property	1	12,5	1
	Total	8	100	8

10.3 - Grievances lodged for the period 1 April 2010 to 31 March 2011

	Number	% of Total	Total	
Number of grievances resolved				
Number of grievances not resolved	14	56	14	
Total number of grievances lodged	25	100	25	

10.4 - Disputes lodged with Councils for the period 1 April 2011to 31 March 2012

1		Number	% of Total
ar.	Number of disputes upheld		
	Number of disputes dismissed	1/44	
	Total number of disputes lodged	8	100
39	Number of disputes upheld	1	12,5
ĺ.	Number of dispute dismissed	1	12.5
	Unresolved	6	75

10.5 – Precautionary suspensions for the period 1 April 2011 to 31 March 2012

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	60
Cost (R'000) of suspensions	R30 800

11.1 – Training needs identified 1 April 2011 to 31 March 2012

		Normalismon	Training need	art of reporting pe	eriod	
Occupational Categories Gene		Number of employees as at 1 April 2010	Learnerships	Skills Programmes & other short courses	Otherforms of training	Total
Legislators, senior	Female	3	0	3	0	3
officials and managers	Male	0	0	8	0	8
Professionals	Female	0	0	1	0	11
	Male	0	0	8	0	8
Technicians and	Female	0	0	15	0	15
associate professionals	Male	0	0	75	0	75
Clerks	Female	0	0	99	0	99
	Male	0	0	78	0	78
Service and sales workers	Female	0	0	1	0	5126
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades	Female	0	0	0	0	0
workers	Male	0	0	0	0	0
Plant and machine	Female	0	0	4	0	0
operators and assemblers	Male	0	0	37	0	0
Elementary	Female	0	0	0	0	0
occupations	Male	0	0	118	0	118
Sub Total	Female	3	0	123	0	123
	Male	0	0	324	0	324
Total		3	0	447	0	447

11.2 - Training provided 1 April 2011 to 31 March 2012

			Training provided within the reporting period			
Occupational Categories	Gender	Number of employees as at 1 April 2010	Learnershi ps	Skills Programm es & other short courses	Other forms of training	Total
Legislators, senior officials and	Female	0	0	4	0	4
managers	Male	0	0	14	0	14
Professionals	Female	0	0	10	0	10
	Male	0	0	42	0	42
Technicians and associate	Female	0	0	13	0	13
professionals	Male	0	0	39	0	39
Clerks	Female	0	0	74	0	74
	Male	0	0	142	0	142
Service and sales workers	Female	0	0	0	0	0
W. Carlotte of the carlotte of	Male	0	0	0	0	0
Skilled agriculture and fishery	Female	0	0	0	0	0
workers	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	_ 0	12	0	0
Plant and machine operators and	Female	0	0	0	0	0
assemblers	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	12	0	0
Sub Total	Female	0	0	101	0	101
	Male	0	0	261	0	0261
Total		0	0	362	0	362

12.1 – Injury on duty, 1 April 2011 to 31 March 2012

Nature of injury on duty	Number	% of total			
Required basic medical attention only	6	100			
Temporary Total Disablement	0	0			
Permanent Disablement	0	0			
Fatal	0	0			
Total	6				

13.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Hermans& Roman Property Solution	2	Consultants	2,922,458
Spectrum ValautionServ	1	appointed on	149,511
Gobodo Charted Acc	2	time cost and % fee.	587,613
J. Liebenberg	1	100.	578,802
Roux & Associates	2	The fees	3,663,461
Ernest & Young	2	mentioned in	1,302,312
Aurecon	2	this report	1,784,412
Occupational Health And Saftey	1	include all	1,812,486
Vela Vke Consulting Eng	1	disbursements, sub-consultants,	1,452,991
V&V Consulting Eng	1,	surveys,	1,522,472
Aurecon	1	material surveys, EIA and SAFETY consultants, traffic counts, developments	3,363,818
Proman (Management System)	2		3,096,907
Infrastructure System Int	1		882,907
Churchill - Bendel	1		2,184,844
M System Bridge	1		640,397
M System Gravel Road	11	on Management	1,824,326
M System Pavement	1	systems as well as supervision	1,092,791
Ms Accident	1	during	1,029,874
Ms Road Network	1	construction	759,899
Procedure Manual	1	stage.	449,267
Rd Network Invest	1		1,343,904
Garies - Hondeklip	1		10,664,391
JoosteEiland	1		854,636
Su: Karakoel	1		821,893
Su: Uap 2	1		1,205,475
Riemvasmaak	1		517,471
Vosburg - Carnarvon	1		5,440,510
Nababeep -O'kiep	1		743,280
NtswengTsineng	1		49,681

PART 5



REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2012

1. General review of the state of financial affairs

The trading Entity is a self-funded business entity within the Department of Roads and Public Works operated on a recoverable charge out rate. The rate also has a component built in to ensure that the fund build up enough reserves to enable it to replace its fleet of road construction and maintenance equipment as and when required.

We have already more that 90% of our total fleet component of 762 vehicles. By the end of May we are confident that we would be having the full complement of fleet. This is already having huge spin-offs for the various departments as their fleet budget has been significantly reduced.

To mitigate the possible abuse and to improve the control environment within the movable assets especially the yellow fleet, the Department is introducing the vehicle tracking system. This system will be linked to the GIS-system and our projects to check productivity levels of the machinery on all our sites.

2. Services rendered by the Entity

The Major Road Plant Fund procures and hires out road construction and maintenance equipment to the Department of Transport. Equipment is charged out on an hourly or daily basis depending on the type of equipment or type of construction project. Charge-out rates are revised annually. Fleet Management became involved with service delivery to Local Authorities in late 2001, first on very small scale, and then accelerating since 2005.

Since the integration of the Government Motor Transport and Road Building Equipment fleets, the services offered to the Department of Road and Public works at present include:

- Hire of equipment and vehicles without operator/driver
- Full service with operator/driver
- Transportation of bulk and mass items
- Technical advice
- Facilitation of equipment/vehicle repairs
- Advice regarding fleet management
- Technical surveys and reports
- Hire of equipment to Departmental EPWP programs

REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2012

2.1 Tariff Structure

The following two tariffs are being charged:

Daily tariff – through this tariff we will be recovering, on a daily basis, a provision for accidents/incidents. The funds recovered from you through this tariff, will be utilised to repair vehicles involved in incidents and accidents if it found that there is no gross negligence on the part of the driver.

Kilometre tariff – the tariff is based on the official AA rates, and through it we will be recovering the expenses relating to the operation of the vehicle, including the fuel, maintenance and tyre expenditure. Departments are only billed the kilometre tariff based on the kilometres travelled. The Fleet Management trading entity will utilise the monies received from them, to pay the fuel bill and other running expenses, such as the tyres and maintenance.

3. Significant events notified to the Executive Authority during the year;

The Executive Council took a decision that we should revert back to government owned fleet based on the principles of a Trading Entity. The new trading entity also known as the Northern Cape Fleet Management Trading Entity can be labelled as an effective government transport system that is managed properly and competently. By reducing the cost of the fleet, more funding would be available to pursue the strategic objectives of departments, thereby enabling them to concentrate on their core business. The bulk of its finances are invested in operations, which includes the maintenance of vehicles; transport support services; and the purchasing of new vehicles.

4. Corporate governance arrangements

The Department, inclusive of the Trading Entity has a fraud prevention policy in place. We also have an internal inspection unit that assists management to ensure that all units comply with the guidelines, policies and procedures within the Department and Trading Account.

REPORT OF THE ACCOUNTING OFFICER For the year ended 31 March 2012

5. Auditor General report

Finding	Response/ Action
Assets could not be traced from the floor to the register and the register to the floor. The entity has not provided depreciation on all assets ready for use in accordance with note 1.2 of the financial statements.	 Merging of all current asset listings into one comprehensive list. Physical verification of assets listed to confirm existence. Calculation of depreciation in accordance with IAS 16 paragraph 55.
Debtors circulated for confirmation of balances indicated that they do not have any outstanding balance with the entity. An impairment loss has not been recognised in accordance with South African Statement of Generally Accepted Accounting Practice.	 Setting up of debtors' age analysis to ensure that long outstanding payments are followed up in a timely manner. Correcting prior period qualification regarding existence and completeness of trade debtors by writing off the amount considered to be irrecoverable.
Unable to verify the accuracy, occurrence and completeness of sale of goods and rendering of services. Revenue was captured inaccurately from the log sheets of the vehicles.	Re-evaluating the way in which revenue is recognised for the yellow fleet and basing it on actual costs incurred in respect of the usage of the fleet including the depreciation charge thus eliminating the use of log sheets.
Expenditure Replaced parts not derecognised and capitalised in terms of IAS 16.	Repairs carried out on fleet in the current year were scrutinised in more detail to and major refurbishments were capitalised in terms of IAS 16.

6. Progress with financial management improvements

The Entity has implemented a fixed asset register as prescribed in the guidelines of the Accountant General and SA GAAP. The PFMA implementation is progressing according to schedule with the inception of the accounting system. The Entity is required to account for its transactions on the accrual basis as prescribed by SA GAAP.

The attached Annual Financial Statements set out on pages 160 to 188 have been approved by the Accounting Officer.

K. NOGWILI

ACCOUNTING OFFICER DATE: 31 MAY 2012

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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

 I have audited the financial statements of the Northern Cape Fleet Management Trading Entity set out on pages 160 to 188, which comprise the statement of financial position as at 31 March 2012, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

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

Auditor-General's responsibility

- 3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.
- 4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Basis for adverse opinion

Property, plant and equipment

- 6. The trading entity did not classify lease agreements as finance leases where substantially all the risks and rewards incidental to ownership were transferred to the user departments in accordance with South African Statements of Generally Accepted Accounting Practice, IAS 17, *Leases*. The trading entity acts as lessor with regards to a number of lease agreements constituting finance leases, which has been accounted for as operating leases. Consequently, property, plant and equipment have been overstated. In addition the following line items have been misstated:
 - a. Net investment in finance leases is understated
 - b. Revenue for white fleet is misstated
 - c. Interest is understated
 - Depreciation is overstated
 - e. Accumulated surplus is misstated
 - f. Cash flow statement is misstated
 - g. Operating lease commitments (entity as lessor) are overstated
 - h. Related parties are misstated

The misstatements could not be quantified due to the nature and extent of calculations required, as well as the lack of a formal agreement between the entity and the user departments.

Revenue

7. There are no systems in place for the recording of revenue relating to the yellow fleet and I was unable to obtain sufficient appropriate audit evidence about revenue reflected as R95 525 000 (2010-11: R25 500 050) in note 6 to the financial statements. I was unable to confirm the revenue by alternative means. Consequently, I was unable to determine whether any adjustments relating to this amount and related parties were necessary.

Trade and other receivables

8. There are no systems in place for the recording of revenue relating to the yellow fleet and I was unable to obtain sufficient appropriate audit evidence about trade and other receivables reflected as R101 344 000 (2010-11: R31 878 000) in note 9 to the financial statements. I was unable to confirm the trade and other receivables by alternative means. Consequently, I was unable to determine whether any adjustment relating to this amount and related parties were necessary.

Adverse opinion

9. In my opinion, because of the significance of the matters described in the Basis for adverse opinion paragraphs, these financial statements do not present fairly the financial position of the Northern Cape Fleet Management Trading Entity at 31 March 2012 and its financial performance and cash flows for the year then ended, in accordance with SA Statements of GAAP and the requirements of the PFMA.

Emphasis of matters

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

Restatement of corresponding figures

10. As disclosed in note 20 to the financial statements, the corresponding figures for 31 March 2011 have been restated as a result of an error discovered during 2011-12 in the financial statements of the Northern Cape Fleet Management Trading Entity at, and for the year ended 31 March 2012.

Material losses

11. As disclosed in note 8.2 to the financial statements, material losses to the amount of R4 647 000 relating to the prior year were incurred as a result of assets lost by the trading entity. This was only identified in the current year with the reconstruction of the new asset register.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I am unable to report findings on the usefulness and reliability of the annual performance report of the Northern Cape Fleet Management Trading Entity as it was not prepared, as required by section 40(3)(a) of the PFMA for trading entities.

Compliance with laws and regulations

14. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the General Notice issued in terms of the PAA, are as follows:

Annual financial statements, performance and annual report

15. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of employee cost, grant income, property, plant and equipment and fruitless and wasteful expenditure identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving an adverse audit opinion.

Audit committees

16. An audit committee was not in place, as required by sections 38(1)(a)(ii) and 77 of the PFMA and Treasury Regulation (TR) 3.1.10.

Internal audit

17. The accounting officer did not ensure that the internal audit function was established, as required by section 38(1)(a)(i) of the PFMA and TR 3.2.2, 3.2.3 and 3.2.4.

Human resource management

- 18. An approved organisational structure based on the entity's strategic plan was not in place, as required by Public Service Regulation (PSR) 1/III/B.2(a).
- 19. A human resource plan was not in place, as required by PSR 1/III/B.2(d).

Expenditure management

- 20. The accounting officer did not take effective steps to prevent fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.
- 21. Sufficient appropriate audit evidence could not be obtained that effective and appropriate disciplinary steps were taken against officials who made or permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA and TR 9.1.3.
- 22. Contractual obligations and money owed by the trading entity were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and TR 8.2.3.

Revenue management

- 23. The accounting officer did not ensure that appropriate processes were developed and implemented to provide for the recording, reconciliation and safeguarding of information about revenue, as required by TR 7.2.1.
- 24. The accounting officer did not ensure that all reasonable steps were taken to recover debts prior to the debts being written off, as required by TR 11.4.1.
- 25. The accounting officer did not take effective and appropriate steps to collect all money due, as required by section 38(1)(c)(i) of the PFMA and TR 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).
- 26. Bad debt was written off contrary to the trading entity's write-off policy, as required by TR 11.4.2.
- 27. Movable assets were disposed of in a manner that was not most advantageous to the state, as required by TR 16A7.1 and 2.

Internal control

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for an adverse of opinion, the finding on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

- 29. The following challenges were experienced which contributed to the weaknesses in the control environment and the ultimate audit outcome:
 - Leadership did not implement adequate systems to ensure regular, accurate and complete financial reporting. Furthermore, the trading entity did not have any established policies and procedures in place to ensure an effective and efficient control environment. This led to material misstatements in the financial statements not being identified by management.
 - Leadership did not regularly monitor management's compliance with laws, regulations and internally designed policies and procedures. As a result, significant non-compliance issues were noted.
 - Leadership did not sufficiently implement and monitor the action plan to address all prior year findings, which resulted in the recurrence of certain prior year findings in the current year.
 - Leadership did not ensure that the entity had a separately identifiable annual performance report.

Financial and performance management

- 30. The financial statements were subject to material corrections resulting from the audit, which can be attributed to insufficient review for accuracy and completeness by management before submission for audit purposes. The trading entity also has a lack of adequate systems to ensure regular, accurate and complete financial reporting.
- 31. Manual and automated controls were not designed, implemented and reviewed to ensure that the transactions had occurred, were authorised, and were completely and accurately processed.

Governance

- 32. The accounting officer did not ensure that an internal audit function and audit committee were established, as required by section 38(1)(a)(i) of the Public Finance Management Act and Treasury Regulations 3.1.2 and 3.2.2, respectively, which can be attributed to vacancies within the province.
- 33. Appropriate risk management activities have not been implemented in full as the risk assessments, as well as the monitoring thereof was not timeously performed.

Kimberley

24 August 2012

audela -



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Auditing to build public confidence

ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2012

FINANCIAL REVIEW BY MANAGEMENT

We are pleased to report the financial results for the year ended **31 March 2012**. The figures presented are in line with management's policies and expectations.

2012 TRADING ENTITY HIGHLIGHTS

The following represents the highlights for the 2011/2012 year, which have been mostly operational of nature:

Rendering of fleet management services to various Northern Cape provincial departments.

During the 2011/12 financial year, the Roads Capital Account formally became the Northern Cape Fleet Management Trading Entity with the incorporation of the vehicle (white) fleet into the entity. The white fleet was taken up into this entity, based on a decision of the Executive Committee. The province had to take this step, because of the closure of the PPP entity (Nyumbane Fleet Services) who provided the services up to the start of this financial year.

The white (vehicle) fleet activities thus commenced, parallel to the road building equipment (yellow) fleet activities at the entity. In response to a detailed needs analysis conducted with its new clients (the various departments in the province), the entity ordered 735 vehicles, of which 434 were in operation as at 31 March 2012.

FINANCIAL OVERVIEW

Revenue

The Northern Cape Fleet Management Trading Entity's revenue increased from R26 million to R100 million.

The following contributed towards the increase:

- Rendering of fleet management services to provincial departments;
- An increase in the white fleet size;
- Increase in expenses due increase in the fleet size.

Expenses

Total operating expenditure increased by 123% as compared from the previous year. The following contributed towards the increase:

- Increase in fuel expenses due to the increase in fuel prices and additional fleet management services rendered to provincial departments;
- Increase in vehicle repairs and maintenance due to the increase in the size of the fleet;
- Increase in depreciation charges due to the increase in the size of the fleet and the implementation of fleet management services to provincial departments.

ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2012

FINANCIAL REVIEW BY MANAGEMENT (continued)

Profitability

In determining charges for goods or services, the head of the Trading Entity must aim to recover the full cost of providing the goods or services.

For the 2011/12 year, the full cost of the trading entity was recovered with a profit of R82 million.

Debtors

Total debtors increased by 218% to R101 million due to the additional fleet management services rendered to the provincial departments.

MN BOSCH HEAD:

NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY

DATE : 31 MAY 2012

F TSIMANE

CHIEF FINANCIAL OFFICER:

NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY

DATE : 31 MAY 2012

ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2012

		31 March	31 March
	Notes	2012 R'000	2011 R'000
			Restated
Rendering of services	6	100 024	25 550
REVENUE		100 024	25 550
Other operating income	7.1	80 009	18 934
Operating expenses	7.2	(97 788)	(43 889)
PROFIT FOR THE YEAR		82 245	595
OTHER COMPREHENSIVE INCOME			
Revaluation of Fleet	19	-	82
TOTAL COMPREHENSIVE INCOME FOR THE			
YEAR		82 245	677

*Certain numbers shown here do not correspond to the 2011 financial statements and reflect adjustments made as detailed in note 19.

ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2012

	Notes	31 March 2012 R'000	31 March 2011 R'000* Restated
ASSETS			restated
Non-current Assets		255 950	91 063
Fleet, Plant and Equipment	8	255 950	91 063
Current Assets		101 344	31 878
Trade and Other Receivables	9	101 344	31 878
TOTAL ASSETS	_	357 294	122 941
EQUITY AND LIABILITIES			17
Funds and Reserves		202 112	119 867
Retained Earnings		90 110	7 865
Capital Replacement Reserve Fund	10	16 187	16 187
Revaluation Surplus	11	95 815	95 815
Non-current Liabilities		115 408	7-17
Government Grant	12	115 408	
Current Liabilities		39 774	3 074
Trade and Other Payables	13	39 774	3 074
TOTAL EQUITY AND LIABILITIES	_	357 294	122 941

*Certain numbers shown here do not correspond to the 2011 financial statements and reflect adjustments made as detailed in note 19.

	Note	Retained Earnings	Capital Replacement Reserve	Revaluation Surplus	Total
Balance at 1 April 2010	-	7 270	16 187	95 733	119 190
Total comprehensive income	20	595	-	82	677
Balance at 31 March 2011(Restated)	20	7 865	16 187	95 815	119 867
Total comprehensive income	_	82 245	-	-	82 245
Balance at 31 March 2012	-	90 110	16 187	95 815	202 112

STATEMENT OF CASH FLOWS

For the year ended 31 March 2012

OPERATING ACTIVITIES	31 March 2012 R'000	31 March 2011 R'000* Restated
	00.045	505
Profit for the period	82 245	595
Non cash adjustment to reconcile profit for the period to net		
cash flows	19 830	20 624
Depreciation	19 630	6 533
Loss on sale of assets Donation Income	(77.220)	
V ESSENTIAL TOTAL CONTRACTOR OF THE PROPERTY O	(77 329)	(18 934)
Movement in government grant	(2 680)	-
Impairment Loss	1 076	-
Working capital adjustments	(00, 400)	(40,000)
Increase in trade and other receivables	(69 466)	(12 862)
Increase in trade and other payables	36 700	2 147
	(0.004)	(4.00=)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(9 624)	(1 897)
151 (2		
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(108 464)	(21)
Proceeds from disposal of property, plant and equipment	440.000	1 918
Receipt of government grant	118 088	-
NET GAGUE ON FROM INVESTING ACTIVITIES	0.004	4.007
NET CASH FLOWS FROM INVESTING ACTIVITIES	9 624	1 897
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS AT 1 APRIL	-	- -
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u> </u>	

*Certain numbers shown here do not correspond to the 2011 financial statements and reflect adjustments made as detailed in note 19.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

1. Corporate Information

The annual financial statements of the Fleet Management Trading Entity for the year ended **31 March 2012** were authorised for issue by the Accounting Officer on the 31st of May 2012.

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

A Trading Entity is defined as an entity operating within the administration of a department. In the case of the Fleet Management, the Department in question is the 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 to supply the Northern Cape Government Departments, National Departments functioning in the Northern Cape Province with affordable and reliable vehicles.

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

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

The entity recovers its costs through the charging of the following:

White Fleet

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

Yellow Fleet

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

2. Basis of preparation

The annual financial statements of the entity have been prepared in accordance with South African Generally Accepted Accounting Practice, and on the going concern basis.

The annual financial statements have been prepared on a historical cost basis. Trade receivables and trade payables have been measured at fair value, initially and subsequently at amortised cost, using the effective interest method.

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

3. 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.

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 operating lease

Management classifies the lease contracts for the renting of vehicles by User Departments (specifically vehicles that have been permanently allocated) as operating leases. Management reached this conclusion after evaluating (which included the performance of calculations to support the evaluation) the five (5) elements identified in *IAS 17 – Leases*, paragraph 10, that could individually, or in combination lead to leases being classified as finance leases.

b) Vehicle fleet valuation

There are some areas where the officials responsible for the valuation, has to make their own judgment in 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

4. Summary of significant accounting policies

4.1 Property, Plant & Equipment

Motor Vehicle Fleet and Road Building Equipment

Following initial recognition at cost, the fleet are carried at a re-valued amount, which is the fair value at the date of the revaluation.

The fleet is re-valued on an annual basis, at year-end. The frequency of these valuations will ensure that the fair value of the fleet will not differ materially from its carrying amount.

Any revaluation surplus is credited to the asset revaluation reserve included in the funds and reserves section of the Statement of Financial Position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is realised.

Gains and losses on disposal are determined 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year the asset is derecognised.

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

Motor Vehicle Fleet: 4 years

Road building equipment: 5 to 20 years

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

4.2 Impairment of non-financial assets

The Entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Entity estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Entity of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available.

Impairment losses are recognised in the income statement in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income.

In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

4.3 Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Entity determines the classification of its financial assets at initial recognition

All financial assets are rec<mark>ognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The Entity's financial assets include trade and other receivables.</mark>

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method 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 income statement. The losses arising from impairment are recognised in the income statement in finance costs for loans and in cost of sales or other operating expenses for receivables.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

Derecognition

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.

4.4 Impairment of financial assets

The Entity assesses, at each reporting date, whether there is any objective evidence that a financial asset or an Entity of financial assets is impaired. A financial asset or a Entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Entity of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Entity of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, 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 an Entity 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 a collective assessment of impairment.

If there is objective evidence that an impairment loss 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 expected credit losses that have not yet been incurred).

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Entity. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

4.5 Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Entity's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, and derivative financial instruments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Entity that are not designated as hedging instruments in hedge relationships as defined by IAS 39.

Gains or losses on liabilities held for trading are recognised in the income statement.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of IAS 39 are satisfied. The Entity has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

4.6 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Entity and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Entity assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Entity has concluded that it is acting as a principal in all of its revenue arrangements.

The specific recognition criteria described below must also be met before revenue is recognised:

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

Rendering of Services

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

- a) Revenue from Kilometre Tariffs: based on the actual kilometres travelled using the approved Kilometre Tariff.
- b) Revenue from Daily Tariffs: based on the actual days of usage, using the approved Daily Tariff.
- c) Revenue from rental of yellow fleet is recognised with specific reference to:
 - Revenue from kilometre tariffs: based on the actual kilometres travelled using the approved kilometre tariff and the applicable fixed cost per month as per approved Departmental tariffs;
 - Revenue from hourly rates: based on the actual hours worked using approved hourly rates and the applicable fixed cost per month as per approved Departmental tariffs;
 - Revenue from monthly rates: based on the approved monthly rate per month;

Recoverable Revenue

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

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

4.7 Capital Replacement Reserve Fund

The Northern Cape Fleet Management has a reserve that has been created over the years that the entity exists. The vehicle replacement reserve represents funds available to meet the obligation of replacing the fleet of vehicles that is specifically allocated to User Departments as well as the road building equipment utilised by the Department of Roads and Public Works, at the end of their useful lives.

The allocation to the replacement reserve is thus the following:

- a) The reserve will be credited (increased) with funds (cash) received from User Departments, for the purchasing of additional vehicles and road building equipment. This increase will be done via the Statement of Changes in Equity – directly from retained earnings.
- b) The reserve is debited (decreased) or credited (increased) with adjustments made to the asset register, which relates to prior periods.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

4.8 After Balance Sheet Events

These are events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the financial statements are authorised for issue.

4.9 Contingent Liability

A contingency is a condition, the ultimate outcome of which (gain or loss) will be confirmed only on the occurrence or non-occurrence, of one or more uncertain future events.

4.10 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.

4.11 Trade Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method.

4.12 Trade Receivables

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. We will also assess debtors on an individual basis in order to arrive at the provision.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the Statement of Comprehensive Income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the Statement of Comprehensive Income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2012

4.13 Equity

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

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

The Northern Cape Fleet Management has to replace the fleet of equipment at the end of its useful life. The retained earnings represent the funds that are available to meet this obligation. The allocation to retained earnings is thus the following

- Annual transfer of the profit / (loss) to retained earnings;
- Funding received from the User Department for the purchase of equipment;
- Any prior year adjustment; and

Retained earnings are used to finance capital increases in equipment to be replaced.

4.14 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS For the year ended 31 March 2012

When the Entity receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

4.15 Prior Period Errors

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- (a) was available when financial statements for those periods were authorised for issue; and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements

Material Omissions or misstatements of items are material if they could, individually or collectively; influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Prior period errors are corrected retrospectively.

Retrospective restatement is correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.

5. Standards Issued but not yet Effective

Standards issued but not yet effective up to the date of issuance of the Entity's financial statements are listed below. This listing of standards and interpretations issued are those that the Entity reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Entity intends to adopt these standards when they become effective.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in other comprehensive income OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Entity's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Entity's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Entity's financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2011 or the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Entity's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Entity will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Entity is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

	R'000	R'000 Restated
6. Revenue		
Revenue Comprises:		
White Fleet		
- Daily Charges	923	
- Kilometre Tariffs	3 576	
Yellow Fleet		
	95 525	25 550
	00 024	25 550
		RAI
7. Other Revenue and Expenses		10
The Operating Profit is stated often		
The Operating Profit is stated after:		The state of the s
7.1 Other Operating Income		
Donations income	77 329	18 934
Grant Income	2 680	K
	80 009	18 934
7.2 Operating Expenses		The Lane
Maintenance and Repairs	35	4 565
	43 776	12 168
Consultants' fees	149	-
	19 830	20 624
	31 795	
Loss on disposal of property, plant and equipment	1.070	6 532
Impairment Loss	1 076	- 1327
Licensing fees	1 127 97 788	43 889
		40 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

8. Fleet, Plant and Equipment

8.1 Vehicle Fleet (White Fleet)

o. r Vollidie Floot (Willie Floot)	31 March 2012 R'000	31 March 2011 R'000
Opening Balance – 1 April	-	-
Cost	-	-
Accumulated Depreciation		
Movements:		
Additions	104 505	-
Disposals	-	-
Depreciation Expense	(1 876)	-
Impairment Loss Recognised in the Statement of		
Comprehensive Income	(810)	-
Donations Received	910	
	102 729	-
Closing Balance – 31 March	102 729	-
Cost	105 415	-
Accumulated Depreciation	(2 686)	<u> </u>

Impairment loss

In 2012, the impairment loss of R810 000 represented the write-down of certain vehicles to the recoverable amount. This was recognised in the statement of comprehensive income in the line item, Operating Expenses. The recoverable amount was based on the assets' fair value less costs to sell at year end. The fair value was determined after taking into account current market values and market conditions

Additions

Additions in the current year which have been purchased by the Department of Roads and Public works on behalf of the entity have been funded by the Northern Cape Provincial Treasury.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

8. Fleet, Plant and Equipment (continued)

8.2 Road Building Equipment (Yellow Fleet)

31 March 2012 R'000	31 March 2011 R'000
	Restated
91 063	101 101
126 964	120 735
(35 901)	(19 634)
3 960	21
-	(8 451)
-	(12 808)
-	4 357
(17 954)	(20 624)
(267)	_
76 419	18 934
-	82
153 221	91 063
207 343	126 964
(54 122)	(35 901)
	2012 R'000 91 063 126 964 (35 901) 3 960 (17 954) (267) 76 419 - 153 221 207 343

Impairment loss

In 2012, the impairment loss of R267 000 represented the write-down of certain vehicles to the recoverable amount. This was recognised in the statement of comprehensive income in the line item, 'Operating expenses'. The recoverable amount was based on the assets' fair value less costs to sell at year end. The fair value was determined after taking into account current market values and market conditions.

Additions

Additions in the current year which have been purchased by the Department of Roads and Public works on behalf of the entity have been funded by Treasury.

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 remains 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.

Total Fleet, Plant and Equipment

At Cost	312 758	126 964
Accumulated Depreciation	(56 808)	(35 901)
Net book Value	255 950	91 063

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

*Included in the 2011 disposals figure is an amount of R4,647,000 which relates to deemed disposals that have been made as a result of the asset register cleanup project embarked upon during the 2011/12 financial year.

9. Trade and Other Receivables

	31 March 2012 R'000	31 March 2011 R'000
Department of Roads and Public Works District Municipalities	97 673	31 067
Other Provincial Departments	-	811
	3 671	
	101 344	31 878

Trade receivables are generally on 30 day terms.

As at 31 March 2012, trade receivables at nominal value of Rnil (2011: Rnil) (2012: Rnil) were impaired and fully provided for. Movements in the provision for impairment of receivables were as follows:

Individually and collectively impaired R'000

Charge for the year Utilised Unused amounts reversed At 31 March 2011	- - - -
Charge for the year Utilised Unused amounts reversed At 31 March 2012	- - -

At 31 March 2012, the age analysis of trade receivables is as follows:

Year	Total	Current	30 - 60 days R'000	60 - 90 days R'000	>90 days
	R'000	R'000			R'000
2011	31 878	31 878	-	-	-
2012	101 344	101 262	-	-	82

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

9. Trade and Other Receivables (continued)

At 31 March 2012, the age analysis of trade receivables provided for as impaired is as follows:

Year	Total R'000	> 120 Days R'000
2011	-	_
2012	-	-

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

10. Capital Replacement Reserve Fund

The Capital replacement reserve represents accumulated funds to replace the vehicle fleet and road building equipment at their end of their useful lives.

In terms of the arrangement between Fleet Management and its client Departments, the Department rents vehicles and road building equipment from Fleet Management over its predetermined useful life. At the end of the asset's useful life, the Fleet Management has to replace these.

	31 March 2012 R'000	31 March 2011 R'000
Capital Replacement Reserve	16 187	16 187

11. Revaluation surplus

Non distributable reserves from revaluation

Opening Balance	95 815	95 733
Revaluations	-	82
Closing Balance	95 815	95 815

The revaluation surplus represents non-distributable reserves from revaluations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

		R'000	R'000
12. Government Gra	nt		
At 1 April		-	-
Received during the yea	ır	118 088	-
Released to the stateme	ent of comprehensive		
income	<u></u>	(2 680)	-
At 31 March		115 408	-

31 March

2012

31 March

2011

13. Trade and Other Payables

Accrued Expenses	39 774	3 074
	39 774	3 074

Trade payables are non-interest bearing and in terms of the Public Finance Management Act, have to be settled within 30 days.

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms, as required by the Public Finance Management Act.
- For terms and conditions relating to related parties, refer to Note 15.

14. Irregular expenditure

Reconciliation of irregular expenditure

Opening balance	501	36
Add: Irregular expenditure relating to prior		
year	-	-
Add: Irregular expenditure relating to		
current year	-	465
Less: Amounts condoned	-	-
Closing Balance	501	501
	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

15. Related Parties

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

• 2011/2012 Financial year: Department of Roads and Public Works

Amount owed by/(to) related party at 31 March 2011	Rand value of services rendered: (by)/to related party	Rand value of amounts settled to/(by) related party during the financial year	Amount owed by/(to) related party at 31 March 2012	
R'000	R'000	R'000	R'000	
31 067	95 753	(29 147)	97 673	

2010/2011 Financial year: Department of Roads and Public Works

Amount owed by/(to) related party at 31 March 2010	Rand value of services rendered: (by)/to related party	Rand value of amounts settled to/(by) related party during the financial year	Amount owed by/(to) related party at 31 March 2011
R'000	R'000	R'000	R'000
13 207	21 380	(3 520)	31 067

Terms and Conditions of Transactions with Related Parties

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

16. Financial Risk Management Objectives and Policies

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

It is, and has been throughout 2012 and 2011 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 the 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 views this not as a risk in 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:

At 31 March 2012	Carrying Amount R'000	Contractual cash flows R'000	Within 1 year R'000
Trade and other payables	39 774	39 774	39 774

At 31 March 2011	Carrying Amount R'000	Contractual cash flows R'000	Within 1 year R'000
Trade and other payables	3 074	3 074	3 074

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate with changes in foreign currency. The Entity has no financial instruments which are affected by changes in foreign currency, as it has no foreign currency transactions.

Interest Rate Risk

Interest rate risk stems from the risk associated with an Entity's exposure to changes within the interest rate. The Entity does not make use of interest rate derivatives and does not have any interest bearing loans or receivables at that may be impacted by movements within the interest rate.

Sensitivity Analysis

Interest rate risks are presented by way of sensitivity analysis in accordance with IFRS 7. These show the effects of changes in market interest rates on interest income and interest expense. Management feels that due to the fact that market interest rate does not contain any significant risk element for the Entity, the performance of a sensitivity analysis is not applicable, and would not reveal any significant information.

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.

Consistent with others in the industry, the Entity monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

Net debt is calculated as total borrowings (including borrowings and trade and other payables, as shown in the Statement of Financial Position) less cash and cash equivalents. Total capital is calculated as reserves, as shown in the Statement of Financial Position, plus net debt.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

During 2012, the Entity's strategy, which was unchanged from 2011, was to maintain a low gearing ratio. The gearing ratios at 31 March 2012 and 2011 were as follows:

	31 March 2012 R'000	31 March 2011 R'000
Total Borrowings Less: cash and cash equivalents	<u> </u>	- -
Total Equity Total Capital	202 112 202 112	119 867 119 867
Gearing ratio	N/A	N/A

17. Financial Instruments

Fair Values

Set out below is a comparison by category of carrying amounts and fair values of all of the Entity's financial instruments, including those classified under discontinued operations that are carried in the financial statements.

	Carrying A	Amount	Fair Valu	ie
	31 March 2012 R`000	31 March 2011 R`000	31 March 2012 R`000	31 March 2011 R`000
Financial Assets				
Loans and receivables				
Trade receivables	101 344	31 878	101 344	31 878
Financial Liabilities Loans and receivables				
Trade Payables	39 774	3 074	39 774	3 074

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

Financial Liabilities

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed toapproximate their fair values due to the short-term nature of trade receivables and payables.

18. Commitments (Capital)

At 31 March 2012, the entity had capital commitments of R16.7 million [76 vehicles] (2011: R Nil [0 vehicles]) principally relating to vehicles that have been ordered before the financial year-end. It is expected that these vehicles will be delivered during the next financial year (2012/2013), and that the purchase price will be settled at that stage.

19. Operating Lease Commitments

Operating leases - Entity as lessor

The Entity has entered into Service level agreements over its motor vehicle fleet. These agreements have no defined lease term, although there is an expectation that the vehicles will have a term of use no longer than 4 years. The rates as determined below take into account the approved rates up to 31 March 2013. The rates after this period is unknown and the calculation below takes into account only the expected replacement cost of the vehicles. The future minimum lease receipts under operating leases as at 31 March 2012 are:

	1 year	2 - 5 years	>5 years	Total
	R	R	R	R
Minimum future lease receipts				
Γοσιρισ	8 916 034	127 356 310	-	136 272 344

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2012

Prior Period Errors 20.

The following errors occurred, in relation to the prior financial year, which necessitated corrective action in the current year. The error was corrected, retrospectively:

a) Yellow Fleet assets were not correctly updated for additions and disposals. In the 2011 financial year Property Plant and Equipment were overstated by R6.33 million due to incorrect depreciation being calculated as well as additions and disposals not being correctly accounted for in the financial records of the Entity.

The effect of the adjustment is set out below:

The error has been retrospectively corrected in the annual financial statements and comparative figures have been restated.

The effect of the above adjustment in the annual financial statements is as follows:

	2011 R'000
Property Plant and Equipment as at 31 March 2011 as previously stated	99 584
Add revaluations erroneously excluded Less disposals erroneously excluded	82 (8 451)
Cost	(12 808)
Accumulated depreciation Less additional depreciation erroneously excluded	4 357 (152)
Property Plant and Equipment restated as at 31 March 2011	91 063
Retained Earnings balance as at 31 March 2010	4 999
Profit previously reported	9 198
Less: profit included erroneously	(6 332)
- Profit before tax	(6 332)
Retained earnings restated as at 31 March 2011	7 865
21. Fruitless and Wasteful expenditure	

Penalties had been incurred due to late payment of the fuel account and registration fees during the year under review:

	2012
	R'000
Penalties due to late payment of Wesbank fuel account	140
Penalties due to late payment of registration fees	107
	247