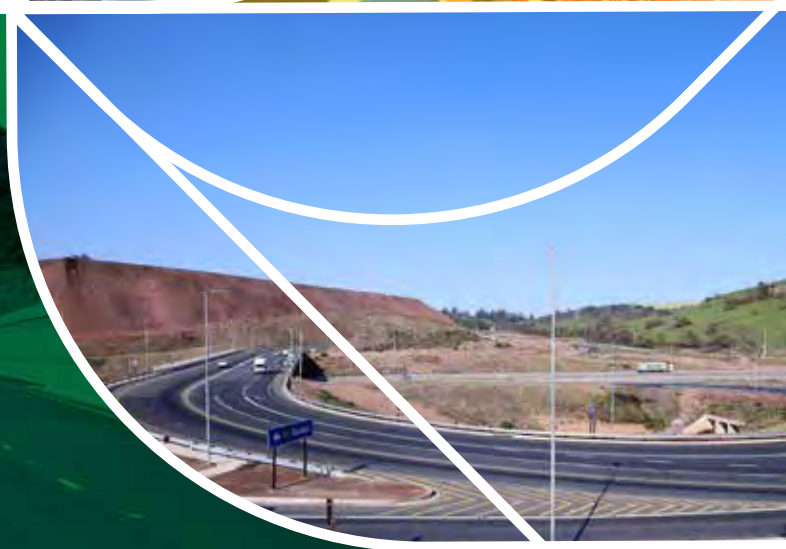




2021/22

KZN DEPARTMENT OF TRANSPORT

ANNUAL REPORT



KWAZULU-NATAL PROVINCE
TRANSPORT
REPUBLIC OF SOUTH AFRICA

**GROWING
KWAZULU-NATAL
TOGETHER**

**TRANSPORT
DRIVING
RECOVERY
AND
ECONOMIC
GROWTH.**



MR S.E HLOMUKA
MEC:Transport,
Community Safety and Liaison

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2021/22

ANNUAL REPORT

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KWAZULU-NATAL PROVINCE

TRANSPORT
REPUBLIC OF SOUTH AFRICA

**KwaZulu-Natal Department of Transport
Annual Report 2021/22**

Mr Sipho Emmanuel Hlomuka, MEC for Transport, and Community Safety and Liaison

I have the honour of submitting the Annual Report of the Department of Transport for the period of 1 April 2021 to 31 March 2022.

A handwritten signature in black ink, consisting of a large, stylized 'S' and 'E' followed by 'Hlomuka'.

MR. S.E HLOMUKA
MEC FOR TRANSPORT, COMMUNITY SAFETY AND LIAISON



PART A

GENERAL INFORMATION

1 LIST OF ABBREVIATIONS / ACRONYMS

DPSA	Department of Public Service and Administration
eNaTIS	Electronic National Administration Traffic Information System
EHW	Employee Health and Wellness
EPMDS	Employee Performance Management and Development System
ERM	Enterprise Risk Management
EPWP	Expanded Public Works Programme
GPSSBC	General Public Service Sectorial Bargaining Council
GIAMA	Government Immovable Asset Management Act
GWEA	Government Wide Enterprise Architecture Project
HOD	Head of Department
HEI(s)	Higher Education Institutions
HIV	Human Immunodeficiency Virus
HR	Human Resource
KZN	KwaZulu-Natal
LSD	Legal Services Directorate
MTEF	Medium Term Expenditure Framework
MEC	Member of Executive Council
NEHAWU	National Education, Health and Allied Workers Union
OSD	Occupational Specific Dispensation
PRASA	Passenger Rail Agency of South Africa
PMDS	Performance Management and Development System
PALAMA	Public Administration Leadership and Management Academy
PSC	Public Service Commission
PSCBC	Public Service Coordinating Bargaining Council
PSI	Public Service Induction
PGDP	Provincial Growth and Development Plan
PGDS	Provincial Growth and Development Strategy
PTOG	Public Transport Operations Grant
POPCRU	Police and Prisons Civil Rights Union
RRD	Roads for Rural Development
RNI	Roads of National Importance
SACCO	Savings Clubs and Savings & Credit Cooperatives
SACCO	Savings and Credit Co-operatives
SETA	Sector Education and Training Authority
SMS	Senior Management Service
SARS	South African Revenue Services
SCM	Supply Chain Management
SITA	State Information Technology Agency
SIP2	Strategic Infrastructure Project 2
TB	Tuberculosis
VECA	Vukuzakhe Emerging Contractors' Association

2 STRATEGIC OVERVIEW

VISION

The Department's vision is: "An Enabling Transportation Gateway to Africa and the World".

This means that the Department will strive to ensure that KZN becomes a gateway connecting Africa and the world through a safe, affordable, reliable and integrated provincial transport system.

MISSION

The Department's mission is:

"We will strive to provide mobility through an affordable transportation system that is safe, integrated, regulated and efficient to support the movement of goods and people and that enables the socio-economic development needs of our province and its citizens".

VALUES

The values of the Department emanate from the Batho Pele principles. The Department's values are:

- Good governance
- Professionalism
- Innovation
- Leadership
- Teamwork

Core Values	What They Mean To The Department
Good Governance	We will implement measures that ensure compliance with all applicable prescripts in the Public Service and the Republic and strive to obtain positive audit outcomes to strengthen accountability, build and sustain confidence in the manner in which we use public resources.
Professionalism	We will continuously strive to build a culture of high professional standards underpinned by work ethic and diligence and to encourage and actively support our staff to affiliate to professional bodies.
Innovation	We will strive to nurture a culture of creative thinking, continuous learning and encourage our staff to research and develop new ways of doing our business in ambitious ways that disrupts the status quo.
Leadership	We will continue to provide sound direction, guidance and leadership to motivate our staff to work hard and efficiently through recognition while providing service excellence at all times.
Teamwork	We will promote consultation, an open door policy and communication in our activities to ensure teamwork and unity among all our staff.

ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

IMPACT STATEMENT:	Safe, affordable, integrated, efficient and compliant transport system.
OUTCOMES:	Good governance Responsive transport infrastructure Integrated, safe, efficient and sustainable transport
DEPARTMENT'S PRIORITIES:	Priority 1: A Capable, Ethical and Developmental State Priority 2: Economic Transformation and Job Creation Priority 3: Spatial Integration, Human Settlements and Local Government

3 LEGISLATIVE AND OTHER MANDATES

LEGISLATIVE MANDATES

The key legislative mandates of the Department are derived mainly from the following legislation:

- Administrative Adjudication of Road Traffic Offences; 1998 (Act No. 46 of 1998)
- Broad-Based Black Economic Empowerment Act; 2003 (Act No. 53 of 2003)
- Criminal Procedure Act; 1977 (Act No. 51 of 1977)
- Cross-border Road Transport Act; 1998 (Act No. 4 of 1998)
- Disaster Management Act; 2002 (Act No. 57 of 2002) and related Regulations
- KZN Provincial Roads Act; 2001 (Act No.4 of 2001)
- KZN Road Traffic Act; 1997 (Act No.7 of 1997)
- National Land Transport Act; 2009 (Act No. 5 of 2009)
- National Regulator for Compulsory Specifications Act; 2008 (Act 5 Of 2008) and associated Regulations.
- National Road Traffic Act; 1996 (Act No. 93 of 1996)
- National Treasury Framework for Infrastructure Delivery and Procurement Management; Treasury Instruction 3 of 2019/2020; 1 October 2019
- Road Traffic Act; 1989 (Act No. 29 of 1989)
- Road Traffic Management Corporation Act; 1999 (Act No. 20 of 1999)
- The Constitution of the Republic of South Africa; 1996 (Act No. 108 of 1996)
- The Construction Industry Development Board Act; 2000 (Act No. 38 of 2000)
- The Construction Regulations; 2014; Gazette 37305 to the Occupational Health and Safety Act; 1993 (Act No 85 of 1993)
- The National Water Amendment Act; 2014 (Act No. 27 of 2014) and the accompanying Draft Regulations Regarding the Procedural Requirements for Licence Applications in terms of Section 26(1) (k) of the National Water Act; 1998 (Act No. 36 of 1998)
- The Spatial Planning and Land Use Management Act; 2013 (Act No. 16 of 2013) (SPLUMA)

OTHER MANDATES

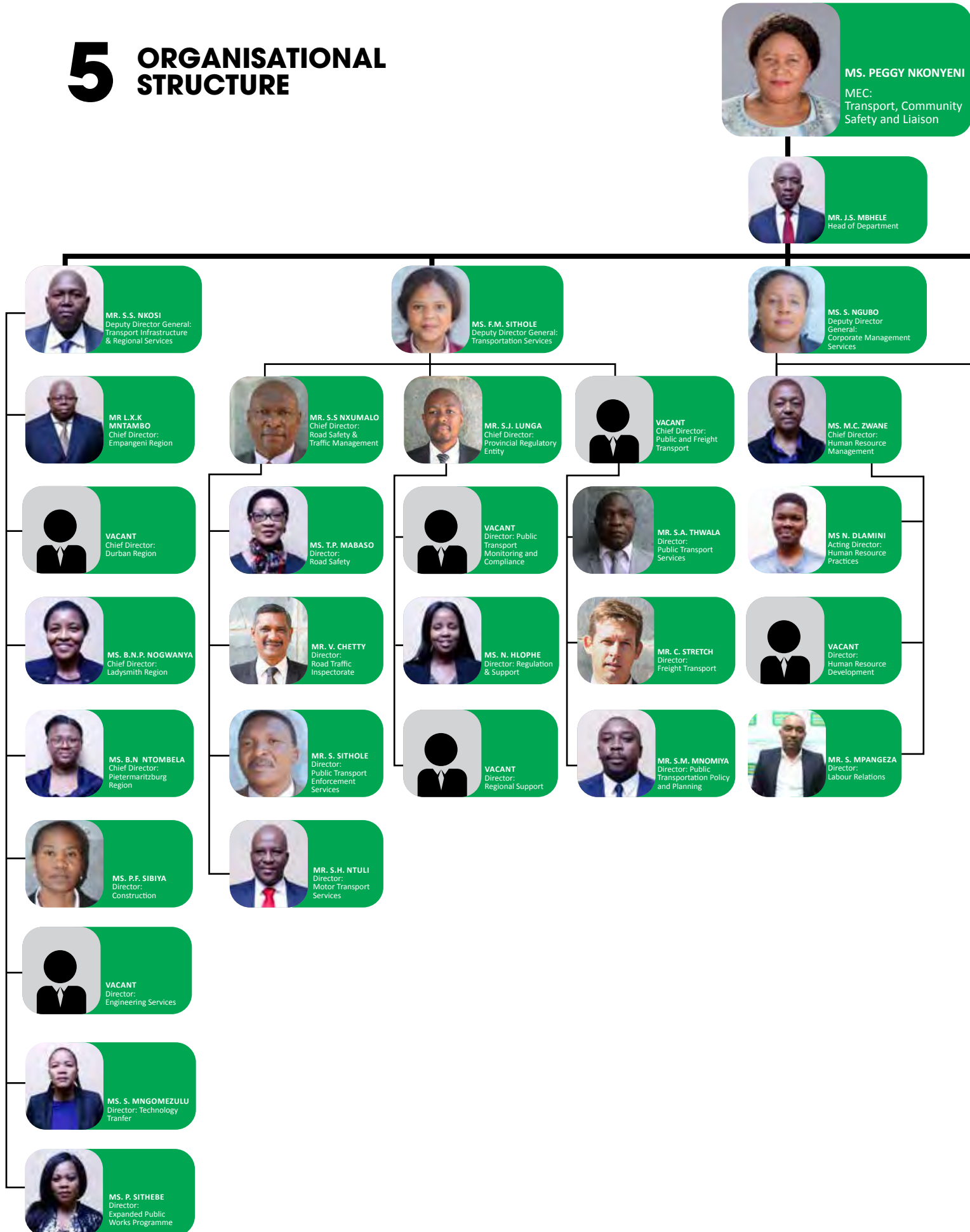
- a. African Union (AU) Agenda; 2063
- b. Draft National Youth Policy 2020-2030; July 2020
- c. Draft Non-Motorised Transport Policy; December 2008
- d. Framework for Infrastructure Delivery and Procurement Management, May 2019" (FIDPM) as issued by National Treasury, October 2019
- e. Integrated Sustainable Rural Development Strategy; November 2005
- f. KZN White Paper on Freight Transport Policy; October 2004
- g. Local Roads For Rural Development In Kwazulu-Natal; March 1997
- h. Medium Term Strategic Framework; 2019-2024
- i. National Development Plan; 2030
- j. National Freight Logistics Strategy; October 2005
- k. National Infrastructure Plan; 2014
- l. National Learner Transport Policy; June 2015
- m. National Road Safety Strategy; 2016-2030
- n. Provincial Growth and Development Plan; 2019
- o. Provincial Spatial Economic Development Strategy; October 2006
- p. Public Transport Strategy and Action Plan; 2007
- q. Road Infrastructure Strategic Framework for South Africa; October 2006
- r. Rural Transport Strategy for South Africa; 2007
- s. South Africa's National Policy Framework for Women's Empowerment and Gender Equality (Gender Policy Framework); 2000

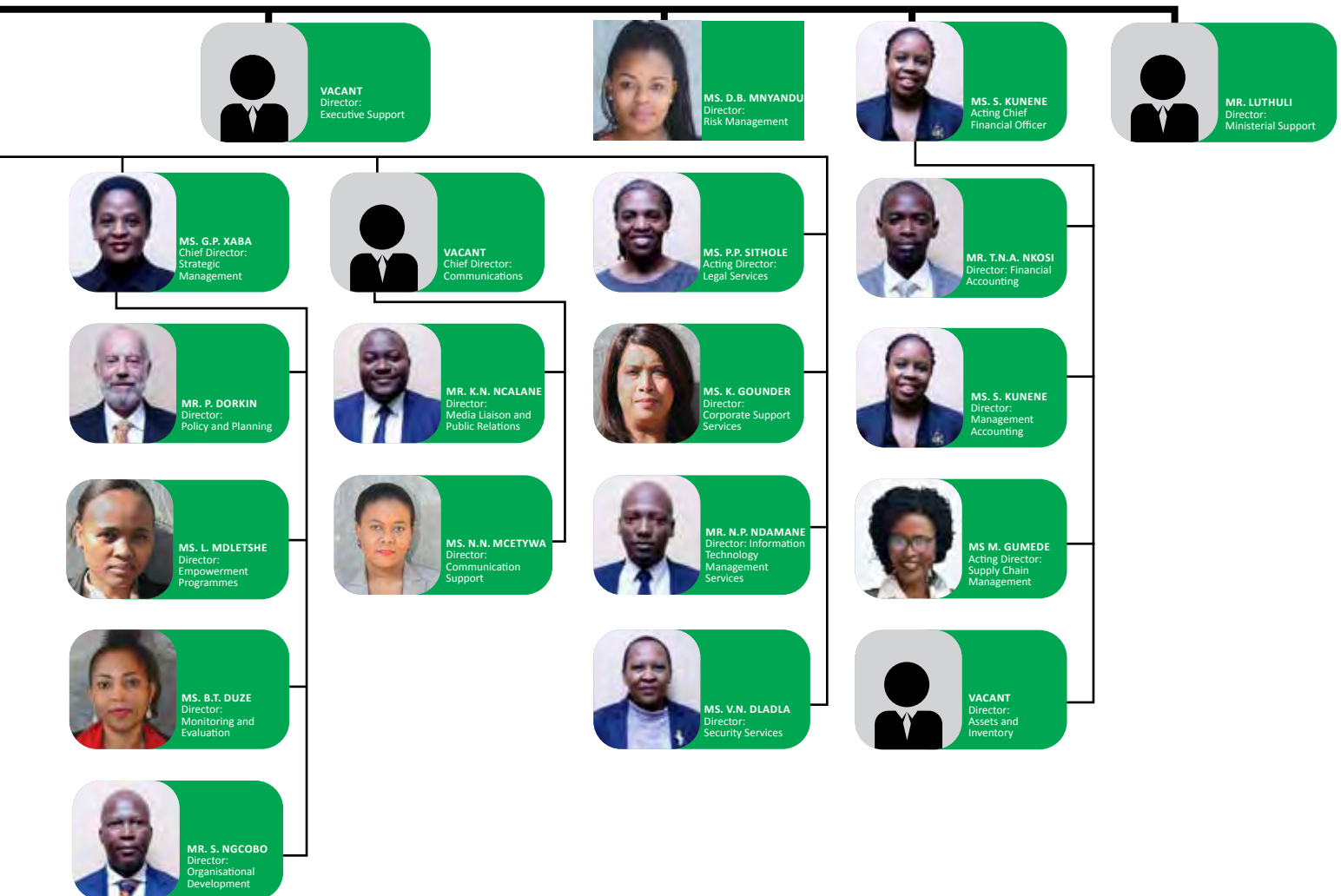
- t. The Department of Public Service and Administration's Circular 7 of 2020; State of Disaster : Guidelines for the Containment/ Management of the Corona Virus (COVID-19) in the Public Service.
- u. The Department of Public Service and Administration's Circular 15 of 2020; State of Disaster : Directions in Respect of Service Delivery and Business Continuity for the Public Service During COVID-19.
- v. The Department of Public Service and Administration's Circular 18 of 2020; State of Disaster : Public Service Return to Work Guidelines After Easing of the National Lockdown.
- w. The Department of Public Service and Administration's Determination on Reasonable Accommodation and Assistive Devices for Employees with Disabilities in the Public Service; July 2015
- x. The National Land Transport Strategic Framework; (2017-2022)
- y. The National Spatial Development Perspective; 2006
- z. Transforming our World: The 2030 Agenda for Sustainable Development; 2015
- aa. White Paper on National Transport Policy; 1996
- bb. White Paper on the Rights of Persons with Disabilities; March 2016
- cc. Women's Financial Inclusion Framework; 2019

4 ENTITIES REPORTING TO THE MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
KZN Department of Community Safety and Liaison	Various	Share the same MEC Vehicle licences and purchase of vehicles are administered via the Department of Transport	The Department offers the Following services: • Police station monitoring • Domestic violence compliant audit • Investigation and complaints against SAPS • Case docket audit • Establishment of Community Safety structures • Crime prevention programs • Training and workshop of Community Safety structures

5 ORGANISATIONAL STRUCTURE









6 FOREWORD BY THE MEMBER OF EXECUTIVE COUNCIL (MEC)



MR S.E HLOMUKA
MEC for Transport,
Community Safety and Liaison

During the 2021/2022 financial year we have been seeking to recover the lost ground on our service delivery initiatives and to minimize the backlog of our infrastructural projects owing to major disruptions due to the impact of the Covid19 pandemic.

We have been reviving our systems including having staff return into offices and managing infrastructural sites after working remotely owing to Covid19 restrictions and protocols.

We are now officially back to working at full capacity with lessons learnt on how to improve our operations using technological advancements.

However, our recovery processes are being slowed down by recurring inclement weather conditions.

In 2019 we had severe rainfalls and as a result many roads and bridges were washed away.

In December 2021 we once again faced heavy rains that even damaged many of our offices including office buildings located at our head office. Some of the roads and bridges that were damaged were still in the process of getting repaired.

This has seen us having to reprioritize some of our key infrastructural projects. We have also been working hard in repositioning this Department and ensuring stability. I am glad to report that in this financial year under review we were able to appoint a Head of Department in Mr Siboniso Mbhele who commenced his duties in August 2021.

We are also working with speed to fill all vacant posts including critical senior posts such as the Chief Financial Officer and Director for Supply Chain Management.

We have also been busy reviewing our organizational structure to align it to being equipped to deliver modern transportation systems.

We want our new organizational structure to implement a new service delivery model in line with the District Development Model (DDM). This will see us transforming all our regional cost centers to align with our District Municipalities to ensure integration of our services with all spheres of government.

Our new organizational structure will also have new Directorates that will accommodate all modes of transport such as aviation, maritime and pipeline.

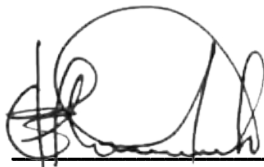
There have been several engagements that have taken place with the Department of Public Service and Administration (DPSA) and we hope that this process can be finalized in the upcoming financial year so the department can be capacitated to tackle the challenges facing the transport sector and up the pace on service delivery.

We are strengthening our internal systems and improving our audit outcomes. We are still not happy that we are one of few remaining departments that are not getting a clean audit. However, we believe that we are beginning to turn around the corner. The department received a qualified audit opinion on Capital Commitments.

However, this is a new qualification matter for the department as we managed to clear the two qualification items that we had received in the previous financial year which are Accrued Departmental Revenue and Goods and services.

In the new financial year we will be adding even more stringent measures to ensure that we clear all our qualification matters and not receive any new ones.

We remain committed to improving the functioning of the department and to achieve a clean audit.



MR S.E HLOMUKA

MEC for Transport, Community Safety and Liaison in KwaZulu-Natal

7 REPORT OF THE ACCOUNTING OFFICER



MR SIBONISO MBHELE
Head of Transport, KwaZulu-Natal

7.1 OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

7.1.1 IMPORTANT POLICY DECISIONS AND STRATEGIC ISSUES FACING THE DEPARTMENT

The following are strategic issues facing the Department:

- The Department is still constrained by employee shortages that arose from the moratorium on the filling of posts that were imposed many years ago and Provincial Treasury Circular 11/5/8/1/12-16/17, dated 10 February 2016. This directive has resulted in the Department having to prioritise posts which are critical to filling carefully. The increased restrictions to this circular and additional processes in obtaining Treasury approval before filling positions negatively impact the Department and our ability to function optimally.
- The delay in the finalising of the Departmental structure continues to exacerbate this situation which has also had a substantial negative impact on service delivery.
- The Department aims to continue to ensure that it meets its employment equity targets in the workplace. To this end, the Department again commits itself to achieve representation of designated population groups in management and women in management positions (50%). The Department will also strive to increase Youth and People Living with Disabilities in our employment.
- The Department continued to adhere to the expanded cost-cutting measures, as reissued by Provincial Treasury in 2021/22, in conjunction with National Treasury Instruction 01 of 2013/14: Cost contained measures.

- The Covid-19 pandemic resulted in the Department having to reprioritise its budget in response to the pandemic. The Department undertook some internal reprioritisation amounting to R6.927 million to purchase PPE, sanitisers, masks and gloves, etc., for staff. The lockdown restriction associated with the Covid-19 pandemic coupled with the substantial budget reduction greatly affected all service delivery targets, particularly the delivery for construction and maintenance programmes
- The other major challenge that the Department is constantly faced with is the increased demand for construction and maintenance of the road network despite the decrease in funding. The Department's current Maintenance budget is significantly lower than the required allocation. This has seen the blacktop road condition deteriorate from 36% to 57% in the poor to very poor road category, while the industry target is less than 10%.
- Action plans to address the Department's extensive irregular expenditure have resulted in several service delivery challenges as the Supply Chain Management process has been strengthened and weakness in the contract management processes has been addressed. These challenges include the suspension of the Vukuzakhe Emerging Contractor Programme, which was not aligned to the current procurement prescripts and resulted in restarting of most road maintenance contracts.

7.2 OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

7.2.1 DEPARTMENTAL RECEIPTS

REVENUE TARIFFS

The Department adjusted its revenue tariff for the 2021/22 financial year by adding a minimum of the inflation rate (CPI) plus one per cent to the 2019/20 tariff rate. The Department approves these increases in consultation with the Provincial Treasury. The following services rendered by the Department were increased at the inflationary rate (CPI) plus one per cent for the 2020/21 financial year:

- Abnormal Loads Licences
- Traffic Officer Diploma Course Fees
- Examiner of Vehicles Course Fees
- Examiner of Driving Licence Course
- Dangerous Goods and Other Courses
- Evaluation of Examiners
- Dräger Training
- Speed Timing Courses
- Refresher Training iro Other Courses
- Duplicate Registration Fee
- Issue of Permits
- Traffic Assistance
- Traffic Warden Course
- Exemptions: New Applications or Renewals
- Copies of Accident Information

MOTOR VEHICLE LICENCES

The KwaZulu-Natal Department of Transport, is responsible for motor vehicle registration and licensing in terms of the current national and provincial road traffic legislation, collects motor vehicle licence fees through 82 Registering Authority offices, made up of 7 Provincial Offices, 41 Municipal Offices, and 34 Post Offices. Motor vehicle licence fees are calculated, country wide, on the tare weight of a vehicle. Each MEC of the nine provinces is mandated to administer vehicle registration and licence fees, inclusive of the increase.

The variances between motor vehicle licences charged across all provinces in the various fee categories are significant. The Province is losing revenue to neighbouring regions due to cheaper rates as the fees have not yet been standardised. To avoid further losses, the Department has been implementing a conservative 4% tariff increase rate since the 2016/17 financial year to narrow the gap.

The National Department of Transport formed a task team comprising representatives from Provincial Treasuries and National Treasuries to explore ways to standardise the tariffs for motor vehicle licences, as some provinces such as KZN charge higher rates than others.

In August 2020, the inception of the use of card machines at registering authorities commenced. These card machines are linked to the Department's bank account and not that of the registering authority. This meant that when the public opted to use the card machine to pay for their motor vehicle licences, the funds would be directly deposited to the Department's bank account even when the renewal or the registration occurred at registering authorities (such as the municipality or post office). This process did not leave enough revenue to enable these authorities to retain their fee, and as a result, the Department had to process payments to the registering authorities after calculating the fee they were entitled to for the month. This revenue category is therefore reporting revenue higher than it would have, had the old process of retaining the fee from the collected revenue been still in place. Therefore, this category is reporting additional receipts of approximately R86.923 due to the fact that registering authorities had to be reimbursed using an expenditure item which then means these refunds were funded by the Department's Voted Funds.

ROAD & TRANSPORT LICENCES/FEEES

Revenue collected for road and transport licences/fees includes learners' and drivers' licences applications, issuance, and renewal, conversion of drivers' licences and the sale of personalised and specific number plates.

Some of the revenue collected is later retained by Agencies that provide licencing services on behalf of the Department, such as The Post Office, Provincial Municipalities, and transactional fees paid over to the Road Traffic Management Corporation (RTMC).

The Department has been experiencing a decline in the revenue collection against this category since the National Minister of Transport only determines the Learner and Driver License tariffs. These have remained the same for the past ten financial years. The other contributing factor to the decline is the economic climate and the high unemployment rate in the Province.

REVENUE COLLECTION

The Department of Transport collects the most significant revenue in the Province. Below is a table that summarises receipts collected compared to the budgeted amounts for both the 2021/22 financial year and the 2020/21 financial year.

Departmental Receipts	2021/2022			2020/2021		
	Estimate	Actual Amount Collected	(Over) Under Collection	Estimate	Actual Amount Collected	(Over) Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
- Motor vehicle licenses	2 000 914	2 103 961	(103 047)	1 880 000	2 014 375	(134 375)
Sale of goods and services other than capital assets	67 186	75 360	(8 174)	103 199	56 564	46 635
Fines, penalties and forfeits	39 824	69 647	(29 823)	45 792	22 614	23 178
Interest, dividends and rent on land	142	65	77	198	86	112
Sale of capital assets	1 616	-	1 616	-	-	-
Financial transactions in assets and liabilities	1 926	11 406	(9 480)	1 810	10 949	(9 139)
Total	2 111 608	2 260 440	(148 831)	2 030 999	2 104 588	(73 589)

The Department collected R2.260 billion for the year against an annual budget of R2.112 billion, over-collecting at 107.04 per cent or by R148.831 million. The over-collection was as follows:

- Tax receipts: Motor vehicle licences collected R2.104 billion against the annual budget of R2.001 billion. The over-collection of R103 million can be attributed to higher than anticipated applications for new and renewed motor vehicle licences.
- Sale of goods and services other than capital assets over-collected at R75.360 million against the annual budget of R67.186 million. Revenue from this source relates to applications for learners' and drivers' licences

and commission on PERSAL deductions such as insurance premiums and garnishees, course fees related to the Traffic Inspectorate Training College, etc.

- Fines, penalties and forfeits collected R69.647 million against a budget of R39.824 million. Revenue from this category depends on the ability and willingness of the public to pay their fines.
- Transactions in financial assets and liabilities reflect a revenue collection of R11.406 million against a budget of R1.926 million. Revenue from this source constituted mainly recoveries from previous years' expenditure, like staff debts such as salary over-payments and breached bursary contracts. The over-collection was primarily a result of staff debt collections being higher than anticipated.

The over-collection was offset to some extent by an under-collection in the following categories:

- Interest, dividends and rent on land under-collected at R65 000 against the annual budget of R142 000 mainly because interest on staff debts was lower than anticipated. It is difficult to budget for this revenue source due to its uncertain nature.
- The sale of capital assets usually records revenue from the sale of redundant vehicles and mechanical plant. The Department did not conduct an auction in 2021/22, though, as initially anticipated due to Covid-19 regulations, which impacted the Department's ability to hold a public auction due to restrictions around the number of people that may gather. The Department felt that it would be difficult to control the number of people attending the auction; hence no auction was conducted.

7.2.2 PROGRAMME EXPENDITURE

Below is a table that presents a summary of the actual expenditure in comparison to the adjusted appropriation for both the 2021/22 financial year and the 2020/21 financial year.

Programme Name	2021/2022			2020/2021		
	Final	Actual	Variance	Final	Actual	Variance
	Budget			Budget		
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	456 758	456 758	-	446 674	446 674	-
Transport Infrastructure	8 180 314	8 181 960	(1 646)	5 785 616	5 785 616	-
Transport Operations	1 938 780	1 938 780	-	1 697 150	1 684 521	12 629
Transport Regulation	957 896	957 896	-	875 561	877 091	(1 530)
Community Based Programme	37 970	37 970	-	18 929	17 876	1 053
Total	11 571 718	11 573 364	(1 646)	8 823 930	8 811 778	12 152

The Department over-spent its 2021/22 budget by R1.646 million. After undertaking virements to off-set expenditure pressures against various programmes and economic classifications, Programme 2: Transport Infrastructure reflects an overspending of R1.646 million whilst the rest of the programmes reflect a balanced budget. The reasons for the variances are as follows:

PROGRAMME 2: TRANSPORT INFRASTRUCTURE R1.646 MILLION

The programme reflects higher than the budgeted expenditure of R1.646 million resulting from construction of new, rehabilitation and upgrading of the provincial road network.

7.2.3 VIREMENTS

Virements that have taken place during the 2021/22 financial year resulted from savings identified between programmes and used to defray expenditure pressures against other programmes.

The purpose of these virements was to ensure service delivery and alignment to the Department's mandated objectives.

As a result of this, the Department confirms that these virements remain within the stipulated eight per cent under each main division.

The virements that were applied are as per the below:

2021/2022					
Programme Name	Adjusted Appropriation	Virements	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000
Administration	494 729	(37 971)	456 758	456 758	-
Transport Infrastructure	8 084 149	96 165	8 180 314	8 181 960	(1 646)
Transport Operations	1 895 852	42 928	1 938 780	1 938 780	-
Transport Regulation	1 056 451	(98 555)	957 896	957 896	-
Community Based Programme	40 537	(2 567)	37 970	37 970	-
Total	11 571 718	-	11 571 718	11 573 364	(1 646)

The Department undertook virements post Adjustments Estimate to reduce unauthorised expenditure, in respect of all five programmes.

Most of the virements undertaken did not require Treasury approval as they were within the approval of the Accounting Officer, and do not exceed the 8 per cent limit set in terms of the PFMA.

The Post Adjustments Estimate virements undertaken between programmes by the Department are as follows:

a) A net amount of R37.971 million was moved from Programme 1: Administration as follows:

- R2.003 million was moved within Compensation of employees from the sub-programme: Departmental Strategy to Programme 5: Community Based Programme, sub-programme: EPWP Co-ordination and Monitoring to cater for higher than budgeted salary costs.
- R145 000 was moved within Transfers and Subsidies to: Households from the sub-programme: Corporate Services to Programme 2: Transport Operations, sub-programme: Maintenance to cater for higher than budgeted staff exit packages as well as claims against the state.
- R551 000 was moved from Transfers and Subsidies to: Households under the sub-programme: Corporate Services to Programme 2: Transport Infrastructure, sub-programme: Infrastructure Design against Transfers and Subsidies to: Provinces and Municipalities in respect of higher than budgeted costs related to motor vehicle licences.
- R517 000 was moved within Transfers and Subsidies to: Households from the sub-programme: Corporate Services to Programme 3: Transport Operations, sub-programme: Programme Support Operations to cater for higher than budgeted staff exit packages as well as claims against the state.
- R609 000 was moved within Transfers and Subsidies to: Households from the sub-programme: Corporate Services to Programme 3: Transport Operations, sub-programme: Transport Safety and Compliance to cater for higher than budgeted staff exit packages as well as claims against the state.
- R209 000 was moved from Transfers and Subsidies to: Households under the sub-programme: Corporate Services to Programme 3: Transport Operations, sub-programme: Public Transport Services against Transfers and Subsidies to: Non-Profit Institutions in respect of higher than budgeted costs related to the Kwanabuco association.
- A total of R11.307 million was from Compensation of employees (R1.625 million from the sub-programme: Office of the MEC, R3.684 million from the sub-programme: Management and R5.998 million from the sub-programme: Departmental Strategy to Programme 3: Transport Operations, sub-programme: Public Transport Services against Transfers and Subsidies to: Public Corporations and Private Enterprises, to defray expenditure pressures related to the payment of bus operators for bus subsidies.
- A total of R22.629 million was from Goods and services (R7.350 million from the sub-programme: Office of the MEC, R10.114 million from the sub-programme: Management and R5.165 million from the sub-programme: Departmental Strategy to Programme 3: Transport Operations, sub-programme: Public Transport Services against Transfers and Subsidies to: Public Corporations and Private Enterprises, to defray expenditure pressures related to the payment of bus operators for bus subsidies.

b) A net amount of R96.165 million was moved to Programme 2: Transport Infrastructure as follows:

- R145 000 was moved within Transfers and Subsidies to: Households from Programme 1: Administration sub-programme: Corporate Services to the sub-programme: Maintenance to cater for higher than budgeted staff exit packages as well as claims against the state.
- R551 000 was moved from Programme 1: Administration, sub-programme: Corporate Services against Transfers and Subsidies to: Households to the sub-programme: Infrastructure Design under Transfers and Subsidies to: Provinces and Municipalities in respect of higher than budgeted costs related to motor vehicle licences.
- R39 000 was moved within Payments for capital assets: Machinery and equipment from Programme 3: Transport Operations, sub-programme: Programme Support Operations to the sub-programme: Maintenance to defray higher than budgeted expenditure related to the procurement of mechanical plant.
- R102 000 was moved within Payments for capital assets: Machinery and equipment from Programme 3: Transport Operations, sub-programme: Programme Support Operations to the sub-programme: Maintenance to defray higher than budgeted expenditure related to the procurement of mechanical plant.
- R7 000 was moved within Payments for financial assets from Programme 3: Transport Operations, sub-programme: Transport Safety and Compliance to the sub-programme: Programme Support Infrastructure.
- A total of R87.038 was moved to the sub-programme: Construction against Payments for capital assets: Buildings and other fixed structures to defray expenditure pressures related to the construction of new, rehabilitation and upgrade of the provincial infrastructure network as follows:
- R3.937 million against Compensation of employees from Programme 4: Transport Regulation, sub-programme: Transport Administration and Licensing.
- R2.739 million against Compensation of employees from Programme 4: Transport Regulation, sub-programme: Law Enforcement.
- R800 000 against Goods and services from Programme 4: Transport Regulation, sub-programme: Programme Support Regulation.
- R16.803 million against Goods and services from Programme 4: Transport Regulation, sub-programme: Transport Administration and Licensing.
- R9.841 million against Goods and services from Programme 4: Transport Regulation, sub-programme: Operator Licenses and Permits.
- R52.918 million against Goods and services from Programme 4: Transport Regulation, sub-programme: Law Enforcement.
- R1.242 million was moved within Goods and services from Programme 4: Transport Regulation, sub-programme: Programme Support Regulation to sub-programme: Programme Support Infrastructure to cater for higher than budgeted operational costs.
- R452 000 was moved to Programme 2: Transport Infrastructure, sub-programme: Infrastructure Design from Transfers and Subsidies to: Households to Transfers and Subsidies to: Provinces and Municipalities in respect of higher than budgeted costs related to motor vehicle licences.
- R6.522 million was moved within Payments for capital assets: Machinery and equipment from Programme 4: Transport Regulation, sub-programme: Law Enforcement to the sub-programme: Maintenance to defray higher than budgeted expenditure related to the procurement of mechanical plant.
- A total of R60 000 was moved within Payments for capital assets: Machinery and equipment from Programme 5: Community Based Programme (R30 000 from the sub-programme: Community Development and R30 000 from the sub-programme: EPWP Co-ordination and Monitoring to Programme the sub-programme: Maintenance to defray higher than budgeted expenditure related to the procurement of mechanical plant.

c) A net amount of R42.928 million was moved to Programme 3: Transport Operations as follows:

- R517 000 was moved within Transfers and Subsidies to: Households from Programme 1: Administration, sub-programme: Corporate Services to the sub-programme: Programme Support Operations to cater for higher than budgeted staff exit packages as well as claims against the state.
- R609 000 was moved within Transfers and Subsidies to: Households from Programme 1: Administration, sub-programme: Corporate Services to the sub-programme: Transport Safety and Compliance to cater for higher than budgeted staff exit packages as well as claims against the state.

- R209 000 was moved from Transfers and Subsidies to: Households from Programme 1: Administration sub-programme: Corporate Services to the sub-programme: Public Transport Services against Transfers and Subsidies to: Non-Profit Institutions in respect of higher than budgeted costs related to the Kwanabuco association.
- A total of R11.307 million was from Programme 1: Administration against Compensation of employees (R1.625 million from the sub-programme: Office of the MEC, R3.684 million from the sub-programme: Management and R5.998 million from the sub-programme: Departmental Strategy to the sub-programme: Public Transport Services against Transfers and Subsidies to: Public Corporations and Private Enterprises, to defray expenditure pressures related to the payment of bus operators for bus subsidies.
- A total of R22.629 million was from Programme 1: Administration: Goods and services (R7.350 million from the sub-programme: Office of the MEC, R10.114 million from the sub-programme: Management and R5.165 million from the sub-programme: Departmental Strategy to the sub-programme: Public Transport Services against Transfers and Subsidies to: Public Corporations and Private Enterprises, to defray expenditure pressures related to the payment of bus operators for bus subsidies.
- R4.508 million was moved from Programme 5: Community Based Programme, sub-programme: Innovation and Empowerment against Goods and services to the sub-programme: Public Transport Services against Transfers and Subsidies to: Public Corporations and Private Enterprises, to defray expenditure pressures related to the payment of bus operators for bus subsidies.
- R3.311 million was moved from Programme 4: Transport Regulation, sub-programme: Programme Support Regulation against Goods and services to the sub-programme: Public Transport Services against Transfers and Subsidies to: Public Corporations and Private Enterprises, to defray expenditure pressures related to the payment of bus operators for bus subsidies.
- R39 000 was moved within Payments for capital assets: Machinery and equipment from the sub-programme: Programme Support Operations to Programme 2: Transport Infrastructure, sub-programme: Maintenance to defray higher than budgeted expenditure related to the procurement of mechanical plant.
- R102 000 was moved within Payments for capital assets: Machinery and equipment from the sub-programme: Programme Support Operations to Programme 2: Transport Infrastructure, sub-programme: Maintenance to defray higher than budgeted expenditure related to the procurement of mechanical plant.
- R7 000 was moved within Payments for financial assets from the sub-programme: Transport Safety and Compliance to Programme 2: Transport Infrastructure, sub-programme: Programme Support Infrastructure.
- A total of R12 000 was moved within Payments for financial assets from the sub-programme: Transport Safety and Compliance to Programme 4: Transport Regulation, sub-programme: Transport Administration and Licensing (R11 000) and the sub-programme: Law Enforcement (R1 000) in respect of thefts and losses written off.

d) A net amount of R98.555 million was moved from Programme 4: Transport Regulation as follows:

- A total of R12 000 was moved within Payments for financial assets from Programme 3: Transport Operations, sub-programme: Transport Safety and Compliance to the sub-programme: Transport Administration and Licensing (R11 000) and the sub-programme: Law Enforcement (R1 000) in respect of thefts and losses written off.
- R3.311 million was moved from Goods and services against the sub-programme: Programme Support Regulation to Programme 3: Transport Operations, sub-programme: Public Transport Services against Transfers and Subsidies to: Public Corporations and Private Enterprises, to defray expenditure pressures related to the payment of bus operators for bus subsidies.
- A total of R87.038 was moved to Programme 2: Transport Infrastructure, sub-programme: Construction against Payments for capital assets: Buildings and other fixed structures to defray expenditure pressures related to the construction of new, rehabilitation and upgrade of the provincial infrastructure network as follows:
- R3.937 million from Compensation of employees against the sub-programme: Transport Administration and Licensing.
- R2.739 million from Compensation of employees against the sub-programme: Law Enforcement.

- R800 000 from Goods and services against the sub-programme: Programme Support Regulation.
- R16.803 million from Goods and services against the sub-programme: Transport Administration and Licensing.
- R9.841 million from Goods and services against the sub-programme: Operator Licenses and Permits.
- R52.918 million from Goods and services against the sub-programme: Law Enforcement.
- R1.242 million was moved within Goods and services from the sub-programme: Programme Support Regulation to Programme 2: Transport Infrastructure, sub-programme: Programme Support Infrastructure to cater for higher than budgeted operational costs.
- R452 000 was moved from Transfers and Subsidies to: Households from the sub-programme: Law Enforcement to Programme 2: Transport Infrastructure, sub-programme: Infrastructure Design against Transfers and Subsidies to: Provinces and Municipalities in respect of higher than budgeted costs related to motor vehicle licences.
- R6.522 million was moved within Payments for capital assets: Machinery and equipment from the sub-programme: Law Enforcement to Programme 2: Transport Infrastructure, sub-programme: Maintenance to defray higher than budgeted expenditure related to the procurement of mechanical plant.

e) A net amount of R2.567 million was moved from Programme 5: Community Based Programme as follows:

- R2.003 million was moved within Compensation of employees from Programme 1: Administration, sub-programme: Departmental Strategy to the, sub-programme: EPWP Co-ordination and Monitoring to cater for higher than budgeted salary costs.
- R4.508 million was moved from the sub-programme: Innovation and Empowerment from Goods and services to Programme 3: Transport Operations, sub-programme: Public Transport Services against Transfers and Subsidies to: Public Corporations and Private Enterprises, to defray expenditure pressures related to the payment of bus operators for bus subsidies.
- A total of R60 000 was moved within Payments for capital assets: Machinery and equipment (R30 000 from the sub-programme: Community Development and R30 000 from the sub-programme: EPWP Co-ordination and Monitoring to Programme 2: Transport Infrastructure, sub-programme: Maintenance to defray higher than budgeted expenditure related to the procurement of mechanical plant.

Requested roll-overs to 2021/22

The department did not request for roll-overs of funds from 2020/21 to 2021/22

7.3 UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

The Department has incurred unauthorised expenditure amounting to R1.646 million due to an overspending against a Main Division being Programme 2: Transport Infrastructure. The overspending against this Programme is due to higher than the budgeted expenditure of R1.646 million resulting from construction of new, rehabilitation and upgrading of the provincial road network.

The fruitless and wasteful expenditure incurred by the Department in the 2021/22 financial year is analysed as follows:

Details	Opening Balance	Increase	Decrease	Closing Balance
	1 April 2021			31 March 2022
	R'000	R'000	R'000	R'000
No Show Accommodation	13	-	-	13
Printing of 2017/2018 Annual Report	160	-	-	160
MR 38 Construction	424	-	-	424
Rehabilitation of P449 due to suspension	802	-	-	802
Interest on Overdue Accounts - Telkom	10	50	-	60
Environmental Management Programme	2 351	-	-	2 351
Total	3 760	50	-	3 810

7.4 COVID-19 EXPENDITURE

The Covid-19 pandemic resulted in the Department having to reprioritise its budget in response to the pandemic. As a result, the Department undertook some internal reprioritisation amounting to R6.927 million to purchase PPE, sanitisers, masks and gloves, etc., for staff. The department spent R4.769 million of this funding in the 2021/22 financial year on the procurement of PPE and sanitisation of departmental buildings.

7.5 FUTURE PLANS OF THE DEPARTMENT

The Department plans to continue to strive to provide the public with mobility through an affordable transportation system that is safe, integrated, regulated and accessible, to meet the developmental needs of our Province. The department is currently aligning its organisational structure to the service delivery model as well as the District Development Model (DDM). Furthermore, the department will be incorporating other modes of transport such as rail, aviation and maritime into its strategic plans.

7.6 PUBLIC PRIVATE PARTNERSHIPS

The Department did not enter into any Public Private Partnerships the 2021/22 financial year.

7.7 DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The Department did not discontinue, nor does it have any plans to discontinue any services/activities.

7.8 NEW/PROPOSED ACTIVITIES

There are no new/proposed activities during the 2021/22 financial year.

7.9 SUPPLY CHAIN MANAGEMENT

List of unsolicited bid proposals concluded for the year under review

Any unsolicited bids received would have been dealt with in terms of the National Treasury Practice Note on unsolicited bids, however there were no unsolicited bids received during this reporting period.

List whether SCM processes are in place to prevent irregular expenditure

The Department has developed an SCM Compliance Tool which was implemented in May 2020. The SCM Compliance System requires the SCM Practitioners to complete an automated checklist when undertaking a procurement transaction which ensures that all required procedures have been implemented prior to allowing an Order Approval to be finalised.

Challenges experienced in SCM and how they were resolved

Human Resource Structure shortcomings were noted in Head Office as well as Regional and Cost Centre offices. The Department has finalised the organisational restructuring process and this has been forwarded to DPSA for approval.

The post of Director: Supply Chain Management is once again vacant since June 2021 after the department had managed to previously fill the position on the 1st of February 2019. There are still capacity challenges within the SCM Directorate, and the Department has requested the Provincial Treasury to appoint additional capacity from their Panel. Also, the unit will receive special attention during the restructuring process. The department plans to divide the Unit into Goods & Services Procurement and Infrastructure Procurement.

7.10 GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

The department did not receive any donations during the 2021/22 financial year.

7.11 EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

The department received an exemption from the provisions of Preferential Procurement Policy Framework Act (PPPFA) on the 22nd of March 2022.

7.12 EVENTS AFTER THE REPORTING DATE

On the 11th and 12th April 2022, parts of KwaZulu Natal received between 200mm and 400mm of rainfall in a 24-hour period. Parts of the province were affected by heavy rainfall and flooding which caused extensive damage to provincial roads, bridges and other structures.

Following these severe weather events and the subsequent damage caused in various provinces, a national disaster was declared in terms section of 27(1) of the Disaster Management Act, 2002.

These are however considered non-adjusting events.

7.13 OTHER

There is no other material fact or circumstances, which may influence the understanding of the financial that is not addressed elsewhere in this Department.

7.14 CONCLUSION

The attached 2021/22 Annual Financial Statements have been approved by the Accounting Officer.



ACCOUNTING OFFICER
MR. J.S. MBHELE

8 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2022.



Accounting Officer
MR SIBONISO MBHELE



PART B

PERFORMANCE INFORMATION

1 AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 150 of the Report of the Auditor General, published as Part E: Financial Information.

2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

During the year under review the whole country was still grappling with the COVID-19 pandemic. The restrictions in terms of the Disaster Management Act were still in force. During the year the country was at level 4 and level 3 lock down. This meant that some restrictions were relaxed, however caution still had to be exercised in many areas to minimise the spread of the virus. The Department was operating under this environment where some restrictions were imposed. This resulted in constraints on some of the activities that had to be carried out by the Department.

This affected in the main, the front-line service delivery points, such as driver and vehicle licencing centres amongst others as the number of people coming to these centres had to be decreased. The net effect of this was the backlogs in these centres, which the Department is still attending to. The core business of the Department, which is namely construction and maintenance of transport infrastructure, the regulation function, as well, as transport operations, were also not spared.

In respect of the construction and maintenance functions, several contracts had to be cancelled for non-performance by contractors on site. This poor performance was in the main attributed to contractors experiencing cashflow challenges. Delays were experienced in infrastructure development owing to the starting and stopping of projects as the project team was infected with the Covid-19 pandemic at different levels of lockdown restrictions. Covid-19 further impacted progress on site as some sites had to reduce the number of labour working at a particular time which then had an effect on the anticipated outputs. Law enforcement was impacted negatively as well by the Covid-19 pandemic. The focus of the regulatory authority was shifted from the mandatory functions to that of maintaining law and order pertaining to the adherence of restrictions.

In July 2021, the Province was rocked by social unrest, looting and riots that brought the Province to a standstill. There was significant impact on the Province both from a social and economic perspective. During this period there was disruption to services and operations. In the days that followed the Province's leadership were hard at work trying to quell the situation and restore services as best as possible so that the Province could return to a sense of normality and reignite the economy.

The riots and looting not only impacted on the Province but also impacted on the Department both externally and internally. The tumultuous period created fear and apprehension among all citizens and staff of the Province.

The riots led to a 12-day shutdown of Departmental services during the period as roads were shut down, offices were closed and staff were not able to report for duty due to roads being closed and the unavailability of public transport services. This affected internal Departmental operations and safety at premises. Security officers were unable to be in the workplace due to the absence of public transport, thereby compromising protection services at Departmental premises. Some offices and equipment were looted and damaged.

Furthermore, key arterial roads and routes like the N2 and N3 were shut down which affected the delivery of services and goods. Trucks were burnt and looted which also caused goods that they were transporting to be destroyed. Furthermore, there were fewer long-distance and short haul trips resulting in a reduction in fuel sales and lost wages for truckers.

Sadly, more than 1000 bicycles that were donated by the National Department of Transport were looted, impacting on the Shova Kulula Programme and learners in rural areas travelling to school.

Public transport services were extremely affected because services had to be stopped for the 12 days of the unrest as operators feared for malicious damage to their vehicles.

Motor transport service offices were also impacted during the mayhem and carnage. One office, which was a fully functional office at the Bulwer Post Office and one which was a renewal office at the Plessislaer Post Office, were burnt. Five Registering Authorities of the seventy-five, were looted and vandalised and two new offices that were equipped and ready for opening, were vandalised. Fortunately, nearby RAs were enlisted to assist the affected motoring public.

Traffic law enforcement services were marginally disrupted as well, as manpower had to be redeployed to deal with unrest on the road network. This resulted in an increase in overtime payment to officers who were required to conduct 24-hour policing beyond the 12 day period to ensure that calm was restored and retained on the road network.

DLTCs offices had to close for two weeks which affected learner and driver license testing and driver license renewals. 46 DLTCs (5 Provincial and 41 Local municipality stations) were also closed during this period. The Department had to reduce the resultant backlog by opening offices on weekends for driver license renewals. Bookings for learner and drivers' license tests were rescheduled.

Thus most of the activities planned, and the targets that had been set against those activities in the APP, were affected.

PLANNING FOR THE NEW DEPARTMENTAL STRATEGIC FOCUS

In March 2021, the Department inherited a new political principal following the death of the erstwhile Member of the Executive Council responsible for Transport in the Province. The Honourable Ms N P Nkonyeni ushered in a new strategic focus for the Department which saw the Department's strategic direction and operations extending beyond just the roads mode of transport.

During the year in focus, the Department was hard at work exploring the aviation, maritime, pipeline and rail modes of transport, at a Provincial level and on how we could expand into these modes.

Numerous planning and strategic engagements were held with management, stakeholders and experts in the transport sphere throughout the year. These sessions would ultimately result in a review of the Department's Strategic Plan and strategic focus, embracing all modes of transport, with effect from the 2022/2023 financial year.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Department developed the Service Delivery Improvement Plan (SDIP) ending in 2021. Due to the gap years determined by the Department of Public Service and Administration not to develop the SDIPs for 2021/2022 and 2022/2023, the Department used the last SDIP ending in 2021 and the first draft SDIP for 2023/2024.

The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
• Provision of gravel and tarred road	• Road users • Local communities • Local farmers • Public transport operators • Entrepreneurs • Other departments (Health, Education and Human Settlements)	Most Departmental road network are gravel surface	Upgrade road to black-top or concrete surface	18.66km was upgraded to black top and concrete roads.
• Provision of public transport	Communities	Lack of connectivity between modes of transport	Integrated public transport system	Not achieved
• Provision of official fleet	Provincial departments	Misuse of government vehicles	Introduction of fleet entity	Concept for a fleet entity developed

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
• Provision of public transport licences or permits Provision of driving licence • Provision of registration of Driving License Testing Centres (DLTCs)'s, Registering Authorities (RA's), Manufacturers, Vehicle Testing Stations (VTS) • Provision of licensing of vehicles • Provision of abnormal loads permits • Provision of title holders/ logbook • Provision of provincial vehicles • Provision of road safety education and awareness • Provision of law enforcement and control	• Communities • Private companies • Provincial departments • Road users • Regions • Districts • Local transport authorities • Law enforcement agencies • Public transport industry • Municipalities • Government VIP's	Customers wait too long in queues at the DLTCs and Motor Licensing Bureaus (MLBs) Shortage of staff in key areas Equipment / systems are not user friendly Absence of signage and proper directions to DLTCs and MLBs Outdated compliments and complaints registers Currently manual completion of forms Most buildings do not comply with Occupational Health and Safety in MLBs and DLTCs No ramps for physically challenged customers and employees No ramps for physically challenged customers and employees Lack of contingency plan for power failure	Reduce waiting time to 1-2 hours Provide queue management system Filling of all critical posts e- Licensing and Self service kiosks Update Internal Office Signage Automate services Automate services Improve building infrastructure Improve building infrastructure Erect ramps for physically challenged persons Supply of appropriate generators to cater for power failure	Only Rossburg DLTC have implemented a queue management system, however, it is not an end to end.
• Provision of economic empowerment	• SMME's • Youth • Women • People with disabilities	Training of SMMEs	Contractor Development Programme	Contractor Development Programme has been introduced

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

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation:	Develop an automated customer satisfaction survey to identify the services customers require.	Not achieved
Access:	Introduce e-Services (Online Increase signage in some DLTC's and MLBs Portal).	Not achieved

PART B: PERFORMANCE INFORMATION

Current/actual arrangements	Desired arrangements	Actual achievements
Courtesy	Implement Culture Change Notify customers on services through SMS's	Not achieved
Information	Provide more promotional material through notice board for our services Improved Departmental website	The Department's website has been improved
Openness and transparency	Market the Department through social networks	The Department is being marketed using social networks
Redress	Establish Customer Care Centre	Not achieved
Value for money	Implementation of identified Queue Management System and automated business processes	Not achieved
Encourage innovation and reward excellence	Introduce the Employee/Component of the Month Incentive Scheme	Not achieved
Leadership and direction	Implement Culture Change	Not achieved
Service delivery impact	Shortening of waiting times in the banking hall Measure/assess customer satisfaction	Not achieved

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Radio stations	Provide more promotional material through notice board Improved departmental website	The Department's website has been improved

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints box	Automated complaints management system	Not achieved

2.3 ORGANISATIONAL ENVIRONMENT

During the year under review, the Department was joined by a new Executive Authority who joined the Department in March 2021. This was a greater move and beneficial for the Department as this brought much needed stability to a Department that experienced challenges relating to capacity, especially at Senior Management level.

Furthermore, the Head of Department who had been appointed to act at the commencement of the financial year, ceased to act, and an official was seconded from another Department to act as HOD until the permanent appointment of the new HOD in July 2021.

During the year the CFO resigned, and an Acting CFO was appointed. Similarly, the post of Director: Supply Chain remained vacant and an official was acting in the post. There were also two suspensions of key personnel in this period, ie. the DDG : Transport Infrastructure and Regional Services; and the Director : Financial Accounting. This resulted in officials having to be appointed to act in their positions, as work needed to be done.

It is well known that some of the Department's posts at SMS level were occupied by acting senior managers during this period, especially in critical areas of Infrastructure and Finance. This situation created inconsistencies which impacted on the performance of the Department.

It will be recalled that the process of restructuring started in 2017 and the reviewed structure was submitted to DPSA in 2018, with a view to obtaining concurrence, however that concurrence could not be obtained. During the year under review the process of restructuring was initiated to align the organogram to the new strategic direction. This in essence means that the Department was operating on an old structure of 2008 . Notwithstanding all these challenges which were persistent within the organisation, it can be reported that the Department tried its level best to perform and to ensure that activities relating to targets contained in the APP are performed.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

2.4.1 UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

2.4.1.1 UPDATES TO THE LEGISLATIVE MANDATES

There was to have been one change to the legislative mandates as per the Revised Strategic Plan (2020-2025). This is detailed below :

- **Administrative Adjudication of Road Traffic Offences Amendment Act; (AARTO); Act No. 4 of 2019** – The Act was supposed to be effective from 1 July 2021 to be implemented countrywide. AARTO was to establish a procedure for effective and expeditious adjudication of road traffic infringements and it was envisaged that the Act would encourage voluntary compliance of road traffic laws and alleviate the burdens in the courts dealing with traffic matters. The Act was declared unconstitutional and invalid hence implementation is delayed subject to ongoing legal processes.

2.4.1.2 UPDATES TO THE POLICY MANDATES

There were three changes to the policy mandates as per the Revised Strategic Plan (2020-2025), that had impacted upon and supplemented our Departmental policies and plans. This is summarised below :

- The Department of Public Service and Administration's Circular 27 of 2020; State of Disaster : Implementation Measures for Step Down to Level 1. - The purpose of the circular was to provide guidelines on how to manage staff, the work environment and public service operations when the country's state of disaster during the COVID-19 pandemic was lowered to Level 1.
- The Department of Public Service and Administration's Circular 1 of 2021; State of Disaster COVID-19: Public Service Adjustments to Risk-Adjusted Level 3 Regulations. - The purpose of the circular was to provide guidelines on the decongestion of workplaces through limiting numbers of employees physically on-site as part of measures to comply with the Regulations to mitigate the effect of the resurgence of COVID-19 during Level 3.
- The Department of Co-operative Governance and Traditional Affairs' Adjusted Alert Level 1 Regulations; issued by the Minister for Co-operative Governance and Traditional Affairs; 28 February 2021 – The adjusted Regulations were issued following the easing of the Lockdown Alert Level from 3 to 1. These Regulations required all staff, except those who were identified with uncontrolled risk and vulnerabilities, by a certified medical practitioner, to report for duty.

2.4.2 UPDATES TO THE INSTITUTIONAL POLICIES AND STRATEGIES OVER THE 5 YEAR MTSF PLANNING PERIOD

There had been one change to the institutional policies and strategies as per the Revised Strategic Plan (2020-2025) that had impacted upon and supplemented our Departmental policies and plans. This is summarised below :

- #### **2.4.2.1 Draft Provincial Growth and Development Strategy; 2020 - The PGDS; 2019**
- The PGDS; 2019 was being reviewed and the reviewed document's strategies and interventions directly impacted upon the Department's policies, plans, programmes and projects. This is due to the fact that the PGDS is the framework for the future direction of policy and strategy development.

The document provides strategic direction based on key Provincial priorities that address the social needs of the people and the realisation of the economic growth potential of the Province. The document also outlines strategic interventions, goals and targets to direct development and planning initiatives while ensuring a common vision and coordinated action by government and partners in implementation.

2.4.3 UPDATES TO THE RELEVANT COURT RULINGS

In this year, there was one change to the legislative mandates, as per the Revised Strategic Plan (2020-2025), that impacted on our existing policies, strategies, plans and projects, in the medium to long term. This change is summarised below :

2.4.3.1 Afribusiness NPC v The Minister of Finance (Case no 1050/2019) [2020] ZASCA 140 (2 November 2020)
- In this matter relating to the Revised Preferential Procurement Regulations; 2017 ("PPPFA Regulations 2017") issued in terms of the Preferential Procurement Policy Framework Act; 2000, the Supreme Court of Appeal ruled that certain Regulations dealing with compulsory sub-contracting and pre-qualifying criteria are unconstitutional and invalid. Furthermore, the implementation of provisions for the compulsory and optional sub-contracting as pre-qualification criteria, were thus unlawful. The Regulations were thus suspended for a period of 12 months.

Following the outcome of the court case, The Department was advised that any procurement affected by this judgement could continue without interruptions and that planned procurement may still be subjected to Regulations 4 and 9, until 12 months from the judgement date. Furthermore, departments were advised to await direction on the way forward from National Treasury.

3 ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Department's impact statement and outcomes as per the Strategic Plan are articulated as per the table below:

IMPACT STATEMENT:	Safe, affordable, integrated, efficient and compliant transport system.
OUTCOMES:	Good governance Responsive transport infrastructure Integrated, safe, efficient and sustainable transport
DEPARTMENT'S PRIORITIES:	Priority 1: A Capable ethical and developmental state Priority 2: Economic transformation and job creation Priority 3: Spatial integration, human settlements and local government

The attainment of the impact statement of the department is dependent on departmental performance towards the attainment of the indicators contributing to the attainment of specified outcomes and MTSF priorities. In respect of Priority 1: Good Governance, the Department managed to clear several findings in during the audit and remain with 1 qualification matter on Capital Commitments. If it continues along this trajectory, there is a positive outlook. Caution must be made in respect of regression on performance information with a material finding on one performance measure. Corrective measures must be implemented.

Priority 2: Responsive transport infrastructure remains a high-risk area for the Department. The underperformance on several measures pertaining to this outcome requires immediate corrective measures if the Department is to achieve its MTSF targets. Equally important for the Department is to keep a close eye on performance measures contributing to Priority 3: Integrated, safe, efficient and sustainable transport.

The maturity and success in achieving programme 5 indicators will put the department in good stead towards achieving Priorities 2 and 3 in the main since programme 5 cuts across these outcomes. The underperformance on several indicators under programme 5 calls for the urgent implementation of corrective measures.

4 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The impact statement of the Department over the 5 years as per the Strategic Plan 2020-25 is namely, “A safe, affordable, integrated, efficient and compliant transportation system”. This statement is supported by the following three outcomes that the department seek to achieve over the 5-year period:

- Outcome 1: Good Governance
- Outcome 2: Responsive Transport Infrastructure
- Outcome 3: Integrated, Safe, Efficient and Sustainable Transport

For the 2021/2022 financial year, the Annual Performance Plan (APP) was not re-tabled.

4.1 PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to provide the Department with the overall management and administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

The sub- programmes under programme 1 includes:

- Office of the MEC
- Management
- Corporate Support
- Departmental Strategy

Programme 1, contributes to the outcome on Good Governance. This is aimed at ensuring that the good governance environment in the department is improved. This entails improved internal controls, audit outcomes, project management capability, transformation agenda of women, youth, people with disabilities, and other designated groups.

There was poor achievement in respect of the indicator percentage of performance achieved against the APP. The planned target was 70 and the actual output 46. This is not an improvement for this financial year when compared to 2020/21 wherein the department achieved 47.

4.1.1 Programme 1: Administration -APP

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Good Governance	Project management maturity level	Percentage of achieved performance against APP	38	48	70	46	-24	This is attributed to achieved outputs measured during the financial year
Good Governance	Project management maturity level	Percentage of projects and programmes aligned to the APP	-	70	80	36	-44	The Annual Operational Plan (AOP) has a number of indicators which do not contribute to Annual Performance Plan (APP) indicators. This is due to the indicators in the AOP being at activity level and not packaged to projects that can be included in the APP indicators.

4.1.2 Programme 1: Linking Performance with Budget

Sub- Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
OFFICE OF THE MEC	11 565	11 565	-	14 686	14 686	-
MANAGEMENT	6 227	6 227	-	5 611	5 611	-
CORPORATE SUPPORT	415 193	415 193	-	400 013	400 013	-
DEPARTMENTAL STRATEGY	23 773	23 773	-	26 364	26 364	-
Total	456 758	456 758	-	446 674	446 674	-

4.2 PROGRAMME 2: TRANSPORT INFRASTRUCTURE

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

This programme includes all expenditure of a current and capital nature relating to the planning, design, construction, rehabilitation, maintenance and repairs of all infrastructure supporting all modes of transport. It also includes project expenditure on the Expanded Public Works Programme done in support of the infrastructure provision.

The sub- programmes under programme 2 includes:

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

Programme 2 contributes to the outcome on responsive infrastructure. The focus in the next five years is on the two major outputs for this outcome, namely, a balanced and equitable road network as well as, the improvement of the condition of the road network. The transformation agenda is at the heart of programme 2. This is in respect of all designated groups.

The Department achieved its target in the following indicators:

- Star rating of strategic networks of 3 416 kms
- Number of kms of surfaced roads visually assessed as per the applicable TMH manual
- Number of kms of gravel roads visually assessed as per the applicable TMH manual
- Number of square metres of surfaced roads rehabilitated
- Number of new major vehicle bridges constructed
- Number of pedestrian bridges constructed

The department underperformed in 8 of the 15 measured indicators. Overall 46% of targets were achieved in the current financial year. This was attributed to several factors. These include, the impact of the COVID-19 pandemic, the irregular contracts that could not be utilised to implement service delivery amongst others. The Department intends turning this situation around going forward.

4.2.1 Programme 2: Transport Infrastructure-APP

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure	Improved road network condition	Number of weighbridges constructed	-	-	-	-	-	
Responsive Transport Infrastructure	Improved road network condition	Number of safety interventions in hazardous locations	-	0	2	0	-2	This indicator underachieved the target due to the delays for information that is extracted from the Road Traffic Management Corporation (RTMC) that declares hazardous locations in the province, even though the Department did some safety interventions on the rest of the road network. However, this indicator requires interventions done on declared hazardous locations.
Responsive Transport Infrastructure	Improved road network condition	Star rating of strategic networks of 3 416 kms	-	1	1	2	1	This indicator exceeded the target due to safety improvements that were completed on the network.
Responsive Transport Infrastructure	Improved road network condition	Number of kms of surfaced roads visually assessed as per the applicable TMH manual	7 994	7 208	4 330	5 476.60	1 146.60	This indicator exceeded the target so that a full assessment was done in order to finalise the road condition analysis for the purpose of network condition reports and the RAMP, etc.
Responsive Transport Infrastructure	Improved road network condition	Number of kms of gravel roads visually assessed as per the applicable TMH manual	5 721.3	6 094	8 336	8 829.34	493.34	This indicator exceeded the target so that a full assessment was done in order to finalise the road condition analysis for the purpose of network condition reports and the RAMP, etc.
Responsive Transport Infrastructure	Improved road network condition	Number of square metres of surfaced roads rehabilitated	949 648.15	1 112 960.71	1 800 000	1 805 116.87	5 116.87	The Department overachieved due to bus bay and intersection square metres on the following projects: P2-3 and P197-3

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure	Improved road network condition	Number of square metres of surfaced roads resealed	374 582.15	936 871.01	500 000	70 000	-430 000	This indicator underachieved the target as there is no active framework contract in place for quick procurement to execute these projects. Projects were advertised last year starting from August 2021 but to date none have been awarded.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure	Improved road network condition	Number of kilometres of gravel road regavelled	233.66	1 177.27	1 560	1 533.895	-26.11	DC 21: The Department under achieved due to changes on COLTO specification to COTO on open tender documents. DC 22: Target was not met - On L395 from km 0 to km 10.42, the contractor had challenges in getting plant on site and ended up terminating the contract. DC23, DC 24, DC 25, : The indicator was under achieved due to the volume of contracts to be Adjudicated which resulted in delays for external contracts to be awarded and the cancellation of projects by contractors DC 26B : The indicator was under achieved due to changes of COLTO specifications to COTO which resulted in delays in finalising the contracts on time. The volume of documents to be evaluated also added on delays in finalising the award of contracts. DC 27 : The indicator was under achieved due to changes of document from COLTO to COTO. Some contractors were cancelled due to network challenges as contractors could not log onto the meeting, resulting in suppliers lodging complaints with the Department. DC 28 : The indicator was under achieved due to volume of contracts that were advertised at the same time. The finalisation of evaluation was taking time due to shortage of officials to assist in fast tracking the processes. Shortage of SCM staff is also affecting the procurement processes DC29: The indicator was under achieved due to change in specification from COLTO to COTO and change of the SBD Form caused delays in the documentation which ultimately led to underachievement METRO : The indicator was under achieved due to changes in COLTO to COTO which resulted into delays in procurement of service providers to implement Re-gravelling projects

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure	Improved road network condition	Number of square metres of blacktop patching (including pothole repairs)	785 972.16	215 533.67	500 000	360 842.71	-139 157.29	DC23, DC 24 : The indicator was under achieved due to the volume of contracts to be Adjudicated which resulted in delays for external contracts to be awarded and resulted in the cancellation of projects by contractors. DC 26A : The indicator was under achieved due to two contracts that were on open tender. One was re-advertised because of non-compliance to publication of the advert on the website. The other contract was delayed due to the volume of documents and finalisation of evaluation of contracts and the appeals lodged against the contract. DC 26B : The indicator was under achieved due to changes of COLTO specifications to COTO which resulted in delays in finalising the contracts on time. The volume of documents to be evaluated also added delays in finalising the award of contracts. DC 28 : The indicator was under achieved due to the volume of contracts to be advertised at once. The finalisation of evaluation was taking time due to the shortage of officials to assist in fast tracking the processes. Shortage of SCM staff is also affecting the procurement processes DC29 : The indicator was under achieved due to change In Specification from COLTO to COTO and change of the SBD form caused delays in the documentation which ultimately led to the underachievement METRO : The indicator was underachieved due to the change from COLTO to COTO which resulted in delays in procurement of service providers to implement blacktop patching projects
Responsive Transport Infrastructure	Improved road network condition	Kilometres of new gravel access roads constructed	12.02	45.52	50	0	-50	This indicator underachieved the target due to the delays in finalising the changes in the tender documents (COTO specifications). This resulted in starting the procurement process later than anticipated which meant that these projects had to go through the already constrained procurement process.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure	Improved road network condition	Kilometres of gravel roads upgraded to surfaced roads	19.45	12.26	101	18.66	-82.34	D77 - 2km could not be achieved due to approval of the Draft Document being delayed due to the numerous amendments required i.e.: - changes with regards to the CIDB Standards for Uniformity. Different versions of the Open Tender Document i.e. version 2017-04-01, version 2020-07-01, version 2020-09-01, version 2020-10-01 version 2020-10-21; 2021-01-01 (incorporated the new regulations in terms of OHS requirements relating to the Covid-19); version 2021-10-20 (alignment with the new COTO Specifications which came into effect from 01 March 2021); version 2022-02-01 and version 2022-02-07. P700 link of P253=4.5km could not be achieved due to Contractual delays caused by additional earthworks quantities which required additional funding. P232 = 2km could not be achieved due to Approved Extension of Time regarding valid Contractual delays. L1578=2.5km could not be achieved due to Extension of time for Rain delays, National Riot and delays caused during Labour recruitment for which claims have been submitted for approval. The relocation of services within the road reserve have also contributed to delays. D985=2.7km could not be achieved due to delays caused by the relocation of water services falling within the road reserve and other valid contractual delays i.e. inclement weather / rain days

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure	Improved road network condition	Number of kilometres of gravel roads bladed	36 153.84	52 798.93	90 000	63 686.18	-26 313.82	DC 21 : The Department under achieved due to shortage of operators, Grader blades delays from the suppliers. DC23 : The indicator was under achieved due to shortage of operators, extension of time due to adverse weather condition and termination of contract due to non-performance by contractor DC 24 : The indicator was under achieved due to non-performance by contractor. The office has achieved 97% of Annual target. DC 25 : The indicator was underachieved due to most of the plant breaking down and shortage of operators DC 26A : The indicator was under achieved due to the shortage of driver operators which had a negative impact. The re-advertisement of contracts also contributed to delays as the contracts were not published to website. The change in the Tender document version also delayed the procurement processes. DC 26B : The indicator was under achieved due to changes from COLTO specifications to COTO which resulted in delays in finalising the contracts on time. The volume of documents to be evaluated also added delays in finalising the award of contracts. DC27 : The indicator was under achieved due to the shortage of driver operators for graders as well as grader breakdowns. DC 28 : The indicator was underachieved due to shortage of driver operators and plant breakdowns. Repairs take time as there is a shortage of mechanical staff. DC 29 : The indicator was under achieved due to shortage of driver operators due to retirement and death of officials. METRO : The indicator was under achieved due to the implementation of Operation Siyazenzela in the region where operators and plant were assigned to implement operations at Ugu District

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure	Balanced and equitable road network	Number of new major vehicle bridges constructed	0	0	9	11	2	A total of 9 major vehicular bridges were planned to be achieved in the 2021/22 FY i.e. D1263 (OKhombe River Bridge No. 3733), D489 (QABANGO RIVER BRIDGE No. 3735), D489 (BLOUKRANS RIVER BRIDGE No. 2590), D69(MATHAMO RIVER BRIDGE No. 3528), P749 Cabane Bridge No 3318, 3791 LITTLE MOOI RIVER BRIDGE, 3601 - Mdloti River Bridge on Main Road P713, GUMATANE VEHICULAR BRIDGE ON D1121 KM 12.5 & D919 KM 0, 3202- MSUNDUZI RIVER BRIDGE ON L3110 AT NYONI AREA Of the 9 planned vehicle bridges only Msunduzi River Bridge No. 3202 on L3110 was achieved. The other 8 bridges could not be achieved due to the following reasons: - •Contractors suffered Covid-19 Delays •Delays due to Slow Progress and work stoppages by Local Businesses. •Inclement weather and flooding •Delayed approval of the Draft Document due to the numerous amendments required i.e.: - Changes with regards to the CIDB Standards for Uniformity Different versions of the Open Tender Document i.e. 2021-01-01(incorporated the new regulations in terms of OHS requirements relating to the Covid-19); version 2021-10-20 (alignment with the new COTO Specifications which came into effect from 01 March 2021); version 2022-02-01 and version 2022-02-07. Expropriation delays also affected progress. Delays in procurement process of appointing CPG sub-contractors. Work stoppages caused by Community unrest, Local Business Forum and Local Taxi Association However, 8 additional vehicular bridges (Bailey bridges) were constructed which the Department was able to report in the financial year done by the SANDF. 3532 - Mhlathuze River bridge on P223 was also achieved sooner which was planned for 2022-2023 FY. Cwembe River Bridge from Ladysmith Region was also Achieved.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure	Balanced and equitable road network	Number of pedestrian bridges constructed	0	1	4	4	0	
Responsive Transport Infrastructure	Balanced and equitable road network	Number of m ² of non-motorised transport facility constructed	12 807.87	3 318.5	25 000	11 809.20	-13,190.80	The planned outputs could not be achieved due to the Upgrade projects that were contributing to the output which were delayed by following reasons: - •Termination of Contracts and Contractors suffered Covid-19 Delays •Delays due Slow Progress and work stoppages by Local Businesses. •Inclement weather and flooding •Delayed approval of the Draft Document due to the numerous amendments required i.e.: - Different versions of the Open Tender Document i.e. 2021-01-01(incorporated the new regulations in terms of OHS requirements relating to the Covid-19); version 2021-10-20 (alignment with the new COTO Specifications which came into effect from 01 March 2021); version 2022-02-01 and version 2022-02-07. Delays during project handover from one Consultant to the new ABC where Design Review processes need to be conducted to obtain Final Approval. Expropriation delays also affected progress. Delays in procurement process of appointing CPG sub-contractors. Work stoppages caused by Community unrest, Local Business Forum and Local Taxi Association

4.2.2 Programme 2: Linking Performance with Budget

Sub- Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME SUPPORT INFRASTRUCTURE	728 184	728 184	-	655 420	655 420	-
INFRASTRUCTURE PLANNING	32 930	32 930	-	20 924	20 924	-
INFRASTRUCTURE DESIGN	45 128	45 128	-	45 688	45 688	-
CONSTRUCTION	3 663 209	3 664 855	(1 646)	2 171 118	2 171 118	-
MAINTENANCE	3 710 863	3 710 863	-	2 892 466	2 892 466	-
Total	8 180 314	8 181 960	(1 646)	5 785 616	5 785 616	-

4.3 PROGRAMME 3: TRANSPORT OPERATIONS

The purpose of this programme is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, CBO's, NGO's and the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access to transportation services.

This includes all costs involved in public transport management and service delivery including the planning ,co-ordination of operators in the transport industry. This programme also provides for the management of public transport contracts including the management of the subsidies for the public transport operators, this includes the payment of the subsidies for providing services to the community based on an agreement between government and the operator. This programme also provides for subsidised dedicated learner transport services. Department of Education identifies the schools where the service is then provided. This also includes the monitoring of operators and subsidies in terms of the national and provincial legislature to ensure safety of commuters and learners .

The sub- programmes under programme 3 includes:

- Programme Support Operations
- Public Transport Services
- Transport safety and compliance

This programme supports the outcome on, Integrated, safe, efficient and sustainable transport system. This is premised on the change theory of integration amongst multi modes in transportation that will improve efficiencies. Transformation of the transport operations is at the heart of this programme.

The performance of the Department was satisfactory when considering the challenges faced during the financial year due to the riots in July 2021, termination of contracts and the suspension of services due to busses being burnt. The Department achieved four (4) out of nine (9) indicators in Programme 3 in the 2021/22 financial year. This is an achievement of 44%.

Targets were achieved in the following indicators:

- Number of Provincial Regulating Entity (PRE) hearings conducted
- Number of schools receiving transport services
- Number of road safety awareness programmes
- Number of pedestrian crossing patrols provided

The performance of the department in this programme is satisfactory when compared to the revised targets. 56% of the targets were achieved in the reporting financial year.

4.3.1 Programme 3: Transport Operations -APP

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Integrated, Safe, Efficient and Sustainable Transport System	Public transport interventions	Number of public transport infrastructure facilities constructed	1	0	1	0	-1	The contractor did not complete the works in accordance with the expected completion date of 24 May 2021. This date included approved extension of time. Delays were mainly due to Eskom cable installations on both sites, material shortages following state of disaster (COVID 19), CPG contractor delays, abscondments and challenges with COVID 19 State of Disaster. The contractor also experienced cash flow challenges following the institution of penalties as from 24 May 2021
Integrated, Safe, Efficient and Sustainable Transport System	Public transport interventions	Kilometres of public transport subsidised	41 093 069	35 803 286	41 620 660	39 887 135	-1 733 525	1. Darnal Motors terminated their contract in September 2021 2 Mapumulo Mail suspended their in August 2021 service due to their buses being burnt. 3. The July 2021 riots impacted all the bus operators in KZN
Integrated, Safe, Efficient and Sustainable Transport System	Public transport interventions	Number of public transport trips subsidised	1 166 809	984 423	1 191 196	1 116 861	-74 335	1. Darnal Motors terminated their contract in September 2021 2 Mapumulo Mail suspended their in August 2021 service due to their buses being burnt. 3. The July 2021 riots impacted all the bus operators in KZN
Integrated, Safe, Efficient and Sustainable Transport System	Public transport interventions	Number of public transport routes subsidised	2 074	2 074	2 074	2 056	-18	Darnal Motors terminated their contract in September 2021. The number of routes allocated to Darnal is 18

PART B: PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Integrated, Safe, Efficient and Sustainable Transport System	Public transport interventions	Subsidy per passenger	21.00	26.68	34.00	28.51	-5.49	There was an increase in the passenger numbers over the Festive period. This led to a decrease in the subsidy per passenger as the subsidy per passenger is calculated by dividing the subsidy by the number of passengers.
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of Provincial Regulating Entity (PRE) hearings conducted	1 004	676	480	896	416	SANTACO elections included other modes of public transport (scholar transport and meter taxis as per Taxi Legkotla resolutions of 2021).
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of schools receiving transport services	332	332	363	397	34	The Department of Education conducted an assessment and adjustment on the number of schools receiving learner transport during the course of the 2021/22 financial year. The outcome of this assessment resulted in an increase in the number of schools benefitting on the program
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of road safety awareness programmes	6	4	4	4	0	
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of pedestrian crossing patrols provided	182	165	165	165	0	

4.3.2 Programme 3: Linking Performance with Budget

Sub- Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME SUPPORT OPERATIONS	29 696	29 696	-	21 039	21 039	-
PUBLIC TRANSPORT SERVICES	1 865 524	1 865 524	-	1 638 930	1 626 301	12 629
TRANSPORT SAFETY AND COMPLIANCE	43 560	43 560	-	37 181	37 181	-
TOTAL	1 938 780	1 938 780	-	1 697 150	1 684 521	12 629

4.4 PROGRAMME 4: TRANSPORT REGULATION

The purpose of this programme is to ensure the provision of a safe transport environment through the regulation of traffic on public infrastructure, law enforcement, implementation of road safety education and awareness programmes and the registration and licensing of vehicles and drivers.

The sub- programmes under programme 4 includes:

- Programme Support Regulations
- Transport Admin and Licensing
- Operator Licence Permit
- Law Enforcement

This programme supports the outcome on, Integrated, safe, efficient and sustainable transport system. The logic underpinning this performance plan is that the transport regulation programme provides an enabling platform for the achievement of the broader strategic impact especially relating to integration, safety, efficiency and sustainability of the transport system in the province.

The COVID 19 pandemic restrictions continued to affect this programme in such a way that targets had to be reduced as resources were focussed more on certain operations than others.

The Department performed very well in this programme by achieving the target in eight (8) out of nine (9) indicators. This is an achievement of 89%.

Targets were achieved in the following indicators:

- Number of license compliance inspections conducted
- Number of weighbridges operating for 24 hours
- Number of multi-disciplinary enforcement operations
- Number of speed operations conducted
- Number of vehicles weighed
- Number of drunken driving operations conducted
- Number of vehicles stopped and checked
- Number of goal directed enforcement operations of public transport conducted (Operation Shanela)

4.4.1 Programme 4: Transport Regulation (APP)

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Integrated, Safe, Efficient and Sustainable Transport System	Safe road network	Number of hazardous locations audited	-	0	10	0	-10	This indicator under achieved the target as there were delays in sourcing the list of declared hazardous locations from the Road Traffic Management Corporation (RTMC)
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of license compliance inspections conducted	1 342	1 025	1 241	1 243	2	The target was exceeded by 2 operations. This was because the National Department of Transport compliance section visited the Province and requested that the Province's RTI compliance section accompany them.
Integrated, Safe, Efficient and Sustainable Transport System	Freight interventions	Number of weighbridges operating for 24 hours	-	1	1	5	4	During the reporting period the Directorate adhered to request made by Department of Home Affairs, Immigration services for additional 24-hour operations to target undocumented foreign nationals employed by South African companies
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of multi-disciplinary enforcement operations	-	4 167	987	1 403	416	The target for this reporting period had to be reduced due to the impact of COVID 19 restrictions and the unrest situation experienced in July would have had in achieving the target set. However, in preparation for the District model and October transport month and the summer holiday period additional roadblocks were held.
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of speed operations conducted	16 892	11 220	12 513	15 404	2 891	The target for this reporting period had to be reduced due to the impact of COVID 19 restrictions and the unrest situation experienced in July would have had in achieving the target set. The over performance of the set revised target is attributed to additional operations being conducted.

PART B: PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of vehicles weighed	147 163	98 888	110 000	131 408	21 408	The target for this reporting period had to be reduced due to the impact of COVID 19 restrictions and the unrest situation experienced in July. The over performance is as result of the additional 24-hour weighbridge operations conducted.
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of drunken driving operations conducted	679	198	392	458	66	The target for this reporting period had to be reduced due to the impact of COVID 19 restrictions and the unrest situation experienced in July. Target overachieved due to additional operations conducted over peak holiday periods.
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of vehicles stopped and checked	1 277 380	966 191	759 000	777 895	18 895	The target for this reporting period had to be reduced due to the impact of COVID 19 restrictions and the unrest situation experienced in July. However, in preparation for the District model additional roadblocks were held resulting in more vehicles being stopped and checked for compliance with road traffic regulations.
Integrated, Safe, Efficient and Sustainable Transport System	Road safety interventions	Number of goal directed enforcement operations of public transport conducted (Operation Shanela)	907	920	880	1 000	120	The number of planned operations increased responding to the unforeseen instabilities within the taxi industry

4.4.2 Programme 4: Linking Performance with Budget

Sub- Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME SUPPORT REGULATION	6 289	6 289	-	10 212	10 212	-
TRANSPORT ADMINISTRATION AND LICENSING	225 404	225 404	-	174 169	176 877	(2 708)
OPERATOR LICENSES AND LICENSING	65 650	65 650	-	51 864	50 686	1 178
LAW ENFORCEMENT	660 553	660 553	-	639 316	639 316	-
TOTAL	957 896	957 896	-	875 561	877 091	(1 530)

4.5 PROGRAMME 5: COMMUNITY BASED PROGRAMME

The purpose of this programme is to manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme.

The sub- programmes under programme 5 includes:

- Programme Support Community based
- Community Development
- Innovation and development
- EPWP Co-ordination and monitoring

Programme 5 is a transversal programme that cuts across all the other four programmes of the Department. It includes the Expanded Public Works Programme as well as the Economic Empowerment programme. The delivery of outputs planned for this programme is dependent on the performance of all other programmes against planned targets as measured against the planned output indicators of this programme. This programme thus responds to more than one outcome. These are namely, Responsive Transport Infrastructure; Integrated, Safe, Efficient and Sustainable Transport System.

The Department continued to contribute to job creation through Programme 5 and exceeded the target for the Vukayibambe Routine Road Maintenance programme by employing 3 545 young people in the 2021/22 financial year. This programme targets the youth and they are employed for the manual clearance of road verges. Due to delays in the commencement of mass job creation programmes such as National Youth Service (NYS), People with Disabilities (PWDs) and the Kerbyard Programme, several job creation targets were not met. The Department encountered challenges with the procurement of a suitable service provider to offer training to designated groups which resulted in underperformance in the Innovation and Empowerment sub-programme. Challenges encountered by main contractors contributed to the underachievement of targets for the SMME development indicators.

The Department performed relatively poorly in this programme by achieving the target in six (6) out of nineteen (19) indicators. This is an achievement of 32%. This underperformance is aligned to the performance in the respective programmes, especially programme 2 which was affected by amongst others, the Covid 19 lockdown, the irregular contracts as well.

Targets were achieved in the following indicators:

- Number of women employed
- Number of jobs created through the Vukayibambe Routine Road Maintenance Programme
- Value of contracts awarded to Exempted Micro Enterprises (EME's)
- Number of contracts awarded to Exempted Micro Enterprises (EME's)
- Number of contracts awarded to Qualifying Small Enterprises (QSE's)
- Value of contracts awarded to public transport transformation contractors

4.5.1 Programme 5: Community Based Programme -APP

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Job Creation	Number of jobs created	47 305	45 779	49 670	47 125	-2 545	The annual target was underachieved due to the delays in the commencement of planned Mass Job creation programmes such as the NYS, PWDs and Kerbyard Programme.
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Job Creation	Number of Full-time Equivalents (FTEs)	18 430	15 604	19 000	17 363	-1 637	The annual target was underachieved due to the delays in the commencement of planned Mass Job creation programmes such as the NYS, PWDs and Kerbyard Programme
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Job Creation	Number of employment days created	4 238 828	3 588 892	4 370 000	3 993 578	-376 422	The annual target was underachieved due to the delays in the commencement of planned Mass Job creation programmes such as the NYS, PWDs and Kerbyard Programme
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Job Creation	Number of Zibambele participants employed	40 520	40 181	41 000	39 832	-1 168	The Zibambele annual target was under achieved due to the movement of some youth participants to the EPWP fieldworker programme

PART B: PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Job Creation	Number of youth (18-35 years old) employed	9 611	8 069	27 319	8 950	-18 369	The annual target for Youth was underachieved due to the delays in the implementation of Youth Mass Job creation programmes. The VRRM Programme commenced in December 2021
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Job Creation	Number of women employed	41 119	40 368	40 000	41 167	1 167	The annual target was overachieved due to targeting of 60% of women on the Job creation programmes as per EPWP Phase 4 framework
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Job Creation	Number of persons with disabilities employed	64	119	993	109	-884	The target for PWDs was underachieved due to non-implementation of PWDs training programmes
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Job Creation	Number of jobs created through the Vukayibambe Routine Road Maintenance Programme	-	-	2 917	3 545	628	The annual target was overachieved due to the implementation of VRRM Phase 2 which employed more than 2600 young people

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Community Development	Number of businesses trained	-	157	400	176	-224	The non-achievement is due to challenges faced by Main Contractors, like capital to resume duties on site, business forums where they demand control over selection of contractors to be subcontracted which then results on stoppage or low progress etc. The delays in appointing sub-contractors affects the businesses to be trained as all sub-contractors undergo training.
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Community Development	Number of women trained	-	559	1 500	441	-1 059	The procurement of a suitable Service Provider that has to offer the NQF 2 accredited training on contracting construction to youth as part of National Youth Services (NYS) Programme, which was supposed to commence in quarter 4 but was cancelled. The reason for cancellation was that no bidders were found to be responsive in all offers received and the Department had to re-tender this document.
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Community Development	Number of youth (18-35 years old) trained	-	788	2 000	632	-1 368	The procurement of a suitable Service Provider that has to offer the NQF 2 accredited training on contracting construction to youth as part of National Youth Services (NYS) Programme, which was supposed to commence in quarter 4 but was cancelled. The reason for cancellation was that no bidders were found to be responsive in all offers received and the Department had to re-tender this document.

PART B: PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Community Development	Number of persons with disabilities trained	-	0	932	0	-932	The procurement of a suitable Service Provider that has to offer the NQF 2 accredited training on contracting construction to Persons with Disabilities, which was supposed to commence in quarter 4 but was cancelled. The reason for cancellation was that no bidders were found to be responsive in all offers received and the Department had to re-tender this document.
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Economic Empowerment	Value of contracts awarded to Exempted Micro Enterprises (EME's)	-	-	700	1 569.9	869.9	This is one of the indicators that was revised in the 2021/22 financial year to respond to the previous financial year's audit findings (altering from value of contracts awarded below R10 mil to value of contracts awarded to EME's). The overachievement is due to the under estimation in the absence of a baseline
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Economic Empowerment	Number of contracts awarded to Exempted Micro Enterprises (EME's)	-	-	750	1 163	413	This is one of the indicators that was revised in the 2021/22 financial year to respond to the previous financial year's audit findings (altering from number of contracts awarded below R10 mil to number of contracts awarded to EME's). The overachievement is due to the under estimation in the absence of a baseline
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Economic Empowerment	Value of contracts awarded to Qualifying Small Enterprises (QSE's)	-	-	1 000	234.4	-765.6	This is one of the indicators that was revised in the 2021/22 financial year to respond to the previous financial year's audit findings (altering from value of contracts awarded above R10 mil to value of contracts awarded to QSE's). The underachievement is due to the over estimating in the absence of a baseline

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviation
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Economic Empowerment	Number of contracts awarded to Qualifying Small Enterprises (QSE's)	-	-	25	202	177	This is one of the indicators that was revised in the 2021/22 financial year to respond to the previous financial year's audit findings (altering from number of contracts awarded above R10 mil to number of contracts awarded to QSE's). The overachievement is due to the under estimation in the absence of a baseline
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Economic Empowerment	Value of sub-contracts awarded on contracts above R10m	-	-	700	190.1	-509.9	The underachievement is due to challenges faced by Main Contractors such as lack of capital to resume duties on site and business forums demanding control over selection of contractors to be subcontracted which resulted in stoppage or low progress, etc.
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Economic Empowerment	Number of sub-contracts awarded on contracts above R10m	-	-	400	136	-264	The underachievement is due to challenges faced by Main Contractors such as lack of capital to resume duties on site and business forums demanding control over selection of contractors to be subcontracted which resulted in stoppage or low progress, etc.
Responsive Transport Infrastructure Integrated, Safe, Efficient and Sustainable Transport System	Economic Empowerment	Value of contracts awarded to public transport transformation contractors	222	249	268	286	18	There was a marked increase in the escalation in the course of the 2021-2022 financial year. This resulted in the increase in subsidy.

4.5.2 Programme 5: Linking Performance with Budget

Sub- Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
PROGRAMME SUPPORT COMMUNITY BASED	14 004	14 004	-	8 801	8 801	-
COMMUNITY DEVELOPMENT	18	18	-	18	18	-
INNOVATION AND EMPOWERMENT	3 968	3 968	-	9 866	8 813	1 053
EPWP CO-ORDINATION AND MONITORING	19 980	19 980	-	244	244	-
TOTAL	37 970	37 970	-	18 929	17 876	1 053

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The department is concerned about areas of underperformance against its set targets as this robs the citizens of the service that they would have been offered. In this regard the department is implementing several measures as follows: An audit improvement plan has been put in place. This plan identifies all areas and systematic weakness which have been highlighted by the Auditor General. Actions plans have been captured in the plan, and the plan is being monitored regularly.

One of the major areas which was identified as contributing to underperformance is our supply chain processes. The delays in our SCM processes have a major impact as more than 80% of our activities are outsourced. Notwithstanding the capacity shortages, this area is being prioritised for improvements to make sure that processes are expedited. This will ensure that a bulk of our budget gets spent on time and the correct services are delivered. Forward planning is another challenge which leads to poor performance.

Most of our projects especially infrastructure project have a lead time, it is important that proper planning is done way before the implementation year to allow for all necessary processes and compliance matters to be adhered to. Regular monitoring of our projects is also another key element. In this regard the department adopted a culture of regular monthly monitoring. This allows for early detection of challenges areas of bottlenecks and allows for necessary decisions and corrective measure to be affected on time. The department is furthermore involved in ongoing information sharing engagements which are conducted across all programmes. The procedure manuals are reviewed annually to ensure standardisation per programme, whilst effecting internal control measures to improve efficiencies. Ongoing validation sessions are conducted as part of evidence- based monitoring.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

The Department continued to observe and adhere to prescribed COVID-19 health and safety protocols to also decrease the burden on health care services so that resources can be directed to meet the needs of COVID-19 and other patients during the reporting period.

Provided below is the table with Departmental COVID-19 Cumulative Confirmed Cases as at 31 March 2022 (i.e. since eruption of the pandemic to date):

No.	Description	Total
1.	Confirmed Cases	500
2.	Active Cases	03
3.	Recoveries	466
4.	Deaths	31

The Department also continuously adjusted its Workplace COVID-19 protocols in line with the DPSA guidelines and updated regulations.

Information on changes to South Africa's vaccination programme was continuously shared with employees via different communication mediums in an effort to increase the uptake of COVID-19 vaccines.

The Department together with the KZN Department of Health also arranged workplace vaccination drive for employees, which continued monthly for a period of 6 months & yielded positive results, a lot of employees came to be vaccinated & boosted on-site.

The Department also hosted Webinars for all employees on health & wellness interventions to address the after-effects of the pandemic, providing comprehensive wellness support to staff who have been infected and affected by this pandemic. This project entailed a panel of professionals/experts in different health related fields, who were making presentations on different topics, in this regard.

The Department has access to and has been fully utilizing the Microsoft Office suite of products including Teams to ensure maximum productivity of staff working remotely, other tools of trade such as laptops, additional data, 3G cards, etc., were procured and issued to some employees to work remotely thus ensuring uninterrupted service delivery.

PART B: PERFORMANCE INFORMATION

COVID-19 EXPENDITURE AS AT 31 MARCH 2022 (1April 2021 to 31 March 2022)

The expenses incurred in respect of COVID-19 as at 31 March 2022 are as follows:

- A total of R4,769 mil was spent by the department ;
- Expenditure related to procurement of :
 - personal protective equipment including masks, sanitisers, gloves and temperature scanners;
 - deep cleaning and sanitisation of departmental buildings

Table: Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Administration	Covid mitigation	KZN	KZN DoT employees	N/A	R4 769	R4 769	-	Mitigation of the spread of Covid 19

5 TRANSFER PAYMENTS

5.1 Transfer payments to all organisations other than public entities

The budgets for transfer payments in the 2021/2022 financial year were fully utilised .

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Provinces	Department	Motor Vehicle Licences	Yes	R10 835	R10 835	-
Construction Education and Training Authority (CETA)	Departmental Agency	Skills Development Levy	Yes	R4 135	R4 135	-
Bus Corporations	Private Enterprises	Bus subsidies	Yes	R1 401 105	R1 401 105	-
SA National Taxi Council - KZN (SANTACO)	Non- Profit Institute	Operational costs	Yes	R22 243	R22 243	-
KWANABUCO	Non- Profit Institute	Operational Costs	Yes	R4 918	R4 918	-
Households	Individuals	Claims against the state/ Leave Gratuities/Injury on Duty	Yes	R20 697	R20 697	-

- Motor Vehicle Licences relates to the payment of motor vehicles licences, which is dependent on the number of vehicles and mechanical plants that the department owns and intends to purchase.
- Construction Education and Training Authority (CETA) levies are in terms of the Skills Development Act.
- Payments to Bus operators relates mainly to the Public Transport Operations Grant (PTOG), which is a conditional grant aimed at subsidising road based public transport services and to provide supplementary funding towards public transport services.
- Non- Profit Institutes is in respect of operational costs for the South African National Taxi Council (SANTACO) KZN ,as per the MOA signed between the Department and the organisation . SANTACO is the official recognised representative of the mini taxi industry in the Province. The transfer is to assist the organisations with the maintenance of 15 SANTACO offices by uplifting its operating and line functioning business standards and creating a more efficient and effective business orientated environment.
- Non- profit institutes in respect of operational costs for the KwaZulu- Natal Bus Council (KWANABUCO). KWANABUCO is the official recognised representative of the bus industry in the province. The funds are for the improvement of governance in the bus industry structure, as well as to provide support for development programmes identified by the organisation in line with the department's vision, such as the empowerment of women and youth to operate a public transport business.
- Households cater for staff exit packages, external bursaries, injury on duty and claims against the state payments.

6 CONDITIONAL GRANTS

Conditional grants and earmarked funds paid

The department receives a provincial allocation in the form of an equitable share and National conditional grant allocations for the maintenance and construction of road infrastructure, subsidising of bus transport in the province and creating job opportunities through EPWP projects. Included under conditional grants are the following grants:

- Provincial Roads Maintenance Grant
- Public Transport Operations Grant
- EPWP Incentive Grant

6.1 Provincial Roads Maintenance Grant

The Provincial Roads Maintenance Grant (PRMG) is for the maintenance and construction of road infrastructure in KZN. The purpose of the grant is to supplement provincial roads investments and support preventative, routine and emergency maintenance on the provincial road networks.

Department/ Municipality to whom the grant has been transferred	KZN Department of Transport
Purpose of the grant	Provincial Roads Maintenance Grant
Expected outputs of the grant	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R 2 138 225 000
Amount transferred (R'000)	R 2 090 534 000
Reasons if amount as per DORA not transferred	National Treasury reduced the grant allocation by R47,691 million due to non performance as determined through the department's assessments undertaken.

Amount spent by the department/ municipality (R'000)	R 2 090 534 000
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	Monthly Reporting

6.2 Public Transport Operational Grant

The Department provides subsidised public transport services which are funded through the Public Transport Operations Grant. This grant is to provide supplementary funding for public transport services by contracts that are kilometre based that are affordable and supportive of the intermodal efficiencies to users of public transport. The aim is to ensure that users, especially the poor enjoy affordable public transportation.

Department/ Municipality to whom the grant has been transferred	KZN Department of Transport
Purpose of the grant	Public Transport Operational Grant
Expected outputs of the grant	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R1 314 912 000
Amount transferred (R'000)	R1 314 912 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R1 314 912 000
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	Monthly Reporting

6.3 Expanded Public Works Integrated Grant for Provinces

The purpose of this grant is to incentivise provincial departments to expand their work creation efforts through the use of labour- intensive delivery methods to improve the quality of life of the poor people and increase social stability through employing previously unemployed people to perform the infrastructure construction and maintenance activities. The employment of previously unemployed people contribute to the reduction of the levels of poverty and increases the level of employment ,skills development through work experience and sustainable work opportunities.

Department/ Municipality to whom the grant has been transferred	KZN Department of Transport
Purpose of the grant	Expanded Public Works Integrated Grant for Provinces
Expected outputs of the grant	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R73 252 000
Amount transferred (R'000)	R73 252 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R73 252 000
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	Monthly Reporting

7 CAPITAL INVESTMENT

The table below gives a breakdown of infrastructure expenditure incurred by the department per category against the 2021/22 infrastructure budget. The category Non Infrastructure refers to items or projects that do not fall within the category of Buildings and other fixed structures, such as machinery, equipment, furniture and Compensation of employees. As such, the salaries for the four regions' staff who undertake maintenance projects for the department, are paid from Non infrastructure.

It should be noted that the department met Provincial Treasury during the 2021/22 budget process and, after a careful review, agreed to move the budget in respect of the Zibambele contractors from Non infrastructure to Maintenance and repairs: Current from 2021/22 onward because of the nature of their work, which is the maintenance of roads.

The infrastructure budget was over-spent by R1.646 million, compared to the preliminary over-expenditure of R156.031 million, which was addressed by the above-mentioned virements of R78.298 million to this category, as well as journals undertaken and clearing of suspense accounts.

Projects were fast-tracked in 2021/22 in respect of various refurbishment and rehabilitation projects. The department requested some contractors to fast-track various rehabilitation projects to offset the impact of the discontinuation of some of the contracts that were declared irregular by the A-G. In this regard, only contractors that were performing well were encouraged to fast-track their projects. The fast-tracking process was possible, mainly due to constant supervision of the contracts to ensure maximum output and completion within the stipulated timeframe. The department had monthly engagements with all consultants and contractors to ensure that monthly progress was within the contractual obligations. It should be noted that refurbishment and rehabilitation projects were undertaken with period contracts (panel of service providers) due to their nature.

Infrastructure projects	2021/2022			2020/2021		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Existing infrastructure assets						-
- Maintenance and repairs	2 177 182	2 177 182	-	1 928 006	1 928 006	-
- Upgrades and additions: Capital	1 407 167	1 407 167	-	642 103	642 103	-
- Rehabilitation, renovations and refurbishments: Capital	1 915 052	1 916 698	(1 646)	1 317 302	1 317 302	-
New infrastructure assets : Capital	347 767	347 767	--	215 635	215 635	-
Infrastructure Lease	439	439	-	8 159	8 159	-
Non Infrastructure	2 119 184	2 119 184	-	1 466 270	1 466 270	-
Total	7 966 791	7 968 437	(1 646)	5 577 475	5 577 475	-



PART C

GOVERNANCE

1 INTRODUCTION

- Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

The Department places substantial emphasis on good governance and is continuously developing governance structures to ensure that efficient, effective and economical use of state resources are achieved. The formation and continued meetings with resolutions, of the Risk Management committee, Ethics Committee, Information and Communication Technology steering Committee gives an indication of the internal oversight bodies that address good governance.

2 RISK MANAGEMENT

- The Department has the Risk Management policy and the Risk Management Strategy. The Risk Management Policy came into effect on 02 April 2012. Policy has been reviewed over the years to ensure relevance, the current approved policy is due for review in August 2022. The policy was communicated in the Department through various sessions i.e. formal and informal awareness, risk management workshops, intranet and via emails. The Risk Management Policy carries seven important pronouncements that are well articulated in the Risk Management strategy. The strategy clarifies the roles and responsibilities for risk management: Head of Department, Management, Chief Risk Officer, Executive Authority, Risk Management Committee, Audit Committee and Risk Champions.

The Risk management Strategy also depicts the operational strategies to advocate risk management in the Department through various methods, including identification of opportunities in the process of identifying risks. There are also response and maintenance Strategies that are meant to ensure constant monitoring to success the whole Risk Management strategy. However, the Department ensured that there is an annual plan in place to implement the Risk Management Strategy.

- The department conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks.

To accomplish the set Risk Appetite statement, the Departmental Risk Management unit communicated the Risk Appetite through risk assessment workshops. The process of risk assessment aided the development of the Departmental Risk Profile for the financial year 2021/22. The Risk Profile encompassed of 62 risks with a total of 93 mitigation plans identified to manage such risks.

The Risk Management Directorate monitored the Risk Profile on regular basis and produced reports for the department's Risk Management Committee, and the Cluster Audit and Risk (CARC) Committee on a quarterly basis. To date there are 19 risk that were managed within the appetite level and 24 in the tolerance level. The table below depicts the whole risk profile into the various levels of risks and provides a high-level statistical view of how the department made progress in terms of implementing risk mitigation plans.

No.	Risk Magnitude	No. of Identified Risks	No. of Agreed Action Plans	No. of Completed Action Plans	No. of Outstanding Action Plans
1	Critical	3	9	1	8
2	Major	11	23	7	16
3	Moderate	29	42	26	16
4	Minor	4	4	4	0
5	Insignificant	15	15	15	0
Total		62	93	53	40

- The Risk Management Committee met regularly to ensure ongoing monitoring of risks within the Department. The Risk Management committee advised on additional mitigations that can be considered to manage the identified risk. During this financial year the Risk Management Committee further identified emerging risk that was assessed and included in the Departmental Risk Register to ensure ongoing monitoring.
- The Cluster Audit and Risk Committee (CARC) is centralised at the Provincial Treasury. CARC operates within the Audit Charter that requires the committee members to convene meetings every quarter to monitor performance of the Department. One meeting was held during and other meetings could not be held due to the contract expiration. However, from the meeting held, CARC noted the Department's Risk Reports that were presented. The process of appointing new committee members is to be finalised by the Provincial Treasury.
- The department showed the slow progress in the implementation or management of risks. However, in terms of the risks that have completed mitigations, reduction of the risk exposure is shown. Again, there were risks identified that were directly linked to the Departments outcome. Analysis of the KPI was done to further assess the effectiveness of risk mitigations implemented. Consequently, this has transmitted into improvements in the department's performance. However, as a means of improvement, the Departmental Risk Management Committee agreed on a process of having each Branch Head presenting the risks affecting the Branch during the risk Management Committee meetings.

3 FRAUD AND CORRUPTION

- The Department has the fraud prevention plan in place. Part of the plan was conducting fraud and corruption risk assessment and identify possible remedial strategies to mitigate such fraud risks. The fraud risk register was developed and monitored on regular basis. The Risk Management reported progress on the implementation of fraud mitigation to the Ethics Committee for ongoing inputs.

In terms of cases reported on fraud and corruption received, the Department referred such cases to the Office of the Premier (OTP) to conduct forensic investigations. At year end, the Department had 46 cases referred to OTP, 20 completed and 26 in progress. Recommendations from the forensic reports continue receiving attention. Implementation of recommendations have been completed on 5 cases. 5 cases were unfounded, 10 cases are on an ongoing disciplinary with the Departmental Labour Relations.

- The Department has the Whistle blowing policy in place. The Department conducted awareness sessions to staff and service providers to encourage people to report any suspected fraud and corruption in the Department. People are allowed to report cases through various channels such National Anti-corruption Hotline (NACH), OTP, Head: DOT or Risk Management directorate in order to accommodate reporters to choose means of reporting they are comfortable with. 11 cases were received and verified to ascertain and ensure relevance to the allegations. Consequently, these cases were referred to OTP for forensic investigation to be conducted.

4 MINIMISING CONFLICT OF INTEREST

- The implementation of the Public Administration Management Act (PAMA), Public Service Act (PSA) and Public Service Regulations (PSR), and Public Finance Management Act (PFM) are implemented in the Department. With PAMA stipulating that public servants are prohibited to conduct business with any Organ of State, awareness on ethics, fraud and corruption are conducted in the department to express issues of conflict of interest.

There is 100% completion by SMS members on Financial Disclosures. The Departmental ethics committee is issued a circular to encourage other categories of officials that need to complete the financial disclosure.

During the procurement processes, service providers were requested to complete the declaration of interest forms. In addition, the Department relies on the Central Supplier Database (CSD) to verify if Directors are Public Servants.

Cases of employees or service providers with conflicted interest are reported for investigation and corrective actions are applied. The Department received reports of people that have been identified to have been conducting business with state organs are investigated for corrective actions to be implemented.

5 CODE OF CONDUCT

- Ethics Awareness workshops cover the issue of Conflict of Interest as well as the Code of Conduct. MANCO was taken through thorough presentations on Ethics, Fraud and Corruption. A plan is ongoing to provide a refresher awareness session to all employees in the Department. The department currently does not have the Ethics Office. However, the Department has the Ethics Committee that is functionally operating under its Terms of Reference. The committee continues meeting on regular basis to monitor employees' conduct by evaluating as assessing the risks of those applying for approval to perform other remunerative work. The process requires supervisors to provide information for good standing by employees who are renewing the Other Remunerative work certificates. Reminders on the adopted national COC will be enhanced in the next financial year.

6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

KZN Department of Transport takes an active interest in ensuring compliance with The Occupational Health and Safety Act and The National Environmental Management Act and supporting regulations. KZN Department of Transport takes a proactive holistic approach in the interest of OHSE in all projects within KwaZulu Natal. The Health and Safety team was commissioned in assuring all projects managed by the KwaZulu Natal Department of Transport maintains a healthy OHS culture.

Based on the above Mandate the Department critically evaluates and undertakes compliance comparison of the Department's projects in relation to governing legislation such as the Occupational Health and Safety Act 85 of 1993 as amended and the Construction Regulation 2014. And further audits its alignment to the National Environmental Act and supporting Regulation. The Department critically evaluates various principal contractors and their ability to remain compliant for the duration of the project, together with information of any reportable incidents. The Department undertake periodic system audits which identifies the working behaviour and unsafe practice of projects across the region assisting in highlighting aspects that prove to be a challenge within the industry.

Further to this, closely monitoring project OHS adherence, the Department is dedicated in ensuring that employees within its walls have a safe and conducive environment to work in. Thus a mandated OHS committee was established as per Section 19 of the OHS Act to fulfil roles as stipulated in Section 20 which clearly defined and offered guidance on the functions of these appointed members. The establishment of this committee assured bottom-up flow of pertinent information and created a solid foundation for communication.

Within this review period, the Department regularly conducted walk-through risk assessments inspections through internal Compliance Officers and appointed Occupational Health and Safety (OHS) representatives within our workplaces to strengthen and instill a culture of compliance with Health and Safety requirements. Where potential hazards were identified recommendations were put in place for implementation while elevating the same in quarterly OHS Committee meetings for discussion and sharing to reduce the level of risk with the department holistically. Department Health and Safety detailed reports were also presented and discussed at various provincial structures

In terms of projects and contractual agreements with contractors the Department took an initiative in assuring all grades of contractors are mentored in OHSE to ensure compliance on sites. Further supported, within the Tender documents the Department has provided OHS Specifications as per CR5 (f) to offer guidance on the expected OHS standards on site. This also allows for contractors to make adequate provisions for occupational health and safety. These Specifications clearly state the need for registered SACPCMP officers to present themselves onsite to ensure risks are mitigated effectively before they lead to incidents.

Records of all incidents on site reported to the Department together with categorised incidents as per legislation are reported to the Provincial Director. Records are to be kept onsite for no less than a period of 3 years in the form of Annexure one as per General Administrative Regulations.

Although there is limited activity on various sites, the majority of active road projects, are maintaining a virtuous safety culture. Many KwaZulu Natal Department of Transport projects are maintaining a healthy OHS culture although the awareness of the opportunity to improve site conditions must be reinforced.

In terms of non-compliant projects the department undertakes audit requests monthly for officers to ascertain the state of the flagged projects due to non-compliance noted within the reports verified. This was intended to evaluate the effectiveness of the OHS system protocols and controls instituted within the project. Random selection was further proposed to evaluate the projects health and safety continuity after audits. This is done by evaluating the sustainability and continuity of the health and safety systems implemented on site together with identifying compliance against the legal framework governing all construction projects.

The Department continued to observe and adhere to prescribed COVID-19 health and safety protocols.

The increasing resurgence of COVID 19 infections in 2021 was considered and compliance thereof was adhered to at all times. The Department put various controls in place such as staggered work times and working from home to mitigate the spread whilst still ensuring business continuity.

Provided below is the synopsis of COVID-19 interventions that were continuously implemented and encouraged for observance within the Department during the reporting period: -

- a. Published the frequently asked questions (FAQs) to clarify ambiguous issues subsequent to discussions by the OHS COVID-19 Committee members, particularly on Vaccination and its known side effects to try and minimise misinformation related to COVID-19 amongst employees.
- b. The Department continued to implement the practice of disinfecting affected workplaces immediately after reported cases of contamination by relevant offices as and when required. This is one of the strategies used to ensure business continuity within the Department and continuous service delivery to our clients.
- c. The Department organised and implemented the workplace vaccination programme for Head Office and nearby offices in conjunction with professional health workers from the KZN Department of Health to try and increase number of vaccinated employees within the Department. This programme continued for a period of 6 consecutive months. An additional 120 employees were vaccinated and took booster against the coronavirus.
- d. The Department also continued and maintained the decongestion of workplaces by limiting the numbers of employees physically on-site as part of measures to mitigate the effects of COVID-19 and in line with the Adjusted Regulations. In this regard, the Department used a combination of a shift system/staggering working hours/rotation/hybrid office system depending on circumstances and nature of work or office. Face-to-face meetings were also strongly discouraged, however, promoted virtual meetings where possible.
- e. The Department also strengthened the implementation of five key non-pharmaceutical prevention measures within the Department in response to COVID-19 infections across the Republic (i.e. social distancing, masks wearing in the workplace, hand hygiene, symptoms monitoring, and ensuring proper ventilation when indoors) by issuing ad hoc reminders to employees as and when a need is identified by the OHS COVID-19 Committee.
- f. The Department regularly encouraged employees to get their COVID-19 jabs and also shared credible information on provincial vaccination sites via emails and posters to demonstrate the easy and quick accessibility of the jab during the reporting period.

The Department appointed COVID 19 compliance officers to maintain a strict and high level of compliance within its walls, to ensure that employees are complying to the stipulated requirements at all times. A Schedule set out the phased return of employees to enable appropriate measures to be taken to avoid and reduce the spread of the virus. Protocols were later relaxed in 2022, although legislation was amended to accommodate the decreasing numbers the Department ensured this Hazardous Biological Agent remained included within its OHS plan as a contingency in the future.

Information on changes to South Africa's vaccination programme was continuously shared with employees via different communication mediums in an effort to increase the uptake of Covid-19 vaccines.

Challenges experienced during the reporting period: -

- Some employees did not adhere to basic COVID-19 protocols observed within the Department, such as wearing of masks all the time; compliance to social distancing requirement in the workplace; and implementing the practice of prohibition of employees visiting each other in offices;
- Some level of abuse of leave period for isolation/quarantine purposes in line with the current pandemic by certain employees due to the lack of support by line managers and only pass the buck to HR personnel who are responsible for capturing leave forms; and
- Resistance to share information on vaccination status, which negatively affected the credibility of departmental reports submitted to various stakeholders (i.e. Office of the Premier, PIAS, etc) and determination of herd immunity against COVID-19 within the Department.

Section 8(1) of the OHSACT stipulates that the employer shall provide and maintain a working environment that is safe and without risk to the health of employees whilst Section 9(1) stipulates that the employer shall ensure that the health and safety of persons other than employees are not affected by his activities.

The Department is committed in ensuring both employees, visitors and contractors are provided with uncompromised dedication to OHSE.

7 **PORTFOLIO COMMITTEES**

Transport Portfolio Committee meetings were held on the following dates in the 2021/2022 financial year:

- 30 April 2021
- 04 May 2021
- 29 June 2021
- 23 July 2021
- 13 August 2021
- 03 September 2021
- 05 November 2021
- 07 December 2021
- 25 January 2022

There were no resolutions raised by the Portfolio Committee .



SCOPA Meeting were held as follows:

12 October 2021

25 March 2022

RESOLUTION 263/2021: DEPARTMENT OF TRANSPORT: GOODS AND SERVICES – INFRASTRUCTURE AND PLANNING SERVICES

Noting that:

- (a) The department received a qualified audit opinion as the Auditor- General was unable to obtain sufficient appropriate audit evidence that payments were made for goods and services that were received by the department, as internal controls were not adequate to confirm the receipt thereof. This related to infrastructure and planning services costs incurred that were included in goods and services.
- (b) Consequently, the Auditor-General was unable to determine whether any adjustments were necessary to infrastructure and planning services that are included in goods and services stated at R786,66 million in note 6 to the financial statements.
- (c) The matter relates to the contract of VNA Consulting, which is currently under investigation by the SIU. The SIU has referred the matter to the Special Tribunal to have the contract set aside and the refund of any funds improperly paid.
- (d) The official responsible has been suspended and is being subject to disciplinary processes.

The Committee resolves that:

The Accounting Officer report to the Committee by 31 January 2022 on: -

- [1] The findings and recommendations of the SIU investigation.
- [2] Progress made in the referral of the matter to the Special Tribunal and the outcomes.
- [3] Progress made in the disciplinary processes against the official responsible and the outcomes.
- [4] Progress made in recovery of the overpayments, and the amount thereof.

Responses

- [1] The findings and recommendations of the SIU investigation.

An investigation report in terms of Proclamation R36 of 2018 on the the procurement of consultancy services from Nexor 312 (Pty) Limited t/a VNA, by the Department was issued to the Head of the Department of KZN Department of Transport by the SIU. The department has implemented the recommendations as follows:

Two (2) officials were placed under precautionary suspension and thereafter charged with misconduct.

A pre-hearing meeting was held on 26 October 2021 between the employees' legal team/representatives and the Department's legal representative.

The disciplinary processes are ongoing and haven't reached finalisation.

The Office of the Premier is handling the disciplinary process.

- [2] Progress made in the referral of the matter to the Special Tribunal and the outcomes.

The SUI filed a notice of motion to the Special Tribunal to render the decision of the Department to award the tender on the 6th of April 2018 constitutionally invalid, be reviewed and set aside, the contract be cancelled and terminated.

The motion also seeks for the service provider to repay all the payments that were made under the said contract.

The service provider is contesting the SIU findings.

This process is still ongoing and no outcomes on the matter have been communicated to the department.

[3] Progress made in the disciplinary processes against the official responsible and the outcomes.

Two (2) officials were placed under precautionary suspension and thereafter charged with misconduct.

A pre-hearing meeting was held on 26 October 2021 between the employees' legal team/representatives and the Department's legal representative.

The disciplinary processes are ongoing and haven't reached finalisation.

[4] Progress made in recovery of the overpayments, and the amount thereof.

The department is currently finalising its responses to the Material Irregularity findings. The overpayment portion of the finding is still in dispute and responses to that effect will be provided to Auditor-general for further reconsideration.

However, the SIU has also filed for a motion to the Special Tribunal that seeks for the service provider to repay all the payments that were made under the said contract. The service provider is contesting the SIU findings.

The department will wait for the outcome of the motion as filed by the SUI at the Special Tribunal after which the department will implement the resolutions of the tribunal.

Update to the Responses

[1] Progress made in the disciplinary processes against the official responsible and the outcomes.

The Office of the Premier has assisted in coordinating the appointment of the Presiding Officer and the Evidence Leader (Department's Legal Representative) who are officiating the disciplinary hearing.

Both the Presiding Officer and the Department's Representative are external Legal Practitioners who have been secured by the Office of the State Attorney.

A pre-hearing meeting was held on 26 October 2021 between the employees' legal team/representatives and the Department's legal representative.

The Department's initial legal representative/ senior counsel has since withdrawn her services and returned the brief due to her being appointed as an Acting Judge.

The Department through the State Attorney's Office has since appointed a new legal representative in February 2022.

The legal representatives from both parties have exchanged the bundles of documents to be used in the disciplinary hearing.

The disciplinary hearing convened on 23 February 2022 and is still ongoing.

[2] Challenges experienced/observed

The sudden withdrawal of the initial Legal Representative of the Department. However, this has been overcome by the swift appointment of another Legal Representative who has been able to take over with immediate effect.

RESOLUTION 264/2021: DEPARTMENT OF TRANSPORT: ACCRUED DEPARTMENTAL REVENUE

Noting that:

The department received a qualified audit opinion as they did not record all items that met the definition of accrued departmental revenue, as required by MCS Chapter 9: General departmental assets and liabilities.

Consequently, accrued departmental revenue stated at R465,29 million and disclosed in the financial statements was understated by R158,66 million.

The matter relates to a significant portion of the value of traffic infringement notices issued during 2019/20 and 2020/21 which had not been captured onto the Traffic Contravention System.

(d) The department has migrated to a new system (OPUS) and template for uploading of the required information, which will be assessed by RTI: Head Office staff to ensure completeness. In addition, users will be retrained.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2022 on the effectiveness of the intervention strategy employed by the department and to provide assurance that the steps taken will address the audit finding and avoid a recurrence.

Responses:

The Department has to date captured 16 191 legacy section 56 written notices, with a total fine value of R13 990 695 (thirteen million nine hundred and ninety thousand and six hundred and ninety-five rand) that were issued during the 2019/2020 and 2020/2021 financial years.

To date, a total value of R165 700 (one hundred and sixty-five thousand and seven hundred rand) fines have been paid.

To this end, 2 075 written notices, totalling R1 517 150 (one million five hundred and seventeen thousand and one hundred and fifty rand) have been withdrawn and 584 warrants of arrest have been issued.

In light of the Covid-19 pandemic, the Department had to adjust the working arrangements with its employees and that had a negative effect on this process.

As part of the turnaround strategy, the department approved paid overtime to relevant employees on the 5 and 6 February 2022, to reduce the backlog in respect of written notices, including legacy notices, that must be captured or uploaded on the OPUS Traffic Contravention System and has increased monitoring of improvements being made.

Update to the Responses

A financial management team source from the Provincial Treasury was requested to conduct a review with an objective to ensure all the notice books are recorded in the Opus system as well as to ensure all the notice books are recorded at correct amounts.

Exceptions and other related findings from the review were communicated to the relevant RTI stations.

Following the review exercise, the majority of the Trafman legacy notices are up to date and have been imported into the new Opus Traffic Contravention System. Where there are isolated cases this is being dealt with immediately.

The Department has to date captured 16 429, legacy section 56 notices, with a total fine value of R14 000 695 (fourteen million and six hundred and ninety-five rand) that were issued during the 2019/2020 and 2020/2021 financial years.

The exercise is still ongoing.

RESOLUTION 265/2021: DEPARTMENT OF TRANSPORT: FINDINGS ON CONSEQUENCE MANAGEMENT AND EXPENDITURE MANAGEMENT: IRREGULAR EXPENDITURE OF R24,25 BILLION (R4.359 BILLION IN 2020/21 AND R19.893 BILLION IN PRIOR YEARS)

Noting that:

The department incurred irregular expenditure of R4.359 billion in the 2020/21 financial year due to irregular SCM processes being followed.

The Auditor-General was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials responsible for the irregular expenditure and losses were not recovered from persons who are liable.

A large portion of the 2020/21 irregular expenditure are carry through costs on orders that were identified as irregular in prior years and these costs are continuing.

The department has commenced recovery of an amount of R96.311 million from service providers and disciplinary processes against 7 (of 30) officials recommended for disciplinary action have been concluded. The department is implementing interventions to conclude the disciplinary processes for the remaining 23 officials.

The department has implemented other remedial steps, including the termination of period contracts for the appointment of consultants for the management of projects and for the appointment of contractors for road infrastructure, as well as the implementation of an SCM Compliance Tool.

Irregular expenditure of R19.893 billion incurred in prior financial years has not yet been condoned. The department has appointed a service provider to investigate the 18 000 irregular transactions that incurred between 2013/14 and 2019/20.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2022 on:

- [1] Measures implemented to address the ongoing irregular expenditure and carry through costs in respect of orders that were previously identified as irregular.
- [2] Progress made in the recovery of losses from service providers and officials who are liable for the 2020/21 irregular expenditure.
- [3] Progress made in the outstanding disciplinary matters in relation to the 2020/21 irregular expenditure.
- [4] The effectiveness and impact of the interventions implemented by the department on irregular expenditure in 2021/22.

[5] The timeframe for completing the determination testing and investigation of the 2020/21 irregular expenditure and submission thereof to Provincial Treasury for condonation, as well as steps taken to implement consequence management and recovery of losses.

[6] Progress made by the external service provider appointed to investigate the prior years' irregular expenditure, the project plan and time frames for completion of the investigations.

Responses:

[1] These orders were issued in prior years and therefore the department has a legal obligation to honour the orders. The suppliers will continue to provide the services until the order value and contractual obligations are met. Once these obligations are met no extensions or variation orders will be issued and new SCM processes will be followed to secure a new service provider.

[2] Once a determination has been finalised, formal disciplinary processes must be instituted against the relevant persons. Recovery of losses will be instituted as per the Standard Operating Procedure Guideline on Unauthorised, Irregular and Fruitless and Wasteful Expenditure.

[3] Two officials that were responsible for managing the disciplinary process for the irregular expenditure cases have left. Two new officials at a deputy director level have now been appointed in Labour Relations. Two training sessions were conducted with the Labour Relations directorate to capacitate them on the Irregular Expenditure framework and the process the department is following for the investigations of irregular expenditure. The new Head of Department is attending to the matters related to the outstanding disciplinary matters.

[4] For the period 1 April 2021 to 31 December 2021, the payments made for irregular orders was R 3,065,984,335.44. Only R 45,252,903.32 (1%) (reasons) relates to new orders that have been issued in the current year where there was non-compliance with SCM regulations. This is evidence that the control measures are having a positive impact on the prevention of irregular expenditure. The department has come a long way in improving the SCM processes in the department. The department is severely under capacitated taking into account the volume and complexity of SCM transactions, namely for infrastructure.

Correction - It must be noted that the R45 252 903.32 mentioned above was not necessarily incurred in the 2021/22 but was determined by Auditor-General as irregular during the previous audit. However, expenditure was only incurred in the current financial year.

[5] It is estimated that the determination tests, including the consequence management and the condonation process will take another 3 to 5 years to finalise if the process at present is used as a benchmark.

[6] The service provider has completed R 157,475,810.46 (601). The department has to still follow through the consequence management step for some of these cases. The service provider has commenced on a further R 371,679,278.38. The progress has been slow as the 1st 3 months of the project required understanding the operations of transport, the background to the irregular expenditure and obtaining the source documentation. The rate of investigations per quarter will increase.

Update to the Responses:

[1] The Director: Labour Relations assumed duties on 1 March 2022. This appointment is a much-needed step in attending to issues of consequence management and disciplinary processes considering that both Deputy Directors within the Directorate were also recently appointed.

[2] The service provider only resumed the determination (investigation) of irregular expenditure on the 6th of September 2021. There are 17 000 transactions that must be investigated with various complexities. Therefore, the service provider was allocated a period of 3 years to perform the determinations. However, the processes of discipline and application for condonement and recoveries where applicable will not wait for the full process to be finalised. These will be attended to as soon as the report is provided by the service provider.

RESOLUTION 266/2021: DEPARTMENT OF TRANSPORT: FINDINGS ON EXPENDITURE MANAGEMENT AND CONSEQUENCE MANAGEMENT: FRUITLESS AND WASTEFUL EXPENDITURE: R3.163 MILLION

Noting that:

- (a) The department incurred fruitless and wasteful expenditure of R3.163 million in 2020/21.
- (b) The Auditor-General was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials responsible for the fruitless and wasteful expenditure and losses were not recovered from persons who are liable.
- (c) The fruitless and wasteful expenditure for 2020/21 was due to the suspension of work on the P449 road (R802 000) due to the absence of the requisite mining permit, interest on Telkom overdue accounts (R10 000) and the suspension of work on the Mozambique Barrier Wall due to the environmental management programme not being in place (R2.351 million)
- (d) The balance of the prior years' fruitless and wasteful expenditure of R609 000 has not yet been resolved and recovery of an amount of R310 117 from a service provider in relation to delays in the upgrade of the P318 is in progress.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2022 on:

- [1] The investigation and determination of liability for the fruitless and wasteful expenditure incurred in 2020/21 due to any act or omission on the part of any official, including the failure to obtain the necessary mining permit and the failure to ensure the environmental management programme is in place, as well as the consequential recovery thereof from the relevant official and implementation of consequence management.
- [2] Progress made in the investigation of the balance of the prior years' fruitless and wasteful expenditure of R609 000 and time frames for finalisation thereof, as well as the outcomes and findings of the investigations and specific steps taken to implement the recommendations, including disciplinary action and the outcomes.
- [3] Progress made in the recovery of an amount of R310 000 from the relevant service provider in relation to delays in the upgrade of the P318.

Responses:

- [1] An external service provider was appointed to attend to all outstanding matters related to irregular expenditure determinations. This item is one of the cases that were supposed to be attended to by the service provider. However, the department wishes to indicate that this matter is already being investigated by Special Investigation Unit (SIU), so in order to avoid a parallel process running concurrently, the department believes that an internal investigation would be more informed by the outcomes of the SIU report.
- [2] One case was finalised and amount from Travel Agency. One case awaiting employee to acknowledge notification letter indicating accepting deduction notice. Other cases still in progress.
- [3] The matter was forwarded to the Office of the State Attorney for recovery. The State Attorney has since issued a summons to the service provider. The matter is still in progress.

Update to the Responses:

- [1] A case that involves an issue related to the printing of the Annual Report has been finalised and disciplinary processes instituted. This case contributes 26.3% of the total R609 000.
- [2] A case that relates to P318 is still under determination. This case contributes 69.5% of the total R609 000.
- [3] Other various cases still being investigated or finalised contribute 4.2% to the total R609 000.

RESOLUTION 267/2021: DEPARTMENT OF TRANSPORT: MATERIAL FINDINGS ON ANNUAL FINANCIAL STATEMENTS**Noting that:**

The annual 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 goods and services and accrued departmental revenue were not adequately corrected whereas material misstatements on capital commitments identified by the auditors were corrected

The uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

In addition to the remedial action implemented in the VNA Consulting contract emanating from the SIU investigation and the interventions implemented relating to the uploading of the required information in respect of traffic fines onto the Traffic Contravention System, the department has enlisted the assistance of a Financial Management Team from Provincial Treasury to put in place processes, policies and procedures and internal controls to ensure correct figures are reported.

The Committee resolves that:

The Accounting Officer report to the Committee by 31 January 2022 on an evidence-based assessment of the effectiveness of the interventions implemented by the department and to provide assurance that the steps taken will address the audit finding and avoid a recurrence.

Responses:

The Department has developed a project plan for the preparation of the Annual Financial Statements in line with the primary and secondary information required with all relevant templates. The department will ensure that all information populated in the AFS is reviewed. Also, all working papers should tie up to information provided with sign off from respective responsibility managers. The Approved Audit Improvement Strategy is the culmination of numerous interrogations of the processes and corrective actions that have been taken subsequent to the Auditor General Audit.

The Goods and Services issue has been dealt with by addressing the shortfalls within the invoicing process of the consultant.

The Accrued Departmental Revenue is being addressed as follows:

The Department placed resources to understand the root cause of the issues raised and the findings of this exercise resulted in the proposed action plans.

The Department is presently correcting these errors in conjunction with the Service provider.

RESOLUTION 268/2021: DEPARTMENT OF TRANSPORT: REVENUE MANAGEMENT: FAILURE TO COLLECT ALL MONIES DUE

Noting that:

Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA. This relates to the failure to issue summonses in respect of camera speed fines.

(b) The department is in the process of appointing new summons servers, which process is anticipated to be concluded by 31 March 2022.

The Committee resolves that:

The Accounting Officer report to the Committee by 31 January 2022 on progress made in the appointment of new summons servers to ensure all traffic fines are collected and to ensure readiness once AARTO is implemented in the Province.

Response:

The request for summons servers is now being addressed and the process to appoint the 50 summons servers on the EPWP program is being undertaken. This process will run parallel with RTI stations assigning teams at station level to begin the process of serving warrants within their areas of patrol. The responsibility matrices and target matrix will be part of that program. This would then inform the implementation of the project and guidance during the lifespan of the project.

Update to the Response:

The department has increased the quantity on the recruitment of summons servers from 50 to 120 through the EPWP programme. The target group is unemployed youth and this process will be finalized during the 2022/2023 financial year.

To supplement summons servers, as of April 2022 RTI stations will embark on a program to serve outstanding warrants and summonses at roadblocks province wide every Friday.

RESOLUTION 269/2021: DEPARTMENT OF TRANSPORT: INVESTIGATIONS

Noting that:

- (a) The shared internal audit unit for departments in the province performed 24 investigations relating to various procurement irregularities and fraudulent payments made to suppliers and employees.
- (b) Thirteen investigations were completed and 11 were still in progress at year-end.
- (c) The implementation of recommendations for the completed cases was in progress.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2022 on: -

- [1] The findings and recommendations of all completed investigations and steps taken to implement the recommendations, including disciplinary action and the outcomes thereof, recovery of losses and opening of criminal cases.
- [2] Progress made in, and time frames for, the completion of the remaining investigations.

Response

The Department conducts a preliminary investigation where possible and forwards the cases to Office of the Premier for a forensic investigation.

In terms of implementing the recommendations from the completed cases, there has been some delays due to shortage of capacity within the Labour Relations unit. Progress has been made in this regard as the Department has appointed two (02) Deputy Directors. The Director: Labour Relations also assumed duties on 1 March 2022.

The status of the 11 cases that have been completed investigations by OTP is as follows:

RF25/2012

The investigation on allegation made of fraud and corruption relating to the appointment of consultants within the department was completed by the Forensic Investigators within the Office of the Premier (OTP). The investigation process was finalised however OTP could not issue the report to the Department as there is a criminal investigation that is still unfolding under PMB CAS 375/03/2020 and Melville CAS41/12/2015.

FR26/2012

The matter regarding to allegation relating to kickbacks being awarded to officials in order for service providers to be awarded large quantities of work from the department. This matter has been reported to be linked to other investigations i.e. criminal investigation still in progress under CAS25/09/2015. The Department awaits consolidated report in order to implement the recommendations.

FR28/2013

The matter was in relation to alleged fraud and corruption at cost centre Port Shepstone relating to compliance with ZNB 2800 Plant Hire contract. The investigation has been finalized and the Department was issued with the report. The investigation has established the following:

Non-compliance/ alleged abuse of ZNB 2800/07T - Plant Hire Contract.

3 officials were found to have committed gross misconduct and alleged criminal conduct.

2 Service providers in conjunction with officials committed criminal offences.

Criminal case reported with SAPS under Port Shepstone CAS 154/12/2015 and PMB CAS 233/08/2016

The Department DDG Corporate Services finalized perusal of the reports, the reports are forwarded to the newly appointed Official within the Departmental Labour Relations to facilitate the disciplinary proceedings. Disciplinary process is still at an initial stage.

FR39/2014

The investigation was conducted and finalised on alleged irregularities relating to payment made to service providers. The investigation established that the employees irregularly processed a fraudulent invoice as a procurement for services of transporting contractors to attend consultative workshops. The investigation also established that there were nine (09) employees involved in the process and progress in implementing recommendations has been made as follows:

Six (06) employees received a progressive disciplinary

One (01) official left the Department for Public Works. The Department as engaged the Labour Relations unit within the Department of Public works to proceed with disciplinary in this regard.

Two (02) employees, who appeared to be the perpetrators resigned before the investigation could be finalized. Matter was registers with SAPS (PMB CAS205/12/2018) where arrests were made.

The first official pleaded guilty in Pietermaritzburg Regional Court 8. The official was sentenced to 5 years imprisonment wholly suspended on condition that she pays R50 000.00 as a down payment to the Department and the date of conviction and R2000.00 per month for the period of five years. The amount of R 61 010.00 must be paid as a once off payment anytime during the period suspension into the account of the Department.

The second official the official pleaded guilty at the Pietermaritzburg Court 1. She was sentenced to 8-year imprisonment wholly suspended on condition that she pays R170 000.00 as down payment to the Department on date of conviction and thereafter R3 700.00 per month.

FR 51/2015

The investigation on alleged fraudulent refunds of motor vehicle licenses was finalised and presented to the acting Head of Department. The Department DDG Corporate Services finalized perusal of the report. The report has been allocated to the internal Labour Relations Directorate to proceed with the disciplinary processes. The process is still at an initial stage, engagements are ongoing between Labour Relations and relevant Responsibility Manager.

FR20/2015

The matter was on allegations of fraud and corruption & non-compliance with ZNB 2800 Plant Hire Contract was completed by OTP. The Department was issued with 13 disciplinary reports per company. The Department had a challenge to proceed with the implementation of these reports since disciplinary could not be exercised to companies but employees. A resolution has been taken and the DDG: Corporate services engaged Labour relations to rework the reports per employees implicated through the Labour Relations unit. Labour Relations will be extracting and drafting charges against all those that need to be subjected to Disciplinary processes. Once these reports are finalised, disciplinary process will proceed.

FR32/2015

An investigation established that payment was made to services that were not rendered. The office of the premier had presented the report to the late Hon MEC Bheki Ntuli. On appointment of the new MEC, Ms. P Nkonyeni, the department engaged with the Office of the Premier to present the report to the MEC. The meeting was held between OTP and DOT MEC where the report was presented to the MEC. Internal Labour relations is being engaged to assist with the process of implementing disciplinary processes.

FR46/2015A&B

A forensic investigation was completed on alleged irregularity into issuing of guard rails. Disciplinary process followed; the hearing process was finalised with a dismissal. The official appealed but not successful.

FR25/2016

The first phase of the investigation was completed on alleged fiscal dumping for material on site, it was established that the allegations were unfounded, however during the investigation, there were other irregularities that were identified on payments for materials on site which are currently being investigated. This investigation is still in progress and a criminal case has been registered with the ACTT: CAS 816/3/2017.

FR05/2012A&B

The matters on allegations relating to procurement fraud on repairs to road and maintenance contract were investigated and completed with recommendations. The Department has implemented the recommendations and the following were the outcomes:

Two (02) officials were dismissed,

There was one civil recovery where assets worth R543 328 962.62 seized from the property of the dismissed Official and several service providers who reportedly received millions in kickbacks from plant hire companies that were awarded contracts to repair KZN's ailing road infrastructure.

Criminal proceedings are ongoing under CAS21/12/2011.

11. FR05/2012C

Allegations relating to SCM irregularities were investigated and completed with recommendations. Ten (10) received progressive disciplinary.

Criminal proceedings are ongoing under CAS21/12/2011

[2] There are no cases currently being investigated within the Department, but investigations are ongoing at Office of the Premier. The department is unable to provide estimated time frames for the completion of the remaining investigations as this is not within the control of the department.

RESOLUTION 270/2021: DEPARTMENT OF TRANSPORT: INVESTIGATIONS BY SPECIAL INVESTIGATION

Noting that:

(a) In terms of Proclamation No. R16 of 2021, issued in Government Gazette No. 44546 of 7 May 2021, the Special Investigating Unit (SIU) was investigating various irregularities at the department relating to the procurement and payments made in respect of the concrete barrier wall between uMkhanyakude and Mozambique border post. This investigation was still in progress at the date of this report.

(b) In terms of Proclamation No. R23 of 2016, issued in Government Gazette No. 39935 of 15 April 2016, the SIU investigated allegations relating to improper behaviour. This investigation was completed on 31 March 2020. Recommendations of the report were being implemented by the accounting officer.

(c) In terms of Proclamation No. R36 of 2018, issued in Government Gazette No. 42101 of 14 December 2018, the SIU was investigating various irregularities at the department relating to the procurement of consultancy services. This investigation was still in progress at the date of this report.

The Committee resolves: -

That the Accounting Officer report to the Committee by 31 January 2022 on the findings and

recommendations of the SIU investigation in terms of Proclamation R23 of 2016, and any other SIU investigation that had been completed, as well as the steps taken to implement the

recommendations and the outcomes thereof.

Responses:

(a) In terms of Proclamation No. R16 of 2021, issued in Government Gazette No. 44546 of 7 May 2021, the Special Investigating Unit (SIU) was investigating various irregularities at the department relating to the procurement and payments made in respect of the concrete barrier wall between uMkhanyakude and Mozambique border post. This investigation was still in progress at the date of this report.

On the 2nd of November 2021, the department received a request for information and documentation to be provided to the SIU for the purposes of further investigations. This was submitted by the 22nd of November 2021. The investigation is currently underway.

(b) In terms of Proclamation No. R23 of 2016, issued in Government Gazette No. 39935 of 15 April 2016, the SIU investigated allegations relating to improper behaviour. This investigation was completed on 31 March 2020. Recommendations of the report were being implemented by the accounting officer.

The SIU was requested to assist the department with the civil recovery of licence fees and penalties.

The SIU preliminary findings resulted 305 acknowledgements of liability totalling R3 645 132.49 and 21 acknowledgements of debt totalling R2 439 536.31

The SIU has confirmed that many of these debts have paid off or are in the process of paying and those who are not paying or have refused to sign or cooperate are in the process of being referred to the State Attorney for civil recovery.

The SIU further recommended that in instances where liable persons are indigent, untraceable or deceased, the department should write off the debt and/or place an admin mark and/or make the necessary changes on the eNatis system.

The department has since implemented the recommendations.

(c) In terms of Proclamation No. R36 of 2018, issued in Government Gazette No.42101 of 14 December 2018, the SIU was investigating various irregularities at the department relating to the procurement of consultancy services. This investigation was still in progress at the date of this report.

An investigation report in terms of Proclamation R36 of 2018 on the the procurement of consultancy services from Nexor 312 (Pty) Limited t/a VNA, by the Department was issued to the Head of the Department of KZN Department of Transport by the SIU. The department has implemented the recommendations as follows:

Two (2) officials were placed under precautionary suspension and thereafter charged with misconduct.

A pre-hearing meeting was held on 26 October 2021 between the employees' legal team/representatives and the Department's legal representative.

The disciplinary processes are ongoing and haven't reached finalisation.

RESOLUTION 290/2021 - TRANSVERSAL RESOLUTION – FILLING OF CRITICAL POSTS

Noting:

That vacancies exist in critical management posts within departments and public entities and the adverse effect this is having on audit findings, particularly on compliance with legislation, internal controls and financial and performance management.

The Committee resolves:

That the Accounting Officers and Accounting Authorities of the relevant departments and public entities report to the Committee by 31 January 2022 on progress made in the filling of critical management posts and the time frames for the filling of those posts.

Responses:

The progress made to fill vacant critical management posts is as follows:

SALARY LEVEL	NO. OF POSTS	PROGRESS MADE TO FILL VACANT POST(S) AND TIME FRAME TO FILL
15	1	Chief Financial Officer – Vacant from 01-01-2022. The post has been included on a schedule of vacant posts to be submitted to the Premier to request approval to fill. Estimated time frame to fill is 01-07-2022.
14	2	Chief Director: Public & Freight Transport – Previously advertised on 6 occasions with no suitable applicant found. The post was re-advertised in April 2021 and the applications have been submitted to the respective DDG to conduct short-listing and interviews following a head-hunting process due to being unable to attract suitable applicants. Short-listing and interviews have been conducted and results of Personnel Suitability Checks are awaited before the appointment of the recommended candidate can be submitted for approval. Estimated time frame to fill is 01-05-2022. Chief Director: Communications – Advertised, however, the filling of the post is being held in abeyance based on a recommendation from the DPSA pertaining to the proposed structure. Time frame to fill is dependent on the finalisation of the review of the organisational structure.
13	6	Director: Public Transport Monitoring & Compliance; Director: Human Resource Practices; and Director: Human Resource Development: Awaiting finalisation of the review of the organisational structure before these posts can be evaluated or benchmarked, advertised and filled. Employees are currently acting in the first 2 positions to ensure continued service delivery. Time frame to fill is dependent on the finalisation of the review of the organisational structure. Director: Motor Transport Services: Previously advertised on 3 occasions with no suitable candidate found. Re-advertised and short-listing and interviews have been conducted. Currently arranging for the Competency Based Assessment to take place. Employee currently acting in this position to ensure continued service delivery. Estimated time frame to fill is 01-05-2022. Director: Labour Relations: Previously advertised on 2 occasions with no suitable candidate found. Re-advertised and the appointment of the recommended candidate has just been approved. An offer letter to the successful candidate is currently being prepared and will be sent out. Estimated time frame to fill is 01-03-2022. Director: Supply Chain Management: Advertised and selection panel has been approved. Currently arranging a date for short-listing. Employee currently acting in this position to ensure continued service delivery. Estimated time frame to fill is 01-05-2022

Update to the Responses:

SALARY LEVEL	NO. OF POSTS	PROGRESS MADE TO FILL VACANT POST(S) AND TIME FRAME TO FILL
15	1	Chief Financial Officer – The post has been approved for filling by the Premier (approval received 23-03-2022). Preparing request to SCM to advertise for a service provider to place the advert in the newspapers. Estimated time frame to fill is 01-07-2022.
14	3	Chief Director: Public & Freight Transport – Previously advertised on 6 occasions with no suitable applicant found. The post was re-advertised in April 2021. Short-listing and interviews conducted. The selection panel recommended that the post be re-advertised once the review of the organisational structure as there have been changes to the strategic direction which would have material impact on the nature of this job and the inherent requirements. Time frame to fill is dependent on the finalisation of the review of the organisational structure. Chief Director: Communications – Advertised, however, the filling of the post is being held in abeyance based on a recommendation from the DPSA pertaining to the proposed structure. Time frame to fill is dependent on the finalisation of the review of the organisational structure. Chief Director: Durban - The post has been approved for filling by the Premier. Awaiting the appointment of a service provider to place the advert in the newspapers. Estimated time frame to fill is 01-07-2022.
13	6	Director: Public Transport Monitoring & Compliance; Director: Human Resource Practices; and Director: Human Resource Development: Awaiting finalisation of the review of the organisational structure before these posts can be evaluated or benchmarked, advertised and filled. Employees are currently acting in the first 2 positions to ensure continued service delivery. Time frame to fill is dependent on the finalisation of the review of the organisational structure. Director: Motor Transport Services: Previously advertised on 3 occasions with no suitable candidate found. Re-advertised and short-listing and interviews conducted. Currently awaiting results of criminal record check and thereafter the submission for the appointment of the recommended candidate will be submitted for approval. Employee currently acting in this position to ensure continued service delivery. Estimated time frame to fill is 01-05-2022. Director: Labour Relations: Previously advertised on 2 occasions with no suitable candidate found. Re-advertised. Successful candidate assumed duty w.e.f. 01-03-2022. Director: Supply Chain Management: Short-listing and interviews conducted. Candidates to undergo Competency Based Assessment (CBA) on 28 & 29-03-2022. Employee currently acting in this position to ensure continued service delivery. Estimated time frame to fill is 01-05-2022

RESOLUTION 291/2021 – TRANSVERSAL RESOLUTION: COMPLIANCE WITH HRM MATTERS**Noting:**

The following reports on compliance by SMS members with Human Resources Management (HRM) matters.

Department/Entity	Signing of Performance Agreements	Security Vetting	Submission of Financial Disclosures	Verification of Qualifications
Department of Transport	No report	No report	No report	No report

The Committee resolves: -

That the relevant Accounting Officers and Accounting Authorities report to the Committee by 31 January 2022 on measures taken to ensure full compliance with HRM matters in relations to signing of performance agreements, security vetting, submission of financial disclosure forms and verification of qualifications.

Responses:

The status of compliance with HRM matters in relation to the signing of performance agreements, security vetting, submission of financial disclosure forms and verification of qualifications is as follows:

Department/Entity	Signing of Performance Agreements	Security Vetting	Submission of Financial Disclosures	Verification of Qualifications
Department of Transport	100%	A total of 37 MANCO members: Compliant: 30 Non-Compliant: 7	100%	100%

TRANSVERSAL RESOLUTION 292/2021: OFFICIALS DOING BUSINESS WITH THE STATE**Noting that: -**

Regulation 13(c) of the Code of Conduct contained in the Public Service Regulations 2016, prohibits officials from doing business with an organ of state or from being a director of a public or private company conducting business with an organ of state.

Section 8 of the Public Administration Management Act, 2014, makes it a criminal offence and further provides that it constitutes serious misconduct which may result in termination of employment.

The Committee resolves:

That all Accounting Officers report to the Committee by 31 January 2022 on: -

- [1] The steps taken to monitor compliance with the legal prescripts relating to the prohibition of officials doing business with the state

- [2] Whether the Central Supplier Database is checked each time for verification to ensure that officials employed by the state or their companies are not awarded tenders or contracts
- [3] Reports or notifications received in 2020/21 from National Treasury, the Department of Public Service and Administration and the Public Service Commission or from any other source regarding officials doing business with the state and if so, full details thereof.
- [4] Steps taken to implement consequence management in relation to transgressions, including details of disciplinary action and sanctions imposed, as well as criminal cases opened

Responses:

- [1] The letter of offer to candidates who have been successful for advertised posts has accordingly been updated to include the provisions of Regulation 13(c) of the Public Service Regulations 2016.
- [2] Yes, the CSD report is checked. It is checked every time for verification to ensure that officials employed by the state or their companies are not awarded tenders or contracts. CSD has also been upgraded to show all the director's interest in other companies.
- [3] No reports have been brought to the Department's attention by the Department of Public Service and Administration and the Public Service Commission for this reporting period.
- [4] Initially, there were four (04) employees who had been reported to have been doing business with the State, i.e. various government departments. Out of the 4 employees, one is no longer an employee of the Department of Transport as her contract of employment expired on 31 October 2020.

The other three cases/employees are still under investigation by the Departmental Risk Management Unit, disciplinary processes will be instituted pending the outcome of the investigation.

9 PRIOR MODIFICATIONS TO AUDIT REPORT

The department received a qualified audit opinion in the 20/21 financial year. The Accounting Officer implemented the following action plans to ensure that the qualified matters were addressed:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Good and Services : Infrastructure and Planning AG was unable to obtain sufficient appropriate audit evidence that payments were made for goods and services that were actually received by the department, as internal controls were not adequate to confirm the receipt thereof. This related to infrastructure and planning services costs incurred that were included in goods and services. AG was unable to confirm the infrastructure and planning services costs by alternate means . Consequently AG was unable to determine whether any adjustments were necessary to infrastructure and planning services that were included in goods and services stated at R786,66mil (19/20 R 859,11mil) in note 5 to the financial statements .	2020/2021	This matter was resolved with AG through the Material Irregularity process. For the 21/22 financial year this matter was no longer a qualification matter.
Accrued Departmental Revenue The department did not record all the items that met the definition of accrued departmental revenue, as required by MCS Chapter 9. Accrued revenue should be recognised when it is probable that future economic benefit or service potential associated with the transaction will flow to the department and the amount of the revenue can be measured reliably.	2019/2020	The department undertook a detailed reconciliation of all accrued revenue throughout its offices in KZN. The objective was to ensure that accrued revenue was accounted for accurately and completely as at 21/22 financial year. For the 21/22 financial year this matter was no longer a qualification matter.

10 INTERNAL CONTROL UNIT

- During the 2021/2022 financial, a yearly inspection programme and time frames was planned, drafted and executed by the officials working at Internal Control Unit located at Head Office. The reason for selecting the inspections (refer table below) were based on a number of weaknesses that were highlighted by the external audit units through the performance of audits and subsequent submission of audit reports i.e. Asset Management, Government and Subsidised vehicle inspection and Supply Chain Management inspection. The table below is self-explanatory. Although Internal Control unit has a challenge of limited personnel resources (due to officials retiring etc.), all targeted inspections were successfully.

In addition, several adhoc inspections were randomly executed throughout the department namely, revenue and security which mostly were performed at the offices of Road Traffic Inspectorate, Motor Licencing Bureau and Cost Centres where public monies and security related matters are dealt with. Follow up inspections were also executed in offices where responses to inspection reports were timeously received. Internal Compliance officials also attended inspection exit meetings at the visited local office to present the summary results of inspections undertaken and raise any issues of concern.

Inspections Conducted	Number of Offices Inspected	Time Frames
Asset Inspection	76	April – July 2021
Government and Subsidised vehicle Inspection	80	September 2021 – January 2022
Supply chain Management Inspection	23	February – May 2022

- Internal Control is also responsible for the coordination of audits comprising internal audits by Provincial Treasury and external audits by the Auditor-General. The component facilitates the retrieval of documents and compilation of formal communications. This component also conducts post audit inspections based on the AG Management Report Findings as well as the Provincial Treasury Audits to raise awareness of all findings within the Department. Internal Control also is responsible for the development and maintenance of the Audit Improvement Strategy and facilitates the logistics for the Departmental Audit Improvement Workshop.

11 INTERNAL AUDIT AND AUDIT COMMITTEES

KEY ACTIVITIES AND OBJECTIVE OF THE INTERNAL AUDIT

11.1 OBJECTIVE

The objective of the Internal Audit Unit is to provide as an independent, objective assurance and consulting activity designed to add value and improve the departments operations. It helps the department and the KZNPG accomplish its objective by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes

11.2 KEY ACTIVITIES

The scope of possible activities that the PIAS can engage in includes:

- Reviewing the reliability and integrity of financial and operational information and the means used to identify, measure, classify and report such information.
- Reviewing the extent of compliance with, relevance and financial effect of established policies, standards, plans and procedures and the extent of compliance with external laws and regulation.
- Reviewing the extent to which the assets and interests of the institution are accounted for and safeguarded from losses of all kinds arising from waste, extravagance, carelessness, ineffective administration, poor value for money, fraud, corruption or other causes.
- Appraising the economy, effectiveness and efficiency with which resources are employed.
- Reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
- Evaluating and assessing the merging or consolidation of significant functions and new or changing services, processes, operations, and control processes if applicable.
- Evaluating the integrity of processes and systems (including systems implemented for the management of information assets) to ensure that controls offer adequate protection against error, fraud and loss of any kind and that the processes/systems align with the KZNPG's strategic goals
- The follow-up on actions taken to remedy the weaknesses identified by internal audit
- Facilitating the development and review of fraud prevention plans
- Co-ordinating internal audit efforts with those of the external auditors
- Provide any other specialized audit services as determined through the risk assessment process
- Reviewing plans, programs and operations to ascertain consistency with the KZNPG and National strategy and to establish the extent to which value for money is being achieved
- Reviewing the planning, design, development, implementation and operation of major computerized systems to ensure that these systems meet their intended purpose and objectives
- Assist and support the Provincial Audit and Risk Committee to report on the effectiveness of the system of internal controls in the annual report.

11.3 SUMMARY OF WORK DONE

The Provincial Internal Audit Services conducted the following reviews at the Department of Transport during the 2021/22 financial year:

Legislated Audits:

- The Audit on Performance Information

Risk Based Audits:

- Immovable Assets Management
- Procurement and Expenditure
- Mechanical Plant Maintenance
- Revenue Management
- Consultants Services (Phase II)
- Review of Annual Financial Statements before submission to AG
- Review of the Audit Improvement Strategy
- Review of Key Account Reconciliations

Follow Up Reviews:

- Follow-up on the Resolved Findings (Internal Audit Reports)
- Follow-up on the Resolved Findings (IT Audit Reports)
- Follow-Up on Resolved Audit Findings (AG Audit Report)

IT Audits:

- IT Risk Management
- Protection of IT Assets

11.4 KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE

11.4.1 Objective

The Executive Council has established the Provincial Audit and Risk Committee (PARC) in accordance with regulations and instructions prescribed in terms of sections 76 and 77 of the Public Finance Management Act, Act No. 1 of 1999 as amended by Act No. 29 of 1999 (PFMA). The PARC reports to the Member of Executive Council (MEC) for Finance. The KwaZulu- Natal Provincial Government has also established the following three Cluster Audit and Risk Committees (CARC), which report directly to the PARC:

Governance, State Capacity and Institutional Development Cluster

Economic Sector and Infrastructure Development Cluster

Social Protection, Community & Human Development Cluster

The Department of Transport is governed by the Economic Sector, Employment and Infrastructure Development Cluster Audit & Risk Committee which is constituted by 3 members of the PARC.

The objective of the shared Audit & Risk Committee is to assist the Department in fulfilling their oversight responsibilities for the integrity of the Government's financial reporting process, system of internal controls, audit process, process for monitoring compliance with laws and regulations and KZNPG's Code of Conduct, fraud prevention, the risk management process and any other good governance processes.

Key Activities

Internal Controls, Accounting Systems & Internal Audit
Review of the internal audit reports to manage critical risks and to ensure the adequacy and effectiveness of the departmental internal control structure including:
• Financial and internal controls, • Accounting systems and reporting and • Corporate governance
Review any significant matters reported by the internal auditors and the extent to which the recommendations have been implemented by management; and provide any additional recommendations to Accounting Officers.
Direct the Accounting Officer to provide status reports detailing the progress made in implementing the Committee's recommendations.
Through PIAS reports, evaluate IT governance systems and the related internal controls.
Ensure that the relevant departmental management demonstrates accountability over internal control functions.
Consider the fact and potential of any limitation on the scope of internal audit, and if there is, report to the MEC for Finance.
Fraud Prevention
Ensure that the Accounting Officer develops and implement strategies, policies, procedures and systems to prevent and detect fraud and corruption
Ensure that the Accounting Officer demonstrates some pro-activeness in maintaining anti-fraud and corruption strategies to protect the Provincial assets entrusted to them
Review and evaluate the effectiveness of such strategies, policies/procedures.
Should a report to the Audit Committee, whether from the PIAS or any other source, implicate the Accounting Officer in fraud, corruption or negligence, the chairperson of Audit Committee must promptly report this to the relevant executive authority via the MEC for Finance.
Financial Statements
Ensure that the timing and nature of reports from the external auditor(s) are in accordance and comply with the requirements of the PFMA.
Consider key matters arising in the AG SA management report and audit report (including illegal acts or irregularities) and satisfy themselves that they are being properly followed up and resolved.
Consider the reports and function of the External Audit Steering committee to ensure that external audits are performed efficiently and that management co-operates with the AG SA.

Comment on its evaluation of the annual financial statements, the interim financial reports, the preliminary announcement of the AG SA report and any other announcement regarding the KZNPG's results or other financial information to be made public, prior to the submission to and approval by the Accounting Officer and/or Executive Authority.

Consider any accounting treatments, significant unusual transactions, or accounting judgments, which could be contentious to ensure that these are properly addressed.

In line with TR 3.1.13 (b), comment on the quality of IYM and monthly/quarterly reports submitted in terms of the PFMA and DoRA.

Risk Oversight

The Committee is an integral component of the risk management process and shall oversee:

- Financial reporting risks
- Fraud risk as it relates to financial reporting
- IT risk as it relates to financial reporting
- All other strategic and operational risks that may impede the department from achieving their business objectives.

Review the procedures for identifying business risks and mitigating their impact on the department.

Ensure that the Accounting Officer and Accounting Authority maintains and regularly reviews the system of risk management within their areas of responsibilities.

Review the results of the risk assessment to determine the material risks to which the departments may be exposed and evaluate strategies to mitigate those risks.

Ensure that the Accounting Officer has incorporated reputational and ethical risks and opportunities in the risk management process.

Ethics

Review the internal audit reports on compliance with the ethical code of conduct and policies of the Department based on the number of statutory, common law and other requirements which cover the ethical behaviour of senior management, and officials of the Departments.

Identify through PIAS reports, any violation of ethical conduct, environmental and social issues.

Provide advice on any identified potential conflict of interest.

Reporting Responsibilities

The Committees must report and make recommendations to the Accounting Officer on a regular basis (TR 3.1.12).

The Committees should engage with Accounting Officers of respective departments at least on a quarterly basis.

The Committees may communicate any concerns they deem necessary to the executive authorities, Head of Provincial Treasury and the AG SA (TR 3.1.15).

AUDIT COMMITTEE MEMBERS DETAILS & PARC MEETINGS 2020/21:

NO	NAME & SURNAME	QUALIFICATIONS	COMMITTEE STRUCTURE	CONTRACT DURATION	STATUS
1	Mr Zwile Zulu	MBA	Chairperson: PARC Member: Eco & G&A	18 MAY 22 – 31 st MAY 25	1 st Term
2	Mr Mike Tarr	MSc Agricultural Economics	Chairperson: Eco Cluster Member: G&A	10 May 21 – 31 st MAY 24	2 nd Term
3	Mr Sibusiso Mthethwa	BCompt (Hon)	Chairperson: Social Cluster	18 MAY 22 – 31 st MAY 25	1 st Term
4	Ms Sijabulile Makhathini	CA(SA)	Chairperson: G&A Cluster Member: Eco Cluster	18 MAY 22 – 31 st MAY 25	1 st Term
5	Ms Runganagee Ramphal	CA(SA)	Member: Social Cluster	18 MAY 22 – 31 st MAY 25	1 st Term
6	Mr Suren Maharaj	CA(SA)	Member: Social Cluster	18 MAY 22 – 31 st MAY 25	1 st Term

AUDIT COMMITTEE MEMBERS CARC MEETINGS 2021/22: ECONOMIC CLUSTER

The PARC and ESID CARC consisted of the members listed hereunder who service ended 31 October 2021 as their contract ended. They have met as reflected below.

#	Name of Member	PARC Meetings Attended	ESID CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC and ESID CARC)	2 of 2	1 of 1
2	Mr V Ramphal	2 of 2	1 of 1
3.	Mr P Christianson	2 of 2	N/A*
4.	Ms T Njozela	2 of 2	N/A*
5.	Mr D O'Connor	2 of 2	N/A*
6.	Mr M Tarr	2 of 2	1 of 1

*refers to PARC members who did not serve on the ESID CARC

On 18 May 2022, new Provincial Audit and Risk Committee members were appointed by the MEC for Finance for a period of 3 years. They have met as reflected below.

#	NAME & SURNAME	MEETING	
		AFS Review*	Special PARC*
1.	Mr Z Zulu – PARC Chairperson	✓	✓
2.	Mr M Tarr	✓	✓
3.	Ms S Makhathini	✓	✓
4.	Mr S Mthethwa	✓	✓
5.	Ms R Ramphal	✓	✓
6.	Mr S Maharaj	✓	✓

* 28 & 29 May 2022 to review the Annual Financial Statements for the 2021/22 financial year

* Held a special PARC meeting in June 2022 to deal with outstanding internal audit reports relating to the 2022 financial year.

12 AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 12 TRANSPORT

The Audit Committee herewith presents its report for the financial year ended 31 March 2022, as required by Treasury Regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The KZN Department of Transport is served by the Economic Sector and Infrastructure Development (ESID) Cluster Audit & Risk Committee.

The Audit Committee reports that it has adopted formal terms of reference contained in its Audit and Risk Committee Charter. The Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulations; except that the Committee was not fully constituted for the full financial year.

12.1 AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The PARC and ESID CARC consisted of the members listed hereunder who have met as reflected below.

#	Name of Member	PARC Meetings Attended	ESID CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC and ESID CARC)	2 of 2	1 of 1
2.	Mr V Ramphal	2 of 2	1 of 1
3.	Mr P Christianson	2 of 2	N/A*
4.	Ms T Njozela	2 of 2	N/A*
5.	Mr D O'Connor	2 of 2	N/A*
6.	Mr M Tarr	2 of 2	1 of 1

**refers to PARC members who did not serve on the ESID CARC*

The contracts of five members ended on 31 October 2021 following a two-term of 3 years each. On 18 May 2022, new Provincial Audit and Risk Committee members were appointed by the MEC for Finance for a period of 3 years. The new Provincial Audit and Risk Committee met on 28 & 29 May 2022 to review the Annual Financial Statements for the 2021/22 financial year; and held a special PARC meeting in June 2022 to deal with outstanding internal audit reports relating to the 2022 financial year. The table below provides details of the newly constituted PARC and attendance of meetings held subsequent to the financial year-end:

#	NAME & SURNAME	MEETING	
		AFS Review	Special PARC
1.	Mr Z Zulu – PARC Chairperson	√	√
2.	Mr M Tarr	√	√
3.	Ms S Makhathini	√	√
4.	Mr S Mthethwa	√	√
5.	Ms R Ramphal	√	√
6.	Mr S Maharaj	√	√

12.2 THE EFFECTIVENESS OF INTERNAL CONTROL

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls in the following:

Expenditure Management – Irregular expenditure

Revenue Management

Capital Commitments

Performance Information

Procurement and Expenditure

Mechanical Plant Maintenance

Protection of IT Assets

Consequent Management

The Committee noted with concern the control deficiencies identified by the auditors, both internal and external. Although management interventions on certain control weaknesses were considered by the Committee, the Accounting Officer is urged to urgently implement strategies that will prevent any further regression on audit outcomes.

12.3 EFFECTIVENESS OF INTERNAL AUDIT

PIAS activities were reviewed by the Committee during the special PARC and CARC monitoring processes. The Committee evaluated PIAS' reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

The PIAS planned to conduct fourteen (14) audit assignments for the period under review, of which eleven (11) were finalised and three (3) was carried over with the approval of the Audit Committee.

The Committee is satisfied that PIAS performed effectively during the period under review. During the 2022/23 financial year, the Committee will continue to monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the Department.

12.4 RISK MANAGEMENT

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against the Risk Management Operational Plan.

As at the end of the 2021/22 financial year, the Department's risk register status was as follows:

Focus areas	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
No of identified risks	3	11	29	4	15	62
No of agreed action plans due	9	23	42	4	15	93
No of action plans completed	1	7	26	4	15	53
% Action plans implemented	11%	30%	62%	100%	100%	57%

The Committee noted the slow progress made by the Department in implementing 57% of risk mitigation plans, and urged the Department to ensure the timely mitigation of risks, particularly for risks classified as critical and major. The Committee further advised the Department to ensure that the planned and implemented risk mitigations are adequate and effective, such that they have an effect on reducing the risk exposure.

In addition, the Committee was concerned on the inadequate capacity in the Occupational, Health and Safety (OHS) and risk management functions. The Department was urged to consider further capacitation of both these functions,

as it would assist the Department in being proactive to implementing mitigation strategies that will enhance its control environment, prevent OHS hazards and recurring audit findings.

In addition, the Department was advised to begin implementation of the newly approved Provincial Risk Management Framework, together with the minimum risk management standards contained therein, as these would assist the Accounting Officer to embed risk management within the Department. Coupled with the risk management framework implementation, the Department was also urged to implement the combined assurance framework as this would enable directing prioritised efforts/actions to achieve synergies and efficiencies in key processes, thereby enhancing the control environment and minimising risk events.

12.5 QUALITY OF IN YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORTS

Due to the Committee not being constituted for the full financial year, the Committee did not review all reports in respect to in year management and quarterly performance prepared and issued by the Accounting Officer during the year under review in terms of the PFMA and the Division of Revenue Act. The newly appointed Committee will in the 2022/23 financial year ensure that all its responsibilities are met.

12.6 EVALUATION OF FINANCIAL STATEMENTS

The Committee has:

Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, Auditor General and PIAS;

Reviewed the Auditor General's Management Report;

Reviewed the Department's processes for compliance with legal and regulatory provisions, where concerns have been noted with consequence management, expenditure management, procurement and contract management, revenue management, strategic planning and performance management and the failure to prevent irregular expenditure of R4,3 billion as a result of non-compliance with supply chain management prescripts; and

Reviewed the conclusion on the reliability of performance information resulting from the audit of the Department. The Committee notes with concern the material finding on the usefulness and reliability of performance information of a programme 2 indicator.

12.7 FORENSIC INVESTIGATIONS

The Committee draws attention to paragraphs 60-64 in the audit report relating to investigations. The department and Forensic Investigation Services at the Office of the Premier are urged to promptly finalise the outstanding investigations and implement recommendations in the finalised investigations.

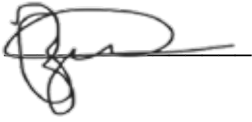
12.8 AUDITOR-GENERAL'S REPORT

The Committee has met with the Auditor General of South Africa to discuss and evaluate the issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs with and accepts the conclusion of the Auditor General's opinion on the Annual Financial Statements of a qualified audit opinion and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

12.9 APPRECIATION

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.



Mr Z Zulu

Chairperson: Provincial Audit and Risk Committee

15 August 2022

13 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBEE requirements of the BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	-
Developing and implementing a preferential procurement policy?	No	The department has not developed any preferential procurement policy. However it is utilising the Preferential Procurement Policy Framework Act (PPPFA) and its regulations in the procurement of goods and services
Determining qualification criteria for the sale of state-owned enterprises?	N/A	-
Developing criteria for entering into partnerships with the private sector?	N/A	-
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	-



PART D

HUMAN RESOURCE

1 INTRODUCTION

Consistently delivering improved services to our clients is not without challenges. The modern people management environment has significantly changed in recent years and requires complex navigation between a range of somewhat competing variables. Apart from the fact that these variables are interdependent and interrelated, they are also governed by stringent rules and regulations, which prove to be difficult in respect of recruitment, retention and attraction initiatives implemented within the Department. These include balancing service delivery imperatives, the attraction and retention of critical and scarce skills, workforce empowerment, career management, succession planning, employment equity, and creating an enabling environment where employees are able to thrive.

Furthermore, the Department is required to function within an austerity environment, which demands that managers implement the principle of “doing more with less”. Despite the changing patterns and increased demands impacting on our day-to-day normal workplace activities mainly due to COVID-19, the consistent hard work and established unity of our employees has resulted in remarkable achievements and business continuity during the year under review.

2 OVERVIEW OF HUMAN RESOURCES

• THE STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

The Human Resource Practices Directorate is responsible for the provision of efficient human resource practices and administration services.

• HUMAN RESOURCE PRIORITIES FOR THE YEAR

The filling of identified critical and funded vacancies remained a key priority during the reporting period, because it is critical to improving service delivery. Furthermore, the provision of advice and guidance in respect of the management of absences as a result of exposure to or being infected with COVID-19 was also a priority for the year.

• WORKFORCE PLANNING AND STRATEGIES TO ATTRACT A SKILLED WORKFORCE

The role of workforce planning is to ensure that the Department has the required number of people with the requisite skills, knowledge and attributes in the right places to perform the work. Through this process the Department annually assesses its workforce profile against current and future organisational needs. The aim of this assessment is to identify to what extent the current workforce profile addresses the key people management outcomes that would guarantee service continuity and value. Departmental plans such as Workplace Skills Plan, Employment Equity Plan are therefore aligned to the vision and mission of the Department’s Strategic Plan and the Change Management Strategy. The assumptions on which these plans were developed were still valid during the period under review, and action plans and key activities were respectively reviewed to ensure validity and appropriateness to achieve the intended outcomes (i.e., equitable workforce; competent and skilled employees; a performance-conducive work environment; improved ethical conduct; a reduction of acts of fraud and corruption, etc). The Department management to partially achieve most of the planned employment equity objectives. Representivity of Women at SMS levels actually decreased from 54% to 52% when compared to the previous financial year.

The Department continues to implement the Occupational Specific Dispensation (OSD) for engineers and related professionals to assist in managing career paths of existing employees in these occupations. This is also manifested through the provision of grade and accelerated grade progression, such as automatic progression to a higher grade after serving the required number of years and based on performance.

• **EMPLOYEE PERFORMANCE MANAGEMENT**

The purpose of performance management is to increase performance by encouraging individual commitment, accountability and motivation. The departmental EPMDS Policy provides a standardised framework for employee performance management on salary levels 1 to 12, which is inclusive of employees covered by an OSD and employees in elementary occupations in the department. It shares similarities and must be linked with the SMS PMDS, as is a distinct policy framework and system. All employees are required to complete a performance agreement before 31 May each year. The agreement is in essence a contract between the employer and the employee containing the projects, programmes, activities, expectations and standards for the required delivery. In order to facilitate a standardised administration process and strengthen compliance, the Department has devised an electronic way of submitting Performance Management & Development System documents that allows for the entire performance management process to be captured, monitored and managed efficiently and effectively.

During the period under review, the Department obtained 100% compliance in respect of the signing of SMS Performance Agreements, and 97% in respect of those at levels 1 to 12 due to formally lodged disagreements. Non-compliant staff are generally excluded from the receipt of any performance incentives and stringent monitoring mechanisms have been put in place to ensure 100% compliance at all levels going forward.

• **EMPLOYEE HEALTH AND WELLNESS PROGRAMME**

The Employee Health and Wellness Section continues to make a visible impact on the lives of employees by regularly sharing information via emails and EZethu articles instilling responsible life style disease management as well as encouraging physical fitness and awareness. The Programme follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services (i.e., telephonic counselling service; and face-to-face counselling, trauma and critical incident counselling, training and targeted intervention, and advocacy). The Programme is monitored through mandatory quarterly reports and annual operational plans that are submitted to the Department of Public Service and Administration via the Office of the Premier. Ongoing reporting to the DPSA focuses on four areas: Human Immunodeficiency Virus (HIV)/ Acquired Immune Deficiency Syndrome (AIDS) & TB, Health and Productivity, Wellness Management, and SHERQ (Safety, Health, Environment, Risk and Quality).

• **CHALLENGES**

The department faces a challenge of receiving high numbers of applications for advertised posts which generally delays the filling thereof. The filling of vacant posts and the overall turnaround time to fill vacancies is affected by the moratorium on the filling of non-critical posts in the Province, where approval to fill critical posts is first obtained from the Premier via provincial Treasury.

The Department still faces challenges in terms of attracting and employing persons with disabilities into the permanent structure despite implementing numerous well thought strategies and interventions in this regard.

Providing effective and efficient guidance and direction during the corona virus pandemic and its ripple effect on employees has also been a challenge due to various reasons, such as getting used to the new abrupt normal workplace, shortage of tools of trade to work remotely, etc, during the reporting period

• FUTURE HUMAN RESOURCE PLANS

The department will continue to focus on the challenge of filling critical, vacant and funded posts in the new performance year, as well as to achieve the employee equity targets. It will also focus on improving the time taken to fill vacant and funded posts. The filling of vacant, critical and funded posts remains a priority.

The ongoing identification and implementation of innovative ways to improve employees' skills and knowledge is still a Department's focus area.

The implementation of strategies to in support of the Head of Department's commitment to improving employment equity within the Department, particularly of women in management and persons with disabilities.

3 HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 PERSONNEL RELATED EXPENDITURE

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
ADMINISTRATION	456 758	166 606	0.00	0.00	36.47%	362
TRANSPORT INFRASTRUCTURE	8 181 960	696 379	0.00	0.00	8.51%	16
TRANSPORT OPERATIONS	1 938 780	38 478	0.00	0.00	1.98%	91
TRANSPORT REGULATION	957 896	636 421	0.00	0.00	66.44%	407
COMMUNITY BASED PROGRAMMES	37 970	19 203	0.00	0.00	50.57%	11
Total	11 573 364	1 557 087	0.00	0.00	13.45%	32

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	22 043	1.42%	101	218 248
Skilled (Levels 3-5)	435 528	27.97%	1 445	301 403
Highly skilled production (Levels 6-8)	660 953	42.44%	1 265	522 492
Highly skilled supervision (Levels 9-12)	237 049	15.23%	279	849 638
Senior management (Levels >= 13)	48 940	3.14%	35.	1 398 286
Contract (Levels 3-5)	9 603	0.62%	39.	246 231
Contract (Levels 6-8)	72 739	4.67%	163	446 252
Contract (Levels 9-12)	30 741	1.97%	42.	731 976
Contract (Levels >= 13)	2 904	0.19%	2.	1 452 000
Contract Other	15 551	1.00%	186	83 608.
Periodical Remuneration	21 036	1.35%	3 703	13 577.
Total	1 557 087	100%	7 260	39 650

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
ADMINISTRATION	132 470	8.50	5 560	0.36	4 497	0.29	8 622	0.55
TRANSPORT INFRASTRUCTURE	619 078	39.76	42 661	2.74	25 436	1.63	41 242	2.64
TRANSPORT OPERATIONS	54 155	3.47	2.00	0.00	804.00	0.00	2 219	0.14
TRANSPORT REGULATION	419 788	26.96	103 398	6.64	21 921	1.41	49 785	3.20
COMMUNITY BASED PROGRAMMES	24 458	1.57	65.00	0.00	240	0.07	685	0.06
Total	1 249 949	80.27%	151 687	9.74%	52 898	3.40%	102 553	6.59%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	16 433.00	1,06	967.00	0.06	1 800.00	0.12	2 843.00	0.18
Skilled (level 3-5)	337 140.00	21.65	31 632.00	2.03	25 555.00	1.64	41 201.00	2.65
Highly skilled production (levels 6-8)	490 983.00	31.53	99 390.00	6.35	22 032.00	1.41	48 548.00	3.12
Highly skilled supervision (levels 9-12)	211 915.00	13.61	12 794.00	0.82	3 202.00	0.21	9 138.00	0.59
Senior management (level 13-16)	48 039.00	3.09	0.00	0.00	283.00	0.02	613.00	0.03
Contract (Levels 3-5)	9 083.00	0.58	491.00	0.03	7.00	0.00	22.00	0.00
Contract (Levels 6-8)	67 837.00	4.36	4 845.00	0.31	18.00	0.00	39.00	0.00
Contract (Levels 9-12)	30 571.00	1.96	78.00	0.05	0.00	0.00	94.00	0.00
Contract (Levels >= 13)	2 850.00	0.18	0.00	0.00	0.00	0.00	54.00	0.00
Contract Other	14 062.00	0.90	1 489.00	0.09	0.00	0.00	0.00	0.00
Periodical Remuneration	21 036.00	1.35	0.00	0.00	0.00	0.00	0.00	0.00
Total	1 249 949.00	80.27%	151 687.00	9.74%	52 898.00	3.40%	102 553.00	6.59%

3.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION	488	425	12.90	70
TRANSPORT INFRASTRUCTURE	2178	1 753.00	19.40	269.00
TRANSPORT OPERATIONS	83.00	70.00	15.70	3.00
TRANSPORT REGULATION	1 556.00	1 287.00	17.30	2.00
COMMUNITY BASED PROGRAMMES	28	21	33.85	0
Total	4 333	3 557	17.90	344

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	170	101	40.60	0
Skilled (3-5)	1 757	1 445	17.80	0
Highly skilled production (6-8)	1 577	1 265	19.80	0
Highly skilled supervision (9-12)	351	279	20.50	1
Senior management (13-16)	46	35	23.90	0
Total	3 901	3 125	122.06	1

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	180.00	139.00	22.80	1.00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC., Permanent	164.00	142.00	13.40	75.00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS, Permanent	22.00	18.00	18.20	0.00
AUXILIARY AND RELATED WORKERS, Permanent	29.00	24.00	17.20	0.00
BUILDING AND OTHER PROPERTY CARETAKERS, Permanent	9.00	5.00	44.40	0.00
BUS AND HEAVY VEHICLE DRIVERS, Permanent	6.00	2.00	66.70	0.00
CARTOGRAPHERS AND SURVEYORS, Permanent	2.00	1.00	50.00	1.00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS, Permanent	7.00	7.00	0.00	1.00

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Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
CIVIL ENGINEERING TECHNICIANS, Permanent	274.00	256.00	6.60	183.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	110.00	90.00	18.20	0.00
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS), Permanent	28.00	22.00	21.40	0.00
COMMUNICATION AND INFORMATION RELATED, Permanent	4.00	2.00	50.00	0.00
ENGINEERING SCIENCES RELATED, Permanent	19.00	14.00	26.30	0.00
ENGINEERS AND RELATED PROFESSIONALS, Permanent	66.00	59.00	10.60	6.00
FINANCE AND ECONOMICS RELATED, Permanent	5.00	4.00	20.00	0.00
FINANCIAL AND RELATED PROFESSIONALS, Permanent	14.00	7.00	50.00	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	13.00	13.00	0.00	0.00
FOOD SERVICES AIDS AND WAITERS, Permanent	22.00	20.00	9.10	0.00
HEAD OF DEPARTMENT/ CHIEF EXECUTIVE OFFICER, Permanent	1.00	1.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	23.00	22.00	4.30	0.00
HUMAN RESOURCES CLERKS, Permanent	83.00	73.00	12.00	0.00
HUMAN RESOURCES RELATED, Permanent	15.00	12.00	20.00	0.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN, Permanent	8.00	8.00	0.00	0.00
LEGAL RELATED, Permanent	4.00	3.00	25.00	0.00
LIBRARIANS AND RELATED PROFESSIONALS, Permanent	1.00	1.00	0.00	0.00
LIBRARY MAIL AND RELATED CLERKS, Permanent	2.00	2.00	0.00	0.00
LIGHT VEHICLE DRIVERS, Permanent	5.00	3.00	40.00	0.00
LOGISTICAL SUPPORT PERSONNEL, Permanent	1.00	1.00	0.00	0.00
MATHEMATICIANS AND RELATED PROFESSIONALS, Permanent	1.00	1.00	0.00	0.00
MECHANICAL ENGINEERING THECHNICIANS, Permanent	2.00	2.00	0.00	2.00
MESSENGERS PORTERS AND DELIVERERS, Permanent	74.00	49.00	33.80	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
MOTOR VEHICLE DRIVERS, Permanent	344.00	263.00	23.50	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	983.00	869.00	11.60	71.00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	236.00	187.00	20.80	1.00
OTHER INFORMATION TECHNOLOGY PERSONNEL., Permanent	2.00	2.00	0.00	0.00
OTHER OCCUPATIONS, Permanent	1.00	1.00	0.00	0.00
PRINTING PLANNERS AND PRODUCTION CONTROLLERS, Permanent	1.00	1.00	0.00	0.00
REGULATORY INSPECTORS, Permanent	784.00	635.00	19.00	1.00
ROAD SUPERINTENDENTS, Permanent	12.00	7.00	41.70	0.00
ROAD TRADE WORKERS., Permanent	143.00	116.00	18.90	0.00
ROAD WORKERS, Permanent	443.00	333.00	24.80	0.00
SAFETY HEALTH AND QUALITY INSPECTORS, Permanent	2.00	2.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	31.00	27.00	12.90	1.00
SECURITY GUARDS, Permanent	26.00	10.00	61.50	0.00
SECURITY OFFICERS, Permanent	4.00	4.00	0.00	0.00
SENIOR MANAGERS, Permanent	45.00	35.00	22.20	0.00
TRADE LABOURERS, Permanent	82.00	62.00	24.40	1.00
Total	4 333.00	3 557.00	17.90	344.00

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0
Salary Level 16	N/A	N/A	N/A	N/A	N/A
Salary Level 15	3	3	100%	0	0
Salary Level 14	11	7	64%	4	36%
Salary Level 13	31	26	84%	5	16%
Total	46	37	68%	9	32%

The CFO's post was at level 15 in terms of the 2008 organisational structure when the post was filled. However, in terms of the 2015 top structure that the Department is currently using, the post is at level 14 and the post became vacant in January 2022 as a result of resignation of the incumbent of the post

Table 3.3.2 SMS post information as on 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	N/A	N/A	N/A	N/A	N/A
Salary Level 15	4	4	100%	0	0%
Salary Level 14	10	8	80%	2	20%
Salary Level 13	31	26	84%	5	16%
Total	46	39	85%	7	15%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department			
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	1	0	N/A - 12-month period not yet expired
Salary Level 13	1	0	0
Total	2	0	-

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
Chief Director: Transport Infrastructure & District Services (Durban) – not advertised within 6 months due to lengthy Supply Chain Management process to appoint a service provider to place the advert in the newspapers.

Reasons for vacancies not filled within twelve months
Director: Supply Chain Management: The post was first advertised within six months of becoming vacant however had to be re-advertised due to no suitable candidate found during the first selection process.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

3.4 JOB EVALUATION

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	170	0	0	0	0	0	0
Skilled (Levels 3-5)	1 757	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	1 577	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	351	0	0	0	0	0	0
Senior Management Service Band A	31	0	0	0	0	0	0
Senior Management Service Band B	10	0	0	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
09 Other	186	0	0	0	0	0	0
11 Contract (Levels 3-5)	39	0	0	0	0	0	0
12 Contract (Levels 6-8)	163	0	0	0	0	0	0
13 Contract (Levels 9-12)	42	0	0	0	0	0	0
14 Contract Band A	1	0	0	0	0	0	0
17 Contract Band D	1	0	0	0	0	0	0
Total	4 333	0	0	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022

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

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

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

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 20YY and 31 March 20ZZ

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

Employees with a disability	0	0	0	0	0
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of employees at beginning of period-1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	104.00	1.00	2.00	1.90
Skilled (Levels 3-5)	1 509.00	23.00	76.00	5.00
Highly skilled production (Levels 6-8)	1 316.00	8.00	62.00	4.70
Highly skilled supervision (Levels 9-12)	285.00	6.00	11.00	3.90
Senior Management Service Bands A	25.00	1.00	2.00	8.00
Senior Management Service Bands B	8.00	0.00	0.00	0.00
Senior Management Service Bands C	4.00	0.00	1.00	25.00
Senior Management Service Bands D	1.00	0.00	0.00	0.00
09 Other Permanent	268.00	1.00	151.00	56.30
Contracts (Levels 3-5) Permanent	50.00	6.00	26.00	52.00
12 Contract (Levels 6-8) Permanent	169.00	9.00	12.00	7.10
13 Contract (Levels 9-12) Permanent	43.00	10.00	11.00	25.60
14 Contract Band A Permanent	1.00	1.00	1.00	100.00
Total	3 783.00	66.00	355.00	9.40

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

Critical occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	143.00	8.00	11.00	7.70
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC. Permanent	153.00	7.00	28.00	18.30
ARTISAN PROJECT AND RELATED SUPERINTENDENTS Permanent	18.00	1.00	1.00	5.60
AUXILIARY AND RELATED WORKERS Permanent	25.00	1.00	2.00	8.00
BUILDING AND OTHER PROPERTY CARETAKERS Permanent	5.00	0.00	0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS Permanent	3.00	1.00	2.00	66.70
CARTOGRAPHERS AND SURVEYORS Permanent	1.00	0.00	0.00	0.00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS Permanent	8.00	0.00	1.00	12.50
CIVIL ENGINEERING TECHNICIANS Permanent	263.00	14.00	18.00	6.80
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	92.00	1.00	3.00	3.30
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS) Permanent	23.00	0.00	1.00	4.30

Critical occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
COMMUNICATION AND INFORMATION RELATED Permanent	2.00	0.00	0.00	0.00
ENGINEERING SCIENCES RELATED Permanent	15.00	0.00	1.00	6.70
ENGINEERS AND RELATED PROFESSIONALS Permanent	58.00	2.00	0.00	0.00
FINANCE AND ECONOMICS RELATED Permanent	5.00	0.00	0.00	0.00
FINANCIAL AND RELATED PROFESSIONALS Permanent	8.00	1.00	1.00	12.50
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	13.00	0.00	0.00	0.00
FOOD SERVICES AIDERS AND WAITERS Permanent	19.00	2.00	1.00	5.30
HOUSEHOLD AND LAUNDRY WORKERS Permanent	1.00	0.00	1.00	100.00
HUMAN RESOURCES & ORGANISATION DEVELOPMENT & RELATED PROFESSIONALS Permanent	23.00	0.00	1.00	4.30
HUMAN RESOURCES CLERKS Permanent	71.00	3.00	1.00	1.40
HUMAN RESOURCES RELATED Permanent	11.00	0.00	0.00	0.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN Permanent	8.00	0.00	0.00	0.00
LEGAL RELATED Permanent	3.00	0.00	0.00	0.00
LIBRARIANS AND RELATED PROFESSIONALS Permanent	1.00	0.00	0.00	0.00
LIBRARY MAIL AND RELATED CLERKS Permanent	2.00	0.00	0.00	0.00
LIGHT VEHICLE DRIVERS Permanent	3.00	0.00	0.00	0.00
LOGISTICAL SUPPORT PERSONNEL Permanent	1.00	0.00	0.00	0.00
MATHEMATICIANS AND RELATED PROFESSIONALS Permanent	1.00	0.00	0.00	0.00
MECHANICAL ENGINEERING TECHNICIANS Permanent	2.00	0.00	0.00	0.00
MESSENGERS PORTERS AND DELIVERERS Permanent	50.00	1.00	1.00	2.00
MOTOR VEHICLE DRIVERS Permanent	285.00	0.00	22.00	7.70
OTHER ADMINISTRATIVE & RELATED CLERKS AND ORGANISERS Permanent	965.00	12.00	171.00	17.70
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	198.00	1.00	12.00	6.10
OTHER INFORMATION TECHNOLOGY PERSONNEL. Permanent	2.00	0.00	0.00	0.00
OTHER OCCUPATIONS Permanent	1.00	0.00	0.00	0.00
PRINTING PLANNERS AND PRODUCTION CONTROLLERS Permanent	1.00	0.00	0.00	0.00
REGULATORY INSPECTORS Permanent	657.00	6.00	26.00	4.00
ROAD SUPERINTENDENTS Permanent	8.00	0.00	1.00	12.50
ROAD TRADE WORKERS. Permanent	120.00	0.00	4.00	3.30
ROAD WORKERS Permanent	366.00	0.00	33.00	9.00
SAFETY HEALTH AND QUALITY INSPECTORS Permanent	2.00	0.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	28.00	1.00	1.00	3.60

Critical occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
SECURITY GUARDS Permanent	14.00	0.00	4.00	28.60
SECURITY OFFICERS Permanent	4.00	0.00	0.00	0.00
SENIOR MANAGERS Permanent	36.00	4.00	4.00	11.10
TRADE LABOURERS Permanent	65.00	0.00	3.00	4.60
TOTAL	3 783.00	66.00	355.00	9.40

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2021 and 31 March 2022

Termination Type	Number	% of Total Resignations
Death	34	9.60
Resignation	37	10.40
Expiry of contract	188	53.00
Dismissal – operational changes	0	0
Dismissal – misconduct	1	0.30
Dismissal – inefficiency	0	0
Discharged due to ill-health	3	0.80
Retirement	92	25.90
Transfer to other Public Service Departments	0	0
Other	0	0
Total	355	100
Total number of employees who left as a % of total employment	9.9%	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED	143.00	4.00	2.80	142.00	99.30
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	153.00	2.00	1.30	95.00	62.10
ARTISAN PROJECT AND RELATED SUPERINTENDENTS	18.00	0.00	0.00	19.00	105.60
AUXILIARY AND RELATED WORKERS	25.00	0.00	0.00	25.00	100.00
BUILDING AND OTHER PROPERTY CARETAKERS	5.00	0.00	0.00	5.00	100.00
BUS AND HEAVY VEHICLE DRIVERS	3.00	0.00	0.00	3.00	100.00
CARTOGRAPHERS AND SURVEYORS	1.00	0.00	0.00	1.00	100.00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	8.00	0.00	0.00	8.00	100.00
CIVIL ENGINEERING TECHNICIANS	263.00	0.00	0.00	258.00	98.10
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	92.00	0.00	0.00	91.00	98.90
CLIENT INFORM CLERKS (SWITCHBOARD RECEPTION CLERKS)	23.00	0.00	0.00	23.00	100.00
COMMUNICATION AND INFORMATION RELATED	2.00	0.00	0.00	2.00	100.00
ENGINEERING SCIENCES RELATED	15.00	0.00	0.00	14.00	93.30
ENGINEERS AND RELATED PROFESSIONALS	58.00	0.00	0.00	59.00	101.70
FINANCE AND ECONOMICS RELATED	5.00	0.00	0.00	4.00	80.00
FINANCIAL AND RELATED PROFESSIONALS	8.00	0.00	0.00	10.00	125.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS	13.00	0.00	0.00	13.00	100.00
FOOD SERVICES AIDERS AND WAITERS	19.00	0.00	0.00	20.00	105.30
HEAD OF DEPARTMENT/ CHIEF EXECUTIVE OFFICER	0.00	1.00	0.00	1.00	0.00
HOUSEHOLD AND LAUNDRY WORKERS	1.00	0.00	0.00	0.00	0.00
HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT & RELATED PROFESSIONALS	23.00	0.00	0.00	23.00	100.00
HUMAN RESOURCES CLERKS	71.00	0.00	0.00	73.00	102.80
HUMAN RESOURCES RELATED	11.00	1.00	9.10	12.00	109.10
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUNICATORS	8.00	0.00	0.00	8.00	100.00
LEGAL RELATED	3.00	0.00	0.00	3.00	100.00

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Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
LIBRARIANS AND RELATED PROFESSIONALS	1.00	0.00	0.00	1.00	100.00
LIBRARY MAIL AND RELATED CLERKS	2.00	0.00	0.00	2.00	100.00
LIGHT VEHICLE DRIVERS	3.00	0.00	0.00	3.00	100.00
LOGISTICAL SUPPORT PERSONNEL	1.00	0.00	0.00	1.00	100.00
MATHEMATICIANS AND RELATED PROFESSIONALS	1.00	0.00	0.00	1.00	100.00
MECHANICAL ENGINEERING THECHNICIANS	2.00	0.00	0.00	2.00	100.00
MESSENGERS PORTERS AND DELIVERERS	50.00	0.00	0.00	49.00	98.00
MOTOR VEHICLE DRIVERS	285.00	0.00	0.00	273.00	95.80
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	965.00	0.00	0.00	745.00	77.20
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	198.00	1.00	0.50	193.00	97.50
OTHER INFORMATION TECHNOLOGY PERSONNEL.	2.00	0.00	0.00	2.00	100.00
OTHER OCCUPATIONS	1.00	0.00	0.00	0.00	0.00
PRINTING PLANNERS AND PRODUCTION CONTROLLERS	1.00	0.00	0.00	1.00	100.00
REGULATORY INSPECTORS	657.00	21.00	3.20	650.00	98.90
ROAD SUPERINTENDENTS	8.00	0.00	0.00	8.00	100.00
ROAD TRADE WORKERS.	120.00	0.00	0.00	117.00	97.50
ROAD WORKERS	366.00	0.00	0.00	341.00	93.20
SAFETY HEALTH AND QUALITY INSPECTORS	2.00	0.00	0.00	2.00	100.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	28.00	0.00	0.00	28.00	100.00
SECURITY GUARDS	14.00	0.00	0.00	11.00	78.60
SECURITY OFFICERS	4.00	0.00	0.00	4.00	100.00
SENIOR MANAGERS	36.00	0.00	0.00	33.00	91.70
TRADE LABOURERS	65.00	0.00	0.00	62.00	95.40
TOTAL	3 783.00	30.00	0.80	3 441.00	91.00

Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	104	0.00	0.00	101.00	97.10
Skilled (Levels 3-5)	1 509	0.00	0.00	1 476.00	97.80
Highly skilled production (Levels 6-8)	1 316	24.00	1.80	1 297.00	98.60
Highly skilled supervision (Levels 9-12)	285	5.00	1.80	285.00	100.00
Senior Management (Level 13-16)	38	0.00	0.00	35.00	92.10
Total	3 252	29	3.6	3 194	485.06

3.6 EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	15.00	0.00	1.00	2.00	18.00	0.00	1.00	0.00	37.00
Professionals	55.00	1.00	11.00	9.00	46.00	2.00	5.00	7.00	136.00
Technicians and associate professionals	245.00	13.00	31.00	18.00	254.00	4.00	34.00	19.00	618.00
Clerks	156.00	8.00	35.00	9.00	643.00	22.00	87.00	46.00	1 006.00
Service and sales workers	288.00	23.00	77.00	28.00	191.00	9.00	24.00	9.00	649.00
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	161.00	1.00	18.00	13.00	91.00	0.00	0.00	0.00	284.00
Plant and machine operators and assemblers	240.00	0.00	0.00	1.00	27.00	0.00	0.00	0.00	268.00
Elementary occupations	295.00	0.00	2.00	2.00	258.00	1.00	1.00	0.00	559.00
Total	1 455.00	46.00	175.00	82.00	1 528.00	38.00	152.00	81.00	3 557.00
Employees with disabilities	21.00		4.00	5.00	16.00		4.00	2.00	52.00

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	4.00
Senior Management	11.00	0.00	1.00	2.00	16.00	0.00	1.00	0.00	31.00
Professionally qualified and experienced specialists and mid-management	105.00	10.00	28.00	23.00	88.00	3.00	15.00	7.00	279.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	460.00	27.00	110.00	52.00	454.00	18.00	74.00	70.00	1 265.00
Semi-skilled and discretionary decision making	651.00	9.00	27.00	5.00	680.00	17.00	52.00	4.00	1 445.00
Unskilled and defined decision making	20.00	0.00	0.00	0.00	81.00	0.00	0.00	0.00	101.00
Employees with disabilities	21.00	0.00	4.00	5.00	16.00	0.00	4.00	2.00	52.00
Total	1 269	46	170	87	1338	38	146	83	3 177

Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Professionally qualified and experienced specialists and mid-management	4.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	6.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	8.00
Semi-skilled and discretionary decision making	15.00	0.00	0.00	0.00	7.00	0.00	0.00	1.00	23.00
Unskilled and defined decision making	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
07 Not Available, Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
09 Contract (Senior Management), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
10 Contract (Professionally qualified), Permanent	6.00	0.00	1.00	0.00	2.00	0.00	1.00	0.00	10.00
11 Contract (Skilled technical), Permanent	5.00	0.00	2.00	0.00	2.00	0.00	0.00	0.00	9.00
12 Contract (Semi-skilled), Permanent	3.00	0.00	1.00	0.00	2.00	0.00	0.00	0.00	6.00
Total	42.00	0.00	4.00	0.00	18.00	0.00	1.00	1.00	66.00
Employees with disabilities	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00

Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Co-loured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	01
Senior Management	10.00	0.00	1.00	2.00	18.00	0.00	1.00	0.00	2.00
Professionally qualified and experienced specialists and mid-management	110.00	11.00	28.00	23.00	92.00	3.00	16.00	7.00	290.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	486.00	27.00	114.00	53.00	476.00	19.00	76.00	70.00	1 321.00
Semi-skilled and discretionary decision making	671.00	9.00	29.00	5.00	688.00	17.00	53.00	4.00	1 476.00
Unskilled and defined decision making	20.00	0.00	0.00	0.00	81.00	0.00	0.00	0.00	101.00
Total	1 298	47	172	83	1 355	39	146	81	3223
Employees with disabilities	21.00	0.00	5.00	5.00	17.00	0.00	5.00	2.00	55.00

Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00
Senior Management	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Professionally qualified and experienced specialists and mid-management	4.00	0.00	2.00	3.00	2.00	0.00	0.00	0.00	11.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	25.00	1.00	5.00	2.00	18.00	3.00	3.00	5.00	62.00
Semi-skilled and discretionary decision making	64.00	0.00	0.00	1.00	11.00	0.00	0.00	0.00	76.00
Unskilled and defined decision making	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	2.00
07 Not Available, Permanent	55.00	0.00	0.00	0.00	96.00	0.00	0.00	0.00	151.00
09 Contract (Senior Management), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
10 Contract (Professionally qualified), Permanent	6.00	0.00	1.00	0.00	4.00	0.00	0.00	0.00	11.00
11 Contract (Skilled technical), Permanent	8.00	0.00	1.00	0.00	3.00	0.00	0.00	0.00	12.00
12 Contract (Semi-skilled), Permanent	16.00	1.00	0.00	0.00	9.00	0.00	0.00	0.00	26.00
Total	180.00	2.00	9.00	7.00	146.00	3.00	3.00	5.00	355.00
Employees with Disabilities	21.00	0.00	5.00	5.00	17.00	0.00	5.00	2.00	55.00

Table 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022

Disciplinary actions	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	0	0	0	0	1	0	0	0	1
Suspension without pay	0	0	0	0	2	0	0	0	2
Written warnings	0	0	0	0	0	1	0	0	1
Final written warnings	1	0	0	0	0	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	1	2	6	0	0	0	10
Professionals	14	1	1	0	5	0	4	3	28
Technicians and associate professionals	24	1	1	1	27	0	1	2	57
Clerks	12	0	0	0	31	1	2	2	48
Service and sales workers	45	4	9	1	42	2	2	1	106
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	33	0	0	0	15	0	0	0	48
Elementary occupations	13	0	0	0	11	0	0	0	24
Total	142	6	12	4	137	3	9	8	321
Employees with disabilities	1	0	0	0	0	1	0	0	2

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	0	N/A	N/A
Salary Level 16	N/A	N/A	N/A	N/A
Salary Level 15	4	4	4	100%
Salary Level 14	10	8	8	100%
Salary Level 13	29	24	24	100%
Total	44	36	36	100%

Notes

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2021

Reasons
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2021

Reasons
N/A

3.8 PERFORMANCE REWARDS

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	98.00	1 434.00	6.80	1 326.25	13 533.00
Female	182.00	1 512.00	12.00	2 291.99	12 593.00
Asian					
Male	31.00	171.00	18.10	493.70	15 926.00
Female	35.00	148.00	23.60	453.82	12 966.00
Coloured					
Male	9.00	46.00	19.60	145.42	16 158.00
Female	11.00	38.00	28.90	116.27	10 570.00
White					
Male	18.00	77.00	23.40	288.07	16 004.00
Female	20.00	79.00	25.30	271.32	13 566.00
Total	412.00	3 557.00	11.60	5 511.32	13 377.00

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower Skilled (Levels 1-2)	7.00	101.00	6.90	36.58	5 226.00
Skilled (level 3-5)	141.00	1 445.00	9.80	1 114.94	7 907.00
Highly skilled production (level 6-8)	173.00	1 265.00	13.70	2 163.06	12 503.00
Highly skilled supervision (level 9-12)	65.00	279.00	23.30	1 594.01	24 523.00
09 Other	0.00	186.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	4.00	39.00	10.30	27.98	6 996.00
12 Contract (Levels 6-8)	4.00	163.00	2.50	53.52	13 379.00
13 Contract (Levels 9-12)	8.00	42.00	19.00	170.74	21 343.00
Total	402.00	3 520.00	11.40	5 160.84	12 838.00

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 to 31 March 2022

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
FINANCIAL CLERKS AND CREDIT CONTROLLERS	5.00	13.00	38.50	56.91	11 383.00
HUMAN RESOURCES CLERKS	9.00	73.00	12.30	81.10	9 011.00
SECURITY OFFICERS	0.00	4.00	0.00	0.00	0.00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	5.00	142.00	3.50	68.92	13 785.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	3.00	22.00	13.60	40.16	13 387.00
MESSENGERS PORTERS AND DELIVERERS	8.00	49.00	16.30	50.68	6 335.00
ROAD TRADE WORKERS.	5.00	116.00	4.30	41.72	8 345.00
SAFETY HEALTH AND QUALITY INSPECTORS	0.00	2.00	0.00	0.00	0.00
LOGISTICAL SUPPORT PERSONNEL	1.00	1.00	100.00	13.65	13 650.00
FINANCE AND ECONOMICS RELATED	0.00	4.00	0.00	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	131.00	869.00	15.10	1 170.10	8 932.00
AUXILIARY AND RELATED WORKERS	6.00	24.00	25.00	52.55	8 759.00
OTHER OCCUPATIONS	0.00	1.00	0.00	0.00	0.00
LEGAL RELATED	1.00	3.00	33.30	12.65	12 649.00
FINANCIAL AND RELATED PROFESSIONALS	3.00	7.00	42.90	97.95	32 651.00
BUILDING AND OTHER PROPERTY CARETAKERS	2.00	5.00	40.00	11.93	5 967.00
ADMINISTRATIVE RELATED	43.00	139.00	30.90	1 086.60	25 270.00
COMMUNICATION AND INFORMATION RELATED	2.00	2.00	100.00	31.90	15 950.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	12.00	27.00	44.40	136.80	11 400.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	6.00	90.00	6.70	33.08	5 514.00
LIBRARY MAIL AND RELATED CLERKS	2.00	2.00	100.00	21.17	10 584.00
HUMAN RESOURCES RELATED	1.00	12.00	8.30	30.42	30 415.00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	0.00	1.00	0.00	0.00	0.00
TRADE LABOURERS	6.00	62.00	9.70	31.22	5 203.00
ROAD SUPERINTENDENTS	1.00	7.00	14.30	9.10	9 100.00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	5.00	8.00	62.50	73.04	14 608.00
REGULATORY INSPECTORS	57.00	635.00	9.00	747.66	13 117.00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	1.00	7.00	14.30	17.19	17 186.00
CIVIL ENGINEERING TECHNICIANS	13.00	256.00	5.10	226.70	17 438.00
ROAD WORKERS	8.00	333.00	2.40	49.62	6 203.00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	39.00	187.00	20.90	527.93	13 537.00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS	0.00	18.00	0.00	0.00	0.00
BUS AND HEAVY VEHICLE DRIVERS	0.00	2.00	0.00	0.00	0.00
SENIOR MANAGERS	9.00	35.00	25.70	318.59	35 399.00
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS)	7.00	22.00	31.80	84.84	12 119.00
PRINTING PLANNERS AND PRODUCTION CONTROLLERS	0.00	1.00	0.00	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS	13.00	59.00	22.00	273.40	21 031.00
CARTOGRAPHERS AND SURVEYORS	0.00	1.00	0.00	0.00	0.00
OTHER INFORMATION TECHNOLOGY PERSONNEL.	0.00	2.00	0.00	0.00	0.00
LIGHT VEHICLE DRIVERS	0.00	3.00	0.00	0.00	0.00
ENGINEERING SCIENCES RELATED	2.00	14.00	14.30	65.56	32 780.00
MATHEMATICIANS AND RELATED PROFESSIONALS	0.00	1.00	0.00	0.00	0.00
MOTOR VEHICLE DRIVERS	3.00	263.00	1.10	21.48	7 159.00
SECURITY GUARDS	0.00	10.00	0.00	0.00	0.00
FOOD SERVICES AIDS AND WAITERS	2.00	20.00	10.00	12.44	6 221.00
MECHANICAL ENGINEERING THECHNICIANS	0.00	2.00	0.00	0.00	0.00
LIBRARIANS AND RELATED PROFESSIONALS	1.00	1.00	100.00	14.26	14 256.00
TOTAL	412.00	3 557.00	11.60	5 511.32	13 377.00

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	7.00	25.00	28.00	230.27	32 896.30	0.70
Band B	3.00	7.00	42.90	120.21	40 069.00	1.10
Band C	0.00	3.00	0.00	0.00	0.00	0.00
Band D	0.00	2.00	0.00	0.00	0.00	0.00
Total	10.00	37.00	27.00	350.48	35 048.10	0.60

3.9 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Lev. 6-8)	0.00	0.00	1.00	00.00	0.00	0.00
Highly skilled supervision (Lev. 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

Major occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
-	0	0	0	0	0	0

3.10 LEAVE UTILISATION

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 3-5)	102.00	72.50	26.00	1.20	4.00	82.00
Contract (Levels 6-8)	366.00	77.30	65.00	3.00	6.00	544.00
Contract (Levels 9-12)	63.00	93.70	13.00	0.60	5.00	158.00
Contract Other	538.00	58.00	139.00	6.40	4.00	183.00
Highly skilled production (Levels 6-8)	7 080.00	73.60	882.00	40.50	8.00	10 150.00
Highly skilled supervision (Levels 9-12)	1 088.00	82.40	150.00	6.90	7.00	2 929.00
Lower skilled (Levels 1-2)	446.00	81.60	57.00	2.60	8.00	272.00
Senior management (Levels 13-16)	70.00	90.00	14.00	0.60	5.00	366.00
Skilled (Levels 3-5)	5 882.00	82.50	831.00	38.20	7.00	5 336.00
Total	15 635.00	77.50	2 177.00	100.00	7.00	20 020.00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	66	100.00	4.00	3.80	17.00	41.00
Skilled (Levels 3-5)	1 171	100.00	29.00	27.90	40.00	1 062.00
Highly skilled production (Levels 6-8)	1 047	100.00	64.00	61.50	16.00	1 625.00
Highly skilled supervision (Levels 9-12)	123	100.00	5.00	4.80	25.00	370.00
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	2 407	4 000	102	98	98	3 098

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	2 237.00	24.00	93.00
Skilled Levels 3-5)	33 047.09	23.00	1 418.00
Highly skilled production (Levels 6-8)	31 339.75	25.00	1 249.00
Highly skilled supervision (Levels 9-12)	6 379.00	24.00	264.00
Senior management (Levels 13-16)	612.00	20.00	31.00
Total	73 614.84	116	3 055

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2021
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	19.00	2.00	10.00	56.00
Highly skilled production (Levels 6-8)	196.00	15.00	13.00	49.00
Highly skilled supervision (Levels 9-12)	54.00	6.00	9.00	62.00
Senior management (Levels 13-16)	0.00	0.00	0.00	116.00
Total	269.00	23.00	12.00	54.00

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

Table 3.10.5 Leave payouts for the period 1 April 2021 and 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2021/22 due to non-utilisation of leave for the previous cycle	0.00	0.00	0.00
Capped leave payouts on termination of service for 2021/22	9 732.00	112.00	86 893.00
Current leave payout on termination of service for 2021/22	5 457.00	279.00	54 401
Total	15 189.00	391	141 294

3.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Nil	N/A

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Regulation 55 of the Public Service Regulations, 2016? If so, provide her/his name and position.	X		Ms MC Zwane, Chief Director: Human Resource Management.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The Department has a dedicated unit called Employee Health & Wellness Programme with two (2) employees and the annual budget is R4m.

Question	Yes	No	Details, if yes
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		Professional counselling, Assessment, Debriefing, Referrals, Crisis interventions and consultations with other important stakeholders.
4. Has the department established (a) committee(s) as contemplated in Regulation 55 (6) (d) of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		The committee is chaired by Ms NS Dlamini (acting D: HRP), other appointed members are Ms TM Zondi and Ms KH Mlakuhiwa from Head Office EHW unit; Ms S Hlela, Ms A Van Vuuren, Ms G Hlabisa, and Ms S Afrika who are representing all employees from salary levels 1-14 under Empangeni, Ladysmith, Pietermaritzburg and Durban.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The Department has an approved HIV/AIDS and TB Management policy that is regarded as an overarching directive that directly addresses all issues of human rights and discrimination in the workplace as aligned to one of the prescribed EHW Pillars.
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 EHW unit provides continuous support to employees who are directly or indirectly discriminated in general. Furthermore, the unit conducts ongoing awareness campaigns throughout the Department in terms of prevention strategies and encouraging employees to know their status.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Referrals are made by managers to EHW for intervention.
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 number of referrals by respective supervisors. - the reduction of employees accessing incapacity leave.

3.12 LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022

Total number of Collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	1	20%
Final written warning	1	20%
Suspended without pay	2	40%
Fine	0	0
Demotion	0	0
Dismissal	1	20%
Not guilty	0	0
Case withdrawn	0	0
Total	5	100 %

Notes

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

Total number of Disciplinary hearings finalised	14
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2022

Type of misconduct	Number	% of total
Fraud/Theft	21	38%
Misuse of the state property	17	30.9%
Insubordination	9	16,3%
Irregular processing of operating licenses	5	9%
Bribery	3	5.4%
Total	55	100 %

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2022

Grievances	Number	% of Total
Number of grievances resolved	17	35.4%
Number of grievances not resolved	31	64.5%
Total number of grievances lodged	48	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	16	100 %

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022

Number of people suspended	7
Number of people who's suspension exceeded 30 days	7
Average number of days suspended	365
Cost of suspension(R'000)	621 470.00

3.13 SKILLS DEVELOPMENT

Table 3.13.1 Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	1	2	6	0	0	0	10
Professionals	14	1	1	0	5	0	4	3	28
Technicians and associate professionals	24	1	1	1	27	0	1	2	57
Clerks	12	0	0	0	31	1	2	2	48
Service and sales workers	45	4	9	1	42	2	2	1	106
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	33	0	0	0	15	0	0	0	48
Elementary occupations	13	0	0	0	11	0	0	0	24
Total	142	6	12	4	137	3	9	8	321
Employees with disabilities	1	0	0	0	0	1	0	0	2

This section highlights the efforts of the department with regard to skills development.

Table 3.13.2 Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	19	0	19	1	20
	Male	17	0	15	1	16
Professionals	Female	60	0	20	2	22
	Male	77	0	15	0	15
Technicians and associate professionals	Female	323	0	83	3	86
	Male	313	0	80	4	84
Clerks	Female	794	0	63	0	63
	Male	193	0	47	0	47
Service and sales workers	Female	237	0	59	6	65
	Male	438	0	53	0	53
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	96	0	6	0	6
	Male	215	0	14	0	14
Plant and machine operators and assemblers	Female	28	0	17	0	17
	Male	263	0	16	0	16
Elementary occupations	Female	267	0	27	0	27
	Male	330	0	26	0	26
Sub Total	Female	1824	0	300	6	306
	Male	1846	0	261	10	271
Total		3670	0	561	16	577

Table 3.13.3 Training provided for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	19	0	6	1	7
	Male	17	0	7	0	7
Professionals	Female	60	0	7	1	8
	Male	77	0	5	0	5
Technicians and associate professionals	Female	323	0	18	0	18
	Male	313	0	12	0	12
Clerks	Female	794	0	15	0	15
	Male	193	0	10	0	10
Service and sales workers	Female	237	0	5	0	5
	Male	438	0	6	0	6
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	96	0	0	0	0
	Male	215	0	0	0	0
Plant and machine operators and assemblers	Female	28	0	4	0	4
	Male	263	0	8	0	8
Elementary occupations	Female	267	0	8	0	8
	Male	330	0	4	0	4
Sub Total	Female	1824	0	63	2	65
	Male	1846	0	52	0	52
Total		3670	0	113	2	115

3.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2021 and 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only	27	71%
Temporary Total Disablement	8	21%
Permanent Disablement	0	0%
Fatal	3	8%
Total	38	100%

3.15 UTILISATION OF CONSULTANTS

HR OVERSIGHT STATISTICS FOR THE PERIOD APRIL 2021 TO MARCH 2022

TABLE 3.15.1 - 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
Engineering Services	570	various project durations	R 304 054 015,43
Management Advisory Services	85	various project durations	R 622 306 058,87
Legal services	17	various project durations	R 9 714 877,49
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
133	672	various project durations	R 936 074 951,79

TABLE 3.15.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Engineering Services	71,3%	71%	420
Management Advisory Services	97%	96%	65
Legal Services	100%	100%	22

3.16 SEVERANCE PACKAGES

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2021 and 31 March 2022

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	N/A	N/A	N/A	N/A
Skilled (Levels 3-5)	N/A	N/A	N/A	N/A
Highly skilled production (Levels 6-8)	N/A	N/A	N/A	N/A
Highly skilled supervision (Levels 9-12)	N/A	N/A	N/A	N/A
Senior management (Levels 13-16)	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A



PART E

FINANCIAL INFORMATION



ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF TRANSPORT

for the year ended 31 March 2022

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VOTE 12

FOR THE YEAR ENDED 31 MARCH 2022

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Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 12: Department of Transport

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Department of Transport set out on pages 159 to 203, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Transport as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2021 (Act No. 9 of 2021) (Dora).

Basis for qualified opinion

Capital commitments

3. The department did not properly record capital commitments, as required by MCS Chapter 14: *Provisions and contingents*, as the department did not fully record items that met the definition of capital commitments. I was unable to determine the impact of this misstatement on the capital commitments disclosure, as it was impracticable to do so. Consequently, capital commitments stated at R3,26 billion (2021: R4,59 billion) in note 19 to the financial statements is materially misstated by an undeterminable amount.

Context for the opinion

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

Other matter

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

Unaudited supplementary schedules

8. The supplementary information set out on pages 204 to 216 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

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

14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for programme 2: transport infrastructure presented on pages 41 to 48 in the department's annual performance report for the year ended 31 March 2022.
16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. The material finding on the usefulness and reliability of the performance information of the selected programme is as follows:

Programme 2: Transport infrastructure

Indicator: Number of square metres of surfaced roads rehabilitated

18. The reason provided for the variance between the planned target of 1 800 000 (square metres of surfaced roads rehabilitated) and the reported achievement of 1 805 116.87 (square metres of surfaced roads rehabilitated) did not agree with the supporting evidence provided. For reasons stated in the annual performance report, the indicator was overachieved by 5 116.87 (square metres of surfaced roads rehabilitated) that was planned for 2020-21 but were not completed and reported until 2021-22. However, the supporting evidence provided indicated an overachievement of 327600 (square metres of surfaced roads rehabilitated).

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. The annual performance report on pages 39 to 63 includes information on the achievement of planned targets for the year and management's explanations provided for the under and over- achievement of targets. This information should be considered in the context of the material finding on the usefulness and reliability of the reported performance information in paragraph 18 of this report.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2: transport infrastructure. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements

24. 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 departmental revenue, accrued departmental revenue, immovable tangible capital assets and capital work in progress identified by auditors in the submitted financial statements were corrected and the supporting records were provided subsequently. However, the uncorrected material misstatement on capital commitments resulted in the financial statements receiving a qualified audit opinion.

Consequence management

25. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1) (h) (iii) of the PFMA. This was because some investigations into fruitless and wasteful expenditure were not performed.
26. Disciplinary steps were not taken against the officials who had permitted irregular expenditure, as required by section 38(1) (h) (iii) of the PFMA.
27. Disciplinary hearings were not held for confirmed cases of financial misconduct committed by some of the officials, as required by treasury regulation 4.1.1.
28. Confirmed cases of improper conduct in the supply chain management system that constituted a crime were not reported to the SAPS, as required by treasury regulation 16A9.1- (b) (ii).

Expenditure management

29. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R4,3 billion as disclosed in note 31 to the annual financial statements, in contravention of section 38(1)(c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with SCM regulations.
30. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1.

Procurement and contract management

31. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting officer although it was practical to invite competitive bids, in contravention of treasury regulation (TR) 16A6.1 and 16A6.4 and paragraph 3.4.1 of practice note 8 of 2007/2008.
32. Some of the commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content in accordance with paragraph 3.4 of National Treasury instruction note 4 of 2015-16.
33. Some of the commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, in contravention of the 2017 Preferential Procurement Regulation 8(5).

Revenue management

34. Appropriate processes were not implemented to provide for the recording and reconciliation of information about revenue, as required by treasury regulation 7.2.1.
35. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1) (c) (i) of the PFMA.

Strategic planning and performance management

36. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1) (e) (i) and (iii).

Other information

37. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
38. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

39. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.
40. The other information I obtained prior to the date of this auditor's report is the foreword by the MEC and the remarks by the accounting officer, and the report of the audit committee is expected to be made available to me after 31 July 2022.
41. If, based on the work I have performed on the other information that I obtained prior to the date of this auditors report, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.
42. When I do receive and read the audit committee report and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

43. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
44. Monitoring of financial information and compliance with key legislation was not effective to ensure that the objectives of transparency, credible and reliable reporting were achieved due to slow response by political leadership and management on the previous audit recommendations and failure to implement consequence management.
45. Management did not adequately maintain and independently review underlying schedules supporting financial statement disclosures and did not perform regular reconciliations over performance information. In addition, management did not take adequate steps to prevent breakdowns in compliance processes by instilling discipline in the institutionalisation of policies and procedures as well as strict monitoring of compliance checklists.
46. The department's risk assessment was considered to be adequate, however it did not pro-actively manage risks relating to inaccurate and incomplete financial reporting and the failure to comply with key legislation due to slow response by management in implementing the action plan on the previous financial year recommendations.

Material irregularities

47. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.
48. The material irregularities identified are as follows:

Payments made to contractor for suspension of work

49. The department on 11 July 2018 awarded a tender, ZNT 4128/16T to the value of R85 796 470,06 for the construction of a concrete barrier wall between the uMkhanyakude and Mozambique border. The department did not ensure that it had an approved Environmental Management Programme (EMPr) in place prior to instructing the contractor to commence with construction on the project as effective controls were not in place as required by section 38(1)(a)(i) of the PFMA. This resulted in a material financial loss of R2 350 565,90 for the 2020-21 financial year-end for the department as the construction works were suspended and the contractor claimed from the department for standing time. The material financial loss was disclosed in note 32 of their financial statements for the period ended 31 March 2021.
50. The accounting officer was notified of the material irregularity on 8 October 2021 and was invited to make a written submission on the actions taken and that will be taken to address the matter.
51. The following actions have been taken to resolve the material irregularity:
- ☐ The matter is being investigated by the Special Investigating Unit (SIU) and further investigations will be informed by the outcome of the investigation that is in progress.
 - ☐ The targeted date for SIU report to be finalised was 31 May 2022 (Phase 4: reporting and close-out) based on the scope that was provided with the accounting officer's response.
 - ☐ The accounting officer received the first investigation report from SIU on 28 June 2022. The report has been forwarded to legal services of the department for legal advice on how to proceed with the SIU's recommendation.
52. I will follow up on the implementation of the planned actions during the next audit.

Award of contracts to bidders that did not score the highest points

53. The department on 20 March 2017 awarded tender ZNT2598/15T for the provision of professional consulting services to area offices for a period of three years for each of the 33 offices that cover the entire KwaZulu-Natal province to bidders that did not score the highest points in contravention of paragraphs 6(5) and 7(1) of the Preferential Procurement Regulations 2011 (PPR) which states that the contract must be awarded to the tenderer who scores the highest total number of points. The prices charged by bidders who were awarded the tenders were higher than the prices of bidders that scored the highest points resulting in a likely financial loss of R246 049 315 for the department as the contracts are still ongoing.

54. The accounting officer was notified of the material irregularity on 8 October 2021 and was invited to make a written submission on the actions taken and that will be taken to address the matter.
55. The following actions have been taken to resolve the material irregularity:
- The service provider has completed the determination test on 15 February 2022 in respect of the award of tender ZNT2598/15T however, based on the outcome of the determination test, no financial loss was identified.
 - Upon inspection of the report it was found that the service provider assessed compliance with the tender validity period instead of compliance with paragraphs 6(5) and 7(1) of the PPR.
 - The service provider was requested to re-perform the determination test into the non-compliance that resulted in a material irregularity. This will be completed by 31 August 2022.
56. I will follow up on the implementation of the planned actions during the next audit.

Other reports

57. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
58. The provincial forensic unit performed thirty-seven investigations relating to various procurement irregularities and fraudulent payments made to suppliers and employees covering the period 01 April 2013 to 31 March 2021. Twenty investigations were completed and seventeen were still in progress at year-end. The implementation of recommendations for all of the completed cases are in progress at the date of this report.
59. In terms of Proclamation No. R16 of 2021, issued in Government Gazette No. 44546 of 7 May 2021, the SIU is investigating various irregularities at the department relating to the procurement and payments made in respect of the concrete barrier wall between uMkhanyakude and Mozambique border post. This investigation was still in progress at the date of this report.
60. In terms of Proclamation No. R36 of 2018, issued in Government Gazette 42101 of 14 December 2018, the SIU is investigating various irregularities at the department relating to the procurement of consultancy services. This investigation was still in progress at the date of this report.

61. In terms of Proclamation No.R76 of 2022, issued in Government Gazette 47055 of 22 July 2022, the SIU is investigating the following:

- Allegations of serious maladministration which has led to the department incurring irregular expenditure and fruitless and wasteful expenditure.
- The procurement of and contracting for a fibre data link to the department's Information Technology Server Room including any payment made as well as any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the department.
- Any unlawful or irregular conduct by employees of the department; or any other person or entity, relating to the allegations above. This investigation was still in progress at the date of this report.

Auditor-General

Pietermaritzburg

31 July 2022



Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected programme and

Financial statements

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

Communication with those charged with governance

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

Appropriation per programme									
Department of Transport Voted Funds and Direct charges	2021/22					2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appro- priation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. ADMINISTRATION	494 729	-	(37 971)	456 758	456 758	-	100.0%	446 674	446 674
2. TRANSPORT INFRASTRUCTURE	8 084 149	-	96 165	8 180 314	8 181 960	(1 646)	100.0%	5 785 616	5 785 616
3. TRANSPORT OPERATIONS	1 895 852	-	42 928	1 938 780	1 938 780	-	100.0%	1 697 150	1 684 521
4. TRANSPORT REGULATION	1 056 451	-	(98 555)	957 896	957 896	-	100.0%	875 561	877 091
5. COMMUNITY BASED PROGRAMMES	40 537	-	(2 567)	37 970	37 970	-	100.0%	18 929	17 876
TOTAL	11 571 718	-	-	11 571 718	11 573 364	(1 646)	100.0%	8 823 930	8 811 778
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				2 260 440				2 104 588	
Actual amounts per statement of financial performance (total revenue)				13 832 158				10 928 518	
ADD									
Aid assistance					-				5 018
Actual amounts per statement of financial performance (total expenditure)					11 573 364				8 816 796

Appropriation per economic classification									
Department of Transport	2021/22					2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	6 344 364	-	(261 655)	6 082 709	6 082 709	-	100.0%	5 230 219	5 229 240
Compensation of employees	1 678 884	-	(121 797)	1 557 087	1 557 087	-	100.0%	1 469 082	1 469 082
Goods and services	4 665 480	-	(139 861)	4 525 619	4 525 619	-	100.0%	3 761 137	3 760 158
Interest and rent on land	-	-	3	3	3	-	100.0%	-	-
Transfers and subsidies	1 379 014	-	84 923	1 463 937	1 463 937	-	100.0%	1 282 133	1 266 018
Provinces and municipalities	8 357	-	2 478	10 835	10 835	-	100.0%	7 339	7 339
Departmental agencies and accounts	4 135	-	-	4 135	4 135	-	100.0%	3 966	3 966
Public corporations and private enterprises	1 314 912	-	86 195	1 401 107	1 401 107	-	100.0%	1 246 362	1 233 733
Non-profit institutions	26 426	-	736	27 162	27 162	-	100.0%	5 315	1 829
Households	25 184	-	(4 486)	20 698	20 698	-	100.0%	19 151	19 151
Payments for capital assets	3 847 983	-	174 510	4 022 493	4 024 139	(1 646)	100.0%	2 311 100	2 316 041
Buildings and other fixed structures	3 516 673	-	153 313	3 669 986	3 671 632	(1 646)	100.0%	2 175 040	2 175 040
Machinery and equipment	329 179	-	22 173	351 352	351 352	-	100.0%	136 060	141 001
Intangible assets	2 131	-	(976)	1 155	1 155	-	100.0%	-	-
Payments for financial assets	357	-	2 222	2 579	2 579	-	100.0%	478	479
Totals	11 571 718	-	-	11 571 718	11 573 364	(1 646)	100.0%	8 823 930	8 811 778

Programme 1: ADMINISTRATION									
Sub- Programme	2021/22					2020/21			
	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
1. OFFICE OF THE MEC	20 293	-	(8 728)	11 565	11 565	-	100.0%	14 686	14 686
2. MANAGEMENT	20 175	-	(13 948)	6 227	6 227	-	100.0%	5 611	5 611
3. CORPORATE SUPPORT	415 964	-	(771)	415 193	415 193	-	100.0%	400 013	400 013
4. DEPARTMENTAL STRATEGY	38 297	-	(14 524)	23 773	23 773	-	100.0%	26 364	26 364
Total for sub programmes	494 729	-	(37 971)	456 758	456 758	-	100.0%	446 674	446 674
Economic classification									
Current payments	440 456	-	(35 939)	404 517	404 517	-	100.0%	418 353	418 353
Compensation of employees	179 919	-	(13 313)	166 606	166 606	-	100.0%	152 825	152 825
Goods and services	260 537	-	(22 629)	237 908	237 908	-	100.0%	265 528	265 528
Interest and rent on land	-	-	3	3	3	-	100.0%	-	-
Transfers and subsidies	14 919	-	(4 069)	10 850	10 850	-	100.0%	12 675	12 675
Provinces and municipalities	100	-	36	136	136	-	100.0%	63	63
Departmental agencies and accounts	4 135	-	-	4 135	4 135	-	100.0%	3 966	3 966
Households	10 684	-	(4 105)	6 579	6 579	-	100.0%	8 646	8 646
Payments for capital assets	39 304	-	1 971	41 275	41 275	-	100.0%	15 624	15 624
Buildings and other fixed structures	10 000	-	(3 223)	6 777	6 777	-	100.0%	4 007	4 007
Machinery and equipment	29 304	-	5 194	34 498	34 498	-	100.0%	11 617	11 617
Payments for financial assets	50	-	66	116	116	-	100.0%	22	22
Totals	494 729	-	(37 971)	456 758	456 758	-	100.0%	446 674	446 674

Programme 2: TRANSPORT INFRASTRUCTURE									
Sub- Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2020/21	
								Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. PROGRAMME SUPPORT INFRASTRUCTURE	717 983	-	10 201	728 184	728 184	-	100.0%	655 420	655 420
2. INFRASTRUCTURE PLANNING	35 577	-	(2 647)	32 930	32 930	-	100.0%	20 924	20 924
3. INFRASTRUCTURE DESIGN	48 563	-	(3 435)	45 128	45 128	-	100.0%	45 688	45 688
4. CONSTRUCTION	3 506 673	-	156 536	3 663 209	3 664 855	(1 646)	100.0%	2 171 118	2 171 118
5. MAINTENANCE	3 775 353	-	(64 490)	3 710 863	3 710 863	-	100.0%	2 892 466	2 892 466
Total for sub programmes	8 084 149	-	96 165	8 180 314	8 181 960	(1 646)	100.0%	5 785 616	5 785 616
Economic classification									
Current payments	4 268 461	-	(85 170)	4 183 291	4 183 291	-	100.0%	3 476 916	3 476 916
Compensation of employees	789 720	-	(93 341)	696 379	696 379	-	100.0%	645 241	645 241
Goods and services	3 478 741	-	8 171	3 486 912	3 486 912	-	100.0%	2 831 675	2 831 675
Transfers and subsidies	15 530	-	1 915	17 445	17 445	-	100.0%	13 415	13 415
Provinces and municipalities	7 500	-	2 350	9 850	9 850	-	100.0%	6 621	6 621
Households	8 030	-	(435)	7 595	7 595	-	100.0%	6 794	6 794
Payments for capital assets	3 800 079	-	179 263	3 979 342	3 980 988	(1 646)	100.0%	2 294 857	2 294 857
Buildings and other fixed structures	3 506 673	-	156 536	3 663 209	3 664 855	(1 646)	100.0%	2 171 033	2 171 033
Machinery and equipment	291 275	-	23 703	314 978	314 978	-	100.0%	123 824	123 824
Intangible assets	2 131	-	(976)	1 155	1 155	-	100.0%	-	-
Payments for financial assets	79	-	157	236	236	-	100.0%	428	428
Total	8 084 149	-	96 165	8 180 314	8 181 960	(1 646)	100.0%	5 785 616	5 785 616

Programme 3: TRANSPORT OPERATIONS										
Sub- Programme	2021/22					2020/21				
	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	
1. PROGRAMME SUPPORT OPERATIONS	41 984	-	(12 288)	29 696	29 696	-	100.0%	21 039	21 039	
2. PUBLIC TRANSPORT SERVICES	1 790 725	-	74 799	1 865 524	1 865 524	-	100.0%	1 638 930	1 626 301	
3. TRANSPORT SAFETY AND COMPLIANCE	63 143	-	(19 583)	43 560	43 560	-	100.0%	37 181	37 181	
Total for sub programmes	1 895 852	-	42 928	1 938 780	1 938 780	-	100.0%	1 697 150	1 684 521	
Economic classification										
Current payments	576 643	-	(44 441)	532 202	532 202	-	100.0%	447 682	450 682	
Compensation of employees	46 940	-	(8 462)	38 478	38 478	-	100.0%	35 468	35 468	
Goods and services	529 703	-	(35 979)	493 724	493 724	-	100.0%	412 214	415 214	
Transfers and subsidies	1 318 925	-	87 530	1 406 455	1 406 455	-	100.0%	1 249 463	1 233 834	
Provinces and municipalities	13	-	(13)	-	-	-	-	1	1	
Public corporations and private enterprises	1 314 912	-	86 195	1 401 107	1 401 107	-	100.0%	1 246 362	1 233 733	
Non-profit institutions	4 000	-	209	4 209	4 209	-	100.0%	3 000	-	
Households	-	-	1 139	1 139	1 139	-	100.0%	100	100	
Payments for capital assets	200	-	(142)	58	58	-	100.0%	-	-	
Machinery and equipment	200	-	(142)	58	58	-	100.0%	-	-	
Payments for financial assets	84	-	(19)	65	65	-	100.0%	5	5	
Total	1 895 852	-	42 928	1 938 780	1 938 780	-	100.0%	1 697 150	1 684 521	

Programme 4: TRANSPORT REGULATION									
Sub- Programme	2021/22					2020/21			
	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
1. PROGRAMME SUPPORT REGULATION	11 458	-	(5 169)	6 289	6 289	-	100.0%	10 212	10 212
2. TRANSPORT ADMINISTRATION AND LICENSING	245 758	-	(20 354)	225 404	225 404	-	100.0%	174 169	176 877
3. OPERATOR LICENSES AND LICENSING	75 028	-	(9 378)	65 650	65 650	-	100.0%	51 864	50 686
4. LAW ENFORCEMENT	724 207	-	(63 654)	660 553	660 553	-	100.0%	639 316	639 316
Total for sub programmes	1 056 451	-	(98 555)	957 896	957 896	-	100.0%	875 561	877 091
Economic classification									
Current payments	1 018 327	-	(93 598)	924 729	924 729	-	100.0%	868 339	865 413
Compensation of employees	645 105	-	(8 684)	636 421	636 421	-	100.0%	624 228	624 228
Goods and services	373 222	-	(84 914)	288 308	288 308	-	100.0%	244 111	241 185
Transfers and subsidies	29 640	-	(453)	29 187	29 187	-	100.0%	6 580	6 094
Provinces and municipalities	744	-	105	849	849	-	100.0%	654	654
Non-profit institutions	22 426	-	527	22 953	22 953	-	100.0%	2 315	1 829
Households	6 470	-	(1 085)	5 385	5 385	-	100.0%	3 611	3 611
Payments for capital assets	8 340	-	(6 522)	1 818	1 818	-	100.0%	619	5 560
Machinery and equipment	8 340	-	(6 522)	1 818	1 818	-	100.0%	619	5 560
Payments for financial assets	144	-	2 018	2 162	2 162	-	100.0%	23	24
Total	1 056 451	-	(98 555)	957 896	957 896	-	100.0%	875 561	877 091

Programme 5: COMMUNITY BASED PROGRAMMES									
SUB-PROGRAMME	2021/22					2020/21			
	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
1. PROGRAMME SUPPORT COMMUNITY BASED	14 075	-	(71)	14 004	14 004	-	100.0%	8 801	8 801
2. COMMUNITY DEVELOPMENT	1 064	-	(1 046)	18	18	-	100.0%	18	18
3. INNOVATION AND EMPOWERMENT	18 566	-	(14 598)	3 968	3 968	-	100.0%	9 866	8 813
4. EPWP CO-ORDINATION AND MONITORING	6 832	-	13 148	19 980	19 980	-	100.0%	244	244
Total for sub programmes	40 537	-	(2 567)	37 970	37 970	-	100.0%	18 929	17 876
Economic classification									
Current payments	40 477	-	(2 507)	37 970	37 970	-	100.0%	18 929	17 876
Compensation of employees	17 200	-	2 003	19 203	19 203	-	100.0%	11 320	11 320
Goods and services	23 277	-	(4 510)	18 767	18 767	-	100.0%	7 609	6 556
Payments for capital assets	60	-	(60)	-	-	-	-	-	-
Machinery and equipment	60	-	(60)	-	-	-	-	-	-
TOTAL	40 537	-	(2 567)	37 970	37 970	-	100%	18 929	17 876



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-F) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1	Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
1.	ADMINISTRATION	456 758	456 758	-	100%
2.	TRANSPORT INFRASTRUCTURE	8 180 314	8 180 314	(1 646)	100%
3.	TRANSPORT OPERATIONS	1 938 780	1 938 780	-	100%
4.	TRANSPORT REGULATION	957 896	957 896	-	100%
5.	COMMUNITY BASED PROGRAMMES	37 970	37 970	-	100%

There was no material variance noted in the above five (5) programmes for the 2021/2022 financial year.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments	6 082 709	6,082,709	-	100%
Compensation of employees	1 557 087	1 557 087	-	100%
Goods and services	4 525 619	4 525 619	-	100%
Interest and rent on land	3	3	-	100%
Transfers and subsidies	1 463 937	1 463 937	-	100%
Provinces and municipalities	10 835	10 835	-	100%
Departmental agencies and accounts	4 135	4 135	-	100%
Public corporations and private enterprises	1 401 107	1 401 107	-	100%
Non-profit institutions	27 162	27 162	-	100%
Households	20 698	20 698	-	100%
Payments for capital assets	4 022 493	4 024 139	(1 646)	100%
Buildings and other fixed structures	3 669 986	3 671 632	(1 646)	100%
Machinery and equipment	351 352	351 352	-	100%
Heritage assets	-	-	-	0%
Intangible assets	1 155	1 155	-	100%
Payments for financial assets	2 579	2 579	-	100%

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Provincial Roads Maintenance (PRMG)	2 090 534	2 090 534	-	100%
Public Transport Operations (PTOG)	1 314 912	1 401 107	(86 195)	107%
EPWP Integrated Grant for Provinces	73 252	73 252	-	100%

Spending against the conditional grant was higher than forecasted in the 4th quarter projections of 21/22. The PRMG and EPWP grants were fully spent.

The PTOG grant which provides for bus subsidies to bus operators was higher than projected. The overspending results from the underfunding of the grant since its inception as well as the increase in the fuel indices amongst others. This is a Schedule 4 grant (supplementary grant) and the department must absorb the resultant spending pressures from its equitable share.

	Note	2021/22 R'000	2020/21 R'000
REVENUE			
Annual appropriation	1	11 571 718	8 823 930
Departmental revenue	2	2 260 440	2 104 588
TOTAL REVENUE		13 832 158	10 928 518
EXPENDITURE			
Current expenditure			
Compensation of employees	4	1 557 087	1 469 082
Goods and services	5	4 519 982	3 760 011
Total current expenditure		6 077 069	5 229 093
Transfers and subsidies			
Transfers and subsidies	7	1 463 934	1 266 018
Total transfers and subsidies		1 463 934	1 266 018
Expenditure for capital assets			
Tangible assets	8	4 028 627	2 321 206
Intangible assets	8	1 155	-
Total expenditure for capital assets		4 029 782	2 321 206
Payments for financial assets	6	2 579	479
TOTAL EXPENDITURE		11 573 364	8 816 796
SURPLUS FOR THE YEAR		2 258 794	2 111 722
Reconciliation of Net Surplus for the year			
Voted funds		(1 646)	12 152
Annual appropriation		(1 646)	323
Conditional grants		-	12 629
Departmental revenue and NRF Receipts	14	2 260 440	2 104 588
Aid assistance	3	-	(5 018)
SURPLUS FOR THE YEAR		2 258 794	2 111 722

	Note	2021/22 R'000	2020/21 R'000
ASSETS			
Current assets		177 738	271 788
Unauthorised expenditure	9	3 177	1 530
Cash and cash equivalents	10	24 922	171 069
Prepayments and advances	11	826	826
Receivables	12	148 813	98 363
Non-current assets			
Receivables	12	51 219	5 041
TOTAL ASSETS		228 957	276 829
LIABILITIES			
Current liabilities		224 610	272 780
Voted funds to be surrendered to the Revenue Fund	13	(475)	50 396
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	184 116	186 676
Payables	15	30 368	25 107
Aid assistance unutilised	3	10 601	10 601
TOTAL LIABILITIES		224 610	272 780
NET ASSETS		4 347	4 049
Represented by:			
Recoverable revenue		4 347	4 049
TOTAL		4 347	4 049

	Note	2021/22 R'000	2020/21 R'000
Recoverable revenue			
Opening balance		4 049	4 049
Transfers:		298	-
Irrecoverable amounts written off	6.1	(637)	479
Debts recovered (included in departmental receipts)		(1 109)	(1 236)
Debts raised		2 044	757
TOTAL		4 347	4 049

	Note	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		13 832 124	10 928 480
Annual appropriated funds received	1.1	11 571 718	8 823 930
Departmental revenue received	2	2 260 375	2 104 529
Interest received	2.3	31	21
Net (increase) in working capital		(46 836)	(18 543)
Surrendered to Revenue Fund		(2 313 871)	(2 183 373)
Current payments		(6 075 423)	(5 229 093)
Payments for financial assets		(2 579)	(479)
Transfers and subsidies paid		(1 463 934)	(1 266 018)
Net cash flow available from operating activities	16	3 929 481	2 230 974
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received	2.3	34	38
Payments for capital assets	8	(4 029 782)	(2 321 206)
(Increase) in non-current receivables	12	(46 178)	(1 161)
Net cash flows from investing activities		(4 075 926)	(2 322 329)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets		298	-
Net cash flows from financing activities		298	-
Net (decrease) in cash and cash equivalents		(146 147)	(91 355)
Cash and cash equivalents at beginning of period		171 069	253 446
Unrealised gains and losses within cash and cash equivalents		-	8 978
Cash and cash equivalents at end of period	17	24 922	171 069

Summary of significant accounting policies

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

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

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

1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Modified Cash Standard.

2 GOING CONCERN

The financial statements have been prepared on a going concern basis.

3 PRESENTATION CURRENCY

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

4 ROUNDING

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

5 FOREIGN CURRENCY TRANSLATION

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6 COMPARATIVE INFORMATION**6.1 PRIOR PERIOD COMPARATIVE INFORMATION**

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2 CURRENT YEAR COMPARISON WITH BUDGET

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7 REVENUE**7.1 APPROPRIATED FUNDS**

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

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

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2 DEPARTMENTAL REVENUE

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 ACCRUED DEPARTMENTAL REVENUE

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy

8 EXPENDITURE**8.1 COMPENSATION OF EMPLOYEES****8.1.1 SALARIES AND WAGES**

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 SOCIAL CONTRIBUTIONS

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 OTHER EXPENDITURE

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 ACCRUALS AND PAYABLES NOT RECOGNISED

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

8.4 LEASES**8.4.1 OPERATING LEASES**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 FINANCE LEASES

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- Cost, being the fair value of the asset; or
- The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9 AID ASSISTANCE**9.1 AID ASSISTANCE RECEIVED**

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 AID ASSISTANCE PAID

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10 CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11 PREPAYMENTS AND ADVANCES

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

12 LOANS AND RECEIVABLES

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13 INVESTMENTS

Investments are recognised in the statement of financial position at cost.

14 FINANCIAL ASSETS**14.1 FINANCIAL ASSETS (NOT COVERED ELSEWHERE)**

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 IMPAIRMENT OF FINANCIAL ASSETS

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15 PAYABLES

Payables recognised in the statement of financial position are recognised at cost.

16 CAPITAL ASSETS**16.1 IMMOVABLE CAPITAL ASSETS**

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2 MOVABLE CAPITAL ASSETS

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 INTANGIBLE ASSETS

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 PROJECT COSTS: WORK-IN-PROGRESS

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17 PROVISIONS AND CONTINGENTS**17.1 PROVISIONS**

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 CONTINGENT LIABILITIES

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 CONTINGENT ASSETS

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 CAPITAL COMMITMENTS

Capital commitments are recorded at cost in the notes to the financial statements.

18 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

19 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20 IRREGULAR EXPENDITURE

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21 CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22 EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23 PRINCIPAL-AGENT ARRANGEMENTS

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

24 CAPITALISATION RESERVE

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

25 RECOVERABLE REVENUE

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

26 RELATED PARTY TRANSACTIONS

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

27 INVENTORIES

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or were intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

28 PUBLIC-PRIVATE PARTNERSHIPS

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

29 EMPLOYEE BENEFITS

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

30 TRANSFER OF FUNCTIONS

Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

31 MERGERS

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

1. ANNUAL APPROPRIATION**1.1 Annual Appropriation**

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

Programmes	2021/22			2020/21		
	Final Appropriation	Actual Funds Received	Funds not requested / not received	Final Appropriation	Appropriation received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	494 729	494 729	-	443 123	443 123	-
Transport Infrastructure	8 084 149	8 084 149	-	5 796 301	5 796 301	-
Transport Operations	1 895 852	1 895 852	-	1 692 573	1 692 573	-
Transport Regulation	1 056 451	1 056 451	-	871 358	871 358	-
Community Based Programmes	40 537	40 537	-	20 575	20 575	-
Total	11 571 718	11 571 718	-	8 823 930	8 823 930	-

1.2 Conditional grants

	Note	2021/22 R'000	2020/21 R'000
Total grants received	35	3 478 698	3 152 805
Provincial grants included in Total Grants received		-	-

2. DEPARTMENTAL REVENUE

	Note	2021/22 R'000	2020/21 R'000
Tax revenue		2 103 961	2 014 375
Sales of goods and services other than capital assets	2.1	75 360	56 564
Fines, penalties and forfeits	2.2	69 647	22 614
Interest, dividends and rent on land	2.3	65	86
Transactions in financial assets and liabilities	2.4	11 407	10 949
Total revenue collected		2 260 440	2 104 588
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		2 260 440	2 104 588

2.1 Sales of goods and services other than capital assets

	Note	2021/22 R'000	2020/21 R'000
Sales of goods and services produced by the department	2	75 360	56 564
Sales by market establishment		5 138	5 541
Administrative fees		63 654	50 798
Other sales		6 568	225
Total		75 360	56 564

2.2 Fines, penalties and forfeits

	Note	2021/22	2020/21
	2	R'000	R'000
Fines		69 647	22 614
Total		69 647	22 614

2.3 Interest, dividends and rent on land

	Note	2021/22	2020/21
	2	R'000	R'000
Interest		31	21
Dividends		34	38
Rent on land		-	27
Total		65	86

2.4 Transactions in financial assets and liabilities

	Note	2021/22	2020/21
	2	R'000	R'000
Receivables		1 256	-
Other Receipts including Recoverable Revenue		10 151	10 949
Total		11 407	10 949

3. AID ASSISTANCE

	Note	2021/22	2020/21
		R'000	R'000
Opening Balance		10 601	15 619
Prior period error			-
As restated		10 601	15 619
Transferred from statement of financial performance		-	(5 018)
Closing Balance		10 601	10 601

3.1 Analysis of balance by source

	Note	2021/22	2020/21
		R'000	R'000
Aid assistance from other sources		10 601	10 601
Closing balance	3	10 601	10 601

3.2 Analysis of balance

	Note	2021/22	2021/22
		R'000	R'000
Aid assistance unutilised		10 601	10 601
Closing balance	3	10 601	10 601

3.3 Aid assistance expenditure per economic classification

	Note	2021/22	2020/21
		R'000	R'000
Capital	8.2	-	5 018
Total aid assistance expenditure		-	5 018

4. COMPENSATION OF EMPLOYEES**4.1 Salaries and Wages**

	Note	2021/22 R'000	2020/21 R'000
Basic salary		892 281	915 025
Performance award		73 401	11 030
Service Based		2 147	3 293
Compensative/circumstantial		171 420	134 008
Periodic payments		35 008	20 506
Other non-pensionable allowances		162 784	175 818
Total		1 337 041	1 259 680

4.2 Social contributions

	Note	2021/22 R'000	2020/21 R'000
Employer contributions			
Pension		112 407	107 894
Medical		103 986	99 880
UIF		18	2
Bargaining council		362	363
Insurance		3 273	1 263
Total		220 046	209 402
Total compensation of employees		1 557 087	1 469 082
Average number of employees		3 556	3 946

5. GOODS AND SERVICES

	Note	2021/22 R'000	2020/21 R'000
Administrative fees		89 891	49 759
Advertising		4 899	2 080
Minor assets	5.1	5 583	2 656
Bursaries (employees)		2 150	612
Catering		1 011	506
Communication		35 336	13 640
Computer services	5.2	151 167	198 987
Consultants: Business and advisory services		896 634	2 129
Infrastructure and planning services		51 445	786 624
Laboratory services		626	331
Legal services		18 109	10 048
Contractors		2 138 344	1 711 100
Agency and support / outsourced services		4 724	695
Audit cost – external	5.3	11 242	10 721
Fleet services		250 189	193 028
Inventory	5.4	84 221	82 591
Consumables	5.5	23 276	22 204
Operating leases		52 277	58 505

Property payments	5.6	173 664	158 070
Rental and hiring		1 363	1 300
Transport provided as part of the departmental activities		457 069	390 026
Travel and subsistence	5.7	58 408	51 989
Venues and facilities		2 531	3 858
Training and development		995	2 476
Other operating expenditure	5.8	4 828	6 076
Total		4 519 982	3 760 011

5.1 Minor assets

	Note	2021/22	2020/21
	5	R'000	R'000
Tangible assets			
Machinery and equipment		5 583	2 656
Total		5 583	2 656

5.2 Computer services

	Note	2021/22	2021/22
	5	R'000	R'000
SITA computer services		151 167	22 322
External computer service providers		-	176 665
Total		151 167	198 987

5.3 Audit cost – External

	Note	2021/22	2020/21
	5	R'000	R'000
Regularity audits		5 385	7 844
Investigations		989	1 379
Computer audits		4 868	1 498
Total		11 242	10 721

5.4 Inventory

	Note	2021/22	2020/21
	5	R'000	R'000
Clothing material and accessories		15 734	4 540
Food and food supplies		153	306
Fuel, oil and gas		42 548	53 023
Materials and supplies		25 786	24 722
Total		84 221	82 591

5.5 Consumables

	Note 5	2021/22 R'000	2020/21 R'000
Consumable supplies		10 509	13 092
Uniform and clothing		5 830	1 940
Household supplies		3 497	7 389
Building material and supplies		16	-
Communication accessories		-	2 583
IT consumables		-	42
Other consumables		1 166	1 138
Stationery, printing and office supplies		12 767	9 112
Total		23 276	22 204

5.6 Property payments

	Note 5	2021/22 R'000	2020/21 R'000
Municipal services		43 382	38 239
Property maintenance and repairs		53 712	44 015
Other		76 570	75 816
Total		173 664	158 070

5.7 Travel and subsistence

	Note 5	2021/22 R'000	2020/21 R'000
Local		58 267	51 875
Foreign		141	114
Total		58 408	51 989

5.8 Other operating expenditure

	Note 5	2021/22 R'000	2020/21 R'000
Professional bodies, membership and subscription fees		79	-
Resettlement costs		699	126
Other		4 050	5 950
Total		4 828	6 076

6 PAYMENTS FOR FINANCIAL ASSETS

	Note	2021/22 R'000	2020/21 R'000
Debts written off	6.1	2 579	479
Total		2 579	479

6.1 Debts written off

	Note 6	2021/22 R'000	2020/21 R'000
Other debt written off			
Employee Debt		637	221
Zimbabwe		-	258
Assets Written-Off		1 942	-
Total debt written off		2 579	479

7 TRANSFERS AND SUBSIDIES

		2021/22 R'000	2020/21 R'000
	Note		
Provinces and municipalities		10 835	7 339
Departmental agencies and accounts	Annexure 1A	4 135	3 966
Public corporations and private enterprises	Annexure 1B	1 401 105	1 233 733
Non-profit institutions	Annexure 1C	27 162	1 830
Households	Annexure 1D	20 697	19 150
Total		1 463 934	1 266 018

8 EXPENDITURE FOR CAPITAL ASSETS

	Note	2021/22 R'000	2020/21 R'000
Tangible assets		4 028 627	2 321 206
Buildings and other fixed structures	32.2	3 675 071	2 175 680
Machinery and equipment	30	353 556	145 526
Intangible assets		1 155	-
Software	31	1 155	-
Total		4 029 782	2 321 206

The following amounts have been included as project costs in Expenditure for capital assets

Goods and services	-	67 772
Total	-	67 772

8.1 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	4 028 627	-	4 028 627
Buildings and other fixed structures	3 675 071	-	3 675 071
Machinery and equipment	353 556	-	353 556
Intangible assets	1 155	-	1 155
Software	1 155	-	1 155
Total	4 029 782	-	4 029 782

8.2 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	2 316 188	5 018	2 321 206
Buildings and other fixed structures	2 175 680	-	2 175 680
Machinery and equipment	140 508	5 018	145 526
Total	2 316 188	5 018	2 321 206

9 UNAUTHORISED EXPENDITURE**9.1 Reconciliation of unauthorised expenditure**

	Note	2021/22 R'000	2020/21 R'000
Opening balance		1 530	-
Prior period error		-	-
As restated		1 530	-
Unauthorised expenditure – discovered in current year (as restated)		1 647	1 530
Closing balance		3 177	1 530
Analysis of closing balance			
Unauthorised expenditure awaiting authorisation		3 177	1 530
Total		3 177	1 530

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2021/22 R'000	2020/21 R'000
Capital	3 177	1 530
Total	3 177	1 530

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2021/22 R'000	2020/21 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	3 177	1 530
Total	3 177	1 530

9.4 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
Overspending on Capital Assets in Programme 2	-	1 647
Total		1 647

During the 2021/22 financial year, the overspending of R1,647mil pertained to Programme 2 (Transport Infrastructure) with regard to capital assets.

9.5 Prior period error

	Note	2020/21 R'000
Relating to 2020/21		1 530
The department overspent its main division vote in the 2021 financial year.		1 530
Total		1 530

The department overspent in machinery and equipment in programme 4(Transport Regulation)

10 CASH AND CASH EQUIVALENTS

	Note	2021/22 R'000	2020/21 R'000
Consolidated Paymaster General Account		24 897	168 363
Cash receipts		-	2 681
Cash on hand		25	25
Total		24 922	171 069

11 PREPAYMENTS AND ADVANCES

	Note	2021/22 R'000	2020/21 R'000
Travel and subsistence		826	826
Total		826	826

12 RECEIVABLES

Detail		2021/22			2020/21		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
	Note						
Claims recoverable	<u>12.1</u>	98 936	48 822	147 758	96 794	-	96 794
Staff debt	<u>12.2</u>	793	2 397	3 190	561	5 041	5 602
Fruitless and wasteful expenditure	12.4	310	-	310	310	-	310
Other receivables	<u>12.3</u>	48 774	-	48 774	698	-	698
Total		148 813	51 219	200 032	98 363	5 041	103 404

12.1 Claims recoverable

	Note	2021/22 R'000	2020/21 R'000
National departments	12	11 719	11 121
Provincial departments		136 039	79 826
Public entities		-	5 847
Total		147 758	96 794

12.2 Staff debt

	Note	2021/22 R'000	2020/21 R'000
In-Service Debts	12	2 761	2 424
Out-Of-Service Debts		-	2 200
Tax Debt		429	410
Private Entities		-	568
Total		3 190	5 602

12.3 Other receivables

	Note	2021/22	2020/21
	12	R'000	R'000
Dishonoured Cheque		66	66
Sal: Reversal		1 563	550
Ex-Employees		2 014	-
Other		45 131	82
Total		48 774	698

12.4 Fruitless and wasteful expenditure

	Note	2021/22	2020/21
	12	R'000	R'000
Opening balance		310	310
Total		310	310

13 VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		50 396	158 680
Prior period error		-	-
As restated		50 396	158 680
Transfer from statement of financial performance (as restated)		(1 646)	12 152
Add: Unauthorised expenditure for current year	9	1 646	1 530
Paid during the year		(50 871)	(121 966)
Closing balance		(475)	50 396

13.1 Prior period error

	Note	2020/21
	13	R'000
Relating to 2020/21		1 530
The department overspent in machinery and equipment in Programme 4 (Transport Regulation)		1 530
Total		1 530

14 DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		186 676	143 495
Prior period error		-	-
As restated		186 676	143 495
Transfer from Statement of Financial Performance (as restated)		2 260 440	2 104 588
Paid during the year		(2 263 000)	(2 061 407)
Closing balance		184 116	186 676

15 PAYABLES – CURRENT

	Note	2021/22 R'000	2020/21 R'000
Advances received	15.1	16 416	11 732
Clearing accounts	15.2	3 176	-
Other payables	15.3	10 776	13 375
Total		30 368	25 107

15.1 Advances received

	Note	2021/22 R'000	2020/21 R'000
Public entities	Annex7	16 416	11 732
Total		16 416	11 732

15.2 Clearing accounts

	Note	2021/22 R'000	2020/21 R'000
Sal: ACB Recalls: CA		407	-
Sal: Gehs Refund Control Acc: CL		792	-
Sal: UIF		4	-
Sal: Income Tax		1 973	-
Total		3 176	-

15.3 Other payables

	Note	2021/22 R'000	2020/21 R'000
Sal: ACB Recalls		-	371
Sal: Income Tax		-	2 738
Traffic fines from court incorrectly paid to the department		-	9 490
Other		-	776
Online Travel Control Account		2 413	-
Public Entities		8 363	-
Total		10 776	13 375

16 NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2021/22 R'000	2020/21 R'000
Net surplus/(deficit) as per Statement of Financial Performance		2 258 794	2 111 722
Add back non cash/cash movements not deemed operating activities		1 670 687	119 252
(Increase)/decrease in receivables		(50 450)	(14 818)
Increase/(decrease) in payables – current		5 261	(3 725)
Proceeds from sale of investments		(35)	(38)
Expenditure on capital assets		4 029 782	2 321 206
Surrenders to Revenue Fund		(2 313 871)	(2 183 373)
Net cash flow generated by operating activities		3 929 481	2 230 974

17 RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	Note	2021/22 R'000	2020/21 R'000
Consolidated Paymaster General account		24 897	168 363
Cash receipts		-	2 681
Cash on hand		25	25
Total		24 922	171 069

18 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**18.1 Contingent liabilities**

	Note	2021/22 R'000	2020/21 R'000
Liable to Nature			
Claims against the department	Annex 2	338 792	243 229
Intergovernmental payables (unconfirmed balances)	Annex 5	25 482	3 597
Environmental rehabilitation liability	Annex 4	35 783	7 444
Total		400 057	254 270

Contingent Liabilities consist of :

- a) Claims against the Department - these are third party claims against the department and are handled at the Legal Services and Loss Control of the department. The outcome of the claims is dependent on the legal process and detailed investigations.
- b) Intergovernmental payable (unconfirmed Balances) - these are amounts from other government departments, that the department does not accept liability for .
- c) Environmental Rehabilitation Liability - these are anticipated restoration / rehabilitation site costs of quarries.

18.2 Contingent assets

	Note	2021/22 R'000	2020/21 R'000
Nature of contingent asset			
Claims Recoverable by the State		11 443	781
Total		11 443	781

Contingent assets consist of claims for general damages and losses sustained by the Department as a result of motor vehicle accidents, theft or losses of assets. Loss Control and Legal Services directorates pursue the recoverability of these losses for the department. The receipt of payment is contingent on the finalisation of these investigations or litigations processes. In the prior year, the department erroneously omitted the disclosure of contingent assets. This has been corrected in the 2021/2022 financial year.

19 CAPITAL COMMITMENTS

	Note	2021/22 R'000	2020/21 R'000
Buildings and other fixed structures		3 062 996	4 503 952
Machinery and equipment		201 404	84 411
Total		3 264 400	4 588 363

The department erroneously omitted the disclosure of capital commitments for machinery and equipment in the previous year.

ACCRUALS AND PAYABLES NOT RECOGNISED

20.1 Accruals

		2021/22 R'000	2020/21 R'000
Listed by economic classification			
	30 Days 30+ Days Total	Total	
Goods and services	51 353 15	51 368	351 867
Transfers and subsidies	21 -	21	-
Capital assets	70 089 -	70 089	-
Other	4 685 -	4 685	-
Total	126 148 15	126 163	351 867

	Note	2021/22 R'000	2020/21 R'000
Listed by programme level			
Administration		11 785	-
Transport Infrastructure		106 838	351 867
Transport Operations		111	-
Transport Regulations		7 410	-
Community Based Programme		19	-
Total		126 163	351 867

20.2 Payables not recognised

		2021/22 R'000	2020/21 R'000
Listed by economic classification			
	30 Days 30+ Days Total	Total	
Goods and services	43 825 211	44 036	305 470
Transfers and subsidies	1 901 29	1 930	-
Capital assets	49 736 13 142	62 878	-
Other	1 301 27	1 328	-
Total	96 763 13 409	110 172	305 470

	Note	2021/22 R'000	2020/21 R'000
Listed by programme level			
Administration		13 267	-
Transport Infrastructure		87 481	305 470
Transport Operations		7 749	-
Transport Regulations		1 675	-
Total		110 172	305 470

	Note	2021/22 R'000	2020/21 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 4	-	3 597
Total		-	3 597

21 EMPLOYEE BENEFITS

	Note	2021/22 R'000	2020/21 R'000
Leave entitlement		93 539	104 240
Service bonus		34 060	34 708
Performance awards		2 198	346
Capped leave		54 738	64 700
Total		184 535	203 994

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

22 LEASE COMMITMENTS

22.1 Operating leases

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2021/22				
Not later than 1 year	76	68	4 575	4 719
Later than 1 year and not later than 5 years	74	-	3 351	3 425
Total lease commitments	150	68	7 926	8 144

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2020/21				
Not later than 1 year	92	103	3 394	3 589
Later than 1 year and not later than 5 years	65	53	5 940	6 058
Total lease commitments	157	156	9 334	9 647

22.2 Finance leases

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2021/22				
Not later than 1 year	-	-	923	923
Total lease commitments	-	-	923	923

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2020/21				
Not later than 1 year	-	-	1 248	1 248
Later than 1 year and not later than 5 years	-	-	299	299
Total lease commitments	-	-	1 547	1 547

23 ACCRUED DEPARTMENTAL REVENUE

	Note	2021/22 R'000	2020/21 R'000
Fines, penalties and forfeits		311 874	385 377
Total		311 874	385 377

23.1 Analysis of accrued departmental revenue

	Note	2021/22 R'000	2020/21 R'000
Opening balance		385 377	235 709
Less: amounts received		(33 081)	(11 098)
Add: amounts recorded		405 064	348 589
Less: amounts written-off/reversed as irrecoverable		(445 486)	(187 823)
Closing balance		311 874	385 377

23.2 Accrued department revenue written off

	Note	2021/22 R'000	2020/21 R'000
Traffic Fines		445 486	187 823
Total		445 486	187 823

24 IRREGULAR EXPENDITURE**24.1 Reconciliation of irregular expenditure**

	Note	2021/22 R'000	2021/20 R'000
Opening balance		24 237 078	19 893 650
Prior period error		-	(679)
As restated		24 237 078	19 892 971
Add: Irregular expenditure – relating to prior year		4 269	-
Add: Irregular expenditure – relating to current year		4 303 494	4 344 107
Closing balance		28 544 841	24 237 078
Analysis of closing balance			
Current year		4 307 763	4 344 107
Prior years		24 237 078	19 892 971
Total		28 544 841	24 237 078

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

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
Transgressions from prior years		
Evaluation process 4197/4198		1 523 909
Extended Contracts – Bus Subsidies		722 488
Local content not adhered to		659 355
Evaluation Criteria and Evaluation process		613 624
Validity Period – ABC Consultants		505 163
Month to Month contract consultants		133 243
Contract Management		22 023
CIDB Grading not on advert		18 592
Bid Committees not complied with		7 897
Plant Hire		1 772
Other		5 539
Transgressions in the current year		
Contract Management		78 296
Other		11 593
Confirmed as IE in the current year reported		
Contract Management		4 161
PPPFA not applied		108
Total		4 307 763

The other includes non-compliance to PPPFA delegations not adhered to , deviations not justifiable, incorrect CIDB Grading and Variation orders.

24.3 Details of irregular expenditures under assessment (not included in the main note)**Incident**

	2021/22
	R'000
Still to be confirmed as irregular expenditure	60 316
Deviation requirements not met	988 540
Total	1 048 856

The department has identified a potential irregular expenditure for the current year but these were still under assessment at year end.

24.4 Prior period error

Note

2020/21
R'000**Nature of prior period error**

Relating to 2019/20 [affecting the opening balance]
Transaction "Not Irregular"

(679)

(679)

Relating to 2020/21

Transaction "Not Irregular"

(15 448)

(15 854)

Identified in the current year, but payment made in the 2020/2021 Financial year

406

Total**(16 127)****25 FRUITLESS AND WASTEFUL EXPENDITURE****25.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2021/22 R'000	2020/21 R'000
Opening balance		3 760	609
Prior period error		-	-
As restated		3 760	609
Fruitless and wasteful expenditure – relating to current year	25.2	50	3 163
Less Amount Written off		-	(12)
Closing balance		3 810	3 760

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

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
Interest incurred in the current year	-	50
Total		50

26 RELATED PARTY TRANSACTIONS

	Note	2020/22 R'000	2020/21 R'000
Year end balances arising from revenue/payments			
Receivables from related parties		1 367	660
Total		1 367	660

KZN Department of Transport shares the same MEC, Ms NP Nkonyeni, with the KZN Department of Community Safety and Liaison

27 KEY MANAGEMENT PERSONNEL

	No. of Individuals	2021/22 R'000	2020/21 R'000
Political office bearer	1	2 000	1 663
Officials:			
Level 15 to 16	5	8 651	7 826
Level 14	8	11 405	11 409
Family members of key management personnel	6	2 292	2 324
Total		24 348	23 222

28 PROVISIONS

	Note	2021/22 R'000	2020/21 R'000
Claims Against the State		114	68
Retention on Infrastructure Projects		60 202	80 395
Total		60 316	80 463

28.1 Reconciliation of movement in provisions – 2021/22

	Claims Against the State R'000	Infrastructure Retentions R'000	Total provisions R'000
Opening balance	68	80 395	80 463
Increase in provision	46	66 192	66 238
Settlement of provision	-	(86 385)	(86 385)
Closing balance	114	60 202	60 316

28.2 Reconciliation of movement in provisions – 2020/21

	Claims Against the State R'000	Infrastructure Retentions R'000	Total provisions R'000
Opening balance	40	34 864	34 904
Increase in provision	68	59 007	59 075
Settlement of provision	(40)	(13 476)	(13 516)
Closing balance	68	80 395	80 463

Provisions consists of the following :

Claims Against the State

These are liabilities from third parties (potholes / accidents) which the department is liable for. The department undertakes a detailed investigation to determine a liability. Payments are dependent on the submission of required documents.

Retention on infrastructure projects

Retention pertains to funds with-held by Department of Transport in the implementation of various infrastructure projects.

Retention is agreed with the contractor prior to the implementation of the projects. When all contractual obligations under the contract for the project has been fulfilled only then would retention be released.

29 NON-ADJUSTING EVENTS AFTER REPORTING DATE

On the 11th and 12th April 2022, parts of KwaZulu Natal received between 200mm and 400mm of rainfall in a 24-hour period. Parts of the province were affected by heavy rainfall and flooding which caused extensive damage to provincial roads, bridges and other structures. The department identified 1 372 projects (roads and other road structures) needs to be fixed , these have been projected to the cost of R 5, 7 billion for the financial year 2022-2023.

Following these severe weather events and the subsequent damage caused in various provinces, a national disaster was declared in terms section of 27(1) of the Disaster Management Act, 2002.

These are however considered non-adjusting events as they happened after 31 March 2022.

30 MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	2 099 422		239 222	2 676	2 335 968
Transport assets	916 377	-	129 526	2 255	1 043 648
Computer equipment	103 537	-	7 091	173	110 455
Furniture and office equipment	30 304	-	3 225	21	33 508
Other machinery and equipment	1 049 204	-	99 380	227	1 148 357
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	2 099 422	-	239 222	2 676	2 335 968

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	3 111	129 756

The department will undertake a complete asset verification in the 2022/2023 financial year in order to identify and reduce assets to be investigated. Investigation process concur simultaneously with the verification process.

30.1 Movement for 2020/21

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	1 863 611	-	237 651	1 840	2 099 422
Transport assets	897 293	-	19 378	294	916 377
Computer equipment	101 560	-	3 523	1 546	103 537
Furniture and office equipment	28 432	-	1 872	-	30 304
Other machinery and equipment	836 326	-	212 878	-	1 049 204
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1 863 611	-	237 651	1 840	2 099 422

30.1.1 Prior period error

	Note	2020/21 R'000
Relating to 2020/21		12 018
Fixed Assets amounts did not agree with audited AFS balances in the 2021 financial year. The department has reconciled the AFS amounts to the Fixed Asset Register.		12 018
Total prior period errors		12 018

The department identified that the fixed assets register amounts did not reconcile to the 2021 audited AFS balances for departmental assets. Hence a detailed reconciliation was undertaken during the 2021/2022 financial year to the fixed asset register.

30.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Machinery and equipment R'000	Total R'000
Opening balance	34 951	34 951
Additions	1 895	1 895
Disposals	(283)	(283)
TOTAL MINOR ASSETS	36 563	36 563

	Machinery and equipment	Total
Number of R1 minor assets	34 505	34 505
Number of minor assets at cost	21 315	21 315
TOTAL NUMBER OF MINOR ASSETS	55 820	55 820

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	19 193	7 823

The department will undertake a complete asset verification in the 2022/2023 financial year in order to identify and reduce assets to be investigated. Investigation process concur simultaneously with the verification process.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Machinery and equipment R'000	Total R'000
Opening balance	32 569	32 569
Additions	2 729	2 729
Disposals	(347)	(347)
TOTAL MINOR ASSETS	34 951	34 951

	Machinery and equipment	Total
Number of R1 minor assets	34 471	34 471
TOTAL NUMBER OF MINOR ASSETS	34 471	34 471

30.2.1 Prior period error

	Note	2021/22 R'000
Relating to 2020/21		(17 733)
Fixed Assets Amounts did not agree with audited AFS balances in the 2021 financial year, the department has reconciled the AFS amounts to the Fixed Asset Register.		(17 733)
Total		(17 733)

The department identified that the fixed assets register amounts did not reconcile to the 2021 audited AFS balances for departmental assets. Hence a detailed reconciliation was undertaken during the 2021/2022 financial year to the fixed asset register.

31 INTANGIBLE CAPITAL ASSETS

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	3 658	-	-	3 658
Patents, Licences, Copyright, Brand names ,Trade marks	55 541	-	-	55 541
Services and Operating rights	47	26	-	73
TOTAL INTANGIBLE CAPITAL ASSETS	59 246	26	-	59 272

31.1 Movement for 2020/21**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	2 824	-	834	-	3 658
Patents, Licences, Copyright, Brand names ,Trade marks	55 541	-	-	-	55 541
Services and Operating rights	41	-	6	-	47
TOTAL INTANGIBLE CAPITAL ASSETS	58 406	-	840	-	59 246

31.1.1 Prior period error

	Note	2020/21 R'000
Relating to 2020/21		58 365
License Fees incorrectly disclosed as Goods and Services instead of Intangible		58 365
Total		58 365

The department discovered that Adapt IT license should have been capitalised in the previous years due to benefits received by the department being more than 12 months, this was identified during the audit in the current period.

32 IMMOVABLE TANGIBLE CAPITAL ASSETS

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	40 782 874	805 483	-	41 588 357
Non-residential buildings	141 609	24	-	141 633
Other fixed structures	40 641 265	805 459	-	41 446 724
LAND AND SUBSOIL ASSETS	116 357	-	-	116 357
Land	116 357	-	-	116 357
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	40 899 231	805 483	-	41 704 714

The department brought in the fair value amounting to R39, 9 billion of all roads segments that are on class 1 and 2 roads as at 31 March 2020. The department adopted a phased in approach relating to disclosure of completed roads and related infrastructure in accordance with paragraph 2.4: Modified Cash Standard - Appendix A - Accounting and Reporting for Immovable Assets. All subsequent additions to class 1 and 2 roads had been added at historic cost. Work in progress on class 1 and 2 roads has been excluded from the fair value exercise and will be added in line with MCS when ready for use.

32.1 Movement for 2020/21

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	139 440	39 958 192	685 242	-	40 782 874
Non-residential buildings	139 440	-	2 169	-	141 609
Other fixed structures	-	39 958 192	683 073	-	40 641 265
LAND AND SUBSOIL ASSETS	125 536	(9 179)	-	-	116 357
Land	125 536	(9 179)	-	-	116 357
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	264 976	39 949 013	685 242	-	40 899 231

32.1.1 Prior period error

	Note	2020/21 R'000
Nature of prior period error		39 949 013
Fair value of roads and related infrastructure for class 1 and 2 roads affecting the opening balance.		39 958 192
Expropriated property duplicated in immovable and intangible assets		(9 179)
Total		39 949 013

32.2 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

	Opening balance 1 April 2021 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2022 R'000
Note Annexure 7				
Buildings and other fixed structures	4 577 098	3 675 073	1 293 772	6 958 399
TOTAL	4 577 098	3 675 073	1 293 772	6 958 399

Payables not recognised relating to Capital WIP	Note	2021/22 R'000	2020/21 R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress		72 021	243 733
Total		72 021	243 733

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Note	Opening balance 1 April 2020 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR)) / Contracts terminated R'000	Closing balance 31 March 2021 R'000
	Annexure 6					
Buildings and other fixed structures		3 694 146	(206 761)	2 174 935	1 085 222	4 577 098
TOTAL		3 694 146	(206 761)	2 174 935	1 085 222	4 577 098

33 PRINCIPAL-AGENT ARRANGEMENTS**33.1 Department acting as the principal**

	2021/22 R'000	2020/21 R'000
Municipal Agents and other government entities – eNatis Agency Fees	139 862	60 028
Total	139 862	60 028

33.2 Department acting as the agent**33.3 Reconciliation of funds and disbursements – 2020/21**

Category of revenue or expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Road Traffic Management Corporation	119 328	109 809
Driver license Card Account	9 154	8 978
Total	128 482	118 787

34 PRIOR PERIOD ERRORS

	Note	Amount before error correction R'000	Prior period error 2020/21 R'000	Restated Amount R'000
Other:				
Unauthorised Expenditure	9	-	1 530	1 530
Irreg. Exp – Opening Balance as at 1 April 2020	24	19 893 650	(679)	19 892 971
Add Irregular Expenditure relating to the current year	24	4 359 555	(15 448)	4 344 107
Capital Commitments – Machinery and Equipment	19	-	84 411	84 411
Moveable Assets Departmental	30	2 140 088	(5 715)	2 134 373
Accrued Departmental Revenue	23	465 288	(79 911)	385 377
Contingent Assets	18	-	781	781
Work in Progress	32	5 075 233	(498 135)	4 577 098
Intangible Capital Assets	31	-	59 199	59 199
Net effect		31 933 814	(453 967)	31 479 847

35. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2020/21	
	Division of Revenue Act/Provincial Grants	Roll Overs	DORA Adjustment	Other Adjustment	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial Roads Maintenance Grant	2 138 225	-	-	(47 691)	2 090 534	2 090 534	2 090 534	-	100%	1 843 325	1 843 325
Public Transport Operations Grant	1 314 912	-	-	-	1 314 912	1 314 912	1 401 107	(86 195)	100%	1 246 362	1 233 733
EPWP Incentive Grant	73 252	-	-	-	73 252	73 252	73 252	-	100%	63 118	63 118
TOTAL	3 526 389	-	-	(47 691)	3 478 698	3 478 698	3 564 893	(86 195)	100%	3 152 805	3 140 176

36 BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

37 COVID 19 RESPONSE EXPENDITURE

	Note	2021/22	2020/21
	Annexure 8	R'000	R'000
Goods and services		4 476	8 364
Expenditure for capital assets		293	519
Total		4 769	8 883

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
DEPARTMENTAL AGENCY/ ACCOUNT	R'000	R'000	R'000	R'000	R'000	%	R'000
Construction Education and Training Authority (CETA)	4 135	-	-	4 135	4 135	100%	3 966
TOTAL	4 135	-	-	4 135	4 135		3 966

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Public Transport Operations Grant	1 393 618	-	-	1 393 618	1 401 105	100.5%	-	1 233 733
TOTAL	1 393 618	-	-	1 393 618	1 401 105	100.5%	-	1 233 733

ANNEXURE 1C

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll overs	Adjustment	Total Available	Actual Transfer	% of Available funds transferred	
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
SA National Taxi Council	22 243	-	-	22 243	22 243	100%	2
Kwanabaco Association	4 919	-	-	4 919	4 919	100%	315
							-
TOTAL	27 162	-	-	27 162	27 162	100%	2 315

ANNEXURE 1D

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
HOUSEHOLDS							
Transfers	1 558	-	-	1 558	1 891	121%	2 500
Employee Benefits: Injury on Duty	5 166	-	-	5 166	14 668	284%	7 800
Employee Benefits: Leave Gratuity	2 201	-	-	2 201	1 114	51%	2 384
Bursaries (Non- Employee)	4 238	-	-	4 238	2 982	70%	5 000
Claims against the State – Cash	1 240	-	-	1 240	42	3%	-
Refund & Rem -Act				-			-
TOTAL	14 403	-	-	14 403	20 697		17 684

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22	2020/21
		R'000	R'000
Received in kind			
SAB	Hand Sanitisers	-	41
SA Taxi		-	27
TOTAL		-	68

ANNEXURE 1F

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI- TURE	PAID BACK ON/ BY 31 MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash RTMC	Road Safety Improvement Programme	10 601	-	-		10 601
TOTAL		10 601	-	-	-	10 601

ANNEXURE 2

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

Nature of Liability	Opening Balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Potholes	53 764	9 101	(3 549)	-	59 316
Accidents	8 230	1 181	(3 055)	-	6 356
Civil	181 260	95 139	(3 279)	-	273 120
Subtotal	243 254	105 421	(9 883)	-	338 792
Environmental Liability					
Environmental Liability – Rehabilitation on quarries	7 444	28 339	-	-	35 783
Subtotal	7 444	28 339	-	-	35 783
TOTAL	250 698	133 760	(9 883)	-	374 575

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22	
	31/03/2022 R'000	31/03/2021 R'000	31/03/2022 R'000	31/03/2021 R'000	31/03/2022 R'000	31/03/2021 R'000	Receipt date up to six (6) working days after year end	Amount R'000
Departments								
National Departments								
Justice	-	-	11 523	11 403	11 523	11 403	-	-
Transport	-	-	-	-	-	-	-	-
Other	-	-	524	48	524	48	-	-
Unallocated	-	-	(329)	(329)	(329)	(329)	-	-
KZN Provincial Departments								
Agriculture	-	-	1 767	1 163	1 767	1 163	-	-
Economic Development	-	-	454	829	454	829	-	-
Education	-	-	40 769	23 242	40 769	23 242	-	-
Health	53 281	-	26 394	53 576	79 675	53 576	-	-
Human Settlement	63	33	-	-	63	33	-	-
Provincial Legislature	-	-	187	185	187	185	-	-
Royal Household	-	-	1 679	1 679	1 679	1 679	-	-
CO-Operative Gov. & Traditional Affairs	-	-	2 177	2 196	2 177	2 196	-	-
Social Welfare	-	-	1 915	4563	1 915	4 563	-	-
Sports	791	-	2	12	793	12	-	-
Art and Culture	445	-	3 658	671	4 103	671	-	-
Community Safety and Liaison	-	-	1 367	660	1 367	660	-	-
Works	-	-	837	202	837	202	-	-
SASSA	-	-	177	173	177	173	-	-
Unallocated Credits	-	-	-	(10 096)	-	(10 096)	-	-
Other	-	-	77	738	77	738	-	-
TOTAL	54 580	33	93 178	90 915	147 758	90 948	-	-

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2021/22	
	31/03/2022 R'000	31/03/2021 R'000	31/03/2022 R'000	31/03/2021 R'000	31/03/2022 R'000	31/03/2021 R'000	Payment date up to six (6) working days before year end	Amount R'000
DEPARTMENTS								
Current								
Public Work	-	3 572	9 148	-	9 148	3 572	-	-
Department of Education	-	-	16 334	-	16 334	-	-	-
Office of the Premier	-	25	-	-	-	25	-	-
TOTAL	-	3 597	25 482	-	25 482	3 597	-	-

ANNEXURE 5

INVENTORIES

Inventories for the year ended 31 March 2022	Various item of inventory R'000	TOTAL R'000
Opening balance	33 789	33 789
Add: Additions/Purchases – Cash	86 192	86 192
(Less): Issues	(55 119)	(55 119)
Add/(Less): Adjustments	(34 204)	(34 204)
Closing balance	30 658	30 658

Inventories for the year ended 31 March 2021	Various item of inventory R'000	TOTAL R'000
Opening balance	36 454	36 454
Add: Additions/Purchases – Cash	49 890	49 890
(Less): Issues	(52 555)	(52 555)
Add/(Less): Adjustments	-	-
Closing balance	33 789	33 789

ANNEXURE 6

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Non-residential buildings	168 821	32 833	(24)	201 630
Other fixed structures	4 408 277	3 642 240	(1 293 748)	6 756 769
TOTAL	4 577 098	3 675 073	(1 293 772)	6 958 399

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	3 694 145	(206 761)	2 174 935	(1 085 221)	4 577 098
Non-residential buildings	133 191	-	35 630	-	168 821
Other fixed structures	3 560 954	(206 761)	2 139 305	(1 085 221)	4 408 277
TOTAL	3 694 145	(206 761)	2 174 935	(1 085 221)	4 577 098

ANNEXURE 7

INTER-ENTITY ADVANCES RECEIVED (note 15)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
Current						
RTMC Levies	-	9 519	7 065	-	7 065	9 519
DCLA	-	2 213	9 351	-	9 351	2 213
TOTAL	-	11 732	16 416	-	16 416	11 732

ANNEXURE 8

COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	3 086	755	303	332	4 476	8 364
Cons Supplies	2 180	246	-	244	2 670	7 065
Property Payments	576	352	156	-	1 084	571
Rental and Hiring	-	-	147	23	170	-
Venues and Facilities	330	157	-	65	552	727
Contractors	-	-	-	-	-	1
Expenditure for capital assets	-	83	105	105	293	519
Other machinery and equipment	-	83	105	105	293	519
TOTAL COVID 19 RESPONSE EXPENDITURE	3 086	838	408	437	4 769	8 883



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KWAZULU-NATAL PROVINCE

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REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2021/22

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