GOVERNMENT MOTOR TRANSPORT

ANNUAL PERFORMANCE PLAN
2009/10 - 2011/12

DEPARTMENT OF
TRANSPORT & PUBLIC WORKS

Apology

We fully acknowledge the Province's language policy and endeavour to implement it. It has been our experience that the English version is in the greatest demand. Consequently, the document will be available in the other two official languages as soon as possible. In the event of any discrepancy between the different translations of this document, the English text shall prevail.

Verskoning

Ons gee volle erkenning aan die Provinsie se taalbeleid en streef daarna om dit toe te pas. Praktyk het egter geleer dat die Engelse weergawe van die dokument in aanvraag is. Die dokument sal gevolglik so gou as moontlik in die ander twee amptelike tale van die Wes-Kaap beskikbaar wees.

Isingxengxezo

Siyawamkela ngokupheleleyo umgaqo-nkqubo weelwimi wePhondo yaye sisenza konke ukuwufezekisa. Amava ethu abonakalise ukuba ulwimi lwesiNgesi lolona lusetyenziswa kakhulu. Ngoko ke olu xwebhu luya kufumaneka nangezinye iilwimi ezimbini ezisemthethweni kwakamsinya. Xa kuthe kwafumaneka iziphene kwiinguqulelo ezahlukeneyo, ulwimi lwesiNgesi lolona luya kusetyenziswa.

ABBREVIATIONS

AFS	Annual Financial Statements	APP	Annual Performance Plan
AC	Accounting Standard	BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment	CCGMT	Co-ordinating Committee for Government Motor Transport
COTO	Committee of Transport Officials	ECM	Enterprise Content Management system
EE	Employment Equity	eFuel	Electronic Fuel Purchasing System
eMATS	Electronic Management and Tracking System	ERM	Enterprise Risk Management
FleetMan	Fleet Management System	GAAP	Generally Accepted Accounting Practices
GRAP	Generally Recognised Accounting Practices	GMT	Government Motor Transport
GPS	Global Positioning System	ICT	Information Communication Technology
Ikapa GDS	iKapa Growth and Development Strategy	ITIL	Information Technology Information Library
LOGIS	Logistical Information System	MIB	Management Information Bureau
Mil	Million	NAPS	Nominated Accounts Payment System
PERMIS	Performance Management Information System	PGWC	Provincial Government Western Cape
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999 as amended)	SCOA	Standard Chart of Accounts
SLA	Service Level Agreement	TEEPS	Transversal Employment Equity Plan System

FOREWORD

By the Minister Responsible for Transport and Public Works

Government Motor Transport Trading Entity (GMT), as a strategic business unit within the Department of Transport and Public Works, fulfils its mandate to deliver cost effective motor transport services to its client departments and agencies. These services are streamlined and upgraded on a continuous basis in support of the goals of the *iKapa* Growth and Development Strategy.

A well organised motor transport division dedicated to the core functions related to vehicle fleet management takes the burden off clients to enable them to concentrate on their core functions, thus ensuring high efficiency levels and cost effectiveness at both ends.

Through effective internal processes and resources GMT will continue to address present day requirements, keep abreast with modern technology and trends, and ensure value for money on a sustainable basis.

I fully endorse this Annual Performance Plan, 2009/2010 and want to provide my assurance that I am committed to its implementation through the professional and practical services offered by Government Motor Transport.

I wish to thank the Provincial Parliament and the Standing Committees for their oversight of this Entity in the past year and welcome their inputs in the year ahead. It is only in this way that we improve accountability, force introspection and serious reflection on the programmes and projects underway.

KOLEKA MQULWANA
MINISTER OF TRANSPORT AND PUBLIC WORKS

Date: 31 March 2009

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FIGURE 1: Macro-Organisational Structure linked to Government Motor Transport Trading Entity

GMT
1 x Senior Manager
(13)

Personal Asst (7)

FLEET MANAGEMENT
Manager (11)

FLEET LOGISTICS
Manager (10)

FLEET FINANCE
Manager (11)

FLEET RISK MANAGEMENT
Manager (11)

Fleet Control
1 x Asst Manager (8)

2 x Adm Asst (4)
1 x Technical Asst (8)
3 x Driver (2)

Vehicle Auxiliary Services
1 x Asst Manager (8)

2 x Adm Asst (5)
6 x Adm Asst (4)

Technical Services
1 x Asst Man : Tech Services (9)

8 x Technical Asst (8)
2 x Admin Asst (4)
2 x Driver (2)
2 x Technical Aid (2)

Process Monitoring
1 x Asst Manager (8)

4 x Adm Asst (6)

Vehicle Hiring
1 x Asst Manager (8)

1 x Adm Asst (5)
6 x Adm Asst (4)
2 x Driver (2)
1 x Technical Aid (2)
5 x Cleaning Asst (1)

Office Support Services
1 x Asst Manager (7)

2 x Adm Asst (5)
3 x Archives Clerk (4)
3 x Messenger (2)

Computers & Systems
1 x Asst Manager (8)

1 x Admin Asst (5)

Training
2 x Asst Manager (7)

Management Information Bureau (MIB)
1 x Asst Manager (8)

1 x Admin Asst (3)
1 x Admin Asst (5)

Financial Control
1 x Asst Manager (9)

4 x Finance Asst (5)

Debtors Control
1 x Asst Manager (7)

7 x Finance Asst (4)

Provisioning Services
1 x Asst Manager (8)

5 x Adm Asst (4)

Accidents
1 x Asst Manager (8)

5 x Adm Asst (5)

Losses
1 x Asst Manager (8)

5 x Adm Asst (5)

Accidents / Third Parties
1 x Asst Manager (8)

5 x Adm Asst (5)

Post levels in brackets

FIGURE 2: Micro-Organisation: Government Motor Transport Trading Entity

1.   **Overview of Strategic Performance Plan**

This year's Annual Performance Plan (APP) is the fourth published by Government Motor Transport Trading Entity (GMT). GMT will continue to operate within the administration of the Department of Transport and Public Works as per the legal requirement.

This is also the last full year APP before the 2010 FIFA World Cup.

GMT will, additional to its regular activities, further direct its fleet strategy by taking service levels to new heights to ensure that its clients meet their responsibilities and deliverables. Meeting additional client demands within the current economic climate has been factored into GMT's mandate. Fleet operations will also be benchmarked against global standards with a focus towards greater cost and operational efficiency.

2.   **Strategic Plan Update Analysis**

2.1   **Legislative Mandate**

The achievement of the strategic goals is guided by the following constitutional and other legislative mandates:

Administrative Adjudication of Roads Traffic Offences Act, 1998 (Act 46 of 1998) and Regulations, 2008
Adult Basic Education and Training Act, 2000 (Act 52 of 2000)
Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
Code of Conduct
Collective Agreements
Criminal Procedure Act, 1977 (Act 51 of 1977)
Debt Collectors Act, 1998 (Act 114 of 1998)
Employment Equity Act, 1998 (Act 55 of 1998)
Employment of Education and Training Act, 1998 (Act 76 of 1998)
Further Education and Training Act, 1998 (Act 98 of 1998)
General and Further Education and Training Quality Assurance Act, 2001 (Act 58 of 2001)
Institution of legal proceedings against certain Organs of the State Act, 2002 (Act 40 of 2002)
Labour Relations Act, 1995 (Act 66 of 1995)
National Archives Act, 1996 (Act 43 of 1996)
National Education Policy Act, 1996 (Act 27 of 1996)
National Road Traffic Act, 1966 (Act 93 of 1996)
Occupational Health and Safety Act, 1993 (Act 85 of 1993)
Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
Promotion of Access to Information Act, 2000 (Act 2 of 2000)
Public Audit Act, 2004 (Act 25 of 2004)
Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999), Treasury Regulations and Provincial Treasury Instructions
Public Service Act, 1994 (Act 103 of 1994) and Regulations, 2001
Public Service Staff Code
Road Traffic Management Corporation Act, 1999 (Act 20 of 1999)
Skills Development Act, 1998 (Act 97 of 1998)
Skills Development Levies Act, 1999 (Act 9 of 1999)
South African Qualifications Act, 1995 (Act 58 of 1995)
South African Qualifications Regulations
The Constitution of the Western Cape, 1998 (Act 20 of 1998)
The Constitution, 1996 (Act 103 of 1996)
Western Cape Road Traffic Act, 1998 (Act 12 of 1998)

In addition, there are other internal policy documents, frameworks and guidelines which further govern the responsibilities and obligations of GMT.

2.2   Review Process

Looking back at the 5-Year Strategic Plan, drafted in 2005/06, the strategic direction set for GMT focused on the following:

1. The utilisation of technology to increase effectiveness / efficiency and productivity.

2. The elimination of fraudulent fuel and maintenance transactions.

3. Consultation with clients to determine their requirements and conclusion of service level agreements.

4. The renewal of the fleet.

5. The training and development of internal staff and transport officials.

6. Improve Black Economic Empowerment (BEE).

7. The migration of the financial system to be GAAP compliant.

8. The streamlining of the billing of tariff charges.

The following are the key achievements relating to the aforementioned focus areas reported by GMT:

The utilisation of technology to increase effectiveness / efficiency and productivity

The newly developed dedicated risk module within FleetMan was implemented to enable GMT to compile regular risk profiles for utilisation in the detection of risks and compilation of action plans to contain such risks. Furthermore, the fleet management system (FleetMan) was enhanced to standards that compares favourable with similar Oracle based international systems. FleetMan has also been upgraded to the latest Oracle 11g database version including three separate computer servers (development, test and production) as the first in the Western Cape. The vehicle maintenance and fuel management and tracking and control systems from private vendors were also successfully integrated with FleetMan. The functionalities of the latter were subsequently demonstrated to other provinces and local authorities which sparked enthusiasm. Plans for the sharing of this asset are in the final stages of development and discussion.

The elimination of fraudulent fuel and maintenance transactions

The fleet is fitted with electronic fuelling devices and authorisation of fuel transactions occurs via an on-line computer server. Transaction data is immediately relayed to FleetMan where early warning exception reports and dedicated scrutiny of trends now identify any possible irregularities very soon after it occurs. Fraud cases have almost been eliminated.

Consultation with clients to determine their requirements and conclusion of service level agreements

Client forums that meet on a monthly basis are tasked to manage all operational and financial matters. This has proven to be an effective communication platform where transversal issues are raised by both the clients and GMT and the focus is aimed at solutions to address them. Formal SLA's detailing all the services offered by GMT and the client's expectations together with the required service levels have been concluded. It is expected to finalise the initiative during 2009/2010.

The renewal of the fleet

The minimum standards for entry level sedans have been raised to vehicles with air conditioning and power steering. The ambulance, rescue and response vehicle fleet has been renewed and meets the present day requirements of the client. Most of the vehicle conversions are done by local firms in the Western Cape and therefore provides for economic growth and faster turn around times.

The training and development of internal staff and transport officials

Some 87% of GMT's staff members are computer literate and have access to e-mail facilities, the FleetMan system and other systems such as LOGIS, BAS, ECM and PERMIS. The development of staff is performed via the annual performance plans and monitored on a quarterly basis. The departmental transport officers receive their operational training from the GMT training team. Their effectiveness is monitored on a continuous basis and assessed during the annual client satisfaction surveys.

Improve Black Economic Empowerment (BEE)

Fleet maintenance and repair activities that include accident repairs are fully outsourced and managed by the service agent Nedfleet in association with GMT Technical Services. The monthly expenditure is monitored and categorized to indicate the BEE market share. Special attention is given to increase the said share.

The migration of the financial system to be GAAP compliant

External accounting and management specialists assisted GMT in preparing the migration plan to convert its accounting framework from the modified cash basis (Generally Recognised Accounting Practices [GRAP]) to accrual basis (Generally Accepted Accounting Practices [GAAP]). The migration is required to comply with the Treasury Regulations applicable to Trading Entities. The approval to acquire the new system was obtained and implementation is in full swing and should be completed by the end of the 2009/10 financial year.

The streamlining of the billing of tariff charges

One of the major challenges experienced over many years was the utilisation of log sheet data for billing purposes that caused discrepancies in the accounting of transactions. This was overcome by GMT through replacing the capturing of log sheet data with an electronic process (e-Billing) with effect from 1 April 2006 whereby odometer readings via the tracking devices and the fueling processes are utilised. This ensured that all revenue is recorded in the financial year in which the service is rendered as prescribed in the GAAP Principle for Revenue (AC111/IAS18). Furthermore, this also prevented the audit enquiries experienced during previous years.

GMT embraced departmental transformation. The shifts in the employment equity statistics of GMT is reflected in the Department's Annual Performance Plan. TABLE 1 below is an extract from the said Annual Performance Plan that shows the movement from the employment equity targets set in 2005/06 to the situation as at 31 December 2008.

TABLE 1: Employment Equity Targets set in 2005/06 Versus Actual at 31 December 2008

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management Service									
Target	4	7	0	10	3	2	0	3	29
Actual	7	11	0	6	2	2	0	2	30
Net Movement	3	4	0	-4	-1	0	0	-1	1
Professionally qualified and experienced specialists and middle management									
Target	15	75	1	90	7	13	0	19	220
Actual	9	30	1	55	1	8	0	10	114
Net Movement	-6	-45	0	-35	-6	-5	0	-9	-106
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Target	32	67	2	84	23	66	1	49	324
Actual	56	147	1	117	57	100	2	56	536
Net Movement	24	80	-1	33	34	34	1	7	212
Semi-skilled and unskilled									
Target	277	377	2	48	52	206	3	54	1019
Actual	267	349	0	41	100	228	2	41	1028
Net Movement	-10	-28	-2	-7	48	22	-1	-13	9
SUMMARY									
Target	328	526	5	232	85	287	4	125	1592
Actual	339	537	2	219	160	338	4	109	1708
Net Movement	11	11	-3	-13	75	51	0	-16	116

The GMT Micro Structure requires further work.

2.3   Strategic Planning Process

The management team of GMT meets on a regular basis to evaluate the strategic direction and to redirect where necessary. The focus areas as stated in par 2.2 above remained unchanged during the period under review.

2.3.1   Vision

The best government motor transport service.

2.3.2   Mission

To strive to become the leader in government motor transport services by providing quality, integrated and cost effective motor transport services to provincial and national departments/institutions inclusive of a pleasant, safe and interactive environment where staff are offered the opportunity of development and self-improvement.

2.3.3   Values

Our actions, conduct and behaviour will be guided by the following principles:

*   Valuing our staff.
*   Mutual respect at all levels of the organisation.
*   Highest level of integrity and ethics.
*   Creativity, innovation and leadership.
*   Accountability and transparency.
*   People centred service delivery.

2.4   Service Delivery Environment

The following aspects within the service delivery environment form the backbone of the organisation and measurement will take place on a monthly basis, the results of which will be summarised and published in the Annual Report:

2.4.1   Main Services Provided and Standards

GMT's main service is to provide vehicle fleet management services to clients in managing the vehicle fleet of the government. The actual as well as future potential clients are identified through consultation forums. A service standard is set for each of the clients together with the actual achievements.

GMT utilises electronic odometer readings, obtained during the fueling process, together with the monitoring of vehicle movements through installed tracking devices, to compile the monthly accounts of the clients. This ensures that all revenue is recorded in the financial year in which the service is rendered as prescribed in the Generally Accepted Accounting Practice (GAAP) Principle for Revenue Accounting Standard (AC111/IAS18).

Challenge/Strategy: The fuel expenditure of the vehicle fleet forms approximately 70% of the running expenditure and GMT will continue to focus on this component to manage the utilisation effectively and to contain the high cost of transport. The effective management of fuel and associated cost will be done through the full use of the new online improved MPower version of eFuel in association with the tracking facilities. Clients play a vital role in the partnership drive to contain the cost of fuel. Unacceptable driver behaviour resulting in engine over revving, harsh breaking, speeding and unauthorised trips contributes to unnecessary fuel usage and associated costs. Clients receive regular risk profile and vehicle utilisation reports that highlight this type of behaviour trends for management purposes.

2.4.2   Consultation Arrangements with Clients

The users of the fleet are external clients comprising of provincial and national client departments and agencies. The following client forums and committees are functional that enable regular interaction:

Client Forum (Operational)

Client Forum (Financial)

Transport Control (Health and Emergency Medical Services (EMS))

Tracking and Control (EMS)

Tracking and Control (Vendors)

Maintenance Management (Vendors)

Fuel Management (Vendors)

Subsidised Transport (Provincial)

These forums actively participate in the annual client surveys instituted to measure service levels and client expectations.

Challenge/Strategy: The consultation arrangement with client departments at more senior levels, require more attention. The GMT Management team will develop a strategy to strengthen the current arrangements similar to those already in operation between GMT and the Department of Health and EMS. This forum is directed at strategic issues that require the attention of senior management. Special attention will be directed towards the national client departments.

2.4.3   Service Delivery Access Strategy

Service level agreements (SLA) were consulted with the clients to cater for all requirements. The following clients have signed-off SLA's with GMT:

Provincial (6)
Agriculture
Cultural Affairs and Sport
Education
Health
Premier
Treasury

National (1)
Independent Complaints Directorate

The following clients must still sign-off:

Provincial (8)
Cape Nature
Community Safety
Economic Development
Environmental Affairs and Development Planning
Local Government and Housing
Parliament
Social Development
Transport and Public Works

National (13)
Foreign Affairs
Home Affairs
Justice and Constitutional Development
Labour
Land Affairs
Marine and Coastal Management
Mineral and Energy Affairs
Prosecuting Authority
Office of the Presidency
Parliament
Public Service Commission
Public Works
South African Social Security Agency (SASSA)

Challenge / Strategy: GMT will aim to get all the SLA's signed by the clients during 2009/10. Furthermore, current arrangements will be revisited and enhanced.

2.4.4   Service Information Tool

Documentation, e.g. agendas and minutes are standardised and processed in terms of set guidelines.

All policy, procedural guidelines and internal communications are published in an electronic format and distributed on a regular basis. These documents will soon be migrated to the departmental Enterprise Content Management (ECM) system to enable easy and controlled access.

The services to clients are supported via the Management Information Bureau (MIB) and existing Technical Help Desk facilities, thus ensuring a single point of entry where enquiries can be dealt with effectively and efficiently.

The functionality of the fleet management system (FleetMan) has been optimised and web enabled and clients are issued user rights to make use of the system. Furthermore, the first phase of the GMT web site has been released enabling clients to obtain their monthly accounts electronically immediately after issuing, thus enabling them to reconcile quicker and effect payment within the 30 day PFMA requirement.

Up to date policy documents and guidelines can be accessed from the central GMT internal document repository without having to store individual copies, thus preventing duplication and outdated documents.

Challenge / Strategy: The ECM system has been made available to GMT and the migration of all policy, procedural guidelines and internal communication to this facility will commence during 2009/10. The further phases of the GMT web site to improve its functionality will be proceeded with in the next financial year.

2.4.5   Complaints Mechanism/Risk Identification

The GMT MIB serves as a nodal point of contact and delivers the following services:

- The establishment of incident management facilities in line with ITIL (Information Technology Information Library) standards for reporting on accidents, breakdowns, hi-jacking, distress calls and alleged misuse of vehicles. The complaints are logged electronically on a full time basis and followed up with the clients after which feedback is given to the complainants.

- The delivery of vehicle tracking management and reporting facilities. The reports are, inter alia, used to monitor vehicle utilisation.

- The management of stolen vehicle recovery services with the assistance of the South African Police Service and where necessary inclusive of air support.

- All traffic offences and accidents committed with official vehicles are captured and analysed together with reported cases of alleged misuse of vehicles as part of the risk management function. The first Risk Profile reports, developed from these analysis were issued to the client departments during 2008/09 for remedial action against the respective officials. The capturing of all incident details in FleetMan was hampered by excessive volumes of traffic offences, further system requirements and internal capacity constraints. The necessary steps to overcome these are in progress and enhanced Profile Reports will be available by March 2009.

GMT identified its own operational and strategic risks and action plans were developed to contain and manage such risks.

Challenge / Strategy: To issue comprehensive Risk Profile Reports to clients to facilitate corrective steps against officials transgressing legislative prescripts and causing fruitless expenditure, increased workloads and unnecessary risks to the State.

2.5   Organisational Environment and Challenges

The micro structure of GMT has undergone minor adjustments in the last few years to streamline the organisation to ensure acceptable service delivery standards. The changing government environment and constant high expectations of the clients necessitated further work to be undertaken to ensure an effective service delivery environment. The necessary micro structure investigation into the organisation and establishment is underway. The revision of the post levels will eliminate existing inconsistencies, prevent an unnecessary outflow of skilled staff and will ensure a realistic work force for the future. The Chief Financial Officer (CFO) is currently engaged in a project to review the departmental financial management micro structure. GMT's financial component will be addressed once the departmental project is completed.

In terms of the Provincial Cabinet approval (Minute 40/2006 dated 28 February 2006) to share computerised application systems, such as FleetMan with other organs of government e.g. provincial and national departments, consultation has commenced via the national Committee of Transport Officials' (COTO's) Co-ordinating Committee for Government Motor Transport (CCGMT) and sparked enthusiasm from the other Provinces and some Municipalities in the Western Cape. The design of a dynamic database and related functionalities are in its final stages and should be finalised towards the end of the 2008/2009 financial year. The first pilot will be launched in the Province of the Free State during April 2009.

The future management of the road construction plant and vehicles (yellow fleet) is under review with possible placement of the departmental structures in the GMT Trading Entity environment. The process will be concluded during 2009/10.

Challenge / Strategy: To finalise the micro structure investigation and to revise the current structure to meet present day demands and clients' expectations in a cost effective way.

GMT will have to further enhance the functionality of FleetMan to ensure fleet cost optimisation to the benefit of its clients.

2.6   Information Systems

The following systems are in use by GMT:

Basic Accounting System: The system is used on a transversal basis throughout government to manage all financial transactions.

eFuel System (MPower): The system is an electronic card free fuelling system and replaces the conventional fuel cards.

Electronic Management and Tracking System (eMATS):   The system is used to track and manage progress of issues/correspondence/submissions.

Electronic Purchasing System: (Tradeworld) The system is utilised to purchase goods and services with a value above R 10 000 but not exceeding R 200 000.

Enterprise Content Management: The system enables staff to track the movement of office files and includes the functionality of an electronic policy document warehouse. The aim of the system is to gradually move from a paper to paperless work environment.

FleetMan: This is a fleet management system, which GMT successfully applies to administer and manage its core business activities in the Western Cape and to assist in achieving their strategic and operational targets. The system is also available to clients to assist them with control and management of the vehicle fleet. The web version of the system is utilised by officials (during and outside normal working hours via remote/internet access) and by clients (on the same basis) to assist them with control and management of the vehicle fleet.

GroupWise: The system is used on a transversal basis throughout the Province to manage e-mail and diaries.

Information Communication Technology (ICT) Plan: Keeping record of the status of all the system requirements. It aligns system requirements with departmental objectives and strategies, and with PGWC ICT strategies.

LOGIS: The system is utilised to manage and facilitate all provisioning processes.

NAPS: The system is used on a transversal basis throughout the Province to manage urgent payments.

PERSAL: The system is utilised to manage and facilitate all human capital management processes.

Performance Management Information System (PERMIS): The system is utilised to administer staff performance agreements and reviews.

Tariff Register: The register is a record of the daily and kilometre tariffs charged to clients for the use of official vehicles. The tariffs are reviewed on a yearly basis to provide for possible increases.

The Western Cape Supplier Database: The data base is used for all suppliers on the LOGIS system, country wide.

Transversal Employment Equity Plan System (TEEPS): The system keeps track of employment statistics and progress with the Employment Equity (EE) plan.

Vehicle Tracking and Control System: The vehicle tracking and control system consists of a tracking unit with an on-board computer that is installed in the vehicle together with an antenna and a display unit/terminal. At least three satellites in high orbit are utilised to capture the vehicle's position. These positions (latitude/longitude) are determined via radio signals between the GPS (Global Positioning System) and the receiver in the on board computer of the tracking unit. The vehicle's "behaviour" is captured via a series of sensors connected to, *inter alia*, the odometer, rev counter, brake system and temperature control unit. The positional data together with the latter is stored in the tracking unit until transmitted to a base station computer via the cellular network system.

Part C: Programme and Plans

3.   Programme Structure

GMT is managed as a Trading Entity and is accommodated in a single Programme.

3.1   Situational Analysis

The trading activities of GMT remained the same as last year and focussed mainly on the provision of cost effective and quality motor transport services to national and provincial client departments and agencies in order that each client may carry out its line functions efficiently and effectively. The fleet of vehicles are allocated to the clients for a period equal to the economic life cycle of each class/type of vehicle. A part of the fleet is available on a relief and temporary basis from a general pool. In return GMT charges a daily and a kilometre tariff (usage charges) on the vehicles to recover the capital, running and overhead costs. At the end of the economic life cycle of each vehicle, it is withdrawn from service and replaced with a new one. The old vehicles are sold on public auctions.

GMT, as was the case with most of the private sector delivering on vehicle fleet services, was faced with challenges mostly emanating from the global financial turmoil and economic climate. South African new and second hand vehicle sales plummeted during 2008 and forecasts indicate that this trend will continue further into 2009. This has led to increases in fleet operating costs. Fleet owners will therefore have to extend replacement periods being the easiest action that would contain costs. This challenge is recognized and GMT will focus its attention on ensuring that costs are well managed and contained to prevent an escalation in costs for its client departments.

An analysis of cost contributors to GMT fleet operations (excluding capital, technology enhancements and overheads) has shown that fuel is the major contributor of 70%. Repairs and maintenance make up the remaining 30%. The continued fuel price increases also made it extremely difficult to forecast the tariffs in future financial years. It therefore required that dedicated attention be given to the management of these costs. The fitment of the eFuel (card free) technology to the fleet was maintained to allow for fuel procurement to authorised vehicles only to curb possible fraud. Furthermore, an on-line 24/7-eFuel-authorisation service for use by participating Oil Company Retail Service Stations introduced with effect from 1 October 2007 was further enhanced. The upload of transactional data is also performed on a real time basis. This functionality has strengthened the management and control process.

The vehicle tracking project was further rolled out and maintained to assist with the cost effective utilisation of the fleet. One of the spin-offs of the project is that the stolen vehicle recovery rate has increased. Electronic vehicle movement reports are utilised to substantiate trip authorities. The development of electronic trip reports in replacement of manually compiled log reports is in progress and a pilot project to test these reports should be ready during the first quarter of 2009. The MIB serves as a nodal point where client departments can obtain management information.

The full system integration between the two tracking and control systems and FleetMan is in progress. The implementation will proceed once the service providers are ready to migrate from their SQL database platforms to Oracle utilised for FleetMan.

GMT is still faced with the challenge to convert its Annual Financial Statements (AFS) at the end of the financial year from Generally Recognised Accounting Practices (GRAP) (modified cash based) to GAAP (accrual based). Approval to acquire a GAAP compliant accounting system has been received from the National Treasury and a migration plan for implementation has been developed. It is anticipated to run the new system parallel to BAS for the first few months of the 2009/10 financial year to test all functionalities. GMT will switch over to the new system once all requirements are met to the satisfaction of the Chief Financial Officer of the department, the Auditor-General and the Provincial Treasury.

3.2   Policies, Priorities and Strategic Objectives

3.2.1   Policies

The activities of GMT are guided by the legislative prescripts set by the Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999). The operational guidelines are set in National Transport Circular 4 of 2000. The latter is broadened by Provincial Policy and guidelines developed by GMT. Transversal policy is developed and supported via the CCGMT as the responsible sub-committee of the governmental COTO structure, together with the national Department of Transport, other Provinces, the South African Police Service and the South African National Defence Force. Policy and other guideline documentation are published electronically.

3.2.2 Priorities

The activities of GMT are to a large extent influenced by the financial environment and the requirements set by its clients. Funds are not allocated via the normal budget process applicable to government departments. Income is derived mainly from the tariff structure. The tariffs per financial year are based on actual expenditure over the previous financial year plus a percentage increase, obtained from statistical sources, to allow for future growth and through a process of consultation with clients.

The following priorities have been identified:

- The acquiring and implementation of a GAAP compliant accounting system.

- The full roll-out of the existing MIB on a full time basis (including after hours service).

- The further enhancement of electronic systems to keep up with present day expectations.

- The further development and optimisation of human capital.

- The full implementation of SLA's with all clients.

- The full implementation of a competitive approach in all business processes.

3.2.3 Strategic Goals/Objectives

The following Table depicts the strategic goals within GMT together with the related strategic objectives.

TABLE 2: Strategic Goals and Objectives

STRATEGIC GOAL 1: Keeping the fleet within its life expectancy.

STRATEGIC OBJECTIVES:

- Planned replacement of vehicles.
- Strengthening of the general pool vehicle capacity in preparation for 2010 events.
- Standard service, maintenance and repairs of vehicles.
- Regular technical inspections.
- Effective utilisation of fleet.
- Maintain the asset register.

STRATEGIC GOAL 2: Improving vehicle management and control.

STRATEGIC OBJECTIVES:

- Functional training of transport officers (operational and FleetMan).
- Maintenance of a vehicle tracking and control service.
- Enhancement and improvement of FleetMan.
- Equitable distribution of maintenance/repair/conversion work activities to merchants.
- Monitoring of fuel efficiency.
- Management of misuse complaints and traffic violations.
- Management of the fleet risk strategy.

STRATEGIC GOAL 3: Implementation of effective debtor management

STRATEGIC OBJECTIVES:

- Improved follow-up procedures.
- Write-off of irrecoverable amounts from debtors.
- Preventing bad debt.
- Electronic publishing of billing data.
- Implementation of a GAAP accounting system.

Strategic Goal 4: Development & implementation of effective business processes

STRATEGIC OBJECTIVES:

- Documentation and update of all business processes.
- Evaluation of existing processes.
- Determining of gap areas in processes.
- Updating of policies, guidelines and procedures.

STRATEGIC GOAL 5: Improvement of efficiency through electronic systems.

STRATEGIC OBJECTIVES:

- Updating of ICT infrastructure.
- Formalising a permanent development team.
- Monitoring of development progress.
- Roll-out of management services to external clients.
- Maintain the GMT web site.
- Improvement of communication platforms.

STRATEGIC GOAL 6: Improvement of quality of service to clients.

STRATEGIC OBJECTIVES:

- Maintain regular operational and financial client forums.
- Establishment of client requirements.
- Refurbishment of used vehicles.
- Conduct yearly client surveys.
- Evaluation of client survey results.
- Implementation of improved procedures.
- Ordering of additional vehicles.
- Provisioning of general hire and privately hired vehicles.
- Capacity improvements at GMT through a revised micro structure organisation and re-evaluated post levels.

STRATEGIC GOAL 7: Empowerment of clients to manage vehicles effectively.

STRATEGIC OBJECTIVES:

- Regular publishing of management information, guidelines, risk trends, tips and analysis.
- High level training of clients
- Promotion of new initiatives.

3.3   Analysis of Constraints/Challenges and Measures Planned/Strategy to Overcome Them

GMT utilises technology to support its services rendered to client departments. However, an effective and efficient work force is required to deliver comprehensive fleet services. Changes to the human resource requirements are identified in conjunction with the Human Capital Management component of the Department of Transport and Public Works. The additional requirements form part of the micro organisational re-structuring project.

The economic life cycles of vehicles should improve with the full deployment and utilisation of the vehicle tracking and control system in the fleet. It is also envisaged that the unauthorised usage of government vehicles should decrease and be brought under control with the electronic vehicle issuing and activity reporting on vehicles. Furthermore, the issuing of risk profiles on drivers committing traffic offences will be an additional measure to identify and curb unacceptable driver behaviour. The latter is regarded as the largest single cost driver that could negatively impact on the overall condition of the fleet and the cost to the end-user.

The slow manual reconciliation of financial transactions will be eliminated with the planned implementation of electronic interfaces between BAS (client departments), the envisaged GAAP compliant accounting system and FleetMan (GMT).

3.4 Description of Planned Quality Improvement Measures

GMT is endeavouring to maintain the renewal of the fleet well within each vehicle's life expectancy and to continue with the functional training of the transport and financial officials and to improve vehicle management and control with the assistance of the vehicle tracking and control system and output data received from the service providers responsible for maintenance and fuel management of the fleet. New service providers were appointed with effect from 1 October 2007 to deliver services based on the specific requirements of GMT.

GMT will continue to make use of FleetMan, as well as the Functional Training Section and the technical staff to measure its performance and objectives. Client surveys will also be used as a measurable objective.

GMT completed the implementation of the vehicle tracking and control system in full during the 2007/2008 financial year in order to improve the management of the government fleet. Through the implementation of further objectives of the *iKapa* GDS, GMT will have direct control over vehicle repairs, which will be monitored by its technical staff that will report on these measures. GMT will also continue to manage the identified risks through planning and the implementation of control measures.

3.5 Specification of Measurable Objectives and Performance Indicators

The following Table depicts the measurable objectives, performance indicators and targets in support of the strategic goals:

TABLE 3: Measurable Objectives, Performance Indicators and Targets

Strategic Goal												
Strategic Objective Measurable Objectives	Performance Measure or Indicator	Year - 1 2007/08		Base Year 2008/09	Target 2009/10					Year 2 2010/11 Target	Year 3 2011/12 Target
		(Target)	(Actual)	(Estimate)	Q1	Q2	Q3	Q4	AT		
1. Keep the fleet within its life expectancy												
Replacement of vehicles (Measurement type amended - not to be repeated in 2009/10)	% of fleet within norms according to replacement programme	n/a	90	81	-	-	-	-	-	-	-
Replacement of vehicles (new)	No of vehicles procured and issued	n/a	n/a	492	150	150	150	150	600	600	600
Service and maintenance of vehicles (Measurement type amended - not to be repeated in 2009/10)	Vehicles not serviced and maintained as per manufacturers warranties	n/a	0	0	-	-	-	-	-	-	-
Service and maintenance of vehicles (new)	No of vehicles serviced and maintained as per manufacturers warranties	n/a	n/a	4471	1120	1120	1120	1120	4480	4480	4480
Technical inspections (Measurement type amended - not to be repeated in 2009/10)	% of fleet inspected 2 x per vehicle per year	n/a	95	72	-	-	-	-	-	-	-
Technical inspections (new)	No of vehicles inspected	n/a	n/a	6463	1700	1700	1700	1700	6800	6800	6800
Identify under utilisation	No of monthly publications 1 set of management reports per client	n/a	12	12	3	3	3	3	12	12	12
Maintain the asset register	No of asset registers issued on a quarterly basis	n/a	4	4	1	1	1	1	4	4	4

Strategic Objective Measurable Objectives	Performance Measure or Indicator	Year - 1 2007/08 (Target)	(Actual)	Base Year 2008/09 (Estimate)	Target 2009/10 Q1	Q2	Q3	Q4	AT	Year 2 2010/11 Target	Year 3 2011/12 Target
2. Improving vehicle management and control											
Training of transport officials (Operational)	No of sessions completed	n/a	5	10	2	2	2	2	8	8	8
Training of transport officials (FleetMan)	No of sessions completed	n/a	0	12	2	2	2	2	8	8	8
Implementation of vehicle tracking and control (Measurement type amended - not to be repeated in 2009/10)	Vehicles completed - fitment of initial vehicle fleet	n/a	4123	4185	-	-	-	-	-	-	-
Implementation of vehicle tracking and control (new vehicles) (Measurement type amended - not to be repeated in 2009/10	% Additional vehicles completed - fitment of additional vehicles added to the fleet	n/a	100	100	-	-	-	-	-	-	-
Implementation of vehicle tracking and control (new)	No of new vehicles fitted	n/a	n/a	150	38	38	38	38	152	152	152
Maintaining of vehicles tracking and control system (Measurement type amended - not to be repeated in 2009/10)	% Fleet completed - maintenance of existing vehicles	n/a	100	100	-	-	-	-	-	-	-
Maintaining of vehicle tracking and control (new)	No of vehicles maintained	n/a	n/a	4185	4223	4247	4261	4299	4299	4299	4299
Equitable distribution of maintenance/repair/ conversion work activities to merchants	% Value of monthly expenditure - increased BEE market share	n/a	21	22	23	24	25	26	25	30	35
Logging of misuse complaints and follow up	No of cases reported - to register all reported cases in FleetMan, and refer to the client departments for feedback	n/a	553	644	161	161	161	161	644	644	644
Logging of other incidents	No of cases reported - to register in FleetMan and referred	n/a	510	624	171	171	171	171	684	684	684
Process traffic violation incident documentation. (Measurement type amended - not to be repeated in 2009/10)	No of traffic violation incident documentation received - to register in FleetMan and refer to client departments for feedback	n/a	12693	22362	-	-	-	-	-	-	-
Process Traffic violations (new)	No of traffic violations processed - to register in FleetMan and refer to client departments for feedback and finalisation	n/a	n/a	6599	1815	1815	1815	1815	7260	7260	7260
Implementation of the risk management module in FleetMan (Fully implemented - not to be repeated in 2009/10	% executed - to register all reported losses in FleetMan, and finalise these cases i.t.o. the GMT self insured strategy	n/a	100	100	-	-	-	-	-	-	-
Address claims against the State from 3rd parties (new)	No of cases processed - to register and administer all reported cases in terms of the fleet risk strategy	n/a	n/a	74	20	20	20	20	80	80	80
Address all accidents and losses incidents (new)	No of cases processed - to register and administer all reported cases in terms of the fleet risk strategy	n/a	n/a	1845	507	507	507	507	2028	2029	2029

Strategic Objective Measurable Objectives	Performance Measure or Indicator	Year - 1 2007/08		Base Year 2008/09	Target 2009/10					Year 2 2010/11 Target	Year 3 2011/12 Target
		(Target)	(Actual)	(Estimate)	Q1	Q2	Q3	Q4	AT		
3. Implementation of effective debtor management											
Decrease amount of outstanding debt dated from 31 March of the previous year	Outstanding in Rand value - comply with PFMA	n/a	11 mil	8.9 mil	60 mil	20 mil	10 mil	3 mil	3 mil	3 mil	3 mil
Debt handed over to Provincial Treasury to recoup on behalf of GMT (new)	All avenues exhausted, amount in Rand value handed over	n/a	n/a	n/a	40 mil	20 mil	10 mil	3 mil	3 mil	3 mil	3 mil
Full implementation of debtor management module in FleetMan (Fully implemented - not to be repeated in 2009/10)	No of monthly publications - electronic publishing of billing data	n/a	n/a	100	-	-	-	-	-	-	-
Introduce new GAAP accounting system (new)	Per phase implementation in terms of migration plan (phase 1- 6)	n/a	n/a	1	1	3	6	-	6	-	-

Strategic Objective Measurable Objectives	Performance Measure or Indicator	Year - 1 2007/08		Base Year 2008/09	Target 2009/10					Year 2 2010/11 Target	Year 3 2011/12 Target
		(Target)	(Actual)	(Estimate)	Q1	Q2	Q3	Q4	AT		
4. Development and implementation of effective business processes											
Drafting of business processes	No of processes completed - document all business processes as per Business Plan	n/a	116	183	186	191	198	207	207	207	207
Maintaining/upkeep of business processes (Measurement type amended - not to be repeated in 2009/10)	% processes documented - maintain all business processes as per Business Plan	n/a	80	80	-	-	-	-	-	-	-
Maintaining/upkeep of business processes (new)	No of processes revisited and amended - maintain all business processes as per Business Plan	n/a	n/a	27	2	2	2	3	9	10	12
Evaluation of business processes (Measurement type amended - not to be repeated in 2009/10)	% completed - evaluated business processes on a regular basis as per Business Plan	n/a	100	100	-	-	-	-	-	-	-

Strategic Objective Measurable Objectives	Performance Measure or Indicator	Year - 1 2007/08		Base Year 2008/09	Target 2009/10					Year 2 2010/11 Target	Year 3 2011/12 Target
		(Target)	(Actual)	(Estimate)	Q1	Q2	Q3	Q4	AT		
5. Improvement and enhancement of electronic systems											
Upgrading of computer server and associated desktop hardware (Fully implemented - not to be repeated in 2009/10)	% of maintenance programme - maintain equipment in terms of business standards and maintenance plan	n/a	80	100	-	-	-	-	-	-	-
Development of GMT web site. (Fully implemented - not to be repeated in 2009/10)	Functional web site completed - deploy the web site to meet business requirements	n/a	0	1	-	-	-	-	-	-	-
Full deployment of the MIB (Fully implemented - not to be repeated in 2009/10)	% vacancy rate - manage fleet management information	n/a	57	100	-	-	-	-	-	-	-
Electronic delivery of monthly accounts (new)	No of monthly accounts delivered	n/a	n/a	0	2	6	5	2	15	15	15
Compile and publish policy circulars (new)	No of reports issued	n/a	n/a	n/a	8	8	8	8	8	32	32

Strategic Objective Measurable Objectives	Performance Measure or Indicator	Year - 1 2007/08 (Target)	(Actual)	Base Year 2008/09 (Estimate)	Target 2009/10 Q1	Q2	Q3	Q4	AT	Year 2 2010/11 Target	Year 3 2011/12 Target
6. Improvement of quality of services to clients											
Maintain regular operational and financial client forums	No of monthly meetings - comply with Business Plan requirements	n/a	10	8	2	3	3	3	3	10	10
Conduct client surveys	Yearly survey - comply with Business Plan requirements	n/a	1	1	0	0	1	0	1	1	1
Provision of new additional vehicles (over and above normal replacements) (Measurement type amended - not to be repeated in 2009/10)	% of vehicles ordered - procurement of vehicles in terms of client requirements	n/a	100	100	-	-	-	-	-	-	-
Provision of new additional vehicles (over and above normal replacements) (new)	No of vehicles ordered - procurement of vehicles in terms of client requirements	n/a	n/a	192	50	50	50	50	200	200	200
Provision of general hire vehicles and privately hired vehicles (Measurement type amended - not to be repeated in 2009/10)	% of vehicles hired - procurement of temporary and stand-by vehicles as per client requirements	n/a	100	100	-	-	-	-	-	-	-
Provision of general hire vehicles and privately hired vehicles (new)	No of vehicles hired - procurement of temporary and stand-by vehicles as per client requirements	n/a	n/a	2952	470	470	470	470	1880	1880	1880
Vehicle Technical Helpdesks maintained (Fully implemented - not to be repeated in 2009/10)	% requests processed - scrutinise requests for authorisations	100	100	100	-	-	-	-	-	-	-

Strategic Objective Measurable Objectives	Performance Measure or Indicator	Year - 1 2007/08 (Target)	(Actual)	Base Year 2008/09 (Estimate)	Target 2009/10 Q1	Q2	Q3	Q4	AT	Year 2 2010/11 Target	Year 3 2011/12 Target
7. Empowerment of clients to manage vehicles effectively											
Compile and publish operational management information (Measurement type amended - not to be repeated in 2009/10)	No of monthly publications - 1 set of management information for management of fleet per client and GMT staff	n/a	12	12	-	-	-	-	-	-	-
Compile and publish operational management reports (new)	No of reports issued	n/a	n/a	n/a	13	14	15	16	58	58	58
Compile and publish risk analyses profiles)	No of monthly publications - 1 set of management information to address risks effectively per client	n/a	0	240	66	66	66	66	264	264	264
Maintain a dedicated full time misuse report line (Fully implemented - not to be repeated in 2009/10)	% cases reacted on - to act on recorded cases/calls	100	100	100	-	-	-	-	-	-	-
Provide for a web-enabled FleetMan	Number of active FleetMan users - roll out of Fleetman as per Business Plan requirements	n/a	315	197	245	265	285	305	305	305	305

Performance measurements marked (new) will start in 2009/2010.

3.6   Financial Management

3.6.1   Control and Systems

The transversal Basic Accounting system (BAS) is used to capture all financial transactions and to perform the associated management functions during the financial year. At the end of the financial year contracted specialists assist with the conversion of the AFS to meet the standards of GAAP. The conversion process is only an interim measure to comply with the Treasury Regulations. The National Treasury gave approval to acquire a fully GAAP compliant accounting system. A multi-disciplinary team under the auspices of GMT is currently engaged in the roll-out of the system (thus overcome manual conversions). It is planned to complete the full implementation during the 2009/10 financial year.

3.6.2   Strategies to address Audit Queries

The aim is to provide quality and timely responses to audit requests and communications in the first instance; provide effective logistics in support of the audit process; and adequately follow-up and remediate audit communications emanating from the previous and current years audit.

The audit process and plan is presented to the Top Management Meeting and other key forums.

A departmental Finance Instruction is issued containing the audit process requirements and distributed to all senior managers for implementation.

A departmental Steering Committee is scheduled to meet on a weekly basis. This Committee consists of the following members: Auditor-General management team, Chief Financial Officer, Manager Financial Control and the Manager Financial Accounting which are permanent members, whilst the Manager Enterprise Risk Management, Manager Management Accounting and the Senior Manager Supply Chain Management are co-opted members.

The Manager: Fleet Finance in GMT was appointed as the nodal point to co-ordinate all audit requests and communications. The latter is referred to the responsible Manager for collation of the input and drafting of responses. The responses are submitted to the Senior Manager: GMT for sign-off.

It is the intention to respond to audit requests within 2 working days and audit communications within 5 working days. In order to enhance accountability, improve the quality of responses and institute remedial steps, a template for the reply was designed and implemented. It is a requirement that replies are signed off by a senior manager, i.e. the relevant head of branch. For monitoring and reporting purposes the status of audit requests and communications are captured on a shared database and categorised as follows: "Resolved" or "Partly Resolved" or "Unresolved". Status reports are submitted to management.

An Evaluation Committee comprising the Chief Financial Officer, Senior Manager Financial Accounting and the Manager Financial Control exercise quality control on the responses to audit communications. Other members of the Financial Management Team are co-opted as and when required.

Outstanding matters contained in the responses to the previous years audit communications are followed up to ensure that remedial actions are implemented.

The audit findings (contained in the audit communications and audit report are of the previous year(s) are analysed and remedial action through a financial management improvement plan is taken to address compliance and control matters.

Contracted-in financial and management accounting specialists assist with the redress of the findings in the Reports of the Auditor-General. Those matters on which a qualified audit opinion is expressed, are reflected as emphasis of matter and are treated as high priority.

3.6.3   Implementation of the PFMA

Introduction

The Public Finance Management Act, 1999 (PFMA) as amended, assumes a phased approach towards improving the quality of financial management. The department is in different phases of implementing the PFMA, focusing on both the basics and best practice financial management.

Financial and management accounting

GMT operates in an extra ordinary and complex financial environment, which is taken into account in the findings of both the external and internal audit reports. GMT is constantly striving to operate in a management controlled environment that is conducive to the preparation of annual financial statements which fairly represent the affairs of GMT. Financial management and management accounting specialists are still contracted in by GMT, to assist with the compilation of the financial statements. In April 2008, GMT obtained permission from National Treasury to change its accounting system from a cash based system - Basic Accounting System (BAS) to an accrual based system.   GMT will once again make use of the financial management and management accounting specialists as well as the expertise of Oracle developers in 2009/2010 to assist with the smooth transition from the cash based accounting system to the new Generally Accepted Accounting Practices (GAAP) compliant accounting system. The outcome of the transition to the new accounting system will allow GMT to become more independent of outside assistance to a large extent, in its accounting environment. GMT is aiming to run the new accounting system parallel with the current system from June 2009 and stop the cash based accounting system in August 2009.

The adoption of the new accounting system will mean that GMT will have its own Standard Chart of Accounts (SCOA), which will be based on the national SCOA in order to maintain uniformity with the rest of the province.

GMT continues to maintain and update its standard operating procedures, accounting policies, standards, guidelines and best practice notes in order to ensure that GMT meets its governance requirements.

GMT is in the process of working towards obtaining its own bank account which will assist GMT in improving its financial management. It is imperative that a bank account is obtained before GMT operates on the new GAAP accounting system, for reporting and management reasons. The first part of the process commenced in 2008/2009 and will be completed in 2009/2010.

The Fleet Finance division underwent a redesign in its micro structure, however the micro structure will need to be further refined once the new accounting system is operational. This can only be done once GMT is operating in an accrual environment.

Enterprise Risk Management (ERM)

The ERM component responsible for the Department (inclusive of GMT) was created towards the end of 2006. ERM is 80% capacitated in terms of filling the newly established posts. In order to improve the risk management system, it is the intention to:

•   Implement the enterprise risk management strategy.
•   Measure compliance with the enterprise risk management policy (in accordance with the published national and provincial enterprise risk management frameworks).
•   Ensure a functional Fraud and Risk Management Committee.
•   Perform strategic and operational risk assessments.
•   Continue with the documentation and analysis of the business processes within the department (process and control maps).

The Department issued a fraud prevention plan inclusive of a policy during 2004. The plan and policy was under review during 2008/09. Depending on the outcome of the intended adoption of an improved fraud prevention plan, policy and action/implementation plan during the course of 2008/09, the Department aims to commence with the implementation of the reviewed Fraud Prevention Implementation Plan.

Notwithstanding the aforementioned, GMT developed an internal Risk Management Policy that is utilised together with the risk management module within FleetMan to register and manage all cases involving losses and accidents. Effective control is exercised through the issuing of a system controlled sequence number allocated to each case.

GMT under the auspices of ERM documented the strategic and operational risks. The necessary Risk and Control Matrix which identified the risks and the rating/likelihood was compiled. The risks were revisited during a follow-up workshop and updated together with the measures (treatment) to address them. The implementation of these measures is monitored by the GMT Management Team.

Internal audit

Internal Audit will remain a function under the auspices of the Provincial Treasury in the form of a detached internal audit service. The Department engages the Economic Cluster Audit Committee until such time as a dedicated Audit Committee is established. It is envisaged that the internal audit functions will be shifted from the Provincial Treasury to the Department with effect from 2010/11 financial year.

Internal audits will be performed in accordance with the Rolling 3 year Strategic Internal Audit Plan and the Annual Operational Internal Audit Plan.

The process and control maps that were previously completed by Internal Audit as well as internal audits on four audit areas in GMT namely Fleet Management, Fleet Risk Management, Fleet Finance and Fleet Logistics that formed part of the Departmental audit plan have been revisited and updated with the latest developments. Internal Audit also performed a general computer control review on FleetMan and other systems utilised by GMT. The outcomes of these audits will be managed to ensure that all recommendations are implemented.

Notes