GOVERNMENT MOTOR TRANSPORT

ANNUAL PERFORMANCE PLAN
2007/08 to 2009/10

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Department of
Transport and Public Works

ANNUAL PERFORMANCE PLAN

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To obtain additional hard copies of this document, please contact: Mr G Thiart

Address: Room B9, 34 Roeland Street, Cape Town
Tel: 021 467 4722
Fax: 021 483 7001
E mail: gthiart@pgwc.gov.za

Explanatory notes with regard to abbreviations

ABET	Adult Basic Education and Training
AFS	Annual Financial Statements
APP	Annual Performance Plan
BAS	Basic Accounting System
CCGMT	Co-ordinating Committee for Government Motor Transport
CFO	Chief Financial Officer
COTO	Committee of Transport Officials
EE	Employment Equity
FleetMan	Fleet Management System
GAAP	Generally Accepted Accounting Practice
GMT	Government Motor Transport
GPS	Global Positioning System
ICT	Information Communication Technology
i-FleetMan	Fleet Management System (web enabled version)
IDP	Individual Development Plan
ITIL	Information Technology Information Library
LOGIS	Logistical Information System
MIB	Management Information Bureau
NAPS	Nominated Accounts Payment System
PGDS	Provincial Growth and Development Strategy
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999, as amended)
PMDS	Performance Management and Development System
SDIP	Service Delivery Improvement Plan
SPMS	Staff Performance Management System
VIP	Very important person

APOLOGY

We fully acknowledge the Province's language policy and endeavour to implement it. Although, it has been our experience that only the English version of the document is in demand. The document will be available in the other two official languages of the Western Cape as soon as possible.

VERSKONING

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

ISINGXENGXEZO

Siyawuqonda umgaqo-nkqubo weelwimi wePhondo kwaye siyazama ukuwufezekisa. Kambe ke into esiye sayiqwalasela yeyokuba lulwimi lwesiNgesi ekufuneka lusetyenzisiwe kolu xwebhu. Iyakufumaneka nangezinye iilwimi ezimbini ezisemthethweni zaseNtsona Koloni kwakamsinya.

FORWARD

Statement of Policy and Commitment by the Minister of Transport and Public Works

iKapa Elihlumayo, the Provincial Growth and Development Strategy (PGDS), sets the overall vision and direction for the Western Cape. This vision is based on shared growth and integrated development, all within a paradigm of sustainability. So many opportunities exist for the Department of Transport and Public Works to support this vision. Our sphere of control is a broad one, while that of influence is even greater.

The Department of Transport and Public Works plays a leading role in the development, roll-out and management of infrastructure, For example roads network, schools and hospital buildings, thus contributing to the efficacy of the provincial and national departments in the Western Cape. Government Motor Transport, as a strategic business unit within the Department, is responsible for the delivery of cost effective motor transport services to government departments and institutions. These services are streamlined and upgraded on a continuous basis in support of the programmes of delivery towards the 2014 Millennium Development Goals.

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

Effective business processes and resources in the Trading Entity addressing present day requirements and keeping abreast with modern technology and trends will ensure good value for money on a sustainable basis. The knowledge gained over many years and the sophisticated electronic systems developed by Government Motor Transport should be enhanced further and fully utilised to the benefit of all clients. The sharing of knowledge and assets will in future be extended beyond the borders of the Western Cape.

I fully endorse this Annual Performance Plan, 2007/2008 offer the assurance that I am committed to its implementation through the professional and practical services offered by Government Motor Transport to the benefit of its clients.

M FRANSMAN

MINISTER OF TRANSPORT AND PUBLIC WORKS

DATE: 30 March 2007

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1.   **Overview by Accounting Officer**

1.1   **Historic Perspective**

Government Motor Transport (GMT) forms part of the Department of Transport and Public Works and operates as a separate Trading Entity.

The trading activities of GMT focus mainly on the provision of vehicles to national and provincial departments and institutions used for transportation in order that each client may carry out its services efficiently and effectively. The fleet of vehicles are allocated to the clients for a period equal to the economical life cycle of each class/type of vehicle. The fleet comprises of the following types of vehicles and their utilisation:

Sedans – staff carriers
Light delivery vehicles – transport of goods
2X4/4X4's/trucks – field and rough terrain work
Buses – large volumes of staff
VIP sedans – VIP's and important guests
Micro buses – staff and patient carriers
Ambulances – patient transporters
Response, reaction and recovery vehicles – emergency/medical staff
Patrol vehicles - traffic force
Mortuary vans – pathology services

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 (user charges) on the vehicles to cover the capital, running and overhead costs. Transfer of voted funds are rare and only in special circumstances, e.g. additional vehicles. The fleet is not conventionally insured with a private insurance company, as the government carries its own risks. At the end of the economical life cycle of a vehicle, it is withdrawn from service and replaced with a new one. The old vehicles are sold monthly at a public auction.

1.2   **Aim of Strategic Performance Plan**

This Strategic Performance Plan seeks the alignment of the activities of GMT in the Western Cape within the Department, to support the goals and strategies of both the national and provincial governments as well as other governmental institutions.

The implementation of the strategies in the client departments serviced by GMT would require that it gears itself up to ensure that it is properly structured and has the requisite skills set to deliver. Business processes are scrutinised regularly to determine possible gap areas and recovery strategies to rectify any shortcomings.

It also places a specific responsibility on each staff member, together with strategic direction by the management team of the Entity to ensure that continued services remain in place at a comparative price tag and with acceptable levels of client satisfaction.

2.   **Strategic Plan Update Analysis**

2.1   **Background**

Although a separate Annual Performance Plan (APP) is published by this Entity, it will continue to operate under the control of the Department.

2.2   **Strategic Planning Process**

The management team of the Entity meets on a regular basis to evaluate the strategic direction and to redirect where necessary.

PART A: STRATEGIC OVERVIEW

2.3   **Vision, Mission and Values**

The Vision is set as the best government motor transport service. The following Mission supports the Vision:

To strive to become the leader in government motor transport 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.

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.
- Strive to be a learning organisation, anticipating opportunities presented by an ever-changing environment.

2.4   **Summary of Service Delivery Environment and Challenges**

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 will be summarised and published in the Annual Report.

2.4.1   **Main Services Provided and Standards**

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

The utilisation of log sheet data for billing purposes caused discrepancies in the accounting of transactions and subsequent audit queries. The Trading Entity replaced the capturing of log sheet data with an electronic process with effect from 1 April 2007 whereby odometer readings, obtained during the fueling process, together with the monitoring of vehicle movements through installed tracking devices, are utilised. This also ensures 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).

Challenge: GMT will have to continue to empower its clients with the provision of quality management information, functional training of transport and other officials to manage the fleet effectively. The high cost of transport needs to be contained. The deliverables achieved through fuel management and the vehicle tracking and control system will have to be fully utilised as part of the value added service.

2.4.2   **Consultation Arrangements with Clients**

The users of the fleet are external clients comprising of provincial and national departments and institutions. Various client forums and committees are in place to enable regular interaction.

Challenge: GMT will have to build further co-operation with its clients to promote value added service , to determine and satisfy their needs.

2.4.3   **Service Delivery Access Strategy**

The service level agreement (SLA) which was consulted with the clients had to be amended to cater for new requirements. It will be ready for implementation in the 2007/2008 financial year. The SLA makes provision for all the services performed by the Entity based on the four pillars, e.g. fleet management, fleet finance, fleet risk management and fleet logistics together with service standards.

Challenge: GMT will have to maintain the service levels contained in the SLA's.

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 communication are published in an electronic format and distributed on a regular basis. These documents are stored in electronic format to enable easy access. The services to clients are supported via the newly established Management Information Bureau (MIB) and existing technical help desk facilities thus ensuring a single point of entry where enquires can be dealt with. The clients all have access to a web enabled fleet management system (FleetMan).

The requirements of a GMT website, including a dedicated broadband wireless network, have been drafted and will be utilised in the design of such electronic facility. This initiative which is planned for the 2007/2008 financial year will ensure that information and data will be available to the clients at high speed to curb the existing slow and inefficient local and wide area networks.

Challenge: The design and roll out of the GMT website, including a dedicated broadband wireless network will have to be sped up to eliminate the slow reaction times and to ensure that other electronic systems output data, e.g. tracking and control integrates into FleetMan for effective management of the fleet.

2.4.5 Complaints Mechanism/Risk Identification

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

- 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 when requested.

- 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 committed with official vehicles are captured and analysed as part of the risk management function.

The implementation of the newly developed dedicated risk module within FleetMan has commenced and was completed during the 2006/2007 financial year. This will enable GMT to compile regular risk profiles for utilisation in detection of risks and action plans to contain such risks.

The Entity has identified its own business risks and action plans are being developed to contain and manage these risks.

Challenge: GMT will have to identify risks at an early stage for follow-up by clients to enhance service delivery.

2.5 Summary of Organisational Environment and Challenges

The present organisation and establishment has undergone minor adjustments in the last five years to streamline the organisation to ensure acceptable service delivery standards. The changing government environment and constant high expectations of the clients necessitated that a study be undertaken to determine the following:

- A realistic work force.
- Effective business process management.
- Custom designed and updated electronic systems.
- A competitive work environment.
- A sustainable future.

The organisational changes will be dealt with in terms of existing human resource management prescripts. The Entity appointed a professional business analyst to document all its existing business processes, identify areas for amendment or improvement and compare these processes with the electronic system functionalities (FleetMan). This initiative which will be completed during the 2007/2008 financial year will ensure that procedures are performed in terms of defined and well communicated processes and gap areas are identified and addressed.

In terms of the Provincial Cabinet approval (Minute 4/2006 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 COTO Co-ordinating Committee for Government Motor Transport (CCGMT) and sparked enthusiasm from the Provinces of the Free State, Kwa-Zulu Natal and North West. Furthermore, a number of Municipalities in the Western Cape have requested the availability of an on-line integrated fleet management system, i.e. Cape Winelands District Municipality, City of Cape Town and Bitou Municipality. The design of a dynamic database and related functionalities and the rollout and implementation phases have commenced and will be finalised in the 2007/2008 financial year.

2.6   Legislative Prescripts

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

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
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, 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)
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 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
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)

2.7   Broad Policies, Priorities and Strategic Goals

2.7.1   Broad 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 the Entity. 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.

GMT is a component in support of the Western Cape Government's Growth and Development Strategy and iKapa Elihlumayo.

2.7.2   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 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 implementation of SLA's with all clients and an internal service standard charter.
- The full implementation of a competitive approach in all business processes.
- The roll-out of FleetMan to other organs of government.

2.7.3 Strategic Goals

GMT's strategic goals are summarised below:

- Ensure that the fleet is kept within its life expectancy

  The fleet replacement process is an ongoing process and the aim is to keep the bulk of the fleet within the economic life cycle.

- Improve vehicle management and control

  The Entity continued with the further roll-out of the fitment of vehicle tracking devices in the fleet. The process is 80% complete. The functionality is aimed at enhancing the operational efficiency with a specific focus on vehicle utilisation thus reducing operational costs and to prevent fraud. The existing help desk to report alleged misuse of government vehicles was successfully integrated into the MIB. The follow-up with clients will assist in the drive to curb unnecessary cost.

- Recovery of all outstanding debt

  A strong drive by the Entity to follow-up old outstanding debt with clients paid off as the debt owed by the Department of Water Affairs and Forestry to the amount of R5,792 mil was collected during the 2006/2007 financial year. The follow-up process will continue. The current debt collection process that was streamlined for the provincial clients, whereby a single account is delivered to the head office of the clients, will also be applied for the national clients. As a consequence, the head offices then arrange with its institutions to settle the debt within 30 days as prescribed. The process will be enhanced further by delivering the account via electronic means during the 2007/2008 financial year.

- Development and implementation of effective business processes

  GMT revisited its business processes and made changes to ensure the continuation of effective service delivery standards. Service level agreements have been finalised and will be entered into with the clients. All operational procedures and policy changes were issued on a regular basis and distributed to the clients.

- Improve and enhance electronic systems

  The functionality of FleetMan was enhanced as planned to be in line with the business processes and requirements as set by the clients. The system's application server, front end and database were upgraded and migrated to the latest Oracle 10G version. The development of a separate web-enabled version of the system (i-FleetMan) was discontinued as FleetMan was converted during 2006/2007 and now functions as a fully web enabled system.

- Improve quality of service to clients

  Client forums meet on a monthly basis as planned to manage operational and financial issues. Yearly client surveys are conducted to measure the following aspects:

Friendliness and co-operativeness of staff
Reception and successful solving of complaints
Communication, in writing and verbal
Training and financial assistance
Availability of vehicles in general
Timely replacement of vehicles
Condition (neatness and roadworthiness) of vehicles on reception/
the completeness and layout of accounts received

Implementation of vehicle tracking
Roll out of FleetMan and the capturing of electronic logs
General impression and attitude
New and innovative initiatives
Assistance with the reporting of claims and losses/
accuracy of accounts and accounting related queries
Direction of Management

The results of the last survey indicated an acceptable level of client satisfaction.

- Empower clients to manage their vehicles better.

  In order to empower the client's transport officers, GMT conducts regular training sessions. Furthermore, FleetMan was also made available to clients.

2.8 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.

CMATS: The system is used to track and manage progress of issues/correspondence/submissions.

Document Management System: The system is an electronic record of policy and procedural documentation.

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

Employment Equity PW: The system keeps track of employment statistics and progress with the EE plan.

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 IT strategies.

Live Link (File Tracking): The system enables staff to track the movement of office files.

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

Loss Control: Was replaced with FleetMan risk module based on the methodology of loss control.

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

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

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.

Tradeworld Electronic Purchasing System: The system is utilised to purchase goods and services via the LOGIS system with a value above R 5 000 but not exceeding R100 000.

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 vehicles "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.

2.9   Measurable Objectives

Measurable objectives have been maintained to address the strategic goals. The results are captured in Part B of this APP.

A further analysis has been done to determine the challenges affecting the success of the Trading Entity in the years to follow. The strategic issues that were raised were linked to the following. Can GMT -

- meet the present day and special requirements of its clients?

- improve the service delivery standards in future through innovative driven new initiatives?

- perform at a cost effective level?

- further improve the service standards and efficiency levels?

- utilise FleetMan as a management tool to regulate activities?

- develops the human capital to the advantage of improve service to the clients?

- learn from previous experience and research results to ensure most effective/economical vehicles for the task?

- transform the business processes and adapt electronic systems (accounting and operational) successfully to meet the requirements of GAAP?

- intervene in the second economy and contribute a meaningful share of GMT business to the Black Economic Empowered businesses?

PART B: PROGRAMME ANALYSES AND PLANS

1.   **Government Motor Transport**

A single Programme accommodates GMT, which is responsible to provide cost effective, and quality motor transport to provincial and national government departments and institutions.

GMT in its drive to drastically enhance service delivery opted to install eFuel card free technology in the vehicles to ensure better management and control with regard to refueling procedures in an endeavour to curb possible fraud. The fitment of tracking devices in the total fleet will ensure better transversal utilisation and control over the fleet of vehicles, which has a replacement value in excess of R500 million. These two initiatives will further compliment the electronic fleet management system.

2.   **Human Resources Management**

2.1   **Vacancies**

GMT has an establishment of 112 posts and is based on the flat structure principle (refer to Annexure). A small section of this establishment is vacant due to staff being promoted or leaving the Service. The prescribed procedures are followed to fill the vacancies. The following Table depicts the situation since 2005/2006:

Table 1: Summary of Vacancies

Staff Categories	2005/2006	2006/2007
Total Establishment	112	112
Vacancies	14	11
Percentage	12.5	9.89

2.2   **Employment Equity**

The following Table provides a summary of employees (including employees with disabilities) in each of the following occupational categories:

Table 2: Employment Equity by Occupational Category as at March 2007

Type	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Manager	0	0	0	1	0	0	0	0	1
Manager	0	1	0	1	0	0	0	1	3 (1)
Assistant Manager	0	2	0	9	0	1	0	2	14 (1)
Technical Assistant	0	0	0	10	0	0	0	0	10
Administrative Assistant	3	12	0	10	2	20	0	3	50 (4)
Finance Assistant	0	0	0	0	0	4	0	3	7 (2)
Technical Aid and Driver/Cleaner	1	10	0	1	0	0	0	0	12 (3)
Messenger	1	1	0	0	0	1	0	0	3
TOTAL	5	25	0	30	2	26	0	9	100 (11)
Disabled Staff	0	1	0	2	0	0	0	0	3

Vacancies indicated in ( )

3.   **Expenditure**

The following Table depicts the main focus and business areas and the respective expenditure indicators:

Table 3: Key Expenditure Indicators

Category of expenditure, as % of total expenditure	Estimate 2006/2007	Target 2007/2008
Human Resources	5.1	6.7
Service Agent Fees (Bank Charges)	4.4	3.1
Computer Systems Development	3.09	3
Office Equipment	0.01	0.02
Stationary and Consumables	0.07	0.18
eFuel and Tracking Fees	3.3	3
Vehicle Licences	0.92	0.63
Building Maintenance	0.03	0.11
Private Vehicle Hiring	4.5	4.2
Vehicle Replacements	28.4	18.9
Risk and Losses	0.23	12.4
Fuel	26	31.5
Vehicle Maintenance	14.4	14.1
Administrative Costs	5.2	1.5

4.   **Programme Structure**

4.1   **Situation Analysis**

Current situation

The aim of GMT is focused to improve the quality of motor transport services delivered to clients. GMT is dedicated to maintaining and further enhancing on the objectives of the Provincial Growth and Development Strategy, iKapa Elihlumayo, Integrated Sustainable Rural Development Programme, Urban Renewal and Batho Pele.

GMT operates as a Trading Entity and in terms of Treasury Regulation 18.2 and the Annual Financial Statements (AFS) of trading entities must conform to GAAP which is based on an accrual system of accounting. GMT has however maintained financial records for the year under review on BAS, which is a system relevant for the cash basis of accounting. The accrual basis of accounting requires management to record transactions when they have occurred. In this regard, the Auditor-General has identified where revenue and receivables were not raised at year end. GMT has amended the AFS relating to the material audit findings, however, the current accounting processes of converting a cash accounting system to an accrual accounting system on a manual basis could result in errors not being identified and corrected by the Entity.

GMT has since the audit of the 2004/2005 AFS proceeded with the compilation of a detailed user requirement for a financial accounting system that complies with GAAP. A request to obtain approval to acquire the system has been processed.

Strategic direction over the next five years

GMT will continue to deliver a cost effective service to its clients and will on a continuous basis seek improved methods of service delivery and fleet products. Further research and development will be undertaken into economical options for vehicle conversions, refurbishment of scarce types of vehicles (e.g. 10 seater people transporters), maintenance and management of the fleet. The global markets will be explored in the search for solutions. These initiatives should influence service delivery at client level and should therefore positively contribute towards the achievement of the goals of iKapa Elihlumayo and Batho Pele. The second economy will also benefit through the equitable distribution of the fleet repair, maintenance and conversion work to be undertaken.

The fleet management system (FleetMan) utilised by GMT has been designed and enhanced to keep track of present day fleet requirements. The system will be made available to other organs of government and through this prevent unnecessary and duplicated development cost.

GMT embarked on the route of sophisticated electronic vehicle tracking and fleet control, resulting in a vehicle fleet that can be controlled effectively and also reducing fraud and unnecessary cost.

PART B: PROGRAMME ANALYSES AND PLANS

Strategic Goals and Measurable Objectives

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

Table 4: Strategic Goals and Measurable Objectives

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

STRATEGIC OBJECTIVES:
- Standard maintenance and repairs.
- Regular technical inspections.
- Effective utilisation of fleet.

STRATEGIC GOAL 2: Improving vehicle management and control.

STRATEGIC OBJECTIVES:
- Functional training of transport officers.
- Implementation & maintenance of a vehicle tracking and control service.
- Enhancement and improvement of FleetMan.
- Management of the risk assessment strategy.
- Monitoring of fuel efficiency.
- Equitable distribution of maintenance, repair and conversion work activities to merchants.

STRATEGIC GOAL 3: Full recovery of all outstanding debt.

STRATEGIC OBJECTIVES:

- Improved follow-up procedures.
- Write-off of old debt that cannot be recovered.
- Preventing the further increase of debt.
- Utilisation of odometre readings for log capturing.
- Electronic publishing of billing data.

STRATEGIC GOAL 4: Development & implementation of effective business processes.

STRATEGIC OBJECTIVES:

- Documentation and update of all processes.
- Evaluation of existing processes.
- Determining of gap areas in processes.
- Implementation of electronic business process management.
- Updating of policy and procedures.

STRATEGIC GOAL 5: Improvement and enhancement of electronic systems.

STRATEGIC OBJECTIVES:

- Updating of server family.
- Formalising a permanent development team.
- Monitoring of development progress.
- Roll-out of management services to external clients.
- Design and establishment of a 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.
- Full deployment of the MIB

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.

4.3 Measurable Objectives, Performance Indicators and Targets

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

Table 5: Measurable Objectives, Performance Indicators and Targets

Strategic Goal 1	Keep fleet within its life expectancy								
Measurable Objectives	Output	Performance Measure/ Indicator	Target 2006/07	Target 2007/08				Target 2008/09	Target 2009/10
				Q1	Q2	Q3	Q4		
Replacement of vehicles	Replacement programme	% of fleet within norms	90	90	90	91	92	93	94
Service and maintenance of vehicles	Manufacturers warranties	Vehicles not servicedand maintained	0	0	0	0	0	0	0
Technical inspections	2 X per vehicle per annum	% vehicles inspected	95	20	20	48	10	98	100
Identify under utilisation	1 X set of management reports per client per month	Monthly publication	12	3	3	3	3	12	12
Maintain the asset register	Quarterly reconciliation	% executed	100	100	100	100	100	100	100

Strategic Goal 2	Improving vehicle management and control								
Measurable Objectives	Output	Performance Measure/ Indicator	Target 2006/07	Target 2007/08				Target 2008/09	Target 2009/10
				Q1	Q2	Q3	Q4		
Training of transport officials (operational)	5 X Sessions per annum	Sessions completed	5	1	1	3	0	6	6
Training of transport officials (FleetMan)	25 X Sessions per annum	Sessions completed	25	6	6	8	5	25	25
Implementation of vehicle tracking and control	Fitment of initial vehicle fleet	Vehicles completed	3488	150	150	150	0	0	0
Implementation of vehicle tracking and control(new vehicles)	Fitment of additional vehicles added to the fleet	%Vehicles completed	100	100	100	100	100	100	100
Maintaining of vehicles tracking and control system	Maintenance of existing vehicles	%Vehicles completed	100	100	100	100	100	100	100
Equitable distribution of maintenance/ repair/conversion work activities to merchants	Increased BEE market share	%Value of monthly expenditure	20	22	23	25	30	35	35

Strategic Goal 3	Full recovery of all outstanding debt								
Measurable Objectives	Output	Performance Measure/ Indicator	Target 2006/07	Target 2007/08				Target 2008/09	Target 2009/10
				Q1	Q2	Q3	Q4		
Decrease amount of old outstanding debt	Comply with PFMA	Outstanding in Rand Value	R14 mil	R2 mil	R2 mil	R3 mil	R3 mil	R8 mil	R3 mil

PART B: PROGRAMME ANALYSES AND PLANS

Strategic Goal 4	Development & Implementation of effective business processes								
Measurable Objectives	**Output**	**Performance Measure/ Indicator**	**Target 2006/07**	**Target 2007/08**				**Target 2008/09**	**Target 2009/10**
				Q1	Q2	Q3	Q4		
Drafting of business processes	Document all business processes as per Business Plan requirements	% completed	75	20	20	20	20	100	100
Maintaining/upkeep of business processes	Maintain all business processes as per Business Plan requirements	% completed	80	5	5	5	5	100	100
Evaluation of business processes	Evaluate business processes on a regular basis as per Business Plan requirements	% completed	100	25	25	25	25	100	100

Strategic Goal 5	Improvement and enhancement of electronic systems								
Measurable Objectives	**Output**	**Performance Measure/ Indicator**	**Target 2006/07**	**Target 2007/08**				**Target 2008/09**	**Target 2009/10**
				Q1	Q2	Q3	Q4		
Updating of server and desktop hardware	Maintain equipment in terms of business standards	% completed	80	5	5	10	0	100	100
Design and development of GMT web site	Deploy the web site to meet business requirements	% completed	50	20	20	10	0	100	100

Strategic Goal 6	Improvement of quality of service to clients								
Measurable Objectives	**Output**	**Performance Measure/ Indicator**	**Target 2006/07**	**Target 2007/08**				**Target 2008/09**	**Target 2009/10**
				Q1	Q2	Q3	Q4		
Maintain regular operational and financial client forums	Comply with Business Plan requirements	Monthly meetings	12	3	3	3	3	12	12
Conduct client surveys	Comply with Business Plan requirements	Yearly survey	1	0	0	1	0	1	1
Provision of additional vehicles (over above normal replacements)	Order and supply vehicles in terms of client requirements	% availability	100	100	100	100	100	100	100
Provision of general hire vehicles and privately hired vehicles	Supply temporary and stand-by vehicles as per client requirements	% availability	100	100	100	100	100	100	100
Full deployment of the MIB	Manage fleet management information	% completed	25	0	25	25	25	100	100

PART B: PROGRAMME ANALYSES AND PLANS

Strategic Goal 7		Empowerment of clients to manage vehicles effectively								
Measurable Objectives	Output	Performance Measure/ Indicator	Target 2006/07	Target 2007/08				Target 2008/09	Target 2009/10
				Q1	Q2	Q3	Q4		
Compile and publish operational management information	1 X Set of management information to manage the fleet effectively per client	Monthly publication	12	3	3	3	3	12	12
Compile and publish risk analyses profiles	1 X set of management information to address risks effectively per client	Monthly publication	0	3	3	3	3	12	12

4.4 Analysis of Constraints and Measures Planned to Overcome them

GMT identified its human resource requirements during a strategic planning session to be able to deliver a comprehensive fleet service to its clients. The additional requirements form part of the micro organisational structure to be evaluated by the Executive Authority and promoted during the 2007/2008 financial year. The full time deployment of the MIB has been included in the aforementioned structure.

The economic life span of vehicles should improve with the full deployment 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.

The slow manual reconciliation of financial transactions will be eliminated with the planned implementation of electronic interfaces between BAS and FleetMan and the envisaged GAAP compliant accounting system mentioned earlier in this APP. The establishment of a debit order system to transfer funds from clients to cover the Daily and Kilometre Tariff claims will only be furthered after full implementation of the new accounting system.

A special Provision for vehicle acquisitioning was created to assist with the yearly replacement of uneconomical and redundant vehicles. This will allow the business to use reserve funds to the benefit of the clients. The Provision will be complimented with a further one to cover all risk related expenditure. The tariffs collected and earmarked for risk management will be utilised for this Provision. All surplus funds will be carried forward to future financial years and taken into account when calculating the tariffs.

4.5 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 provider responsible for maintenance management of the fleet. The latter's contract will expire at the end of September 2007 after which a service provider will be appointed by the Western Cape Government based on the specific requirement of GMT. The tender forms part of the Commercial Banking Services tender for the Province.

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 aims to implement the vehicle tracking and control system in full during the 2007/2008 financial year in order to improve the management of the government fleet. Vechile repairs and maintenance are monitored by technical staff to ensure value for money. GMT will also continue to manage the identified risks by adequate planning and implementing control measures.

4.6 Evaluation of Current Implementation Performance

4.6.1 Administration

The Fleet Logistics Division is responsible for the regular evaluation of the human resource management/development and labour relation activities within GMT. A Service Level Agreement has been entered into with the Human Resource Management component at the Head Office of the Department of Transport and Public Works in terms of which functions are regulated. A separate Personnel Forum exists that meets on a bi-monthly basis to manage the functions internally. The four managers at GMT report directly to the Head of the Trading Entity thus ensuring strategic focus around skills development, conflict resolution and labour harmony.

Adult Basic Education and Training (ABET) continues to be rolled out, ensuring that the staff enjoys the benefit of literacy training.

Planning has commenced to identify posts on the establishment of the Entity to be re-evaluated via the job evaluation process in the Department to ensure more appropriate job levels and salary scales. The process of recruitment and selection has continued to fill vacancies. It remains a challenge to fill all vacancies with suitable staff with the required fleet management skills, while at the same time meeting in terms of employment equity targets.

Human rights issues continue to be given prominence. GMT is represented in all departmental focal units dealing with gender, youth, disability and HIV/Aids, resulting in the implementation of the action plans.

In terms of the completed risk assessment for the Department and the three-year strategic annual audit plan, four audit areas related to GMT was identified. This will form the basis of a separate Internal Audit Plan which will be developed for GMT in respect of 2007/2008 and annually thereafter. The compilation of process and control maps was completed during 2006/2007. During the 2005/2006 financial year audit, a qualification/emphasis of matter was issued by the Auditor-General on the basis that –

GMT has incorrectly accounted for the calculation of depreciation on vehicles resulting in expenditure being overstated. This has since been corrected and the AFS for 2006/2007 will reflect vehicles at historical cost less accumulated depreciation. The Auditor-General has no objection to the utilisation of trade values, as set out in the Auto Dealers Guide as the industry standard, for the calculation of residual values.

The AFS, which was not prepared in terms of GAAP, has been converted to comply with GAAP (accrual-base accounting). The requirements of a new financial accounting system meeting the requirements of accrual-based accounting has been prepared and submitted for approval. This will prevent the emphasis of matter and the costly conversion of the financial statements from cash to accrual based.

4.6.2 Organogram

The organogram of GMT is attached as an annexure to the APP.

The establishment of proper structures and adequate numbers of posts on appropriate levels is designed to ensure effective service delivery to the clients we serve.

4.6.3 Reporting lines of Head: GMT Trading Entity (Senior Manager)

The reporting lines to the Head: GMT Trading Entity (senior manager) are as per the attached organogram. The official reports via a Branch Head to the Head of the Department: Transport and Public Works who is also the Accounting Officer for the Trading Entity.

4.6.4 Delegations

The Accounting Officer has issued departmental financial and supply chain management delegations in terms of the PFMA. Management responsibilities have been delegated to the appropriated levels of staff. The responsibilities are delegated in terms of the level of competency and monetary value of the decision to be made.

The Executive Authority has assigned via delegation the powers and duties to departmental officials to perform the required human resource management functions.

4.6.5 Performance Management System

Managing performance is a key human resource management tool to ensure that employees know what is expected of them, managers know whether the employees' performance is delivering the required objectives, poor performance is identified and improved or handled in terms of the disciplinary procedures and/or the incapacity code, and that good performance is recognised and appropriately rewarded.

The Staff Performance Management System (SPMS) and Performance Management and Development System (PMDS) are fully implemented and assessment on the evaluation cycle is performed at financial year-end. The systems are now fully implemented, and performance agreements with staff on all levels were signed off. The performance management systems allow for quarterly performance review sessions to ensure that staff not performing on standard get ample opportunity for retraining and redirection. The Individual Development Plan (IDP) forms an integral part of the SPMS, is employed to identify which skills employees require to perform at their peak, and is pivotal in giving effect to the Workplace Skills Plan.

4.6.6 Financial Management

GMT is supported by the departmental Financial Management Branch. The Department is using the transversal National Treasury financial management systems. In addition to the aforementioned GMT is using the debtor management module within FleetMan and BAS as management and reporting tools to maintain financial and budgetary controls. Financial staff are earmarked to attend ongoing capacity enhancement training.

4.6.7 Audit Queries

Audit queries that may originate from the yearly audit by the Auditor-General are dealt with and concluded by the Head: GMT Trading Entity.

4.6.8 Internal Audit

In 2003/2004 the Provincial Cabinet approved a centralised internal audit function for the Province shared across departments. The Department of Transport and Public Works is thus also serviced by the centralised internal audit function and falls under the authority of the Shared Audit Committee. The latter also has responsibility in respect of GMT.

In 2005/2006 no internal audit work was performed in GMT although a risk assessment was done. In 2006/2007, four audit areas related to GMT namely Fleet Management, Fleet Risk Management, Fleet Finance and Fleet Logistics were included

in the audit plan of the Department of Transport and Public Works. Although limited (due to resource constraints), internal audit work is being performed in GMT.

The shared internal audit service operating under the auspices of the Provincial Treasury indicated that the Provincial Cabinet is currently considering a proposed restructuring of the internal audit function of the Province. Should the proposal be approved, an internal audit function will be decentralised to the Department of Transport and Public Works during 2010/2011. However, it is the intention that a dedicated audit committee be established for the Department during 2007/2008. GMT will then also be the responsibility of that audit committee. An Internal Audit Plan, separate from that of the Department, will be developed for GMT in respect of 2007/2008 and annually thereafter. It is not the intention to establish a separate internal audit function for GMT. The latter will thus continue to share in the centralised internal audit service.
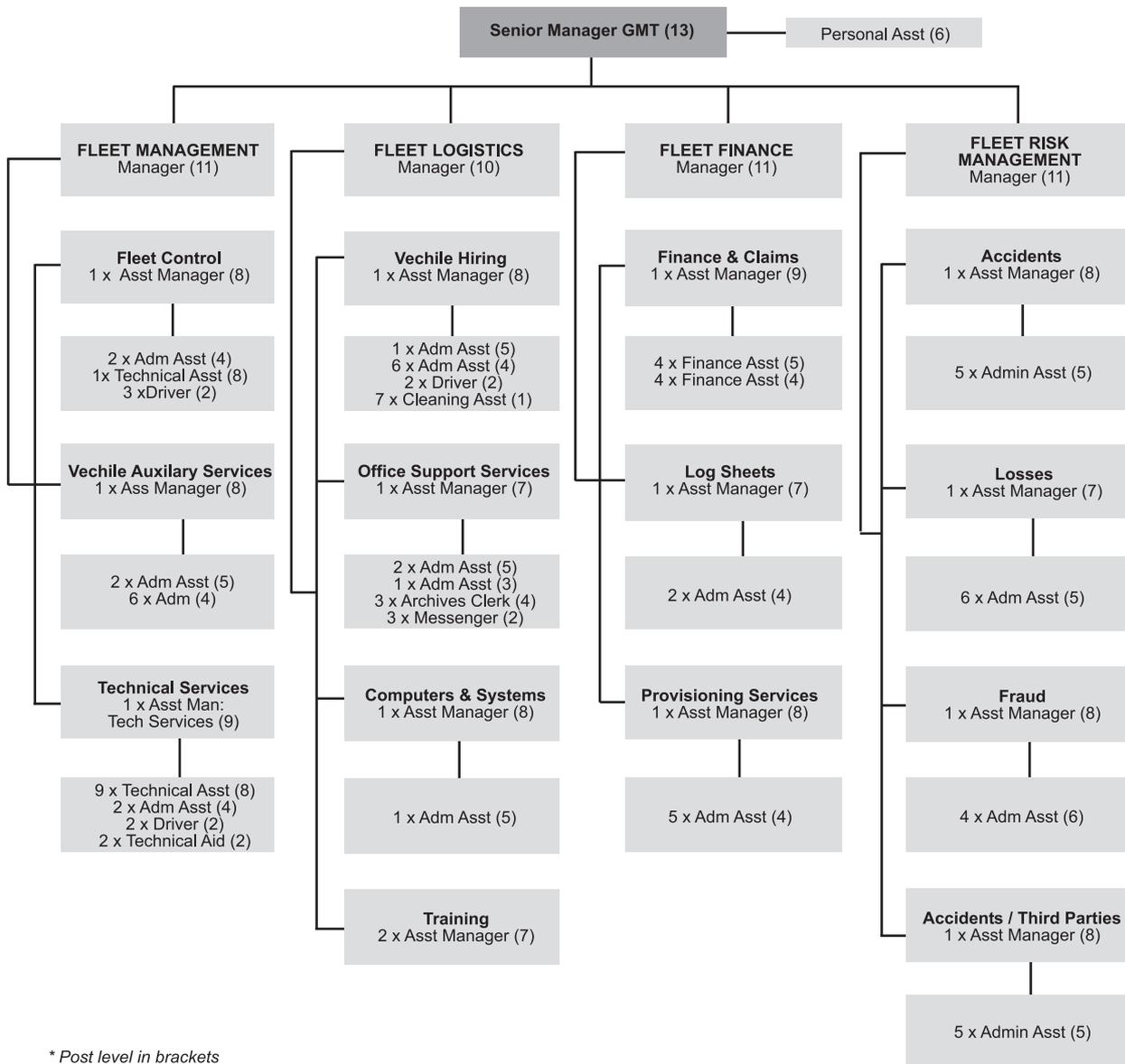
The compilation of process and control maps have just been completed by Internal Audit in 2006/2007.

4.6.9   Implementation of PFMA

GMT regards compliance with the PFMA as a priority.

PART B: PROGRAMME ANALYSES AND PLANS

ORGANOGRAM

Senior Manager GMT (13) — Personal Asst (6)

FLEET MANAGEMENT
Manager (11)

Fleet Control
1 x Asst Manager (8)

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

Vechile Auxilary Services
1 x Ass Manager (8)

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

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

9 x Technical Asst (8)
2 x Adm Asst (4)
2 x Driver (2)
2 x Technical Aid (2)

FLEET LOGISTICS
Manager (10)

Vechile Hiring
1 x Asst Manager (8)

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

Office Support Services
1 x Asst Manager (7)

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

Computers & Systems
1 x Asst Manager (8)

1 x Adm Asst (5)

Training
2 x Asst Manager (7)

FLEET FINANCE
Manager (11)

Finance & Claims
1 x Asst Manager (9)

4 x Finance Asst (5)
4 x Finance Asst (4)

Log Sheets
1 x Asst Manager (7)

2 x Adm Asst (4)

Provisioning Services
1 x Asst Manager (8)

5 x Adm Asst (4)

FLEET RISK MANAGEMENT
Manager (11)

Accidents
1 x Asst Manager (8)

5 x Admin Asst (5)

Losses
1 x Asst Manager (7)

6 x Adm Asst (5)

Fraud
1 x Asst Manager (8)

4 x Adm Asst (6)

Accidents / Third Parties
1 x Asst Manager (8)

5 x Admin Asst (5)

Post level in brackets