Annual Report 2023/ 2024 Financial Year

Department of Roads and Transport Province of Gauteng
Vote No: 9

Growing Gauteng Together through Smart Mobility

GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

GGT2030
GROWING GAUTENG TOGETHER

ANNUAL REPORT 2023/2024

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GENERAL INFORMATION

PART A

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02 K69 Road (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54)

03 K46 (P79 /1): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot /N14 Phase 2

04 P241/1 Road (Rehabilitation of P241/1 (R554) from 15.7km to 19.75km and road D405 (R554) from 0.00 km to 8.75 km (R82)

05 Repair of Hendrik Potgieter Bridge

06 Repairing of Sinkholes: M10 sinkhole (Centurion) and P122/1 sinkhole (North of Olifantsfontein, old Pretoria/ Kempton Park)

07 Job creation extended to the Nasi Ispani Programme, with six thousand (6, 000) contract employees under the Aga Le Rona Road Maintenance Programme

08 One hundred and sixteen (116) officials were appointed on a permanent basis from Nasi Ispani Programme

09 Expansion of the Driver, Learner Testing Centers to TISH areas

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
BRT	Bus Rapid Transit
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CLLT	Computerised Learners Licence Testing
CoJ	City of Johannesburg
CoT	City of Tshwane
CSIR	Council of Scientific and Industrial Research
DDG	Deputy Director General
GDID	Gauteng Department of Infrastructure Development
DLTC	Driver Licencing Testing Centres
DoH	Department of Health
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EAFCU	Ethics, Anti-fraud and Corruption Unit
e - DRMS	electronic Document Record Management Solution
EIA	Environmental Impact Assessment
e - NaTIS	electronic National Traffic Information System
EPWP	Expanded Public Works Programme
EXCO	Executive Council
ESS	Employee Self Service
GCRA	Gauteng City Region Academy
GDARD	Gauteng Department of Agriculture and Rural Development
GDE	Gauteng Department of Education
GDRT	Gauteng Department of Roads and Transport
GIAMA	Government Immovable Asset Management Act
GEYODI	Gender, Youth and People with Disabilities
GFIP	Gauteng Freeway Improvement Plan
GPG	Gauteng Provincial Government
GTIA	Gauteng Transport Infrastructure Act
HAST	HIV, AIDS, STI and Tuberculosis
HDI	Historically Disadvantaged Individuals
HIV/AIDS	Human Immune Deficiency Virus/ Acquired Immune Deficiency Syndrome
HoD	Head of Department
HR	Human Resource
ICT	Information Communication Technology
IFM	Integrated Fare Management

IDMS	Infrastructure Delivery Management System
IGR	Inter-Governmental Relations
IPTN	Integrated Public Transport Network
IRPTN	Integrated Rapid Public Transport Network
IT	Information Technology
ITMP25	25 Year Integrated Transport Master Plan
ITP	Integrated Transport Plans
JRA	Johannesburg Roads Agency
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MMC	Member of the Mayoral Committee
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MVRA	Motor Vehicle Registration Authority
MVR&L	Motor Vehicle Registration and Licencing
NDoT	National Department of Transport
NDP	National Development Plan
NLTA	National Land Transport Act
NLTIS	National Land Transport Information System
NMT	Non-Motorised Transport
NRTA	National Road Traffic Act
NYS	National Youth Services
OHS	Occupational Health and Safety Act
OLAS	Operating Licence Administration System
ORTIA	O.R. Tambo International Airport
PAJA	Promotion of Administrative Justice Act
PCF	Premier's Coordinating Forum
PDI	Previously Disadvantaged Individuals
PDLTCs	Provincial Driver Learner Testing Centres
PRA	Provincial Registering Authority
PERSAL	Personnel Salaries
PFMA	Public Finance Management Act
PMDS	Performance Management Development System
PRASA	Passenger Rail Agency of South Africa
PRMG	Provincial Roads Management Grant
PTIU	Public Transport Inspectorate Unit
PPP	Public Private Partnership
PSC	Public Service Commission
PTOG	Public Transport Operations Grant
RAMS	Road Asset Management System
RISFSA	Road Infrastructure Strategic Framework of South Africa

RMPTS	Road Maintenance Professional Teams
RNMS	Road Network Management System
RMTC	Road Traffic Management Corporation
SANRAL	South African National Roads Agency Limited
SCM	Supply Chain Management
SED	Socio-Economic Development
SLA	Service Level Agreement
SMF	Supervisory Monitoring Firms
SMS	Senior Management System
SRN	Strategic Road Network
SPTN	Strategic Public Transport Network
SMME	Small Medium Micro Enterprises
TDM	Transportation Demand Management
TMR	Transformation, Modernisation and Re-industrialisation
TOLABs	Transport Operating Licence Administrative Bodies
ToR	Terms of References
U- AMP	User Asset Management Plan
VTS	Vehicle Testing Stations

3. FOREWORD BY THE MEC

MS KEDIBONE DIALE-TLABELA

MEC OF THE DEPARTMENT OF ROADS AND TRANSPORT

As the sixth (6th) Administration concludes its tenure, the Gauteng Department of Roads and Transport reflects on a journey defined by strategic investments, remarkable achievements, and a commitment to continued progress. Over these years, we've navigated challenges with determination, steadily advancing towards our vision for a better-connected and economically vibrant Gauteng. We have achieved a lot and continued to do so, setting milestones that redefine what's possible in transport infrastructure.

The Gautrain stands as a shining example of our ambition and foresight. This transformative project not only revolutionized public transport but also became a catalyst for economic growth. Linking Johannesburg, Pretoria, and OR Tambo International Airport, the Gautrain not only shortened travel times but also sparked new developments along its corridors, transforming Gauteng's economic landscape. This is a story of innovation driving progress, where each station and track symbolizes our commitment to seamless mobility and economic prosperity.

Our freeway improvement program has been another cornerstone of our journey. Each upgrade and expansion has not just eased congestion and improved safety but has also facilitated smoother journeys for commuters and enhanced logistics efficiency for businesses across Gauteng. These roads tell a tale of resilience and progress, where every distance reflects our dedication to enhancing infrastructure that supports our growing economy.

Beyond major highways, our efforts to refurbish and maintain provincial and local roads have been equally impactful. Enhancing road surfaces, improving safety measures, and supporting economic activities in communities throughout Gauteng, we've woven a narrative of connectivity and opportunity.

Introducing innovative solutions such as the new tamper-proof number plate system has further bolstered our commitment to modernizing vehicle licensing and registration processes. These advancements ensure compliance, enhance traceability, and strengthen law enforcement efforts, contributing to safer roads for all residents.

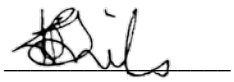
Throughout our journey, collaboration has been at the heart of our success. Partnerships with the Gauteng City Region Academy (GCRA) and other stakeholders have empowered our team with leadership skills and developmental

opportunities, enriching our narrative of growth and learning.

Looking forward, our strategic vision extends beyond the achievements of today. We are also excited about discussions regarding the implementation of the Gauteng - Limpopo Rail network to link the two provinces. This visionary project is expected to foster economic growth for both Gauteng and Limpopo, enhancing connectivity and opening up new opportunities for trade and development.

Additionally, we aim to expand our freeway network, integrate diverse modes of public transport seamlessly, and enhance the resilience and sustainability of Gauteng's transport infrastructure. These goals are not just aspirations but chapters in a story of inclusive growth, improved quality of life, and sustained economic vibrancy for Gauteng's future.

We extend heartfelt gratitude to our stakeholders, partners, and dedicated team members whose commitment and collaborative spirit have not only shaped our success but have also enriched the lives of countless Gauteng residents. As we transition to the next phase, we carry forward their dedication and passion, continuing to advance excellence in transport infrastructure for the benefit of all who call Gauteng home.



Ms K. Diale-Tlabela

MEC of the Department of Roads and Transport

Date: 31 July 2024

4. REPORT OF THE ACCOUNTING OFFICER

DR. THULANI MDADANE

ACCOUNTING OFFICER

- **Overview of the operations of the Department:**

The sixth (6th) Administration came to an end in the financial year, 2023/24, therefore, the Department accelerated its focus in accomplishing its goals in line with both the provincial Elevated Priorities and the Annual Performance Plan. The investments made in transport infrastructure during the financial year has resulted in improved mobility and road safety on strategic roads connecting communities and supporting economic development. Through these infrastructure investments the Department was able to contribute meaningfully to the elevated priorities of Accelerate economic recovery, job creation, Strengthen the battle against crime, corruption, vandalism, and lawlessness, and to Improve living conditions in townships, informal settlements, and hostels (TISH). This overview provides the success achieved over the financial year notwithstanding the challenges the Department navigated to deliver services to the citizens of Gauteng and thereby improve the lives of its citizens.

Transport Infrastructure

A good road network remains the backbone of any successful economy. The ability to move people and goods on a safe and reliable road network ensures efficiencies in time and cost. The Infrastructure Programme remains core to the Department's contribution to the economic recovery efforts and the transformation of the lives of the people, especially targeted groups. Major investments were undertaken in the upgrading and rehabilitation of identified roads to improve the rideability, safety and capacity of the roads for drivers, commuters, cyclists and pedestrians. The financial year under review witnessed the successful fruition of a number of strategic road upgrade and rehabilitation projects. These projects are outlined below:

- **Upgrading of K73 between Woodmead Drive and Allandale Road (D58) Mushroom farm.**

The K73 upgrade project involved the upgrading and construction of the link between Allandale Road and the R55/ Allandale. It also involved upgrading of Woodmead Drive and Allandale Road as well as the construction of a bridge. The road is a main artery into the newly developed Waterfall Estate in Midrand.

The new upgraded road was officially re-opened in November 2023. The upgrade has made significant improvements in traffic flows by alleviating traffic congestion, making commuting and vehicle mobility smoother and efficient around the Midrand area.

- **K69 Road (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54)**

The K69 carriage way connects Pretoria CBD and other areas of economic activity to Pretoria East notably Mamelodi and is thus a strategic road in the Northern corridor. The upgrade project involved the doubling of 9kms of an existing single carriageway aimed at increasing capacity, safety, and accessibility for existing and future developments along the K69 and 235, 969, 18m^2 were completed.

- **K46 (P79 /1): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot /N14 Phase 2**

The upgrading of K46 comprises of the dualisation of 7.2km single carriageway between PWV5 and Diepsloot. The project is at ninety-seven percent (97%) complete. A total of 172, 443.00m^2 of the road have been surfaced. It represents a critical infrastructure development aimed at enhancing traffic capacity in the North-South direction between the N1 and N14 highways. This project, spanning from the Erling interchange (connecting with phase 1 at Km 7.5) to Km 13.8 after the N14, holds the promise of improved transportation networks vital for the growing community.

- **P241/1 Road (Rehabilitation of P241/1 (R554) from 15.7km to 19.75km and road D405 (R554) from 0.00 km to 8.75 km (R82)**

Road P241/1 serves as one of two main link roads between Johannesburg and Lenasia, which forms part of the Central Corridor. The project entailed pavement rehabilitation of the single carriageway (R554) starting at P241/1 and R82 intersection towards the municipal boundary, past the M10 in Lenasia. The rehabilitation project was completed and was officially launched to the public.

- **Rehabilitation of road D483 between P6/1 (Bapsfontein) and D713 Cullinan)**

The Cullinan Road is an important and strategic road for economic development in the area. Rehabilitation was conducted on the twenty-eight kilometres stretch of road between P6-1 (Bapsfontein) and D713 (Cullinan). The project entailed the rehabilitation of road D483 between P6/1 Bapsfontien and D713 Cullinan. The project was completed, and the road is open for traffic. The rehabilitation project has not only improved traffic mobility but has also brought forth numerous benefits for the community.

- **Hendrik Potgieter Bridge**

The Hendrik Potgieter bridge collapsed after heavy rains caused damaged to the storm-water channel and forced the road closure in mid-December 2022. This road is a major arterial road between Johannesburg and the West Rand and aids in fostering economic growth and development, improves mobility and promotes access to essential amenities. The completion and handover of the bridge to the community showcased the Department's unwavering dedication to delivering high-quality infrastructure projects, underscoring government's commitment to the well-being of Gauteng's communities. This initiative is transforming the spatial landscape and accessibility, ushering in a new era of increased economic opportunities and safety for the people of Gauteng.

Repairing of Sinkholes

- **M10 sinkhole (Centurion)**

The Department completed the reconstruction of a collapsed bridge and opened it to traffic in December 2023. The project entailed the phase one rehabilitation and strengthening of damaged road at K103 (M10).

- **P122/1 sinkhole**

The Sinkhole appeared on the road shoulder of the North bound carriageway, at 6.00 kilometer along the (M57) P122/1, North of Olifantsfontein, old Pretoria/ Kempton Park was rehabilitated.

Rehabilitation of 40 Emfuleni Roads in Sedibeng

The Sedibeng District Municipality was provided with support in the improvement of its Road Infrastructure Upgrade Investment Programme. This entailed the light rehabilitation of a total of 40 identified roads within the Emfuleni Local Municipality in Sedibeng District Municipality. The roads are located in the Evaton, Sebokeng, Sharpeville and Boipatong townships. A total of thirty-six (36) roads were practically completed in Sebokeng and Three rivers. Four (4) roads (Sekati, Eagle, Zwane and Falcon) Schedule C (Vanderbijlpark) and D (Vereeniging) are scheduled for completion in Quarter One of the financial years, 2024/25.

Nasi Ispani programme

Our commitment to job creation extended to the Nasi Ispani Programme, with six thousand five hundred and twenty one (6, 521) contract employees under the Aga Le Rona Road Maintenance Programme. One hundred and sixteen (116) were appointed on a permanent basis. This initiative is aimed at maintaining the transport infrastructure thereby, facilitating safe and more efficient mobility of people and goods in the province. The employees assisted with road and transport infrastructure maintenance across the province. The Programme not only facilitate the maintenance of the road network but significantly contributed to the priorities of providing suitable employment opportunities for unemployed young people in Gauteng while also capacitating the State to deliver on its mandate. The Programme continues to create hope and transform the lives of the economically vulnerable people in our communities.

Expansion of the Driver, Learner Testing Centers to TISH areas

The Department repositioned itself to expand transport frontline services to townships with the objective of increasing communities' access to services and providing a customer orientated service environment. This was in response to government's mandate to improve public service delivery through access of quality service at the community's doorstep. The Department launched and operationalised a Smart Licencing Centre in the Mnandi Shopping Complex in Atteridgeville, City of Tshwane. The Smart Licencing Center is centred around the concept of an integrated service facility which incorporates learner, driver and vehicle licencing services, including public transport operator licencing components. The Atteridgeville Smart Licensing Centre forms part of prioritising service delivery interventions within or near townships, informal settlements, and hostels. Equipped with advanced technology and staffed by experienced and dedicated professionals, the Atteridgeville Smart Licensing Centre is poised to deliver exceptional service by ensuring that the clients feel valued and well cared for throughout their licensing process. Four (4) more DLTCs in identified Malls within the townships are being completed and will be launched in the new financial year, 2024/25.

New Number Plate System for Gauteng

The Department, in February 2023, published in the Government Gazette which set out the intention to introduce a new Motor Vehicle Number Plate System for the Gauteng Province (GP). The objective of the new GP number plate system, with enhanced security features and related changes, is to improve the detection of motor vehicle and owner identification, enhance law enforcement and enable responsiveness to crime and violence in the transport sector. This investment into technological innovations in the transport environment resulted in development of prototype for the new number plate system by the Council for Scientific and Industrial Research (CSIR) after intensive consultations with all identified stakeholders. The Department also developed an Empowerment Plan to assist new entrants from historically disadvantaged communities to enter the number plate manufacturing sector. The piloting of the new number plate system will be undertaken with various identified stakeholders in the next financial year, 2024/25.

Regularisation of the bus contracts

The Department has concluded negotiations and signed new bus contracts with bus operators in the Province. For the first time since 1997, the Department has finalised the new subsidised bus contracts, bringing an end to underspending, irregular expenditure and unfair discrimination against smaller operators. The process included updating contract rates to ensure sustainability. This will further enable the parties, (Department and bus companies) to avoid disruptions in the provision of Public Transport that affects the hard-working people of the province. These new negotiated contracts were implemented during July 2023. Included in the contractual obligation is the thirty percent (30%) of the contract value that must be sub-contracted to smaller operators owned and operated by Historically

Disadvantaged Individuals (HDIs) focusing on Black Ownership and Black Women Ownership. The emphasis will be placed on the phasing-in of the existing contracting obligations over a period of eighteen (18) months.

Completion of Phase 1 of Vereeniging Taxi Rank Facility

The Department handed over Phase 1 of the Vereeniging Intermodal facility to the taxi industry in Vereeniging and surrounding towns in the Sedibeng District Municipality (SDM) in August 2023. Works included refurbishing the existing taxi rank to include new hawker stalls, loading shelters and ablution facilities.

The intermodal facility upgrading project is the partnership with Passenger Rail Agency of South Africa (PRASA), Sedibeng District Municipality, Emfuleni Local Municipality.

Undertaken at a cost of R30 million, the modernised intermodal facility incorporates retail space, long-distance buses and train station. This serves to promote government's priorities of improving the standard of living in townships as well as improving economic growth and recovery.

Xavier Driver Learner Testing Center Official Launch

The Department officially re-launched the R4,5 million refurbished Xavier Driver Learner Testing Centre (DLTC) situated in Ormonde, Johannesburg in March 2023. The Xavier Junction Licensing Centre was revamped with cutting-edge technology as part of the Department's vision of client centric transport services which emphasises bringing services closer to residents. The Center introduces the "Smart Licensing Centres" concept which leverages on the new smart technology concept to improve customer experience, reduce waiting times and address backlogs in the provision of driver and vehicle licensing services in the Province.

Reopening of impound facilities.

In contribution to the priority of Addressing Crime and Lawlessness, the Department completed the secondment of the Public Transport Inspectorate Unit (PTIU) from the Department of Community Safety. The Inspectorate conducts amongst others; the monitoring of Public Transport operations and compliance inspections as per National Road Traffic Act 93 of 1996. The aim is to address incidences of lawlessness, crime and violence in the public transport industry, thereby making public transport safer for commuters. The Department reopened the Benoni and Koedoespoort impound facilities which are operational and receiving impounded public transport vehicles. Two (2) further impound facilities in Vereeniging and Krugerdorp facilities planned to be reopened in the financial year, 2024/25 to address crime, road and transport safety and ensure public transport operators' adherence to the National Road Traffic Act Regulations.

Logistic Function Development

The establishment of a logistics function for Gauteng Province Government will achieve service delivery efficiency which will benefit citizens, through reduced turnaround times in the warehousing and delivery of goods and services, reduce budget pressure through cost savings and rapid response to customer feedback (quantity, quality, cost, and time to follow-up). The Department is streamlining its g-FleeT Management entity to expand its mandate as logistics institution, namely - storage, warehousing (materials handling), packaging (unitisation), inventory, transporting and information control.

The warehouse simulation model was used to guide the warehouse location, size, and storage facilities across the five corridors. Against this backdrop, g-FleeT Management entity will be capacitated with human capital and financial resources to achieve the logistics function goal. It is anticipated that the launch for logistics function will be completed in the financial year, 2024/25.

Gauteng Limpopo rail link

During the 2023/24 State of the Province Address, the Premier announced the Gauteng Limpopo rail link project. The proposed Gauteng-Limpopo Rail Link is expected to enable development and implementation of an efficient and effective passenger and freight rail system between these two provinces. It is also anticipated to relieve the N1 of

high volumes of traffic. The Department commenced with engagements with the Limpopo Provincial Government to formally start a process to link Gauteng and Limpopo through a new, faster and efficient rail network. The Department set up a Task Team involving officials from the two provinces to work out the modalities and the requisite legal framework which will aid this process and the team achieved significant progress. The Gautrain Management Agency has been guiding our efforts and has to date coordinated the concept study which was approved by the two provinces. The Department is on track to achieving this dream with the prefeasibility study to be undertaken in the next financial year.

#FATELA: Road Safety Campaign

Road safety is an integral priority of the Department. The #FATELA: Road Safety Campaign was officially launched as the Provincial Festive Season Road Safety (#Fatela) Campaign at the Johannesburg's Park Station in December 2023. The main objective includes reaching out to Gauteng communities and road users (motorists, cyclists and pedestrians) through active messaging to persuade and change behaviour towards safe, considerate and responsible road use. Several activations were planned at strategic hotspots to spread the message throughout the province. The campaign is a 365-day activation geared to advocate for road safety throughout the financial year, 2023/24 and will continue in to 2024/25. The 2023-24 Programme comprises of two phases. First phase focuses on 2023/2024 festive seasons, whilst the second phase will focus on road safety issues beyond this period.

Challenges

Any success achieved is never without its challenges that has to be navigated through. Some of were the continuos taxi violence which plagued the citizens of Gauteng. The Department undertook numerous engagements with the taxi industry to address these issues and to put solutions in place.

One of the major challenges was the tight fiscal environment with cost containment measures introduced by National Treasury. This resulted in the Department having to reprioritise its plans and budget to ensure strategic priorities were delivered.

The poor contractor performance together with community stoppages has also resulted in delays in infrastructure projects. Increased social facilitation was undertaken to ensure projects continued.

- **Overview of the financial results of the Department:**
  - **Departmental receipts**

Departmental receipts	2023/24			2022/23		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	4 901 761	4 925 992	(24 231)	4 695 173	4 548 191	146 982
Motor vehicle licences	4 901 761	4 925 992	(24 231)	4 695 173	4 548 191	146 982
Sale of goods and services other than capital assets	102 283	74 263	28 020	97 972	63 596	34 376
Fines, penalties and forfeits	-	3 210	(3 210)	-	506	(506)
Interest, dividends and rent on land	10	14	(4)	79	7	72
Sale of capital assets						
Financial transactions in assets and liabilities	1 789	3 183	(1 394)	1 955	1 405	550
Total	**5 005 843**	**5 006 662**	**(819)**	**4 795 179**	**4 613 705**	**181 474**

The Department stands as the primary catalyst for revenue generation within the province, commanding a substantial share exceeding 60 percent. Motor vehicle licensing emerges as the principal fountainhead of income for the department, primarily through tax receipts accrued from motor vehicle licensing fees. In the course of revenue generation, the Department bears direct charges, encompassing deductions from collected revenue to reimburse the revenue collection entities namely municipalities, the South African Post Office, the Road Traffic Management Corporation, and the Gautrain Management Agency for their facilitation of the motor vehicle licensing function on behalf of the Department. The autonomous collection of revenue surged from R4.5 billion in the fiscal year 2022/23 to R4.9 billion in 2023/24. This elevation predominantly stems from the amplified collection of vehicle licenses.

The department's second most substantial revenue source stems from the sale of goods and services, excluding capital assets, encompassing categories such as Abnormal loads, Operator Permits, Personalised number plates, and Special Number Plates. Revenue derived from this avenue surged from R34 million in the fiscal year 2022/23 to R74 million in 2023/24.

Interest, dividends, and land rent, alongside financial assets and liabilities transactions, constitute the least significant contributors, as their revenue intertwines with recovery items like parking fees and debts. The fluctuations observed over the seven-year span under scrutiny stem from the inherent challenge in budgeting for this category, given its inherently uncertain nature.

Programme Expenditure

Programme Name	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.Administration	508 908	427 036	81 872	428 057	396 020	27 558
2.Transport Infrastructure	3 377 835	3 376 047	1 788	2 186 022	2 060 410	129 776
3.Transport Operations	3 144 928	2 919 168	225 760	2 862 860	2 289 882	572 984
4.Transport Regulation	447 112	429 835	17 277	350 156	289 629	60 836
5. Gautrain	2 506 958	2 506 958	-	2 657 566	2 657 566	-
Total	**9 985 741**	**9 659 044**	**326 697**	**8 484 661**	**7 693 507**	**791 154**

Expenditure for the 2022/23 fiscal year amounted to R7.7 billion, a figure that escalated to R9.7 billion in 2023/24. This notable uptick in expenditure can be attributed to the implementation of an infrastructure acceleration program in the final quarter of 2023/24, which significantly bolstered infrastructure spending compared to preceding fiscal periods. In 2023/24, two principal enhancements positively influenced expenditure: the ongoing infrastructure acceleration program and the introduction of new bus contracts. The Department anticipates aligning spending with planned budgets; however, marginal underspending in the Public Transport Operating Grant (PTOG) is expected due to the gradual ramp-up in expenditure since the commencement of contracts on July 1, 2023.

- **Virements/roll overs**

The Department was granted approval for the following virements:

R28.7 million is a virement from Programme 1: Administration to Programme 2: Transport Infrastructure and Programme 3: Transport Operations. R1.3 million is a virement from Programme 2: Transport Infrastructure to Programme 1: Administration, Programme 3: Transport Operations and Programme 4: Transport Regulation. R1 million is a virement from Programme 3: Transport Operations to Programme 2: Transport Infrastructure and Programme 4: Transport Regulation. R17 thousand is a virement from Programme 4: Transport Regulation to Programme 3: Transport Operations.

- **Unauthorised expenditure**

There was no unauthorised expenditure during the reporting period.

- **Public Private Partnerships**

No Public-Private Partnerships were considered or initiated during the reporting period, the existing PPP is the Gautrain Rapid Link Project with Bombela Consortium.

- **Discontinued key activities / activities to be discontinued.**

During the period in question, there were no activities ceased or under consideration for cessation.

- **New or proposed key activities.**

None

- **Supply chain management.**

➢ **List all unsolicited bid proposals concluded for the year under review.**

No unsolicited bids were received during the relevant period.

➢ **Indicate whether SCM processes and systems are in place to prevent irregular expenditure.**

The Accounting Officer has devised and implemented internal control systems to mitigate irregular expenditure in past fiscal periods, and endeavours to further enhance them in alignment with the latest advancements in Supply Chain Management regulations.

➢ **Challenges experienced in SCM and how they were resolved.**

The Department encountered minimal challenges in Supply Chain Management, barring delays in procurement attributable to limited capacity within the Supply Chain Management unit. Presently, the Department grapples with delays across various fronts, including an increased volume of meetings and stringent deadlines for bid committees.

- **Gifts and donations received in kind from non-related parties.**

Nature of gift, donation, or sponsorship	2023/24 R'000	2022/23 R'000
Made in kind Gifts		
Retail Motor Industry Organisation (RMI)	17	-
EKS Vehicle Tracking	92	-
New Number Plate Requisites (Pty) Ltd	25	-
Uniplate Group	25	-
Unique Number Plate	25	-
Afro Properties	9, 891	-
Century City Property	18,776	-
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	**28,851**	**-**

- **Exemptions and deviations received from the National Treasury**

No exemptions or deviations from compliance with any regulations or standards were granted in favor of the Department during the reporting period.

- **Events after the reporting date**

The sole significant event anticipated after the reporting period is the upcoming general elections. The future leadership of both the Department and the Province remains uncertain, which may consequently influence the composition, frequency, and efficacy of oversight committees, particularly given the potential for a coalition government.

Acknowledgement/s or Appreciation

I wish to convey my sincere thanks and appreciation to the Transport fraternity in their continued support and engagement with the Department with the common agenda of improving the safety, reliability and affordability of transport for all the citizens of Gauteng. A special note of appreciation to the staff of the Department, for their commitment and dedication towards achieving the Department's mandate.

Approval and sign off.

Dr T. Mdadane

Accounting Officer

Department of Roads and Transport

Date: 31 July 2024

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

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

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

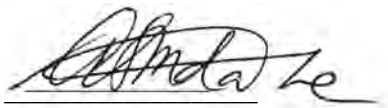
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2024

Yours faithfully



Dr T. Mdadane

Accounting Officer

Date: 31 July 2024

6. STRATEGIC OVERVIEW

6.1 Vision

Growing Gauteng Together through Smart Mobility 2030

6.2 Mission

To facilitate and provide an integrated transport system that:

- Is reliable, accessible, safe, and affordable.
- Promotes seamless mobility and social inclusion.
- Is environmentally sustainable; and
- Supports industrialisation and radical socio-economic transformation.

6.3 Values

The Department of Roads and Transport is guided by the following values:

CORE VALUES / PRINCIPLES	
Innovative	Continuously exploring new and creative methods to improve and fast track service delivery
Good governance	Facilitate an inclusive government that ensures integrity, transparency, accountability, and trustworthiness.
Teamwork	Promote consultation, accessibility and cooperation in our activities.
Professionalism	Ensure high level of competence, efficiency, and good work ethic in executing our duties.
Commitment	To remain dedicated in rendering high quality services to the citizens.
Ethical	We commit to be principled, fair and just in our conduct and in service to the people of Gauteng.
Responsiveness (Activist)	Our staff will be proactive, approachable, receptive, and be quick to respond to needs of the citizens.

7. LEGISLATIVE AND OTHER MANDATES

The Republic of South Africa Constitution (1996) grants all Provinces with concurrent competencies. The Department 's mandate is derived by the following list of National and Provincial laws and policies.

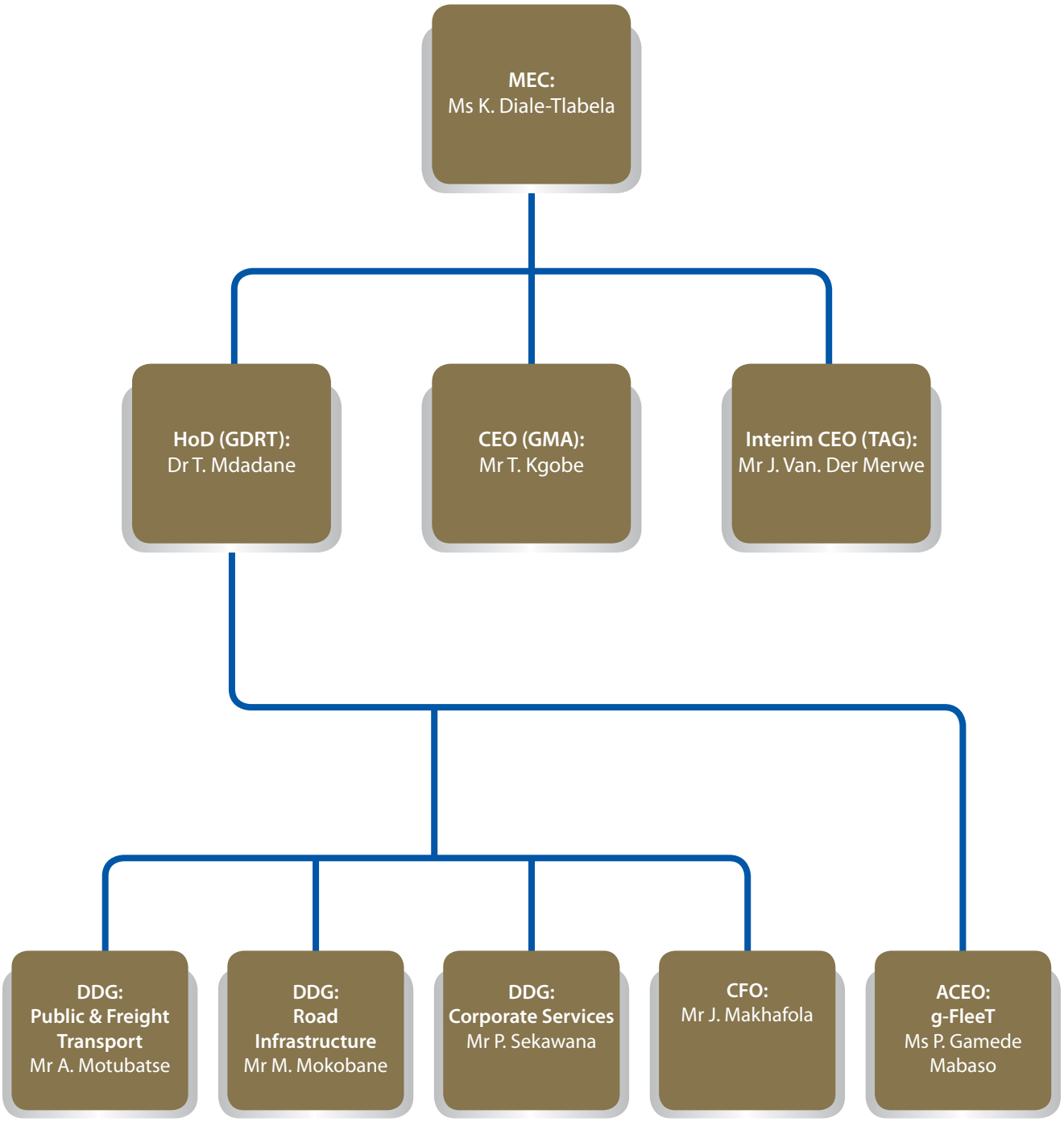
National Policy and Legislative Mandates

Legislation	Act / Policy
Administrative Adjudication of Road Traffic Offences Act	Act 46 of 1998
Advertising on Roads and Ribbon Development Act	Act 21 of 1940
Construction Industry Development Board Act	Act 38 or 2000
Cross-Border Road Transport Act	Act 4 of 1998
Deeds Registration Act	Act 47 of 1937
Division of Revenue Act (DORA)	Act 1 of 2010
Environmental Conservation Act	Act 73 of 1989
Government Immoveable Assets Management Act	Act 19 of 2007
Inter -Governmental relations Act	Act 97 of 1997
National Land Transport Act	Act 5 of 2009
National Land Transport Strategic Framework	Section 21 of Act 22 of 2000
National Road Traffic Act	Act 93 of 1996
National Road Traffic Safety Act	Act 12 of 1972
Preferential Procurement Policy Framework Act	Act 5 of 2000
Promotion of Access to Information Act, (PAIA)	Act 2 of 2000
Promotion of Administrative Justice Act (PAJA)	Act 3 of 2000
Public Administration Management Act	Act 11 of 2014

Provincial Policy and Legislative Mandates

Legislation	Act / Policy
Gauteng Planning and Development Act	Act 3 of 2003
Gauteng Road Infrastructure Act	Act 8 of 2001
Gauteng Transport Framework Revision Act	Act 8 of 2002
Gauteng Transport Infrastructure Act	Act 8 of 2001
Gautrain Management Agency Act	Act 5 of 2007
Gauteng Transport Authority (GTA) Act	Act 2 of 2019
Growing Gauteng Together 2030	Policy
Provincial Road Traffic Act	Act 10 of 1997

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

Gautrain Management Agency

The Gautrain Management Agency (GMA) is a schedule 3C public entity that is under the oversight of the MEC for Public Transport and Roads Infrastructure. The MEC is the Executive Authority of the GMA where in the GMA Board is the Accounting Authority as contemplated in the PFMA. The GMA Board is appointed by the MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Gautrain Management Agency	Gautrain Management Agency (GMA) has been established in terms of the GMA Act and listed under Schedule 3 (c) of the Public Finance Management Act (PFMA) as a Provincial Public Entity. National Policy and Legislative Mandates: • Constitution of the Republic of South Africa (1996). • National Land Transport Act, Act 5 of 2009. • Public Finance Management Act No. 1 of 1999. • Environmental Conservation Act No. 73 of 1989. • National Railway Safety Regulator Act No. 16 of 2002. • National Treasury Regulations. • Division of Revenue Act. • Consumer Protection Act No. 68 of 2008. • Preferential Procurement Policy Framework, Act 5 of 2000. • Protection of Personal Information Act, Act 4 of 2013. • Employment Equity Act, Act 55 of 1998. • Companies Act, Act 71 of 2008. • Minimum Information Security Standards Act. • Electronic Communications and Transactions Act, Act 25 of 2002. **Provincial Policy and Legislative Mandate** • Gauteng Transport Infrastructure Act, Act 8 of 2001. • Gauteng White Paper on Transport Policy. • Gauteng Transport Framework Revision Act No. 8 of 2002. • Gauteng Legislation on Development Planning. • Gautrain Management Agency Amendment Act No. 6 of 2008. • Provincial Growth and Development Strategy (PGDS). • Gauteng Spatial Development Perspective. • Gauteng Transport Authority Act, Act 2 of 2019 (the GTA Act) Other Policy and Strategy Frameworks Impacting on GMA are found in the GMA strategy plan 2022-23 to 2023-24.	The GMA receives its MTEF funds through the Department' vote.	The main objective of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project. It is also responsible for additional related projects and provision of assistance to other organs of state to realise the integration and co-ordination of public transport, essentially contributing to the Programme of Growing Gauteng Together through Smart Mobility and its pillars.

SUMMARY OF THE INTEGRATED ANNUAL REPORT FINANCIAL YEAR, 2023/2024

The Gautrain Management Agency's (GMA) strategy is aligned with the Gauteng Medium-Term Strategic Framework as well as the Growing Gauteng Together 2030 plan, while also being a key component of the smart mobility objectives of the Gauteng Department of Transport and Roads Infrastructure as captured in the Growing Gauteng Together Through Smart Mobility 2030 strategy. To contribute to the smart mobility objectives, the GMA is focused on enhancing service excellence through innovation on the existing system, and by leveraging the benefits of the proposed Gauteng Rapid Rail Integrated Network (GRRIN) extensions.

Performance Highlights

The term of office of the former Board, Board Committees and Board Advisors ended on 31 December 2023. As part of the continuation of providing strategic guidance, governance, and oversight to the Agency; the new Board and its Advisors were appointed during September 2023 effective 01 January 2024. The GMA also continued to move towards an outcome-based approach in terms of the application of the King IV principles from which the Agency managed to achieve a clean audit for 2023, its eleventh consecutively.

The GMA made good progress across several areas in the financial year 2023/24, especially in terms of oversight of the Concessionaire where the Gautrain achieved high levels of operational efficiency.

The overall system performance in the financial year was of an exceptionally high standard. Train service operations achieved an average availability of 99,69% and 98,22% punctuality over the period under review period which the train service operation maintained a high level of aggregated monthly performance.

The fare evasion rate applicable throughout the year remained below the 4% norm resulting in an average fare evasion rate of 0.00% in 2023/24, which is in line with the fare evasion rate recorded in 2022/23.

The GMA has, in collaboration with the Concessionaire, continued with the implementation of security enhancement initiatives in various parts of the System. Amongst others, these security initiatives include the deployment of effective security measures to secure Gautrain commuters and infrastructure. This contributed to high levels of operational efficiency and customer satisfaction by maintaining safe train and bus operations.

Since the start of the reporting financial year, there has been a significant increase in passenger trips, in comparison to the previous financial year. The overall increase in passenger trips was 10.79% compared to the previous year. This increase is attributed to the continuous steady improvement from passengers returning to the system after the COVID-19 impact.

Passenger trips per Financial Year

Service Type	Airport passenger	General Passenger	Total
FY 22/23	672,684	6,459,938	7,132,622
FY 23/24	747,724	7,154,764	7,902,488
% Change	11.16%	10.76%	10.79%

There have been similar growth patterns for the Gautrain Buses (Dedicated Feeder and Distribution Services or DFDS). Bus patronage has grown 10.96% in the 2023/24 financial year to reach 2.5 million annual passenger trips.

The performance of the midibuses feeder and distribution (MFDS) routes continued to exceed projected demand expectations. Passengers' numbers increased from six hundred and forty-six (646, 000) in the previous financial year to seven hundred and sixty-five (765, 000) in the year under review. This translates to an annual increase of eighteen percent (18%) more passengers than in the previous period.

With the current concession coming to an end in March 2026, the GMA has continued with the process to prepare for the Post-2026 Gautrain period. This process is intended to ensure that the Gautrain operations remain uninterrupted after the expiry of the current Concession Agreement. The Feasibility report was approved by National Treasury in April 2023. Treasury Approval 1 and Treasury Approval IIA to the GMA that allows the publication of the procurement documents into the market was granted. The procurement process is currently underway with the preferred bidder expected to be appointed by the end of 2024.

The planning of the GRRIN extensions continued with the undertaking of the Preliminary Route Alignment Study for the Soweto Extensions and Cosmo City Junction of the extensions to determine the route.

SED targets were met and exceeded as the Gautrain continued to contribute positively to the Gauteng economy. SED deliverables directly demonstrate the benefits of the Gautrain in terms of shareholding by black persons and black women, procurement, sub-contracting and employment equity elements.

The GMA continued to embed an Enterprise-Wide Risk Management System within the Agency. This has marked a continuous improvement in the maturity of the risk management system, with a clear allocation of responsibilities across the GMA Board and Committees, Management and employees. The risk maturity of the Agency has improved from eighty-nine percent (89%) to ninety percent (90%).

Information and Communications Technology (ICT) strategic initiatives planned for the Financial Year 2023/24 were completed. These initiatives continued to support the GMA to function in a seamless, secure and reliable manner, while allowing for organisational knowledge to be preserved and shared.

The GMA also reached levels of maturity with low turnover of staff and good performance in terms of its mandates under the GMA Act. The GMA currently had hundred and fifty six **(156)** positions approved with hundred and thirty six **(136)** positions approved and funded for in the Financial Year 2023/24.

Knowledge Management (KM) activities linked to the strategic goals of the Agency have been on track. KM in the GMA has matured, evidenced by the knowledge flow and embedment throughout the organisation as well as a diverse portfolio of assets such as lessons learned, case studies, knowledge shares, and incentives.

g-FLEET MANAGEMENT

g-FleeT Management is a trading entity of the Gauteng Department of Roads and Transport and is under the oversight of the Head of Department. The entity is managed by the Acting Chief Executive Officer.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
g-FleeT Management	• Public Finance Management Act (PFMA) • Treasury Regulations • Treasury practice notes • Public Service Act • Public Service Regulations. • Cabinet Memo of 1988 • Transport Circular 4 of 2000. • National Road Traffic Act of 1996.	g-FleeT Management is a trading entity of the Department and it's formally known as the government motor-Transport.	The entity's operations are largely regulated by the National Transport Circular No. 4 of 2000, which governs all matters relating to the utilization of government-owned transport and related transport.

The Annual Report for g-FleeT Management is included on page 269 of this report.

PERFORMANCE INFORMATION

PART B

PERFORMANCE INFORMATION

1. Introduction of a New Number Plate System for Gauteng

4. New Smart Licencing Centre

8. P241/1 Road (Rehabilitation of P241/1 (R554) from 15.7km to 19.75km and road D405 (R554) from 0.00 km to 8.75 km (R82)

9. K46 Road (P79 /1): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot /N14 Phase 2

10. K73 Road (between Woodmead Drive and Allandale Road (D58) Mushroom farm)

11. K69 Road (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54)

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 168 to 180 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

To facilitate the provision of public transport services and infrastructure in the Province, the Department has executed the following projects:

Vereeniging Taxi Rank -During the period under review, the MEC has officially opened the newly upgraded Vereeniging taxi rank in Vereeniging, Sedibeng District Municipality (SDM). The Stakeholders who attended includes Taxi Industry; Hawkers; SDM, ward Councillors and Parliamentary Constituency Office.

Introduction of a New Number Plate System for Gauteng - A New Number Plate Prototype System was introduced for the Gauteng Province which includes new security features to combat crime and lawlessness. The System will ensure that number plates issued by authorised embossers can be tracked and traced by law enforcement officers. This verification system will allow law enforcement officers to verify, the authorised embossers, blankers, vehicle and owner information by scanning the number plate. As part of the empowerment plan, the Department conducted a new entrant workshop for embossers in Randfontein to encourage the youth to enter the number plates embossers sector and funding opportunities available. The registration of embossers commenced with the issuance of registration certificates to embossers who have been legalised as manufacturers of number plates and ensuring compliance with existing regulations.

Learner Licence Project Launch - The Department together with Department of Economic Development (DED) conducted the Learner Licence Project launch at Xavier DLTC. This was aimed at affording youth from underprivileged communities an opportunity to obtain learner's licences at no cost.

New Smart Licencing Centre- A Smart Licencing centre which is an integrated service facility was launched and operationalised in Mnandi Mall (Atteridgeville). The centre incorporates learner driver and vehicle licencing services including public transport operators licencing components. The Mnandi Smart Licencing Centre sets a new standard for licencing in Gauteng backed by technology driven equipment, cashless environment, alternative power and a strong focus on enhancing customer experience.

DLTC-TISH Expansion program -The Department repositioned itself to respond to the policy pronouncement by the Premier to uplift Townships, Informal Settlements and Hostels by expanding transport frontline services to townships with the objective of increasing access to services. The purpose of the expansion of licencing services (Driver Learner Testing Centres (DLTCs), Motor Vehicle Licence (MVL), Transport Operating Licencing Administrative Bodies (TOLABs)) is to provide a customer orientated service environment. This forms part of the government's mandate of improving the quality and accessibility of service delivery to the community. To date, the Department has completed Mnandi Mall DLTC in Atteridgeville and operationalised services to the community. Tenant installations for additional sites in Denlyn Mall, Mamelodi and Protea Glen in Soweto is completed. Work on sites in Mohlakeng and Maponya Mall expansion, is also in progress for completion in the new financial year, 2024/25.

Mobile Learner Licencing - To increase access to licencing services in remote communities, the Department also completed the production of two (2) mobile learner licencing units as part of its commitment to reach out to citizens and provide access to services. The mobile units will be operational in the next financial year, 2024/25.

#FATELA Road Safety Campaign

The Department's commitment to give priority to the development of transport infrastructure in an effort to enhance safety and reduce fatalities on the province's road network was evident in the implementation of the #FATELA: Road Safety Campaign. The Campaign implemented in partnership with law-enforcement agencies was officially launched as the Provincial Festive Season Road Safety (#Fatela) Campaign in December 2023. The main objective includes reaching out to Gauteng communities and road users (motorists, cyclists and pedestrians) through active messaging to persuade and change behaviour towards safe, considerate and responsible road use. Several activations were

planned at strategic hotspots to spread the message throughout the province. The campaign is a 365-day activation geared to advocate for road safety throughout the financial year, 2023/24 and will continue into 2024/25. The 2023-24 Programme comprises of two phases. First phase focuses on 2023/2024 festive seasons, whilst the second phase will focus on road safety issues beyond this period. Guided by the global and national road safety objectives, the #Fatela campaign is about responsibility, sharing and caring for others on the road network.

Ford Assembly plant, tour Tshwane Automotive Zone

As part of the Smarter Mobility Summit, the team from the Department visited the Ford Motor Industry Assembly plant in Silverton, located in the Tshwane Automotive Special Economic Zone. The Department was joined by Senior management representatives the Western Cape's Mobility Department and Smarter Mobility Africa formed part of the delegation. Special economic zones are typically created to facilitate rapid economic growth by leveraging tax incentives to attract foreign investment and spark technological advancement. The visit served as a fact-finding and information gathering session to fully understand technical operations of the Ford Motor Industry, the production process and its role in stimulating development and creating job opportunities.

To provide a balanced equitable road network in the Province, the Department has executed the following projects:

Handover of K73 Allandale Road, Midrand - The Department officially re-opened the newly upgraded Allandale Road. The upgrade makes significant improvements in traffic flows by alleviating traffic congestion, making commuting and vehicle mobility smoother and efficient around the Midrand area.

Hendrik Potgieter Bridge - The bridge was closed to traffic in December 2022 following its collapse due to heavy rains which damaged the stormwater channel. The Department has completed the rehabilitation of the bridge and is open for traffic., The MEC Kedibone Diale-Tlabela officially re-opened the newly rehabilitated Hendrik Potgieter Bridge.

K69 Road (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54) -The project involved the doubling of 9km of an existing single carriageway with the aim of increasing capacity, safety, and accessibility for existing and future developments along the K69. The K69 connects Pretoria CBD and other areas of economic activity to Pretoria East notably Mamelodi. The project is completed.

K73 Road (between Woodmead Drive and Allandale Road (D58) Mushroom farm) - K73 project involves the upgrading of the 5.1km road construction linking Allandale Road and the R55/Allandale. The project was completed, and the road is open for traffic.

K46 Road (P79 /1): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot /N14 Phase 2 - The upgrading of K46 comprises of the dualisation of 7.2km single carriageway between PWV5 and Diepsloot. The project is at ninety-seven percent (97%) completed, and 172, 443.00m^2 of road have been surfaced.

P241/1 Road (Rehabilitation of P241/1 (R554) from 15.7km to 19.75km and road D405 (R554) from 0.00 km to 8.75 km (R82) - Road P241/1 serves as one of two main link roads between Johannesburg and Lenasia, which forms part of the Central Corridors. The project was completed, and the road is open for traffic.

Rehabilitation of road D483 between P6/1 (Bapsfontein) and D713 Cullinan - The project entailed the rehabilitation of road D483 between P6/1 Bapsfontien and D713 Cullinan. The project was completed, and the road is open for traffic.

P36/1 (R50 Delmas road)

P36/1 involved, the rehabilitation design, Environmental Impact Assessment (EIA), contract documentation and site supervision of road P36/1 which is a 33km sinkhole. The works conducted includes the excavation of a 2m below National Ground Level (NGL) on the Eastern side. The excavation of the carriageway to 2m below Fire Resistance Level (FRL) progressed from 32,97km to 33,20 km. The project is continuing for completion in the new financial year, 2024/25.

40 Emfuleni Roads

The light rehabilitation of 40 Emfuleni Roads project within Emfuleni Local Municipality in Sedibeng Region was implemented during the second half of the financial year under review. The roads are located between Sebokeng, Sharpeville and Boipatong townships. The project scope is limited to rehabilitation of these identified surfaced roads. In the light rehabilitation of 40 Emfuleni Roads, thirty-six (36) roads were practically completed (Schedule A (Sebokeng) and B (Three rivers)). Four (4) roads (Sekati, Eagle, Zwane and Falcon) Schedule C (Vanderbijlpark) and D (Vereeniging) are scheduled for completion in quarter 1 of the financial year, 2024/25.

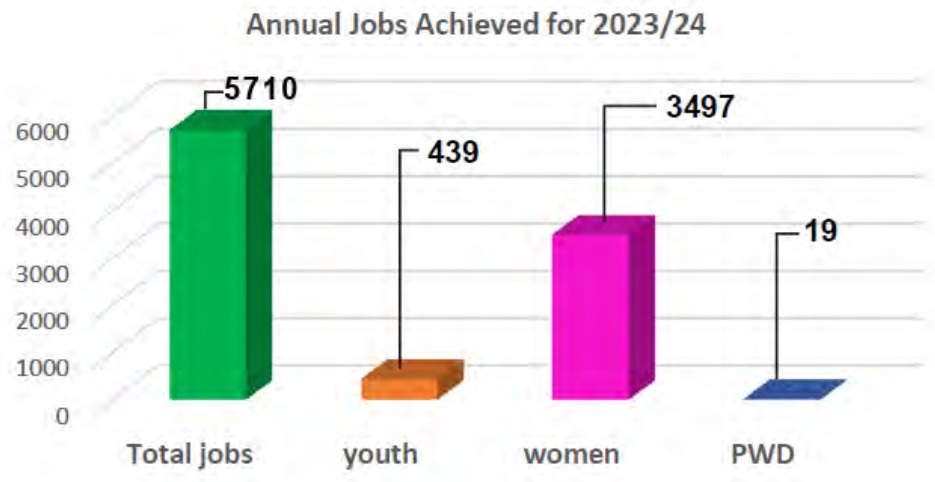
Sod turning launch of Road P122/1

The rehabilitation project of Road P122/1 (R57) in Irene, City of Tshwane was officially launch in January 2024. The project entails the rehabilitation of the single carriageway at an approximate length of 9.4 km, which is set to be completed in January 2025 at a cost of R241 million. This will see the upgrade of existing intersections, rehabilitation and upgrade of drainage systems and reconstruction of existing road surface forming part of the project scope. This project will therefore benefit the people of the affected wards by stimulating socio-economic growth, easing mobility by alleviating traffic pressure to the R21, and provide employment while allowing for skills development among the youth, women and people with disabilities.

Launch of the Road K175 (R568) rehabilitation project

The Road K175 (R568) rehabilitation project, covering a distance of approximately eight kilometres, was launched to stakeholders in the north-east section of Gauteng area next to Bronkhorstspruit in the City of Tshwane. K175 is currently a gravel road which poses a challenge for community members when travelling and the movement of goods and services along the route. The project which will be approximately fourteen months, at a cost of R120 million, aims to rehabilitate and reconstruct the existing road, construction of paved shoulders, as well as upgrading of the intersections along the route.

Job Creation- The Department created five thousand, seven hundred and ten **(5, 710)** work opportunities of which three thousand, four hundred and thirty-nine **(3, 439)** are youth, with three thousand, four hundred and ninety-seven **(3, 497)** being women and nineteen **(19)** Persons with Disabilities (PwDs) through the Expanded Public Works Programme (EPWP) projects**.**



Contractor Development Programme

Economic growth and job creation are at the forefront of our efforts. Our road construction and maintenance projects not only enhance infrastructure but also provide valuable job and development opportunities to local communities, small and medium-sized enterprises (SMMEs), and sub-contractors. During the financial year under review the Department appointed twenty (20) contractors from CIDB level 1 into the Contractor Development Programme. These contractors will be provided with opportunities to develop their skills and improve their CIDB rating over the course of the Programme.

2.2 Service Delivery Improvement Plan (SDIP)

The Department Service Delivery Improvement Plan identified one key service areas. This is the final year of the Service Delivery Improvement Plan. The tables below highlight the key services and the achievements to date.

Main services and standards

Key service 1: **Reduced waiting time at Provincial Registering Authorities for the Renewal of Driving Licences (DLTC)**

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Average waiting times at Provincial Registering Authorities for the Renewal of Driving Licences (Temba, Mabopane, Xavier Junction, Kagiso)	Vehicle owners through the e-Natis.	1 hour (Temba, Mabopane, Xavier Junction Kagiso)	1 hour (Temba, Mabopane, Xavier Junction Kagiso)	00:23:06

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

Current/actual arrangements	Desired arrangements	Actual achievements
Social Facilitation	Stakeholder Consultation	Informed customers, community members and other staff members through stakeholder consultation.
Media Networking Sessions	Informed public	Improved image and informed public.
Publications including Newsletters	Informed public	Informed internal and external stakeholders.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Monthly, Quarterly and Annual Report	Intranet, Website and Database	Informed internal and external stakeholders.
Brochures, Posters, Newsletters and leaflets	Intranet, Website and Database	Informed internal and external stakeholders.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Telephone	All complaints received to be handled	All complaints received were handled.
e-mail	All complaints received to be handled	All complaints received were handled.
Walk-in	All complaints received to be handled	All complaints received were handled.
Meetings	100% satisfied clients	100% satisfied clients.
Social Media	All complaints received to be handled	All complaints received were handled.

2.3 Organisational Environment

To improve good governance, provision of support and advisory services, the Department has executed the following projects:

Organisational Structure Review

The consultations on the organisational structure with line managers were concluded. The organisational structure is re-aligned and responds to the mandate of the Department. Consultation documents are currently being updated in preparation for submission of the organisational structure to the Minister of Public Service and Administration (MPSA).

Building the Capacity of the Department

The Department has a total of two thousand, two hundred and fifty-four (2, 254) employees of which one thousand, five hundred and forty-two (1, 542) are filled, seven hundred and twelve (712) are vacant, thirteen (13) are acting positions. Ten (10) employees terminated their service and forty-nine (49) were appointed to the Department.

Project management appointees to boost Department capabilities and service delivery.

Six (6) project managers were appointed at a time when it has adopted a short and long-term strategy to redefine its objectives in the provision of high-quality road infrastructure in the Province. This includes taking responsibility for the design and project management of Gauteng's primary road network. These appointments serve to strengthen the Department's management and bolsters its project management teams in pursuit of its mandate. To this end, professionals with extensive experience in the engineering and project management sectors were appointed.

Pursuing compliance: Officials awarded examiner's diplomas.

As part of the Department's efforts to strengthen driver and vehicle license compliance efforts in the province, handed diplomas to officials who successfully completed the course. The course - Examiner for Driving Licences was conducted by the Road Traffic Management Corporation (RTMC).

The three-month intensive training serves to professionalise the fraternity by ensuring that competent and skilled personnel are employed to improve and restore the image of law enforcers and road safety practitioners. It further focused on improving the overall quality of road traffic training, determining and implementing standards for training of traffic personnel. Capacitation of officials with critical skills is in line with the Province's elevated priorities aimed at enhancing the fight against crime, corruption, vandalism and lawlessness at licensing and registering centres. It also serves to strengthen the capacity of the state to deliver on its mandate through improvement of performance across all levels.

Capacitation of the Department through skills and development

The Department in collaboration with GCRA offered a Mastering Team Leadership in the Public Service webinars, and sixty (60) employees attended. Two hundred and thirty-nine (239) employees attended, eleven (11) development programmes during the financial year, 2023/24.

Capacitation of the Department through skills and develoment

The Department in collaboration with GCRA offered a Mastering Team Leadership in the Public Service webinars, and sixty (60) employees attended. Two hundred and thirty nine (239) employees attended, eleven (11) development programmes during the financial year, 2023/24.

Zwartkop Training Academy

The Zwartkop Training Centre focuses on upskilling employees in the Roads Maintenance and Construction Branch through the implementation of tailor-made training programs. The training programs include both theoretical and practical learning to address the skills requirements of employees. To date, the academy has trained three hundred and fifty-two (352) employees during the financial year, 2023/24 on twenty-seven (27) training interventions.

Career Development

Career Development focuses on upskilling employees regarding career development initiatives. The Department through the Bursary committee and Skills Development committees awarded seventy-four (74) study financial assistance to employees within the financial year under review. Twenty-three (23) candidates' contracts were extended to cover the remaining eleven (11) outcomes required by their relevant statutory registration council for the purposes of registration as professionals. Twelve (12) employees have been trained for Recognition of Prior Learning (RPL) offered by Gauteng City Region Academy (GCRA). Forty-six (46) interns have been trained for a compulsory Breaking Barriers (BB2E) training offered by the National School of Government (NSG).

Performance Management Development System

A performance agreement is the Department's communication and monitoring tool where objectives and goals are set out for individual's expectations and performance. It is also an agreement between the employee and the supervisor which includes timeframes and available resources. The agreement aligns the individual, business unit and the organisational performance. During the period under review, the following were completed:

- Accelerated grade progression was implemented to forty (40) qualifying non- (Occupational Specific Dispensation (OSD) employees. Grade and accelerated grade progression for eight (8) OSD employees were implemented.
- Eighty five percent (85%) of SMS members contracted on the compulsory Department of Public Service and Administration (DPSA) Performance Agreements for the 2023-2024 performance cycle before and on 31st May 2023. Ninety one percent (91%) of the Employees on Level 2-12 contracted on the compulsory DPSA Performance Agreements for the 2023-2024 performance cycle before and on 31st May 2023.
- Compulsory capturing of performance agreements for SMS members as well as employees on level 2-12 were completed by 30th June 2023 as prescribed by DPSA was completed.

Employee Wellness

- **Counselling services**

Psychosocial counselling was provided internally by the Employee Health and Wellness (EHW) practitioners whereby one hundred and seven (107) new cases were registered and a total of two hundred and thirty-eight (238) sessions were conducted to employees and family members. The dominant problem categories were the following: work related, health, personal, family and bereavement.

Four (4) group debriefing sessions were held at g-FleeT Management, Derdepoort Regional Office and Bronkhorstspruit regional office where a total of eighty-six (86) employees attended. Management consultation and advocacy were held with twenty-five (25) managers advising on employee referrals, absenteeism, and case management.

- **Health Promotion**

Four (4) educational workshops focusing on substance dependency were held at Heidelberg, Krugersdorp, Bronkhorstspruit Regional Office, and Head Office and where a total of two hundred and fifty-eight (258) employees attended.

A Dialogue Commemorating Men's Health Month was held at g-FleeT on 30 June 2023 and a total of one hundred and five (105) male employees attended. Furthermore, the World Aids Day event was commemorated on 7 December 2023 at Head office and the total of seventy (70) employees attended.

The health calendar event, Healthy Lifestyle Awareness month was commemorated during February 2024, whereby five (5) awareness sessions were conducted in some of the regional offices. The focus of the awareness sessions was to promote and demonstrate physical wellness combined with teambuilding sessions. The sessions were held at Koedoespoort, Krugersdorp, Benoni, Derdepoort and Vereeniging Regional Offices and a total of three hundred and eight (308) employees participated.

- **Health screening**

Fourteen (14) health screenings were held at the following regional offices and DLTCs / TOLABs: Head Office, g-FleeT, Krugersdorp, Vereeniging, Heidelberg, Benoni, Bronkhorstspruit, Derdepoort, Temba DLTC, Mabopane DLTC, Xavier DLTC, Kagiso/ Kliptown DLTC and Germiston TOLAB where a total of six hundred and seventy-nine (679) colleagues were screened for non-communicable diseases (hypertension, diabetes, obesity, cholesterol) and communicable diseases (HIV and TB).

Marketing sessions of Employee Health and Wellness (EHW) interventions were held at three (3) regional offices (Vereeniging, Krugersdorp and Heidelberg) where a total of one hundred and sixty-three (163) employees participated.

- **Safety, Health, Environment, Risk and Quality (SHERQ)** Sixty (60) employees were nominated as SHE Reps (health and safety representatives) in all regional offices and head office. A total number of two hundred and thirty (230) employees were nominated to be trained as part of Occupational Health and Safety Officers in the regions and head office and fifty-six (56) employees received training on First aid level 2.

Other Wellness Programmes conducted by the Department

Driver Wellness - Public Transport Programme with Taxi Industry in Gauteng - The Wellness Programme was in partnership with the Gauteng taxi Industry (GTI), South African Bus Operators Association (SABOA) and African Bank. These initiatives were concluded with a sport tournament on 29th of October 2023 where the Department participated in soccer and netball matches.

GEYODI EMPOWERMENT

As part of GEYODI Empowerment, the Department has developed and approved a Sexual Harassment policy to ensure that there are guidelines and procedures for ensuring a safe and respectful environment.

Men's Health Seminar

The Department facilitated a Men's health seminar, over three hundred (300) men participated. The seminar focused on health issues inclusive of prostate cancer, suicide and other mental health issues.

Youth Development

- **The 40, 000 Learner Licence Project**

  The Department together with the Office of the Premier, Department of Economic Development and in partnership with DIAGEO developed a Learner Driver's Licence programme. The programme focused on assisting the youth with administrative fees for securing learner's licences. The Programme was implemented in two (2) phases. Phase one (1) comprised of 10 000 of the 40, 000 learners' licences which were allocated to motorbike learners licence code 01, and the 30, 000 candidates received code02 and 03. The Phase two (2) will provide assistance with Drivers Licences to ensure that Gauteng is driving economic transformation providing young individuals with an opportunity to obtain new skills and employment opportunities.

- **Take a Girl Child to Work Programme**

  The Department hosted the Take a Girl Child to Work Programme with thirty (30) young people from a township in Pretoria participating. The programme is aimed at addressing the gender disparity by exposing them to various career opportunities within the Department.

Persons With Disabilities (PWDs)

The Department has compiled and approved a policy for Persons with Disability to ensure that they receive adequate economic and social protection, attain access to services.

Military Veterans

The Department employed four hundred and ninety-nine (499) Military Veterans in the Scholar Transport Programme.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The Department developed the following Acts and Regulations during the year under review, to guide the implementation and regulation of transport in the Province.

Regulations

Reviewed regulations

- **Gauteng Provincial Road Traffic Amendment Regulations, 2001**

Treasury Regulations section 7.1.3 states that "the Accounting Officer of an institution must review annually all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relates to revenue accruing to a revenue fund. In support of the above, Section 25(1)(g) and (h) of the Gauteng Road Traffic Act, 1997 (Act 10 of 1997) provides for the MEC to make Regulations with regard to the adjustment of fees pertaining to certain road traffic management transaction. The approval letter has been received from CSSL to increase licencing fees and they will be gazetted in Quarter 1 of the next financial year, 2024/25.

Operational policies

The Public Finance Management Act, 1999 (Act No. 1 of 1999) requires the Accounting Officer to develop systems and processes for effective and efficient management of the Department. In respect of the above, the Department developed operational policies as internal control systems to ensure that the governance position of the Department is not compromised. To date, twenty-nine (29) policies have been reviewed and approved.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Department has revised its Strategic Plan and aligned the revised outcomes to the Department's Growing Gauteng together Smart Mobility Plan - 2030. During the financial year under review, the Department has revised its Annual Performance Plan 2023/24 and aligned it to the revised outcomes as outlined in the Revised Strategic Plan. Below are the significant achievements made towards achieving the Revised Strategic Plan.

To improve good governance and accountability, the Department has continued to pay 100% of invoices paid within 15 days and 30 days.

The Gauteng provincial road network, was improved by the construction and maintenance of the roads which includes the following projects completed as 2019/20 to date:

- 11 detailed designs completed,
- 1, 445, 400m^2 surfaced roads rehabilitated,
- 533, 412.18m^2 surfaced roads upgraded,
- 757, 894.16m^2 blacktop patching,
- 1, 053, 955.02 m^2 surfaced roads resealed,
- 134.66km gravel roads re-graveled, and
- 4, 586.51km gravel roads bladed.

To improve the quality of life for the community, the Department has created 20, 365 of which 5, 389 are youth, 5, 279 are women and 58 are PwDs.

To support strong Institutions through smart mobility in Gauteng, the Department has completed the Gauteng Transport Household Survey (GTHS) and is in the process of completing the ITMP25 Review Report.

To ensure an improved smart, affordable and accessible public transport system, the Department has completed the Bus Contract Negotiations, and sixteen (16) bus contracts were awarded to bus operators, which comprise of fifteen (15) negotiated contracts and one (1) tendered contract. These bus contracts operates in the three (3) Metropolitan Municipalities , seven (7) in City of Johannesburg (COJ), five (5) in City of Tshwane (COT), one (1) in City of Ekurhuleni (COE), and three (3) in Sedibeng District Municipality (SDM).

As part of increasing Data Centric Mobility in Gauteng, the Department has established a Transport Management Centre which will assist the community with journey planning which provides information on routes, schedules, fares for Gautrain, BRT services (ReaVaya, Areyeng, Harambe), and subsidized bus services.

To improve service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025, the has introduced a queue management system and has also collected an amount of R22, 422, 991, 591 and issued 49, 442 operating licenses as from 2019 to date.

Outcome 1	**Improved good governance and accountability in the management of state resources by 2025**
Outcome Indicator:	Clean Audit opinion
Baseline:	Unqualified Report
Three-year target:	Clean Audit opinion by 2025

Outcome 2	Increased Socio-Economic Development (SED) in Broad Based Black Economic Enterprises
Outcome Indicator:	Percentage of BBBEE procurement expenditure awarded to HDI's
Baseline:	80%
Five-year target:	80%

Outcome 3	Improved Gauteng provincial road network by 2025
Outcome Indicator 1:	Percentage of surfaced roads good condition
Baseline:	66%
Five-year target:	70%
Outcome Indicator 2:	Percentage of surfaced roads in poor and very poor condition
Baseline:	11%
Five-year target:	<10%

Outcome 4	Strong Institutions supporting smart mobility in Gauteng
Outcome Indicator 1:	Number of Policy Planning documents completed.
Baseline:	ITMP25 and PLTF(GTIP5)
Five-year target:	A long-term planning Updated ITMP25 Master Plan and PLTF indicating planning & implementation projects in the province over the next five years.
Outcome Indicator 2:	Gauteng Transport Authority (GTA) operationalised
Baseline:	Based on section 12 of the National Land Transport Act, the transport challenges that Gauteng is facing can be ascribed to the lack of cross-municipal boundary integration of public transport services. Improved public transport accessibility, affordability, reliability, interoperability and safety are required to give effect to redressing apartheid spatial planning, allowing economic growth and reducing economic and social opportunity costs for communities to access economic opportunities.
Five-year target:	Fully operational GTA established to address smart mobility in terms of its mandate
Outcome Indicator 3:	Number of seamless platforms of eService's supporting smart mobility.
Baseline:	2
Five-year target:	3 seamless platforms of eService's supporting smart mobility

Outcome 5	An improved smart, affordable and accessible public transport system
Outcome Indicator:	% reliability of subsidised bus services
Baseline:	50% reliability of subsidised bus services
Five-year target:	80% reliability of subsidised bus services

Outcome 6	Increased Data Centric Mobility in Gauteng by 2025
Outcome Indicator: 1	Transport Management Centre Operationalised
Baseline:	Transport Centre Business case and Plans finalised
Five-year target:	Transport Management Centre Operationalised
Outcome Indicator: 2	Number of e-Tickets and contactless cards integrated on public transport systems (Gautrain, BRT, Metrobus Metrorail and minibus taxis)
Baseline:	Gauteng On The Move APP Launched
Five-year target:	3.5 million contactless card users integrated on public transport systems (Gautrain, BRT, Taxis, Metrobus and Metrorail)

Outcome 7	Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025
Outcome Indicator:	Average turnaround times at Transport Service Centres
Baseline:	None, will be conducted during the 2021/22 financial year
Five-year target:	1. 15% reduction for Motor Vehicle Licence Renewal 2. 15% reduction for (Learner License and Driver License Application) 3. 10% for (Driver License Renewal) 4. 10% for PrDP applications 5. 90 Days Public Transport Operator Licences 6. 20% Online renewal of Driver and Motor Vehicle Licences

Outcome 8	Reduction of freight on the Gauteng Road network by 2025
Outcome Indicator:	**Percentage of freight on roads**
Baseline:	80%
Five-year target:	78.5%

The Performance information by Programme section, which follows, outlines the Department's contribution to the above Outcomes during the year under review.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

This section outlines the progress by the Department in the achievement of outcomes as outlined in the Revised Annual Performance Plan 2022/23.

4.1 Programme 1: Administration

Purpose

The purpose of the Programme is to render the overall administrative support function to the Office of the MEC and the Department in accordance with applicable acts and policies.

Objectives of the Programme

To provide advisory, secretarial, administrative and office support service to the MEC, and to render strategic support to the Department in the areas of finance, human resources, procurement, information and communication systems and policy development. It comprises of the following Sub Programmes:

List of Sub Programmes

- **Office of the MEC**

Purpose: The Office of the MEC is responsible for the management and administration support services to the MEC. It also ensures that the Programme of the MEC is executed. The office facilitates a cooperative relationship with the Provincial Legislature, other Departments and stakeholders.

- **Management of the Department (Office of the HOD)**

Purpose: The office of the HoD provides strategic advisory services to the HoD towards the realisation of the strategic mission of the Department and administrative support in executing the programmes of the HoD and good governance. It also manages cross-cutting issues in relation to inter-governmental relations programmes.

- **Corporate Support**

Purpose: The function of this Sub Programme is to manage, coordinate and monitor communications for the Department. It further renders Human Resource Management services and is responsible for facilitating good, transparent and accountable governance.

- **Finance**

Purpose: The Sub-Programme ensures sound financial management and provides strategic financial advisory to the Department. The Sub-Programme is responsible for Financial Accounting and Reporting, Management Accounting, Asset Management and Disposals' Supply Chain Management and Compliance functions.

Institutional Outcomes:

- **Outcome 1: Improved good governance and accountability in the management of state resources by 2025**
- **Outcome 2: Increased Socio-Economic Development (SED) in Broad Based Black Economic Enterprises**

Outcomes, outputs, output indicators, targets and actual achievements

Outcome 1: Improved good governance and accountability in the management of state resources by 2025

To improve Good Corporate Governance and Accountability, the Department has executed the following:

- **30-day payment of invoice**

The Department has paid hundred percent (100%) of the invoices within thirty (30) days and ninety-six percent (96%) of invoices were paid within fifteen (15) days. Continuous monitoring will be made by the Department to ensure the compliance.

Human Capital Development - Professionalising the Department through skills development interventions

The following human resources projects were completed:

Training and Development

The Department in collaboration with GCRA offered a Mastering Team Leadership in the Public Service webinars , and sixty (60) employees attended. Two hundred and thirty nine (239) employees attended, eleven (11) development programmes during the financial year, 2023/24.

Zwartkop Training Academy

The Zwartkop Training Centre focuses on upskilling employees in the Roads Maintenance and Construction Branch through the implementation of tailor-made training programs. The training programs include both theoretical and practical learning to address the skills requirements of employees. To date, the academy has trained three hundred and fifty-two (352) employees during the financial year, 2023/24 on twenty-seven (27) training interventions.

Career Development

Career Development focuses on upskilling employees regarding career development initiatives. The Department through the Bursary committee and Skills Development committees awarded (74) Seventy-four study financial assistance to employees within the financial year under review. Twenty-three (23) candidates' contracts were extended to cover the remaining eleven (11) outcomes required by their relevant statutory registration council for the purposes of registration as professionals. Twelve (12) employees have been trained for Recognition of Prior Learning (RPL) offered by Gauteng City Region Academy (GCRA). Forty-six (46) interns have been trained for a compulsory Breaking Barriers (BB2E) training offered by the National School of Government (NSG).

Skills Audit

The Department conducted a Skills Audit to for all senior managers and middle managers within the Department to identify the current and future skills and competencies required to achieve its outcomes. The audit will assess the existing skills and competencies of the senior managers and middle managers and identify gaps or areas for improvement. Furthermore, it will also develop and implement a skills development plan to address the skills gaps and enhance the performance and productivity of the senior managers and middle managers. Lastly, it will monitor and evaluate the impact of the skills development plan on the Department's performance and outcomes.

OHS committee

A total number of seventeen (17) managers accepted nomination as members of the Departmental OHS committee. Nominations for regional committees was also completed and all regions have completed their statutory appointment.

Other Wellness Programmes conducted by the Department

Driver Wellness - Public Transport Programme with the Taxi Industry in Gauteng

The Wellness Programme was in partnership with the Gauteng taxi Industry, South African Bus Operators Association (SABOA) and African Bank. These initiatives were concluded with a sport tournament on 29th of October 2023 where the Department participated in soccer and netball matches.

Financial Management Workshop

Eleven (11) financial management workshops were conducted at the Regional Offices namely Krugersdorp, Vereeniging, Head Office, Derdepoort, Heidelberg, Koedoespoort, Benoni, Bronkhorstspruit, g-FleeT Management and a total of four hundred and nine (409) employees attended.

Amazing public transport race - The Gautrain Management Agency (GMA) hosted its annual Public Transportation Amazing Race on the 27th of October 2023 across the Metropolitan municipalities of Johannesburg, Tshwane, and Ekurhuleni. This formed part of the agency's October Transport Month's activities.

Organisational Structure Review

The consultations on organisational structure with line managers were concluded, addressing input/ concerns received from Office of the Premier Oversight Unit as well as from the MEC and HOD. The organisational structure is re-aligned and responds to the mandate of the Department. Consultation documents are currently being updated in preparation for submission of the organisational structure to the Minister for Public Service and Administration (MPSA)

The following initiatives were executed regarding Information Communication Technology (ICT):

Automation of services through e-Services solutions.

The Department is automating its services that are provided to the community, to improve customer convenience and reduce cost and time. The strategy used includes provision of e-services through Government to Business and Government to Citizens approach.

Government to Employees

The 4th Industrial Revolution (4IR) has spurred the digitization of services to clients. In response to the 4IR the Department has prioritized the automation of several e-services to the citizens of Gauteng. These customer-centric services aim to improve customer convenience and reduce cost and time. During the financial year, 2023/24 , the Department has automated the Human Resource Online exit system.

- **Human Resource Online exit system**

  It is a system used to manage Department's employees service termination process in a transparent manner. Human Resource exit system was developed, User Acceptance Testing (UAT) and User Training were conducted. The system was deployed on the live environment.

Government to Citizens

As part of 4IR and the improvement of customers' convenience, reduction of cost and time, the Department has automated the MVDRA Service Centre Mobile App which is a queue management.

- **Transport Service Centre Mobile App (Queue management)**

  The Department has embarked on an automation drive to modernize its administration to improve the bookings of services at the TOLAB Service Centre. This will assist the process to be more efficient, effective and improve service delivery. This initiative will allow the members of the public to install the app on their mobile phones with or without data to be able to access all Gauteng TOLABs/ Service Centres. The citizens will also be able to have access to the services provided at each centre to be able to book the slot at the centre of their choice to avoid the

queue. The TOLAB App was configured and deployed on the live environment.

Departmental Information and Communication Technology (ICT) Donations

The Department has donated the ICT resources to the below mentioned non-profit organisations (NPOs).

Organisations	Location	Laptops	Desktop PC	Printers	Scanner
Sibongile day care/ Sunrise early development	Phola park, Thokoza	3X Acer laptops	8X Desktop pc's	1X brother printer	1X HP scanner
Khutsong woman hostel	Katlehong	-	3X Dell desktops pc's	-	1X HP scanner
Tshireletso orphanage	Hammanskraal	2X Acer laptops	3X Acer desktops	-	-
Petit high school	Benoni	2X Lenovo laptops	-	-	1X HP scanner
Umkhatisizwe primary school	Katlehong	1X Lenovo laptops		-	Sony TV

Knowledge Management Improvement

- **Accessible and well-resourced knowledge management portal**

The purpose of the Knowledge Management system, also known as a knowledge management portal/ repository enable employees to locate and organize the relevant information, knowledge, and expertise required to address specific business tasks and projects. A total number of site visits to the Portal is ten thousand, six hundred and ninety-six (10,699). In addition, the Department has established a Knowledge Management Forum and appointed members. The Forum convenes meetings on a quarterly basis to ensure the portal's continuous updating and maintenance, fostering an open culture within the Department for creating, storing, sharing, integrating, and transferring knowledge. During the period under review, the Departmental Knowledge Management Forum was held on a quarterly basis as per the policy.

- **Knowledge Management Audit**

The Department has conducted a Knowledge Management audit to Identify the current and future knowledge needs, information databases, knowledge gaps, as well as how knowledge flows within the Department. The audit will also assist in locating internal and external experts, knowledge need analysis and knowledge inventory analysis. The audit was completed.

Table 2.4.4.1:

The Table 2.4.4.1. below reflects ONLY the Planned Targets and Actual achievements from the Originally Tabled Annual Performance Plan (APP) 2023/24 up until the date of re-tabling of the Revised APP 2023/24 in Quarter 2.

Outcomes, Outputs, Performance Indicators and Targets

Programme Name: Administration									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
SUB-PROGRAMME: CORPORATE SUPPORT									
Strong Institutions supporting smart mobility in Gauteng.	Two research / surveys completed annually	Number of research / surveys completed annually	1	2 surveys completed	2 surveys completed	0	2 surveys completed	The surveys were reprioritized during the financial year as per the cost containment measures directive from Gauteng Provincial Treasury (GPT).	The indicator was revised due to cost containment measures directive from Gauteng Provincial Treasury (GPT).

Although the deviation from planned target to actual target is calculated based on the Annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2024, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire 2023/24 financial year, but only for Quarter 1& 2 (April to September 2023) of 2023/24 financial year.

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2023/24.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: CORPORATE SUPPORT								
Strong Institutions supporting smart mobility in Gauteng.	One e-Service operationalised annually.	One e-Service operationalised annually.	One eService Operationalised (Maintenance and construction digital platforms).	One e-Service operationalised annually.	One e-Service operationalised annually.	One e-Service operationalised annually.	-	-

Strategy To Overcome Areas of Underperformance

Indicator	Proposed Intervention
-	-

The Department has initiated the following projects for Communication and Media events:

The major highlights or events during the financial year, 2023/24 included the following.

- Deputy President Paul Mashatile oversight visit to the departmental Vereeniging Taxi Rank project in Sedibeng,
- MEC's Budget Vote Speech at Legislature,
- Technical committee meeting on implementation of recommendations of the provincial taxi violence commission and summit resolution,
- The launch of the October Transport Month Campaign on 02-03 of October 2023 at the Gallagher Convention Centre,
- Transport Sector BBBEE Symposium,
- New Gauteng Province Number Plate Project (Prototype),
- Registration of Manufacturers of Number Plates (Embossers), and
- RTMC launches partnership with Webuycars.

Furthermore, the Department executed, completed, and launched the following projects:

Vereeniging Taxi Rank - During the period under review, the MEC has officially opened the newly upgraded Vereeniging taxi rank in Vereeniging, Sedibeng District Municipality (SDM). The Stakeholders who attended includes Taxi Industry; Hawkers; SDM, ward Councillors and Parliamentary Constituency Office.

Introduction of a New Number Plate System for Gauteng - The Department has introduced a New Number Plate Prototype System which includes new security features to combat crime and lawlessness. The System will ensure that number plates issued by authorised embossers can be tracked and traced by law enforcement officers. This verification system will allow law enforcement officers to verify, the authorised embossers, blankers, vehicle and owner information by scanning the number plate. As part of the empowerment plan, the Department conducted a new entrant workshop for embossers in Randfontein to encourage the youth to enter the number plates embossers sector and funding opportunities available.

Learner Licence Project Launch - The Department together with Department of Economic Development (DED) conducted the Learner Licence Project launch at Xavier DLTC. This was aimed at affording youth from underprivileged communities an opportunity to obtain learner's licences at no cost.

New Smart Licencing Centre- The Department launched and operationalised in Mnandi Mall (Atteridgeville), a Smart Licencing centre which is an integrated service facility. The centre incorporates learner driver and vehicle licencing services including public transport operators licencing components. The Mnandi Smart Licencing Centre sets a new standard for licencing in Gauteng backed by technology driven equipment, cashless environment, alternative power and a strong focus on enhancing customer experience.

DLTC-TISH Expansion program -The Department repositioned itself to respond to the policy pronouncement by the Premier to uplift Townships, Informal Settlements and Hostels by expanding transport frontline services to townships with the objective of increasing access to services. The purpose of the expansion of licencing services (Driver Learner Testing Centres (DLTCs), Motor Vehicle Licence (MVL), Transport Operating Licencing Administrative Bodies (TOLABs)) is to provide a customer orientated service environment. This forms part of the government's mandate of improving the quality and accessibility of service delivery to the community. To date, the Department has completed Mnandi Mall DLTC in Atteridgeville and operationalised services to the community. Tenant installations for additional sites in Denlyn Mall, Mamelodi and Protea Glen in Soweto is completed. Work on sites in Mohlakeng and Maponya Mall expansion, is also in progress for completion in the new financial year, 2024/25.

Mobile Learner Licencing - To increase access to licencing services in remote communities, the Department has also completed the production of two (2) mobile learner licencing units as part of its commitment to reach out to citizens and provide access to services. The mobile units will be operational in the next financial year, 2024/25.

MVDRA Service Centre Mobile App (Queue management) - The Department has embarked on an automation drive to modernize its administration to improve the bookings of services at the TOLAB Service Centres. This initiative seeks to ensure the efficiency and effectiveness of services. The system has been developed and is operational.

#FATELA Road Safety Campaign

In partnership with law-enforcement agencies, the Department commenced with the rolling out of the Fatela Road Safety Campaign which focused on: Driver and Vehicle Fitness, Pedestrians, Infrastructure Maintenance and Protection, Identification of Hazardous Locations and Law Enforcement. During the period under review, the Department conducted various road safety campaigns in all the Municipalities in Gauteng.

Handover of K73 Allandale Road, Midrand - The Department officially re-opened the newly upgraded Allandale Road. The upgrade is set to make significant improvements in traffic flows by alleviating traffic congestion, making commuting and vehicle mobility smoother and efficient around the Midrand area.

Hendrik Potgieter Bridge - The bridge was closed in December 2022 following its collapse due to heavy rains that damaged the stormwater channel. The Department has completed the rehabilitation of the bridge and is open for traffic. Furthermore, the MEC Kedibone Diale-Tlabela officially re-opened the newly rehabilitated Hendrik Potgieter Bridge.

K69 Road (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54) -The project involves the doubling of 9km of an existing single carriageway with the aim of increasing capacity, safety, and accessibility for existing and future developments along the K69. The K69 connects Pretoria CBD and other areas of economic activity to Pretoria East notably Mamelodi, the project is completed.

K73 Road (between Woodmead Drive and Allandale Road (D58) Mushroom farm) - K73 project involves the upgrading of the 5.1km road construction linking Allandale Road and the R55/Allandale. The project was completed, and the road is open for traffic.

K46 Road (P79 /1): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot /N14 Phase 2 - The upgrading of K46 comprises of the dualisation of 7.2km single carriageway between PWV5 and Diepsloot. The project is at ninety-seven percent (97%) completed, and 172, 443.00m^2 of road have been surfaced.

P241/1 Road (Rehabilitation of P241/1 (R554) from 15.7km to 19.75km and road D405 (R554) from 0.00 km to 8.75 km (R82) - Road P241/1 serves as one of two main link roads between Johannesburg and Lenasia, which forms part of the Central Corridors. The project was completed, and the road is open for traffic.

Rehabilitation of road D483 between P6/1 (Bapsfontein) and D713 Cullinan - The project entails the rehabilitation of road D483 between P6/1 Bapsfontien and D713 Cullinan. The project was completed, and the road is open for traffic.

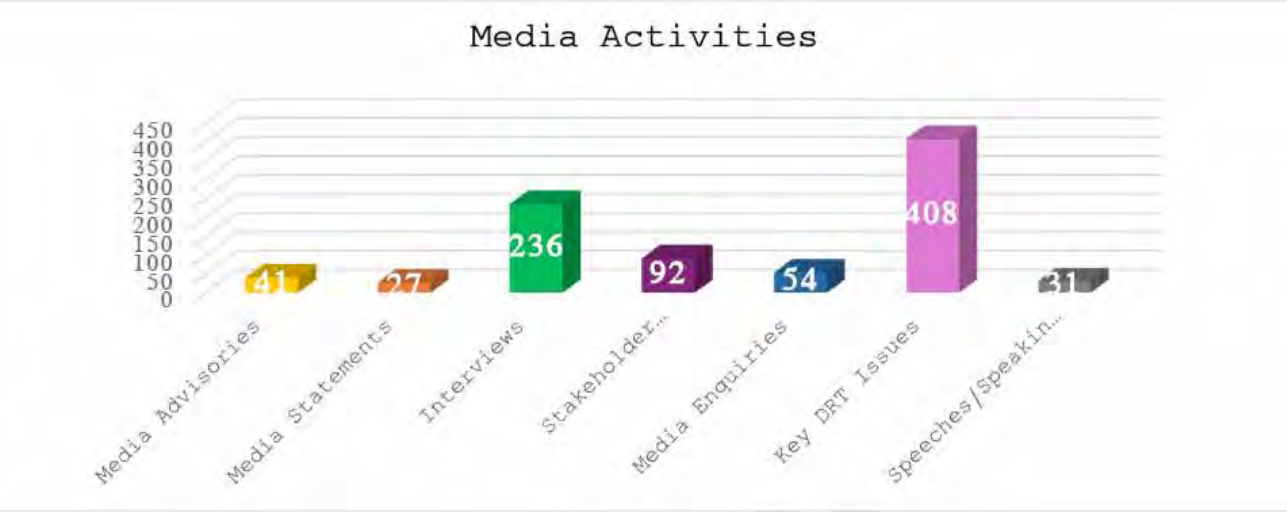
P36/1 (R50 Delmas road)

P36/1 involves, the rehabilitation design, Environmental Impact Assessment (EIA), contract documentation and site supervision of road P36/1 which is a 33km sinkhole. The works conducted includes the excavation of a 2m below National Ground Level (NGL) on the Eastern side. The excavation of the carriageway to 2m below Fire Resistance Level (FRL) progressed from 32,97km to 33,20 km. The project is continuing for completion in the new financial year, 2024/25.

Media Activities

The following media activities were conducted during the financial year to promote the reputation of the Department and enhance the public knowledge and understanding of GDRT policies and services:

Media Activities	#
Media Advisories	41
Media Statements	27
Interviews	236
Stakeholder Engagements	92
Media Enquiries	54
Key DRT Issues	408
Speeches/Speaking Notes	31



To ensure that the community is informed about the programmes and projects that the Department is implementing, stakeholder engagements are held. During the financial year under review, the Department has executed the following:

Social Facilitation- Social Facilitation is the process of consulting or communicating with all the affected stakeholders when the Department implements any infrastructure project whether construction or maintenance. The Department has consulted on the following completed infrastructure projects:

- **40 Emfuleni Roads-** Light rehabilitation of 40 Emfuleni Roads within Emfuleni Local Municipality in Sedibeng Region. The roads are located between Sebokeng, Sharpeville and Boipatong townships. The project area is currently comprised of surfaced roads. The project scope is limited to rehabilitation of these identified surfaced roads. In the light rehabilitation of 40 Emfuleni Roads, thirty-six (36) roads were practically completed (Schedule A (Sebokeng) and B (Three rivers)). Four (4) roads (Sekati, Eagle, Zwane and Falcon) Schedule C (Vanderbijlpark) and D (Vereeniging) are scheduled for completion in quarter 1 of the financial year, 2024/ 25.
- **P122/1 Rehabilitation** – The Department conducted a sod turning and launched the rehabilitation of road P122/1 in Irene, City of Tshwane.The upgrade of the P122/1 single carriageway involves the reconstruction of the existing road and paved shoulders, upgrading of intersections along the route, and widening the existing cross-section with broader traffic lanes. The project will assist in transforming the lives of the people who reside in Wards 47, 83, 71, 91, and 65.

To ensure the effective and efficient maintenance of the Departmental buildings, the Department has initiated the following:

Maintenance / renovations of Departmental building

During the financial year under review, the Department has continued with the upgrading, and maintenance of the regional offices and Head office.

Occupational Health and Safety (OHS) Compliance

The Occupational Health and Safety was conducted at all Departmental regions and Head office.

Government Immovable Asset Management Act (GIAMA)

During the period under review the Department held meetings with the GIAMA forum to address government property related matters in the Province for all custodian and user Departments. The terms of reference (TOR) for the GIAMA forum were updated by all the Departments. The forum launched a new GIAMA User Forum (GUF) Information Repository. This platform will serve as a central hub for storing and accessing important documents relevant to the Department. This will assist the Department in improving accessibility, enhanced collaboration, and transparency in retrieving documentation.

- Infrastructure Asset Management Plan (I-AMP)

The I-AMP 2024/ 25 was completed and submitted to the Gauteng Provincial Treasury. The Department has compiled the I-AMP 2025/26 and has been submitted to Gauteng Department of Infrastructure Development (GDID) for review and later to GPT.

- Infrastructure Program Management Plan (IPMP/IPIP)

The IPMP (Infrastructure Program Management Plan) for 2024/25 MTEF is being finalised in consultation with the GDID as the preferred Implementing Agency (IA) for departmental CapEx office accommodation Infrastructure Programme.

Section 42 transfers

The Department through its property management team has undertaken the transfer of the properties and is currently engaging with the Gauteng Department of Infrastructure Development (GDID) on the roll-out plan for transfer of properties. The first batch, with a list of 122 properties, consisting of a mixture of buildings and land parcels, has been verified by the Department and GDID. There are still other challenges that are still hindering the transfer, particularly the skilled workforce in Department to manage these facilities. The engagements are ongoing between the two Departments, with guidance sought from Office of the Premier (OoP).

Records Management

The Department is continuing with the electronic document management of records/documents through the e-DRMS project ensuring that all Departmental documents are digitised. All records will be transferred to the Provincial Archivist Repository (PAR) for storage annually. This is to ensure that all A20 and A30 documents are preserved for future use. The back scanning project and training on how to use the File Plan are continuing.

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2023/24.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: FINANCE								
Improved good governance and accountability in the management of state resources by 2025.	Highest level of financial management and governance as reflected by the audit opinion.	Auditor General's audit outcome for the Department.	Financially unqualified audit opinion for financial year 2020/21.	Qualified audit opinion	Unqualified audit opinion for the financial year 2022/23.	Unqualified audit opinion for the financial year, 2022/23.	-	-
	Payment of invoices to SMMEs	Percentage (%) of invoices paid within 15 days. (Non-cumulative)	-	-	90%	96%	+6%	The variance of 6 is due to enhanced payment processes and cooperation from stakeholders in timeous submission of documents to facilitate payments.
		Percentage (%) of invoices paid within 30 days. (Non-cumulative)	-	-	100%	100%	-	-

Strategy To Overcome Areas of Underperformance

Indicator	Proposed Intervention
-	-

Outcome 2: Increased Socio-Economic Development (SED) in Broad Based Black Economic Enterprises

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2023/24.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: SUPPLY CHAIN MANAGEMENT								
Increased Socio-Economic Development (SED) in Broad Based Black Economic Enterprises.	Procurement expenditure spend to targeted groups.	Percentage (%) spent on BBBEE compliant empowering suppliers. (Non-cumulative)	59%	90%	80%	87%	+7	Increased budget expenditure spent on BBBEE compliant empowering suppliers.
		Percentage (%) spent to township owned enterprise. (Non-cumulative)	-	45%	40%	1,54 %	38.5	Majority of the Departmental expenditure is based on contracts secured through the open tender process, in which event, the Department is unable to ignore nontargeted enterprises due to the existing laws of the PPPFA and Treasury Regulations.
		Percentage (%) spent to Black owned enterprise. (Non-cumulative)	-	61%	50%	71, 32%	+21.32	Increased budget expenditure spent on complaint black owned suppliers.

Strategy To Overcome Areas of Underperformance

Indicator	Proposed Intervention
Percentage spent to township owned enterprise. (Non-cumulative)	The Department is currently augmenting its panel of contractors and professional service providers to encourage targeted enterprises to participate. Where possible the Department will issue RFQ to targeted enterprises only.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

The Department does not have sector a core set of standardised sector indicators. The Province specific indicators are provided for and reported on in tables 2.4.4.1 and 2.4.4.2 above,

Linking performance with budgets

Programme expenditure

Administration	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000					
Office of the MEC	23 831	20 929	2 902	14 474	18 275	233
Management of the Department	24 316	18 224	6 092	27 486	28 874	1 015
Corporate Support	457 530	384 565	72 965	382 610	345 774	25 920
Departmental Strategy	3 231	3 318	(87)	3 487	3 097	390
Totals	**508 908**	**427 036**	**81 872**	**428 057**	**396 020**	**27 558**

The sub-programmes within this programme are administrative in nature and provides support to the core programmes. The programme is fully funded from the equitable share portion of the departmental allocation. The spending within the MEC's office increased from 2022/23 to 2023/24, from R18 million to R21 million which was due to the increase in the programmes implemented within the office.

The Management Sub-Programme is made up of the HOD's office and Risk Management. The expenditure in 2022/23 was R29 million and decreased to R18 million in 2023/24 due to budget cut off and cost containment measures implementation during the adjustment budget period in the financial year, 2023/24.

Expenditure within the Corporate Services sub-programme increased from R346 million in 2022/23 to R384 million in 2023/24, mainly due to inflationary increases and other operational requirements of the Department and regional offices.

4.2 Programme 2: Transport Infrastructure

Purpose

The purpose of the Programme is to provide a balanced equitable road network in the Province by promoting accessibility that is sustainable, integrated and environmentally sensitive, which support economic growth and social empowerment.

The Programme is aimed at determining the needs for the development of infrastructure, implementing maintenance and construction programmes and providing access to communities to unlock economic potential, as well as promoting community development. The Programme consists of four Sub Programmes namely:

List of Sub Programmes

- **Infrastructure Planning**

To ensure that macro-transport sector planning is integrated, coordinated with land use to facilitate multi-modalism. The Sub Programme focuses on the transport policy, planning and designing of current and future transport infrastructure and systems towards an integrated and seamless transport network in collaboration with municipalities through various IGR structures.

- **Infrastructure Design**

This Sub Programme involves the design of the roads infrastructure and deals with the proclamation of road reserves for provincial roads, ensuring alignment to the provincial spatial development framework, consultation with stakeholders and maintaining the road asset management for the province.

- **Construction**

To provide modernised road infrastructure that promotes socio-economic development and decisive land use development. The Sub Programme focuses on the construction of new roads and the upgrading of existing roads. It seeks to optimise road safety, accessibility and reliability towards increased seamless mobility to socio - economic nodes and corridors for improved quality of life for people of Gauteng.

- **Maintenance**

To preserve the status of the existing provincial road network to its original state, to promote road safety for people of Gauteng and the expanded lifespan of existing road networks. The Sub Programme focuses on the following key projects namely, road rehabilitation, which entails heavy and light rehabilitation, routine and period assessment of the network, routine road maintenance and periodic road maintenance.

Institutional Outcomes:

- **Outcome 3: Improved Gauteng provincial road network by 2025**
- **Outcome 4: Strong Institutions supporting smart mobility in Gauteng.**

Outcomes, outputs, output indicators, targets and actual achievements

Outcome 3: Improved Gauteng provincial road network by 2025

SUB-PROGRAMME: INFRASTRUCTURE DESIGN

Ongoing Road Designs in the financial year 2023/24.

Central Corridor

- **D2204: Construction of road D2204 over rail**

The existing level crossing at D2204 commences from road D1182 over the Lenasia to Vereeniging railway line about 250 meters North of the Lenasia station and terminates on Lenasia Avenue in Lenasia. There is also an increase in traffic volume which exceeds one thousand (1, 000) vehicles per day and increase in heavy goods trains on the line which increased due to activities at Metal Steel in Vanderbijlpark. The risks identified to the community are higher, due to very high volume of heavy vehicles and increased pressure to close level crossing from rail regulation views. The overall project progress is at eighty-five percent (85%) complete.

Western Corridor

- **P241/1 from K15 (R558) to K11 (R28) Bekkersdal approximately 19km.**

Road P241 /D405 (R554) Lenasia to Swartkoppies Avenue Alberton (19km) is planned for Light Rehabilitation. The road is located in the West - East Corridor linking the Mogale City and the Ekurhuleni Metropolitan areas. It is planned for rehabilitation and capacity improvements to alleviate traffic congestion and pollution in the area**.** The overall project progress is at eighty-three percent (83%) complete.

40 Emfuleni Road designs

The designs of the light rehabilitation of 40 Emfuleni Roads within Emfuleni Local Municipality in Sedibeng Region. The roads are located between Sebokeng, Sharpeville and Boipatong townships. The project area is currently comprised of surfaced roads which deteriorated. The project is practically completed (Schedule A -D)

- **Schedule A:** Sedibeng (Sebokeng, Evaton region)
- **Schedule B:** Three Rivers
- **Schedule C:** (Vanderbijlpark, Bophelong, Bonane and Debonair Park)
- **Schedule D:** Vereeniging Region

Multi-year Projects

Road Designs to be completed in the financial year 2024/25.

Road Description	Corridor	Progress
K217 from K8 (R566) to K4 (Ruth First Road) Phase 1.	Northern Corridor	To date the survey work has been completed and the Traffic counts analysis are ninety-five percent (95%) complete. The materials investigation is seventy-five percent (75%) complete.
K14 Apies River Bridge and the uncompleted portion of the K14 (Sefako Makgatho Drive) between Paul Kruger Street and Lavender Road (K97).	Northern Corridor	The programme was also revised, the Preliminary and detailed designs will be completed in March and July 2024 respectively.
D2150 from P73/1 (Golden Highway) and Link Road Transport Corridor.	Central Corridor	The project is at thirty percent (30%) complete.

Road Designs to be completed in the financial year 2025/26.

Road Description	Corridor	Progress
P66/1/ (K71 Phase 3) – between road P71/1 and road D795) Links Kyalami in Midrand and Noordwyk R562.	Central Corridor	The project is at Procurement Stage.
K29 (R512): from Ashenti Road to North-West, supporting the proposed Lanseria City.		The project is at Procurement Stage.
K90N – Phase 2 of the R21/ Atlas Road interchange.	Eastern Corridor	The project is at Preliminary Stage and thirty percent (30%) complete.
D781 from 7.29km to 15.56km road distance 7.97km upgrade from gravel to surface Benoni Region.		The Project is at 35% complete.
D2192 from 4.35km to 6.45km road distance 2.10km upgrade from gravel to surface Benoni Region.		The project is at Procurement Stage.
K121 between K105 and K68, approximately 4.2 km.		

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2023/24.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: INFRASTRUCTURE DESIGN								
PROVINCIAL ROAD DESIGNS								
Improved Gauteng provincial road network by 2025.	Road infrastructure designs completed.	Number of detailed designs completed.	8 designs	3 Detailed designs completed.	**2 Detailed designs completed.** 1. P241/1 from K15 (R558) to K11 (R28) Bekkersdal approximately 19 km. 2. D2204: Construction of Road D2204 over rail.	0	**2 Detailed designs completed.** 1. P241/1 from K15 (R558) to K11 (R28) Bekkersdal approximately 19 km. 2. D2204: Construction of Road D2204 over rail.	Delays in the completion of the designs were due to the following: P241/1 (83%) - During the preliminary design investigations the road was found to have clay material challenges. This resulted in the redesigning of the pavement sections causing a delay in the finalisation of the detailed designs. D2204 (85%) -Material Investigations on D2204 classified it as a Dolomitic zone which required specialist investigations which delayed the finalisation of the detailed designs.
MUNICIPAL ROAD DESIGNS								
Improved Gauteng provincial road network by 2025.	Road infrastructure designs completed.	Number of detailed designs completed.	-	-	40 Emfuleni Road designs (as per identified list)	40 Emfuleni Road designs (as per identified list)	-	-

Strategy To Overcome Areas of Underperformance

Indicator	Proposed Intervention
Number of detailed designs completed	The designs for P241/1 and D2204 projects will be completed in Quarter1 of the financial year 2024/25.

The Department has upgraded the following surfaced roads:

SUB PROGRAMME: CONSTRUCTION

Surfaced Roads Completed Projects in the financial year, 2023/24.

Northern corridor

- **K69 (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54)**

The project involves the doubling of 9km of an existing single carriageway with the aim of increasing capacity, safety, and accessibility for existing and future developments along the K69. The K69 connects Pretoria CBD and other areas of economic activity to Pretoria East notably Mamelodi. This route carries a significant volume of traffic (significant mix of pedestrians, cyclists, and motorists alike) all trying to get to their workplaces in Pretoria. The project is at ninety-six percent (96%) completed, and 235 969. 18m^2 of road have been surfaced.

Southern Corridor

- **Upgrading of K73 between Woodmead Drive and Allandale Road (D58) Mushroom farm.**

K73 project involves the upgrading and construction of the link between Allandale Road and the R55/Allandale. The road will provide access to the Mushroom farm and alleviate congestion on the R55/Allandale intersection. The upgrade will also assist the industries in the North of Johannesburg to access the Lanseria Airport. An upgrade of 5.1km of road was completed to accommodate the increase in traffic. Project is practical completed.

Central Corridor

- **K46 (P79 /1): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot /N14 Phase 2.**

The upgrading of K46 comprises of the dualisation of 7.2km single carriageway between PWV5 and Diepsloot. The road will provide a link between Diepsloot and Johannesburg. It will also act as an access for developments along the Central Corridor (Lanseria, Fourways, Hartebeespoort Dam and Sandton). Furthermore, the road will improve accessibility to surrounding areas (Diepsloot, Fourways, and Randburg). The project is at ninety percent (90%) completed, and 172, 443.00m^2 of road have been surfaced and construction is continuing.

Ongoing Projects in the financial year, 2023/24

Surfaced Roads Upgraded

Southern Corridor

- **Vaal River City Interchange.**

The K174, Vaal River City Interchange will serve as a route to the South of Free State Province, and Gauteng in Sebokeng North. The project involves the upgrading of 2km in the Vaal River Interchange, Ascot Avenue (future K55) and the Barrage Road (K174). The implementation of the project will create job opportunities for the community, provide skills training and develop the small emerging contractors within the area. The project is at sixty-four-point four percent (64,4%) completed and construction is continuing.

Central Corridor

- **K31 access to Green Gate Development: Reconstruction and upgrade of the M5 Beyers Naude Road.**

  K31 Green Gate forms part of the Central Corridor and is an important Provincial arterial linking with the Lanseria Airport. The road infrastructure must be upgraded to accommodate the increase in traffic on the road as soon as the Greengate Development is completed. Therefore, Provincial Road 374 (Beyers Naude Road), which is mainly a single carriageway between Greengate Development, Peter Road (D2024) and the N14, approximately 2,3 km, will be upgraded to a dual carriageway. Road 374 is also a future K route between Lanseria Airport and the West Rand. The project was at eleven percent (11%) completed at the time of termination. Contractor has deserted the site, the Department has terminated the project, and is in the process of procuring a new service provider to complete works.

The Department has commenced with the implementation of the number of multi-year road upgrade projects:

Multiyear projects completing in financial year, 2024-2025.

Road Description	Corridor	Progress
Upgrade of K101 from D795 Olifantsfontein to N1 Brakfontein.	Central Corridors	The project is fourth eight percent (48%) completed.
Construction of road D1814 (4.9km) from the R513 to Vulamahlo Primary School in the North-Eastern part of Gauteng in the Rayton area.	Northern Corridor	The project is at procurement stage.
R82 phase 3 (between D1073 (Walkerville) and K164 (De Deur).	Southern Corridor	The project is at thirty-one percent (31%) completed. Project on hold due to termination of consultant and the Department is in a process of appointing a new consultant.

Multiyear projects completing in financial year, 2026-2027.

Road Description	Corridor	Progress
K14 between Cullinan and Rayton Road (D483)	Northern Corridor	The designs are outstanding from the developers. The Department will finalise the Memorandum of Agreement (MoA) for the designs with Petra Mines.
K60 Waterfall City: Construction of new link between R55 Woodmead Drive and Allandale Road		The Department has applied for rescission of the interdict. Matter was presented in court and the Department is awaiting verdict.
Construction and upgrading of K155 between K113 (R25) and Pretoria Road including the upgrades to intersection between K133 and P91/1 as well as the connection of road across N3 to Van Riebeeck Road (Linksfield)		The project is at procurement stage.
Construction of K56 between K46 (William Nicol) and P71/1 (Main Road) and the extension of Erlings Road from Dorothy Road	Central Corridor	Court interdict has been uplifted. Water Use Licence Application (WULA) appeal is delaying the process of appointing a Contractor.

Table 2.4.4.1:

The Table 2.4.4.1. below reflects ONLY the Planned Targets and Actual achievements from the Originally Tabled Annual Performance Plan (APP) 2023/24 up until the date of re-tabling of the Revised APP 2023/24 in Quarter 2.

Outcomes, Outputs, Performance Indicators and Targets

Programme Name: Transport Infrastructure									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/234until date of re-tabling	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
SUB-PROGRAMME: CONSTRUCTION									
Improved Gauteng provincial road network by 2025	Gravel roads upgraded to surfaced roads.	Number of kilometres of gravel roads upgraded to surfaced roads.	-	-	-	-	-	-	The target was revised as the design process was completed and ready for the construction phase.

Although the deviation from planned target to actual target is calculated based on the Annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2024, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire 2023/24 financial year, but only for Quarter 1& 2 (April to September 2022) of 2023/24 financial year.

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2023/24

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: CONSTRUCTION								
Improved Gauteng provincial road network by 2025.	Surfaced roads upgraded for increased capacity.	Number of m^2 of surfaced roads upgraded.	$0m^2$	$0m^2$	**389, 640.00m^2** **K69 Mamelodi** 200, 200.00m^2 **K73** 85, 840m^2 **K46** **William Nicol** 103, 600.00m^2	**533, 412.18m^2** **K69 Mamelodi** 235, 969.18m^2 **K73** 125,000.00m2 **K46** **William Nicol** 172, 443.00m2	+143, 772,18m^2	**K69** -The additional 35, 769.18 m2 was due to the approval that was granted for the widening of two intersection on the road. The additional 39, 160 m2 (**K73**) and the additional 68, 843m2 (**K46**) were due to the approved additional scope of works to accommodate access roads.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: CONSTRUCTION								
	Gravel roads upgraded to surfaced roads.	Number of kilometres of gravel roads upgraded to surfaced roads.	-	-	**4, 92km D1814**	0	**4, 92km D1814**	Prolonged procurement processes resulted in the project being delayed.
	EPWP Work opportunities created through infrastructure projects	**Number of EPWP work opportunities created in construction projects.**	**136**	**545**	**300**	**316**	**+16**	**Additional 16 EPWP work opportunities created due to the approval of Extension of Time on the K174 project**
		Number of EPWP work opportunities created in construction projects.	**136**	**545**	**300**	**316**		**Additional 16 EPWP work opportunities created due to the approval of Extension of Time on the K174 project**
		Number of Youth employed (18-35) through the implementation of EPWP principles in construction projects.	-	310	165	186	+21	Additional 21 Youth employed on the K174 project..
		Number of women employed through the implementation of EPWP principles in construction projects.	-	217	165	165	-	-
		Number of persons with disabilities employed through the implementation of EPWP principles in construction projects.	-	7	6	6	-	-

Strategy To Overcome Areas of Underperformance

Indicator	Proposed Intervention
Number of kilometres of gravel roads upgraded to surfaced roads.	Construction will commence in Quarter 1 of the financial year 2024/25.

The Department has executed and rehabilitated the following projects:

SUB PROGRAMME: MAINTENANCE

Provincial Road Maintenance Grant (PRMG).

The Department was allocated R1 098,661 million from the National Department of Transport (NDOT) to address the Provincial Roads Maintenance backlog. The funds were allocated as per the conditions of the Provincial Roads Maintenance Programme (PRMG). The expenditure for the financial year, 2023/24 is R1 096, 660 million which is one hundred percent (100%) of the annual allocated budget. Various functions and activities that were performed within the financial year, 2023/24 include routine road maintenance, resealing of road surface, re-gravelling, pothole patching and blading of gravel roads.

- **Routine and Periodic Assessment of the Provincial Road Network**

The visual assessment for the condition of the road commenced in financial year, 2022/23 and was completed in financial year, 2023/24. A report for the visual conditioning assessment has been submitted to the Department and the service provider has commenced with another assessment.

- **Routine Maintenance**

The Department resealed has 432, 926.37m^2, re-gravelled 74, 63km of gravel roads, patched 303, 219. 57m^2 of potholes and bladed 2, 164 .98 km of gravel roads. Drainage structures were repaired, pipes cleaned, guard rails, roads signs replaced including roads marking.

- **Periodic Road Maintenance**

The programme was supported by maintenance term contracts with the provision of the following: guard rails, fencing, manholes, roads signs, replacement of kilometre markers and herbicides control. The following contracts are at procurement stage: Streetlights installation, Streetlights maintenance, Reseal of Provincial Network, Maintenance of RISFSA classes 4,5 & 6, Supply of guard rails, Supply of roads signs and roads marking.

Road Rehabilitation

Completing in financial year 2023/24

Central Corridor

- **Rehabilitation of Roads P241/1 (R554) from 15.7km to 19.75km and road D405 (R554) from 0.00 km to 8.75 km (R82)**

Road P241/1 serves as one of two main link roads between Johannesburg and Lenasia, which forms part of the Central Corridors. The section of road commences at roads P1/1 (R82) intersection and ends at the Municipal boundary, past the M10 in Lenasia. P241/1 (R554) is a pavement rehabilitation project and has no upgrade of structure nor widening of carriageway. The project is practically completed.

Northern Corridor

- **Rehabilitation of road D483 between P6/1 (Bapsfontein) and D713 Cullinan**

The project entails the rehabilitation of road D483 between P6/1 Bapsfontien and D713 Cullinan. The road predominantly serves as class two (2) road with the aim of serving users between the various small towns in the area (Bapsfontein, Bronkhorstspruit and Cullinan). D483 is in the North of Gauteng and West of Pretoria. The project is completed.

40 Emfuleni Roads

Light rehabilitation of 40 Emfuleni Roads within Emfuleni Local Municipality in Sedibeng Region. The roads are located between Sebokeng, Sharpeville and Boipatong townships. The project area is currently comprised of surfaced roads. The project scope is limited to rehabilitation of these identified surfaced roads. In the light rehabilitation of 40 Emfuleni Roads, thirty-six (36) roads were practically completed (Schedule A(Sebokeng) and B (Three rivers)). Four (4) roads (Sekati, Eagle, Zwane and Falcon) Schedule C (Vanderbijlpark) and D (Vereeniging) are scheduled for completion in quarter 1 of the financial year, 2024/ 25.

Multiyear projects completing in financial year, 2024-2025.

Road Description	Corridor	Progress
Rehabilitation of Road P73/1 (R553) Golden Highway between Ennerdale (41.0 km) and Eldorado Park (62.24km) Approximately 21,24 km.	Southern Corridor	The project is at procurement stage.
R59 - Construction of a Pedestrian Bridge (Ntirhisano Project) over the R59 (P156/2) within the Midvaal Local Municipality.		The project is at procurement stage.
Rehabilitation of P122/1 from P36/1 (R10) (Solomon Mahlangu Drive Olifantsfontien).	Northern Corridor	The project is at fourteen-point five percent (14, 5%) complete.
Rehabilitation of Eight (1) Bridges and One Major Culvert in the Tshwane Region within the Gauteng Province. BMS 1 – Tshwane.		The project is at four percent (2%), contractor is busy with site establishment.
Rehabilitation of Eight (8) Bridges and One (1) Major Culvert in the Krugersdorp Region within the Gauteng Province.	Western Corridor	The project is at procurement stage to source suitable bidder to construct the road through panel of contractor. BU awaiting SCM to issue the invitation to bidders.

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2023/24.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: MAINTENANCE								
Improved Gauteng provincial road network by 2025.	Surfaced roads rehabilitated	Number of $m^2$of surfaced roads rehabilitated.	0	**226, 985.00m^2** **P39** 145, 000.00m^2 **P156/3** 81 985.00m^2 (An increase of 38, 991m^2 in P156/3 was completed totaling, the completed m2 to 81 985.00m^2)	**300, 810.00m^2** **D483** 206, 090.00m^2 **P241** 94, 720.00m^2	**336, 953.00m^2** **D483** 206, 090.00m^2 **P241** 130, 863.00m^2	**+36, 143.00m^2**	Additional 36, 143.00m^2 surfaced on roads rehabilitation projects was due to the additional scope in P241/1, which resulted in 36, 143m^2 surfaced.
	Surfaced roads resealed	Number of m^2 of surfaced roads resealed.	122, 000.00m^2	0m^2	126, 000.00m^2	432 926. 37m^2	+306, 926.37m^2	Additional 306, 926.37m^2 of surfaced roads resealed. Due to the following roads which have exceeded design life. P241/1, D1755, P6/1
	Gravel roads re-gravelled	Number of kilometres of gravel roads re-graveled.	-	60, 03km	58km	74. 63km	+16.63km	Additional 16.63 km of gravel roads re-graveled to address road safety.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: MAINTENANCE								
	Surfaced roads blacktop patched	Number of m^2 of blacktop patching.	133, 805.46m^2	105, 607.26m^2	134, 000.00m^2	303, 219. 57m^2	+169, 219.57m^2	Additional 169, 219.57m^2 blacktop patching completed due to the following roads which have deteriorated and required blacktop patching to ensure road safety in the following roads: P88/1, D57, P38/1, P41/2, K91, P129/1, D2542, K8, P2/4, D318, P1/3, P66/2, D734, D1410, P139/1, P62/1, P207/1, D321, D400, D64, P91/2, P73/1, P159/1, D2527, P102/1, P66/1, P200/1, P38/1, P41/2, P67/1, P6/1, K146, P62/2, P5/1, K157, D1132.
	Gravel roads bladed	Number of kilometres of gravel roads bladed.	-	2, 421.53km	1, 309.69km	2, 164. 98km	+855.29km	Additional 855.29km of gravel roads bladed due to roads safety and improvement of rideability as per the following roads: D1313, D1113, D1133, D995, D478, D961, D1324, D99, D677, D327, D1333, D734, D1576, D671, D1743, D2527, D2623, D45, D25, D1717, D1594, D781, D801, D420, D2388, D1760, D2383, D1388, D620, D638, D621

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: MAINTENANCE								
	Implementation of the National Contractor Development Programme (NCDP) in Road Infrastructure Projects	*Number of contractors participating in the National Contractor Development Programme (NCDP).	-	0	20	20	-	-
	EPWP Rehabilitation Work opportunities created	**Number of EPWP work opportunities created on road rehabilitation projects.**	**173**	**61**	**120**	**170**	**+50**	**Additional 50 work opportunities created due to the construction of the 40 Emfuleni Roads projects.**
		Number of Youth employed (18-35) through the implementation of EPWP principles in rehabilitation projects.	-	42	66	90	+24	Additional 24 Youth employed due to the construction of the 40 Emfuleni Roads projects.
		Number of women employed through the implementation of EPWP principles in rehabilitation projects.	-	31	66	73	+7	Additional 7 women employed due to the construction of the 40 Emfuleni Roads projects.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: MAINTENANCE								
		Number of persons with disabilities employed through the implementation of EPWP principles in rehabilitation projects.	-	0	3	3	-	-
	EPWP Preventative Maintenance Work opportunities created	**Number of EPWP work opportunities created on Preventative Maintenance projects**	**3, 049**	**2,694**	**3, 000**	**5, 224**	**+2, 224**	**Additional 2, 224 work opportunities created in Preventative Maintenance projects to improve road infrastructure.**
		Number of Youth employed (18-35) through the implementation of EPWP principles in Preventative Maintenance projects	-	1, 598	1, 800	3, 163	+1, 363	Additional 1, 363 Youth employed in Preventative Maintenance projects to improve road infrastructure.
		Number of women employed through the implementation of EPWP principles in Preventative Maintenance projects.	-	1, 534	1, 000	3, 259	+2, 259	Additional 2, 259 women employed in Preventative Maintenance projects to improve road infrastructure.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: MAINTENANCE								
		Number of persons with disabilities employed through the implementation of EPWP principles in Preventative Maintenance projects.	-	31	10	10	-	-

Strategy To Overcome Areas of Underperformance

Indicator	Proposed Intervention
-	-

Outcome 4: Strong Institutions supporting smart mobility in Gauteng.

SUB PROGRAMME: INFRASTRUCTURE PLANNING

The Department has compiled the following Policy Planning documents:

Review of the 25-Year Integrated Transport Master Plan (ITMP25)

The Gauteng Department of Roads and Transport adopted its long-term transport plan, the 25-year Integrated Transport Master Plan (ITMP25) in 2013 which sets out a comprehensive programme for transport service delivery in the Province.

The ITMP25 review commenced to accommodate changes in the transport policy and planning ecosystem which includes the new Bus Rapid Transit (BRT) systems, Gautrain Expansion, as well as the latest Gauteng Household Travel Survey data. Furthermore, the review will include a new chapter on 4th Industrial Revolution (such as the employment of intelligent transport systems for public transport integration for the purpose of improving operations of various public transport modes and moving commuters in an efficient, reliable and safe manner, a revision and update of chapters in the original plan taking into consideration changes on governance of public transport in Gauteng. The established Transport Authority for Gauteng (TAG) will also incorporate the development of a Freight Travel Demand Management Plan.

The ITMP25 review study will include the review of the Gauteng Strategic Road/Transport Network (GSRN/GSTN). The GSRN/GSTN is required to be updated to ensure its alignment to the Province's Strategic Objectives and current Spatial Legislative Framework (SPLUMA). The deliverable will be a report on the network review study with recommendations of any amendments required and the updated GSRN/GSTN network. The project will be completed in financial year, 2024/2025.

The Gauteng Integrated Transport Five Year (GTIP5) Plan was completed, Masterclasses on the Communication and Marketing; Aviation; Freight Logistics and a workshop were held.

Emissions Study to Measure, Monitor and Certify exact emission contribution of Transport in Gauteng.

Continued growth within the transport sector, is likely to have an increasing impact on land resources, water quality, air quality and biodiversity. In urban centres transport is a major contributor to air pollution and emissions including nitrous oxides and particulates, which contribute to the brown haze we see over many of South Africa's main cities.

A wide range of policy levers are needed to reduce transport emissions and understanding their effectiveness. There is a need to continuously track Carbon Dioxide ($CO_{2)}$ reduction ambitions specific to transport with the objective to decrease CO_2 emissions. The Department currently has no means to measure CO_2 emissions in the Transport sector and as such there is need for continued research on the effectiveness of mitigation measures based on reliable data. The Department has collaborated with the University of Pretoria to advance a research study that will measure, monitor, and later certify the exact emission contribution of transport along critical corridors in Gauteng.

Fifteen (15) prototype emission stations have been manufactured and these have been tested in the field. The measurements obtained from the stations is similar to the expected patterns of emissions. A few challenges with the prototypes have been identified during the field trials, some modifications have been made and the stations in the field are still being monitored. The Global System for Mobile Communication (GSM) shield need to be modified for better integration into the cellular phones network and the battery capacity vs solar panels needs more adjustment. The stations are being programmed with lower reading cycles to reduce the loading on the batteries in the short term.

The findings of the prototype indicate the cost-effective stations with an appropriate degree of accuracy that can be manufactured locally and significantly cheaper than alternative imports. A dashboard has been created and is being refined with the readings being received from the stations still being tested in the field.

Outcome 8: Reduction of freight on the Gauteng Road network by 2025

The reduction of road-based freight transport to rail will reduce congestions on the road network and contribute to more efficient travel times of road- based public transport. To achieve this, the Department has executed the following projects:

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2023/24.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: INFRASTRUCTURE PLANNING								
Strong Institutions supporting smart mobility in Gauteng.	Smart Mobility Transport planning studies completed.	Number of transport planning studies completed.	-	1 (Mapping of Taxi facilities and Network design principles completed.)	1 ITMP25 Reviewed Report completed.	1 ITMP25 Reviewed Report (GTIP5 completed)	-	-
Improved Gauteng provincial road network by 2025.	Smart Mobility Transport Infrastructure plans developed	*Number of consolidated infrastructure plans developed.	-	1	1	1	-	-
	Gauteng surfaced roads visual assessment report completed as per the Technical Methods for Highways (TMH) manual.	Number of kilometres of surfaced roads visually assessed as per the applicable Technical Methods for Highways (TMH) manual.	-	700, 55km	4, 571km	4, 344km	227km	The number of kilometres of surfaced and gravel roads visually assessed were reduced by 230km due to de-proclamation, transferred roads for surfaced roads and 3.3 km school roads were added. For gravel roads 84,3km was de-proclaimed and transferred roads with 0. 563 inaccessible roads and 7.1km upgraded to surfaced roads.
	Gauteng gravel roads visual assessment report completed as per the applicable Technical Methods for Highways (TMH) manual.	Number of kilometres of gravelled road visually assessed as per the applicable Technical Methods for Highways (TMH) manual.	-	1, 295.11km	1, 359km	1, 267km	92km	

Strategy To Overcome Areas of Underperformance

Indicator	Proposed Intervention
Number of kilometres of surfaced roads visually assessed as per the applicable Technical Methods for Highways (TMH) manual.	The Department achieved a total of 4, 571km for surfaced road and 1, 359km for gravel roads visual assessment project as per the Road Network Inventory (RNI) however, during the road network inventory phase, the RNI was revised to 4, 344km and 1, 267km as per the road network inventory assessment. Therefore, based on the revised inventory, 4, 344km and 1, 267km for surfaced and gravel roads respectively was visually assessed. The Department will update the Road Network Inventory (RNI) to reflect the new road network as per the visual assessment report completed.
Number of kilometres of gravelled road visually assessed as per the applicable Technical Methods for Highways (TMH) manual.	

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

The Department does not have sector a core set of standardised sector indicators. The Province specific indicators are provided for and reported on in tables 2.4.4.1 and 2.4.4.2 above,

Linking performance with budgets

Programme expenditure

Transport Infrastructure	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
Infrastructure Planning	92 152	64 957	27 195	103 417	60 698	44 300
Infrastructure Design	178 635	146 745	31 890	121 617	91 941	8 903
Construction	1 746 058	1 773 677	(27 619)	1 021 915	1 074 233	19 940
Maintenance	1 301 910	1 313 339	(11 429)	864 666	760 633	54 634
Programme Support Infrastructure	59 080	77 329	(18 249)	74 407	72 905	1 999
Total	**3 377 835**	**3 376 047**	**1 788**	**2 186 022**	**2 060 410**	**129 776**

Infrastructure planning

The unit is responsible for infrastructure planning, which includes route determinations, mapping of minibus taxi routes in Gauteng, Gauteng Transport Modelling Centre (GTMC) modelling centre and other planning-related projects. The unit's infrastructure-related projects operational expenditure as well as the CoE. The infrastructure projects progressed in line with the project life cycles and project plans.

Infrastructure design

The unit is responsible for the design projects for the road infrastructure projects including managing the processes related to the proclamation of the land that the projects will eventually be implemented on. The spending in 2023/24 increased because of several major land proclamations made and the Emfuleni roads designs.

Construction

The unit is responsible for the construction of roads within the Province, i.e. upgrades, rehabilitation, and the construction of new roads. The unit's expenditure increased from R1, 074 billion in 2022/23 to R1.774 billion in 2023/24 due to strategic roads (both upgrades and rehabilitation of roads) that the Department has been constructing during that period.

Maintenance

The unit is responsible for the maintenance of roads within the provincial network and is funded by the PRMG, the EPWP grant and the infrastructure equitable share allocation. The increased in expenditure from R761 million in 2022/23 to R1 313 billion in 2023/24 is due to the finalisation of new contracts that were awarded.

Programme Support Infrastructure

This sub-programme is allocated with the operational budget for all the sub-programmes. The rise in expenditure from 2022/23 to 2023/24 financial years is due to inflationary increases, as well as the operational expenditure that relates to the regional offices.

4.3 Programme 3: Transport Operations

Purpose

The objective of the Programme is to provide integrated, subsidised, province-wide public transport services, and facilitate the provision of public transport services and infrastructure in partnership with National and Local government, as well as private sector formations. The Programme provides policy development and planning to manage, integrate and coordinate the transport system and infrastructure in the province. The objective of this Programme is to develop the policy framework to support a modern, integrated and intelligent transport system and public transport infrastructure.

List of Sub Programmes

- **Public Transport Services**

  Purpose: The purpose of the Sub Programme is to contribute towards transformation of the provincial public transport landscape in the operations and infrastructural developments in the quest for an integrated, safe, reliable and environmentally friendly sustainable multi-model and multi-nodal public transport system. It guides the policy development and planning with the explicit aim of coordinating, integrating and managing the transport system and infrastructure in line with National and Provincial policies.

Institutional Outcomes:

- **Outcome 5: An improved smart, affordable and accessible public transport system.**
- **Outcome 6: Increased Data Centric Mobility in Gauteng by 2025.**

Outcomes, outputs, output indicators, targets and actual achievements

Outcome 5: An improved smart, affordable and accessible public transport system

To enable the Province to address the challenges that come with rapid urbanization, the Department has executed the following projects to improve public transport services:

SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES

Bus Contract Negotiations

The Department is managing sixteen (16) subsidised bus services, which comprise of fifteen (15) negotiated contracts and one (1) tendered contract. These bus contracts operates in the three (3) Metropolitan Municipalities , seven (7) in City of Johannesburg (COJ), five (5) in City of Tshwane (COT), one (1) in City of Ekurhuleni (COE), and three (3) in Sedibeng District Municipality (SDM). The negotiated contracts are concluded for a period of seven (7) years commencing from 01 July 2023 to 30 June 2030. One (1) Meyerton Tender Contract commenced its seven (7) years of operation on the 01 May 2021 and will expire on 30 May 2028.

The subsidized bus services are operated by bus companies on behalf of the government through a system of negotiated contracts. The sixteen (16) contracts are funded by Public Transport Operations Grant (PTOG).

Below are several initiatives that the Department has taken to introduce new bus contracts:

The Department has signed the Intergovernmental Authorisation Agreement (IGAA) with all Contracting Authorities (Municipalities) which contain a clause that the Provincial Department is willing to enter into Tendered Subsidised Bus Service Contracts. The IGAA further alludes on the capacitation of the Metros and Districts to take over the contracts once the duration of this agreement has lapsed.

The metros and districts must be able to take over when the agreement has lapsed or any earlier period before the end of the agreement. In this regard the Department is having constant engagements with all Municipalities throughout the Bus Contracting process in the quest to introduce new bus contracts. The Bus operators are required to enforce empowerment of previously disadvantaged operators by the end of six (6) months of operations.

- **Electronic Monitoring System**

  The Electronic Monitoring System is intended to monitor the kilometre operations of subsidised bus contracts that will produce one hundred percent (100%) real time information of subsidised contracts operation.

  The Supervisory Monitoring Firms (SMFs) are appointed for a period of three (3) years to electronically monitor subsidised bus contracts by installing gadgets in verified bus fleet that are operational for each contract. The appointment of SMFs commenced from 3 November 2023 to 30 November 2026. The SMFs are required to report to the Department monthly on the performance of the subsidised bus contracts.

Outcome 6; Increased Data Centric Mobility in Gauteng by 2025

To enable an integrated Fare Management System in Gauteng, the Department has executed the following projects:

The Digital Solution for Law Enforcement in the Minibus Taxi Industry

The Department is in the process of developing a comprehensive integrated database on public Transport mobility in the Province, comprising of both the supply and demand of public transport. To date, the Department has captured six thousand, three hundred and ninety-six (6, 396) operators on Gauteng Integrated Transport Administrative System (GIPTAS).

Integrated Fare Management

The Integrated Fare Management (IFM) Policy is a crucial component of the Gauteng Provincial Government's "One Province, One Ticket" project, aimed at ensuring safe, reliable, affordable, modern, environmentally friendly, and integrated public transport. The IFM Policy seeks to regulate fares across the Province and facilitate efficient interoperability between different modes of public transport. The Department has appointed a law firm to develop the policy.

The Department has focused on finalizing the Integrated Fare Management (IFM) Policy Document. A draft of the IFM Policy Document has been developed, and stakeholders have been actively involved in providing their inputs and feedback. However, stakeholders have requested more time for extensive engagements to fully understand the IFM Policy Development and its implications on their operations. This has led to ongoing consultations to ensure that the inputs from stakeholders are comprehensive and relevant. Despite the challenges, some inputs from stakeholders have already been incorporated into the draft IFM Policy.

- **Transport Management Centre (TMC)**

  The Transport Management Centre (TMC) was established on the 16th Floor of the Life Centre Building as a central hub for transport-related services and information in the Province. Phase 1 of the TMC has been successfully established, including the installation of office furniture and ICT equipment, and the recruitment and training of eighteen (18) contact centre agents. The TMC has developed a journey planning application providing information on routes, schedules, fares for Gautrain, BRT services (ReaVaya, Areyeng, Harambe), and subsidized bus services.

  To date, the Department has achieved a total of five hundred thousand and fifty-five, eight hundred and four (555, 804) transport users accessing transport and infrastructure information through the TMC. This is due to the efficient Bulk SMS plan and marketing efforts at various PRASA stations in the Province. Additionally, services such as the plotting of number plate embossers, pothole and faulty traffic signals application processes are being integrated into the TMC. Consultations with the taxi industry are also underway to resolve disputes regarding taxi data integration into the TMC, reflecting a commitment to comprehensive and inclusive transport management.

Table 2.4.4.1:

The Table 2.4.4.1. below reflects ONLY the Planned Targets and Actual achievements from the Originally Tabled Annual Performance Plan (APP) 2023/24 up until the date of re-tabling of the Revised APP2023/24 in Quarter 2.

Outcomes, Outputs, Performance Indicators and Targets

Programme Name: Transport Operations									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2023/24**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES									
An improved smart, affordable and accessible public transport. Data Centric Mobility in Gauteng by 2025	9 New subsidised bus contracts operationalised	Number of subsidised bus contracts operationalised as per the agreed routes. (Non-cumulative)	1 new subsidised bus contract operationalised as per the agreed routes.	0	8 subsidised bus contracts operationalised as per the agreed routes.	-	8 subsidised bus contracts were not operationalised as per the agreed routes.	The subsidised contracts operationalised output and target were revised as per the negotiations process undertaken with the Municipalities and Bus operators.	The output and the planned target were revised due to the negotiations process undertaken with the Municipalities and Bus operators.

Programme Name: Transport Operations									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES									
	Public transport routes subsidised.	Number of routes subsidised. (Non-cumulative)	-	3, 336 bus routes subsidised.	3, 433	2, 982	451	The number of public transport routes subsidised target was revised as per the negotiations process undertaken with the Municipalities and Bus operators.	The planned target was revised due to the negotiations process undertaken with the Municipalities and Bus operators.
	Subsidised bus fleet electronically monitored.	Percentage (%) of subsidised bus fleet electronically monitored. (Non-cumulative)	75% of 2, 390 subsidised contracted bus fleet electronically monitored.	80% (1, 923) of 2, 390 subsidised bus fleet electronically monitored.	95% of 3, 300 subsidised bus fleet electronically monitored	78% (1, 836) of 2, 367 subsidised bus fleet electronically monitored	17% (413) of 2, 367 subsidised bus fleet were not electronically monitored.	The percentage (%) of subsidised bus fleet electronically monitored target was revised as per the negotiations process undertaken with the Municipalities and Bus operators.	The planned target was revised due to the negotiations process undertaken with the Municipalities and Bus operators.

Programme Name: Transport Operations									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES									
	Public transport users accessing public transport and infrastructure information through the Transport Management Center (TMC)	Number of public transport users accessing public transport and infrastructure information through the TMC.	-	251, 537 public transport users accessing public transport and infrastructure information through the TMC.	300, 000 public transport users accessing public transport and infrastructure information through the TMC	151, 202 transport users accessing public transport and infrastructure information through the TMC	148, 798 transport users did not access public transport and infrastructure information through the TMC.	The increased functionality of the TMC resulted in an improved Bulk SMS marketing campaign and promotion of the TMC at various PRASA stations.	The planned target was increased due to a Bulk SMS marketing campaign and promotion of the TMC at various PRASA stations.

Although the deviation from planned target to actual target is calculated based on the Annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2024, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire 2023/24 financial year, but only for Quarter 1 and 2 (April to September) of 2023/24 financial year.

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2023/24

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES								
An improved smart, affordable and accessible public transport. Data Centric Mobility in Gauteng by 2025.	New subsidised bus contracts operationalised.	Number of subsidised bus contracts operationalised as per the agreed routes.	1 new subsidised bus contract operationalised as per the agreed routes.	0	16 subsidised bus contracts operationalised as per the agreed routes.	16 subsidised bus contracts operationalised as per the agreed routes.	-	-
	Public transport routes subsidised.	Number of routes subsidised. (Non-cumulative)	-	3, 336 bus routes subsidised.	2, 982	2, 982 bus routes subsidised	-	-
	Verified subsidised bus fleet electronically monitored.	Percentage (%) of verified subsidised bus fleet electronically monitored. (Non-cumulative)	75% of 2, 390 subsidised contracted bus fleet electronically monitored.	80% (1, 923) of 2, 390 subsidised bus fleet electronically monitored.	95% of 1, 881 verified subsidised bus fleet electronically monitored	97% (1, 839) of 1, 899 verified subsidised bus fleet electronically monitored.	2% (42) of 1, 899 verified subsidised bus fleet was electronically monitored.	Increased installation and monitoring of bus fleet electronically monitored.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES								
	A minimum of 30% of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators.	Percentage (%) of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators	A minimum of 30% of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators (taxi association).	0	A minimum of 30% of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators.	6.64% of negotiated individual subsidised bus contracts monetary value subcontracted to previously disadvantaged public transport operators.	A minimum of 23.36% of new individual subsidised bus contracts monetary value was not allocated to previously disadvantaged public transport operators.	The Department concluded the individual subcontracting processes with two operators, namely, Gauteng Coaches/Triponza and North-West Star. The subcontracting for the remaining individual contracts were put on hold due to engagements with the municipalities on the rationalization of subsidized kilometers as per the negotiated contracts.
	Public Transport operators captured in the provincial Integrated database	Number of Public Transport operators captured in the provincial Integrated database	12.8% (9, 425) MBT operators registered in the Gauteng Integrated Public Transport Administration System (GIPTAS).	1, 614 Minibus Taxi type operators captured in the provincial MBT database.	36, 749 Public Transport operators captured in the provincial public transport Integrated database.	6, 396 Public Transport operators captured in the provincial public transport Integrated database.	30, 353 Public Transport operators were not captured in the provincial public transport Integrated database.	Despite continuous engagements with the taxi associations on the registration of operators, there was poor participation by operators.

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES								
	Approved Gauteng Integrated Transport Fare Management policy	Gauteng Integrated Transport Fare Management policy approved.	0	1st Draft of the Gauteng Integrated Transport Fare Policy developed.	Gauteng Integrated Transport Fare Management Policy approved.	0	Gauteng Integrated Transport Fare Management Policy was not approved.	Draft IFM policy was developed. The stakeholder engagement process took longer than anticipated due to extensive consultations required to finalise the policy.
	Transport users accessing transport and infrastructure information through the Transport Management Centre (TMC)	Number of transport users accessing transport and infrastructure information through the TMC.	-	251, 537 public transport users accessing public transport and infrastructure information through the TMC.	500, 000 transport users accessing transport and infrastructure information through the TMC	555, 804 transport users accessing transport and infrastructure information through the TMC.	+55, 804	An additional 55, 804 transport users accessing Transport and infrastructure information through the TMC due to Bulk SMS marketing campaign and promotion of the TMC at various PRASA stations.

Strategy To Overcome Areas of Underperformance

Indicator	Proposed Intervention
Percentage (%) of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators.	Subcontracting will resume in the Quarter 1 of the financial year 2024/25.
Number of Public Transport operators captured in the provincial Integrated database .	Continuous consultations with the taxi industry to expedite the registration process.
Gauteng Integrated Transport Fare Management policy approved.	To expedite the stakeholder consultation process for finalisation in the financial year 2024/25.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

The Department does not have sector a core set of standardised sector indicators. The Province specific indicators are provided for and reported on in tables 2.4.4.1 and 2.4.4.2 above.

Linking performance with budgets

Programme expenditure.

Transport Operation	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
Public Transport Services	3 115 961	2 879 711	236 250	2 832 531	2 258 522	570 778
Programme Support Operations	28 967	39 457	(10 490)	30 329	31 360	2 206
Total	**3 144 928**	**2 919 168**	**225 760**	**2 862 860**	**2 289 882**	**572 984**

This is the core public transport programme and includes the allocations for the Public Transport Operations Grant (PTOG) and the North-West Star demarcation contracts that are both within the transfers and subsidies item and the Public Transport Services (PTS) Sub-Programme. The Programme Support Operations (PSO) Sub-Programme is for the operational items of the unit. The increase in expenditure from R2.3 billion in 2022/23 to R2.9 billion in 2023/24 for PTS is in line with the increases in the PTOG. The increase in the PSO Sub-Programme within the same period was due to the CADET and MV programme.

4.4 Programme 4: Transport Regulation

Purpose

The purpose of the Programme is to regulate private and public transport by facilitating the provision of Learner and Driver Licence, Motor Vehicle fitness and motor vehicle registration and licencing, registration of Public Transport Operators, issuing of operating licences and the establishment of Transport Operators Licencing Bodies (TOLABs) and the Provincial Regulatory Entity; public and freight transport services and infrastructure in partnership with national and local government as well as private sector formations. The two Sub-Programmes are Transport Administration and Licencing, and Operator Licence and Permits.

List of Sub Programmes

- **Transport Administration and Licencing**

Purpose: The Sub-Programme is responsible for regulatory support in the implementation of the National Road Traffic Act functions (motor vehicle registration and licencing, motor vehicle fitness and the issuing of learner and driver licences) and to transform the existing Registering and Testing Authorities into customer orientated service centres.

- **Operator License and Permits**

The Sub-Programme's purpose is to regulate public transport services and operators by regulating the road-based public transport sector through the registration of public transport operators; issuing operating licences and to monitor compliance including routes and ranks allocated to public transport operators and associations.

Institutional Outcomes:

- **Outcome 7: Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025.**
- **Outcome 8: Reduction of freight on the Gauteng Road network by 2025.**

Outcomes, outputs, output indicators, targets and actual achievements

Outcome 7: Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025

To provide a customer centric service to all citizens of Gauteng, the Department has executed the following projects:

SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENCING

- **Introduction of a New Number Plate System for Gauteng**

In developing the number plate prototype different stakeholders were consulted mainly National Department of Transport (NDOT), Road Traffic Management Corporation (RTMC), law enforcement and the number plate manufacturers. This was aimed at ensuring completeness of the functionality of the prototype. The development of the prototype was completed and aligned with the conditions set in the Draft National Road Traffic Act Amendment Bill. The prototype was tested for compliance by the South African Bureau of Standards (SABS).

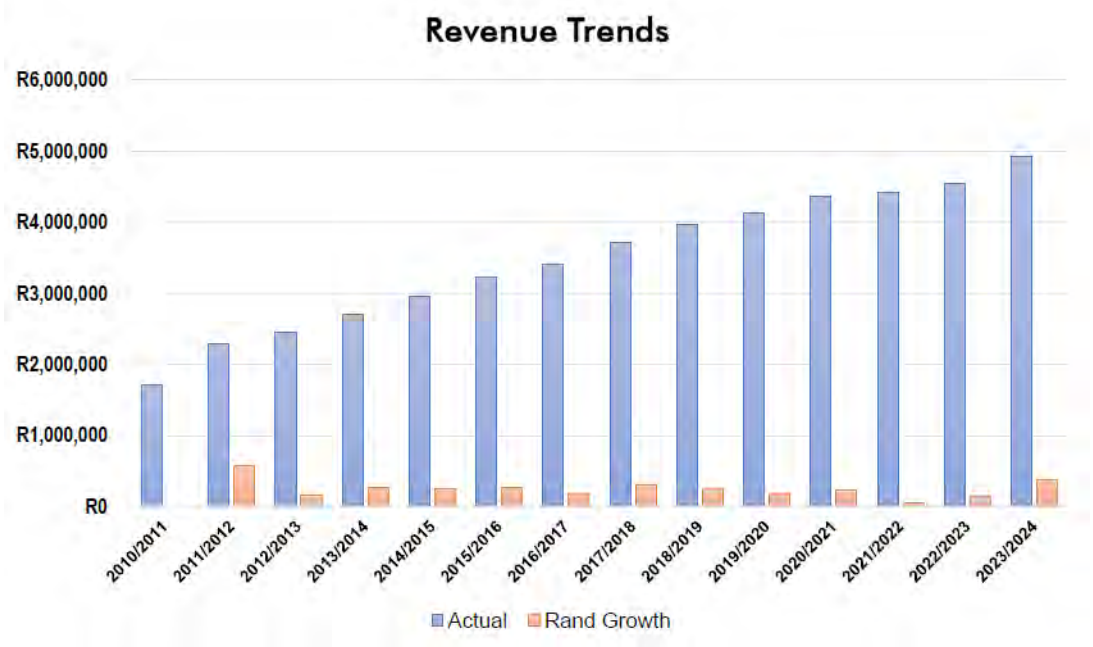
The System will ensure that number plates issued by authorised embossers can be tracked and traced by law enforcement officers. This verification system will allow law enforcement officers to verify, the authorised embossers, blankers, vehicle and owner information by scanning the number plate. As part of the empowerment plan, the Department conducted a new entrant workshop for embossers in Randfontein to encourage the youth to enter the number plates embossers sector and funding opportunities available. The launch and pilot will take place once the legislative issues have been finalized with National Department of Transport (NDOT).

Revenue Management

Revenue Growth

Year	Actual	Rand Growth	% Annual Growth
	R'000	**R'000**	
2010/2011	R1 705 814		
2011/2012	R2 283 958	R578 144	34%
2012/2013	R2 446 850	R162 892	7%
2013/2014	R2 707 443	R260 593	11%
2014/2015	R2 949 640	R242 197	9%
2015/2016	R3 217 032	R267 392	9%
2016/2017	R3 404 668	R187 636	6%
2017/2018	R3 717 041	R312 373	9%
2018/2019	R3 961 563	R244 522	7%
2019/2020	R4 131 776	R170 213	4%
2020/2021	R4 357 936	R226 160	5%
2021/2022	R4 407 797	R49 861	1%
2022/2023	R4 548 190	R140 393	3%
2023/2024	R4 925 992	R377 802	8%
Total	**R48 765 700**	**R3 220 178**	

A total revenue of R48,8 billion has been achieved which is a growth of R3,2 billion over the same period.



Fee Determination Process

According to the **Gauteng Provincial Road Traffic Amendment Regulations, 2001 which states that** the Accounting Officer of an institution must review annually all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relates to revenue accruing to a revenue fund, To increase the Motor Vehicle license fees, the Department presented to the Committee on Scrutiny of Subordinate Legislation (CSSL) for approval. Furthermore, the Department requested an increase of CPI + 2% from Gauteng Provincial Treasury as per their previous recommendation. The Provincial Treasury thus, recommended a fee adjustment of 7.1 percent (i.e., CPI 5,1%+ 2%) for implementation aligned to the National Treasury Guidelines for the Medium-Term Expenditure Framework (MTEF).

This fee increase will be effected in financial year, 2024/2025. It must be noted that in financial year, 2023/24 there were no fee increase.

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2023/24.

Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENCING								
Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025.	Compliance inspections conducted at Registering Authority in Gauteng.	* Number of compliance inspections conducted.	311	300	325	325	-	-
	Revenue generated from Motor Vehicle Licencing services	Rand value of revenue generated from Motor Vehicle Licencing services and Registering Authorities.	R4,4 billion	R4, 54 billion	R4, 2 billion	4 925, 991, 591	+725 991 591	Favourable revenue surrender rate by the Department's implementing agents (Municipalities).

Strategy To Overcome Areas of Underperformance

Indicator	Proposed Intervention
-	-

To regulate public transport through registration and issuance of operating licences, the Department has executed the following projects:

SUB-PROGRAMME: OPERATOR LICENCE AND PERMITS

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2023/24.

Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
SUB-PROGRAMME: OPERATOR LICENCE AND PERMITS								
Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025	Operating licences issued to Public Transport Operators	Number of operating licences issued annually.	6, 864 operating licences issued.	8, 369	6, 500	14, 613	+8, 113	The additional 8, 113 operating licences issued due to the processing and issuing of backlog applications.
	Provincial Regulating Entity (PRE) hearings conducted.	Number of Provincial Regulating Entity (PRE) hearings conducted.	-	0	1	0	1	No hearings were conducted as no applications for hearing was received.

Strategy To Overcome Areas of Underperformance

Indicator	Proposed Intervention
Number of Provincial Regulating Entity (PRE) hearings conducted.	All PRE hearings applications received will be processesed as per the PRE prescripts.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

The Department does not have sector a core set of standardised sector indicators. The Province specific indicators are provided for and reported on in tables 2.4.4.1 and 2.4.4.2 above,

Linking performance with budgets

Programme expenditure

Transport Regulation	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
Transport Administration and Licencing	276 329	249 084	27 245	191 742	178 413	13 592
Operator Licence and Permits	170 783	180 751	(9 968)	158 414	111 216	47 244
Total	**447 112**	**429 835**	**17 277**	**350 156**	**289 629**	**60 836**

The under spending within this programme was as a result of delays in procuring consumables for the DLTCs and MVRAs, as well as invoices that were received after the cut off payments in March.

5. TRANSFER PAYMENTS

- **Transfer payments to public entities.**

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Gautrain Management Agency	The management coordination and oversight of the Gautrain project.	2 506 958	2 506 958	Refer to GMA Annual Report.

- **Transfer payments to all organisations other than public entities.**

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
None						

The table below reflects the transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
None				

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid.

The table below detail/s the conditional grants and earmarked funds paid by the Department.

None

6.2 Conditional grants and earmarked funds received.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2022 to 31 March 2023.

- **Public Transport Operations Grant**

Department to whom the grant has been transferred	Gauteng Department of Roads and Transport (GDRT)
Purpose of the grant	To provide supplementary funding towards public transport services provided by Provincial Department of Transport.
Expected outputs of the grant	Number of vehicles subsidised: 1 881 Number of kilometres scheduled: 95 053 208.50 Number of routes: 2 982
Actual outputs achieved	Number of vehicles subsidised: 1 839 Number of kilometres operated: 74 547 926.80 Number of routes: 2 982
Amount per amended DORA (R'000)	**R 2,969,140,000**
Amount received (R'000)	**R 2,850,898,000**
Reasons if amount as per DORA was not received	Subsidised services would not be available, forcing commuters to use commercial services that are not affordable.
Amount spent by the Department (R'000)	**R 2,752,140,443**
Reasons for the funds unspent by the entity	• NWS did not spend in the first quarter of the financial year, even with new negotiated contracts their expenditure was very low from July to November, only started picking up from December after subcontracting. • JR Choeu was assigned to operate contracts in COE, the expenditure for the entire financial year is 15% of the allocated PTOG. • Two weeks March claims were paid, and the other two weeks will be paid in April.
Reasons for deviations on performance	Did not operate (DNO's), penalties and shortage of buses.
Measures taken to improve performance	• The appointment of Supervisory Monitoring Firms to implement the electronic monitoring system and ensuring that all scheduled kilometres that are awarded to contracted bus operators are operated effectively on daily basis. • All non-performing bus contracts must ensure that no DNOs and penalties are registered recurringly in the operations. • Monitoring the expenditure for Public Transport Operation Grant (PTOG) by projecting monthly expenditure and comparing with the actual payments.
Monitoring mechanism by the transferring Department	Implementation of the Electronic Monitoring System (EMS) On All Contracted Subsidised Bus Fleets.

- **Provincial Roads Maintenance Grant**

Department to whom the grant has been transferred	Gauteng Department of Roads and Transport (GDRT)
Purpose of the grant	Address the roads maintenance backlog including routine, preventative and periodic maintenance of roads infrastructure
Expected outputs of the grant	Maintenance of provincial roads infrastructure and achievement of planned targets
Actual outputs achieved	No of m^2 reseal = 432, 926.37m^2 No of km re-gravelled = 74,63 km No. of m^2 blacktop patching = 303, 219. 57m^2 Number of km gravel roads bladed = 2 164.98 km
Amount per amended DORA (R'000)	R 1 098 661 000.00
Amount received (R'000)	R 1 098 661 000.00
Reasons if amount as per DORA was not received	None
Amount spent by the Department (R'000)	R 1 096 660 000.00
Reasons for the funds unspent by the entity	-
Reasons for deviations on performance	-
Measures taken to improve performance	-
Monitoring mechanism by the transferring Department	Delay in procurement process of roads maintenance projects for RISFSA class 3

Expanded Public Works Programme Infrastructure Grant (EPWP)

Department who transferred the grant	National Department of Transport
Purpose of the grant	Job creation
Expected outputs of the grant	3, 420
Actual outputs achieved	5, 710
Amount per amended DORA (R'000)	R 4 121 000.00
Amount received (R'000)	R 4 121 000.00
Reasons if amount as per DORA was not received	-
Amount spent by the Department/ municipality (R'000)	R 4 121 000.00
Reasons for the funds unspent by the entity	-
Reasons for deviations on performance	-
Measures taken to improve performance	-
Monitoring mechanism by the transferring Department	Monthly reporting and verification of job created

7. DONOR FUNDS

7.1 Donor Funds Received

None

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance, and asset management plan.

- **Progress made on implementing the capital, investment, and asset management plan.**

The Department has an asset road network of 5, 611km of roads comprising, 4, 344km of paved and 1, 267km of unpaved roads. The visual assessment for the condition of the road commenced in financial year, 2022/23 and was completed in financial year, 2023/24.

- **Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)**

Indicator	Plan	Actual
Number of m^2 of surfaced roads upgraded.	**389, 640.00m^2** **K69 Mamelodi** 200, 200.00m^2 **K73** 85, 840m^2 **K46** **William Nicol** 103, 600.00m^2	**533, 412.18m^2** **K69 Mamelodi** **235, 969.18m^2** **K73** **125,000.00m2** **K46** **William Nicol** 172, 443.00m2
Number of $m^2$of surfaced roads rehabilitated.	**300, 810.00m^2** **D483** 206, 090.00m^2 **P241** 94, 720.00m^2	**336, 953.00m^2** **D483** 206, 090.00m^2 **P241** 130, 863.00m^2

Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed.

Surfaced roads upgraded

- **Ongoing surfaced roads upgraded to be completed in financial year 2023/24:**

Road Description	Corridor	Progress
Upgrade of K101 from D795 Olifantsfontein to N1 Brakfontein	Central Corridors	The project is fourth eight percent (48%) completed
Construction of road D1814 (4.9km) from the R513 to Vulamahlo Primary School in the North-Eastern part of Gauteng in the Rayton area	Northern Corridor	The project is at procurement stage
R82 phase 3 (between D1073 (Walkerville) and K164 (De Deur)	Southern Corridor	The project is at thirty-one percent (31%) completed. Project on hold due to termination of consultant and the Department is in a process of appointing a new consultant

Road Rehabilitation

- **Ongoing roads rehabilitated to be completed in financial year 2023/24:**

Road Description	Corridor	Progress
Rehabilitation of Road P73/1 (R553) Golden Highway between Ennerdale (41.0 km) and Eldorado Park (62.24km) Approximately 21,24 km	Southern Corridor	The project is at procurement stage
R59 - Construction of a Pedestrian Bridge (Ntirhisano Project) over the R59 (P156/2) within the Midvaal Local Municipality		The project is at procurement stage
Rehabilitation of P122/1 from P36/1 (R10) (Solomon Mahlangu Drive Olifantsfontien)	Northern Corridor	The project is at fourteen-point five percent 14, 5%) complete
Rehabilitation of Eight (1) Bridges and One Major Culvert in the Tshwane Region within the Gauteng Province. BMS 1 – Tshwane		The project is at four percent (2%), contractor is busy with site establishment.
Rehabilitation of Eight (8) Bridges and One (1) Major Culvert in the Krugersdorp Region within the Gauteng Province.	Western Corridor	The project is at procurement stage to source suitable bidder to construct the road through panel of contractor. BU awaiting SCM to issue the invitation to bidders.

- **Plans to close-down-grade any current facilities.**

  None

- **Progress made on the maintenance of infrastructure.**

  The roads maintenance focusses on the following on-going Sub programmes:

  - Routine roads maintenance
  - Preventative roads maintenance,
  - Re-active roads maintenance,
  - Periodic maintenance

- **Developments relating to the above that are expected to impact on the department's current expenditure.**

  None

- **Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft.**

  As of 31 March 2023, the Department's entire asset base totalled R41.6 billion this asset base in the main comprises of roads, bridges, land for future road construction and various categories of movable assets. During the current financial year, the Department invested approximately R1.5 billion on improving and rehabilitating key segments of the provincial road network.

  A total valued of R13.9 million of obsolete and redundant movable assets were disposed of through approved donations to non-profit organisations. All assets that are reported lost or stolen are reported in the Department's loss register and subsequently referred to the Department's anti-fraud and corruption unit for further investigation.

- **Measures taken to ensure that the Department's asset register remained up to date during the period under review.**

The Department conducts annual physical asset verification on all its movable assets. A total value of R466 million movable assets was verified which includes vehicles, computer equipment and machinery and furniture. The Department continues to play a pivotal role in coordinating the maintenance and updating of the Department's immovable asset register.

- **The current state of the department's capital assets, for example what percentage is in good, fair, or bad condition.**

The visual assessment for the condition of the road commenced in the financial year, 2022/23 and was completed in the financial year, 2023/24. A report for the visual conditioning assessment has been submitted to the Department and the service provider has commenced with another assessment.

- **Major maintenance projects that have been undertaken during the period under review.**
  - Reseal – 432 926. 37m^2
  - Bladed - 2, 164. 98km of gravel roads,
  - Re-gravelled – 74. 63km and
  - Patched – 303, 219. 57m^2 of potholes.
- **Progress made in addressing the maintenance backlog during the period under review:**

Infrastructure projects	2023/24			2022/23		
	Final Appropriation R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000
New and replacement assets	239 190	231 005	8 185	93 458	94 548	(1 090)
Existing infrastructure assets	2 623 411	2 650 197	(26 786)	1 544 202	1 502 323	41 879
- Upgrades and additions	1 109 147	1 129 734	(20 587)	808 734	833 648	(24 914)
- Rehabilitation, renovations and refurbishments	451 292	509 591	(58 299)	113 255	132 287	(19 032)
- Maintenance and repairs	1 062 972	1 010 872	52 100	622 213	536 388	85 825
Non-Infrastructure projects	129 014	109 777	19 237	121 093	113 315	7 778
- Current	129 014	109 777	19 237	121 093	113 315	7 778
- Capital	-	-	-	-	-	-
Total	**2 991 615**	**2 990 979**	**636**	**1 758 753**	**1 710 186**	**48 567**

GOVERNANCE

PART C

Department's efforts to strengthen driver and vehicle license compliance efforts by handing diplomas to officials who successfully completed the course.

01

1. INTRODUCTION

Governance is an integral part of the Department's management of public finances and resources and ensures that highest standards are implanted and adhered to. Its structures have been implemented to utilize the state resources effectively, efficiently and economically. This section provides the narrative on the Department's governance structures and the activities executed for the financial year.

2. RISK MANAGEMENT

The Department has a risk management policy and strategy.

- The Department conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new/emerging risks.
- The Department has a Risk Management Committee that is chaired by an independent person and advises management on the overall system of risk management, especially the mitigation of unacceptable levels of inherent risk.
- The Audit Committee is the advisory body for the Department on risk management and independently monitors the effectiveness of the system of risk management.
- The Department has made a commitment to manage risks on a continuous basis. Also, the performance contract of senior management has incorporated risk management for accountability purpose.

3. FRAUD AND CORRUPTION

- The Department has an anti-fraud and corruption policy and strategy.
- The Department conducts annual fraud risk assessments to determine the effectiveness of its risk management strategy and to identify new/emerging risks.
- The Department has an Ethics Committee that oversee the overall systems of fraud related activities.
- Over and above the Ethic Committee, the Department has a Risk Management Committee that is chaired by an independent person and advises management on the overall system of risk management of which fraud and corruption related issues are discussed.
- The Audit Committee that is constituted by independent members is the advisory body for the Department on anti-fraud and corruption related issues and independently monitors the effectiveness of the system thereto management.
- The Department has the following approved policies:
    - Ethics,
    - Whistleblowing,
    - e-Disclosures,
    - Gift and donations, and
    - Conflict of interest.

These policies are communicated through ethics and anti-fraud and corruption awareness sessions and induction workshops.

- Allegations are reported using various mechanism i.e. by respective management, hotline, internal audit, fraud detection reviews.

4. MINIMISING CONFLICT OF INTEREST

Accountability is fundamental to the organisational integrity. All employees are expected to responsibility for their actions. Disciplinary matters are resolved by a prescribed disciplinary code and procedure prescription. Labour relation support the introduction and implementation of disciplinary action for bridge of code of conduct. Application for disciplinary measure is an integral component of effective fraud and corruption deterrent strategy within the Department.

The Department is doing its best to minimize conflict of interest by:

Conducting awareness sessions on Public Service Regulations, 2016 under regulation 13b and f and it is supported by the Code of conduct for public service that has a pledge at the back. The department has also reviewed its policy on conflict of interest. It is also working with various stakeholders such as DPSA, Gauteng Audit Services and Auditor General to identify conflict and potential conflict from officials. The e-Disclosure that is filed by SMS, MMS and officials from Finance branch also helps to identify those who might have conflict of interests. To further minimize it Ethics management is working with communications to develop posters and some intranet posts are issued to educate and sensitise officials on conflict of interests. Induction programmes are held in partnership with Human Resources development with the newly appointed officials and an online course is available that covers issues on ethics management.

5. CODE OF CONDUCT

The Public Service Commission (PSC) developed code of conduct for the public servants to promote the high standard of professional ethics. The ethical principles contained in the Code are applicable to DRT employees and communicated in the employee induction workshops.

The Department implemented the code and managers ensure that all employed within the Department adheres to it.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

- **Safety, Health, Environment, Risk and Quality (SHERQ)**

  Sixty (60) employees were nominated as SHE Reps (health and safety representatives) in all regions offices and head office. A total number of two hundred and thirty (230) employees were nominated to be trained as part of Occupational Health and Safety Officers in the regions and head office and fifty-six (56) employees received training on First aid level 2.

7. PORTFOLIO COMMITTEES

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
28/04/2023	House Resolutions on the Adopted Committee Oversight Report on Budget Vote 9: Gauteng Department of Roads and Transport of the Appropriation Bill	The Department should provide a detailed report on the appointment of the outsourced RISFSA class 1 & 2 projects including the terms of contract, scope of work to be performed, allocated budget and proposed implementation plan.	• Terms of Contract: FIDIC (Federation International des Ingieneus Counsel/ International Federation of Consulting Engineers) • Scope of Works to be performed – See attached Bills of Quantities • Allocated budget and proposed implementation plan – The Service Providers are appointed in the five regions with each contractor allocated a region for a period of three years (36 months). • The consultants (Professional Service Providers) were further appointed to assist with the design and supervision of the work done by the contractors. • Benoni Region of Gauteng Province – R 398 931 704.59 for Class 1 & 2 Provincial roads. • Krugersdorp Region of Gauteng Province – R 339 945 313.00 for Class 1 & 2 Provincial roads. • Bronkhorstspruit Region of Gauteng Province – R 328 711 596.77 for Class 1 & 2 Provincial roads. • Pretoria Region of Gauteng Province – R 415 625 096.28 for Class 1 & 2 Provincial roads. • Vereeniging Region of Gauteng Province – R 358 756 790.70 for Class 1 & 2 Provincial roads.
15/06/2023	House Resolutions on the Portfolio Committee on Transport and Logistics Oversight Report on the 4th Quarterly Report of the Department of Transport and Logistics, Gautrain Management Agency and G-Fleet Management for the 2022/23 Financial Year	The Department should provide the Committee with a detailed report on the implementation of intervention measures that are in place to ensure the appointment of new subsidised bus contracts taking into consideration the operational challenges in Hammanskraal and lack of services in Brakpan area.	The negotiation process has been concluded on 30 the June 2023. All bus operators and the Accounting Authority have signed and submitted the contract documents by Friday 30 June 2023. Operationalisation of the negotiated contracts resumed 1 July 2023. The implementation is taking place and the operators are waiting for the Department to allocate Purchase Order numbers as well as contract numbers for the new contracts which the department is currently implementing. The Hammanskraal and Brakpan areas are part of the concluded negotiated contracts, and the Department is confident that the new clauses will be able to ensure services are rendered according to the contracts. Operators have been granted up to 90 days of teething stage.

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
11/05/2023	Portfolio Committee Questions on Budget Vote 09 – 2023/24 FY	The Department should provide plans to complete K54 in Mamelodi, the K46 in Diepsloot and the Hendrik Potgieter Road Bridge.	**K54: Mamelodi to R104 Pretoria Bronkhorstspruit Road:** • Department is coordinating with Stakeholders (Department of Human Settlement and Municipality – City of Tshwane) to get the encroached area cleared for construction. • The Department is planning to procure the replacement contractor to complete the works once the encroachment is cleared. **The K46 in Diepsloot:** • The project is underway, at 50%, and estimated to complete in December 2024. • The project progress is encountering slow progress due to disruptions from the Stakeholders (local community members). **The Hendrik Potgieter Road Bridge:** • The DRT has appointed the contractor and has commenced with the works on the bridge and is due to complete in November 2023. The demolition works and rubble removal is cleared from the site.
		The Department should provide the plan to address the challenges on the subsidised buses in the Province in the current financial year.	**BACKGROUND** The Department manages 32 subsidised bus contracts which are operated by 13 bus operators. These contracts comprise 24 tendered and eight interim Contracts. A total of 30 out of the 32 contracts are funded from the Public Transport Operations Grant ("PTOG"), under the Division of Revenue Act ("DoRA") published on an annual basis, and two ceded contracts funded by the Gauteng Province under the North-West Star Demarcation ("NWSD") Provincial Equity. These Contracts are operated in three Gauteng Metropolitans (City of Johannesburg, City of Tshwane and City of Ekurhuleni) as well as at the Sedibeng District. Since inception the contracts were extended more than 76 times and were found to be irregular by the AGSA. The contracts expired end of March 2023 and has been extended for a once off 3 months.

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
			CONTRACT NEGOTIATIONS The department has decided to introduce new negotiated bus contracts that will respond to the needs of the commuters. In order to ensure that the transport commuter service continues to operate beyond 31 March 2023, the Department identified section 41(1)(b) of the NLTA as being the most appropriate avenue. Section 41 provides as follows: "41 (1) Contracting authorities may enter into negotiated contracts with operators in their areas, once only, with a view to (a) integrating services forming part of integrated public transport networks in terms of their integrated transport plans; (b) promoting the economic empowerment of small business or of persons previously disadvantaged by unfair discrimination; or (c) facilitating the restructuring of a parastatal or municipal transport operator to discourage monopolies. **INTERIM MEASURES: 3 MONTH EXTENSION OF EXISTING CONTRACTS** Contracts expired on the 31 March 2023. Decision taken to implement a once-off-3-month extension while the department finalises negotiated contracts with current operators. The contracts negotiations are underway and started in April 2023 and will be concluded by end of May 2023. **ACTUAL PROGRESS MADE ON CONTRACT NEGOTIATIONS** • Development of negotiating profiles for public transport operators concluded. • Two meetings held with SABOA and public transport operators and all parties agreed in principle to negotiate in good faith to successfully conclude negotiated bus contracts. • A meeting was held with commuter forums to obtain their inputs/ concerns pertaining to the current service provided by contracted bus operators. • A decision has been taken to democratize commuter forums to position them better to participate in all matters pertaining to the provision of subsidsed public transport.

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
			• Negotiations framework and draft Negotiated Model contract document developed and circulated to public transport operators for inputs in preparation for the extensive negotiation process. • Risk matrix/ framework for the negotiated contract process developed and being used as guide to minimize risks that might have a negative impact on the negotiation process. • The implementation target date of 1 April 2023 to introduce new negotiated bus contracts was revised to enable the Department to finalize some key outstanding issues.
11/05/2023	Portfolio Committee Questions on Budget Vote 09 – 2023/24 Financial Year	The Department should present on the effectiveness of the electronic monitoring system in the subsidised buses taking into account that commuters are generally unhappy with services provided by bus contractors.	The Department appointed Supervisory Firms to introduce an electronic monitoring system in May 2020 improve monitoring of all subsidized bus contracts. The electronic monitoring system allows the department to track each and every subsidized bus in real time. The system is able to provide accurate reporting in real time and the department is now able to verify account for each and every kilometer that is claimed by bus operators. 1923 buses have been installed with monitoring gadgets by Supervisory Monitoring Firms and department officials has been provided with log on details to access the system and monitor the movements of buses. Since the system was introduced, the risk of bus operators claiming kilometers not travelled has been complete eliminated.

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
11/05/2023	Portfolio Committee Questions on Budget Vote 09 – 2023/24 Financial Year	The Department should elaborate on the R20 million taxi fund that was put together by the provincial government as announced by the Premier in SOPA.	In response to the Taxi summit resolutions in July 2019 attended by 200 taxi industry leaders represented by two major associations; namely; SANTACO Gauteng and Gauteng National Taxi Alliance that was meant to assess the extent of implementation of previous resolutions and to reaffirm the commitment to growing and supporting the Mini-bus Taxi Industry and finally, deliberate on strategies to implement previous resolutions and modernise public transport system. The Department and the taxi Industry entered into a Memorandum of Understanding to recommit to rooting out taxi violence, fraud and corruption; modernise the mini-bus taxi industry. adhere to road safety standards; regulate the industry and ensure that, that the industry participates in the transport value chain taking advantage of business and investment opportunities for the taxi industry across transport and automotive sector value chain which was then aligned to the Taxi Industry support, the Department advanced for the Taxi Industry to: ➢ Improve administration and governance processes by providing monetary support to the taxi industry on monthly basis through payment of executive administration expenses. ➢ Support key governance activities such as AGMs. ➢ Monetary Support facilitates greater coordination and lines of communication between GNTA and SANTACO. Non-financial support the Taxi Industry to develop a payroll management system, which creates the foundations for HR and legal compliance that are building blocks for formalisation and professionalisation. Advance economic development endeavours through part of the Taxi Support funds going towards Taxi Hubs and retail project preparation such that they are fundable by conventional funders by facilitation of funding feasibility studies and general planning work, providing a funding security package in a form of a guarantees – minimise the effects of the barriers of entry.

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
31/05/2023	Portfolio Committee Questions on the 4th Quarter Report for 2022/23 Financial Year	The Department should provide a report on the e-service that was operationalised.	**Online Automated Map Plans:** It's an online service which enables members of the public to get access to various services offered by the Department of Roads and Transport without physical interaction. The online automation of road plans makes road plans and maps accessible 24 hours to the members of the public without human interaction. The Requirement and development stages were completed, and the online system went live on the 31st of March 2023.
		g-FleeT should provide progress report on the installation of outstanding trackers in the vehicles.	As of 19 May 2023, the Entity has installed a total of five thousand four hundred and sixty-three (5463) tracking units from the six hundred two hundred and twelve (6212) in-service report excluding three hundred and thirty hundred (337) vehicles to be auctioned. • Total number of vehicles to be tracked- 5875. • Total number of vehicles tracked- 5463. • Total number of vehicles without tracking units – 412 • Number of vehicles identified for auction and without tracking units- 337. • Total fleet as per the in-service report- 6212.
14/11/2023	Committee Questions on the Annual Report 2022/23 Financial Year	The entity should also link the ridership report with the Patronage Guarantee Cost.	The Patronage Guarantee cost has a direct link with the ridership numbers, the rail demand dropped from about 14 million in Financial Year 2019/20 to 2.7 million in Financial Year 2020/21. However, thanks to continued and high-quality operations as well as increased services to match demand, the Gautrain has established a path of recovery and rail patronage has grown at 64.6% and 63.3% during the years Financial Year 2021/22 and Financial Year 2022/23 respectively to reach R7.1 million annual passengers in Financial Year 2022/23. Although the numbers are growing, they still remain below the pre COVID numbers.
		The GMA should explain why the entity remain with a surplus when Patronage Guarantee cost was still recovering from the shortfall caused by the COVID 19.	Despite the R7,7 million surplus, Patronage Guarantee overspent by R55 million. The over expenditure was reduced by reprioritization of the budget mainly from system improvement, legal and additional commercial costs and utilization of funds from prior period, interest and other income to cover for the Patronage Guarantee costs.

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
7.2	**House Resolutions on the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of Gauteng Department of Roads and Transport for the Year Ended 31 March 2023**	**That the Department must provide the Committee with a report detailing the effectiveness of the of the measures put in place to monitor budget and expenditure performance**	To mitigate under-expenditure, the Department routinely prepares and distributes a weekly expenditure report to Branch Heads. Additionally, quarterly reviews are conducted to scrutinize detailed quarterly expenditure and budgetary movements earlier in the fiscal year. Towards the conclusion of the fiscal year, weekly expenditure meetings are convened as deemed necessary. These measures have resulted in the Department achieving full expenditure on infrastructure and 97% utilization of the overall budget. Consequently, we firmly assert the effectiveness of these measures.	No.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
7.3	**House Resolutions on the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of Gauteng Department of Roads and Transport for the Year Ended 31 March 2023**	**That the Department must provide the Committee with a report by detailing the following:** • Approval of the new organizational structure. • Filling of vacant posts. • Appointment of service providers for routine roads maintenance.	**Approval of the new organizational structure.** ➢ Input consolidated and sent to OOP to effect changes. ➢ Constant engagements with OOP are underway to ensure that the organisational structure is updated. **Filling of vacant posts.** ➢ A total of 276 posts have been identified to form part of the Recruitment Plan of Financial Year 2024/25 that is on route to the MEC for approval subject to verification of posts that will not form part on the new structure, however only R40 million is available on COE for replacement of vacant posts. **Appointment of service providers for routine roads maintenance.** ➢ The RIFSA Class 1 & 2 contractors (5) and consultants (2) have been appointed and are currently working on the road network. The service providers are allocated work in accordance with the Department five regional areas. ➢ The grass cutting and litter picking service providers have been appointed and allocated work in accordance with the Department five regional areas. ➢ The Department is in the process of finalising the appointment of the RIFSA Class 3 contractors to further assist with the maintenance of the road network. ➢ The diluted emulsion paint service providers have been appointed and will be commencing with works in this financial year Q1. The service providers are allocated work in accordance with the Department five regional areas.	No. No. No.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
7.4	**House Resolutions on the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of Gauteng Department of Roads and Transport for the Year Ended 31 March 2023**	**That the Department must provide the Committee with a report detailing the effectiveness of the controls put in place controls regarding the review of financial statements and proper record keeping and reconciliation of records.**	The Department has successfully addressed the role of the Chief Financial Officer, who is tasked with reviewing the financial statements prior to their submission to the Auditor General. Furthermore, in the interim between the last audit report and the submission of financial statements, weekly Audit Improvement War room meetings are convened to address previous audit findings and prevent the recurrence of similar issues in the future. The receipt of minor findings reports from the Office of the Provincial Accountant General serves as a positive demonstration of the effectiveness of these measures in mitigating any actual or potential misstatements.	No.
7.8	**House Resolutions on the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of Gauteng Department of Roads and Transport for the Year Ended 31 March 2023**	**That the Department provide the Committee with a report detailing the status of the condonation of the fruitless and wasteful expenditure by 30 April 2024 and a quarterly progress report continuing up until finalisation thereof.**	As of March 30, 2024, a total of R629 million has been condoned, with an additional R179 million undergoing the condonation/ write-off process as of April 20, 2024. It is anticipated that the process will conclude by the end of April 2024.	No.
7.10	**House Resolutions on the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of Gauteng Department of Roads and Transport for the Year Ended 31 March 2023**	**That the Department must ensure that performance targets are set for all the performance indicators in the APP, these should then be reported to be able to track service delivery as set out in the Department's mandate and provide the Committee with a report.**	The Department has ensured all indicators have performance targets set for the financial year, 2024/25 Annual Performance Plan (APP). The APP targets have been included in the Branches and Directorates operational plans for implementation. On a monthly basis the APP targets are tracked for service delivery implementation in the Department at its Broad Management Committee. On a quarterly basis the APP is monitored, and progress is reported on internally and externally to the oversight committees.	Yes.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
7.11	**House Resolutions on the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of Gauteng Department of Roads and Transport for the Year Ended 31 March 2023**	**That the Department must ensure the implementation and the monitoring of the action plan as early as possible to address all the matters of concerns on time and internal controls should be monitored throughout the year and accountability should be enforced on all levels and provide the Committee with a report.**	The Department has implemented various internal controls to monitor the implementation of the Annual Performance Plan. On a monthly basis the APP targets are tracked for service delivery implementation in the Department at Branch and Broad Management Committee levels. Issues of concern, risks or challenges are identified, and mitigation plans are identified and tracked to ensure improvement in service delivery and achievement of targets. This is also monitored on a quarterly basis and progress is monitored and reported on internally and externally to the oversight committees.	Yes.
7.12	**House Resolutions on the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of Gauteng Department of Roads and Transport for the Year Ended 31 March 2023**	**That the Department must provide the Committee with a report detailing the status of the of the two material irregularities by 30 April 2024 and a quarterly report continuing up until finalisation thereof.**	In regard to the K46 matter, investigations have been completed, and the Department is presently reviewing and implementing the recommendations outlined in the investigation report. As for the Sebokeng DLTC matter, the investigation is nearing completion and is expected to be finalized on or around the end of May 2024. Subsequently, the recommendations will be implemented accordingly.	No.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
6.4	**SCOPA Resolutions on the Oversight Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of g-FleeT Management for the Year Ended 31 March 2023**	**That the Entity must provide the Committee with a report detailing the status of the reimbursement by Wesbank of approximately R6,6 million and a quarterly report continuing up until finalisation thereof.**	The Entity issued and communicated a formal debt against Wesbank. Whilst the bank has officially acknowledged the existence of the debt, their internal policies and procedures require that they should formally conduct and finalise an investigation and validation prior to reimbursing the Entity. The bank explained that such processes are important to enable them to institute recovery processes against suppliers that charged for the service/maintenance of the applicable vehicle. In this regard, the bank requested additional information from the Entity which was duly provided. The bank confirmed receipt of the additional information in their correspondence dated 13 December 2023 and sited that due to the enormous volume of data, the bank aims to finalise the validation of all information by end of January 2024 however committed in paying the claims in intervals as the validation exercise progresses. Wesbank has since confirmed the completion of the verification and validation of all transactions, concluded on the final settlement, and made a commitment for payment. The Entity has since acknowledged receipt of the confirmation letter and is currently conducting reconciliation before engagement with Wesbank on acceptance of the outcome as the final settlement, and the payment thereof. The Entity completed a reconciliation exercise on the 19 February 2024, and the meeting is scheduled for 26 February 2024 with Wesbank to conclude on the matter. Wesbank further noted the seriousness of the above subject matter and committed to attending to the above with the priority it accordingly deserves. Furthermore, Wesbank remains committed to servicing the RT46 Contract to the best of its ability and to the satisfaction of the State.	No.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
-	-	-

10. INTERNAL CONTROL

11. INTERNAL AUDIT AND AUDIT COMMITTEES

A) INTERNAL AUDIT

Attendance of audit committee meetings by audit committee members

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mandla Ncube (Mr)	➢ AAT Diploma in Accounting ➢ Certificate of Training in USAID funded projects ➢ Certificate in Internal Auditor ➢ Certificate in Corporate Fraud Manager ➢ Certificate in Control Self-Assessment Reviewer (QAR)	External		01 August 2022	Current	
Yongama Pamla CA(SA)	➢ Postgraduate Diploma in Accounting ➢ Postgraduate Diploma in Management (Financial Accounting) ➢ Bachelor of Commerce	External		01 August 2023	Current	
Pumla Mzizi (Ms)	➢ Honours Bachelor of Commerce in Transport Economics. ➢ BCompt Honours (CTA) ➢ BBusSci Finance Honours	External		01 September 2018	Current	

12. AUDIT COMMITTEE REPORT

GAUTENG PROVINCIAL GOVERNMENT (GPG)

Report of the Audit Committee – Cluster 05

Gauteng Department of Roads and Transport

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), five meetings were held during the current year, i.e., three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings attended
Mr. Mandla Ncube (Chairperson)	05
Ms. Yongama Pamla	05
Ms. Pumla Mzizi	02

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of Meetings attended
Dr. Thulani A Mdadane (HoD)	05
Mr. Japhter Makhafola (Chief Financial Officer)	04 (from November 2023)
Ms. Mampe Gololo (Acting Chief Financial Officer)	01 (until August 2023)
Ms. Delicia Kgage (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	05

The Committee noted that the Accounting Officer participated in five (05) of the Audit Committee's scheduled meetings. Therefore, the Audit Committee is satisfied that the Department complied with the provisions of the GPG Audit Committee Charter.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The overall assessment of the internal control environment is adequate but ineffective, based on the results of the

Internal Audit's audits and follow-up reviews. The management of the Department continues to be committed to implementing the necessary corrective actions to achieve the desired improvement in the internal control environment.

The Audit Committee will continue to monitor the Department's efforts to improve the effectiveness of controls in the following areas:

- Governance Review
- Performance Audit on Road Maintenance
- Road Construction
- Supply Chain Management

Information and Communication Technology (ICT) Governance

Based on the findings of audits conducted by both the Gauteng Audit Services and the Auditor General, the Department should strengthen the adequacy and effectiveness of internal controls pertaining to ICT governance, business continuity, and ICT general controls in the next financial year.

Internal Audit

The Accounting Officer is obliged, in terms of the PFMA, to ensure that the Department has a system of internal audit under the control and direction of the Audit Committee. In the case of the Gauteng Provincial Government (GPG), the Internal Audit Function is shared amongst Entities and departments in the province and is accountable to the Audit Committee.

The Internal Audit team executed and substantially completed the risk-based audit plan. The Audit Committee is confident that the Internal Audit plan has a clear alignment with the key risks, sufficient coverage of information systems, and a good balance among the various audit categories, i.e. risk-based, mandatory, performance, computer, and follow-up audits.

The coordination between internal audit and the Auditor-General to provide assurance services has been strengthened over the past year. The Committee views this as a key step towards a fully-functioning integrated assurance system.

The Audit Committee will continue to monitor the capacity and the resources allocated to the Internal Audit function.

The following audits were covered by Internal Audit during the period under review:

- Occupational Health and Safety (Includes Regions/ District Offices)
- Follow up Learner's and driver's booking services/centres
- Records Management
- Supply Chain Management
- Asset Management
- Follow-Up: AG Significant Findings
- Expenditure Management
- Vehicle Testing Stations (Included District Offices)
- Review of Draft Annual Performance Report
- Performance Information audit /Performance of the department against predetermined objectives Q1
- Performance Information audit /Performance of the department against predetermined objectives Q2

- SAP ESS & PERSAL leave reconciliation
- IT governance review
- Data Analysis – ETHICS / FIN / HR (1 Jan 2023 – 30 June 2023)
- 2024-25 IT risk assessment
- Data Analysis – ETHICS / FIN / HR (1 July 2023 – 31 December 2023)

Risk Management

The Audit Committee is accountable for monitoring the department's risk management operations. Our oversight extends to the review of reports presented by the Risk Management Committee, which directly reports to us on how risks are managed within the department. After a thorough examination of the risk register and subsequent reports, we acknowledge and commend the progress in maturing of the risk management processes. To effectively manage the significant risk exposures faced by the Department, however, it is obvious that some processes and regulations must be modified. The management team must ensure that the department's strategic register is completed on time. This ensures that risk mitigation strategies exist and can be implemented efficiently.

Management is responsible for fully owning and directing the Enterprise Risk Management Process. This includes providing unwavering assistance to the Chief Risk Officer in an effort to improve the Department's risk management performance. As the Audit Committee, we anticipate and look forward to seeing the department's risk management efforts continue to develop and mature.

Performance Management

The Audit Committee's review of the effectiveness and functionality of the performance management system (including an analysis of management-prepared quarterly performance reports and related internal audit reports) revealed the need to strengthen the current performance management and reporting system.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee reviewed the quality, accuracy, uselessness, reliability and appropriateness of quarterly and annual financial reporting and the Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the department during the year under review and confirms that the reports were in compliance with the statutory reporting framework. The Audit Committee would like to commend the department for reporting monthly and quarterly to Treasury as is required by the PFMA. The Audit Committee recommends that the department should fully comply with section 40(1) of the PFMA, in so far as management's review and monitoring of financial reports and performance information reports.

Compliance with the relevant laws and regulations

During the year, the Audit Committee, Management, Internal Audit, and Auditor-General of South Africa identified a number of instances of non-compliance with enabling laws and regulations. As a result, the Audit Committee suggested the establishment and implementation of an effective compliance management system to address issues of non-compliance with laws and regulations.

Forensic Investigations

The Forensic Investigation Reports for the Department were presented and noted by the AC throughout the quarters. The Audit Committee remain concerned with the 45% implementation of the consequence management for the Department.

Evaluation of Annual Financial Statements

Prior to submission to the AGSA for auditing purposes, the Audit Committee evaluated the Department's Annual

Financial Statements.

The Audit Committee agrees with and accepts the Auditor-General of South Africa's conclusions regarding the Annual Financial Statements and recommends that the audited Annual Financial Statements be accepted and read alongside the Auditor-General's report.

Compared to last year's qualified outcome, the Audit Committee observed an improvement implementation of a number of important recommendations which had a significant contribution to maintaining the unqualified audit outcome. The commitment and strategic leadership of the management team have been crucial to achieving this success.

Evaluation of Annul Report

The Audit Committee undertook the following activities related to annual report:

- Audit Committee evaluated final draft Annual Report (including performance report) the audit committee meeting held on 26th July 2024 and noted the achievement for the year under review and recommended it.

Audit Improvement Plan

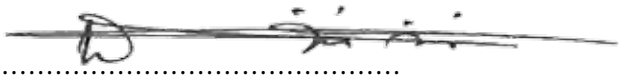
The Audit Committee assessed and tracked the execution of the previous year's audit findings on a quarterly basis. The Audit Committee believes there is room for improvement in this area, especially in terms of timely implementation, resolution of findings, and addressing the root causes of the Auditor-Generals findings and recommendations.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer of the Department to discuss concerns and address challenging issues affecting the Department's control environment.

One-on-One Meetings with the Executive Authority

The Audit Committee has met with the Executive Authority for the Department to apprise the MEC on the performance of the Department.



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Mr Mandla Ncube

Chairperson of the Audit Committee

Date: 12 August 2024

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

REPORTING BY ORGANS OF STATE AND PUBLIC ENTITIES IN TERMS OF SECTION 13(G)(1) OF THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT 53 OF 2003 AS AMENDED BY ACT 46 OF 2013

The following table was not completed as in accordance with compliance to the BBBEE requirements of the BBBEE Act of 2013 as the Gauteng Department of Roads and Transport is in the process of finalising the BBBEE compliance as per the act requirements.

Name of Sphere of Government / Public Entity / Organ of State:	
Registration Number (If Applicable):	
Physical Address:	
Type of Sphere of Government / Public Entity / Organ of State:	
Organisation Industry / Sector	

The following table must be completed in full by the Sphere of Government / Public Entity / Organ of State:

Has the Sphere of Government / Public Entity / Organ of State applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Circle relevant answer**	**Attachment**

HUMAN RESOURCE MANAGEMENT

PART D

HUMAN RESOURCE MANAGEMENT

The Department created 5, 710 work opportunities of which 3, 439 are youth, with 3, 497 being women and 19 Persons with Disabilities (PwDs) through EPWP projects.

The Department has 2, 254 employees of which 1, 542 are filled, 712 are vacant, 13 are acting positions.

239 employees attended 11 development programmes during the financial year 2023/24.

The Department employed 499 Military Veterans in the Scholar Transport Programme.

To date, Zwartkop Training Academy has trained 352 employees during the financial year, 2023/24 on 27 training interventions.

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all Departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

Organisational Structure Review

The consultations on organisational structure with line managers were concluded, addressing input/concerns received from Office of the Premier Oversight unit as well as from the MEC and HOD. The organisational structure is re-aligned and responds to the mandate of the Department. Consultation documents are currently being updated in preparation for submission of the organisational structure to the Minister for Public Service and Administration (MPSA).

Training and Development

The Department in collaboration with Gauteng City Region Academy (GCRA) offered a Mastering Team Leadership in the Public Service webinars , and sixty (60) employees attended. Two hundred and thirty nine (239) employees attended, eleven (11) various development programmes during the financial year, 2023/24.

Zwartkop Training Academy

The Zwartkop Training Centre focuses on upskilling employees in the Roads Maintenance and Construction Branch through the implementation of tailor-made training programs. The training programs include both theoretical and practical learning to address the skills requirements of employees. To date, the academy has trained three hundred and fifty-two (352)employees during the financial year, 2023/24 on twenty-seven (27) training interventions.

Career Development

Career Development focuses on upskilling employees regarding career development initiatives.The Department through the Bursary committee and Skills Development committees awarded Seventy-four (74) study financial assistance to employees within the financial year under review. Twenty-three (23) candidates' contracts were extended to cover the remaining eleven (11) outcomes required by their relevant statutory registration council for the purposes of registration as professionals. Twelve (12) employees have been trained for Recognition of Prior Learning (RPL) offered by Gauteng City Region Academy (GCRA). Forty-six (46) interns have been trained for a compulsory Breaking Barriers (BB2E) training offered by the National School of Government (NSG).

Performance Management Development System

A performance agreement is the Department's communication and monitoring tool where objectives and goals are set out for individual's expectations and performance. It is also an agreement between the employee and the supervisor which includes timeframes and available resources. The agreement aligns the individual, business unit and the organisational performance. During the period under review, the following were completed:

- Accelerated grade progression was implemented to forty (40) qualifying non-(Occupational Specific Dispensation (OSD) employees. Grade and accelerated grade progression for eight (8) OSD employees was implemented.
- Eighty five percent (85%) of SMS members contracted on the compulsory Department of Public Service and Administration (DPSA) Performance Agreements for the 2023-2024 performance cycle before and on 31st May 2023. Ninety one percent (91%) of the Employees on level 2-12 contracted on the compulsory DPSA

Performance Agreements for the 2023-2024 performance cycle before and on 31st May 2023.

- Compulsory capturing of performance agreements for SMS members as well as employees on level 2-12 were completed by 30th June 2023 as prescribed by DPSA was completed.

Safety, Health, Environment, Risk and Quality(SHERQ)

Sixty (60) employees were nominated as SHE Reps (health and safety representatives) in all regions offices and head office. A total number of two hundred and thirty (230) employees were nominated to be trained as part of Occupational Health and Safety Officers in the regions and head office and fifty-six (56) employees received training on First Aid level 2.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2023 and 31 March 2024

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	428 770.00	211 440.00	0.00	0.00	49.30	310.00
Transport Infrastructure	3 374 664.00	297 897.00	0.00	0.00	8.80	379.00
Transport Operations	2 919 174.00	62 718.00	0.00	0.00	2.10	603.00
Transport Regulation	429 836.00	218 586.00	0.00	0.00	50.90	475.00
Total	**7 152 444.00**	**790 640.00**	**0.00**	**0.00**	**11.05**	**389.00**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	16 624.00	2.20	55.00	302 255.00
Skilled (level 3-5)	187 536.00	25.30	696.00	269 448.00
Highly skilled production (levels 6-8)	234 855.00	31.70	492.00	477 348.00
Highly skilled supervision (levels 9-12)	171 598.00	23.20	207.00	828 976.00
Senior and Top management (levels 13-16)	56 120.00	7.60	42.00	1 336 190.00
Total	**666 733**	**90**	**1492**	**3 214 217**

Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2023 and 31 March 2024

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	2 705.00	80.80	0.00	0.00	248.00	7.40	77.00	2.30
Administration (Pr1)	15 321.00	84.80	3.00	0.00	313.00	1.70	592.00	3.30
Administration**Old	205 392.00	80.30	1 876.00	0.70	9 604.00	3.80	14 309.00	5.60
EPWP**Old	2 056.00	88.00	0.00	0.00	20.00	0.90	12.00	0.50
Maintenance	117 846.00	73.70	1 852.00	1.20	8 576.00	5.40	14 996.00	9.40
Public Transport	24 823.00	79.50	61.00	0.20	1 038.00	3.30	1 804.00	5.80
Road Infrastructure**Old	197 070.00	77.90	655.00	0.30	9 423.00	3.70	15 517.00	6.10
Transport Infrastructure	10 791.00	79.50	0.00	0.00	336.00	2.50	325.00	2.40
Transportation Mngm (Pr4)	2 302.00	81.10	0.00	0.00	187.00	6.60	15.00	0.50
Total	**578 307.00**	**78.20**	**4 446.00**	**0.60**	**29 745.00**	**4.00**	**47 646.00**	**6.40**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	10 998.00	65.90	88.00	0.50	1 419.00	8.50	2 314.00	13.90
Skilled (level 3-5)	132 694.00	70.50	2 492.00	1.30	11 436.00	6.10	21 311.00	11.30
Highly skilled production (levels 6-8)	182 960.00	77.40	1 315.00	0.60	8 784.00	3.70	17 908.00	7.60
Highly skilled supervision (levels 9-12	144 276.00	82.40	511.00	0.30	4 650.00	2.70	4 781.00	2.70
Senior management (level 13-16)	48 532.00	84.80	0.00	0.00	1 959.00	3.40	663.00	1.20
Contract (levels 1-2)	136.00	89.50	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 3-5)	700.00	90.10	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 6-8)	4 902.00	69.30	0.00	0.00	313.00	4.40	463.00	6.50
Contract (levels 9-12)	20 500.00	83.50	40.00	0.20	997.00	4.10	8.00	0.00
Contract (levels >= 13)	6 398.00	87.50	0.00	0.00	186.00	2.50	197.00	2.70
Periodical Remuneration	6 385.00	96.80	0.00	0.00	0.00	0.00	0.00	0.00
Abnormal Appointment	19 825.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**578 307.00**	**78.20**	**4 446.00**	**0.60**	**29 745.00**	**4.00**	**47 646.00**	**6.40**

3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration (Pr1), Permanent	24	20	16.70	0
Administration**Old, Permanent	659	467	29.10	8
Administration, Permanent	8	4	50	0
EPWP**Old, Permanent	2	2	0	0
Maintenance	774	514	33.60	9
Public Transport	70	46	34.30	0
Road Infrastructure	677	467	31	30
Transport Infrastructure	38	21	44.70	8
Transportation Management (Pr4),	2	1	50	0
Total	**2 254**	**1 542**	**31.60**	**55**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	103	55	46.60	0
Skilled (3-5)	987	696	29.50	0
Highly skilled production (6-8)	724	492	32.00	4
Highly skilled supervision (9-12)	342	207	39.50	13
Senior management (13-16)	48	42	12.50	0
10 Contract (levels 1-2)	1	1	0.00	0
11 Contract (levels 3-5)	3	3	0.00	3
12 Contract (levels 6-8)	12	12	0.00	10
13 Contract (levels 9-12)	29	29	0.00	24
14 Contract (levels >= 13)	5	5	0.00	1
Total	**2 254**	**1 542**	**31.60**	**55**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2024

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration Clerks, Permanent	1	1	0.00	0
Administrative Related, Permanent	100	100	0.00	4
Appraisers-Valuers and Related Professionals, Permanent	1	1	0.00	0
Artisan Project and Related Superintendents, Permanent	23	23	0.00	0
Authors Journalists and Other Writers, Permanent	8	8	0.00	0
Auxiliary and Related Workers, Permanent	35	35	0.00	0
Bus and Heavy Vehicle Drivers, Permanent	7	7	0.00	0
Cartographers and Surveyors, Permanent	1	1	0.00	1
Cartographic Surveying and Related Technicians, Permanent	4	4	0.00	0
Civil Engineer, Permanent	1	1	0.00	0
Cleaners In Offices Workshops Hospitals Etc., Permanent	65	65	0.00	0
Client Inform Clerks (Switchb Recept Inform Clerks), Permanent	3	3	0.00	0
Communication and Information Related, Permanent	8	8	0.00	0
Computer System Designers and Analysts., Permanent	3	3	0.00	0
Construction Project Manager, Permanent	2	2	0.00	0
Elementary Workers Not Elsewhere Classified, Permanent	21	21	0.00	0
Engineering Manager, Permanent	1	1	0.00	0
Engineering Sciences Related, Permanent	31	31	0.00	15
Engineers and Related Professionals, Permanent	60	60	0.00	31
Filing and Registry Clerk, Permanent	3	3	0.00	0
Finance and Economics Related, Permanent	9	9	0.00	0
Financial and Related Professionals, Permanent	12	12	0.00	0
Financial Clerks and Credit Controllers, Permanent	78	78	0.00	0
Food Services Aids and Waiters, Permanent	2	2	0.00	0
Head Of Department/Chief Executive Officer, Permanent	1	1	0.00	0
Human Resource Clerk, Permanent	2	2	0.00	0
Human Resource Manager, Permanent	1	1	0.00	0
Human Resources & Organisat Developm & Relate Prof, Permanent	25	25	0.00	0
Human Resources Clerks, Permanent	29	29	0.00	0
Human Resources Related, Permanent	15	15	0.00	0
Information Technology Related, Permanent	4	4	0.00	0
Legal Related, Permanent	6	6	0.00	0
Library Mail and Related Clerks, Permanent	16	16	0.00	1

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Light Vehicle Drivers, Permanent	3	3	0.00	0
Logistical Support Personnel, Permanent	2	2	0.00	0
Material-Recording and Transport Clerks, Permanent	8	8	0.00	0
Messengers Porters and Deliverers, Permanent	16	16	0.00	1
Middle Manager: Administrative Related, Permanent	1	1	0.00	0
Not Available, Permanent	712	0	100.00	0
Other Administrat & Related Clerks and Organisers, Permanent	274	274	0.00	0
Other Administrative Policy and Related Officers, Permanent	170	170	0.00	0
Other Information Technology Personnel,Permanent	18	18	0.00	0
Other Occupations, Permanent	1	1	0.00	0
Photographic Lithographic and Related Workers, Permanent	1	1	0.00	0
Quantity Surveyors & Rela Prof Not Class Elsewhere, Permanent	1	1	0.00	0
Risk Management and Security Services, Permanent	1	1	0.00	0
Road Superintendents, Permanent	1	1	0.00	0
Road Workers, Permanent	364	364	0.00	0
Secretaries & Other Keyboard Operating Clerks, Permanent	47	47	0.00	1
Senior Managers, Permanent	38	38	0.00	1
Statisticians and Related Professionals, Permanent	2	2	0.00	0
Trade Labourers, Permanent	10	10	0.00	0
Trade Related, Permanent	6	6	0.00	0
Total	**2254**	**1542**	**31.60**	**55**

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head Of Department	1	1	0	0	0
Salary level 16	0	0	0	0	0
Salary level 15	4	3	0	1	0
Salary level 14	10	9	0	1	0
Salary level 13	34	30	0	4	0
Total	**49**	**43**	0	**6**	**12.25%**

Table 3.3.2 SMS post information as on 30 September 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head Of Department	1	1		0	
Salary level 16	0	0		0	
Salary level 15	4	4		1	
Salary level 14	10	20		0	
Salary level 13	34	34		4	
Total	**49**	**49**	**100%**	**5**	**0**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head Of Department	0	0	0
Salary level 16	0	0	0
Salary level 15	0	0	0
Salary level 14	3	0	2
Salary level 13	4	0	1
Total	7	0	3

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
Moratorium due to the process of revising organisational structure.

Reasons for vacancies not filled within twelve months
Moratorium due to the process of revising organisational structure.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
Moratorium due to the process of revising organisational structure.

Reasons for vacancies not filled within six months
Moratorium due to the process of revising organisational structure.

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2023 and 31 March 2024

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (levels1-2)	**0**	0	0	**0**	0	**0**	0
Skilled (levels 3-5)	**0**	0	0	0	0	0	0
Highly skilled production (levels 6-8)	**0**	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	**0**	0	0	0	0	0	0
Senior Management Service Band A	**0**	0	0	0	0	0	0
Senior Management Service Band B	**0**	0	0	0	0	0	0
Senior Management Service Band C	**0**	0	0	0	0	0	0
Senior Management Service Band D	**0**	0	0	0	0	0	0
Total	**0**	0	0	0	0	0	0

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 and 31 March 2024

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 and 31 March 2024

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 and 31 March 2024

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

Employees with a disability	0	0	0	0	0

Total number of Employees whose salaries exceeded the grades determine by job evaluation	0

3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2023 to 31 March 2024

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1-2)	160.00	10.00	2.00	
Skilled (levels 3-5)	1 212.00	103.00	22.00	
Highly skilled production (levels 6-8)	972.00	10.00	10.00	
Highly skilled supervision (levels 9-12)	388.00	16.00	13.00	
Senior Management Service Bands A	60.00	1.00	2.00	
Senior Management Service Bands B	12.00	2.00	0.00	
Senior Management Service Bands C	10.00	0.00	0.00	
Senior Management Service Bands D	2.00	0.00	0.00	
Contracts	118	21	30	
Total	**2 934**	**163**	**79**	**2,70**

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2023 to 31 March 2024

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administration Clerks Permanent	0.00	1.00	0.00	0.00
Administrative Related Permanent	200.00	2.00	4.00	2.00
All Artisans in The Building Metal Machinery Etc. Permanent	0.00	0.00	2.00	0.00
Appraisers-Valuers and Related Professionals Permanent	2.00	0.00	0.00	0.00
Architects Town and Traffic Planners Permanent	2.00	0.00	1.00	50.00
Artisan Project and Related Superintendents Permanent	52.00	0.00	1.00	1.90
Authors Journalists and Other Writers Permanent	12.00	0.00	0.00	0.00
Auxiliary and Related Workers Permanent	72.00	2.00	1.00	1.40
Bus and Heavy Vehicle Drivers Permanent	10.00	0.00	0.00	0.00
Cartographers and Surveyors Permanent	2.00	0.00	0.00	0.00
Cartographic Surveying And Related Technicians Permanent	2.00	2.00	1.00	50.00
Cleaners in Offices Workshops Hospitals Etc. Permanent	178.00	9.00	4.00	2.20
Client Inform Clerks (Switchb Recept Inform Clerks) Permanent	6.00	1.00	0.00	0.00
Communication and Information Related Permanent	16.00	0.00	0.00	0.00
Computer System Designers and Analysts. Permanent	4.00	1.00	0.00	0.00
Construction Project Manager Permanent	0.00	1.00	0.00	0.00
Elementary Workers not Elsewhere Classified Permanent	0.00	8.00	0.00	0.00
Engineering Manager Permanent	0.00	1.00	0.00	0.00
Engineering Sciences Related Permanent	38.00	17.00	8.00	21.10
Engineers and Related Professionals Permanent	142.00	14.00	22.00	15.50
Filing and Registry Clerk Permanent	0.00	2.00	0.00	0.00
Finance and Economics Related Permanent	12.00	0.00	1.00	8.30
Financial and Related Professionals Permanent	30.00	0.00	1.00	3.30
Financial Clerks and Credit Controllers Permanent	160.00	0.00	0.00	0.00

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Food Services Aids and Waiters Permanent	4.00	0.00	0.00	0.00
Head Of Department/Chief Executive Officer Permanent	2.00	0.00	0.00	0.00
Human Resource Clerk Permanent	0.00	1.00	0.00	0.00
Human Resource Manager Permanent	0.00	1.00	0.00	0.00
Human Resources & Organisat Developm & Relate Prof Permanent	42.00	5.00	2.00	4.80
Human Resources Clerks Permanent	62.00	0.00	0.00	0.00
Human Resources Related Permanent	28.00	1.00	0.00	0.00
Information Technology Related Permanent	12.00	0.00	0.00	0.00
Legal Related Permanent	12.00	0.00	0.00	0.00
Library Mail and Related Clerks Permanent	34.00	0.00	0.00	0.00
Light Vehicle Drivers Permanent	6.00	0.00	1.00	16.70
Logistical Support Personnel Permanent	4.00	0.00	0.00	0.00
Material-Recording and Transport Clerks Permanent	18.00	0.00	0.00	0.00
Messengers Porters and Deliverers Permanent	38.00	0.00	0.00	0.00
Other Administrat & Related Clerks and Organisers Permanent	558.00	0.00	4.00	0.70
Other Administrative Policy and Related Officers Permanent	350.00	0.00	2.00	0.60
Other Information Technology Personnel. Permanent	34.00	3.00	2.00	5.90
Other Occupations Permanent	2.00	6.00	1.00	50.00
Photographic Lithographic and Related Workers Permanent	2.00	0.00	0.00	0.00
Quantity Surveyors & Rela Prof Not Class Elsewhere Permanent	2.00	0.00	0.00	0.00
Risk Management and Security Services Permanent	2.00	0.00	1.00	50.00
Road Superintendents Permanent	2.00	0.00	0.00	0.00
Road Trade Workers. Permanent	0.00	0.00	1.00	0.00
Road Workers Permanent	566.00	84.00	15.00	2.70
Secretaries & Other Keyboard Operating Clerks Permanent	94.00	1.00	2.00	2.10
Senior Managers Permanent	82.00	0.00	2.00	2.40
Statisticians and Related Professionals Permanent	4.00	0.00	0.00	0.00
Trade Labourers Permanent	22.00	0.00	0.00	0.00
Trade Related Permanent	12.00	0.00	0.00	0.00
Total	**2 934.00**	**163.00**	**79.00**	**2.70**

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

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2023 to 31 March 2024

Termination Type	Number	% of Total Resignations
Termination Type	Number	% of Total Resignations
Death	4	6.25
Resignation	24	37
Expiry of contract	3	4.6
Dismissal – operational changes	0	0
Dismissal – misconduct	2	3.1
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	20	31.25
Transfer to other Public Service Departments	11	17
Other		0
Total	64	
Total number of employees who left as a % of total employment		

Table 3.5.4 Promotions by critical occupation for the period 1 April 2023 to 31 March 2024

Occupation	Employees 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	200	8	4.00	71	35.50
Appraisers-Valuers and Related Professionals	2	0	0.00	0	0.00
Architects Town and Traffic Planners	2	0	0.00	0	0.00
Artisan Project and Related Superintendents	52	0	0.00	10	19.20
Authors Journalists and Other Writers	12	2	16.70	1	8.30
Auxiliary and Related Workers	72	0	0.00	26	36.10
Bus and Heavy Vehicle Drivers	10	2	20.00	2	20.00
Cartographers and Surveyors	2	0	0.00	0	0.00
Cartographic Surveying and Related Technicians	2	0	0.00	0	0.00
Cleaners in Offices Workshops Hospitals Etc.	178	7	3.90	74	41.60
Client Inform Clerks (Switchb Recept Inform Clerks)	6	0	0.00	2	33.30
Communication and Information Related	16	1	6.30	2	12.50
Computer System Designers and Analysts.	4	0	0.00	2	50.00
Economists	0	0	0.00	1	0.00
Elementary Workers Not Elsewhere Classified	0	10	0.00	0	0.00
Engineering Sciences Related	38	1	2.60	16	42.10
Engineers and Related Professionals	142	0	0.00	26	18.30
Filing and Registry Clerk	0	1	0.00	0	0.00
Finance and Economics Related	12	3	25.00	6	50.00
Financial and Related Professionals	30	0	0.00	5	16.70
Financial Clerks and Credit Controllers	160	0	0.00	41	25.60
Food Services Aids and Waiters	4	0	0.00	0	0.00
Head Of Department/Chief Executive Officer	2	0	0.00	0	0.00
Human Resource Clerk	0	1	0.00	0	0.00
Human Resources & Organisat Developm & Relate Prof	42	2	4.80	13	31.00
Human Resources Clerks	62	1	1.60	10	16.10
Human Resources Related	28	0	0.00	9	32.10

Occupation	Employees 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Information Technology Related	12	0	0.00	1	8.30
Legal Related	12	0	0.00	2	16.70
Library Mail and Related Clerks	34	0	0.00	11	32.40
Light Vehicle Drivers	6	0	0.00	1	16.70
Logistical Support Personnel	4	0	0.00	0	0.00
Material-Recording and Transport Clerks	18	0	0.00	7	38.90
Messengers Porters and Deliverers	38	0	0.00	15	39.50
Motor Vehicle Drivers	0	0	0.00	1	0.00
Other Administrat & Related Clerks and Organisers	558	6	1.10	254	45.50
Other Administrative Policy and Related Officers	350	5	1.40	99	28.30
Other Information Technology Personnel.	34	2	5.90	11	32.40
Other Occupations	2	0	0.00	10	500.00
Photographic Lithographic and Related Workers	2	0	0.00	1	50.00
Quantity Surveyors & Rela Prof Not Class Elsewhere	2	0	0.00	1	50.00
Risk Management and Security Services	2	0	0.00	0	0.00
Road Superintendents	2	0	0.00	3	150.00
Road Trade Workers	0	0	0.00	8	0.00
Road Workers	566	20	3.50	144	25.40
Secretaries & Other Keyboard Operating Clerks	94	0	0.00	25	26.60
Senior Managers	82	0	0.00	18	22.00
Statisticians and Related Professionals	4	0	0.00	3	75.00
Trade Labourers	22	3	13.60	6	27.30
Trade Related	12	0	0.00	2	16.70
Water Plant and Related Operators	0	0	0.00	3	0.00
Total	2 934	75	2.60	943	32.10

Table 3.5.5 Promotions by salary band for the period 1 April 2023 to 31 March 2024

Salary Band	Employees 1 April 2023	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (levels 1-2)	160	0	0.00	73	45.60
Skilled (levels 3-5)	1212	45	3.70	425	35.10
Highly skilled production (levels 6-8)	972	15	1.50	304	31.30
Highly skilled supervision (levels 9-12)	388	15	3.90	97	25.00
Senior Management (levels 13-16)	84	0	0.00	19	22.60
10 Contract (levels 1-2)	2	0	0.00	0	0.00
11 Contract (levels 3-5)	8	0	0.00	0	0.00
12 Contract (levels 6-8)	30	0	0.00	7	23.30
13 Contract (levels 9-12)	68	0	0.00	17	25.00
14 Contract (levels >= 13)	10	0	0.00	1	10.00
Total	**2 934**	**75**	**2.60**	**943**	**32.10**

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	21	1	1	0	12	0	1	0	36
Professionals	99	1	3	7	97	1	3	8	219
Technicians and associate professionals	158	5	0	7	142	6	3	12	333
Clerks	142	5	0	3	235	8	1	18	412
Service and sales workers	2	0	0	0	1	0	0	0	3
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	25	0	0	6	9	0	1	0	41
Plant and machine operators and assemblers	15	0	0	0	0	0	0	0	15
Elementary occupations	298	3	1	9	170	1	0	1	483
Total	**760**	**15**	**5**	**32**	**666**	**16**	**9**	**39**	**1 542**
Employees with disabilities	4	1	0	1	3	0	0	0	9

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	5	0	0	0	1	0	0	0	6
Senior Management	16	1	1	0	11	0	1	0	30
Professionally qualified and experienced specialists and mid-management	99	1	3	7	97	1	3	8	219
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	158	5	0	7	142	6	3	12	333
Semi-skilled and discretionary decision making	184	5	0	9	245	8	2	18	471
Unskilled and defined decision making	298	3	1	9	170	1	0	1	483
Total	**760**	**15**	**5**	**32**	**666**	**16**	**9**	**39**	**1 542**

Table 3.6.3 Recruitment for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	1	0	0	0	3
Senior Management	9	0	0	0	7	0	0	0	16
Professionally qualified and experienced specialists and mid-management	4	0	0	0	6	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	62	0	1	0	40	0	0	0	103
Semi-skilled and discretionary decision making	1	0	0	0	9	0	0	0	10
Unskilled and defined decision making	2	0	0	0	1	0	0	0	3
Total	**78**	**0**	**1**	**0**	**63**	**0**	**0**	**0**	**142**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.4 Promotions for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	8	0	1	0	8	0	1	0	18
Professionally qualified and experienced specialists and mid-management	42	2	0	6	56	0	1	5	112
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	110	2	1	8	172	4	2	20	319
Semi-skilled and discretionary decision making	257	4	0	3	196	4	2	4	470
Unskilled and defined decision making	22	1	0	0	49	1	0	0	73
Total	**440**	**9**	**2**	**17**	**481**	**9**	**6**	**29**	**993**
Employees with disabilities	**4**	**1**	**0**	**1**	**2**	**0**	**0**	**0**	**8**

Table 3.6.5 Terminations for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management		1							1
Professionally qualified and experienced specialists and mid-management	4		2		2			1	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8			1	8	1		1	19
Semi-skilled and discretionary decision making	17				6				23
Unskilled and defined decision making									
Total	**29**	**1**	**2**	**1**	**16**	**1**		**2**	**52**
Employees with Disabilities									

Table 3.6.6 Disciplinary action for the period 1 April 2023 to 31 March 2024

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	23	0	1		7	0	1	0	32

Table 3.6.7 Skills development for the period 1 April 2023 to 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	6				3				9
Professionals	4			2	10				16
Technicians and associate professionals	29	2			25			4	60
Clerks	51		1		51	1	1	4	109
Service and sales workers	6								6
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations	20		1		18				39
Total	**116**	**2**	**2**	**2**	**107**	**1**	**1**	**8**	239
Employees with disabilities	**2**				**1**				3

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2023

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head Of Department		1	1	100%
Salary level 16				
Salary level 15		3	3	100%
Salary level 14		9	7	78%
Salary level 13		33	28	85%
Total		**46**	**39**	**85%**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2023

Reasons
Non-compliance due to role clarification (responsibilities).

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2023

Reasons
Consequence management letters forwarded to non-compliant SMS members.

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2023 to 31 March 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	0.00	663	0.00	0.00	0.00
Female	0.00	756	0.00	0.00	0.00
Asian					
Male	0.00	9	0.00	0.00	0.00
Female	0.00	5	0.00	0.00	0.00
Coloured					
Male	0.00	16	0.00	0.00	0.00
Female	0.00	14	0.00	0.00	0.00
White					
Male	0.00	39	0.00	0.00	0.00
Female	0.00	31	0.00	0.00	0.00
Employees with a disability	0.00	9	0.00	0.00	0.00
Total		**1 542**	**0.00**	**0.00**	**0.00**

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (levels 1-2)	0.00	55	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	0.00	696	0.00	0.00	0.00	0.00
Highly skilled production (levels 6-8)	0.00	492	0.00	0.00	0.00	0.00
Highly skilled supervision (levels 9-12)	0.00	207	0.00	0.00	0.00	0.00
10 Contract (levels 1-2)	0.00	1	0.00	0.00	0.00	0.00
11 Contract (levels 3-5)	0.00	3	0.00	0.00	0.00	0.00
12 Contract (levels 6-8)	0.00	12	0.00	0.00	0.00	0.00
13 Contract (levels 9-12)	0.00	29	0.00	0.00	0.00	0.00
Total		**1495**	**0.00**	**0.00**	**0.00**	**0.00**

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 to 31 March 2024

Critical occupation	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	0.00	78	0.00	0.00	0.00
Human Resources Clerks	0.00	29	0.00	0.00	0.00
Messengers Porters and Deliverers	0.00	16	0.00	0.00	0.00
Human Resources & Organisation Development & Relate Prof	0.00	25	0.00	0.00	0.00
Risk Management and Security Services	0.00	1	0.00	0.00	0.00
Photographic Lithographic and Related Workers	0.00	1	0.00	0.00	0.00
Finance and Economics Related	0.00	9	0.00	0.00	0.00
Logistical Support Personnel	0.00	2	0.00	0.00	0.00
Other Administration & Related Clerks and Organisers	0.00	274	0.00	0.00	0.00
Appraisers-Valuers and Related Professionals	0.00	1	0.00	0.00	0.00
Auxiliary and Related Workers	0.00	35	0.00	0.00	0.00
Other Occupations	0.00	1	0.00	0.00	0.00
Legal Related	0.00	6	0.00	0.00	0.00
Financial and Related Professionals	0.00	12	0.00	0.00	0.00
Construction Project Manager	0.00	2	0.00	0.00	0.00
Filing and Registry Clerk	0.00	3	0.00	0.00	0.00
Administrative Related	0.00	100	0.00	0.00	0.00
Communication and Information Related	0.00	8	0.00	0.00	0.00
Administration Clerks	0.00	1	0.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks	0.00	47	0.00	0.00	0.00
Library Mail and Related Clerks	0.00	16	0.00	0.00	0.00
Cleaners in Offices Workshops Hospitals Etc.	0.00	65	0.00	0.00	0.00
Human Resources Related	0.00	15	0.00	0.00	0.00
Human Resource Manager	0.00	1	0.00	0.00	0.00
Head Of Department/Chief Executive Officer	0.00	1	0.00	0.00	0.00
Trade Labourers	0.00	10	0.00	0.00	0.00
Road Superintendents	0.00	1	0.00	0.00	0.00
Cartographic Surveying and Related Technicians	0.00	4	0.00	0.00	0.00
Road Workers	0.00	364	0.00	0.00	0.00
Material-Recording and Transport Clerks	0.00	8	0.00	0.00	0.00
Middle Manager: Administrative Related	0.00	1	0.00	0.00	0.00
Other Administrative Policy and Related Officers	0.00	170	0.00	0.00	0.00
Artisan Project and Related Superintendents	0.00	23.00	0.00	0.00	0.00
Statisticians and Related Professionals	0.00	2.00	0.00	0.00	0.00
Bus and Heavy Vehicle Drivers	0.00	7.00	0.00	0.00	0.00
Senior Managers	0.00	38.00	0.00	0.00	0.00
Human Resource Clerk	0.00	2.00	0.00	0.00	0.00
Elementary Workers Not Elsewhere Classified	0.00	21.00	0.00	0.00	0.00
Client Inform Clerks (Switchb Recept Inform Clerks)	0.00	3.00	0.00	0.00	0.00
Computer System Designers and Analysts.	0.00	3.00	0.00	0.00	0.00
Authors Journalists and Other Writers	0.00	8.00	0.00	0.00	0.00
Engineers and Related Professionals	0.00	60.00	0.00	0.00	0.00
Cartographers and Surveyors	0.00	1.00	0.00	0.00	0.00
Trade Related	0.00	6.00	0.00	0.00	0.00
Other Information Technology Personnel	0.00	18.00	0.00	0.00	0.00

Critical occupation	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Light Vehicle Drivers	0.00	3.00	0.00	0.00	0.00
Engineering Sciences Related	0.00	31.00	0.00	0.00	0.00
Engineering Manager	0.00	1.00	0.00	0.00	0.00
Food Services Aids and Waiters	0.00	2.00	0.00	0.00	0.00
Quantity Surveyors & Rela Prof Not Class Elsewhere	0.00	1.00	0.00	0.00	0.00
Civil Engineer	0.00	1.00	0.00	0.00	0.00
Information Technology Related	0.00	4.00	0.00	0.00	0.00
Total	**0.00**	**1 542.00**	0.00	0.00	0.00

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0.00	33.00	0.00	0.00	0.00	0.00
Band B	0.00	9.00	0.00	0.00	0.00	0.00
Band C	0.00	3.00	0.00	0.00	0.00	0.00
Band D	0.00	1.00	0.00	0.00	0.00	0.00
Total	**0.00**	**46.00**	**0.00**	**0.00**	**0.00**	**0.00**

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2023 to 31 March 2024

Salary band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled (level 3-5)	1	1	1	1	-1	
Highly skilled production (level 6-8)	0	0	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	**1**	**1**	**1**	**1**	**-1**	**0**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 to 31 March 2024

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Elementary occupations	0	0	0	0	0	0
Professionals and managers	1	1	1	1	-1	
Total	**1**	**1**	**1**	**1**	**-1**	**0**

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2023 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (level 1-2)	325.00	49.50	55.00	6.90	6.00	215.00
Skilled (level 3-5)	2 440.00	56.70	343.00	42.90	7.00	2360.00
Highly skilled production (level 6-8)	1 931.00	47.30	252.00	31.50	8.00	3434.00
Highly skilled supervision (level 9 -12)	767.00	42.40	118.00	14.80	7.00	2299.00
Top and Senior management (level 13-16)	175.00	52.00	23.00	2.90	8.00	914.00
Total	**5 638.00**	**49.00**	**791.00**	**99.00**	**7.00**	**9 222.00**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (level 1-2)	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (level 3-5)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (level 6-8)	13.00	100.00	1.00	33.30	13.00	29.00
Highly skilled supervision (level 9-12)	87.00	100.00	2.00	66.70	44.00	307.00
Senior management (level 13-16)						
Total	**100.00**	**100.00**	**3.00**	**100.00**	**33.00**	**336.00**

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

Table 3.10.3 Annual Leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (level 1-2)	1789.00	84.00	21.00
Skilled (level 3-5)	12494.00	596.00	21.00
Highly skilled production (level 6-8)	10169.00	504.00	20.00
Highly skilled supervision (level 9-12)	4715.00	214.00	22.00
Senior management (level 13-16)	910.00	42.00	22.00
Total	**30 077.00**	**1 440.00**	**21.00**

Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2024
Lower skilled (level 1-2)	0.00	0.00	0.00	0.00
Skilled (level 3-5)	4.00	2.00	2.00	26.00
Highly skilled production (level 6-8)	18.00	4.00	5.00	37.00
Highly skilled supervision(level 9-12)	0.00	0.00	0.00	35.00
Senior management (level 13-16)	18.00	3.00	6.00	27.00
Total	**40.00**	**9.00**	**4.00**	**31.00**

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

Table 3.10.5 Leave payouts for the period 1 April 2023 to 31 March 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual – Discounting with Resignation	638.00	18.00	35 444.00
Annual – Discounting: Contract Expiry	67.00	1.00	67 000.00
Annual – Gratuity: Death/Retirement/Medical Retirement	1210.00	24.00	50 417.00
Capped – Gratuity: Death/Retirement/Medical Retirement	1371.00	18.00	76 167.00
Total	**3 287.00**	**61**	**3 286.00**

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure.

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Units identified with high rates of diabetes, hypertension and cholesterol.	Intensified Health Screenings in regional offices.
Roadworkers.	Establishment of OHS Committees and SHE Reps to address any possible occupational exposure and injuries and to control hazards.

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

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		√	
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		Dedicated Unit: Sub-Directorate: Employee Health and Wellness Number of EHW staff: 4 No Budget.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		Psycho-social counselling and support. Health promotion activities. Management of mental health. Management of non-communicable and communicable diseases. SHERQ Management. Management of incapacity due to ill-health, IOD and ill-health retirement.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		√	
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		HIV/AIDS, STI & TB Policy Reviewed: 01 April 2023
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		The HIV/AIDS, STI & TB Policy addresses these measures
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	√		During this financial year (2023/2024), VCT was arranged in 11 offices, whereby 202 employees tested during the VCT.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		Yes, the Department analyse the prevalence when they receive statistics from GEMS and external service provider.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2023 to 31 March 2024

Subject matter	Date
1. PSCBC Resolution 1 of 2023 - Agreement on the Transfer and Integration of Staff into Border Management Authority (BMA).	7 March 2023
2. PSCBC Resolution 2 of 2023 – Agreement on the Payment of Salary Adjustment in the Public Service for the Financial Years 2023/24 and 2024/25.	21 March 2023
3. PSCBC Resolution 3 of 2023 – Enforcement of Collective Agreement.	13 July 2023
4. PSCBC Resolution 1 of 2024 – Rules for the Conduct of Proceedings before the Public Service Co-ordinating Bargaining Services (PSCBC).	01 March 2024
5. GPSSBC Resolution 1 of 2024 – Charter of GPSSBC.	11 March 2024
6. GPSSBC Resolution 2 of 2024 – Improved in Conditions of Service: Special Leave.	11 March 2024
Total number of Collective agreements	6

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2023 to 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling		
Verbal warning		
Written warning		
Final written warning	3	37.5%
Suspended without pay		
Fine		
Demotion		
Dismissal	4	50%
Not guilty		
Case withdrawn	1	12.5%
Total	**8**	

Total number of Disciplinary hearings finalised	

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 to 31 March 2024

Type of misconduct	Number	% of total
Absenteeism	5	15.6%
Corruption/ bribery	1	3.1%
Improper conduct	2	6.2%
Irregular and wasteful expenditure	21	65.6%
Fruitless expenditure	2	6.2%
Abuse of state vehicle	1	3.1%
Total	**32**	

Table 3.12.4 Grievances logged for the period 1 April 2023 to 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	51	100%
Number of grievances not resolved	0	0%
Total number of grievances lodged	**51**	**100%**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2023 to 31 March 2024

Disputes	Number	% of Total
Number of disputes upheld	2	20%
Number of disputes dismissed	0	0%
Total number of disputes lodged	**10**	

Table 3.12.6 Strike actions for the period 1 April 2023 to 31 March 2024

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2023 to 31 March 2024

Number of people suspended	3
Number of people who's suspension exceeded 30 days	3
Average number of days suspended	292
Cost of suspension(R'000)	R1 677 439. 2

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2023 to 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	210	0	210
	Male	0	0	257	0	257
Professionals	Female	0	0	57	0	57
	Male	0	0	38	0	38
Technicians and associate professionals	Female	0	0	183	0	183
	Male	0	0	156	0	156
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	3	0	3
	Male	0	0	6	0	6
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	453	0	453
	Male	0	0	457	0	457
Total		**0**	**0**	**910**	**0**	**910**

Table 3.13.2 Training provided for the period 1 April 2023 to 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female			3		
	Male			6		
Professionals	Female			10	31	
	Male			6	29	
Technicians and associate professionals	Female			29		
	Male			31		
Clerks	Female			57		
	Male			52		
Service and sales workers	Female					
	Male			6		
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female			18		
	Male			21		
Sub Total	Female					
	Male					
Total				**239**	**60**	

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2023 to 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	1	0
Total	**6**	**0**

3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the Department. In terms of the Public Service Regulations "consultant' means a natural or juristic person or a partnership or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a Department against remuneration received from any source:

(a) The rendering of expert advice;

(b) The drafting of proposals for the execution of specific tasks; and

(c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a Department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 to 31 March 2024

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Managed Integrity Evaluation (MIE)	1	12 Months	R 120 478.10

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Managed Integrity Evaluation (MIE)	1	12 Months	R 120 478.10

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 to 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 to 31 March 2024

Project title	Total Number of consultants that worked on project	Duration (Workdays)	Donor and contract value in Rand
0	0	0	0

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
0	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 to 31 March 2024

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2023 to 31 March 2024

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (level 1-2)	0	0	0	0
Skilled (level 3-5)	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0
Senior management (level 13-16)	0	0	0	0
Total	0	0	0	0

PFMA COMPLIANCE REPORT

PART E

PFMA COMPLIANCE REPORT

01

Accelerated grade progression was implemented to 40 qualifying non-(Occupational Specific Dispensation (OSD) employees.

02

Grade and accelerated grade progression for 8 OSD employees was implemented.

03

85% of SMS members contracted on the compulsory Department of Public Service and Administration (DPSA) Performance Agreements for the 2023-2024 performance cycle before and on 31st May 2023.

04

91% of the Employees on Level 2-12 contracted on the compulsory DPSA Performance Agreements for the 2023-2024 performance cycle before and on 31st May 2023.

05

Compulsory capturing of performance agreements for SMS members as well as employees on level 2-12 were completed by 30th June 2023 as prescribed by DPSA was completed.

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	367 401	210 439
Adjustment to opening balance	-	-
Opening balance as restated	**367 401**	**210 439**
Add: Irregular expenditure confirmed	917 985	2 316 982
Less: Irregular expenditure condoned	(629 966)	(2 160 020)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**655 420**	**367 401**

Include discussion here where deemed relevant.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	917 985	2 316 982
Total	**917 985**	**2 316 982**

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	**-**	**-**

Include discussion here where deemed relevant.

c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	629 966	2 160 020
Total	**629 966**	**2 160 020**

Include discussion here where deemed relevant.

d) Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Include discussion here where deemed relevant.

e) Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

Include discussion here where deemed relevant.

f) Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

Include discussion here where deemed relevant.

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance)

Description
Total

Include discussion here where deemed relevant.

h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)

Description	2023/2024	2022/2023
	R'000	R'000
Total		

Include discussion here where deemed relevant.

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken

Include discussion here where deemed relevant.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	108 698	106 182
Adjustment to opening balance	-	-
Opening balance as restated	**108 698**	**106 182**
Add: Fruitless and wasteful expenditure confirmed	3 432	2 516
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	**112 130**	**108 698**

Include discussion here where deemed relevant.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year.	-	-
Fruitless and wasteful expenditure for the current year	3 432	2 516
Total	**3 432**	**2 516**

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	**-**	**-**

Include discussion here where deemed relevant.

c) Details of fruitless and wasteful expenditure recoverable.

Include discussion here where deemed relevant.

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

Include discussion here where deemed relevant.

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Total

Include discussion here where deemed relevant.

1.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	**-**	**-**
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off<?>	-	-
Closing balance	**-**	**-**

Include discussion here where deemed relevant.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in current year	-	-
Unauthorised expenditure for the current year	-	-
Total	**-**	**-**

b) Details of unauthorised expenditure (under assessment, determination, and investigation)

Description[<?>]	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	**-**	**-**

Include discussion here where deemed relevant.

1.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft		
Other material losses		
Less: Recovered		
Less: Not recovered and written off		
Total		

Include discussion here where deemed relevant.

b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)		
Total		

Include discussion here where deemed relevant and criminal or disciplinary steps taken by the institution.

c) Other material losses recoverable

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(*Group major categories, but list material items*)		
Total		

Include discussion here where deemed relevant.

d) Other material losses not recoverable and written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
(*Group major categories, but list material items*)		
Total		

Include discussion here where deemed relevant.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	-	-
Invoices paid **within** 30 days or agreed period	-	-
Invoices paid **after** 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	-	-
Invoices older than 30 days or agreed period (***unpaid and in dispute***)	-	-

Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Xavier DLTC (Security Services)	Action Sound Trading and Projects	Deviation	4251100596	179,956.45
Bronkhorstspruit (Security Services)	Molwantwa Trading Construction	Deviation	4251100603	217,320.10
Heidelberg Region (Security Services)	Sageqorn Protection (PTY)LTD	Deviation	4251100443	338,463.50
Benoni Roads (Security Services)	Zebedee Projects (PTY) LTD	Deviation	4252200441	318,750.00
Polly Street	Vusizwe Dube Trading	Deviation	4251100586	121,690.42
Security Management (Security Services)	Khani Victor	Deviation	4251100975	30,686.45
Taxido Vereeniging (Security Services)	Bohfield Security and Projects	Deviation	4251101286	171,290.00
Temba DLTC (Security Services)	Nndzudzeni Security	Deviation	4251101290	371,363.59
Subsidised Road Based	PUTCO	Re-negotiating contract	4660015685	796,494,908.63
Subsidised Road Based	PUTCO	Re-negotiating contract	4660015903	447,763,420.00
Subsidised Road Based	Nort West Star	Re-negotiating contract	4660015688	832,222,484.51
Subsidised Road Based	Ipelegeng	Re-negotiating contract	4660015695	135,868,849.00
Subsidised Road Based	Gauteng Coaches	Re-negotiating contract	4660015684	11,029,072.00
Subsidised Road Based	Lekoa Transport	Re-negotiating contract	4660015691	151,385,130.00

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Subsidised Road Based	Gauteng Coaches	Re-negotiating contract	4660015683	51,218,599.00
Subsidised Road Based	Amogelang	Re-negotiating contract	4660015697	28,882,140.00
Subsidised Road Based	Asibemunye	Re-negotiating contract	4660015689	22,336,459.00
Subsidised Road Based	JR Choeu	Re-negotiating contract	4660015690	101,340,682.37
Subsidised Road Based	Metrobus	Re-negotiating contract	4660015694	3,378,021.60
Subsidised Road Based	Moolas Transport	Re-negotiating contract	4660015696	2,616,640.00
Subsidised Road Based	PUTCO	Re-negotiating contract	4660015686	1,148,378,650.41
Subsidised Road Based	TRT	Re-negotiating contract	4660015698	87,750,000.00
Subsidised Road Based	ABS	Re-negotiating contract	4660015693	56,913,118.08
Outside Broadcasting for Road Safety	Khaya FM t/a Media Mark (PTY) LTD	Sole service provider	4252250410	200,002.00
TV Licence Renewal	South African Broadcasting Corporation	Sole service provider	4251128282	5,300.00
Skills Levy	Transport Education and Training	Sole service provider	4251141002	1,207.894.00
Calibration and Repaired Replaced of Motor Cycle System	Truvelo Africa Electronics Devision (PTY) LTD	Sole service provider	4251141002	114,909.23

3.2 Contract variations and expansions

Project Description	Name of Supplier	Contract Number	Contract Type	Original Contract Value	Value of previous contract expansion/s or variation/s (if applicable)	Value of contract expansion or variation of contract
				R'000	R'000	R'000
Management and Execution of Routine Road Maintenance Contracts on Selected RISFA Class 1& 2 Provincial Roads, Benoni, Krugersdorp, Vereeniging, Bronkhorstspruit & Pretoria Region For 36 months: EPWP - 6000 Jobs Creation Variation.	CEBEKHULU CONSTRUCTION	4660014857	Variation	**R398 931 704. 59**	-	**R 60 652 926. 40**
Management and Execution of Routine Road Maintenance Contracts on Selected RISFA Class 1& 2 Provincial Roads, Benoni, Krugersdorp, Vereeniging, Bronkhorstspruit & Pretoria Region for 36 Months: EPWP - 6000 Jobs Creation Variation	LUBOCON CIVILS	4660014740	Variation	**R328 711 596. 77**	-	**R 60 652 926. 40**
Management and Execution of Routine Road Maintenance Contracts on Selected RISFA Class 1& 2 Provincial Roads, Benoni, Krugersdorp, Vereeniging, Bronkhorstspruit & Pretoria Region for 36 months: EPWP - 6000 jobs creation variation	VEA ROADS	460014782	Variation	**R358 756 790.70**	-	**R 60 652 926. 40**
Management and Execution of Routine Road Maintenance Contracts On Selected RISFA Class 1& 2 Provincial Roads, Benoni, Krugersdorp, Vereeniging, Bronkhorstspruit & Pretoria Region For 36 Months: EPWP - 6000 Jobs Creation Variation	MPFUMELELO BUSINESS ENT	4660014739	Variation	**R415 625 096. 28**	-	**R 60 652 926. 40**
Management and Execution of Routine Road Maintenance Contracts On Selected RISFA Class 1& 2 Provincial Roads, Benoni, Krugersdorp, Vereeniging, Bronkhorstspruit & Pretoria Region for 36 Months: EPWP - 6000 Jobs Creation Variation	GMK CIVILS	4660014736	Variation	**R339 945 313. 00**	-	**R 60 652 926. 40**

Project Description	Name of Supplier	Contract Number	Contract Type	Original Contract Value	Value of previous contract expansion/s or variation/s (if applicable)	Value of contract expansion or variation of contract
				R'000	R'000	R'000
Grass Cutting, Tree Felling and Litter Picking: Cluster G **Benoni Region**	Nyiko Ya Nwayitelo Trading	4660013845	Variation	**R 39 661 032.3**	-	**R 7 111 270. 00**
Grass Cutting, Tree Felling And Litter Picking: Cluster G **Benoni Region**	VZ Contractors	4660013914	Variation	**R 36 176 665.5**	-	**R 6 400 143. 00**
Grass Cutting, Tree Felling And Litter Picking: Cluster G **Krugersdorp Region**	Zanorati Concepts	4660013846	Variation	**R 32 122 736.91**	-	**R 5 689 016. 00**
Grass Cutting, Tree Felling And Litter Picking: Cluster G **Krugersdorp Region**	Epic Engineering	4660013844	Variation	**R 35 403 394**	-	**R 6 400 143. 00**
Grass Cutting, Tree Felling and Litter Picking: Cluster G **Krugersdorp Region**	Sdn Civils	4660013849	Variation	**R 30 120 296.1**	-	**R 5 689 016. 00**
Grass Cutting, Tree Felling and Litter Picking: Cluster G **Krugersdorp Region**	Yahweh Construction and Projects	4660013849	Variation	**R 21 682 706.93**	-	**R 4 266 762. 00**
Grass Cutting, Tree Felling and Litter Picking: Cluster G **Krugersdorp Region**	Ratanang Suplies And Projects	4660013856	Variation	**R 29 238 361.44**	-	**R 5 689 016. 00**
Grass Cutting, Tree Felling and Litter Picking: Cluster J **Pretoria Region**	247 Khompho Trading Logistics	4660013841	Variation	**R 28 229 532.94**	-	**R 5 404 565. 20**
Grass Cutting, Tree Felling and Litter Picking: Cluster J **Pretoria Region**	Zanorati Concepts	4660013847	Variation	**R 28 699 532.94**	-	**R 5 404 565. 20**
Grass Cutting, Tree Felling and Litter Picking: Cluster J **Pretoria Region**	Dolly Construction and Allied Works (The Joint Civil)	4660013842	Variation	**R 26 972 448.25**	-	**R 4 977 889. 00**
Grass Cutting, Tree Felling and Litter Picking: Cluster L **Vereeniging Region**	Khindlimuka Plumbering And Civil Works	4660013848	Variation	**R 23 976 833**	-	**R 4 551 212. 80**
Grass Cutting, Tree Felling and Litter Picking: Cluster L **Vereeniging Region**	Dalvco Industrial Supplies	4660013852	Variation	**R 27 117 630.89**	-	**R 5 262 339. 80**

Project Description	Name of Supplier	Contract Number	Contract Type	Original Contract Value	Value of previous contract expansion/s or variation/s (if applicable)	Value of contract expansion or variation of contract
				R'000	R'000	R'000
Grass Cutting, Tree Felling and Litter Picking: Cluster P **Bronkhortspruit Region**	Stp Development Dkm Jv	4660013993	Variation	**R 32 278 458.75**	-	**R 5 973 455. 80**
Grass Cutting, Tree Felling and Litter Picking: Cluster P **Bronkhortspruit Region**	Dynamic Inclusions	4660013972	Variation	**R 36 403 038.88**	-	**R 7 111 270. 00**
Grass Cutting, Tree Felling and Litter Picking: Cluster P **Bronkhortspruit Region**	WRR Master Specialist and Civils	4660013926	Variation	**R 14 139 532.8**	-	**R 2 560 057. 20**
Grass Cutting, Tree Felling and Litter Picking: Cluster P **Bronkhortspruit Region**	Ndhuna Civil Engineering	4660013840	Variation	**R 28 410 745**	-	**R 5 404 565. 20**
Grass Cutting, Tree Felling and Litter Picking: Cluster P **Benoni Region**	Kairos	4660015622	Variation	**R 6 957 385**	-	**R 360 000. 00**
Grass Cutting, Tree Felling and Litter Picking: Cluster P **Bronkhorspruit Region**	Kairos	4660015620	Variation	**R 6 952 325**	-	**R 360 000. 00**
Grass Cutting, Tree Felling and Litter Picking: Cluster P **Krugersdorp Region**	Kairos	4660015623	Variation	**R 7 365 773**	-	**R 404 000.00**
Grass Cutting, Tree Felling and Litter Picking: Cluster P **Pretoria Region**	Celankobe	4660015624	Variation	**R 6 945 655**	-	**R 672 000. 00**
Grass Cutting, Tree Felling and Litter Picking: Cluster P **Vereeniging Region**	CELANKOBE	4660015625	Variation	**R 6 637 225**	-	**R 528 000. 00**
DRT 37/01/2020 - K46 William Nicol Phase 2 –Variation Order Proposal for The Upgrade Design of View Road Upgrade Of View Road.	Slim B and D Construction Pty (Ltd)	4660013150	Variation	**R 469 414 877, 50**	-	**R 479 382. 00**
		4660013150	Variation	**R 469 414 877, 50**	-	**R 6 558 634. 00**
Contract DRT 15/04/2014: Project P122/1: consultants variation order 2 for environmental professional services	Civec Civil Engineering consultant	4660014817	Variation	**R 13 921 191. 25**	-	**R 1 131 600. 00**

Project Description	Name of Supplier	Contract Number	Contract Type	Original Contract Value	Value of previous contract expansion/s or variation/s (if applicable)	Value of contract expansion or variation of contract
				R'000	R'000	R'000
BAC - Project K69: Variation Orders	UMSO CONSTRUCTION (PTY) Ltd	4660010383	Variation	**R 285 440 485, 42**	-	**R 16 485 647.48**
		4660010383	Variation	**R 285 440 485, 42**	-	**R 15 809 924. 23**
		4660010383	Variation	**R 285 440 485, 42**	-	**R 2 660 974. 01**
		4660010383	Variation	**R 285 440 485, 42**	-	**R 9 716 200. 85**
		4660010383	Variation	**R 285 440 485.42**	-	**R 28 907 520.21**
		4660010383	Variation	**R 285 440 485.42**	-	**R 10 509 884.35**
DRT26/07/2019: PROJECT K73: Variation Order no. 5 for street lighting specification requirement change.	Lonerock Construction (Pty) Ltd	4660014784	Variation	**R 315 759 973.96**	-	**R 6 501 052.66**
DRT 20/03/2019: t=The rehabilitation of provincial road D483 between P6-1 (Bapsfontein) (km 0.0) and D713 (Cullinan) (km 27.85)	Klus Civils (Pty) Ltd	4660013160	Variation	**R92,000,000**	-	**R 3 480 878. 09**
			Variation	**R92,000,000**	-	**R 3 370 266. 08**

FINANCIAL INFORMATION

PART F

FINANCIAL INFORMATION

Integrated Transport Customer Service Centres collected an amount of R22, 422, 991, 591 and issued 49, 442 operating licenses as from 2019 to date

The Department has paid 100% of the invoices within thirty (30) days and 96% of invoices were paid within fifteen (15) days

1. REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to the Gauteng Provincial Legislature on vote no. 9: Gauteng Department of Roads and Transport

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Department of Roads and Transport set out on pages **182** to **243**, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Roads and Transport as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Underspending of the budget

7. As disclosed in the appropriation statement, the department materially underspent the budget by R229 009 000 on programme 3: transport operations.

Contingencies – litigations/claims

8. With reference to note 17.1 to the financial statements, the department is the defendant in various lawsuits. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages **244** to **268** does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by the National Treasury and the requirements of the PFMA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

12. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page **177** of the annexure to the auditor's report, forms part of my auditor's report.

Report on the audit of the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

16. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Transport infrastructure	**56** to **75**	The purpose of the programme is to provide a balanced equitable road network in the province by promoting accessibility that is sustainable, integrated and environmentally sensitive, and which supports economic growth and social empowerment.
Transport operations	**76** to **85**	The objective of the programme is to provide integrated, subsidised, province-wide public transport services and facilitate the provision of public transport services and infrastructure in partnership with national and local government, as well as private sector formations. The programme provides policy development and planning to manage, integrate and coordinate the transport system and infrastructure in the province. The objective of this programme is to develop the policy framework to support a modern, integrated and intelligent transport system and public transport infrastructure.
Transport regulation	**86** to **91**	The purpose of the programme is to regulate private and public transport by facilitating the provision of learner and driver's licences, motor vehicle fitness and motor vehicle registration and licencing; registration of public transport operators; issuing of operating licences and establishing transport operators licencing bodies (TOLABs) and the provincial regulatory entity, public and freight transport services and infrastructure in partnership with national and local government as well as private sector formations.

17. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

18. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

Programme 2 - Transport infrastructure

20. I did not identify any material findings on the reported performance information for the selected programme.

Programme 3 - Transport operations

21. I did not identify any material findings on the reported performance information for the selected programme.

Programme 4 -Transport regulation

22. I did not identify any material findings on the reported performance information for the selected programme.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides explanations for over and under-achievements.

25. The table that follows provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages **59** to **64.**

Programme 2: Transport Infrastructure

Targets achieved: 92% *Budget spent: 99%*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Number of kilometres of gravel roads upgraded to surfaced roads	4,92 km	0 km
Number of detailed designs completed	2	0

Report on compliance with legislation

26. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

27. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

28. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

29. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

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

Expenditure management

31. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by payment of interest relating to court judgements.

Consequence management

32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Other information in the annual report

33. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

34. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

35. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

36 The other information I obtained prior to the date of this auditor's report is a draft annual report, and the foreword by the MEC, internal audit and audit committee report, B-BBEE compliance performance information and PFMA compliance report are expected to be made available to me after 31 July 2024.

37. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

38. When I do receive and read the final 2023-24 annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

40. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and, the material findings on compliance with legislation included in this report.

41. The accounting officer did not adequately exercise oversight responsibility regarding financial reporting and compliance and related internal controls, which resulted in instances of non-compliance being identified.

42. Senior management did not adequately review and monitor compliance with applicable laws and regulations, which resulted in instances of non-compliance being identified.

43. Senior management did not prepare regular, accurate and complete financial information when preparing the financial statements, which resulted in material adjustments on the financial statements submitted for audit.

Material irregularities

44. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities identified during the audit

45. The material irregularities identified are as follows:

Construction of the driver licence testing centre at Sebokeng not completed

46. Resources of the department were not utilised economically, as required by section 38(1)(b) of the PFMA as the department did not take appropriate steps to ensure that a replacement contractor is appointed to complete the construction of the Sebokeng driver learner testing centre since the termination of the contractor's contract in August 2019 due to poor performance. By August 2019, R64 488 124 had been paid to the previous contractor.

47. The existing infrastructure is likely to be vandalised and deteriorate due to elements of weather which it is likely to result in a material financial loss for the department if a replacement contractor is not appointed on time for the completion of the project.

48. The accounting officer was notified of the material irregularity on 23 August 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter

49. The accounting officer has taken the following actions to address the material irregularity:

- Appointed registered project managers in August 2023 for the management of the projects and developed the Project Management Charter template to assist with the process of project implementation.
- Developed the project management charter template to assist with the process of project implementation.
- Appointed a panel of contractors in the 2023-24 financial year to prevent late appointment of replacement contractors.
- Appointed a professional service provider in January 2024 to undertake full investigation for the works done on the project and the investigation was completed in March 2024.
- The investigation concluded that two officials at the department should be taken through the disciplinary process for late appointment of a replacement contractor. One of the implicated officials is now employed at the Gauteng Department of Infrastructure Development.

50. The accounting officer has committed to implement the following actions to address the material irregularity:

- Plans to appoint a chairperson for the disciplinary hearings and finalise drafting of charges against the implicated official before end of August 2024. In addition, the accounting officer committed to notify the accounting officer at Gauteng Department of Infrastructure Development to take disciplinary action against the implicated official working for the department before end of August 2024.
- Has initiated a process to appoint a full team of service providers comprising amongst others, architects, engineers and quantity surveyors to review and update the current design and to furthermore assist with the procurement of a contractor by mid-August 2024. The team of service providers will assess the current works and define the scope of work of a contractor and monitor their performance.
- Plans to appoint a contractor before end of October 2024, and it is anticipated that construction will commence by November 2024.

51. To prevent a re-occurrence of the material irregularity, the accounting officer has committed to implement the following:

- Ensure appropriate resources are in place prior to taking on construction projects.
- The department will only implement projects that are within their core business i.e., roads and transport infrastructure.

52. I will follow-up on the implementation of the planned actions during my next audit.

Late appointment of a replacement contractor to complete construction of the K46 road

53. Resources of the department were not utilised economically, as required by section 38(1)(b) of the PFMA as the department did not take appropriate steps to ensure that a replacement contractor was appointed timeously to complete construction of road K46 phase 2(P79/1)

between PWV (Juskei river) and N14 Diepsloot since the termination of the initial contractor's contract in November 2018 due to poor performance.

54. A replacement contractor was only appointed in June 2021 which resulted in cost increases due to vandalism and deterioration of the infrastructure, which are likely to result in a material financial loss for the department if not recovered.

55. The accounting officer was notified of the material irregularity on 23 August 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter.

56. The actions taken by the accounting officer to address the material irregularity are as follow

- Appointed registered project managers in August 2023 for the management of the projects, developed the Project Management Charter template to assist with the process of project implementation and appointed a panel of contractors to prevent late appointment of replacement contractors.
- Developed the project management charter template to assist with the process of project implementation.
- Appointed a panel of contractors in the 2023-24 financial year to prevent late appointment of replacement contractors.
- Appointed a professional service provider in January 2024 to undertake full investigation for the works done on the project and the investigation was finalised in March 2024.
- The investigation concluded that two officials at the department are responsible for the late appointment of a replacement contractor, however, disciplinary process could not be initiated as one official resigned and the other official passed away.

57. The accounting officer is currently assessing the cost versus benefit of recovering the financial loss suffered and the process is expected to be finalised before end of September 2024.

58. I will follow-up on the implementation of the planned action during my next audit.

Auditor General

Johannesburg

31 July 2024

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); Section 38(1)(d); 38(1)(h)(iii); 38(1)(j); 39(1)(a); Section 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); Section 43(1); 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.14; 6.3.1(a); 6.3.1(b); Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; Regulation 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; Regulation 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; Regulation 16A3.2(a); 16A6.1; 16A6.2(a); Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A 6.3(e); 16A6.4; Regulation 16A6.5; 16A6.6; 16A7.1; 16A7.3; Regulation 16A7.6; 16A7.7; 16A8.2(1); 16A8.2(2); Regulation 16A8.3, ; 16A8.4; 16A9.1(b)(ii); Regulation ; 16A 9.1(d); 16A 9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 5 of 2023	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); Section 16(3)(a)(ii)(bb)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1

Legislation	Sections or regulations
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1;
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2;

GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS FOR GAUTENG DEPARTMENT OF GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

For the year ended

31 March 2024

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VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

APPROPRIATION STATEMENT

For the year ending 31 March 2024

Appropriation per programme									
	2023/24							2022/23	
Voted funds and Direct charges	Adjusted Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
Programme									
1 **ADMINISTRATION**	508,908	-	(27,946)	480,962	428,423	52,539	89.1%	423,578	396,020
2 **TRANSPORT INFRASTRUCTURE**	3,377,835	-	23,579	3,401,414	3,374,665	26,749	99.2%	2,190,186	2,060,410
3 **TRANSPORT OPERATIONS**	3,144,928	-	3,250	3,148,178	2,919,169	229,009	92.7%	2,862,866	2,289,882
4 **TRANSPORT REGULATION**	447,112	-	1,117	448,229	429,836	18,393	95.9%	350,465	289,629
5 **GAUTRAIN**	2,506,958	-	-	2,506,958	2,506,958	-	100.0%	2,657,566	2,657,566
Programme sub total	9,985,741	-	-	9,985,741	9,659,051	326,690	96.7%	8,484,661	7 693 503
TOTAL	**9,985,741**	**-**	**-**	**9,985,741**	**9,659,051**	**326,690**	**96.7%**	**8,484,661**	**7 693 503**
Reconciliation with Statement of Financial Performance Add:									
Departmental receipts				5,006,664				4,613,705	
Actual amounts per Statement of Financial Performance (Total Revenue)								13 098 366	
14,992,406				14,992,406					
Actual amounts per Statement of Financial Performance Expenditure									
					9,659,051				7 693 503

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

APPROPRIATION STATEMENT

For the year ending 31 March 2024

Appropriation per economic classification									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**2,624,947**	**(90,679)**	**(394)**	**2,533,874**	**2,739,228**	**(205,354)**	**108.1%**	**1,944,318**	**1,760,129**
Compensation of employees	801,486	0	0	801,486	790,397	11,089	98.6%	805,263	721,271
Salaries and wages	680,619	1,408	(644)	681,383	674,495	6,888	99.0%	683,715	616,461
Social contributions	120,867	(1,408)	644	120,103	115,902	4,201	96.5%	121,548	104,810
Goods and services	1,819,661	(90,312)	(394)	1,728,955	1,945,399	(216,444)	112.5%	1,138,486	1,038,289
Administrative fees	3,902	(68)	(920)	2,914	2,744	170	94.2%	3,098	2,578
Advertising	4,022	95	(201)	3,916	3,863	53	98.6%	3,063	2,587
Minor assets	4,470	(3,551)	(430)	489	467	22	95.5%	1,313	697
Audit costs: External	10,799	360	(1,875)	9,284	9,283	1	100.0%	8,400	8,225
Bursaries: Employees	3,500	0	0	3,500	2,287	1,213	65.3%	572	66
Catering: Departmental activities	2,445	(54)	0	2,391	1,974	417	82.6%	2,178	1,725
Communication (G&S)	8,084	1,776	0	9,860	9,535	325	96.7%	12,249	12,129
Computer services	28,383	1,469	0	29,852	27,013	2,839	90.5%	14,921	14,920
Consultants: Business and advisory services	155,442	(1,079)	0	154,363	136,836	17,527	88.6%	73,835	44,587
Infrastructure and planning services	28,245	(10,137)	(394)	17,714	17,713	1	100.0%	20,974	18,974
Laboratory services	385	(3)	0	382	378	4	99.0%	153	153
Legal services	34,321	2,318	12,162	48,801	48,796	5	100.0%	49,724	47,655
Contractors	1,156,186	(77,273)	0	1,078,913	1,372,600	(293,687)	127.2%	650,994	621,525
Agency and support / outsourced services	50	0	0	50	0	50	0	200	0
Fleet services (including government motor transport)	23,619	2	5,676	29,297	29,296	1	100.0%	19,383	19,383
Inventory: Clothing material and accessories	6,611	(972)	0	5,639	4,639	1,000	82.3%	5,333	4,392
Inventory: Materials and supplies	7,050	6,214	0	13,264	13,264	0	100.0%	24,184	12,262
Inventory: Other supplies	32,967	(10,838)	(18,232)	3,897	2,540	1,357	65.2%	7,821	6,104
Consumable supplies	4,570	802	0	5,372	4,720	652	87.9%	4,625	3,246

Appropriation per economic classification									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	120,689	3,362	0	124,051	112,736	11,315	90.9%	68,238	55,745
Operating leases	28,279	(3,167)	8,001	33,113	31,811	1,302	96.1%	37,757	36,163
Property payments	124,894	3	(4,516)	120,381	90,838	29,543	75.5%	98,376	98,319
Transport provided: Departmental activity	370	33	0	403	153	250	38.0%	500	93
Travel and subsistence	14,941	167	335	15,443	11,022	4,420	71.4%	13,354	11,966
Training and development	10,941	0	0	10,941	8,153	2,788	74.5%	5,881	4,340
Operating payments	135	0	0	135	33	102	24.4%	0	0
Venues and facilities	4,261	3	0	4,264	2,391	1,874	56.1%	10,860	10,125
Rental and hiring	100	226	0	326	314	12	96.3%	500	330
Interest and rent on land	3,800	(367)	0	3,433	3,432	1	100.0%	569	569
Interest (Incl. interest on unitary payments (PPP))	3,800	(367)	0	3,433	3,432	1	100.0%	569	569
Transfers and subsidies	**5,532,240**	**16**	**0**	**5,532,256**	**5,305,188**	**227,068**	**95.9%**	**5,447,931**	**4,856,676**
Provinces and municipalities	1,900	16	0	1,916	1,917	(1)	100.1%	2,310	2,062
Municipalities	1,900	16	0	1,916	1,917	(1)	100.1%	2,310	2,062
Municipal bank accounts	1,900	16	0	1,916	1,917	(1)	100.1%	2,310	2,062
Departmental agencies and accounts	2,506,958	0	0	2,506,958	2,506,958	0	100.0%	2,657,566	2,657,566
Departmental agencies	2,506,958	0	0	2,506,958	2,506,958	0	100.0%	2,657,566	2,657,566
Public corporations and private enterprises	2,986,562	0	0	2,986,562	2,763,724	222,838	92.5%	2,755,340	2,187,805
Private enterprises	2,986,562	0	0	2,986,562	2,763,724	222,838	92.5%	2,755,340	2,187,805
Other transfers to private enterprises	2,986,562	0	0	2,986,562	2,763,724	222,838	92.5%	2,755,340	2,187,805
Non-profit institutions	20,000	0	0	20,000	20,000	0	100.0%	21,915	0
Households	16,820	0	0	16,820	12,589	4,231	74.8%	10,800	9,243
Social benefits	4,110	(3)	571	4,678	3,868	810	82.7%	7,249	5,939
Other transfers to households	12,710	3	(571)	12,142	8,721	3,421	71.8%	3,551	3,304
Payments for capital assets	**1,828,354**	**90,663**	**394**	**1,919,411**	**1,614,504**	**304,907**	**84.1%**	**1,091,977**	**1,076,264**
Buildings and other fixed structures	1,809,679	89,917	394	1,899,990	1,599,981	300,009	84.2%	1,065,258	1,060,484
Buildings	9,332	(2,200)	(296)	6,836	6,736	100	98.5%	10,557	10,557
Other fixed structures	1,800,347	92,117	690	1,893,154	1,593,245	299,909	84.2%	1,054,701	1,049,927
Machinery and equipment	17,127	2,112	17	19,256	14,381	4,875	74.7%	25,719	15,773
Other machinery and equipment	17,127	2,112	17	19,256	14,381	4,875	74.7%	24,719	14,846
Software and other intangible assets	1,548	(1,366)	(17)	165	142	23	86.1%	1,000	7
Payment for financial assets	200	0	0	200	131	69	65.5%	435	438
	9,985,741	**0**	**0**	**9,985,741**	**9,659,051**	**326,690**	**96.7%**	**8,484,661**	**7,693,507**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT A

PPROPRIATION STATEMENT

For the year ending 31 March 2024

Programme 1: ADMINISTRATION									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **OFFICE OF THE MEC**	23,831	101	0	23,932	20,930	3,002	87.5%	18,508	18,275
2 **MANAGEMENT OF THE DEPARTMENT**	24,316	(3,831)	2	20,487	18,227	2,260	89.0%	29,889	28,874
3 **CORPORATE SUPPORT**	457,530	3,730	(28,085)	433,175	385,947	47,228	89.1%	371,694	345,774
4 **DEPARTMENTAL STRATEGY**	3,231	0	137	3,368	3,319	49	98.5%	3,487	3,097
	508,908	**0**	**(27,946)**	**480,962**	**428,423**	**52,539**	**89.1%**	**423,578**	**396,020**
Economic classification									
Current payments	**492,620**	**0**	**(27,652)**	**464,968**	**414,313**	**50,655**	**89.1%**	**394,236**	**371,908**
Compensation of employees	210,630	0	728	211,358	211,201	157	99.9%	208,904	194,921
Salaries and wages	182,471	1,082	728	184,281	184,171	110	99.9%	178,042	170,286
Social contributions	28,159	(1,082)	0	27,077	27,030	47	99.8%	30,862	24,635
Goods and services	281,990	(61)	(28,380)	253,549	203,051	50,498	80.1%	184,904	176,559
Administrative fees	3,620	(66)	(920)	2,634	2,597	37	98.6%	2,980	2,578
Advertising	2,050	0	(201)	1,849	1,839	10	99.5%	2,179	2,178
Minor assets	450	0	(430)	20	18	2	90.0%	550	77
Audit costs: External	10,799	0	(1,875)	8,924	8,923	1	100.0%	8,400	8,225
Bursaries: Employees	3,500	0	0	3,500	2,287	1,213	65.3%	572	66
Catering: Departmental activities	2,207	66	0	2,273	1,913	360	84.2%	2,001	1,582
Communication (G&S)	6,830	2,491	0	9,321	9,316	5	99.9%	11,144	11,144
Computer services	27,200	0	0	27,200	24,359	2,841	89.6%	12,158	12,156
Consultants: Business and advisory services	6,909	1,460	0	8,369	6,949	1,420	83.0%	6,265	5,979
Legal services	31,321	1,017	0	32,338	32,337	1	100.0%	26,765	26,765
Contractors	16,735	0	0	16,735	8,650	8,085	51.7%	6,044	6,042

Programme 1: ADMINISTRATION									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and accessories	1,000	0	0	1,000	0	1,000	0	0	0
Inventory: Other supplies	27,679	(9,447)	(18,232)	0	0	0	0	1,228	0
Consumable supplies	2,145	640	0	2,785	2,684	101	96.4%	2,620	1,241
Consumable: Stationery, printing and office supplies	7,114	3,519	0	10,633	10,483	150	98.6%	6,505	5,777
Operating leases	1,470	0	0	1,470	2,202	(732)	149.8%	996	996
Property payments	110,163	0	(5,958)	104,205	77,026	27,179	73.9%	76,758	76,757
Transport provided: Departmental activity	370	33	0	403	153	250	38.0%	500	93
Travel and subsistence	6,145	0	(764)	5,381	1,551	3,830	28.8%	2,669	2,461
Training and development	10,500	0	0	10,500	7,712	2,788	73.4%	5,600	4,059
Operating payments	100	0	0	100	0	100	0	0	0
Venues and facilities	3,583	0	0	3,583	1,737	1,846	48.5%	8,470	8,053
Rental and hiring	100	226	0	326	314	12	96.3%	500	330
Transfers and subsidies	**1,000**	**0**	**0**	**1,000**	**520**	**480**	**52.0%**	**4,122**	**4,127**
Households	1,000	0	0	1,000	520	480	52.0%	4,122	4,127
Social benefits	990	0	0	990	519	471	52.4%	2,149	2,154
Other transfers to households	10	0	0	10	1	9	10.0%	1,973	1,973
Payments for capital assets	**15,268**	**0**	**(296)**	**14,972**	**13,568**	**1,404**	**90.6%**	**25,192**	**19,957**
Buildings and other fixed structures	7,032	0	(296)	6,736	6,735	1	100.0%	9,692	9,692
Buildings	7,032	0	(296)	6,736	6,735	1	100.0%	9,692	9,692
Machinery and equipment	7,436	635	0	8,071	6,691	1,380	82.9%	14,500	10,258
Other machinery and equipment	7,436	635	0	8,071	6,691	1,380	82.9%	14,500	10,258
Land and sub-soil assets	0	0	0	0	0	0	0	0	0
Software and other intangible assets	800	(635)	0	165	142	23	86.1%	1,000	7
Payment for financial assets	**20**	**0**	**2**	**22**	**22**	**0**	**100.0%**	**28**	**28**
	508,908	**0**	**(27,946)**	**480,962**	**428,423**	**52,539**	**89.1%**	**423,578**	**396,020**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

APPROPRIATION STATEMENT

For the year ending 31 March 2024

Programme 2: TRANSPORT INFRASTRUCTURE									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **INFRASTRUCTURE PLANNING**	92,152	(10,529)	(730)	80,893	64,957	15,936	80.3%	104,998	60,698
2 **INFRASTRUCTURE DESIGN**	178,635	(29,776)	0	148,859	146,743	2,116	98.6%	100,844	91,941
3 **CONSTRUCTION**	1,746,058	55,630	1,789	1,803,477	1,773,676	29,801	98.3%	1,094,173	1,074,233
4 **MAINTENANCE**	1,301,910	(15,325)	0	1,286,585	1,313,340	(26,755)	102.1%	815,267	760,633
5 **PROGRAMME SUPPORT INFRASTRUCTURE**	59,080	0	22,520	81,600	75,949	5,651	93.1%	74,904	72,905
	3,377,835	**0**	**23,579**	**3,401,414**	**3,374,665**	**26,749**	**99.2%**	**2,190,186**	**2,060,410**
Economic classification									
Current payments	1,549,588	(89,933)	23,462	1,483,117	1,763,213	(280,096)	118.9%	1,121,469	999,922
Compensation of employees	305,956	0	(728)	305,228	297,897	7,331	97.6%	325,207	276,800
Salaries and wages	252,293	2,994	(728)	254,559	251,090	3,469	98.6%	271,769	233,084
Social contributions	53,663	(2,994)	0	50,669	46,807	3,862	92.4%	53,438	43,716
Goods and services	1,239,832	(89,505)	24,190	1,174,517	1,461,945	(287,428)	124.5%	796,121	722,981
Administrative fees	272	0	0	272	147	125	54.0%	118	0
Advertising	1,156	778	0	1,934	1,891	43	97.8%	684	384
Minor assets	4,020	(4,000)	0	20	0	20	0	320	177
Catering: Departmental activities	38	23	0	61	61	0	100.0%	59	41
Communication (G&S)	54	(3)	0	51	45	6	88.2%	20	0
Computer services	434	78	0	512	512	0	100.0%	622	622
Consultants: Business and advisory services	27,735	(2,539)	0	25,196	11,659	13,538	46.3%	29,700	1,698
Infrastructure and planning services	13,494	(10,137)	0	3,357	3,357	0	100.0%	17,872	15,872
Laboratory services	385	(3)	0	382	378	4	99.0%	153	153
Legal services	1,000	827	7,972	9,799	9,797	2	100.0%	19,207	18,935
Contractors	1,132,761	(80,564)	0	1,052,197	1,355,054	(302,857)	128.8%	637,855	609,340

Programme 2: TRANSPORT INFRASTRUCTURE									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	19,919	0	5,676	25,595	25,594	1	100.0%	19,383	19,383
Inventory: Clothing material and accessories	5,611	(972)	0	4,639	4,639	0	100.0%	5,333	4,392
Inventory: Materials and supplies	7,050	6,214	0	13,264	13,264	0	100.0%	24,184	12,262
Consumable supplies	1,620	146	0	1,766	1,766	0	100.0%	2,003	2,003
Consumable: Stationery, printing and office supplies	605	3	0	608	271	337	44.6%	252	67
Operating leases	5,153	33	8,001	13,187	11,899	1,288	90.2%	11,543	11,543
Property payments	10,500	0	1,442	11,942	11,942	0	100.0%	16,338	16,336
Travel and subsistence	7,371	248	1,099	8,718	8,655	63	99.3%	9,435	8,733
Training and development	441	0	0	441	441	0	100.0%	281	281
Operating payments	35	0	0	35	33	2	94.3%	0	0
Venues and facilities	178	3	0	181	181	0	100.0%	759	759
Interest and rent on land	3,800	(428)	0	3,372	3,371	1	100.0%	141	141
Interest (Incl. interest on unitary payments (PPP))	3,800	(428)	0	3,372	3,371	1	100.0%	141	141
Rent on land	0	0	0	0	0	0	0	0	0
Transfers and subsidies	**16,860**	**16**	**(571)**	**16,305**	**12,553**	**3,752**	**77.0%**	**7,928**	**6,229**
Provinces and municipalities	1,900	16	0	1,916	1,917	(1)	100.1%	2,310	2,062
Provinces	0	0	0	0	0	0	0	0	0
Provincial Revenue Funds	0	0	0	0	0	0	0	0	0
Provincial agencies and funds	0	0	0	0	0	0	0	0	0
Municipalities	1,900	16	0	1,916	1,917	(1)	100.1%	2,310	2,062
Municipal bank accounts	1,900	16	0	1,916	1,917	(1)	100.1%	2,310	2,062
Households	14,960	0	(571)	14,389	10,636	3,753	73.9%	5,618	4,167
Social benefits	2,260	(3)	0	2,257	1,916	341	84.9%	3,840	2,836
Other transfers to households	12,700	3	(571)	12,132	8,720	3,412	71.9%	1,778	1,331
Payments for capital assets	**1,811,217**	**89,917**	**690**	**1,901,824**	**1,598,796**	**303,028**	**84.1%**	**1,060,420**	**1,053,887**
Buildings and other fixed structures	1,802,547	89,917	690	1,893,154	1,593,245	299,909	84.2%	1,054,701	1,049,927
Buildings	2,200	(2,200)	0	0	0	0	0	0	0
Other fixed structures	1,800,347	92,117	690	1,893,154	1,593,245	299,909	84.2%	1,054,701	1,049,927
Machinery and equipment	8,670	0	0	8,670	5,551	3,119	64.0%	5,719	3,961
Other machinery and equipment	8,670	0	0	8,670	5,551	3,119	64.0%	4,719	3,034
Payment for financial assets	**170**	**0**	**(2)**	**168**	**103**	**65**	**61.3%**	**369**	**371**
	3,377,835	**0**	**23,579**	**3,401,414**	**3,374,665**	**26,749**	**99.2%**	**2,190,186**	**2,060,410**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

APPROPRIATION STATEMENT

For the year ending 31 March 2024

Programme 3: TRANSPORT OPERATIONS									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **PUBLIC TRANSPORT SERVICES**	3,115,961	(6,525)	(957)	3,108,479	2,879,714	228,765	92.6%	2,829,300	2,258,522
2 **PROGRAMME SUPPORT OPERATIONS**	28,967	6,525	4,207	39,699	39,455	244	99.4%	33,566	31,360
	3,144,928	**0**	**3,250**	**3,148,178**	**2,919,169**	**229,009**	**92.7%**	**2,862,866**	**2,289,882**
Economic classification									
Current payments	**138,236**	**0**	**3,152**	**141,388**	**135,220**	**6,168**	**95.6%**	**107,350**	**101,901**
Compensation of employees	66,955	0	(644)	66,311	62,713	3,598	94.6%	63,565	60,323
Salaries and wages	62,145	0	(644)	61,501	58,193	3,308	94.6%	58,504	55,710
Social contributions	4,810	0	0	4,810	4,520	290	94.0%	5,061	4,613
Goods and services	71,281	0	3,796	75,077	72,507	2,570	96.6%	43,785	41,578
Advertising	63	70	0	133	133	0	100.0%	200	25
Catering: Departmental activities	200	(143)	0	57	0	57	0	40	25
Communication (G&S)	200	62	0	262	174	88	66.4%	0	0
Consultants: Business and advisory services	61,218	0	0	61,218	58,923	2,295	96.3%	36,911	36,910
Infrastructure and planning services	7,120	0	(394)	6,726	6,725	1	100.0%	3,102	3,102
Legal services	1,000	112	4,190	5,302	5,301	1	100.0%	1,796	0
Contractors	460	53	0	513	514	(1)	100.2%	646	646
Consumable supplies	305	0	0	305	251	54	82.3%	0	0
Consumable: Stationery, printing and office supplies	260	(160)	0	100	62	38	62.0%	180	38
Travel and subsistence	455	6	0	461	424	37	92.0%	380	341
Transfers and subsidies	**3,006,682**	**0**	**81**	**3,006,763**	**2,783,926**	**222,837**	**92.6%**	**2,755,516**	**2,187,981**
Public corporations and private enterprises	2,986,562	0	0	2,986,562	2,763,724	222,838	92.5%	2,755,340	2,187,805
Private enterprises	2,986,562	0	0	2,986,562	2,763,724	222,838	92.5%	2,755,340	2,187,805
Other transfers to private enterprises	2,986,562	0	0	2,986,562	2,763,724	222,838	92.5%	2,755,340	2,187,805

Programme 3: TRANSPORT OPERATIONS									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	20,000	0	0	20,000	20,000	0	100.0%	0	0
Households	120	0	81	201	201	(1)	100.5%	176	176
Social benefits	120	0	81	201	201	(1)	100.5%	176	176
Payment for financial assets	**10**	**0**	**0**	**10**	**6**	**4**	**60.0%**	**0**	**0**
	3,144,928	**0**	**3,250**	**3,148,178**	**2,919,169**	**229,009**	**92.7%**	**2,862,866**	**2,289,882**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

APPROPRIATION STATEMENT

For the year ending 31 March 2024

Programme 4: TRANSPORT REGULATION									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 **TRANSPORT ADMINISTRATION AND LICENCING**	276,329	(10,649)	(17)	265,663	249,087	16,576	93.8%	192,005	178,412
2 **OPERATOR LICENCE AND PERMITS**	170,783	10,649	1,134	182,566	180,749	1,817	99.0%	158,460	111,216
	447,112	**0**	**1,117**	**448,229**	**429,836**	**18,393**	**95.9%**	**350,465**	**289,629**
Economic classification									
Current payments	**444,503**	**(746)**	**644**	**444,401**	**426,482**	**17,919**	**96.0%**	**321,263**	**286,398**
Compensation of employees	217,945	0	644	218,589	218,586	3	100.0%	207,587	189,227
Salaries and wages	183,710	(2,668)	0	181,042	181,041	1	100.0%	175,400	157,381
Social contributions	34,235	2,668	644	37,547	37,545	2	100.0%	32,187	31,846
Goods and services	226,558	(746)	0	225,812	207,896	17,916	92.1%	113,676	97,171
Administrative fees	10	(2)	0	8	0	8	0	0	0
Advertising	753	(753)	0	0	0	0	0	0	0
Communication (G&S)	1,000	(774)	0	226	0	226	0	1,085	985
Computer services	749	1,391	0	2,140	2,142	(2)	100.1%	2,141	2,142
Consultants: Business and advisory services	59,580	0	0	59,580	59,306	274	99.5%	959	0
Infrastructure and planning services	7,631	0	0	7,631	7,631	0	100.0%	0	0
Legal services	1,000	362	0	1,362	1,361	1	99.9%	1,956	1,955
Contractors	6,230	3,238	0	9,468	8,382	1,086	88.5%	6,449	5,497
Agency and support / outsourced services	50	0	0	50	0	50	0	200	0
Fleet services (including government motor transport)	3,700	2	0	3,702	3,702	0	100.0%	0	0
Inventory: Other supplies	5,288	(1,391)	0	3,897	2,540	1,357	65.2%	6,593	6,104
Consumable supplies	500	16	0	516	19	497	3.7%	2	2

Programme 4: TRANSPORT REGULATION									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	112,710	0	0	112,710	101,920	10,790	90.4%	61,301	49,863
Operating leases	21,656	(3,200)	0	18,456	17,710	746	96.0%	25,218	23,624
Property payments	4,231	3	0	4,234	1,870	2,364	44.2%	5,280	5,226
Travel and subsistence	970	(87)	0	883	392	491	44.4%	870	431
Venues and facilities	500	0	0	500	472	28	94.4%	1,101	822
Transfers and subsidies	**740**	**0**	**490**	**1,230**	**1,231**	**(1)**	**100.1%**	**22,799**	**773**
Households	740	0	490	1,230	1,231	(1)	100.1%	884	773
Social benefits	740	0	490	1,230	1,231	(1)	100.1%	884	773
Payments for capital assets	**1,869**	**746**	**(17)**	**2,598**	**2,123**	**475**	**81.7%**	**6,365**	**2,419**
Buildings and other fixed structures	100	0	0	100	0	100	0	865	865
Buildings	100	0	0	100	0	100	0	865	865
Machinery and equipment	1,021	1,477	0	2,498	2,123	375	85.0%	5,500	1,554
Other machinery and equipment	1,021	1,477	0	2,498	2,123	375	85.0%	5,500	1,554
Software and other intangible assets	748	(731)	(17)	0	0	0	0	0	0
	447,112	**0**	**1,117**	**448,229**	**429,836**	**18,393**	**95.9%**	**350,465**	**289,629**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

APPROPRIATION STATEMENT

For the year ending 31 March 2024

Programme 5: GAUTRAIN									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1 GAUTRAIN RAPID LINK	2,506,958	0	0	2,506,958	2,506,958	0	100.0%	2,657,566	2,657,566
	2,506,958	**0**	**0**	**2,506,958**	**2,506,958**	**0**	**100.0%**	**2,657,566**	**2,657,566**
Economic classification									
Transfers and subsidies	2,506,958	0	0	2,506,958	2,506,958	0	100.0%	2,657,566	2,657,566
Departmental agencies and accounts	2,506,958	0	0	2,506,958	2,506,958	0	100.0%	2,657,566	2,657,566
Departmental agencies	**2,506,958**	**0**	**0**	**2,506,958**	**2,506,958**	**0**	**100.0%**	**2,657,566**	**2,657,566**
	2,506,958	**0**	**0**	**2,506,958**	**2,506,958**	**0**	**100.0%**	**2,657,566**	**2,657,566**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
NOTES TO THE APPROPRIATION STATEMENT
For the year ending 31 March 2024

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

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

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

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

3 Detail on payments for financial assets

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

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

4.1 Per programme:

ADMINISTRATION Current payments Transfers and Subsidies

Payments for Capital Assets Payments for Financial Assets

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
ADMINISTRATION				
Current payments	464,968	414,313	50,655	89.11%
Transfers and Subsidies	1,000	520	480	52.00%
Payments for Capital Assets	14,972	13,568	1,404	90.62%
Payments for Financial Assets	22	22	-	100.00%

Explanation of variance: The anticipated under spending within this programme was due to cost containment, delays in procurement as well as various invoices being received after the cut offdate for payments in March.

TRANSPORT INFRASTRUCTURE				
Current payments	1,483,117	1,763,213	(280,096)	118.89%
Transfers and Subsidies	16,305	12,553	3,752	76.99%
Payments for Capital Assets	1,901,824	1,598,796	303,028	84.07%
Payments for Financial Assets	168	103	65	61.31%
TRANSPORT OPERATIONS				
Current payments	141,388	135,220	6,168	95.64%
Transfers and Subsidies	3,006,763	2,783,926	222,837	92.59%
Payments for Capital Assets	17	17	-	100.00%
Payments for Financial Assets	10	6	4	60.00%

Explanation of variance: The ramp-up process for the new bus contracts that became operational on 1 July 2023 was slow, and started picking up in Q4, however it was too late to increase the expenditure to acceptable levels.

TRANSPORT REGULATION				
Current payments	444,401	426,482	17,919	95.97%
Transfers and Subsidies	1,230	1,231	(1)	100.08%
Payments for Capital Assets	2,598	2,123	475	81.72%
Payments for Financial Assets	-	-	-	0.00%

Explanation of variance: The anticipated under spending within this programme was as a result of delays in procuring consumables for the DLTCs and MVRAs, as well as invoices that were received after the cut off payments in March.

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
NOTES TO THE APPROPRIATION STATEMENT
For the year ending 31 March 2024

GAUTRAIN				
Current payments	-	-	-	0.00%
Transfers and Subsidies	2,506,958	2,506,958	-	100.00%
Payments for Capital Assets	-	-	-	0.00%
Payments for Financial Assets	-	-	-	0.00%

4.2 Per economic classification:	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	801,486	790,397	11,089	98.62%
Goods and services	1,728,955	1,945,399	(216,444)	113.00%
Interest and rent on land	3,433	3,432	1	100.00%
Transfers and subsidies			-	
Provinces and municipalities	1,916	1,917	(1)	100.00%
Departmental agencies and accounts	2,506,958	2,506,958	-	100.00%
Public corporations and private enterprises	2,986,562	2,763,724	222,838	93.00%
Non-profit institutions	20,000	20,000	-	100.00%
Households	16,820	12,589	4,231	75.00%
Payments for capital assets			-	
Buildings and other fixed structures	1,899,990	1,599,981	300,009	84.00%
Machinery and equipment	19,256	14,381	4,875	75.00%
Software and other intangible assets	165	142	23	86.00%
Payments for financial assets	200	131	69	66.00%

Goods and services

Explanation of variance: The anticipated under spending within this programme was as a result of various invoices received after the cut off payments in March.

Interest and rent on land

The department aims to have very low spending within this item as it constitutes fruitless and wasteful expenditure, the registered expenditure was due to legal claims

Public corporations and private enterprises

The ramp-up process for the new bus contracts that became operational on 1 July 2023 has been slow, and started picking up in Q4, but there was still underspending due to that.

Machinery and equipment

The anticipated under-spending within this item was as a results of cost containment as well as lower spending for Construction Fleet.

Software and other intangible assets

The payment for software licenses was made within the goods and services item

Payments for financial assets

The variance is predominately relating to monies recovered from some of the officials within the Department - the details thereof will be disclosed in the Department audited Annual Financial Statements within the contingent assets component.

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
NOTES TO THE APPROPRIATION STATEMENT
For the year ending 31 March 2024

4.3 Per conditional grant

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Public Transport Operations Grant	2,969,140	2,752,140	217,000	92.7%
Provincial Roads Maintenance Grant	1,052,482	1,052,478	4	100%
Expanded Public Works Programme Grant	4,121	4,121	-	100%
	4,025,743	**3,808,739**	**217,004**	**95%**

Explanation of variance: The ramp-up process for the new bus contracts that became operational on 1 July 2023 has been slow, and started picking up in Q4, but there was still underspending due to that.

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
STATEMENT OF FINANCIAL PERFORMANCE
For the year ending 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
REVENUE			
Annual appropriation	1	9,985,741	8,484,661
Departmental revenue	2	5,006,665	4,613,705
TOTAL REVENUE		**14,992,406**	**13,098,366**
EXPENDITURE			
Current expenditure		2,739,223	1,760,129
Compensation of employees	3	790,397	721,271
Goods and services	4	1,945,394	1,038,289
Interest and rent on land	5	3,432	569
Total current expenditure		**2,739,223**	**1,760,129**
Transfers and subsidies		5,305,189	4,856,676
Transfers and subsidies	7	5,305,189	4,856,676
Total transfers and subsidies		**5,305,189**	**4,856,676**
Expenditure for capital assets	8	1,614,503	1,076,264
Tangible assets		1,614,361	1,076,257
Intangible assets		142	7
Total expenditure for capital assets		**1,614,503**	**1,076,264**
Unauthorised expenditure approved without funding		-	-
Payments for financial assets	**6**	**130**	**438**
TOTAL EXPENDITURE		**9,659,045**	**7,693,507**
SURPLUS/(DEFICIT) FOR THE YEAR		**5,333,361**	**5,404,859**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		**326,696**	**791,154**
Annual appropriation		109,692	186,776
Conditional grants		217,004	604,378
Departmental revenue and NRF Receipts	14	5,006,665	4,613,705
SURPLUS/(DEFICIT) FOR THE YEAR		**5,333,361**	**5,404,859**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
STATEMENT OF FINANCIAL POSITION
For the year ending 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
ASSETS			
Current Assets		**983,652**	**1,443,251**
Cash and cash equivalents	9	976,696	1,437,862
Receivables	11	6,956	5,389
Non-Current Assets		**786**	**786**
Receivables	11	786	786
TOTAL ASSETS		**984,438**	**1,444,037**
LIABILITIES			
Current Liabilities		**981,952**	**1,442,191**
Voted funds to be surrendered to the Revenue Fund	12	326,691	791,154
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	655,075	648,474
Payables	15	186	2,563
TOTAL LIABILITIES		**981,952**	**1,442,191**
NET ASSETS		**2,486**	**1,846**
Represented by:			
Recoverable revenue		2,486	1,846
TOTAL		**2,486**	**1,846**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
STATEMENT OF CHANGES IN NET ASSETS
For the year ending 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
NET ASSETS			
Recoverable revenue			
Opening balance		1,846	1,750
Transfers		**640**	**96**
Irrecoverable amounts written off	6.3	130	346
Debts recovered (included in departmental receipts)		4,357	1,130
Debts raised		(3,847)	(1,380)
Closing balance		**2,486**	**1,846**
TOTAL		**2,486**	**1,846**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
CASH FLOW STATEMENT
For the year ending 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**14,992,406**	**13,098,366**
Annual appropriated funds received	1	9,985,741	8,484,661
Departmental revenue received	2	5,006,651	4,613,698
Interest received	2.3	14	7
Net (increase)/ decrease in working capital		(3,944)	(1,064)
Surrendered to Revenue Fund		(5,791,223)	(5,108,648)
Current payments		(2,735,791)	(1,759,560)
Interest paid	5	(3,432)	(569)
Payments for financial assets		(130)	(438)
Transfers and subsidies paid		(5,305,189)	(4,856,676)
Net cash flow available from operating activities		**1,152,697**	**1,371,411**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(1,614,503)	(1,076,264)
(Increase)/decrease in non-current receivables		-	-
Net cash flows from investing activities		**(1,614,503)**	**(1,076,264)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		640	96
Net cash flows from financing activities		**640**	**96**
Net increase/ (decrease) in cash and cash equivalents		(461,166)	295,243
Cash and cash equivalents at beginning of period		1,437,862	1,142,619
Cash and cash equivalents at end of period		**976,696**	**1,437,862**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

1. Annual Appropriation

1.1 Annual Appropriation

	2023/24			2022/23		
	Final Budget R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Budget R'000	Appropriation Received R'000	Funds not requested / not received R'000
Programmes						
1) ADMINISTRATION	480,962	480,962	-	423,578	423,578	-
2) TRANSPORT INFRASTRUCTURE	3,401,414	3,401,414	-	2,190,186	2,190,186	-
3) TRANSPORT OPERATIONS	3,148,178	3,148,178	-	2,862,866	2,862,866	-
4) TRANSPORT REGULATION	448,229	448,229	-	350,465	350,465	-
5) GAUTRAIN	2,506,958	2,506,958	-	2,657,566	2,657,566	-
Total	**9,985,741**	**9,985,741**	**-**	**8,484,661**	**8 484 661**	**-**

1.2 Conditional grants**

	Note	2023/24 R'000	2022/23 R'000
Total grants received	37	4,025,743	3,322,992

			2023/24 R'000	2022/23 R'000
2.	**Departmental Revenue**			
	Tax revenue		4,925,992	4,548,191
	Sales of goods and services other than capital assets	2.1	74,262	63,596
	Fines, penalties and forfeits	2.2	3,210	506
	Interest, dividends and rent on land	2.3	14	7
	Transactions in financial assets and liabilities	2.4	3,187	1,405
	Total revenue collected		**5,006,665**	**4,613,705**
	Less: Own revenue included in appropriation		-	-
	Departmental revenue collected		**5,006,665**	**4,613,705**

The above Tax revenue is the compulsory, unrequited revenue collected by the Department relating to Motor Vehicle Licence Tax while other revenue transactions are discretionary.

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

		Note	2023/24 R'000	2022/23 R'000
2.1	**Sales of goods and services other than capital assets**	2		
	Sales of goods and services produced by the department		74,180	63,518
	Sales by market establishment		333	341
	Administrative fees		73,300	61,691
	Other sales		547	1,486
	Sales of scrap, waste and other used current goods		82	78
	Total		**74,262**	**63,596**

Included in "Administrative fees" category are receipts received for abnormal loads licences, Personalised number plates and permits for operators.

		Note	2023/24 R'000	2022/23 R'000
2.2	**Fines, penalties and forfeits**	2		
	Fines		3,209	476
	Penalties		-	30
	Forfeits		1	-
	Total		**3,210**	**506**

		Note	2023/24 R'000	2022/23 R'000
2.3	**Interest, dividends and rent on land**	2		
	Interest		14	7
	Total		**14**	**7**

		Note	2023/24 R'000	2022/23 R'000
2.5	**Transactions in financial assets and liabilities**	2		
	Receivables		130	222
	Other Receipts including Recoverable Revenue		3,057	1,183
	Total		**3,187**	**1,405**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

		Note	2023/24 R'000	2022/23 R'000
3.	**Compensation of Employees**			
3.1	**Salaries and wages**			
	Basic salary		503,134	438,777
	Performance award		1,172	136
	Service Based		1,174	1,091
	Compensative/circumstantial		68,339	62,214
	Periodic payments		6,201	5,062
	Other non-pensionable allowances		94,472	109,184
	Total		**674,492**	**616,464**

The overall increase on compensation of employees relates to inflationary adjustments and filling of vacant posts during the reporting period.

		Note	2023/24 R'000	2022/23 R'000
3.2	**Social Contributions**			
	Employer contributions			
	Pension		64,594	57,570
	Medical		50,537	46,916
	UIF		372	44
	Bargaining council		181	168
	Official unions and associations		-	-
	Insurance		221	109
	Total		**115,905**	**104,807**
	Total compensation of employees		**790,397**	**721,271**
	Average number of employees		**1,515**	**1,501**

		Note	2023/24 R'000	2022/23 R'000
4.	**Goods and services**			
	Administrative fees		2,744	2,578
	Advertising		3,864	2,587
	Minor assets	4.1	467	697
	Bursaries (employees)		2,287	66
	Catering		1,975	1,726
	Communication		9,534	12,128
	Computer services	4.2	27,013	14,920
	Consultants: Business and advisory services		136,834	44,588
	Infrastructure and planning services		17,713	18,974
	Laboratory services		378	153
	Legal services		48,796	47,655
	Contractors		1,372,601	621,526
	Audit cost – external	4.3	9,283	8,225
	Fleet services		29,295	19,384
	Inventory	4.4	20,442	22,758
	Consumables	4.5	117,456	58,992
	Operating leases		31,811	36,163
	Property payments	4.6	90,837	98,317
	Rental and hiring		313	330
	Transport provided as part of the departmental activities		153	93
	Travel and subsistence	4.7	11,023	11,966
	Venues and facilities		2,390	10,123
	Training and development		8,152	4,340
	Other operating expenditure	4.8	33	-
	Total		**1,945,394**	**1,038,289**

1. Advertising is mainly increased as a results of number of bid advertised during the reporting period.
2. Bursaries for employees increased due to the amendments of the bursary policy to accomodate more programmes and employees.
3. The increase in both consultants and contractors was mainly due to significant number of projects undertaken and completed as well as significant additional allocations received during the budget adjustment.
4. The increase in consumables was as a result of expansion to TISH areas as well as new arrangements made with the municipalities to purchase face value forms, printing papers and cartridges.
5. The increase in training and development as a result of compulsory trainings imposed by the Department of Public Service and Administration.

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

		Note	2023/24 R'000	2022/23 R'000
4.1	**Minor assets**	4		
	Tangible capital assets		**467**	**697**
	Machinery and equipment		467	697
	Total		**467**	**697**

		Note	2023/24 R'000	2022/23 R'000
4.2	**Computer services**	4		
	External computer service providers		27,013	14,920
	Total		**27,013**	**14,920**

		Note	2023/24 R'000	2022/23 R'000
4.3	**Audit cost – external**	4		
	Regularity audits		8,755	7,817
	Computer audits		528	408
	Total		**9,283**	**8,225**

		Note	2023/24 R'000	2022/23 R'000
4.4	**Inventory**	4		
	Clothing material and accessories		4,639	4,392
	Materials and supplies		13,263	12,262
	Other supplies	4.4.1	2,540	6,104
	Total		**20,442**	**22,758**

		Note	2023/24 R'000	2022/23 R'000
4.4.1	**Other Supplies**			
	Other		2,540	6,104
	Total	4.4	**2,540**	**6,104**

Included in other suplies is expenditure for face values.

		Note	2023/24 R'000	2022/23 R'000
4.5	**Consumables**	4		
	Consumable supplies		4,719	3,245
	Uniform and clothing		434	513
	Household supplies		2,701	1,359
	Building material and supplies		-	994
	IT consumables		369	255
	Other consumables		1,215	124
	Stationery, printing and office supplies		112,737	55,747
	Total		**117,456**	**58,992**

The increase in stationery, printing and office supplies is as a results of printing equipment purchased by the department on behalf of the revenue collecting agents.

		Note	2023/24 R'000	2022/23 R'000
4.6	**Property payments**	4		
	Municipal services		41,566	40,889
	Other		49,271	57,428
	Total		**90,837**	**98,317**

Other relates to all other property payments made for items such as fumigation, cleaning services, security costs etc.

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

		Note	2023/24 R'000	2022/23 R'000
4.7	**Travel and subsistence**	4		
	Local		9,816	11,192
	Foreign		1,207	774
	Total		**11,023**	**11,966**

		Note	2023/24 R'000	2022/23 R'000
4.8	**Other operating expenditure**	4		
	Resettlement costs		33	-
	Total		**33**	**-**

		Note	2023/24 R'000	2022/23 R'000
5	**Interest and Rent on Land**			
	Interest paid		3,432	569
	Total		**3,432**	**569**

An increase in interest paid was compelled by court order obtained by contractor against the department. The department will follow the guidelines from National Treasury on fruitless and wasteful expenditure.

		Note	2023/24 R'000	2022/23 R'000
6	**Payments for financial assets**	6		
	Debts written off		130	438
	Debt take overs		-	-
	Total		**130**	**438**

		Note	2023/24 R'000	2022/23 R'000
6.3	**Debts written off**	6.3		
	Nature of debts written off			
	Other debt written off			
	Debt written off related to deceased ex employees		130	438
				-
	Total		130	438
	Total debt written off		**130**	**438**

		Note	2023/24 R'000	2022/23 R'000
7.	**Transfers and Subsidies**			
	Provinces and municipalities	38, 39	1,917	2,062
	Departmental agencies and accounts	Annexure 1B	2,506,958	2,657,566
	Public corporations and private enterprises	Annexure 1D	2,763,726	2,187,805
	Non-profit institutions	Annexure 1F	20,000	-
	Households	Annexure 1G	12,588	9,243
	Total		**5,305,189**	**4,856,676**

An increase in the above transfers to Non Profit Institutions relate to funds transferred to Gauteng Taxi Industry Trust.

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		Note	2023/24 R'000	2022/23 R'000
7.1	**Donations made in kind (not included in the main note)**			
	List in-kind donations made	Annexure 1J		
	Sunrise Day Care Centre, Umkhathizwe Primary School & Petit High School (MEC Back		125	81
	Kitso Information and Development Centre		-	173
	Advanced children fro success(ACFS)		-	281
	Donation made to retires employees		-	61
	Boipatong, Alafang, Morutathuto, Khutsong Women Hostel, Tshireletso Orphanage		170	-
	Total		**295**	**569**

		Note	2023/24 R'000	2022/23 R'000
8.	**Expenditure for capital assets**			
	Tangible capital assets		**1,614,361**	**1,076,257**
	Buildings and other fixed structures		1,599,980	1,060,485
	Machinery and equipment		14,381	15,772
	Intangible capital assets	**32**	**142**	**7**
	Software		142	7
	Total		**1,614,503**	**1,076,264**

		Voted Funds R'000	Aid assistance R'000	TOTAL R'000
8.1	**Analysis of funds utilised to acquire capital assets - 2023/24**			
	Tangible capital assets	**1,614,361**	**-**	**1,614,361**
	Buildings and other fixed structures	1,599,980	-	1,599,980
	Machinery and equipment	14,381	-	14,381
	Intangible capital assets	**142**	**-**	**142**
	Software	142	-	142
	Total	**1,614,503**	**-**	**1,614,503**

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	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
8.2 Analysis of funds utilised to acquire capital assets - 2022/23			
Tangible capital assets	**1,076,257**	**-**	**1,076,257**
Buildings and other fixed structures	1,060,485	-	1,060,485
Machinery and equipment	15,772	-	15,772
Land and subsoil assets	-	-	-
Intangible capital assets	**7**	**-**	**7**
Software	7	-	7
Total	**1,076,264**	**-**	**1,076,264**

	2023/24	2022/23
	R'000	R'000
8.3 Finance lease expenditure included in Expenditure for capital assets		
Tangible capital assets		
Machinery and equipment	-	1,737
Total	**-**	**1,737**

	Note	2023/24	2022/23
		R'000	R'000
9. Cash and Cash Equivalents			
Consolidated Paymaster General Account		975,752	1,437,803
Cash receipts		1,077	-
Disbursements		(192)	-
Cash on hand		59	59
Total		**976,696**	**1,437,862**

Included in total cash and cash equivalent is R1,077 which was lost in the hands of an employee, as at the end of the reporting period, the matter was reported to the SAPS and the employee in question is put on precautionary suspension. As at the end of the reporting period, it was unclear whether the amount will be ever received.

		Note	2023/24 R'000	2022/23 R'000
10.	**Prepayments and Advances**			
	Travel and subsistence		-	-
	Advances paid (Not expensed)	10.1	-	-
	Total		-	-

		Note	'Balance as at 1 April 2023 R'000	in the current year R'000	2023/24 Add/Less: Other R'000	Year prepayments R'000	Amount as at 31 March 2024 R'000
10.3	**Prepayments (Expensed)**						
	Listed by economic classification						
	Goods and services		-	-	-	61,477	61,477
	Total		-	-	-	**61,477**	**61,477**

		'Balance as at 1 April 2022 R'000	Less: Received in the current year R'000	2023/24 Add/Less: Other R'000	Add: Current Year prepayments Add: Current	Amount as at 31 March 2023 R'000
	Prepayments (Expensed)					
	Listed by economic classification					
	Goods and services	-	-	(7,317)	7,317	-
	Total	-	-	**(7,317)**	**7,317**	-

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	Note	2023/24 'Balance as at 1 April 2023 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year advances R'000	Amount as at 31 March 2024 R'000
10.4 Advances paid (Expensed)						
National departments		283	(283)		5,307	5,307
Provincial departments		-				-
Public entities		-	-	-	3,700	3,700
Other institutions		-	-	-		-
Total		**283**	**(283)**	**-**	**9,007**	**9,007**

The advance paid during the reporting period relates to the amount paid to the National School of Government for 2024/25 trainings. Further advance was made to g-FleeT Management pertaining to mobile DLTCs.

	2023/24 'Balance as at 1 April 2022 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year advances	Amount as at 31 March 2023 R'000
Prepayments (Expensed)					
National departments	506	(728)	-	505	283
Total	**506**	**(728)**	**-**	**505**	**283**

		Note	2023/24 Current R'000	2023/24 Non-current R'000	2023/24 Total R'000	2022/23 Current R'000	2022/23 Non-current R'000	2022/23 Total R'000
11.	**Receivables**							
	Claims recoverable	11.1	165		165	1,258	-	1 258
	Recoverable expenditure	11.3	405		405	1,592	-	1 592
	Staff debt	11.4	6,386		6,386	2,539	-	2 539
	Other receivables	11.5	-	786	786	-	786	786
	Total		**6,956**	**786**	**7,742**	**5,389**	**786**	**6 175**

		Note	2023/24 R'000	2022/23 R'000
11.1	**Claims recoverable**			
	National departments	11	-	126
	Provincial departments		165	9
	Public entities		-	1,123
	Total		**165**	**1,258**

		Note	2023/24 R'000	2022/23 R'000
11.3	**Recoverable expenditure (disallowance accounts)**			
	(Group major categories, but list material items)	11		
	DEPOSIT ACCOUNT:DOM		-	849
	SAL:TAX DEBT:CA		1	1
	SALREVERSAL CONTROL		308	636
	SAL:DEDUCTION DISALL ACC:CA		85	71
	SAL:GEHS REFUND CONTROL ACC:CA		-	24
	SAL:MEDICAL AID :DOM		11	11
	Total		**405**	**1,592**

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	Note	2023/24 R'000	2022/23 R'000
11.4 Staff debt			
(Group major categories, but list material items)	11		
BREACH OF CONTRACT EX-EMPLOYEE		199	182
EMPLOYEE		460	149
EX-EMPLOYEE		5,516	2,015
SUPPLIER		211	193
Total		**6,386**	**2,539**

An increase in staff debt results from the undue payments made to some of the employees. As at the end of the reporting period, the department is in the process of recovering the debt.

	Note	2023/24 R'000	2022/23 R'000
11.5 Other receivables			
OTHER	11	786	786
		-	-
Total		**786**	**786**

Included in other debtors is an amount that relates to security deposit for the building leased for the Xavier Driver Licence Testing Centre (DLTC).

	Note	2023/24 R'000	2022/23 R'000
11.6 Impairment of receivables	11		
Estimate of impairment of receivables		188	72
Total		**188**	**72**

		Note	2023/24 R'000	2022/23 R'000
12.	**Voted Funds to be Surrendered to the Revenue Fund**			
	Opening balance		791,154	774,461
	Prior period error			
	As restated		791,154	774,461
	Transfer from statement of financial performance (as restated)		326,696	791,154
	Conditional grants surrendered by the provincial department			
	Paid during the year		(791,159)	(774,461)
	Closing balance		**326,691**	**791,154**

		Note	2023/24 R'000	2022/23 R'000
12.3	**Reconciliation of unspent conditional grants**			
	Total conditional grants received		4,025,743	3,322,992
	Total conditional grants spent		(3,808,739)	(2,718,612)
	Due by the Provincial Revenue Fund		**217,004**	**604,380**

		Note	2023/24 R'000	2022/23 R'000
13.	**Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**			
	Opening balance		648,474	368,956
	Prior period error		-	-
	As restated	13.1	648,474	368,956
	Transfer from Statement of Financial Performance (as restated)		5,006,665	4,613,705
	Paid during the year		(5,000,064)	(4,334,187)
	Closing balance		**655,075**	**648,474**

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		Note	2023/24 R'000	2022/23 R'000
14.	**Payables - current**			
	Other payables	14.1	186	2,563
	Total		**186**	**2,563**

		Note	2023/24 R'000	2022/23 R'000
14.1	**Other payables**			
	(Identify major categories, but list material amounts)	14		
	OUTSTANDING PAYMENTS: DOM		-	3
	SAL: PERSAL EBT CONTROL ACC: DOM		-	63
	SAL: INCOME TAX:CL		99	1,689
	TELEPHONE CONTROL ACC:CL		3	-
	BANK ADJUSTMENT ACC:DOM		-	784
	SAL:GARNEE ORDER:CL		-	1
	SAL:ABC RECALLS:CA		82	2
	SAL FINANCIAL INSTI		-	21
	SAL:PENSION FUND:CL		2	-
	Total		**186**	**2,563**

		Note	2023/24 R'000	2022/23 R'000
15.	**Net cash flow available from operating activities**			
	Net surplus/(deficit) as per Statement of Financial Performance		5,333,361	5,404,859
	Add back non cash/cash movements not deemed operating activities		(4,180,664)	(4,033,448)
	(Increase)/decrease in receivables		(1,567)	(651)
	(Increase)/decrease in prepayments and advances		-	-
	Increase/(decrease) in payables – current		(2,377)	(413)
	Proceeds from sale of investments		-	-
	Expenditure on capital assets		1,614,503	1,076,264
	Surrenders to Revenue Fund		(5,791,223)	(5,108,648)
	Voted funds not requested/not received		-	-
	Net cash flow generated by operating activities		**1,152,697**	**1,371,411**

		Note	2023/24 R'000	2022/23 R'000
16.	**Reconciliation of cash and cash equivalents for cash flow purposes**			
	Consolidated Paymaster General account		975,752	1,437,803
	Cash receipts		1,077	-
	Disbursements		(192)	-
	Cash on hand		59	59
	Total		**976,696**	**1,437,862**

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		Note	2023/24 R'000	2022/23 R'000
17.	**Contingent liabilities and contingent assets**			
17.1	Contingent liabilities			
	Liable to Nature			
	Claims against the department	Annexure 3B	420 818	409,314
	Intergovernmental payables	Annexure 5	23 024	3,801
	Total		**443 842**	**413,115**

***The claims against the department as disclosed above is mainly relating to the summons issued to the department as a result of pothole claims and contractual matters, while other intergovernmental payables relate to unconfirmed legal claims relating to the National Department of Justice.*

		Note	2023/24 R'000	2022/23 R'000
17.2	**Contingent assets**			
	Nature of contingent asset			
	Construction of Road K174 interchange (R42) with R59 (P156-2)			-
	Design and review of various intersections within Allandale and Woodmead		-	97,410
	Construction for the upgrade of provincial road 374 (Beyers Naude Avenue) between Peter Road and the N14		-	10,000
	Total		**-**	**107,410**

The K73 project has been complete and the contingent asset in the form of developer contribution has been capitalised amount to R18.7 million which is the actual cost incurred by the developer. The remaining balance of R78.6 million which has not been utilised remain a saving by the developer on this project.

The K31 project, the developer has fully contributed towards the project, but the project remains incomplete because of termination of the contractor due to performance and the Department will be reappointing a new contractor to finalise the construction of the K31 project.

		Note	2023/24 R'000	2022/23 R'000
18.	**Capital commitments**			
	Buildings and other fixed structures		1 348 351	2 061 193
	Total		**1 348 351**	**2 061 193**

A reduction in in the current year capital commitments was mainly due to payments made for progress certificates on several existing projects undertaken and completed projects while some of the projects have been cancelled during the current financial year.

		Note	2023/24 R'000	2022/23 R'000
19.	**Accruals and payables not recognised**			
19.1	**Accruals**			

Listed by economic classification	**30 days**	**30+ days**	**Total**	**Total**
Goods and services	32,036		32,036	57,729
Interest and rent on land	-	-	-	-
Transfers and subsidies	86,539		86,539	113,270
Capital assets	202,218		202,218	89,554
Other	30,220		30,220	38,906
Total	**351,013**	**-**	**351,013**	**299,459**

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Listed by programme level	Note	2023/24 R'000	2022/23 R'000
Administration		8,396	28,177
Transport infrastructure		201,449	123,681
Transport operations		109,721	97,193
Transport regulation		31,447	50,408
Total		**351,013**	**299,459**

19.2 Payables not recognised

Listed by economic classification	30 days	30+ days	Total	Note	2023/24 R'000	2022/23 R'000
Goods and services	2,126		2,126		2,126	275
Interest and rent on land	-		-		-	-
Transfers and subsidies	-		-		-	4
Capital assets	3,545		3,545		3,545	112,831
Other	-		-		-	-
Total	**5,671**	**-**	**5,671**		**5,671**	**113,110**

Listed by programme level	Note	2023/24 R'000	2022/23 R'000
Administration		1,896	351
Transport infrastructure		3,548	112,759
Transport operations		-	-
Transport regulation		227	-
Total		**5,671**	**113,110**

Included in the above totals are the following:	Note	2023/24 R'000	2022/23 R'000
Confirmed balances with departments	Annexure 5	1,811	42,077
Confirmed balances with other government entities	Annexure 5	32,208	38,567
Total		34,019	80,644

		Note	2023/24 R'000	2022/23 R'000
20.	**Employee benefits**			
	Leave entitlement		42,968	43,285
	Service bonus		20,614	18,504
	Capped leave		10,398	11,442
	Other		1,895	13,524
	Total		**75,875**	**86,755**

**Leave entitlement amount includes a negative balance of R559,607.24 that resulted from pro-rata leave credits as at 31 March 2024. **Other amount comprises of R1,473,951.83 and R43,272.48 for salaries relating to seconded officials from DCS and seconded official from G-Fleet respectively as at 31 March 2024 and Long service awards in a monetary value due to employees for serving the DRT for longer than 20 yrs, 30 yrs and 40 yrs amounting to R65,394.00, R108,985.00 and R203,448.00 respectively.*

Included in the above totals are the following:	Note	2023/24 R'000	2022/23 R'000
Confirmed balances with departments	Annexure 5	1474	-
Confirmed balances with other government entities	Annexure 5	44	-
Total		**1,518**	**-**

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21. Lease commitments

21.1 Operating leases

2023/24	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	19,910	2,390	22,300
Later than 1 year and not later than 5 years	-	-	18,105	2,081	20,186
Later than five years	-	-	-	-	-
Total lease commitments	**-**	**-**	**38,015**	**4,471**	**42,486**

2022/23	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	17,745	1,195	18,940
Later than 1 year and not later than 5 years	-	-	31,842	304	32,146
Later than five years	-	-	-	-	-
Total lease commitments	**-**	**-**	49,587	1,499	51,086

Included in the operating lease commitment is the lease agreement relating to the leased facilities at the Driving Licence Testing Centre (Xavier Junction Premises) which expires in 2025 as well as other DLTCs located at various malls as part of TISH programme expiring in 2027. The future minimum lease payments expected to be made for the next twelve months and not later than five years is R21.800 million and R18.170 million respectively. The amount relating to Xavier DLTC includes annual escalation of 6% while the amount for other DLTCs includes annual escalation that ranges between 5.5% and 8%. The commencement date of the lease for Maponya mall DLTC is May 2024 while the occupational date is March 2024, however there is a rent free in March & April 2024.

		Note	2023/24 R'000	2022/23 R'000
22.	**Accrued departmental revenue**			
	Tax revenue		1,055,416	1,451,991
	Total		**1,055,416**	**1,451,991**

The above balance as disclosed include fraudulent transaction as reported from various collecting agents amounting to R401.3 million. Through various engagements the Road Traffic Management Corporation (RTMC) committed to include preventative controls such as:

1. Conversion of a 3G APN from dynamic to static (as this will avoid location movement of the 3G access card).

2. NATIS Biometric Login as this will allow traceability of exact individual accessing eNaTIS computer equipment.

3. Locking of workstation to single MAC address; and

4. Clean – up of workstation IDs.

RTMC started installation of biometric access control system (171 computers already installed). However, this represents only about 14%. The department has concluded a contract with the Road Traffic Management Corporation to recover all fees lost due to fraudulent activities at a commission of 40% of whatever is recovered. The arrangement was supported by the Gauteng Provincial Treasury.

		Note	2023/24 R'000	2022/23 R'000
22.1	**Analysis of accrued departmental revenue**			
	Opening balance		1,451,991	998,034
	Less: Amounts received		(4 925 992)	(4 548 191)
	Add: Amounts recognised		5 246 658	5 026 887
	Less: Amounts written-off/reversed as irrecoverable		(714 906)	(24 739)
	Less: Amounts transferred to receivables for recovery		-	-
	Recovered Amount retained by RTMC		(2,335)	-
	Closing balance		**1,055,416**	1,451,991

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		Note	2023/24 R'000	2022/23 R'000
22.2	**Accrued department revenue written off**			
	Nature of losses			
	(Group major categories, but list material items)			
	Accrued department revenue written off		714,906	24,739
	Total		**714,906**	**24,739**

		Note	2023/24 R'000	2022/23 R'000
23.	**Unauthorised, Irregular and Fruitless and wasteful expenditure**			
	Unauthorised expenditure		-	-
	Irregular expenditure		917,985	2,316,982
	Fruitless and wasteful expenditure		3,432	2,516
	Total		**921,417**	**2,319,498**

		Note	2023/24 R'000	2022/23 R'000
24.	**Related party transactions**			
	Total		-	-

The Gauteng Department of Roads and Transport is related to its entities under the control of the MEC; g-FleeT Management, TAG and Gautrain Management Agency (GMA), below are transactions made to entities during the financial year (2023/24): g-FleeT Management - R37.7 million payments made for fleet services and salaries, Gautrain Management Agency (GMA) R 2.7 billion (Total value of transfer payments made as at 31 March 2024) and Gauteng Transport Authority/Transport Authority for Gauteng (TAG), total expenditure of R29.6 million made at as 31 March 2024, these transactions were at arm's length. Key Management Personnel are deemed to be related parties for 2023/24 financial year a total amount of R 22.2 million was paid as compensation to Key Management Personnel. Please refer to note 25 for a detailed breakdown of payments made in 2023/24 financial year as compensation to Key Management Personnel.

			Note	2023/24 R'000	2022/23 R'000
25.	**Key management personnel**				
	Political office bearers (provide detail below)	1		2,142	2,143
	Officials:				-
	Level 15 to 16	7		11,338	9,597
	Level 14	10		8,797	9,431
	Total			22 277	21 171

		Note	2023/24 R'000	2022/23 R'000
26.	**Public Private Partnership**			
	Concession fee received			
	MTEF		2,506,958	2,657,566
			2,506,958	2,657,566

The Department on behalf of the Gauteng Province has in existence a concession agreement with Bombela Consortium for the design, construction, and operation of a rapid rail link between Pretoria and Johannesburg, and Johannesburg and O.R. Tambo International Airport, consisting of 80km's of rail and 10 stations. The management and oversight of the concession agreement for the Gautrain Rapid Rail Link Project is undertaken by the Gautrain Management Agency, a schedule 3C provincial public entity which was established in terms of the Gautrain Management Act, Act No 5 of 2006.

		Note	2023/24 R'000	2022/23 R'000
27.	**Provisions**			
	Retention		120,966	89,106
	Total		120 966	89 106

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27.1 Reconciliation of movement in provisions - 2023/24

	Retention R'000	Litigations R'000	Provision 3 R'000	Provision 4 R'000	Total R'000
Opening balance	89,106	-	-	-	89,106
Adjustments	(3,139)	-	-	-	(3,139)
Restated Opening balance	85,967	-	-	-	85,967
Increase in provision	49,175	-	-	-	49,175
Settlement of provision	(14,176)	-	-	-	(14,176)
Closing balance	**120,966**	**-**	**-**	**-**	**120,966**

The opening balance was adjusted as a result of erroneous exclusion of VAT from the prior year closing balance.

Reconciliation of movement in provisions - 2022/23

	Retention R'000	Litigations R'000	Provision 3 R'000	Provision 4 R'000	Total R'000
Opening balance	65,985	-	-	-	65,985
Increase in provision	56,247	-	-	-	56,247
Settlement of provision	(19,416)	-	-	-	(19,416)
Unused amount reversed	13,710)	-	-	-	(13,710)
Closing balance	**89,106**	**-**	**-**	**-**	**89,106**

	2023/24 R'000
28. Non-adjusting events after reporting date	
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	
Total	-

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance R'000	Value R'000	Additions R'000	Disposals R'000	Closing R'000
MACHINERY AND EQUIPMENT	**498,974**	**-**	**13,567**	**13,966**	**498,575**
Transport assets	359,959		-	12,140	347,819
Computer equipment	65,801		4,864	940	69,725
Other machinery and equipment	26,412		827	298	26,941
Furniture and office equipment	46,802		7,876	588	54,090
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**498,974**	**-**	**13,567**	**13,966**	**498,575**

Movable Tangible Capital Assets under investigation

During the year under review approval has been granted to disposed assets to the value of R13 million and these assets comprises of mainly transport assets to the value of R12 million . The remaining balance relates to disposals for office furniture, computer equipment & other machinery.

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation	Number	Value R'000
Machinery and equipment	1,788	32,461
Total	1,788	32,461

Included in the closing balance of Movable assets is the amount of R32.4 million relating to assets that could not be traced during the intensive assets verification. The asset under investigation consists of includes among other thing transport assets, computer equipment, furniture & office, and other machinery & equipment. A separate register with progress made to date has been kept as part of the action and consequence management.

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29.1 Movement for 2022/23

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance R'000	Prior period R'000	Additions R'000	Disposals R'000	Closing R'000
MACHINERY AND EQUIPMENT	**492,106**	**28**	**14,568**	**7,728**	**498,974**
Transport assets	359,959	-	-	-	359,959
Computer equipment	62,950	-	8,923	6,072	65,801
Furniture and office equipment	26,313	-	868	769	26,412
Other machinery and equipment	42,884	28	4,777	887	46,802
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**492,106**	**28**	**14,568**	**7,728**	**498,974**

29.1.1 Prior period error

Nature of prior period error	Note	2022/23 R'000
Relating to 2022/23 Other machinery and equipment		28
Total prior period errors		**28**

The prior year balance was restated because of assets fair valued as disclosed above.

29.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	20	-	38,609	-	38,629
Value adjustments	-	-	-			-
Additions	-	-		467	-	467
Disposals	-	(19)		(3,637)	-	(3,656)
TOTAL MINOR CAPITAL ASSETS	**-**	**1**	**-**	**35,439**	**-**	**35,440**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	3	-	3
Number of minor assets at cost	-	1	-	26,226	-	26,227
TOTAL NUMBER OF MINOR ASSETS	**-**	**1**	**-**	**26,229**	**-**	**26,230**

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	4,603	7,153

Included in the closing balance of Movable assets is the amount of R7 million relating to assets that could not be traced during the intensive assets verification. These assets under investigation consists of computer equipment, furniture & office equipment, and other machinery & equipment. A separate register with progress made to date has been kept as part of the action and consequence management.

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	20	-	42,004	-	42,024
Prior period error	-	-	-	244		244
Additions	-	-	-	697	-	697
Disposals	-	-	-	(4,336)	-	(4,336)
TOTAL MINOR CAPITAL ASSETS	**-**	**20**	**-**	**38,609**	**-**	**38,629**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	133	-	133
Number of minor assets at cost	-	-	-	27,157	-	27,157
TOTAL NUMBER OF MINOR CAPITAL ASSETS	**-**	**-**	**-**	**27,290**	**-**	**27,290**

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		Note	2022/23 R'000
29.2.1	**Prior period error**		
	Nature of prior period error		
	Relating to 2022/23 (affecting the opening balance)		244
	Minor Asset: Machinery and Equipment		244
	Minor Assets Duplicate		
	Relating to 2022/23		-
	Minor Assets Duplicate		
	Total		**244**

The prior year error was as result of Library Books which were erroneously excluded and some assets which were fair valued.

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	43,906	142	14,464	29,584
TOTAL INTANGIBLE CAPITAL ASSETS	**43,906**	**142**	**14,464**	**29,584**

30.1 Movement for 2022/23

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	43,899	-	7	-	43,906
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**43,899**	**-**	**7**	**-**	**43,906**

30.1.1 Prior period error

	Note	2022/23 R'000
Nature of prior period error		
Relating to years before the previous year (affecting the opening balance)		-
Software		
Relating to 2022/23		-
Total		**-**

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31. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**40,799,720**	**838,904**	**-**	**41,638,624**
Other fixed structures	40,799,720	838,904	-	41,638,624
LAND AND SUBSOIL ASSETS	**505,653**	**43,333**	**-**	**548,986**
Land	505,653	43,333	-	548,986
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**41,305,373**	**882,237**	**-**	**42,187,610**

Movement for 2022/23

31.1 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance R'000	Prior period R'000	Additions R'000	Disposals R'000	Closing R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**40,665,723**	**132,389)**	**266,386**	**-**	**40,799,720**
Other fixed structures	40,665,723	132,389)	266,386	-	40,799,720
LAND AND SUBSOIL ASSETS	**494,824**	**73**	**10,756**	**-**	**505,653**
Land	494,824	73	10,756	-	505,653
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**41,160,547**	**132,316)**	**277,142**	**-**	**41,305,373**

31.1.1 Prior period error	Note	2022/23 R'000
Nature of prior period error		
Relating to years before the previous financial year (affecting the opening balance)		**(132,316)**
Other fixed structures		(132,389)
Land		73
Relating to 2022/23		-
Total		**132,316)**

The prior period error of R132 million is mainly as a result corrections made in the bridge register due to transferred roads out of the Department when the Roads were transferred to National Department of Transport (SANRAL),these roads included the road furniture being bridges which are within the Moloto road and this has since be formally proclaimed as a National Road.

31.2 IMMOVABLE TANGIBLE CAPITAL ASSETS: CAPITAL WORKING IN PROGRESS 31 MARCH 2024

	Note Annexure 7	Opening Balance 1 April 2023 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2024 R'000
Buildings and other fixed structures		2,487,488	1,566,538	820,128	3,233,898
TOTAL		**2,487,488**	**1,566,538**	**820,128**	**3,233,898**

Payables not recognised relating to Capital WIP	2023/24 R'000	2022/23 R'000
Payables not recognised	942	163,622
Accruals	116,546	-
Total	**117,488**	**163,622**

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CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2023

	Note Annexure 7	Opening balance R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2023 R'000
Buildings and other fixed structures		1,734,961	(30,814)	1,049,727	266,386	2,487,488
TOTAL		**1,734,961**	**(30,814)**	**1,049,727**	**266,386**	**2,487,488**

The prior period error of R30 million is mainly as a result Moloto road payment which was included in the CWIP while the actual road has been proclaimed to be National Road thus the new custodian is Department of Transport (SANRAL).

33. Principal-agent arrangements

33.1 Department acting as the principal

	2023/24	2022/23
	R'000	R'000
Ekurhuleni Metropolitan Municipality	384,133	373,754
Mogale City	30,014	27,574
Sedibeng Municipality	89,430	84,765
Merafong Municipality	12,073	12,686
RTMC Online & DLTC	152,561	62,735
City of Johannesburg	430,776	376,538
Tshwane Metropolitan Municiplity	315,068	281,784
South African Post Service	123,565	169,800
Gautrain	6,067	2,851
Randwest and Agency fee on recovery	26,770	28,207
Total	**1,570,457**	**1,420,694**

*The above municipalities are collecting revenue on behalf of the Department in terms of the Road Traffic Act. For the service, they render on behalf of the Department they are entitled to a range between 20% or 100% agency fee (commission) as per signed service level agreement. If these municipalities fail to deposit net revenues collected to the Department for a period of two months, the Department will cut the supply of the face value forms for three (3) or more months. In addition, where continuous deficiencies are identified, the Department will assign management and supervisory staff to oversee the operations of this function within the defaulting municipality and should the misadministration or unacceptable performance perpetuate then the function to perform Registering and Testing Authority will be withdrawn. In the event where the principal arrangement is terminated, the municipality is required to pay over any outstanding amounts owing, return all the computer equipment's purchased for the purposes of administering this function and lastly the Department at its own expense will remove these equipment's from the municipal premises. *Merafong is under administration thus surrender 100% of collected revenue to the Department. The Department of Infrastructure Development (DID) is facilitating the projects of rehabilitation maintenance and construction of DLTCs on behalf of the Department. No agency fees were paid to DID in the current financial year. The Gautrain Management Agency (GMA) was established to co-ordinate, manage, and play an oversight role in terms of the implementation and operational side of Gautrain Rapid Rail Link Project and they also serve as an Agent in rendering the DLTCs functions together with the Road Traffic Management Corporation (RTMC) on behalf of the Department. For additional information pertaining to transfers to GMA please refer to Note 8 and 27.*

34. Statement of Conditional Grants received

	GRANT ALLOCATION					SPENT				2022/23	
NAME OF GRANT	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (overspending)	% of available funds spent by dept	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public Transport Operations Grant	2,850,898	118,242	-	-	2,969,140	2,969,140	2,752,140	217,000	92%	2,633,077	2,078,110
Provincial Roads Maintenance Grant	1,092,661	-	(40,179)	-	1,052,482	1,052,482	1,052,478	4	100%	680,058	630,645
Expanded Public Works Programme Grant	4,121	-	-	-	4,121	4,121	4,121	-	100%	9,857	9,857
Total	**3,947,680**	**118,242**	**(40,179)**	**-**	**4,025,743**	**4,025,743**	**3,808,739**	**217,004**		**3,322,992**	**2,718,612**

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35. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER				
NAME OF MUNICIPALITY	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Mun B/Acc:Vehicle Licences Mun	2,300		(400)	1,900	1,917		-	2,310	2,062
	2,300	-	(400)	1,900	1,917	-	-	2,310	2,062

36. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information

	Note	2023/24 R'000	2022/23 R'000
37. NATURAL DISASTER OR RELIEF EXPENDITURE	Annexure 11		
Compensation of employees		30,709	27,977
Goods and services		-	46
Total		**30,709**	**28,023**

The noted disclosed all Covid 19 related expenditure incurred for the year under review which includes the Covid Fund, Presidential Youth Employment Initiative and other Covid 19 projects.

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	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Mun B/Acc:Vehicle Licences Mun	2,300	-	(400)	1,900	1,900	-	-	1,900	1,917	-	101%	2,310	2,062
Total	**2,300**	**-**	**(400)**	**1,900**	**1,900**	**-**	**-**	**1,900**	**1,917**	**-**		**2,310**	**2,062**

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS								
	2023/24				2022/23			
	TRANSFER ALLOCATION				TRANSFER			
DEPARTMENT/AGENCY/ACCOUNT	Adjusted	Roll Overs	Adjustments	Total	Actual	% of Available	Final Budget	Actual
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Prov DA: Gautrain Man Agency	2,506,958	-	-	2,506,958	2,506,958	100%	2,657,566	2,657,566
Total	**2,506,958**	**-**	**-**	**2,506,958**	**2,506,958**		**2,657,566**	**2,657,566**

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ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES										
	2023/24				2022/23					
	TRANSFER ALLOCATION				EXPENDITURE					
NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public corporations Subsidies	**3,033,320**	**-**	**118,242**	**3,151,562**	**2,763,726**	**87.7%**	**-**	**2,763,723**	**2,867,915**	**2,187,805**
Public Transport Operations Grant	2,850,898		118,242	2,969,140	2,752,143	92.7%		2,752,140	2,730,550	2,078,110
North West Star Dermacation	182,422			182,422	11,583	6.3%		11,583	137,365	109,695
TOTAL	**3,033,320**	**-**	**118,242**	**3,151,562**	**2,763,726**		**-**	**2,763,723**	**2,867,915**	**2,187,805**

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ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	2023/24				2022/23			
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted	Roll Overs	Adjustments	Total	Actual	% of Available funds	Final Budget	Actual
NON-PROFIT INSTITUTIONS	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Transfers								
Gauteng Taxi Industry Trust	20,000	-	-	20,000	20,000	100%	-	-
Total	**20,000**	**-**	**-**	**20,000**	**20,000**		**-**	**-**

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ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2023/24 R'000	2022/23 R'000
Received in cash			
Donations			
Retail Motor Industry Organisation (RMI)	Cash donation received to cover the costs of the event venue	17	-
EKS Vehicle Tracking	Cash donation received to cover the costs of the event venue	92	-
New Number Plate Requisites (Pty) Ltd	Cash donation received to cover the costs of the event venue	25	-
Uniplate Group	Cash donation received to cover the costs of the event venue	25	-
Unique Number Plate	Cash donation received to cover the costs of the event venue	25	-
Afro Properties	Developer contribution towards the construction of Road K31	9,891	-
Century City Property	Developer contribution towards the construction of Road K73 Woodmead	18,776	-
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		**28,851**	**-**

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ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2022/23	
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
H/H:Empl S/Ben:Injury on duty	226	-	210	436	240	53%	2,360	277
H/H:Empl S/Ben:Leave gratuity	1,594	-	2,080	3,674	3,627	78%	3,440	5,661
H/H:Claims Against State (Cash)	2,000	-	10,710	12,710	8,721	65%	5,000	3,305
Total	**3,820**	**-**	**13,000**	**16,820**	**12,588**		**10,800**	**9,243**

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ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2023/24 R'000	2022/23 R'000
Made in kind		
Donations		
Sunrise Day Care Centre, Umkhathizwe Primary School & Petit High School (MEC Back to school)	125	81
Kitso Information and Development Centre	-	173
Advanced children fro success(ACFS)	-	281
Donation made to retires employees	-	61
Boipatong, Alafang, Morutathuto, Khutsong Women Hostel, Tshireletso Orphanage Centre & Sibongile Early Learning	170	-
Total donations	**295**	**596**
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	**295**	**596**

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ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024					
NATURE OF LIABILITY	Opening balance 1 April 2023	Liabilities paid/ cancelled/ reduced during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Litigations	409,314	76,971	65,467	-	420,818
TOTAL	**409,314**	**76,971**	**65,467**	**-**	**420,818**

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ANNEXURE 4

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total			Cash in transit at year end 2023/24*	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023		Receipt date up to six (6) working days after year end	Amount
DEPARTMENTS									
National Department of Rural Development and Land Reform		64	-	-	-	64			
Department of Small Business Development		62	-	-	-	62			
Gauteng Agriculture and Rural Development		1	-	-	-	1			
Department E-Government		8	-	-	-	8			
Gauteng Provincial Treasury	5		-	-	5	-			
Gauteng Department of Health	66			-	66	-			
KZN Department of Public Works	95				95	-			
Subtotal	**166**	**135**	**-**	**-**	**166**	**135**			**-**
OTHER GOVERNMENT ENTITIES									
g-FleeT Management	-	1,123	-	-	-	1,123			
Private Property Entity			786		786	-			
Subtotal	**-**	**1,123**	**786**	**-**	**786**	**-**			
Total	**166**	**1,258**	**786**	**-**	**952**	**1,258**			

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ANNEXURE 5

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2023/24*	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS								
Current								
National Department of Justice and Constitution Development	169	15,252	23,024	3,801	23,193	19,053		
Government Printing Works	326	10,750	-	-	326	10,750		
Department of Public Service and Administration	-	473	-	-	-	473		
Office of the Premier	92	2,999	-	-	92	2,999		
Gauteng Department of Infrastructure	697	-	-	-	697	-		
E-Government	300	-	-	-	300	-		
Department of Community Safety	1,701	12,603	-	-	1,701	12,603		
Subtotal	**3,285**	**42,077**	**23,024**	**3,801**	**26,309**	**45,878**		**-**

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GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2023/24*	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
OTHER GOVERNMENT ENTITY								
Current								
g-FleeT Management	1,925	1,848	-	-	1,925	1,848		
Road Traffic Management Corporation (RTMC)	23,144	27,676	-	-	23,144	27,676		
Driving Licence Card Account	6,320	7,391	-	-	6,320	7,391		
Road Traffic Infringement Agency	744	837	-	-	744	837		
Gautrain Management Agency	119	-	-	-	119	-		
Subtotal	**32,252**	**37,752**	**-**	**-**	**32,252**	**37,752**		
TOTAL INTERGOVERNMENTAL PAYABLES	**35,537**	**79,829**	**23,024**	**3,801**	**58,561**	**83,630**		

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ANNEXURE 6

INVENTORIES

	INVENTORIES FOR THE YEAR ENDED 31 MARCH 2024	Note	Clothing material and accessories	Materials and supplies	Other supplies- Face Values	Insert major category of inventory R'000	TOTAL R'000
	Opening balance		1,372	27,854	13,974	-	43,200
	Add/(Less): Adjustments to prior year balances		-	-	-	-	-
	Add: Additions/Purchases - Cash		4,639	13,264	2,540	-	20,443
	Add: Additions - Non-cash		648	253	-	-	901
	(Less): Disposals		-	-	-	-	-
	(Less): Issues		(3,793)	(14,353)	(4,018)	-	(22,164)
	Add/(Less): Received current, not paid (Paid current year, received prior year)		-	-	229	-	229
	Add/(Less): Adjustments			-	-	-	-
	Closing balance		**2,866**	**27,018**	**12,725**	**-**	**42,609**

	INVENTORIES FOR THE YEAR ENDED 31 MARCH 2023	Note	Clothing material and accessories	Materials and supplies	Other supplies- Face Values	category of R'000	TOTAL R'000
	Opening balance		1,061	30,929	12,904		44,894
	Add/(Less): Adjustments to prior year balances		-	-	-		-
	Add: Additions/Purchases - Cash		6,178	10,477	6,104		22,759
	Add: Additions - Non-cash		226	5,081	-		5,307
	(Less): Disposals		-	-	-		-
	(Less): Issues		(6,093)	(18,633)	(5,034)		(29,760)
	Add/(Less): Received current, not paid (Paid current year, received prior year)						-
	Add/(Less): Adjustments						-
	Closing balance		**1,372**	**27,854**	**13,974**		**43,200**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

ANNEXURE 7

Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2,487,489	1,566,538	820,128	3,233,899
Dwellings				-
Non-residential buildings				-
Other fixed structures	2,487,489	1,566,538	820,128	3,233,899
TOTAL	2,487,489	1,566,538	820,128	3,233,899

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Prior period errors	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1,734,961	(30,813)	1,049,727	(266,386)	2,487,489
Dwellings					
Non-residential buildings					
Other fixed structures	1,734,961	(30,813)	1,049,727	(266,386)	2,487,489
TOTAL	**1,734,961**	**(30,813)**	**1,049,727**	**(266,386)**	**2,487,489**

The prior period error of R30 million is mainly as a result Moloto road payment which was included in the CWIP while the actual road has been proclaimed to be National Road thus the new custodian is Department of Transport (SANRAL).

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

ANNEXURE 11

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	APRIL	MAY	JUN	Subtotal Q1	JUL	AUG	SEPT	Subtotal Q2	OCT	NOV	DEC	Subtotal Q3	JAN	FEB	MAR	Subtotal Q4	2023/24	2022/23
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	70	2,625	2,605	5,300	2,605	5,040	2,465	10,110	2,605	15	5,099	7,719	2,527	2,524	2,529	7,580	30,709	27,977
Goods and services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46
EXPENDITURE	70	2,625	2,605	5,300	2,605	5,040	2,465	10,110	2,605	15	5,099	7,719	2,527	2,524	2,529	7,580	30,709	28,023

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

ANNEXURE 12
ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4 AND 10)

Name of Entity	Sector of the entity	Description of goods, services, and/or capital assets paid for	Classification categories	Contract reference number	Total contract value	Contract commencement date	Contract end date	Frequency of the prepayment or advance	Balance outstanding as at 31 March 2024	Total amount prepaid / advanced in the current year	Less: goods, services or capital assets received in the current year	Add / (Less): Other	utstanding as at 31 March 2024	Reason for prepayment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary)
					R'000				R'000	R'000	R'000	R'000	R'000	
Prepayments														
Microsoft	Private	Software Licences	Goods and services	Agreement	12,959	4/1/2024	3/31/2025	Monthly	-	12,959	-	-	12,959	
Maponya Mall	Private	Rental for DTLC	Goods and services	Lease	36,882	5/1/2024	4/30/2027	Monthly	-	36,882	-	-	36,882	
Umphakathi Mall	Private	Rental for DTLC	Goods and services	Lease	4,952	3/1/2024	2/28/2027	Monthly	-	4,952	(413)	-	4,539	
Protea Glean Mall	Private	Rental for DTLC	Goods and services	Lease	4,083	11/1/2023	10/30/2026	Monthly	-	4,083	(1,701)	-	2,382	
Denlyn Mall	Private	Rental for DTLC	Goods and services	Lease	4,450	10/1/2023	9/30/2026	Monthly	-	4,450	(2,225)	-	2,225	
Mnadi Shopping Centre	Private	Rental for DTLC	Goods and services	Lease	4,979	10/1/2023	9/30/2026	Monthly	-	4,979	(2,389)	-	2,489	
TOTAL									**-**	**68,305**	**(6,828)**	**-**	**61,477**	
Advances														
Department of National			National departments	Agreement	5,307	4/1/2024	3/31/2025	Monthly	-	5,307	-	-	5,307	
School of Government	Government	Trainings	Public entities	Agreement	3,700	4/1/2024	3/31/2025	Monthly	-	3,700	-	-	3,700	
g-Fleet Management	Government	Mobile trucks	Please select										-	
TOTAL									**-**	**9,007**	**-**	**-**	**9,007**	
TOTAL PREPAYMENTS AND ADVANCES									**-**	**77,312**	**(6,828)**	**-**	**70,484**	

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

1. Annual Appropriation

1.1 Annual Appropriation

		2023/24			2022/23		
		Final Budget	Actual Funds Received	Funds not requested/ not received	Final Budget	Appropriation Received	Funds not requested/ not received
	Programmes	R'000	R'000	R'000	R'000	R'000	R'000
1)	ADMINISTRATION	480,962	480,962	-	423,578	423,578	-
2)	TRANSPORT INFRASTRUCTURE	3,401,414	3,401,414	-	2,190,186	2,190,186	-
3)	TRANSPORT OPERATIONS	3,148,178	3,148,178	-	2,862,866	2,862,866	-
4)	TRANSPORT REGULATION	448,229	448,229	-	350,465	350,465	-
5)	GAUTRAIN	2,506,958	2,506,958	-	2,657,566	2,657,566	-
	Total	**9,985,741**	**9,985,741**	**-**	**8,484,661**	**8,484,661**	**-**

Provide an explanation for funds not requested/not received

0

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

		Note		2023/24 Current R'000	2023/24 Non-current R'000	2023/24 Total R'000	2022/23 Current R'000	2022/23 Non-current R'000	2022/23 Total R'000
0	**Receivables**								
	Claims recoverable	11.2		165	0	165	1,258	0	1,258
	Trade receivables	11.3		0	0	0	0	0	0
	Recoverable expenditure	11.4		405	0	405	1,592	0	1,592
	Staff debt	11.5		6,386	0	6,386	2,539	0	2,539
	Other receivables		0	0	786	786	0	786	786
	Total			**6,956**	**786**	**7,742**	**5,389**	**786**	**6,175**

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

Summary of significant accounting policies

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

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

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

1. Basis of preparation

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

2. Going concern

   The financial statements have been on a going concern basis.

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

7. Revenue

7.1 Appropriated funds

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

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

Appropriated funds are measured at the amounts receivable.

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

7.2 Departmental revenue

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

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

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

· it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and

· the amount of revenue can be measured reliably.

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

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.

8. Expenditure

8.1 Compensation of employees 8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

8.2 Other expenditure

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

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

Finance lease assets acquired at the commencement of the lease term are recorded and measured at the lower of: the fair value of the leased asset; or if lower,

the present value of the minimum lease payments.

9. Aid assistance

9.1 Aid assistance received

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

CARA Funds are recognised when receivable and measured at the amounts receivable.

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

9.2 Aid assistance paid

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

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

10. Cash and cash equivalents

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

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

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

11. Prepayments and advances

Prepayments and advances are initially and subsequently measured at cost.

12. Loans and receivables

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

13. Investments

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

14. Financial assets

14.1 Financial assets (not covered elsewhere)

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

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

14.2 Impairment of financial assets

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

15. Payables

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

16. Capital assets

16.1 Immovable capital assets

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

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

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

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

16.2 Movable capital assets

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value. [Add this sentence on biological assets if the department has elected to revalue its biological assets at reporting date]

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

16.3 Intangible capital assets

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

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 Project costs: Work-in-progress

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

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

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

17. Provisions and contingents

17.1 Provisions

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

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 Capital commitments

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

18. Unauthorised expenditure

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

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either: · approved by Parliament or the Provincial Legislature with funding and the related funds are received; or

· approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or · transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the financial statements comprise of · unauthorised expenditure that was under assessment in the previous financial year;

· unauthorised expenditure relating to previous financial year and identified in the current year; and · Unauthorised incurred in the current year.

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: · fruitless and wasteful expenditure that was under assessment in the previous financial year;

· fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and · fruitless and wasteful expenditure incurred in the current year.

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

20. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: · irregular expenditure that was under assessment in the previous financial year;

· irregular expenditure relating to previous financial year and identified in the current year; and · irregular expenditure incurred in the current year.

21. Changes in accounting policies, estimates and errors

Changes in accounting policies are applied in accordance with MCS requirements.

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

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

22. Events after the reporting date

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

23. Principal-Agent arrangements

The department is party to a principal-agent arrangement for revenue collecting agents. In terms of the arrangement the department is the principal and is responsible for paying agency fees. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

24. Departures from the MCS requirements

The Department has complied with the provision of Modified Cash Standard

25. Capitalisation reserve

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

26. Recoverable revenue

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

VOTE 09 GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 March 2024

27. Related party transactions

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

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

28. Inventories (Effective from date determined by the Accountant-General)

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

29. Public-Private Partnerships

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

30. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

31. Transfer of functions

Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

gFleet MANAGEMENT
"Making your fleet our business"

G-FLEET MANAGEMENT

ANNUAL REPORT

2023/2024 FINANCIAL YEAR

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GENERAL INFORMATION

PART A

GENERAL INFORMATION

01 Entity owned and managed a fleet size of approximately six thousand seven hundred and fifty-three (6 753) vehicles as of 31 March 2024

02 The Entity kept an average age of fleet at less than 4 years (i.e. 3,5 years) during the financial year under review

03 **Percentage of rental days utilised for VIP self-drive vehicles, 58%** - the Entity achieved 72.62% against a target of 58%

04 **Percentage of rental days utilised for Pool vehicles, 77%** - the Entity achieved 89.10% against the target of 77%

05 **Percentage of vehicles auctioned as per approved list** - the Entity had a target of 80% of all approved vehicles to be sold and achieved 85 % against the set target for the year under review

1. TRADING ENTITY GENERAL INFORMATION

NAME OF TRADING ENTITY: g-FleeT Management

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POSTAL ADDRESS:	Private Bag X1 Bedfordview 2008
TELEPHONE NUMBER/S:	+27 11 372-8600
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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
BAS	Basic Accounting System
FIS	Fleet Information System
ESS	Employee Self Service
CRM	Client Relations Management
HoD	Head of Department
SLA	Service Level Agreement
WSP	Workplace Skills Plan
OD	Organizational Development
TMR	Transformation, Modernisation and Re-industrialization
BAC	Bid Adjudication Committee
FML	Full Maintenance Lease
CSD	Central Supplier Database
DPSA	Department of Public Service and Administration

3. OVERVIEW OF THE CHIEF EXECUTIVE OFFICER

MS. PULENG GADEBE-MABASO

ACTING CHIEF EXECUTIVE OFFICER

G-FLEET MANAGEMENT

OVERVIEW OF FINANCIAL YEAR

Background

g-FleeT Management (also herein referred to as The Entity) formally known as Gauteng Government Motor Transport is the Trading Entity of the Gauteng Department of Roads and Transport (GDRT). DRT established the trading entity in 2004 and the Entity was re-branded as g-FleeT Management in 2007. The main aim of The Entity is to provide motor transportation services to all government Departments at provincial, municipal, and national levels.

g-FleeT operates from Bedfordview, where the Head Office is based, with offices at 45 Commissioner Street, Johannesburg Central Business District, offices in Koedoespoort, Pretoria, and a kiosk at the OR Tambo International Airport, Kempton Park. The Entity has three (03) functional regional offices namely in Kwa-Zulu Natal, Eastern Cape, Western Cape. These mainly service regional and district offices of Gauteng-based National Departments and Municipalities who are key clients of g-FleeT.

g-FleeT clients are located mostly in Gauteng as National, Provincial and Local Government Departments. National Departments' regional offices in other provinces also utilize g-FleeT services.

Our clients are mostly permanent fleet users and are spread in other areas of the country in numbers as follows:

- National Level Clients: 27 clients with a total of 1371 vehicles
- Gauteng Departments: 16 clients with a total of 3885 vehicles.
- Limpopo Provincial Departments: 6 clients using short term rental services.
- Eastern Cape Provincial Government: 1 client using short-term services.

g-FleeT Management has a strong relationship with all its clients. Although overall products and services satisfaction perception rate varied amongst clients as demonstrated by the 2022/23 client satisfaction survey report and despite the challenges that the Entity continued to face, the overall customer satisfaction rate was 81.22%.

The Entity's operations strategy was approved during the 2021/22 financial year with a focus towards improved client satisfaction. The operations strategy includes other areas of human capital management and development, digitization of systems and processes, providing conducive work environment for our employees, improve internal control systems and corporate governance, zero tolerance for fraud and corruption and going green to improve environmental sustainability. The implementation of the operations strategy is aimed at improving our clients' experience, perception, and satisfaction with g-FleeT. The Entity aims to acquire more clients through actively promoting its services across all spheres of government.

Further to that, the Entity owned and managed a fleet size of approximately six thousand seven hundred and fifty-three (6 753) vehicles as of 31 March 2024. The fleet includes a wide range of the latest models of economy and commercial vehicles, including but not limited to sedans, SUV's, light commercial trucks, minibuses, and busses.

Services offered by The Entity

The Entity is mandated to provide effective, efficient, competitive, and reliable fleet services to government Departments. The Entity is financially self-sustainable and offer its services to all spheres of government at a fee. The Entity provided the following services to its clients during the year under review:

- Full Maintenance Lease (FML) – The FML is a long-term vehicle lease service offered by g-FleeT which is comprised of a fixed rental cost over a selected period of a minimum of twelve (12) months up to seven (7) years, depending on the type of vehicle and the functional needs of the client.
- Short-term motor rentals - is a short-term vehicle lease service offered by g-FleeT which is comprised of a fixed rental cost over a selected short period (less than 12 months).
- Chauffeur driven, which provides both driver and vehicle for hire over a short-term period.
- Fuel card services - for payment of the fuel and toll gate fees.
- Managed maintenance – a call centre to ensure authorization is only given for necessary maintenance that complies with manufacture's standards and is in line with manufacture's guidelines.
- Telematics, for tracking and monitoring of vehicles and drivers.
- Accident management and roadside assistance is offered on a 24/7 basis, and this assists our clients with towing and repairs of vehicles involved in accidents and ensuring the safety of our clients.
- License and traffic fine administration which is responsible for:
    - Motor vehicle registration and licensing
    - Ensuring that every fine is re-routed to the correct offender.

TOP MANAGEMENT'S PERSPECTIVE OF THE ENTITY

In complying with recommendations by the Auditor General in the 2022/23 report, the Entity had to revise its 2020-2025 Strategic Plan and its 2023/24 Annual Performance Plan (APP). These two plans were revised during the first month of the third quarter of the 2023/24 financial year and was approved at the end of October 2023.

The reasons for the revision are to specific indicators together with its Technical Indicator Description (TID).

The following outcome indicator of percentage of green vehicles in the Entity's fleet was revised because of the immaterial audit finding raised by AG during the 2022/23 financial year audit. The aim of this revised indicator is to be more inclusive of all types of eco-friendly vehicles and not to be limited to the measurement of the CO2 emissions only. The revised indicator considers new energy vehicles such as hybrid vehicles and electric vehicles which were previously excluded from the target.

The other revision to the 2023/24 APP, was the indicator for the Number of Integrated Fleet Management System (IFMS) Modules developed and signed off as per revised project plan. This indicator has been removed from the APP due to ongoing challenges experienced with external dependency factors which were impacting on the completion of the project. It was then agreed that the outcome and the TID will be removed from the APP.

The Department of e-Government was engaged in the development of the Integrated Fleet Management System (IFMS) due to the technical expertise required. However, eGovernment identified capacity challenges (a shortage of the required technical skills to develop the complete system) during the development of the system. Considering this challenge, eGovernment was tasked to engage State Information Technology Agency (SITA) on the development of the system. This engagement is currently underway to expedite the process.

The Entity worked very hard to improve the overall performance against the targets approved in the Revised Annual Performance Plan for 2023/2024 financial year. Out of eight (08) approved targets in the revised 2023/24 Annual Performance Plan, the Entity achieved all eight (08) targets. This translates into an overall percentage achievement of 100%.

Below is a summary of the Entity's performance:

IMPROVING EFFICIENCY AND CUSTOMER SERVICE

ACHIEVEMENTS

The Entity adopted several output indicators that are important to measure efficiency and to ensure financial sustainability of the Entity. These indicators measure the quality of service provided by the Entity to its customers, turnaround times and quality of vehicles provided by the Entity (i.e. age). Measuring efficiency enables g-FleeT Management to make the best possible use of the Entity's resources.

- **Average age of fleet, ≤4 years** – this outcome seeks to ensure that vehicles provided by g-FleeT Management are efficient and reliable. This is necessary to ensure that cost of maintaining vehicles is minimised. The Entity kept an average age of fleet at less than 4 years (i.e. 3,5 years) during the financial year under review.

  This was due to the acquisition of new vehicles and the disposal of old vehicles which yielded a positive outcome of the Entity's fleet age. This is a positive achievement, which ensures that the Entity delivers on its mission of "Providing reliable fleet to meet client needs".

MAXIMISING RETURN ON INVESTMENT

Return on Investment indicators are very important to g-FleeT Management as the Entity does not receive equitable share or any grant allocations. The demand for vehicles by client departments have a direct impact to the revenue generation of the Entity. The Entity strives to ensure that our fleet is optimally utilised. The utilization of vehicles will increase the return on investment and strengthen the stability, growth, and sustainability of the Entity.

- **Percentage of rental days utilised for VIP self-drive vehicles, 58%** - the Entity achieved 72.62% against a target of 58%. VIP self-drive service is a luxury car hire service, consisting of a variety of medium to large luxury sedans, utility vehicles, SUV's, minibuses, and busses and the service is offered without a driver. The vehicles under this category are available under short term rentals and are available from a period of one day to three months, with an option of renewal up to a maximum of 12 months.
- **Percentage of rental days utilised for Pool vehicles, 77%** - the Entity achieved 89.10% against the target of 77%. Pool vehicle services is available from a period of one day to three months, with an option of renewal up to a maximum of 12 months. The fleet includes a wide range of the latest models of economy and commercial vehicles, including light commercial trucks.
- **Percentage of vehicles auctioned as per approved list** - the Entity had a target of 80% of all approved vehicles to be sold and achieved 85 % against the set target for the year under review. The overachievement was due to the Entity encountering more bidders on its online auctions that required secondhand vehicles.

A total of **602** vehicles were sold during the financial year, resulting in revenue from auctions totaling **66.983 million.** This is a 23% decrease in revenue from auctions when compared to the previous financial year. The decrease is due to the delays experienced by the entity in finalizing the appointment and contracting of the new auctioneering company. The new auctioneering company was appointed for a period of 3 years commencing 01 August 2023.

The table below outlines the number of vehicles disposed of and revenue generated during the financial year under review.

Revenue collection – Disposal of Vehicles through Public Auctions

NO.	AUCTION DATE	FLEET SOLD (#)	TOTAL PROCEEDS (R)
1	12th-13th October 2023	380	45 091 041
2	07th-08th December 2023	222	21 892 581
TOTAL		**602**	**66 983 622**

REVENUE COLLECTION – LEASES OF VEHICLES

The Entity surpassed the 11% target in decreasing the average debtor days by reporting an average 18.57% achievement against this target. This percentage excludes the amounts owed by client departments that submitted written payment plans.

Despite the many fiscal challenges experienced by client departments, the Entity, through its robust debt collection strategy, was still able to surpass its planned revenue collections target of R1.020 billion by R57.3 million. This is a 2% increase in revenue collections when compared to the previous financial year. The increased revenue collections are attributed to the strong relationships and continued support received from the various client departments as well as the implementation of the Debtors Management Policy. However, the Entity has noted with concern the negative impact that the fiscal consolidation guidelines issued by National Treasury has had on average revenue growth when compared to the prior financial years. The Entity will continue to follow up on all outstanding accounts in line with the approved Debtors Management Policy.

The below table provides a synopsis of the revenue collection growth in the past five (5) years:

	2019/20	2020/21	2021/22	2022/23	2023/24
Source of Revenue	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Revenue Collected from Leases of vehicles	**884,718**	**836,827**	**933,239**	**1,055,178**	**1,077,289**
% Growth per year	**2.27%**	**-5%**	**11%**	**13%**	**2%**

SAFEGUARDING OUR VEHICLES

Percentage of in-service vehicles tracked, 93% - The purpose of installing comprehensive vehicle tracking units is to allow for g-FleeT owned vehicles to be tracked and traceable, monitor health of the vehicles, monitor driver behaviour, and ensure that the officials from various client departments and internally are driving safely. The comprehensive tracking system is used for route optimisation, location of a vehicle at a particular point in time, monitor mileage, speed etc. All these have a direct impact on the sustainability of the asset (vehicle) and safety efficiencies. The target for the financial year under review was 93% of in-service vehicles tracked and the Entity achieved 97%. The overachievement was due to various interventions to align information on FIS and with that of clients and the Entity.

SUSTAINABLE DEVELOPMENT FOR FUTURE GENERATION

- **Percentage of green vehicles in the Entity's fleet, 8%** – this target is required to ensure reduction in the carbon footprint (i.e. decreasing Green-House-Gas emissions produced by road transportation as expressed in the Green Transport Strategy for South Africa (2018-2050). The Entity is striving to minimise the amount of carbon footprint transmitted by its vehicles on the environment. As such, a target of 8% was set. The Entity achieved 8.3% (528/6296) of green vehicles in the Entity's fleet. This was due to an increase in the demand for green vehicles, concerted efforts were made to increase the number of green vehicles into the Entity's fleet by procuring 124 green vehicles which led to the achievement of the target.

MANAGING THE DEBTORS

- **Percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity), 11%** – while this is necessary for clean administration, it has direct implication on financial sustainability of the Entity. An annual target of 11% average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity) was set. The Entity reported 18.57% reduction in average debtors' collection days. The overachievement was due to intervention implemented by the Entity throughout the financial year, which included the CEO roadshows and one-on-one CFO engagements.

CLEAN ADMINISTRATION

Unqualified opinion from Auditor General of South Africa - a well governed institution is built on the principles of a clean administration. These principles promote good governance, transparency and accountability. In response to the audit outcome of the 2022/2023 financial year, the entity developed and implemented an audit improvement plan which was focused on addressing the audit findings raised by both internal and external auditors. This concerted effort and commitment made by management has contributed immensely to elevating the Entity's 2023/2024 audit outcome to the level of unqualified audit opinion with no findings (i.e. clean audit). Despite this great achievement, the entity has already commenced with the implement of further improvement plans to ensure sustainability of this much deserved audit outcome. The Entity wishes to express its appreciation to the Auditor-General of South Africa for its work in holding the Entity's management accountable to the principles good and clean governance.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

g-FleeT considers ICT as a strategic partner to its overall business strategy. This resulted in ensuring that modernisation and digitalisation becomes a critical part of the Entity's five-year strategy.

Although the target has been removed from the Annual Performance Plan, the Entity managed to complete and signed-off seven Business Requirement Specifications (BRS). The development of the remaining five modules has been put on hold as SITA has been appointed to complete the IFMS development on or before 31 March 2025. SITA is currently busy collating the User Requirement Specification.

REVITALISING THE TOWNSHIP ECONOMY

Contribution towards Transformation, Modernization, and Re-industrialization (TMR)

The output indicator is required to speed up growth and transforming the economy in the townships to create decent work and sustainable livelihoods in townships.

The Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013, promotes the achievement of the constitutional right to equality, increase broad-based and effective anticipation of black people in the economy and promote a higher growth rate, increased employment, and more equitable income distribution; and establish a national policy on broad-based black economic empowerment so as to promote the economic unity of the nation, protect the common market, and promote equal opportunity and equal access to government services.

The Gauteng Provincial Government has committed itself to a viable economic empowerment of all black people (historically disadvantaged individuals), in particular, Women, Youth, and People with Disabilities through diverse but integrated socio-economic strategies. It has set its Equity Targets relating to B-BBEE for all provincial departments and entities in the province to be met on monthly basis.

The table below outlines the provincial target currently:

Total awarded to HDI companies	Total awarded to WOMEN OWNED companies	Total awarded to YOUTH OWNED companies	Total awarded to PWD OWNED companies
80	40	10	5

Table 1.2. Provincial Equity Targets

Furthermore, the Gauteng Provincial Government has committed to achieving 40% of provincial spend on goods and services to support the Township Economy Revitalization (TER) programme. The Entity has committed itself to strive to meet the provincial targets as set by the Office of the Premier.

The tables below show how the Entity has performed on the Equity targets between the 2022/23 and 2023/24 financial year:

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: HISTORICALLY DISADVANTAGED INDIVIDUALS					
2022/23			2023/24		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
62	**89**	**30 294 411**	**81**	**94**	**18 242 695**

Table 1.3.: Analysis of Awards to HDI's

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: WOMEN					
2022/23			2023/24		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
37	**42**	**7 325 957**	**50**	**56**	**10 023 721**

Table 1.4.: Analysis of Awards to Women

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: YOUTH					
2022/23			2023/24		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
20	**20**	**4 683 813**	**29**	**28**	**8 407 776**

Table 1.5.: Analysis of Awards to Youth

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: PEOPLE WITH DISABILITIES					
2022/23			2023/24		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
7	**8**	**1 298 498**	**5**	**6**	**1 026 943**

Table 1.6: Analysis of Awards to PWD's

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: MILITARY VETERANS					
2022/23			2023/24		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
4	**4**	**479,079**	**2**	**5**	**324 251**

Table 1.7: Analysis of Awards to MV's

The table below outlines the provincial target currently on Township Economy Revitalization (TER) spent for 2023/24 financial year:

Month	Total Spent on Goods, Services and Construction	Proportion Spent on Township Based Suppliers	% TER Spent
Apr-23	1 735 861,11	1 535 888,80	88
May-23	2 231 500,78	953 004,06	43
Jun-23	772 315,31	208 339,26	27
Jul-23	1 964 110,82	785 021,75	40
Aug-23	676 073,76	238 082,92	35
Sep-23	2 654 877,53	1 242 472,70	47
Oct-23	2 083 060,89	1 997 598,31	96
Nov-23	2 561 191,62	598 791,52	23
Dec-23	1 944 678,38	1 075 919,54	55
Jan-24	719 716,62	238 082,92	33
Feb-24	858 352,23	806 058,15	94
Mar-24	1 751 487,65	245 069,65	14
TOTAL	**19 953 226,70**	**9 924 329,58**	**50**

- 40% of the Entity's discretionary procurement spend directed towards township suppliers **(Excluding Non-Discretionary procurement spend – e.g., transversal contracts RT3, RT15, RT46 and RT57 etc. Transactions from a tender process, all non-procurement transactions such as Municipal Accounts, Auditor General, Claims Against State. Procurement for other provinces eg KZN Regional Office, East London Regional Office and Cape Town Regional Office where suppliers are appointed are from that province).**

  The Entity achieved 50% of township spent on goods, service, and construction in support of the Provincial target. The target has however been removed from the Annual Performance Plan (APP) due to the audit finding received whereby auditors were questioning the fact that the definition was unclear and the fact there was no list of townships in line with the definition that is signed off by the Gauteng Department of Economic Development (DED).

The Entity committed to improve Occupational Health and Safety aspects through rehabilitating existing infrastructure to ensure compliance with the OHS Act. Several contractors were appointed through the Department of Infrastructure and Development (DID) to finalise and rehabilitate three buildings as well as rehabilitate other buildings currently used by g-FleeT staff.

Finally, an operations strategy for the Entity has been adopted and approved for implementation by the Office of Head of Department. The strategy details several programmes that must be implemented to improve efficiency in the operations of the Entity holistically. A Business case has been submitted to Department of eGovernment to ascertain whether they can assist with the development and implementation of the new fleet system.

INFRASTRUCTURE PROJECTS

As part of our continuous efforts to improve employees' work environment and operations, the Entity completed the refurbishments of three buildings at Bedfordview Head Office. The following buildings were refurbished:

- The state-of-the-art Wellness Centre with a fully-fledged canteen and gym area.
- A new Panel Beating Workshop with an inspection area preparation area, spray booth, stock room and 2 training rooms for apprenticeship.
- Carwash Ablution facility.

The Department of Infrastructure and Development (DID) handed over the buildings to g-FleeT on 22 February 2023.

PHASE II INFRASTRUCTURE PROJECT (BEDFORDVIEW)

The Phase II of the infrastructure project relate to the construction and refurbishment of identified buildings at Head Office to address the shortage of office accommodation, security issues and enhance business operational flow.

This project involves the building of a new administration block and renovations of other buildings to align to the g-FleeT Operating Model / Business Operational Flow.

As part of aligning our business model, gFleeT will also upgrade the security infrastructure, like, High Walls, Security Control Room, Auction offices and Carports for vehicles to safeguard against weather and theft.

Gauteng Department of Infrastructure and Development, as the implementing agency, appointed a Professional Team (engineers, QS, architects) in June 2022 to oversee the project. g- FleeT is finalizing the space planning layouts before the project can get the Municipality's approval and go out on tender. It is envisaged that the tender will go out in August 2024.

CHALLENGES FACED BY THE ENTITY

The financial year under review has not been without its challenges. The following outlines some of the challenges experienced by The Entity.

TRAFFIC FINES

The Entity is currently struggling with manual re-routing of AARTO traffic fines since the Act requires the AARTO 07 to be signed by a Commissioner of Oaths. However, the Entity still sends the fines to the clients in spreadsheet format. The Entity is in the process of acquiring a new fleet management system. It is envisaged that among other things, the new fleet management system will interface with RTMC (eNATIS) system and the tracker system to enable the Entity to re-direct traffic fines with driver details online. The Proxy and the representative have registered with **www.paythat.co.za**, City of Cape Town traffic fines website. The traffic fines unit logs onto the system on a weekly basis to check for any outstanding fines.

ORGANISATIONAL AND EMPLOYEE ENVIRONMENT

One of the unique features of the Entity is that it is required to be financially self-sustainable while not receiving any budget allocation for the Gauteng Provincial Treasury (GPT) or Gauteng Department of Roads and Transport (GDRT). In addition, the Entity must develop its own financial systems, prepares its own set of financial statements, accounts separately to various Governance Committees (i.e. Audit Committee, Risk Management Committee, Standing Committee on Public Accounts and Legislature), is audited separately by the Auditor-General of South Africa (AGSA) and prepares its own Strategic Plan and Annual Performance Plan (APP).

These are functions required by the Entity, however not incorporated in the current organisational structure because of the "form and shape" of the Entity. The GDRT provides support and assistance in the following functions:

- Information Communications and Technology,
- Anti-fraud and Corruption,
- Risk Management Committee,
- Monitoring and Evaluation

Consultations with the Business Units were concluded, and inputs were submitted to the Office of the Premier to incorporate in the proposed structure. However, Organised Labour requested that the process must restart and officially be consulted. Steering Committee comprising of management and organized labour has been resuscitated

to review g-FleeT and DRT structures.

Service Delivery Model has been finalized. The established committee for both DRT and g-FleeT, headed by the acting CEO of g-FleeT to ensure that both DRT and g-FleeT organisational structures are reviewed and concluded. This Committee consults with the Office of the Premier to ensure alignment with legislation and norms and standards of organizational development. A parallel process to the above is to develop the job descriptions for the posts and the process is also underway.

Change management strategy and plan have been developed by Office of the Premier.

Form and Shape of the Organisation

The Entity is in the process of establishing g-FleeT as a government component. The Entity has developed and submitted its Business Case and draft organogram to the Gauteng Provincial Treasury (GPT) in June 2022. G-FleeT Management appointed Gautrain Management Agency to assist with the review of the Business Case and to respond to the comments made by GPT. In addition to this, GMA was requested to review the Acquisition and Retention Strategy to incorporate the brand positioning of g-FleeT.

Presentations have been made to Broad Management Committee for inputs.

HIGH VACANCY RATE

The vacancy rate in the 2023/2024 financial year is at 21% and his broken down as follows:

Level	Approved Establishment	Filled (including contract workers)	Vacant	Vacancy Rate
SMS (Level 13 to 16)	8	6	2	**8%**
Level 11 to 12	17	16	1	**6%**
Level 7 to 10	107	92	15	**14%**
Level 1 to 6	143	101	41	**29%**
TOTAL	**275**	**215**	**59**	**21%**

The Entity has a total of two hundred and seventy-five (275) positions in the approved structure, with two hundred and sixteen (215) filled positions and fifty-Nine (59) vacant positions. The current vacancy rate is at 21%. At senior management level, there are eight (8) positions with six (5) positions filled by females and two (2) by male. One (1) position is vacant, translating to a 13% vacancy rate.

Three (3) officials were seconded from the Department of Roads and Transport and Department of Human Settlement to the Entity for a period of twelve (12) months to perform the functions of the Chief Financial Officer, Chief Risk Officer, and Chief Executive Officer, respectively.

Fourteen (14) critical positions were advertised in June 2023 as part of Nasi Ispani recruitment drive from Office of The Premier. 10 of 14 Advertised posts were filled successfully. Two posts to be readvertised, one waiting for decision on recommended candidates for approval and one post is not in the proposed structure and therefore it cannot be filled.

During the period under review, the total number of 40 offers of appointment letters were issued, 39 assumed duties during 2023/24 financial year, and one assumed duty on the 1st of April 2024 for financial year 2024/2025.

FUTURE PLANS

To support the objectives of the 6th administration in Transport and to grow the Gauteng Economy, The Entity identified key strategic priorities as outlined in the 2020-2025 strategic plan. These key strategic priorities are anchored around three focus areas namely, Infrastructure, Operations, and Institutions. The focus areas are underpinned by Technology and ensure compliance with the National Green Transport Strategy. g-FleeT operations management five-year strategy is therefore focusing on these areas.

As such key areas, have been identified namely:

- Customer care management,
- Automation & digitization,
- Training & development,
- Conducive working environment,
- Improving the state of the regional offices,
- Driver behavior management,

OVERVIEW OF THE FINANCIAL RESULTS OF THE TRADING ENTITY

STATEMENT OF FINANCIAL PERFORMANCE

RECEIPTS

The results of the actual collections for 2023/24 and the comparative year are depicted in **Table 2.3.4.1** below:

	2023/24			2022/23		
Entity receipts	**Budget**	**Actual Amount Collected**	**(Over)/Under Collection**	**Estimate**	**Actual Amount Collected**	**(Over)/Under Collection**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Revenue from Exchange Transactions – Leasing of vehicles	R 1,020,000	R 1,077,289	-R 57,289	R 899,300	R 1,055,178	-R 155,878
Revenue from Non-Exchange Transactions – Interest from bank, accident claims, and tender income.	R 65,000	R 111,980	-R 46,980	R 45,000	R 82,348	-R 37,348
Accident claims	R 100	R 38	R 62	R 70	R 88	-R 18
Transport Fees	R 1,880	R 1,463	R 417	R 1,800	R 1,931	-R 131
Auctions Fees	R 75,186	R 88,977	-R 13,791	R 72,961	R 62,082	R 10,879
Revenue - Proceeds from sale of judge vehicles	R 1,000	R 536	R 464	-	-	-
Total	**R 1,163,166**	**R 1,280,283**	**R 117,117**	**R 1,019,131**	**R 1,201,627**	**-R 182,496**

As per the above table, total revenue collected by the Entity increased to R1.280 billion (2022/23: R1.202 billion). Revenue collected from the leasing of vehicles increased by 2% to R1.077 billion (2022/23: R1.055 billion).

The interest earned from the Entity's cash flow position increased by 36% to R111.980 million (2022/23: R82.348 million). The increase is due to the increase in the prime interest rates as pronounced by the South African Reserve Bank.

The actual revenue collections from the auctioning of vehicles increased by 21.17% to R88.977 million (2022/23: R62.082 million). The increase in actual collections is driven by the revenue from generated during the March 2023 auction. This revenue was only received in the 2023/2024 financial year.

Table 2.3.4.2: Expenditure versus budget

	2023/24			2022/23		
Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CEO	R 8,341	R 7,109	R 1,232	R 3,903	R 3,752	R 151
Office of the COO	R 1,020	R 774	R 246	R 826	R 704	R 122
Office of the CFO	R10,673	R 7,853	R 2,820	R 12,776	R 7,827	R 4,949
Financial Services	R 19,882	R19,964	-R 82	R 21,771	R 15,616	R 6,155
Corporate Services	R105,653	R100,803	R4,850	R 59,505	R 37,777	R 21,728
Marketing and Communications	R 14,629	R 13,379	R 1,250	R 12,665	R 12,479	R 186
Fleet Maintenance Services	R 114,037	R107,747	R 6,290	R 121,547	R 117,787	R 3,760
Transport Support Services	R308,115	R299,170	R 8,945	R 311,458	R 276,475	R 34,983
Permanent Fleet	R 554,285	R 524,704	R 29,580	R 270,022	R 258,501	R 11,521
VIP & Pool Services	R 18,778	R 17,424	R 1,354	R 20,059	R 17,276	R 2,783
Total	**R 1,155,412**	**R 1,098,926**	**R 56,487**	**R 834,532**	**R 748,194**	**R 86,338**

The total expenditure increased by 47% to R1.098 million (2022/23: R748.194 million). The increase in expenditure is due to the significant repairs and maintenance work implemented within the entity's Bedfordview premise to ensure Occupational Health and Safety compliance and significant increase in the purchase of motor vehicles due to the increased demand in for new and replacement vehicles from client departments.

The employee costs increased by 9% to R104.215 million (2022/23: R93.863 million) due to the implementing its plans on the filling of vacant positions including those of senior management.

The cost of sales decreased by 26% to R69.759 million (2022/23: R93.682 million) due to the reduced number of auctions held and reduced number of vehicles sold during the 2023/2024 financial year.

The surplus for the financial year increased by 27% to R 507.749 million (2022/23: R 369.018 million).

Intervention on budget spending

As at 31 March 2024, as depicted in Table 2.3.4.2 above, the Entity underspent by 5%. The reported underspending was due to the following:

- The vehicle acquisition unit which had been provided additional resources during the adjustment budget, underspent by R29.580 million (15%). This is due to the delay in the delivery of new vehicles by the vehicle

manufacturers.

- The entity experienced delays in the filling of vacant positions across the entity, which affected all programmes, resulting in an overall R7.857 million (7%) underspending within compensation of employees.
- The infrastructure projects budget located within the corporate services unit underspent by R7.952 million (14%). This is due to the delays in completing the project for the installation of automated Security and Surveillance equipment project.
- The entity also recorded reduced spending within areas of fuel consumption on leased fleet vehicles and vehicle maintenance and repairs.

Mitigating plans in relation to the challenges listed above have been explored and will be implemented during the 2024/2025 financial year. In addition, the Entity continues to monitor its spending pattern and procurement plan monthly with the aim of timeously addressing any challenges pertaining to over/under spending.

STATEMENT OF FINANCIAL POSITION

The Entity has a strong asset base which is reflective of the operations. Significant asset classes include finance lease receivables, property, plant and equipment, and cash funds. The liabilities are limited to finance lease obligation and payables which arise from the Entity's operations.

The carrying value of non-current assets increased by 17% to R1.517 billion (2022/23: R 1.258 billion).

The receivables from exchange transactions decreased by 14% to R140.380 million (2022/23: R 161.124 million). The average debtor's days decreased by 18.57% (the ratio indicating debt levels to revenue generated from such debtors) to 41.44 days on 31 March 2024 (31 March 2023: 50.89 days).

The Entity converted some of prior year debt receivables into cash, and this is reflected in the increase of cash funds to R2.648 billion (2022/23: R 2.441 billion).

The Accumulated Surplus increased from R3.947 billion on 31 March 2023 to R 4.454 billion on 31 March 2024. The Entity 's net worth continues to grow on a yearly basis.

CASH FLOW STATEMENT

The cash generated from operating activities increased to R633.234 million (2022/23: R 613.075 million).

Net cash flows from investing activities increased to R425.275 million (2022/23: R188.886 million).

TARIFFS

The vehicles are purchased through the RT57 transversal contract administered by National Treasury and after delivery are captured onto the Fleet Information System (FIS). The Entity operates primarily under two (2) tariff regimes being the "Old" model tariffs and Full Maintenance Lease (FML) tariffs. "Old" model tariffs have existed since 2002 and the FML tariffs were introduced in 2007.

The FML tariffs are more closely aligned to the costs that need to be recovered in respect of each vehicle leased to a client department. As such, all new vehicle leasing arrangements entered into are under FML arrangements and the "old" model tariffs are being phased out. Most vehicles are currently leased out under the FML tariff regime.

The structure of tariffs is such that over the lease term, the Entity will recover the cost of the vehicle to ensure that the vehicle can be replaced at the end of its useful life. Tariffs also consider the direct and indirect costs required to maintain the vehicle over the lease term. The direct costs include the costs of a maintenance plan for routine

preventative maintenance, routine tyre replacements, tracking, and licensing. The indirect costs are encompassed in an administration fee, which covers the cost of the Entity's staff and infrastructure, and non-routine repairs. Future expected inflation is added to these costs upfront and charged evenly each month.

The cost of fuel, oil, and toll gates are incurred by client departments using fuel cards. These costs are charged to client departments monthly based on the actual costs incurred on the fuel cards allocated to them. No exceptions, discounts, or free services are offered to client departments.

During the 2023/2024 financial year, the entity, through the appointment of the CSIR, implemented a tariff structure review and benchmarking exercise focussed on establishing the competitiveness and financial sustainability of the entity's tariff structure within the government fleet industry market. Whilst the overall outcome was positive for the entity's completeness and financial sustainability, the exercise also provided management with valuable information and recommendations on how to further improve on its market share within the government fleet management sector.

FREE SERVICES

No free services were rendered that would have yielded significant revenue had a tariff been charged.

SALES OF CAPITAL ASSETS

The following categories of assets were disposed of through a public auction in line with the approved Assets Management Policy:

- Vehicles that reached the end of their respective life cycles,
- Vehicles damaged in accidents,
- Vehicles that have high mileage, and
- Vehicles that have high repair costs.

UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

The Entity incurred and reported irregular expenditure totaling R39 000 for the financial year. Irregular expenditure emanates from the entity not fully complying with all supply chain management requirements relating to deviations when appointing a service provider to assist the entity in determining trade and retail values for its motor vehicles. The identified weaknesses in internal controls have subsequently been improved to prevent such instances from occurring.

During the year under review, the Entity reported new Fruitless and Wasteful expenditure to the value of R269 000.

SUPPLY CHAIN MANAGEMENT

All orders and acquisitions that are below the R1 000 000 threshold are administered by the Entity, were applicable, through competitive bidding processes.

Orders and acquisitions above the R1 000 000 threshold, where applicable, are processed through the open tenders, which are processed through Departmental Bid Adjudication Committee (BAC) for the approval of the Head of Department. All other Bid Committee functions such as Bid Specification and Bid Evaluation are carried and executed by the Entity.

The entity utilizes the supply chain management policy and procurement strategy to respond to the social impact priorities of the Gauteng Provincial Government. In this regard, the entity has made positive contributions to the following areas of priority with regards to it targeted procurement spend.

GROUP	TARGET	REPORTED ACHIEVEMENT
Percentage procurement spend directed to BBBEE owned companies	**80%**	**96%**
Percentage procurement spend directed to women owned companies	**40%**	**58%**
Percentage procurement spend directed to youth owned companies	**10%**	**28%**
Percentage procurement spend directed to people with disability owned companies	**5%**	**17%**
Percentage procurement spend directed to Military Veteran owned companies	**30%**	**8%**
Percentage procurement spend directed to township owned companies	**40%**	**50%**

In the financial year under review, the following tenders were awarded internally and by implementing agencies for the entity:

Tenders awarded internally:

- Auctioneering services
- Missing vehicles investigation

Tenders awarded by implementing agencies:

- Surveillance and Access Control – by SITA

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

The Entity did not receive any donations for the financial year under review.

EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY

The Trading Entity received four deviations in terms of the Public Finance Management Act or Treasury Regulations for the following services:

Office accommodation and parking

Rental agreement for East London Regional Office expired on 30 June 2023, the entity obtained new offices from East London Industrial Development Zone (ELIDZ) an entity of National Department of Trade and Industry. The procurement of the offices had to be done through a deviation as it is an interdepartmental transaction, and no competitive bidding could be followed. Approval was obtained from the Accounting Officer for implementation of this project.

Procurement of Judges vehicles outside RT57

Judges procure vehicles in line with their Remuneration and Conditions of Employment Act, 2001 (Act no 47 of 2001). This therefore means that Judges are not obliged to procure vehicles that are on RT57. If a Judge's preferred choice of a vehicle is not a RT57, therefore such vehicle can be procured in line with limited bidding requirements of PFMA SCM Instruction note no 3 of 2021/22.

In the current financial year vehicles for two Judges were procured using the limited bidding method which was approved by the Accounting Officer.

Renewal of annual subscription and Batch Data Cleansing with Transunion

TransUnion Auto Information Solutions is the sole provider company within Africa which has access to and has developed multiple vehicle databases with relevant and current vehicle related data. Through gathering and analyzing this information in conjunction with harnessing the latest technology and applying the latest analytic capabilities, they can provide us as their client with relevant and accurate data which assists in risk management and driving profits.

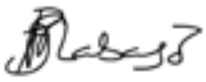
The asset management unit uses the books obtained from Transunion to obtain the Trade and Retail values to determine the residual value. However, at year-end bulk data processing called batch data cleansing. It is for this reason that a deviation request was sent to the Accounting Officer to approve the appointment of TransUnion Auto Information Solution (Pty) Ltd to provide batch data cleansing for a period of thirty-six (36) months.

EVENTS AFTER THE REPORTING DATE

There are no subsequent events to be reported upon at this stage.

ACKNOWLEDGEMENTS /APPRECIATION

I wish to thank the MEC, HOD and all stakeholders who have vested a great deal in assisting g-FleeT Management during the period under review. My appreciation also extends to the g-FleeT Management and staff for their committed dedication and hard work in striving to achieve the mandate of The Entity in working during the period under review. Furthermore, I wish to thank the various client departments for continuing to work with the Entity during this period.



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Ms P. Gadebe-Mabaso

Acting Chief Executive Officer

g-FleeT Management

Date: 31 July 2024

4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate, and is free from any omissions.

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

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

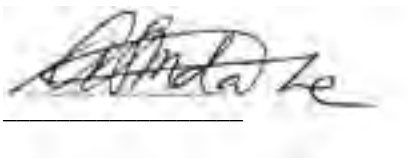
The Accounting Officer is responsible for the preparation of the Annual Financial Statements and the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the Entity for the financial year ended 31 March 2024.

Yours faithfully,



Dr T. Mdadane

Accounting Officer

Gauteng Department of Roads and Transport

Date: 31 July 2024

5. STRATEGIC OVERVIEW

5.1 VISION

We keep Government Service Delivery on the Move.

5.2 MISSION

We will achieve our vision by:

- Providing effective, competitive, and efficient fleet services to government.
- Focusing on providing reliable fleet to meet client needs.
- Building and maintaining sustainable stakeholder relations.

5.3 VALUES

Furthermore, core values applicable to the Provincial Government were revised and reflect as follows:

"…Competence, Accountability, Integrity, and Responsiveness…"

These values are all underpinned by the concept of teamwork and will apply to The Entity as well as to all officials of g-FleeT management. A detailed description of what each core value encapsulates is outlined below.

CORE VALUES	DETAILED DESCRIPTION
COMPETENCE	***We commit to being competent and excellent at all times.*** ***We undertake to deliver services with passion, excitement, and enthusiasm.*** Our people can do the tasks they are appointed to do, live our values, and always strive for excellence. We all deliver on our outcomes and targets with quality, on budget, and in time. We demonstrate an understanding of and work together to achieve our role in our Constitutional and electoral mandate.
ACCOUNTABILITY	***We pledge to be answerable to our stakeholders in the execution of our mandate and service delivery activities.*** ***We commit to deliver a service that meets our stakeholders' expectations.*** We have a clear understanding of our objectives, roles, delegations, and responsibilities. We are committed to delivering agreed outputs on time. We hold each other accountable and know we can trust to do and we say we will. As individuals, we take responsibility and ownership for our outcomes and accept the consequences of failure to do so.

CORE VALUES	DETAILED DESCRIPTION
INTEGRITY	***We commit to being ethical, professional, principled, fair, and just in our conduct.*** ***We pledge to uphold sound principles of institutional management and efficient systems and processes in service delivery.*** We seek truth and a greater understanding of it in each situation and we do the right things. We are honest, show respect, and live out our positive values. We are reliable and trustworthy, doing what we say we will There are no grey areas with integrity applying at all levels in all instances ensuring we are corrupt free.
RESPONSIVENESS	***We shall be approachable, receptive, and quick to respond to stakeholder needs.*** We take our fellow public servants seriously, listening to and hearing their voices. (listening a lot and talking less) We respond with action timeously, always asking is this the right response, where we could be potentially wrong, and how we can do it better? We engage collaboratively with each other, our stakeholders, and the media providing full information. Our focus is the past, present, and future public service citizens, and responding as their government for the best results for the people we serve. They tell us how well we respond.

6. LEGISLATIVE AND OTHER MANDATES

Circular 1 of 1988

The mandate of g-FleeT Management evolved from the previous Government Garage function that was transferred to the province in terms of Transport Circular 1 of 1988 [following a National Cabinet decision, with effect from 1 April 1988]. The Cabinet decision included the transfer of the following functions:

- The acquisition and replacement of government and subsidized vehicles
- The award of government motor transport and subsidized vehicles department as required.
- The maintenance of government vehicles.
- The management of the administration in respect of accidents and losses.
- The effective operation of government vehicles.
- The operator of department of technical advice.
- The receipt, storage and internal distribution of spare parts and consumables supplies,
- The regulation of motor transport for official events.
- The evaluation of economic utilization of vehicles.
- The operation of a vehicle and information system in respect of government motor transport.

The Government Motor Transport Handbook of 2019 issued by National Department of Transport replaced the National Transport Circular No.4 of 2000. The Handbook provides guidelines on all matters relating to the utilization of government-owned transport.

The Public Finance Management Act 1 of 1999 read together with National Treasury Regulations and National Treasury directives governs the operations of the Entity in terms of its policy and reporting framework, establishment, capital requirements, disposal of assets, the surrender of surplus funds, and financial reporting. In addition, the following legislative and policy mandates are applicable:

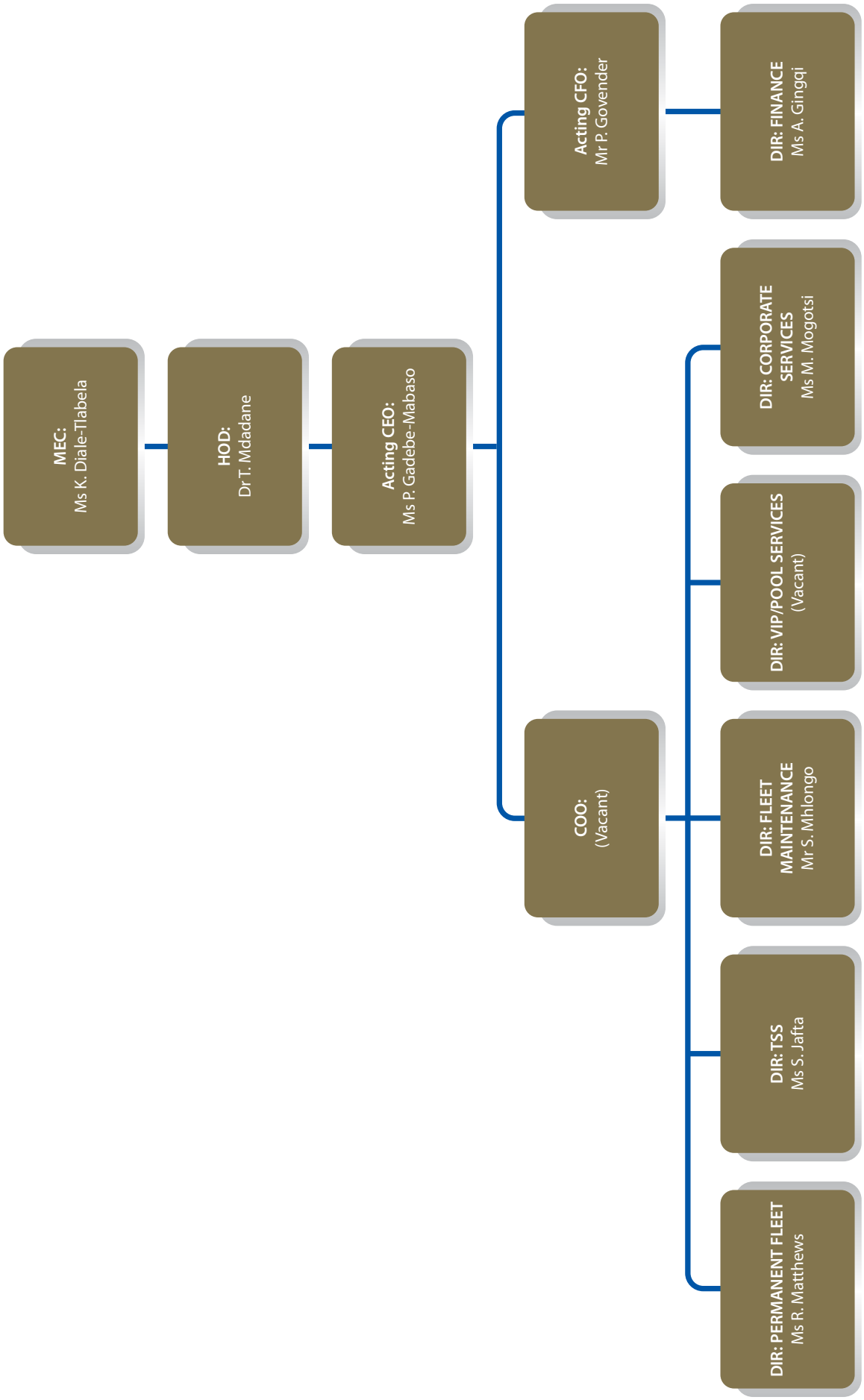
- Cross-Border Road Transport Act, Act 4 of 1998.
- Road Traffic Act, Act 29 of 1989.
- National Environmental Management Act,
- Road Traffic Management Corporation Act, Act 20 of 1999.
- National Road Traffic Act, Act 93 of 1996.
- National Road Traffic Safety Act, Act 12 of 1972.
- Gauteng Transport Framework Revision Act, Act 8 of 2002.
- Gauteng Public Passenger Road Transport Act, Act 7 of 2001.
- Gauteng Transport Infrastructure Act, Act 8 of 2001.
- Gauteng Planning and Development Act, Act 3 of 2003.
- Provincial Road Traffic Act, Act 10 of 1997.
- Gauteng Toll-Roads Bill 2005.
- Administrative Adjudication of Road Traffic Offences Act, Act 46 of 1998.
- Gauteng Transport Framework Revision Amendment Act, 2007.

- Government Immovable Asset Management Act 19 of 2007
- Construction Industry Development Board Act 38 of 2000
- National Land Transport Strategic Framework
- Public Administration Management Act
- Promotion of Access to Information Act (PAIA) 2 of 2000
- Promotion of Administrative Justice Act (PAJA) 3 of 2000
- Public Administration Management Act 11 of 2014
- Preferential Procurement Policy Framework, Act 5 of 2000
- Protection of Personal Information Act, Act 4 of 2013
- Public Service Act 103 of 1994
- Public Service Regulations
- National Green Transport Strategy.

The following Provincial policy mandates are applicable:

- Provincial Policy and Legislative Mandates
- Growing Gauteng Together 2030.

7. ORGANISATIONAL STRUCTURE



PERFORMANCE INFORMATION

PART B

PERFORMANCE INFORMATION

1

A total of 602 vehicles were sold during the financial year, resulting in revenue from auctions totaling 66.983 million

2

The Entity surpassed the 11% target in decreasing the average debtor days by reporting an average 18.57% achievement against this target

3

The Entity achieved 8.3% (528/6296) of green vehicles in the Entity's fleet

4

The Entity managed to complete and signed-off seven Business Requirement Specifications (BRS).

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 384 to 392 of the Report of the Auditor General, published as Part F: Financial Information.

2. OVERVIEW OF THE ENTITY'S PERFORMANCE

2.1 Service Delivery Environment for 2023/24

RT 46 CONTRACT

RT46 Contract is a Transversal Term Contract arranged and administered by Contracting Chief – Directorate within the Office of the Chief Procurement office: National Treasury. The contract is then entered into between the National Department of Transport and RT46 Contract Service Provider (FNB).

The Entities / Government garages would participate into the RT46 contract. The contract is for the provision of vehicle fleet management services to the state for a period of five (5) years from 01 April 2021 to 31 March 2026.

It allows for fuel card and e-Tolls payments; vehicle repairs and maintenance (mechanical and accident); inspection of vehicles under repairs; and 24/7 towing & recovery.

CHALLENGES WITH FNB

The Entity has been experiencing challenges with Wesbank ever since the inception of the RT46 2020 Contract and some of the issue remains unresolved. For example:

- Critical Fleet Maintenance reports not available/poor quality/inaccurate (vehicle down time, projected maintenance, and executive reports)
- Misalignment of accident vehicle repairs process, resulting to high turnaround time causing backlog on vehicles under repairs.
- Delays on inspection and assessment of vehicles under repairs'
- Delays on authorisation of vehicles under repairs.
- FNB - Merchant development program currently in place not clearly responding to the target market (26 priority township /TISH/TER).

Several interventions to improve the performance of RT46 contract Service Provider have been put in place, namely:

- Fleet Maintenance Unit Customer Satisfaction Survey APP has been developed, tested and in place.
- Operationalisation of the in-house Panel Beating Workshop. To bring the process of accident repairs closer to g-FleeT.
- Introduction of vehicle inspection/assessment unit to ensure quality and cost control on vehicles.
- HOD's approval for g-FleeT Inspectors to conduct inspection in and outside the province was granted.
- Approval for scheduled assessment & Inspections of merchants, and validation of repairs was granted.
- Close monitoring (weekly meeting with Wesbank) for effective RT46 contract management.
- Implementation of RT46 Contract Penalty Schedule as per terms & conditions of the RT46 contract and the SLA.
- Continuous review and realignment of vehicle repairs & maintenance processes.
- Continuous review and update of engagement mandate in line with the Entity and the Client's expectations.
- HOD's approval for g-FleeT to administratively manage accident repairs process inhouse was granted.
- A delegation of authority on authorisations of vehicle repairs was approved by the HOD to cut down the

lengthy turnaround time on authorizations.

- The Entity had developed Merchant Development Program which seeks to address work allocation (RT46 Contract) to the target market, and the implementation of the program is ongoing.

In terms of the reports, two of the Entity's output indicators, namely, average number of days taken for mechanical repairs and average number days taken for accident repairs were removed from the APP due to the non-availability of critical fleet management reports in relation to the KPI, which included the following reports:

1. Turnaround time on mechanical repairs vehicles (Down time Report)
2. Turnaround time on accident repairs vehicles (Downtime Report)
3. Number of vehicles serviced as per manufacturers specifications (Projected Maintenance Reports)

The reports have since been made available, but the quality of the reports is still unsatisfactory, and to address this challenge, RT46 and Tracking system is being integrated to assist improve the accuracy of the report.

The RT46 Contract service provider's new Fleet Management System has since been developed and implemented as of 31 June 2023 to address some of the system related challenges.

RT57 CONTRACT

The RT57 (purchasing of vehicles) is a transversal contract managed by the National Treasury (through the Office of the Chief Procurement Officer) and the National Department of Transport. It provides a streamlined process to purchase vehicles at reduced prices, although the choice of vehicles and engine capacity resides primarily with the user Department.

The new RT57 contract came into effect in July 2023 and will be due for renewal in June 2026. Toyota SA made an error in their Bid response by submitting pricing excluding VAT which resulted in them not offering vehicles at the submitted prices as it would negatively impact their profit margins. Bidders are afforded the opportunity to introduce new vehicle models during the anniversary month (1 July 2024) of the contract which will also allow Toyota SA to correct their bid pricing to include VAT.

The non supply of vehicles from Toyota SA through the RT57 contract did not have a major impact on the supply of vehicles as the entity's clients opted for alternatively available vehicle brands.

LOGISTICS FUNCTION

The Premier seeks accelerated delivery of public services functions, which need in practice to be delivered within a limited period. To this end, the creation of a new logistics function was pronounced to be performed by the Department of Transport. The logistics function was assigned to the Department to support this priority. To ensure the successful implementation of this intent, it is critical that the problem is clearly defined and understood, and that the desired outcomes be agreed upon by the departments and stakeholders that will be affected.

The sourcing of supplies, distribution, and warehousing process in the province is fragmented and not properly coordinated through a government function. Currently, user departments individually procure and deliver to areas of need. The incremental inefficiencies in the time taken and the delivery requires a new approach, in that the delivery has taken longer than needed and at a cost over a period. Therefore, there is a need to eliminate administrative inefficiencies to reduce the turnaround time, gain from economies of scale, and save cost into a single system of command to improve efficiencies in the warehousing and delivery needs through a centralized system and department which will perform the end-to-end function in the province.

THE PROCESS TO DATE

- The Gauteng Provincial Government through the Executive Authority of Transport and Logistics appointed CSIR to develop the business case for the development of the logistics function or repurposing the g-FleeT management to perform the logistics function. The function is expected to optimize the current logistics activities and develop the function to increase efficiency, reduce cost, supporting social transformation through the inclusion of disadvantaged communities (townships, informal settlements, hostels, and others) and people with disabilities.
- Consultation with the departments in the Gauteng province has been concluded to provide the necessary data on how effectively and efficiently the function can be implemented.
- The focus of the work is on end-to-end logistics, which refers to the entire supply chain process from the source of goods to the end-user receiving the goods.
- The Business case has been developed which describes (1) the current functioning of the Department of Health and Education supply chains, (2) an appropriate role for g-FleeT in developing its logistics function in support of end-to-end supply chains for improved service delivery, and (3) a roadmap describing the short and long-term interventions to develop g-FleeT's logistics capability to support end-to-end service delivery.

Perspectives on Supply Chain Analysis

For each of the focus areas, the following process guided the investigation:

- Identify constraints.
- Find opportunities for improvement.
- Determine what is required to achieve the desired performance.
- Develop recommendations.

The business case that will be inclusive of the operations model is under development and will be submitted once the SLA between the Department of Roads and Transport, Department of Health and Department of Education has been signed and an operation model has been agreed to will be submitted to the provincial executive for approval. Consultation is continuing with the affected stakeholders and labour.

Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
▪ Full Maintenance Lease (FML) – The FML is a long-term vehicle lease service offered by g-FleeT which is comprised of a fixed rental cost over a selected period of a minimum of twelve (12) months up to seven (7) years, depending on the type of vehicle and the functional needs of the client. ▪ Short-term motor rentals - is a short-term vehicle lease service offered by g-FleeT which is comprised of a fixed rental cost over a selected short period (less than 12 months). ▪ Chauffeur driven, which provides both driver and vehicle for hire over a short-term period. ▪ Fuel card services - for payment of the fuel and toll gate fees ▪ Managed maintenance – a call centre to ensure authorization is only given for necessary maintenance that complies with manufactures standards and is in line with manufactures guidelines. ▪ Telematics, for tracking and monitoring of vehicles and drivers ▪ Accident management and roadside assistance, which assists our clients with towing and repairs of vehicles ▪ License and traffic fine administration which is responsible for: o Motor vehicle registration and licensing o Ensuring that every fine is re-routed to the correct offender.	g-Fleet customers (i.e. government Department and municipalities)	The Entity has SLA's with various client departments.	The desired standard of service is in terms of the SLA between g-FleeT and the customer.	The actual achievements on various targets are explicitly covered in the Annual Performance Plans information.

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

Current/actual arrangements	Desired arrangements	Actual achievements

Not Applicable - The Entity does not deal directly with communities	Not Applicable - The Entity does not deal directly with communities	Not Applicable - The Entity does not deal directly with communities

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Existing contracts with customers	Executive automated dashboard	Customer survey indicating 81.22 percent satisfaction levels.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Manual complaints mechanism	Automated complaints system on the website with tracking sheet	Customer survey indicating 81.22 percent satisfaction levels.

2.2 Organisational Environment

One of the unique features of the Entity is that it is required to be financially self-sustainable while not receiving any budget allocation for the Gauteng Provincial Treasury (GPT) or Gauteng Department of Roads and Transport (GDRT). In addition, the Entity must develop its own financial systems, prepares its own set of financial statements, accounts separately to various Governance Committees (i.e. Audit Committee, Risk Management Committee, Standing Committee on Public Accounts and Legislature), is audited separately by the Auditor-General of South Africa (AGSA) and prepares its own Strategic Plan and Annual Performance Plan (APP).

These are functions required by the Entity, however not incorporated in the current organisational structure because of the "form and shape" of the Entity. The GDRT provides support and assistance in the following functions:

- Information Communications and Technology,
- Anti-fraud and Corruption,
- Risk Management Committee,
- Monitoring and Evaluation

Consultations with the Business Units were concluded, and inputs were submitted to the Office of the Premier to incorporate in the proposed structure. However, Organised Labour requested that the process must restart and officially be consulted. Steering Committee comprising of management and organized labour has been resuscitated to review g-FleeT and DRT structures.

Service Delivery Model has been finalized. The established committee for both DRT and g-FleeT, headed by the acting CEO of g-FleeT to ensure that both DRT and g-FleeT organisational structures are reviewed and concluded. This Committee consults with the Office of the Premier to ensure alignment with legislation and norms and standards of organizational development. A parallel process to the above is to develop the job descriptions for the posts and the process is also underway.

Change management strategy and plan have been developed by Office of the Premier.

Form and Shape of the Organisation

The Entity is in the process of establishing g-FleeT as a government component. The Entity has developed and submitted its Business Case and draft organogram to the Gauteng Provincial Treasury (GPT) in June 2022. g-FleeT

Management appointed Gautrain Management Agency to assist with the review of the Business Case and to respond to the comments made by GPT. In addition to this, GMA was requested to review the Acquisition and Retention Strategy to incorporate the brand positioning of g-FleeT.

Presentations have been made to Broad Management Committee for inputs.

HIGH VACANCY RATE

The vacancy rate in the 2023/2024 financial year is at 21% and his broken down as follows:

Level	Approved Establishment	Filled (including contract workers)	Vacant	Vacancy Rate
SMS (Level 13 to 16)	8	6	1	**8%**
Level 11 to 12	17	16	1	**6%**
Level 7 to 10	107	92	15	**14%**
Level 1 to 6	143	101	41	**29%**
TOTAL	**275**	**215**	**59**	**21%**

The Entity has a total of two hundred and seventy-five (275) positions in the approved structure, with two hundred and sixteen (215) filled positions and fifty-Nine (59) vacant positions. The current vacancy rate is at 21%. At senior management level, there are eight (8) positions with five (5) positions filled by females and two (2) post filled by male. One (1) position is vacant, translating to a 13% vacancy rate.

Three (3) officials were seconded from the Department of Roads and Transport and Department of Human Settlement to the Entity for a period of twelve (12) months to perform the functions of the Chief Financial Officer, Chief Risk Officer, and Chief Executive Officer, respectively.

Fourteen (14) critical positions were advertised in June 2023 as part of Nasi Ispani recruitment drive from Office of The Premier. 10 of 14 Advertised posts were filled successfully. Two posts are to be readvertised, one waiting for decision on recommended candidates for approval and one post is not in the proposed structure and therefore it cannot be filled.

During the period under review, a total number of 40 offers of appointment letters were issued, 39 assumed duties during 2023/24 financial year, and 1 assumed duty on 1 April 2024.

2.3 Key policy developments and legislative changes

The Competition Commission

On 10 December 2020, the Competition ("Commission ") issued the final guidelines for competition in the South African Automotive Aftermarket ("Automotive Guidelines ").

The Guidelines were prepared in terms of section 77 of the Competition Act (89 of 1998, as amended), to provide practical guidance to industry players towards the adoption of pro-competitive measures in the Automotive Aftermarket, and to promote greater participation of small businesses as well as historically disadvantaged individuals (HDIs) in the market. The Guidelines also place responsibility on all industry players to disclose certain information to consumers, to enable them to make informed choices; the guideline also addresses consumer safety. A dispute resolution process and a self-monitoring mechanism by industry stakeholders is also articulated.

The Automotive Guidelines are intended to promote inclusion and to encourage competition through greater participation of small businesses as well as historically disadvantaged groups.

Measures proposed in the Automotive Guidelines

Some of the novel measures proposed in the Automotive Guidelines, which have cost, staffing and legal implications for participants in the automotive industry, are the following:

- the unbundling of the new motor vehicle price from the price of the service and/or maintenance plan of that motor vehicle. In other words, dealers must ensure that at the point of sale of a motor vehicle, that consumers have full disclosure of the

  a) purchase price of the motor vehicle; and

  b) the purchase prices of service and maintenance plans, and other value-added products. Consumers will then have the choice whether to purchase the motor vehicle and service/maintenance plan separately or at the same time.

- Original Equipment Manufacturers (OEMs) and independent third-party providers must transfer a service and/or maintenance plan to a replacement motor vehicle in circumstances where the motor vehicle is written off by the insurer.

- In circumstances where there is no replacement motor vehicle after a write-off or its not feasible to transfer a service and/or maintenance plan to a replacement motor vehicle, the consumer must be afforded the right to cancel the service and/or maintenance plan contract and/or receive a refund for the balance of the product.

- Approved dealers that sell new motor vehicles and products of competing OEMs must ensure that they do not engage in price co-ordination. Specifically, the prices of competing motor vehicles and products must be determined by different individuals within the dealership.

- Approved dealers that sell new motor vehicles and products of competing OEMs must ensure that no commercially sensitive information (including information stored in the cloud) is provided or shared with competing OEMs.

The Automotive Guidelines are effective from 1 July 2021 and affected parties in the automotive industry, thus, have until 1 July 2021 to ensure their businesses and business arrangements are compliant. Although the Automotive Guidelines are non-binding on the competition authorities, it indicates the Commission's approach on any matter falling within its jurisdiction in terms of the Competition Act, No. 89 of 1998 ("Competition Act"). Importantly, the Automotive Guidelines do not preclude the Commission from pursuing any firm in the automotive industry for anti-competitive conduct through the Commission's enforcement powers.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact statement	• A sustainable, safe, efficient, reliable and affordable fleet management solution

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: OPERATIONAL MANAGEMENT SERVICES

This programme is responsible for providing fleet management services that are effective, efficient, and client focused.

The following is the sub-programmes of the structure:

- Permanent Fleet
- Finance
- Transport Support Services
- Communications

Outcomes, outputs, output indicators, targets and actual achievements

- **Percentage of green vehicles in the Entity's fleet, 8%** – this target is required to ensure reduction in the carbon footprint (i.e., decreasing Green-House-Gas emissions produced by road transportation as expressed in the Green Transport Strategy for South Africa (2018-2050). The Entity is striving to minimise the impact of its core assets (vehicles) on the environment. As such, a target of 8% was set. The Entity achieved 8.3% of green vehicles in the Entity's fleet. This was due to an increase in the demand for green vehicles, concerted efforts were made to increase the number of green vehicles into the Entity's fleet by procuring 124 green vehicles which led to achievement of the target.

- **Average age of fleet, ≤4 years** – this outcome seeks to ensure that vehicles provided by g-FleeT Management are efficient and reliable. This is necessary to ensure that cost of maintaining vehicles is minimised. The Entity kept an average age of fleet at less than 4 years, an achievement of 3.5 years was achieved during the financial year under review. The new vehicles that were purchased and disposal of old vehicles enabled the target to be achieved.

- **Percentage of vehicles auctioned as per approved list** - the Entity had a target of 80% of all approved vehicles to be sold and achieved 85% against the set target for the year under review. The overachievement was due to the Entity encountering more bidders on its online auctions that required secondhand vehicles.

- **Percentage of in-service vehicles tracked, 93%** - The outcome (safeguarding of the state assets by installing comprehensive vehicle tracking units) allow for vehicles to be tracked and traceable. This in turn is used for route optimisation, location of a vehicle at a particular point in time, monitor mileage, speed etc.

  All these have a direct impact on the sustainability of the asset (vehicle) and safety and efficiencies. The set target for the financial year was to have 93% of in-service vehicles tracked. The Entity achieved a 97% of in-service vehicles tracked. The indicator was overachieved due to focused intervention for vehicle tracking e.g. booking appointments for tracker fitments was fast-tracked with clients and stakeholders daily.

Table 2.4.4.1:

(The table below ONLY reflects the revisions to the original APP until quarter three of the 2023/24 financial year). This output indicator is an annual target; therefore, no actual performance is reflected at the time of revision. The revision entails changing of wording in the indicator.

Programme / Sub-programme: Operational Management Services									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2021/2022**	**Audited Actual Performance 2022/2023**	**Planned Annual Target 2023/2024**	***Actual Achievement 2023/2024 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2023/2024**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
Reduced Carbon footprint from the Entity	Passenger vehicles with CO2 emissions equal to or below 120g/km (environmentally friendly)	Percentage of passenger vehicles with CO2 emissions equal to or below 120g/km	5%	7.3% (424/5771)	8%	0	8%	This target was an annual target, and performance was not due at the time of revising the APP.	This output and outcome indicator was revised to read "Percentage of green vehicles in the Entity's fleet. The aim of this revised indicator is to be more inclusive of all types of eco-friendly vehicles and not to be limited to the measurement of the CO2 emissions only. The revised indicator will consider new energy vehicles such as hybrids and electric vehicles which were previously excluded from the target.

***Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has re-tabled an Annual Performance Plan in the financial year under review)**

Table 2.4.4.2:

The table below reflects the planned and actual achievements against the adjusted and re-tabled 2023/24 APP. The APP was revised in during the first month of the 3rd quarter of the 2023/24 financial year and was approved in October 2023.

Programme / Sub-programme: Operational Management Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Reduced Carbon footprint from The Entity	Percentage of green vehicles in the Entity's fleet.	Percentage of green vehicles in the Entity's fleet.	5%	7.3% (424/5771)	8% of green vehicles in the Entity's fleet	8.3% (528/6296)	+0.3%	Due to an increase in the demand for green vehicles, concerted efforts were made to increase the number of green vehicles into the Entity's fleet by procuring 124 green vehicles which led to the achievement of the target.
Improve efficiency & customer service	Average age of fleet	Average age of fleet	3,7 Years	4 Years	≤ 4 Years	3.5 Years	+0.5 Years	The new vehicles purchased, and disposal of old vehicles enabled target to be achieved.
Maximised return on investment	Percentage of vehicles auctioned	Percentage of vehicles auctioned as per approved list.	93%	93%	80% of vehicles auctioned as per approved list.	85% of vehicles auctioned as per approved list.	+5%	The overachievement was due to the Entity encountering more bidders on its online auctions that required second hand vehicles.
Safeguard state assets	Vehicles tracked	Percentage of in-service vehicles tracked	90% (5802)	89% (5089)	93% (5826) of in-service vehicles tracked.	97% (6108) of in-service vehicles tracked	+4%	The overachievement was due t focused intervention for vehicle tracking e.g. booking appointments for tracker fitments was fast tracked with clients and stakeholders daily.

****Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan (In the instance where a Department did not re-table the Annual Performance Plan in the financial year under review) OR in relation to the performance information reflected in the re-tabled Annual Performance Plan.**

Strategy to overcome areas of underperformance.

None.

LINKING PERFORMANCE WITH BUDGETS

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Permanent Fleet	R 554,285	R 524,704	R 29,580	R 270,022	R 258,501	R 11,521
Finance	R 19,882	R19,964	(R 82)	R 21,771	R 15,616	R 6,155
Transport Support Services	R 308,115	R 299,170	R 8,945	R 311,458	R 276,475	R 34,983
Fleet Maintenance	R 114,037	R 107,747	R 6,290	R 121,547	R 117,787	R 3,760
Communications	R 14,629	R 13,379	R 1,250	R 12,665	R 12,479	R 186
TOTAL	**R1, 010, 948**	**R 964,964**	**R 45,983**	**R 737,463**	**R 680,858**	**R 56,605**

4.2 Programme 2: CORPORATE AND FINANCIAL MANAGEMENT

This programme is responsible for ensuring a well-run organisation by designing and maintaining effective systems and processes that will result in optimal use of The Entity's assets in the delivery of services.

The following are the sub-programme structures:

- VIP and Pool Services
- Finance
- ICT

Outcomes, outputs, output indicators, targets and actual achievements

- **Percentage of rental days utilised for VIP self-drive vehicles, 58%** - the Entity achieved 72.62% against a target of 58%. This contributes to the impact of a sustainable, safe, efficient, reliable, and affordable fleet management solution. The overachievement was due to the high demand in short term rental services.
- **Percentage of rental days utilised for Pool vehicles, 77%** - the Entity achieved 89,10% against the target of 77%. This in return maximise Entity returns and ensure financial sustainability. The overachievement was due to the high demand for short term rentals.
- **Unqualified opinion from Auditor General of South Africa** - The Entity obtained an unqualified 2022/23 audit report from the Auditor General.
- **Percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have**

payment arrangements with the Entity), 11% – while this is necessary for clean administration, it has direct implication on financial sustainability of the Entity. As such a target of 11% reduction on debts outstanding was set. The Entity's achievement for the year under review was 18.57%. The overachievement was due to interventions implemented by the Entity throughout the financial year, which included the CEO roadshows and one-on-one CFO engagements.

Table 2.4.4.1:

The table below ONLY reflects the revisions to the original APP until quarter three of the 2022/23 financial year. Two of the indicators are annual targets; therefore, no actual performance is reflected at the time of revision.

Programme / Sub-programme: Corporate and Financial Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved debt collection	Reduction in the average debtors' collection period	Percentage decrease in average debtors' collection days. (Excluding outstanding balances of clients that have payment arrangements with the Entity)	12.96% (Excluding amounts owed by clients that have submitted written payment arrangements)	18.06%	15% (Excluding amounts owed by clients that have submitted written payment arrangements	4.59% decrease in average debtors' collection days	-10.41%	Department of Justice and Constitutional development (DOJ & CD) has decentralised their budget to regional office and this process is delaying paying payments. 2.Two big clients, namely Gauteng Department of Community Safety and National Department of Rural development and Land Reform did not pay August 2023 invoice.	The Entity proposed that this indicator be revised downwards from 15% to 11%. The revision was necessitated by the following: Our analysis on the current payment threads indicate that the average collection days for the past 6 months is approximately 52.15 days which is far below the targeted days of 43.25 days. This analysis is reflective of the current fiscus challenges faced by the country and the financial pressures experienced by our clients in implementing service delivery priorities with reduced financial resources. The recent National Treasury cost containment measures issued on 31 August 2023 and the anticipated budget cuts to be announced by the Minister of Finance will have further strain on g-FleeT debtor's books. In addition, the recent international events continue to contribute negatively to both the crude oil prices and purchase cost of motor vehicles.

Programme / Sub-programme: Corporate and Financial Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improve efficiency & customer service	Integrated Fleet Management System (IFMS) modules developed.	Number of IFMS Modules developed and signed-off as per revised project plan.	2 IFMS Modules/ Processes (registration of transport officers and drivers) have been mapped by eGOV. However, development is underway. Scanners procured and delivered. Licences made available from DRT. Business processes have been developed and deployed in the live environment.	Business requirement specifications for the 4 IFMS modules were completed and signed off: Access management Tariff Calculation Asset Acquisition Fuel Card management	5 IFMS modules developed and signed-off by end user as per the revised project plan	0	5 IFMS Modules/ processes mapped and developed.	The target is an annual target and performance was not due at the time the of re-tabling the revised APP.	Due to ongoing challenges experienced with external dependency factors which were impacting on the completion of the project. It was greed that this outcome indicator and its TID will be removed from the 2023/24 Annual Performance plan.

*Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has re-tabled an Annual Performance Plan in the financial year under review)

Table 2.4.4.2:

The table below reflects the planned and actual achievements against the adjusted and re-tabled 2023/24 APP. The APP was revised in during the first month of the 3rd quarter of the 2023/24 financial year and was approved at the end of October 2023.

Programme / Sub-programme: Operational Management Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Maximise on return on investment	Percentage of rental days utilised.	Percentage of rental days utilised for VIP self-drive vehicles.	72.51%	76.11%	58% of rental days utilised for VIP self-drive vehicles	72.62% of rental days utilised for VIP self-drive vehicles	+14,62%	High demand in short term rental services.
Maximise on return on investment	Percentage of rental days utilised.	Percentage of rental days utilised for Pool vehicles	94.89%	93.01%	77% of rental days utilised for Pool vehicles.	89,10% of rental days utilised for Pool vehicles.	+12,10%	High demand in short term rental services.
Clean Administration	Unqualified opinion from Auditor General	Unqualified opinion from Auditor General	Qualified 2020/21 audit report from the Auditor General	Qualified opinion from AG for the 2021/22 financial year.	Unqualified opinion from Auditor General	Unqualified opinion from Auditor General for the 2022/23 financial year.	n/a	n/a
Improved debt collection	Reduction in the average debtors' collection period	Percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with The Entity)	12.96% (Excluding amounts owed by clients that have submitted written payment arrangements)	18.06%	11% (Excluding amounts owed by clients that have submitted written payment arrangements)	18.57% decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity)	+7.57%	The overachievement was due to interventions implemented by the entity throughout the financial year, which included the CEO roadshows and one-on-one CFO engagements

****Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan (In the instance where a Department did not re-table the Annual Performance Plan in the financial year under review) OR in relation to the performance information reflected in the re-tabled Annual Performance Plan.**

Strategy to overcome areas of underperformance.

- **None.**

LINKING PERFORMANCE WITH BUDGETS

Sub-programme expenditure

Sub- Programme Name	2023/2024			2022/2023		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
VIP and Pool Services	R 18,778	R17,423	R 1,355	R 20,059	R 17,276	R 2,783
Finance	R 19,882	R19,964	(R 82)	R 21,771	R 15,616	R 6,155
ICT	R 7,699	R 6,205	R1,494	R 9,469	R 6,158	R 3,311
TOTAL	**R 46,359**	**R 42,767**	**R 3,767**	**R 51,299**	**R 39,050**	**R 12,249**

2.4.5. Capital Investment

Capital investment, maintenance, and asset management plan.

Infrastructure projects	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	R545,309	R516,085	R29,244	R 261,844	R 250,050	R 11,794
Existing infrastructure assets						
Upgrades and additions	R31,533	R35,435	(R3,902)	R 7,000	R 5,736	R 1,264
Rehabilitation, renovations, and refurbishments						
Maintenance and repairs	R13,900	R14,194	(R1,393)	R 7,700	R 2,756	R 4,944
Infrastructure transfer						
Current						
Capital						
Total	**R589,742**	**R565,714**	**R23,929**	**R 276,544**	**R 258,542**	**R 18,002**

GOVERNANCE

PART C

GOVERNANCE

01 All planned internal audits were completed during the year under review.

02 Administrative policies were reviewed, approved, and communicated.

03 Quarter audit reports were presented to audit committee for independent oversight.

04 Risk management action plans were closely monitored for implementation.

1. INTRODUCTION

The Entity regards governance as fundamentally important to the achievement of its strategic objectives and the fulfilment of its responsibilities in meeting service delivery standards. It is paramount that The Entity ensures that its values are well defined and are entrenched in all structures of the organisation. The Entity has applied the principles as set out in in the code of professional conduct, ensuring that its leadership applies the 'tone at the top' approach in carrying out responsibilities in good faith, with due diligence and care, for the best interests of The Entity and all its stakeholders. The Entity always strives to maintain and improve its standards of good governance through the concerted efforts of various management committees.

2. RISK MANAGEMENT

The Entity has a risk management framework, charter, policy and strategy.

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

The Entity has a Risk Management Committee that is chaired by an Independent Chairperson and advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.

The Audit Committee is the advisory body for the Entity on risk management and independently monitors the effectiveness of the system of risk management.

There has been applaudable changes in management of risks, the Entity has made a commitment to manage risks on a continuous basis. This has been attributed by the six-weeks intervals of risk management committee meetings instituted by the Head of Department, and weekly reporting to the Head of Department on the progress status of the identified findings both AG and GAS findings. Also, the performance contracts of senior management have incorporated risk management for accountability purpose.

3. FRAUD AND CORRUPTION

The Entity has a risk anti-fraud and corruption policy and strategy.

The Entity conducts regular fraud risk assessments to determine the effectiveness of risk management strategy and to identify new/emerging risks.

The Entity has a Risk Management Committee that is chaired by an Independent Chairperson and advises management on the overall system of risk management of which fraud and corruption related issues are discussed. Fraud and corruption issues are also discussed on a weekly basis with the Head of Department.

The Audit Committee is the advisory body for the Entity on anti-fraud and corruption related issues and independently monitors the effectiveness of the system thereto management.

The Entity has an approved whistleblowing policy which is communicated constantly through the ethics and anti-fraud and corruption awareness sessions and induction workshops.

Allegations are reported by respective management using various mechanism i.e. hotline, internal audit, fraud detection reviews.

4. MINIMISING CONFLICT OF INTEREST

Accountability is fundamental to the organisational integrity. All employees are expected to take responsibility for their actions. Disciplinary matters are resolved in line with the disciplinary code and procedure. Labour relation supports the introduction and implementation of disciplinary management. Application for disciplinary measure is an integral component of effective fraud and corruption deterrent strategy within the Entity.

The Entity is doing its best to minimize conflict of interest by:

Conducting awareness sessions on Public Service Regulations, 2016 under regulation 13b and f and it is supported by the Code of Conduct for Public service that has a pledge. The Entity has also reviewed its policy on conflict of interest. It is also working with various stakeholders such as DPSA, GAS and AG to identify conflict and potential conflict from officials. The e-disclosure that is filed by SMS, MMS and officials from Finance branch also helps to identify those who might have conflict of interests. To further minimize Ethics management is working with communications to develop posters and some intranet posts are issued to educate and sensitise officials on conflict of interests. Induction programmes are held in partnership with HR development with the newly appointed officials and an online course is available that covers a lot of issues on ethics management.

5. CODE OF CONDUCT

The Public Service Commission (PSC) developed code of conduct for the public servants to promote the high standard of professional ethics. The ethical principles contained in the Code are applicable to DRT employees. The Entity implemented the code and Management to ensure compliance by all staff.

6. INTERNAL CONTROL UNIT

In accordance with the requirements of the PFMA, and best practice, the Entity has a fully resourced internal Audit function.

The Internal Audit performed its audits according to the approved Internal Audit coverage plan. The Plan was based on high-risk areas as per the Strategic risk profile.

The Head of the Entity was appointed and is responsible for Strategic and administration support to the Internal Audit function.

There is an on-going process for identifying, evaluating, and managing the significant risks faced by the Entity to prioritise high risk and ensure adequate controls are designed and are tested on regular basis for effectiveness.

All planned internal audits were completed during the year under review.

Administrative policies were reviewed, approved, and communicated.

Quarter audit reports were presented to audit committee for independent oversight.

Risk management action plans were closely monitored for implementation.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

A) INTERNAL AUDIT

Gauteng Audit Services (GAS) provides internal audit services to the Entity. The objective of GAS is to promote sound corporate governance in the province through ensuring an effective internal control environment.

Key Activities of Internal audit

Risk based Internal Audit Plans were developed by GAS and approved by the respective Entity Audit Committees which exercise oversight over the activities of GAS.

The activities are as follows:

- Risk and compliance audit.
- Performance Audit; and
- Computer Audit.
- Information Technology Risk Assessment.

Specify summary of audit work done

Fourteen (14) Risk, Compliance, Performance and Computer audits.

During the last quarter of the 2023/2024 financial year, Gauteng Audit Services presented the risk-based three year rolling internal audit plan for the Entity to the audit committee, having discussed with the Accounting Officer and recommended for approval by the Audit Committee. The Internal Audit plan was approved by the audit committee for implementation from 1st April 2023.

8. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The establishment of the Occupational Health and Safety (OHS) Committee

The Occupational Health and Safety (OHS) Committee was established in the 2020/21 financial year and handed over their functions to the SHERQ Committee.

The Entity's Senior Management and a representative from organized labour also participates in the Departmental SHERQ Committee. The Terms of Reference (TOR) for SHERQ Committee was reviewed and approved. No SHERQ Committee meetings was held during the period under review, as there is no appointed Chief Operations Officer who must coordinate the implementation of SHERQ Committee according to the SHERQ Policy.

Addressing the OHS issues in the organization has been a focal point particularly through the plans of the Facilities and Security unit. Maintenance of the facilities will continue to be done on a regular basis. The Entity is being assisted by the Gauteng Department of Infrastructure Development (DID) as an implementing agent for maintenance related projects due to the lack of human resources which is a major concern, to deliver and monitor the projects to ensure OHS issues in their environment.

The Entity renovated 3 buildings (i.e., Wellness Centre, Panel Beating and Car Wash Ablution buildings) and were completed in November 2021. The Occupancy Certificate has been received from Ekurhuleni Municipality on 13 April 2022. Final snagging was done on 11 May 2022. The buildings have been handed over and are being occupied in phases to respective Business units which are busy with operationalizing such buildings for intended purposes (e.g., Wellness Centre which comprises of a Gym and Canteen Areas and some offices; Panel beating building training rooms and offices; and the Car Wash Ablution building which will be used by officials appointed to wash vehicles). The Entity also embarked on a Space Planning project for the Wellness Centre and Panel beating building to accommodate officials that do not have office space whilst also ensuring that the building's initial usage is realized.

The major delay that has been experienced is with the implementation of Phase 2 Infrastructure upgrade projects that

will contribute extensively to addressing OHS issues related to the dilapidated and old infrastructure within the Head Office premises. As assisted by the Gauteng Department of Infrastructure Development a Professional Team (PSP) was appointed to implement the Phase 2 Infrastructure upgrade projects. The Building Layouts are being finalized and will be signed off. A stage 3 Report is being scrutinized by Gauteng Department of Infrastructure Development to ensure that it meets the required standards of the Infrastructure Delivery Management System. When all requirements are met and all tender preparatory stages have been concluded, a Construction tender will be advertised.

The Entity has also secured new offices at Regional Offices in KZN, Cape Town and East London to address issues of OHS compliance among others.

The Entity will continue to manage the issues and address them accordingly within the resources available and will continue to create a conducive environment for staff to contribute to the service delivery, morale, and productivity of the Entity.

9. PORTFOLIO COMMITTEES

Responses to the Committee's Additional Questions Emanating from the Committee's Analysis of Responses to the Annual Report 2023 Resolutions

Question No	Question / Recommendation	Department Response
1	Provide update on the finalisation of the organisational structure	The organisational structure for both g-FleeT and GDRT • Consultations with Branches is done. • The Office of the Premier (OoP) has effected the changes as per the consultations. • The Steering Committee meeting with Organised Labour, OoP and Management will be held from 12 – 13 March 2024. • Management is also in the process of reviewing the job profiles for job evaluation purposes. • The final organisational structure for g-FleeT and GDRT is ready for pre-consultation with DPSA. • The organisational structure will be submitted to DPSA via OoP for consideration. • OoP has committed to start with Change Management Sessions for both g-FleeT and GDRT.

Responses to the Roads and Transport Portfolio Committee Questions on the First Quarter Report of the 2023/24 Financial Year.

Question No.	Question / Recommendation	Department Response
1.	The g-FleeT Management should update the Committee on the plan to visit the client departments on all issues relating the Entity, including tracker.	• Meetings to be arranged with client departments. • An internal meeting was held to plan for the meetings. It was resolved that a team will be established to visit client departments to address issues of debtors, maintenance, tracker, customer support services, IGVLA contract management, etc. • Phase 1 client visit-the October Transport month will be used to engage the Entity's clients based at GPG Head Office. The meeting will address client queries and challenges that the Entity has with the clients. • Phase 2 client visit-other clients namely: Western Cape, KwaZulu Natal, Free State and Eastern Cape Province/Regions. • The two departments that were outstanding with most of the vehicles not fitted with tracker was as follow: o OCJ Eastern Cape-the tracker services have been booked and to be finalised by 18 and 19 August 2023. o Free State to be finalized by 31 August 2023. • GPG: Health vehicles were fitted with tracker between 01 and 10 August 2023.

Question No.	Question / Recommendation	Department Response
2.	The Entity should update the Committee on the mapping of decentralization on the Fleet Information System.	**Decentralization of the Fleet Management System** • The Gauteng Department of e-Government(e-Gov) was appointed on 20 November 2021, to map, design, develop, train, implement and support an integrated fleet management solution for the Entity. • Project duration: start date: 29 November 2021- end date: 31 March 2025 • Progress to date is as follows: 6 of 12 BRS documents have been completed, namely: o Tariff calculation o Access management o Asset acquisition o Driver and contract management o Fuel management Key account management • Development – not started. • Additional resources • Two ICT interns from the Entity were seconded to the project for completion of the outstanding BRS documents. • Interviews for two additional interns were conducted and awaiting approval. • e-Gov has appointed a service provider for a period of eight months to develop 3 modules, effective 1 August 2023 to 31 March 2024. **Challenges and Risks** • Lack of noticeable progress on the development of the system. • Constant changes of resources from e-Gov resulting in the repetition of activities. • Insufficient Business Analysts from e-Gov (1 Business Analyst since the inception of the project). • Utilization of interns on major tasks (with no experience). • No developers directly allocated to the project. • Planned completion project timeline is longer than what the business anticipates. • More than one provider to develop the system which will create challenges when it comes to ownership and accountability. • As per the meeting held on 19 July 2023, AGSA resolved that the audit for the 2023/24 fy would focus on IFMS development and governance. Emphasis will be around utilization of resources e.g., time, people, technology etc. • Project cost/estimate is still unknown. **Interventions/Solutions** e-Gov to: • Provide a detailed project cost. • Revise the project plan with shorter completion timeline. • Through SITA, go out on open tender process for the development of the system, as per their advice on 20 January 2020. • Permit the Entity and the Gauteng Department of Roads and Transport (GDRT) to source the system. ✓ The IT Steering Committee (ITSC) held on 06 July 2023 resolved that due to e-Gov failing to meet the set timelines for the development of the IFMS, GDRT/Entity, through e-Gov, should look for other alternatives of sourcing the system.

Question No.	Question / Recommendation	Department Response
3.	The Entity should also update the Committee on the collection of long outstanding debts.	The Entity continues to engage its user departments in terms of long outstanding debt collections with a view to achieve its target of 15% reduction of average collection days and beyond. In this regard, the Acting Chief Executive Officer is commencing with arrangement one-on-one engagements with client departments to discuss client satisfaction levels as well as issues of payment patterns and payment arrangements where applicable. • Phase 1 client visit-the October Transport month will be used to engage the Entity's clients based at GPG Head Office. The meeting will address client queries and challenges that the Entity has with the clients. • Phase 2 client visit-other clients namely: Western Cape, KwaZulu Natal, Free State and Eastern Cape Province/Regions.
4.	The g-FleeT Management should provide reasons on why the permanent services programme recorded expenditure amounting to 72% in the first quarter.	The Permanent Services programme represents the new motor vehicle acquisition unit within the Entity. The higher-than-normal spending pattern within this programme is due to the delivery of new vehicles during the first quarter of the 2023/24 financial year. These vehicles were ordered during the 2022/23 financial year however were only received and paid for by the Entity during the 2023/24 financial year.
5.	The Entity should also explain how the balance of 28% will be spent in the next three quarters.	The remaining 28% will continue to be used for the payment of new motor vehicles received during the 2023/24 financial year. Management's expectation is that the process for the payment of new motor vehicles purchased during the 2023/24 financial year will be less due to the delays in the finalization of the new RT57 vehicle purchasing contract. The new RT57 contract issued by National Treasury commenced on 01 August 2023. However, the Entity will also reassess the budget allocation for the unit as part of the adjustment budget process in line with the planned delivery schedules from the vehicle manufactures.

Responses to the Portfolio Committee on Transport and Logistics Oversight Report on the Second quarterly Report of the Department of Transport and Logistics, Gautrain Management Agency and g-FleeT Management for the 2023/24.

Question No	Question / Recommendation	Department Response
003	The Department and g-FleeT Management should provide the Committee with a detailed report on the progress made in the collection of outstanding revenue from owing client Departments in line with the planned interventions.	The progress in the implementation of the interventions has been somewhat erratic. Whilst most client departments responded positively to the reminders and management engagements, some client departments regressed in their payment patterns due to funding pressures as a result of budget cuts and other urgent competing priorities that support direct service delivery requirements. The reconciliation of invoices to billed vehicles and locations is a critical step in ensuring that any disputes in billings are resolved timeously thereby enabling urgent payment.

Responses to the Committee's Questions on the Third Quarter Report of the 2023/24 Financial Year.

Question No	Question / Recommendation	Department Response
12.	The g-FleeT Management should update the Committee on the debt collection engagement with the National Department of Rural Development and Land Reform, Gauteng Department of e-Government and Gauteng Department of Health.	**Gauteng Department of Health** The engagements with the client have shown that the client is experiencing cash flow challenges and competing priorities. The Entity is discussing a payment arrangement with the client. **GPG Gauteng Department of e-Gov (GDF)** The invoices for October 23 and November 23 have been paid and the payment will reflect on 28/02/2024 bank statement. To date, the invoices for December 2023 and January 2024 amounting to R1.8 million remain unpaid. The Entity continues to follow-up with management. The slow progress on payment has also been raised with the e-Gov Audit Committee. **NAT. Dept of Rural Development & Land Reform** The meeting with the CFO's resulted in the payment of long outstanding invoices. However, the client appears to have gone back to making delayed payments. A follow-up meeting is being arranged to discuss the matter.
13	The g-FleeT Management should provide reason/s for 41% upwards adjustment of the budget in the Permanent services programme.	The 2022/23 budget for Permanent Unit (Vehicle Acquisition Unit) was based on the vehicle order book and aligned to the estimated delivery of new vehicles as provided by the respective vehicle manufacturers. Unfortunately, the vehicle manufacturers were unable to delivery all the vehicles that were estimated to be delivered before the financial cut-off period for the 2022/23 financial year. These deliveries amounting to R116 million were only received during the 2023/24 financial year. This significantly and negatively impacted the Entity's 2023/24 budget allocation. To respond to this challenge, the Entity reassessed its vehicle order book and implemented an upward adjustment to the Unit's budget allocation to enable the timeous payment of invoices associated with the delivery of new vehicles.
14.	The g-FleeT should explain as to what influenced the allocation amounting to R20 million in the newly established Logistics programme during the adjustment programme.	The Gauteng Provincial Executive Committee directed the repurposing of g-FleeT to perform the logistics function to improve the performance of warehousing and distribution of public goods within the province to support key service delivery Departments. The change in mandate was not allocated a budget by the Gauteng Provincial Treasury based on the state of readiness to implement. In responding to this mandate, it was agreed that the Entity would assist in budgeting for the initial set up costs of the logistics programme whilst awaiting the provincial fiscus funding allocation for operating and fully implementing the function.
15	The g-FleeT Management should provide reasons for adjusting downwards the final appropriation in the Office of the CEO and Office of the COO by 48% and 42% respectively.	**Office of the CEO** The initial budget within the Office of the CEO for the 2023/24 financial year had provided resources for the filling of critical positions that were additional to the current organizational structure. These critical positions were identified to strengthen the areas of governance and accountability within the Entity. Unfortunately, the delays in finalizing the recruitment process and the new organizational structure meant that the allocated funding would no longer be required for the 2023/24 financial year. Therefore, the allocated funding within this area was redirected to other Units that were experiencing funding pressures. **Office of the COO** The initial budget within the Office of the COO for the 2023/24 financial year had provided resources for the filling of the vacant COO position. Unfortunately, the delays in finalizing the recruitment process and the new organizational structure meant that the allocated funding would no longer be required for the 2023/2024 financial year. Therefore, the allocated funding within this area was redirected to other Units that were experiencing funding pressures.

Question No	Question / Recommendation	Department Response
16	The Entity should provide reason/s for large contribution to the overall expenditure in the Transport Support Services programme and Permanent Services programme in the quarter under review.	**Permanent Services programme** During the month of October 2023, the Entity received an influx of new orders from clients. These orders were placed by the Entity with the manufacturers and fulfilled by the suppliers much sooner than expected due to an over-supply of vehicles from certain suppliers. At the time of placing these orders, the Entity's vehicle order book reflected that some of these orders will only be fulfilled during the later part of the 4th quarter with most orders being fulfilled during the 2024/25 financial year. These orders were not adequately provided for in the 3rd quarters adjusted budget projections and as a result the increase in overall expenditure. **Transport Support Services** The expenditure within in programme is largely driven by the fuel bill issued by Wesbank. During the 2nd quarter, the Entity introduced new improvements to the monthly reconciliation of all Wesbank invoices. This resulted in a delay in the payment of invoices pertaining to August 2023 and September 2023. These invoices were subsequently processed in the 3rd quarter resulting in increased expenditure for the quarter.
17	The g-FleeT Management should explain as to why Permanent services programme is already overspending the allocated budget whereas this programme received larger share of upwards adjustment in the quarter under review.	During the month of October 2023, the Entity received an influx of new orders from clients. These orders were placed by the Entity with the manufacturers and fulfilled by the suppliers much sooner than expected due to an over-supply of vehicles from certain suppliers. At the time of placing these orders, the Entity's vehicle order book reflected that some of these orders will only be fulfilled during the later part of the 4th quarter with most orders being fulfilled during the 2024/25 financial year. These abnormal changes in delivery times were not adequately budgeted for during the adjustment budget process. During December 2023, the Entity's budget monitoring processes highlighted a significant risk of overspending within this programme. The Entity responded immediately by undertaking another detailed review of the adjustment budget. This review, with reasons, was submitted to the HOD and MEC for consideration and approval. The 2nd budget adjustment was approved by the MEC resulting in an increased budget allocation to the Permanent Services programme to respond to this challenge

10. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS

Responses to the Preliminary Questions Report of the Auditor-General to the Gauteng Provincial Legislature on the financial Statements and Performance Information of the g-FleeT Trading Entity for the Year Ended 31 March 2023

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
1.	**Restatement of Corresponding Figures** The Committee noted that, as disclosed in Note 2 of the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the trading Entity at, and for year ended 31 March 2023. Provide details which led to the Department to restate each of the identified corresponding figures for the 2021/22 FY	In response to the negative audit outcome of the 2021/2022 financial year, the Entity drafted and implemented an Audit Improvement Plan which was successful in turning around the overall audit outcome for the 2022/2023 financial year. The implementation of plan required the Entity to correct figures pertaining to the 2021/2022 financial year. This was important to ensure compliance with accounting standards of GRAP	Ongoing
1.2	Provide intervention/plan to minimize restatement of corresponding figures	In response to the 2022/2023 financial year audit outcome, the Entity has already drafted and commenced the implementation of its overall Audit Improvement Plan. As part of the plan, the Entity has responded to the prevention of misstatements and restatement of corresponding figures by drafting and implementing a financial statement preparation plan which focuses on the following key objectives of ensuring the preparation of valid, accurate and complete financial statements: The financial statements are adequately supported by evidence. The timeous preparation, review, and submission of financial statements.	

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
1.3	Provide the Committee with details for the Entity's previous audit improvement plan not being effective resulting in errors in the financial statements.	The 2021/2022 Audit Improvement Plan was prepared in response to the 2021/2022 audit outcome. The Entity was able to successfully respond to all areas that resulted in the 2021/2022 negative audit outcome. Although the key elements of the Audit Improvement Plan were implemented, the 2022/2023 audit outlined new shortcomings within our fleet maintenance partnership with Wesbank (National Treasury RT46 appointed service provider). Motor vehicles which had/have active prepaid maintenance/service plans were subjected to further paid routine services and maintenances. In response to this audit finding, the Entity undertook a reconciliation of all payments affected in relation to this matter. The reconciliation required a retrospective adjustment to the financial statements, amounting to approximately R6.6 million. A formal debt against Wesbank has been raised and communicated to Wesbank. Both the Entity and Wesbank are in the process of finalising the reimbursement to the Entity.	Ongoing
2	**Report of the Audit on Annual Performance Report** The Committee noted that the AGSA found that an achievement of 81.22% was reported against a target of 75%. The audit evidence did support the achievement. Hence the AGSA could determine the actual achievement, thus estimated to be materially less than reported. Provide the Committee with details for the inaccurate reporting of achieved targets by the Trading Entity.	During the 2022/2023 financial year, the Entity had appointed an independent service provider to undertake a Client Satisfaction Survey on behalf of g-FleeT Management. As part of auditing the performance target relating to the percentage of clients satisfied with the Entity's services, the Auditor General of South Africa (AGSA) requested supporting evidence for the recorded survey responses which was used to support the reported achievement of 81.22%. Management responded to the request but were unable to provide the full details of the respondents, largely due to the provisions of the POPIA Act, wherein the permission of respondents to release their personal information was not obtained at the time of conducting the survey. The matter was discussed with AGSA, wherein alternative methods to audit the said target was considered. This entailed management demonstrating its approach in confirming the validity, accuracy, and completeness of such information from the respondents. Unfortunately, management was also restricted by the provisions of POPIA as the permissions were not requested at the time of the survey and that requesting such permissions during the audit process was not going to be feasible. Based on the discussions the Entity had with AGSA, they were unable to confirm that controls are in place to ensure completeness, accuracy, and validity of the reported achievement as management relied on the report presented by the service provider. Management has noted the shortcomings in the process and has finalized the collection of all data from the service provider. Management has also improved on the terms of reference for client surveys to include the following:	Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
		Submission of both electronic and hard copy of data responses. Submission of final report. The final report to include all responses (neutral, anonymous, and non-responsive). Clear description of the formula used to determine the percentage of responses received. To include reports on emails, telephone calls and SMS sent to respondents. To request permission terms of the POPIA Act. In addition, the Internal Risk and Audit Management and Monitoring and Evaluation Unit will be consulted to ensure that there are no gaps in terms of the survey data received from the service provider.	
3.	Report on the Compliance with Legislation. **Expenditure Management** Provide the Committee with details for the Trading Entity not utilising resources economically.	The 2022/2023 audit outlined new shortcomings within our fleet maintenance partnership with Wesbank (National Treasury RT46 appointed service provider). Motor vehicles which had/have active prepaid maintenance/service plans were subjected to further paid routine services and maintenances. In response to this audit finding, the Entity undertook a reconciliation of all payments affected in relation to this matter. The reconciliation required a retrospective adjustment to the financial statements, amounting to approximately R6.6 million. A formal debt against Wesbank has been raised and communicated to Wesbank. Both the Entity and Wesbank are in the process of finalising the reimbursement to the Entity.	Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
3.2	Provide the Committee with improvement plans to utilise resources economically and in accordance with section 38(1)(b) and 45(b) of the PFMA.	The Entity has developed an overall Audit Improvement Plan (See attached Annexure A) which has identifies the following activities that are being implemented to prevent the identified internal control weakness from reoccurring: Management have identified all vehicles with maintenance plan effective from 2021 to date and submitted to Wesbank (+/- 2500). Determine the amount paid in error for maintenance costs of vehicles that were still under maintenance plan and forward the letter to Wesbank for acknowledgement of debt and reimbursement. Wesbank must urgently finalise investigations into the matter and forward a report to the Entity. Detailed items covered under maintenance plans for each must be obtained from the vehicle manufactures and forwarded to Wesbank to finalise calculation and reimbursement. Details of all vehicles on service and maintenance plan to be forwarded to Wesbank monthly for capturing and uploading into the Wesbank maintenance authorisation system. Improve the internal controls surrounding the monthly reconciliation of all Wesbank invoices to pre-authorizations issued by the Entity.	Ongoing
4.	**Internal Control Deficiencies** Provide the Committee with details for the accounting officer not adequately exercising the oversight responsibility over performance reporting.	The AGSA reported internal control deficiency is directly linked to the reported audit finding on the Annual Performance Report in relation to the percentage of clients satisfied with the Entity's services. The audit finding was largely due to the limitations imposed upon the Entity in terms of the provisions of the POPIA Act and the shortcomings in the planning and specification processes which neglect to consider the implications of POPIA Act resulting in the detailed data which supported the reported achievement not being readily available within the Entity. Although management considered other options to make such detailed information available to the AGSA, the independently appointed service provider, who conducted the survey on behalf of the Entity was also hampered by the provisions of the POPIA Act.	Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
4.2	Provide the Committee with details for Senior management not adequately reviewing and monitoring compliance with laws and regulations. The undernoted are Resolutions that were either not responded to or not adequately responded to by the Department.	The AGSA reported internal control deficiency is directly linked to the reported audit finding on the newly identified shortcoming within our fleet maintenance partnership with Wesbank (National Treasury RT46 appointed service provider). Motor vehicles which had/have active prepaid maintenance/service plans were subjected to further paid routine services and maintenances. In response to this audit finding, the Entity undertook a reconciliation of all payments affected in relation to this matter. The reconciliation required a retrospective adjustment to the financial statements, amounting to approximately R6.6 million. A formal debt against Wesbank has been raised and communicated to Wesbank. The weakness in monthly internal control pertaining to the detailed analysis and reconciliation of the Wesbank invoice against vehicle pre-authorisations resulted in these identified payments and debt recover processes. Management has since designed and implemented additional internal controls pertaining to this area as outlined in 3.2. above.	Ongoing

Responses to the Committee's Oversight Report on the Report of the Auditor Genera of South Africa to the Gauteng Provincial Legislature on the Financial Statements of g-FleeT Management for the Year ended 31 March 2022

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
1.	The Entity must provide the Committee with a progress report detailing the effectiveness of the following AGSA Recommendations regarding property, plant, and equipment – motor vehicles by 28 April 2023. 1.1. Analyses all invoices relating to purchasing of vehicles for the past year to identify all prepaid maintenance, the maintenance needs to be removed from the cost price of the vehicles and depreciation recalculated, and a prepaid maintenance needs to be recognised and then adjusted where the services were performed. 1.2. Physical verification of all vehicles owned by the trading entity. 1.3 Correcting depreciation and accumulated depreciation for all vehicles owned by the entity and not classified as finance leases.	The Entity, through the support of the Department's Compliance Office, undertook the analysis of all invoices relating to the purchasing of vehicles since the 2017/18 financial year which was the first year the Entity purchased service/maintenance plans. The analysis was performed in respect of the four thousand seven hundred and sixty-seven (4767) vehicle purchases made since the 2017/2018 financial year. The service/ maintenance values were identified from the invoices obtained and used to reduce the cost price of the vehicles and recalculate the related depreciation and accumulated depreciation. The analysis further resulted in a prepaid maintenance expense being recognized which will be amortised in correlation with the service/maintenance plans period. As of 31 May 2023, this exercise has been completed and the resulting correcting journals have been processed into the Entity's financial statements. The physical verification of vehicles located in Bedfordview was conducted in October 2022 and the physical verification of all vehicles owned by the Entity was conducted in March 2023. The October verification results were used to update the asset registers with the correct information from the verification exercise. A total of two hundred and seventy-six (276) vehicles were unverified at year end. As directed by the Head of Department (HoD) for the Gauteng Department of Roads and Transport (GDRT), these unverified vehicles will be further followed up during the 2023/24 financial year as part of an independent investigative process. A thorough review of the motor vehicles asset register was performed during the year and all errors identified in the calculation of the depreciation were corrected in the asset register.	Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
2.	The Entity must ensure its motor vehicles to mitigate against theft, accidents and other related incidents and provide the Committee with a progress report detailing the status of the insurance procurement process by 28 April 2023 and a quarterly progress report continuing up until finalization thereof:	Paragraph 12.1.2 of the Treasury Regulations states that "Notwithstanding paragraph 12.1.1, the accounting officer of an institution may (if deemed economical and based on a risk assessment) ensure motor vehicles or such other movable assets determined by the relevant treasury, but the insurance premium cost may not exceed R250 000 a year on that vote, unless otherwise approved by the relevant treasury."The Entity has assessed the need to first undertake the upgrading and automation of all access and security controls within the Entity. This coupled with the change in the motor vehicle tracking company formed part of the risk mitigating strategy. Addressing these challenges first will form a critical basis to ensuring that the insurance option will be informed by a reduced level of risk exposure which will assist in ensuring an economical insurance premium, should the Entity be permitted to take out insurance. The Entity can report that the change in tracking company has been finalised. The issue of access and security upgrades is being undertaken in conjunction with the Gauteng Department of e-Government who is at the stage of finalising the procurement of the service provider through the State Information Technology Agency (SITA) on behalf of the Entity.	Ongoing
3.	Furthermore, provide the Committee with a report on the impact of the AGSA recommendations in the current financial year (2022/23) by 31 July 2023: 3.1 That management must set an appropriate tone to ensure that all staff comply with established policies and procedures, as well as applicable accounting standards.	The Entity's Finance Team attended the GRAP training during the financial year as well as training on the revised Unauthorized and Irregular, Fruitless and Wasteful offered by the Gauteng Provincial Treasury. The training on CaseWare was also attended to ensure preparation of financial statement in line with GRAP. The policies and procedures as well as GRAP standards were implemented throughout the year. The Audit Action Plans were regularly monitored by management and as a result, all findings raised in the 2021/22 financial year were tracked and progress reported on a monthly basis. The management issues internal communique to all staff for any new and amendments to policies and procedures. In line with the HRD Plan, the Human Resources Management Unit will schedule workshops to empower staff on policies and Standard Operating Procedures. The employees who do not comply with the established policies and procedures, will be dealt with according to labour relations processes.	Ongoing
3.2	The audit action plans must be actively driven by management to ensure achievement of milestones and corrective action taken where milestones are not achieved.	Every year, on receiving the approved final report from the Auditor-General of South Africa, the Entity develops the Audit Action Plans which is monitored monthly. All findings raised in the 2021/22 financial year were tracked and progress reported monthly to the management. A total of forty-seven (47) findings with recommendations were issued, and out of this total, the Entity managed to implement forty-two (42) of them. The remaining five (5) are currently in progress as the action due date is at the end of the 2023/24 financial year.	Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
4.	The Entity must provide the Committee with a progress report detailing the effectiveness of the following AGSA recommendations by 28 April 2023. Furthermore, provide the Committee with a report on the impact of the AGSA recommendations in the current financial year (2023/24) by 31 July 2023: 4.1 That management design performance indicators that are well defined and adhere to the SMART criteria.	During the Annual Performance Plan (APP) formulation period, each business unit will submit their respective APPs. The respective plans are consolidated to generate a master APP. The Entity's consolidated APP is sent to the Chief Executive Officer (CEO) for review, on completion of CEO review, the plan is sent back to managers to update. Once the review comments have been processed, the APP is sent to CEO for final checks. The APP is then submitted to GDRT: Monitoring and Evaluation Unit and Office of the Premier (OoP): Monitoring and Evaluation for further review. The reviewed document is sent back to the Entity for processing comments made by the two oversight bodies. The processed comments are then sent back to the oversight bodies for approval. Upon approval from the oversight bodies, the APP is submitted to CEO for final review before it is submitted to the HoD and Member of the Executive Council (MEC) for approval. The Portfolio of Evidence (POE) is submitted together with quarterly reports and kept for audit purposes. This onerous process is designed as such to ensure that the all the related parties as mentioned above can ensure that the document adheres to the SMART criteria for one, and that the targets therein are achievable by the Entity.	Resolved
4.2	That management design the standard operating procedure/policies such that it contains processes to record information and store supporting evidence for measuring whether the planned indicator was clearly defined.	The Entity has requested assistance from GDRT to assist with the designing of the SOP for Monitoring and Evaluation. The SOP has been received from GDRT and is in the process of being customised to the Entity's business requirements. It will be tabled at Senior Management Team (SMT) Meeting for recommendation and adoption. The anticipated date for finalisation and approval of the SOP is 31 July 2023.	Ongoing
5.	The Entity must institute timely investigations of reported irregular, fruitless and wasteful expenditure, and disciplinary actions must be taken against staff that transgressed procurement regulations and provide the Committee with a progress report by 28 April 2023, and a quarterly progress reports continuing up until finalization thereof:	In April 2023, the Entity appointed a service provider to investigate the irregular and fruitless and wasteful expenditure from 2019 to date. All the fruitless and wasteful expenditure occurred prior 2019 will be condoned given the length of time that has lapsed. The five (5) final investigation reports were received from the service provider on 30 June 2023. The GDRT: HoD on behalf of the Entity, has thirty (30) days to adopt the reports. Once the reports are adopted, they will be duly implemented. The implementation of the recommendations will be tracked monthly, and the progress on the implementation of the recommendations will also be reported to the related oversight structure quarterly.	Ongoing
6.	The Entity must provide the Committee with a progress report detailing the status of each investigation it is conducting by 28 April 2023, and a quarterly progress report continuing up until finalization thereof.	The Entity performed a full-scale asset verification process. On completion of the verification process, it was confirmed that the Entity has two hundred and seventy-six (276) unverified vehicles. The Entity then resolved to procure a service provider to follow up on the unverified vehicles and duly provide a report to the Entity. This procurement will be done via a tender process, and it is anticipated to be completed by the end of the second quarter, i.e., 30 September 2023. The work will therefore only commence then.	Ongoing

Responses to the Preliminary Questions on the Oversight report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of g-FleeT Management for the Year ended 31 March 2023.

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
6.1	That the Entity must provide the Committee with a report detailing the effectiveness of the measures put in place to address the restatement of corresponding figures by 30 April 2024.	The drafting and implementation of the financial statement preparation plan responding to the prevention of misstatements and restatement of corresponding figures has already started yielding positive results. The streamlined approach which is deadline driven allows for the timeous preparation of the financial statements which are adequately supported by evidence. It also allows for the timeous preparation, review, and submission of financial statements. As part of quarter 2 of the 2023/24 financial year, the Entity has been able to reduce the number of financial statement review notes issued by the Gauteng Provincial Treasury. This demonstrates that the Entity is on the correct path to eliminating this matter of emphasis.	Yes, Ongoing
6.2	The Entity must provide the committee with a report detailing the effectiveness of the measures put in place to address the percentage of clients satisfied with g-FleeT Management services by 30 April 2024.	The Entity has successfully obtained all the data pertaining to the survey respondents from the appointed service provider. In addition, the Terms of Reference for future surveys have been revised to include the following information: Submission of the final report will include both electronic and hard copy of data responses. The final report to include all responses (neutral, anonymous, and non-responsive). Clear description of the formula used to determine the percentage of responses received. Report on emails, telephone calls and messages sent to respondents to be included in the final report. The Internal Risk and Audit Management, and the Monitoring and Evaluation Unit will be consulted to ensure that there are no gaps in terms of the survey data received from the service provider and being subjected to internal reviews before final sign off by the Chief Executive Officer.	Yes, Resolved
6.3	That the Entity must provide the Committee with a report detailing the effectiveness of the Audit Improvement Plan to prevent the identified internal control weaknesses by 30 April 2024	The Entity has been tracking or monitoring the 2023/24 Audit Improvement Plan with due diligence and reporting weekly to the HOD. The plan identified forty-three (43) Findings and (99) activities which will be implemented to drive the achievement of a clean audit outcome. To date, the Entity has successfully completed thirty-four 34 (85%) of the said findings and (84) activities.	Yes, Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
6.4	That the Entity must provide the Committee with a report detailing the status of the reimbursement by Wesbank of approximately R6,6 million by 30 April 2024 and a quarterly report continuing up until finalisation thereof.	The Entity issued and communicated a formal debt against Wesbank. Whilst the bank has officially acknowledged the existence of the debt, their internal policies and procedures requires that they should formally conduct and finalise an investigation and validation prior to reimbursing the Entity. The bank explained that such processes are important to enable them to institute recovery processes against suppliers that charged for the service/maintenance of the applicable vehicle. In this regard, the bank requested for additional information from the Entity which was duly provided. The bank confirmed receipt of the additional information in their correspondence dated 13 December 2023 and sited that due to the enormous volume of data, the bank aims to finalise the validation of all information by end of January 2024 however committed in paying the claims in intervals as the validation exercise progresses. Wesbank has since confirmed the completion of the verification and validation of all transactions, concluded on the final settlement, and made a commitment for payment. The Entity has since acknowledged receipt of the confirmation letter and is currently conducting reconciliation before engagement with Wesbank on acceptance of the outcome as the final settlement, and the payment thereof. The Entity completed a reconciliation exercise on the 19 February 2024, and the meeting is scheduled for 26 February 2024 with Wesbank to conclude on the matter.	Yes, Ongoing

11. PRIOR MODIFICATION TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	The financial year in which it first arose	Progress made in clearing / resolving the matter
Resources of entity not utilised economically. Section 38(1)(b) & 45(b) (Non-compliance with PFMA)	2022/23	The appointed RT46 service provider, Wesbank had billed the entity for motor vehicle service and maintenance costs albeit that some of these vehicles already had active service and maintenance plans in place. The entity has issued a letter of debt recovery to Wesbank. Wesbank has acknowledged their responsibility for reimbursement with the condition that they would have to verify the details of each vehicles service and maintenance plan against the actual work done. As at 31 March 2024, the verification process was still in progress.

12. INTERNAL CONTROL UNIT

The Accounting Officer through monitoring and management of the Drivers of Internal Control ensures that set control objectives have the required control mechanisms and activities in place that will monitor and evaluate controls. The Accounting Officer continually assess and evaluate internal control to assure that the control activities in place are effective, efficient, and transparent and updated when necessary. The Auditor-General also conducts an assessment on the Drivers of Internal Control of The Entity and the recommendations are taken into considerations when improvements of the control weakness are put in place.

Through strategic risk and operational risk assessments, control weaknesses and control gaps are identified and strengthened, and new action plans put in place.

The internal audit section from Gauteng Audit Services performs reviews on g-FleeT processes and through the audit findings and audit recommendations the identified inadequate controls or lack of controls are strengthened or developed, and new effective and efficient ones put in place.

13. AUDIT COMMITTEE REPORT

GAUTENG PROVINCIAL GOVERNMENT (GPG)

Report of the Audit Committee – Cluster 05

g-FleeT Management Agency

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter),

Five meetings were held during the current year i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings attended
Mr. Mandla Ncube (Chairperson)	05
Ms. Yongama Pamla	05
Ms. Pumla Mzizi	02

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of Meetings attended
Mr. Thulani A Mdadane (Accounting Officer)	05
Ms. Puleng Gadebe-Mabaso (Acting Chief Executive Officer)	03
Mr. Poobalan Govender (Acting Chief Financial Officer)	05
Ms. Delicia Kgage (Acting Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	05

The Committee noted that the Chief Executive Authority attended three (03) scheduled Audit Committee meetings. Therefore, the Audit Committee is satisfied that the Entity adhered to the provisions of the GPG Audit Committee Charter in relation to ensuring that there is proper representation for the Chief Executive Officer.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

Based on the results of the audits performed by the Internal Audit and the follow up reviews conducted, the overall opinion on the internal control design was Adequate but Ineffective to ensure that the Entity objectives will be achieved.

The Entity should focus on improving the effectiveness of controls in the following areas:

- Transport Support Services (TSS)
- Asset Management
- Expenditure Management
- Audit on the achievement of predetermined objectives

Management is reminded to efficiently implement the Auditor-General's findings, as a subsequent audit revealed that not all of the AG's recommendations were implemented. The management should also prioritise the implementation of the audit's findings.

Information and Communication Technology (ICT) Governance

In the new financial year, the Entity should improve the adequacy and efficacy of internal controls relating to ICT governance, business continuity, and ICT general controls.

Internal Audit

The Accounting Officer is obliged, in terms of the PFMA, to ensure that the Entity has a system of internal audit under the control and direction of the Audit Committee. In the case of the Gauteng Provincial Government (GPG), the Internal Audit Function is shared amongst Entities and departments in the Province and is accountable to the Audit Committee.

The Internal Audit team was able to execute and substantially complete all risk-based audit assignments. The Audit Committee was satisfied that the Internal Audit plan demonstrated a direct correlation with the principal risks, had acceptable information system coverage, and achieved a good balance between the various audit types, including risk-based, required, performance, computer, and follow-up audits.

The coordination of efforts between internal audit and Auditor-General of South Africa have been enhanced further during the year in the provision of assurance services. The Audit Committee considers this a significant step toward a comprehensive combined assurance system.

The following audits were covered by Internal Audit during the period under review:

- Revenue and Debt Management
- Records Management
- Supply Chain Management
- Follow up audits on AG Findings

- Fleet Asset Management (Vehicle)
- Management of Mechanical Repairs and panel beating of vehicles
- Review of Draft Annual Performance Report
- Audit on the achievement of predetermined objectives Q1
- Audit on the achievement of predetermined objectives Q2
- SAP ESS & PERSAL leave reconciliation
- IFMS project governance review
- Data Analysis – ETHICS / FIN / HR (1 Jan 2023 – 30 June 2023)
- IT governance review
- 2024-25 IT risk assessment
- Data Analysis – ETHICS / FIN / HR (1 July 2023 – 31 December 2023)

Risk Management

The Audit Committee is responsible for the oversight of the risk management function. The risk management committee reports to the audit committee on the Entity's management of risk. The Audit Committee has reviewed the risk register and risk committee reports and is generally satisfied with the maturity level of the risk management process; nevertheless, enhancements to processes and policies to address the Entity's significant risk exposures are still required. Furthermore, management should ensure that the strategic register for the Entity is completed on time so that risk mitigation plans may be implemented.

Management should continue to accept full responsibility for the entire Enterprise Risk Management Process and support the Chief Risk Officer in improving the Entity's performance even further. The Audit Committee would like to observe ongoing progress in risk management maturity within the Entity.

Performance Management

The review of effectiveness and functionality of the performance management system (which includes analysis of management prepared quarterly performance reports and related internal audit reports) by the Audit Committee revealed a need to strengthen current performance management and reporting systems.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee reviewed the quality, accuracy, uselessness, reliability and appropriateness of quarterly and annual financial reporting and the Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Entity during the year under review and confirms that the reports were in compliance with the statutory reporting framework. The Audit Committee commends the Entity for reporting to Treasury on a monthly and quarterly basis, as required by the PFMA. The Audit Committee recommends that the Entity ensure greater compliance with section 40(1) of the PFMA with regard to the evaluation and monitoring of financial reports and performance information reports by management.

Compliance with the relevant laws and regulations

Throughout the year, Audit Committee, Management, Internal Audit, and the Auditor-General of South Africa identified a number of instances of non-compliance with the enabling laws and regulations. As a result, the Audit Committee recommended the development and implementation of an efficient compliance management system to handle issues of noncompliance with laws and regulations.

Forensic Investigations

There were no new cases reported to Provincial Forensic Services during the year under review.

Evaluation of Annual Financial Statements and the Annual Performance Information

The Committee has evaluated the Annual Financial Statements (AFS) and the annual performance information for the year ended 31 March 2024 and duly recommended them for the Accounting Officer's approval prior to being submitted to the AGSA for audit. Subsequently the material misstatements corrected in the AFS were reviewed when the management report of the AGSA was discussed with the Audit Committee.

Compared to last year's unqualified outcome with findings, the Audit Committee observed an improvement in the audit results, which were unqualified with no fundings this time around. Significantly contributing to this was the implementation of a number of important recommendations. The commitment and strategic leadership of the management team have been crucial to achieving this success.

The Audit Committee has discussed the external audit outcomes on the reporting on pre-determined objectives to be included in the annual report with the AGSA and the Accounting Officer

Audit Improvement Plan

The Audit Committee reviewed and monitored the implementation of prior year audit findings on quarterly basis. It is the view of the Audit Committee that there is a room for improvement in this regard in so far as timeous implementation and resolving findings by the external auditors as well as addressing the root-causes relating to the weakness identified by the external auditors.

One-on-One Meeting with the Chief Executive Officer and the Accounting Officer

Periodically, the Audit Committee has met with the Chief Executive Officer to discuss concerns and address problematic issues impacting the control environment of the Entity.

One-on-One Meetings with the Executive Authority

The Audit Committee was able meet with the Executive Authority for the Entity to appraise the MEC on the performance of the Entity, furthermore, quarterly reports were submitted to the MEC on the issues and challenges facing the Entity.

Conclusion

We would like to thank the Chief Executive Officer and Head of Department for their leadership and support, as well as AGSA, Internal Audit, and Management for their commitment and achievement of the unqualified audit opinion with findings.

……

Mr Mandla Ncube

Cluster 05 AC Chairperson of the Audit Committee

Date: 12 August 2024

14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry. Where there has been no or only partial compliance with the criteria, The Entity should provide a discussion and also indicate the measures taken to comply.

***NOT APPLICABLE TO THE ENTITY**

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response** **Yes / No**	**Discussion** ***(include a discussion on your response and indicate what measures have been taken to comply)***
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?		
Developing and implementing a preferential procurement policy?		
Determining qualification criteria for the sale of state-owned enterprises?		
Developing criteria for entering into partnerships with the private sector?		
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?		

HUMAN RESOURCE MANAGEMENT

PART D

HUMAN RESOURCE MANAGEMENT

The Entity has a total of 275 positions in the approved structure, with 215 filled positions and 59 vacant positions

Fourteen (14) critical positions were advertised in June 2023 as part of Nasi Ispani recruitment drive from Office of The Premier

10 of 14 Advertised posts were filled successfully

During the period under review, the total number of 40 offers of appointment letters were issued, 39 assumed duties during 2023/24 financial year

1. INTRODUCTION

The Entity is in the process of establishing g-FleeT as a government component. The Entity has developed and submitted its Business Case and draft organogram to the Gauteng Provincial Treasury (GPT) in June 2022. g-FleeT Management appointed Gautrain Management Agency to assist with the review of the Business Case and to respond to the comments made by GPT. Presentations have been made to Broad Management Committee for inputs.

2. OVERVIEW OF HUMAN RESOURCES

ORGANISATIONAL STRUCTURE AND FILLING OF CRITICAL POSITIONS

Consultations with the Business Units was concluded, and inputs were submitted to the Office of the Premier to incorporate in the proposed structure. However, Organised Labour requested that the process must restart and officially be consulted. Steering Committee comprising of management and organized labour has been resuscitated to review g-FleeT and DRT structures.

Service Delivery Model has also been finalized after submission of inputs from Business Units. The established committee for both DRT and g-FleeT, headed by the acting CEO of g-FleeT to ensure that both DRT and g-FleeT structures are reviewed and concluded. This Committee meets with the Office of the Premier bi-weekly to ensure alignment with legislation and norms and standards before final submission.

Change management strategy and plan have been developed by the Office of the Premier and will be shared with the committee in the next meeting.

Other posts are being relooked at in line with the new organizational structure review process. A parallel process to the above is to develop the job descriptions for the posts and the process is also underway.

The Entity has a total of two hundred and seventy-five (275) positions in the current approved structure, with two hundred and sixteen (216) filled positions and fifty (59) vacant positions. The current vacancy rate is at 21%.

At senior management level, there are eight (8) positions with five (5) positions filled by females and two (2) males. Recruitment process for Chief Operations Officer post have been concluded and awaiting approval for appointment of successful candidates. This will translate to 0% vacancy rate at Senior Management level.

Request to advertise 32 vacant posts was approved by the HOD on the 12 December 2023. The request for concurrence for filling of current 32 vacant posts in line with the directive on the implementation of control measures aimed at assisting the executive authorities in managing fiscal sustainability for the positions that are part of the current organisational structure which is vacant and funded in terms of Persal was submitted to the Office of The Premier on the 8th Mach 2024 for concurrence. The Entity is in the process of resubmitting the request to OOP to include budget confirmation letter signed by Gauteng Provincial Treasury.

Submission for creation and filling of five (5) Logistics posts additional to the establishment of g-FleeT Management for concurrence in line with the directive on the implementation of control measures aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant and Request for deviation on job evaluation of newly created jobs within proposed Chief Directorate: Logistics Management were submitted for HOD and MEC for approval.

TRAINING AND DEVELOPMENT

The Entity has for the 2nd time opened an opportunity for employees who are interested in pursuing further education and training from institutions of higher learning. The purpose of the bursary opportunity is to assist successful applicants to pay for their registrations, tuition fees and buy books.

The bursary applications closed on 15 February 2024. An approval was granted by the HOD for g-FleeT to establish a bursary committee which will moderate the bursary applications going forward. The total number 21 bursary applications were received for financial year 2024/2025 to be assessed by the bursary committee.

Total number of 159 officials were trained on GRAP, Batho Pele Principles, AARTO Legislative Training and Advance Excel for financial year 2023/2024. There was a delay in the appointment of training providers to facilitate training in g-FleeT due to the numbers that are required per class. g-FleeT is collaborating with DRT to ensure more people are trained in 2024/2025

PERFORMANCE MANAGEMENT SYSTEM

As part of the Gauteng Provincial Government (GPG), GDRT) implements Public Service Act, 1994 as amended, Public Service Regulations of 2016, MPSA directives, the revised Incentive Policy Framework, all other relevant legislative prescripts, and Gauteng Provincial Government (GPG) Policy on Performance Management and Development System (PMDS) to recognize performance and reward good performance. In that regard, employees were assessed by their supervisors, including line managers. Directors and Chief Directors ratified the scores, and the Departmental Moderation Committee (DMC) moderated the final appraisals scores.

Notch progression for the 2022/23 performance cycle was implemented according to the 2019 Incentive Policy Framework for Employees in the Public Service after the final Departmental Moderating Committee held on the 13th of October 2023. A total number of 167 employees on salary level 1-12 qualified for notch progression and a total number of 2 employees on salary level 13 qualified for notch progression.

EMPLOYEE HEALTH AND WELLNESS PROGRAM

g-FleeT has completed the building of a Wellness Center with fully equipped canteen facility and a gym area. The Wellness Centre has been formally handed over to g-FleeT by DID.

The Office of the Premier has donated gym equipment to g-FleeT Management. While in the process of operationalizing the Wellness Centre, the Wellness Unit started aerobics sessions at the Wellness Center in the 1st quarter of 2023/2024, and the sessions are taking place on Mondays, Wednesdays, and Thursdays, facilitated by an employee of g-FleeT and DRT.

HR Employee Health and Wellness will be sending out surveys for staff to indicate the types of gym equipment they prefer before commencement of procurement for additional equipment. Wellness programmes will be implemented as per the Calendar from the Department of Health.

3. HUMAN RESOURCE OVERSIGHT STATISTICS

3.1. PERSONNEL RELATED EXPENDITURE

The following tables provide a summary of the final audited personnel-related expenditure by programme and salary bands. It indicates the following:

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

Table 3.1.1 Personnel expenditure by the programme for the period 1 April 2023 and 31 March 2024

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Office of the CEO	6 057	3 046				1 523
Office of the COO	990	990				495
Office of the CFO	12 618	1 244				415
Financial services	20 997	18 527			2%	386
Corporate Services	104 127	16 287	242		1%	319
Marketing and Communication	12 010	10 860			1%	453
Maintenance Services	149 447	11 802			1%	422
Transport Support Services	291 209	13 050			2%	725
Permanent Service	524 645	8 712			1%	272
VIP and Pool Services	17 416	17 384			2%	395
Total	**1 139 516**	**101 902**	**242**	**0**	**10%**	**406**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	5 438	5%	57	95
Skilled (level 3-5)	21 720	21%	71	306
Highly skilled production (levels 6-8)	37 139	37%	78	476
Highly skilled supervision (levels 9-12)	28 525	28%	38	751
Senior and Top management (levels 13-16)	9 080	9%	7	1 297
Total	**101 902**	**100%**	**251**	**406**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2023 and 31 March 2024

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Office of the CEO	3 046	3%		0%	20	0%	40	0%
Office of the COO	990	1%		0%		0%	49	0%
Office of the CFO	1 244	1%	4	0%	20	0%	48	0%
Financial Management	18 527	18%	73	0%	575	1%	846	1%
Corporate Services	16 287	16%		0%	555	1%	852	1%
Marketing & Communication	10 860	10%	4	0%	386	0%	573	1%
Maintenance Services	11 802	12%	33	0%	402	0%	726	1%
Transport Support Services	13 050	13%		0%	356	0%	826	1%
Permanent Service	8 712	9%	2	0%	243	0%	434	0%
VIP/POOL Services	17 384	17%	948	1%	690	1%	1 188	1%
TOTAL	101 902	100%	1 064	1%	3 247	3%	5 582	6%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	5 438	2%	42		38		37	
Skilled (level 3-5)	21 720	27%	729	1%	962	1%	1 723	2%
Highly skilled production (levels 6-8)	37 139	37%	254		1 125	1%	2 871	3%
Highly skilled supervision (levels 9-12	28 525	27%	39		802	1%	863	1%
Senior management (level 13-16)	9 080	7%			320		88	
Total	**101 902**	**100%**	**1 064**	**1%**	**3 247**	**3%**	**5 582**	**6%**

2.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position of The Entity with regards to employment and vacancies.

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

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

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

Table 3.2.1 Employment and vacancies by the programme as on 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
SMS (13 to 16)	8	6	25% (2)	**1**
Level 11 to 12	17	16	1% (1)	**0**
Level 7 to 10	107	92	14% (15)	**0**
Level 1 to 6	143	101	29% (41)	**0**
TOTAL	**275**	**215**	**21% (59)**	**1**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	8	4	50% (4)	0
Skilled (3-5)	124	79	36% (45)	0
Highly skilled production (6-8)	90	84	7% (6)	0
Highly skilled supervision (9-12)	45	42	7% (3)	0
Senior management (13-16)	8	6	8% (1)	1
Total	**275**	**215**	**21% (59)**	**1**

3.3 FILLING OF SMS POSTS

Table 3.3.1 SMS post information as on 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	1	0	0%	1	100%
Salary Level 13	6	6	100%	0	0%
TOTAL	**8**	**7**	**88%**	**1**	**13%**

Table 3.3.2 SMS post information as on 30 September 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts, vacant
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	1	0	0%	1	100%
Salary Level 13	6	5	87%	1	13%
TOTAL	8	**6**	75%	**2**	25%

Table 3.3.3 Advertising and filing of SMS post for the period 1 April 2023 and 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts, vacant
Director-General/ Head of Department	0	0	0%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	1	0	0%	1	100%
Salary Level 13	6	5	83%	1	17%
TOTAL	**8**	**6**	**75%**	**2**	**25%**

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
The recruitment for one of the two vacant SMS posts was recommended through head hunting. However, the delegated authorities changed the decision to filling the vacant post through head hunting but by advertising the post through media. One of two vacant SMS posts was advertised with the closing dated 10 February 2023. The recruitment process is currently underway to fill SMS posts.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
None.
Reasons for vacancies not filled within six months
The posts were advertised and re-advertised due to labour matters within the Organization.

3.4 JOB EVALUATION

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2023 and 31 March 2024

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (levels 1-2)	8	0	0%	0	0%	0	0%
Skilled (levels 3-5)	124	0	0%	0	0%	0	0%
Highly skilled production (levels 6-8)	90	0	0%	0	0%	0	0%
Highly skilled supervision (levels 9-12)	45	0	0%	0	0%	0	0%
Senior Management Service Band A	8	0	0%	0	0%	0	0%
Senior Management Service Band B	**0**	**0**	0%	0	0%	0	0%
Senior Management Service Band C	**0**	**0**	0%	0	0%	0	0%
Senior Management Service Band D	**0**	**0**	0%	0	0%	0	0%
Total	**275**	**0**	**0%**	**0**	**0%**	**0**	**0%**

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2023 and 31 March 2024

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	13	0	0	0	13
Total	13	0	0	0	13
Employees with a disability					

The following table summarizes the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2023 and 31 March 2024

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
None	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				**0%**

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 and 31 March 2024

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

Total Number of Employees whose remuneration exceeded the grade determined by job evaluation	**0**

3.5. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates indicate trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2023 and 31 March 2024

Salary Band	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	3	0	0	0%
Skilled (Levels3-5)	88	1	10	11%
Highly skilled production (Levels 6-8)	64	4	3	5%
Highly skilled supervision (Levels 9-12)	32	3	3	9%
Senior Management Service Bands A	3	2	0	0%
Senior Management Service Bands B	0	0	0	0%
Senior Management Service Bands C	0	0	0	0%
Senior Management Service Bands D	0	0	0	0%
Total	**190**	**10**	**16**	**8%**

Table 3.5.2* Annual *turnover rates by critical occupation for the period 1 April 2023 and 31 March 2024

Critical Occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent -	12	1	1	1%
All artisans in the building metal machinery etc., Permanent	4	0	1	25%
Building and other property caretakers, Permanent	0	0	0	0%
-Bus and heavy vehicle drivers, Permanent	7	0	1	14%

Critical Occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
-Cleaners in offices workshops hospitals etc., Permanent	3	0	0	0%
Client inform clerks (switchboard/ receptionist informs clerks), Permanent	3	0	0	0%
Computer programmers., Permanent	1	2	0	0%
Finance and economics related, Permanent	3	0	1	33%
Financial and related professionals, Permanent	5	2	0	0%
Financial clerks and credit controllers, Permanent	11	0	1	9%
Head of department/chief executive officer, Permanent	1	0	0	0%
Human resources & organisational development & relate prof, Permanent	2	0	1	50%
Human resources clerks, Permanent	4	0	0	0%
Human resources related, Permanent	10	0	1	10%
Information technology related, Permanent	1	0	0	0%
Library mail and related clerks, Permanent	1	0	0	0%
Light vehicle drivers, Permanent	17	0	6	35%
Material-recording and transport clerks, Permanent	0	0	0	0%
Messengers porters and deliverers, Permanent	4	0	0	0%
Motor vehicle drivers, Permanent	1	0	0	0%
Other administration & related clerks and organisers, Permanent	71	2	4	6%
Other administrative policy and related officers, Permanent	1	0	0	0%
Other occupations, Permanent	0	0	0	0%
Secretaries & other keyboard operating clerks, Permanent	12	0	0	0%
Senior managers, Permanent	2	2	0	0%
Trade labourers, Permanent	2	0	0	0%
TOTAL	**178**	**9**	**17**	**10%**

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2023 and 31 March 2024

Termination Type	Number	% of Total Resignations
Death	3	1%
Resignation	0	0%
Expiry of contract	1	0.3%
Dismissal – operational changes	0	0%
Dismissal – misconduct	1	0.3%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	6	2%
Transfer to other Public Service Departments	1	0.3%
Other	**0**	**0%**
Total	**12**	**4%**
Total number of employees who left as a % of total employment	**4%**	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2023 and 31 March 2024

Occupation	Employees 1 April 2023	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Clerks	84	11	13%	84	13%
Technicians and associate professionals	69	6	9%	69	9%
TOTAL	153	17	11%	153	17%

Table 3.5.5 Promotions by salary band for the period 1 April 2023 and 31 March 2024

Salary Band	Employees 1 April 2023	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	2	0	0%	2	0%
Skilled (Levels3-5)	69	23	33%	69	33%
Highly skilled production (Levels 6-8)	69	6	9%	69	9%
Highly skilled supervision (Levels 9-12)	34	0	0%	34	0%
Senior Management (Level 13-16)	6	0	0%	6	0%
Total	**180**	**29**	**16%**	**180**	16%

3.6. EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	0	0	3	2	0	0	6
Professionals	21	1	0	0	15	3	1	2	43
Technicians and associate professionals	24	2	1	3	44	4	1	5	84
Clerks	43	1	0	1	32	2	1	1	77
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	88	4	**1**	4	91	11	**3**	9	**212**
Employees with disabilities	1	0	0	0	1	0	0	**1**	**3**

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2024

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0		0	0	0	0	0	0
Senior Management	1	0	0	0	3	2	0	0	6
Professionally qualified and experienced specialists and mid-management	21	1	0	0	15	3	1	2	43
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	42	2	0	0	31	0	0	1	75
Semi-skilled and discretionary decision making	1	0	0	4	30	2	1	2	89
Unskilled and defined decision making	0	0		0	0	0	0	0	0
Total	65	3	0	5	79	7	2	5	215

Table 3.6.3 Recruitment for the period 1 April 2023 and 31 March 2024

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management									
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	4	0	0	0	3	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	1	0	0	9	0	0	0	14
Semi-skilled and discretionary decision making	8	0	0	0	10	0	0	0	18
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	17	1	0	0	22	0	0	0	40
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.4 Promotions for the period 1 April 2023 and 31 March 2024

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management									
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	5	0	0	0	5	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	0	0	0	10	0	0	0	19
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	15	0	0	0	16	0	0	0	31
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2023 and 31 March 2024

Occupational Band	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	6	0	0	0	1	1	0	1	9
Contract (Top Management), Permanent	0	0	0	0	0	0	0	0	0
Contract (Senior Management), Permanent	**0**	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	0
Total	**6**	**0**	**0**	**0**	**1**	**1**	**0**	**1**	**9**
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2023 and 31 March 2024

Disciplinary action	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Suspension without pay	1	0	0	0	0	0	0	0	1
Dismissal	0	0	0	0	1	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2023 and 31 March 2024

Occupational category	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	0	0	0	0	0	1	0	0	1
Professionals	5	1	0	0	4	1	0	1	12
Technicians and associate professionals	17	3	0	0	42	2	1	2	67
Clerks	29	0	0	2	46	0	0	2	79
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	**51**	**4**	**0**	**2**	**92**	**4**	**1**	**5**	**159**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 March 2024

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0
Salary Level 16	0	0	0	0
Salary Level 15	1	1	1	100%
Salary Level 14	1	0	0	0%
Salary Level 13	6	5	5	100%
TOTAL	**8**	**6**	**6**	**100%**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons
None

3.8. PERFORMANCE REWARDS

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2023 and 31 March 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African,	**131**	**131**	**0**	0	**0**
Male	52	52	0	0	0
Female	79	79	0	0	0
Asian,	**0**	**0**	**0**	0	**0**
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured	**12**	**12**	**0**	**0**	0
Male	4	4	0	0	0
Female	10	10	0	0	0
White	**8**	**8**	**0**	**0**	**0**
Male	5	5	0	0	0
Female	3	3	0	0	0
TOTAL	**151**	**151**	**0**	**0**	**0**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**

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

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service, for the period 1 April 2023 and 31 March 2024

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (level 3-5)	0	0	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 and 31 March 2024

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Lower Skilled (Levels 1-2)	0	0	0	0	0
Skilled (level 3-5)	0	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 3.8 4 Performance-related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 and 31 March 2024

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	0	0	0	0	0
Band B	0	0	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

3.9. FOREIGN WORKERS

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2023 and 31 March 2024

Salary Band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower Skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 and 31 March 2024

Major Occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
	0	0%	0	0%	0	0%
	0	0%	0	0%	0	0%
TOTAL	**0**	**0%**	**0**	**0%**	**0**	**0%**

3.10. LEAVE UTILISATION

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

Table 3.10.1 Sick leave for the period 1 January 2023 to 31 December 2023

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	694	8%	2	3%	12.00	R95015.9
Skilled (levels 3-5)	1030	10%	86	23%	11.00	R3294377.39
Highly skilled production (levels 6-8)	1143	9%	73	22%	9.00	R2200078.46
Highly skilled supervision (levels 9 -12)	473	8%	32	7%	5.00	R7234923.3
Top and Senior management (levels 13-16)	14	8%	3	3%	6.00	R3139570.47
Total	**3354**	**8%**	**196**	**58%**	**7.00**	**R33018307.6**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2024

Salary Band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0.00
Skilled (Levels 3-5)	0	0%	0	0%	0	0.00
Highly skilled production (Levels 6-8)	0	0%	0	0%	0	0.00
Highly skilled supervision (Levels 9-12)	0	0%	0	0%	0	0.00
Senior management (Levels 13-16)	0	0%	0	0%	0	0.00
Total	0	0%	0	0%	0	0.00

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

Table 3.10.3 Annual Leave for the period 1 January 2023 to 31 December 2023

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	5	2	0.4
Skilled Levels 3-5)	260	88	3.00
Highly skilled production (Levels 6-8)	284	74	4.00
Highly skilled supervision (Levels 9-12)	126	32	4.00
Senior management (Levels 13-16)	12	3	4.00
Total	**287**	**199**	**14.00**

[1] Group similar items

[2] Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March
Lower skilled (Levels 1-2)	0	0	0	
Skilled Levels (3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	**0**	**0**	**0**

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

Table 3.10.5 Leave pay-outs for the period 1 April 2023 and 31 March 2024

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leave pay-out for 2022/23 due to non-utilisation of leave for the previous cycle	R0.00	0	R0.00
Capped leave pay-outs on termination of service for 2022/23	R64 987.71	5	R12,997.54
Current leave pay-out on termination of service for 2022/23	R47 915,84	5	R9583.16
Total	R112,903.55	5	R22,580.70

3.11. HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	None

Table 3.11. 2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		X	
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.		X	
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Staff members have been trained on a Zinakekele, The organisation is currently utilising the Departmental Employee Health and Wellness unit Services for Employees Awareness Programmes in absence of service provider and in process to appoint the new service provider.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.		X	
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Employee Health and Wellness Labour Relations Unit Public Awareness HIV Policy in place
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		The Officials attends Health screening that is arranged for them through wellness Centre and the achievement is obtained through awareness programs, participation.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		• Number of health calendar month days. • Number of employees reached.

3.12. LABOUR RELATIONS

Table 3.12.1 Collective agreements for the period 1 April 2023 and 31 March 2024

Subject Matter	Date
None	

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2023 and 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	3	1.5%
Final written warning	0	0
Suspended without pay	1	0.5%
Fine	0	0
Demotion	0	0
Dismissal	1	1.5%
Not guilty	0	0
Case withdrew	0	0
TOTAL	**5**	**1.85%**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024

Type of misconduct (based on annexure A)	Number	% of total
Abscondment from work	1	0.5%
TOTAL	**1**	**0.5%**

Table 3.12.4 Grievances logged for the period 1 April 2023 and 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	1	100%
Number of grievances not resolved	1	100%
Total of grievances not lodged	**2**	**100%**

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2023 and 31 March 2024

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

Table 3.12.6 Strike actions for the period 1 April 2003 and 31 March 2024

Total number of persons working days lost	0
Total costs working days lost	0
Amount (R'000) recovered because of no work no pay	0.00

[3] Record amounts in the year in which it was incurred

4 Group similar items

5 Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

Table 3.12.7 Precautionary suspensions for the period 1 April 2023 and 31 March 2024

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspension	0.00

3.13. SKILLS DEVELOPMENT

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

Table 3.13.1 Training needs identified for the period 1 April 2023 and 31 March 2024

Occupational Category	Gender	Number of employees as of 1 April 2023	Training needs to be identified at the start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	0	1	0	1
	Male	0	0	0	0	0
Professionals	Female	13	0	6	0	6
	Male	15	0	6	0	6
Technicians and associate professionals	Female	41	0	15	0	15
	Male	21	0	4	0	4
Clerks	Female	33	0	11	0	11
	Male	64	0	10	0	10
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	1	0	1
Sub-Total		0	0	0	0	0
	Male	0	0	0	0	0
Total		190	0	52	0	52

Table 3.13.2 Training provided for the period 1 April 2023 and 31 March 2024

Occupational Category	Gender	Number of employees as of 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	1	0	1
	Male	1	0	0	0	0
Professionals	Female	13	0	6	0	6
	Male	17	0	6	0	6
Technicians and associate professionals	Female	16	0	47	0	47
	Male	12	0	20	0	20
Clerks	Female	62	0	48	0	48
	Male	41	0	31	0	31
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	0	0	0
	Male	7	0	0	0	0
Elementary occupations	Female	1	0	0	0	0
	Male	13	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		**190**	0	**159**	0	**159**

3.14. INJURY ON DUTY

The following tables provide basic information for injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2023 and 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	0.3%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	1	0.3%

3.15. UTILISATION OF CONSULTANT

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 and 31 March 2024

Project Title	Total Number of consultants that worked on the project	Duration (Workdays)	Contract value in Rand
0	0	0	0

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
0	0	0	0
0	0	0	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 and 31 March 2024

Project Title	Total Number of consultants that worked on the project	Duration (Workdays)	Donor and Contract value in Rand
0	0	0	0
0	0	0	0

Total number of projects	Total individual consultants	Total duration (Workdays)	Total contract value in Rand
0	0	0	0
0	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
0	0	0	0
0	0	0	0

3.16. SEVERANCE PACKAGES

Table 3.16.1 Granting employee-initiated severance packages for the period 1 April 2023 and 31 March 2024

Salary Band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels (3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

PFMA COMPLIANCE REPORT

PART E

PFMA COMPLIANCE REPORT

01

In complying with recommendations by the Auditor General in the 2022/23 report, the Entity had to revise its 2020-2025 Strategic Plan and its 2023/24 Annual Performance Plan (APP).

02

The Entity obtained an unqualified audit opinion from the Auditor General of South Africa for the 2023/24 financial year.

03

The Entity developed an Audit Improvement Plan with interventions aimed at ensuring that the Entity receives an unqualified audit opinion for the 2023/24 financial year.

04

The Entity has managed to implement 90% of its Audit Improvement plan and the remaining 10% are still in progress.

05

The AG process commenced before the end of the 2023/24 financial year

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	103 880	103 801
Add: Irregular expenditure confirmed	39	79
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	7 498	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	**96 421**	**103 880**

During the 2023/2024 financial year, the entity engaged the services of an independent external investigator to investigate historically reported irregular expenditure. Investigations relating to historically reported irregular expenditure totalling R61 071 507 have been finalised and resulting application to the Provincial Condonation Committee has been processed. In addition, the entity processed a R7 498 000 removal of irregular expenditure that was not condoned. Such removal was approved by the Head of Department in line with the National Treasury Irregular Expenditure Framework. The remaining balance of R35 349 000 is being subjected to assessment by the Department Risk and Compliance unit for further investigations.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23		
Irregular expenditure that relates to 2022/2023 and identified in 2023/2024	0	0
Irregular expenditure for the current year	39	79
Total		

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description[1]	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	35 349	103 880
Total[2]		0

The remaining balance of R35 349 000 is being subjected to assessment by the Department Risk and Compliance unit for further investigations.

[1] Group similar items

c) Details of current and previous year irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	0	0
Total	**0**	**0**

During the 2023/2024 financial year, the entity engaged the services of an independent external investigator to investigate historically reported irregular expenditure. Investigations relating to historically reported irregular expenditure totalling R61 071 507 have been finalised and resulting application to the Provincial Condonation Committee has been processed.

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	7 498	0
Total	**7 498**	**0**

During the 2023/2024 financial year, the entity processed a R7 498 000 removal of irregular expenditure that was not condoned. Such removal was approved by the Head of Department in line with the National Treasury Irregular Expenditure Framework.

e) Details of current and previous year irregular expenditure recovered

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recovered	0	0
Total	**0**	**0**

Not applicable.

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	0	0
Total	**0**	**0**

Not applicable.

[2] Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
Not applicable.
Total

Not applicable.

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)

Description	2023/2024	2022/2023
	R'000	R'000
Not applicable		
Total		

Not applicable.

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Formal written warning letter issued against official responsible for the R39 000 irregular expenditure reported during the 2023/2024 financial year.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	316	316
Add: Fruitless and wasteful expenditure confirmed	269	6 694
Less: Fruitless and wasteful expenditure written off	(8)	0
Less: Fruitless and wasteful expenditure recoverable	(269)	(6 694)
Closing balance	308	316

During the 2023/2024 financial year, the entity engaged the services of an independent external investigator to investigate historically reported fruitless and wasteful expenditure. Investigations relating to historically reported fruitless and wasteful expenditure totalling R316 000 have been finalised. The investigation concluded that an amount totalling R8 000 should be written off as it did not conform to the definition of fruitless and wasteful expenditure. The remaining R308 000 is being subjected to the process of consequence management and determination of possible recovery.

Reconciling notes

Description[3]	**2023/2024**	**2022/2023**
	R'000	**R'000**
Fruitless and wasteful expenditure that was under assessment in 2021/22		
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	0	0
Fruitless and wasteful expenditure for the current year	269	0
Total		

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description[4]	**2023/2024**	**2022/2023**
	R'000	**R'000**
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	316
Total [5]	**0**	**316**

During the 2023/2024 financial year, the entity engaged the services of an independent external investigator to investigate historically reported fruitless and wasteful expenditure. Investigations relating to historically reported fruitless and wasteful expenditure totalling R316 000 have been finalised. The investigation concluded that an amount totalling R8 000 should be written off as it did not conform to the definition of fruitless and wasteful expenditure. The remaining R308 000 is being subjected to the process of consequence management and determination of possible recovery.

[3] Record amounts in the year in which it was incurred
[4] Group similar items
[5] Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

c) Details of current and previous year irregular expenditure recovered

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	
Total	**0**	

Not applicable

d) Details of current and previous year irregular expenditure not recovered and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	8	0
Total	**8**	**0**

During the 2023/2024 financial year, the entity engaged the services of an independent external investigator to investigate historically reported fruitless and wasteful expenditure. Investigations relating to historically reported fruitless and wasteful expenditure totalling R316 000 have been finalised. The investigation concluded that an amount totalling R8 000 should be written off as it did not conform to the definition of fruitless and wasteful expenditure.

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Not applicable

During the 2023/2024 financial year, the entity engaged the services of an independent external investigator to investigate historically reported fruitless and wasteful expenditure. Investigations relating to historically reported fruitless and wasteful expenditure totalling R316 000 have been finalised. The investigation concluded that an amount totalling R8 000 should be written off as it did not conform to the definition of fruitless and wasteful expenditure. The remaining R308 000 is being subjected to the process of consequence management and determination of possible recovery.

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	**0**	**0**

Not applicable.

b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)		
Vehicles	5 915	25 198
Total		**25 198**

The above reflects value of motor vehicles that could not be verified during the financial years as part of the annual verification process.

c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	**0**	**0**

None.

d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	**0**	**0**

None.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1 875	1 039 476
Invoices paid **within** 30 days or agreed period	1 875	1 039 476
Invoices paid **after** 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	0	0
Invoices older than 30 days or agreed period (***unpaid and in dispute***)	0	0

Not applicable.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Provision of office accommodation for a period of five (5) years from 1 July 2023 to 30 June 2028	EAST LONDON INDUSTRIAL DEVELOPMENT ZONE (ELIDZ)	Other means approved by HoD	N/A	R1 476 639.93
Appointment of TransUnion to provide 12 months subscription online access of trade and retails values.	TRANSUNION AUTO INFORMATION SOLUTION (PTY) LTD	Other means approved by HoD	N/A	R 61 638.00
Procurement of Batch Data Cleansing service	TRANSUNION AUTO INFORMATION SOLUTION (PTY) LTD	Other means approved by HoD	N/A	R604 578.00
Procurement of Judge Mngadi's vehicle	TOYOTA SOUTH AFRICA MOTORS	Other means approved by HoD	N/A	R912 571.29
Procurement of Deputy Judge President X.M Petse's vehicle	MOTUS – MERCEDES BENZ BRYANSTON	Other means approved by HoD	N/A	R2 122 420.00
Total				**R5 177 847.22**

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Attending Smart Mobility Africa Conference on 1 - 4 October 2023	VUKA GROUP	Variation	RFQ	R0.00	N/A	R45 425,00
Manpower budget of 66 hours at a weighted average rate of R1 400 plus running costs and contingencies and Provision for VAT amount that had been omitted in the initial deviation approved.	COUNCIL FOR SCIENTIFIC AND INSTITUTIONAL RESEARCH (CSIR)	Variation	RFQ	R750 000.00	N/A	R224 050,00
Total				**R0.00**		**R269 475.00**

FINANCIAL INFORMATION

PART F

FINANCIAL INFORMATION

The Entity surpassed its planned revenue collections target of R1.020 billion by R57.3 million

The target for the financial year under review was 93% of in-service vehicles tracked and the Entity achieved 97%

The actual revenue collections from the auctioning of vehicles increased by 21.17% to R88.977 million (2022/23: R62.082 million)

The total expenditure increased by 47% to R1.098 million (2022/23: R748.194 million)

The cash generated from operating activities increased to R633.234 million (2022/23: R 613.075 million)

Net cash flows from investing activities increased to R425.275 million (2022/23: R188.886 million)

1. REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to the Gauteng Provincial Legislature on the g-FleeT Management

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of g-FleeT Management set out on pages **394** to **434,** which comprise the statement of financial position as at 31 March 2024, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the g-FleeT Management as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the trading entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate

governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page **389,** forms part of my auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

11. I selected the following material performance indicators related to corporate and financial management presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected those indicators that measures the trading entity's performance on its primary mandated functions and that is of significant national, community or public interest.

    - Percentage of rental days utilized for VIP self-driven vehicles
    - Percentage of rental days utilized for pool services
    - % decrease in average debtor's collection days

12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the trading entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the trading entity's mandate and the achievement of its planned objectives

- all the indicators relevant for measuring the trading entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

15. I did not identify any material findings on the reported performance information for the selected indicators.

Report on compliance with legislation

16. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the trading entity's compliance with legislation.

17. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

18. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the trading entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

19. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

20. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

21. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

22. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

23. The other information I obtained prior to the date of the auditor's report is a draft of the 2023-24 annual report. The final 2023-24 annual report is expected to be made available to me after 31 July 2024.

24. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact.

25. When I do receive and read the final 2023-24 annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

27. I did not identify any significant deficiencies in internal control.

Auditor-General

Johannesburg

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the trading entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); 38(1)(j) Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44 (1) and (2) ; 45(b);
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A 6.1; 16A6.2(a) & (b) & (e); 16A 6.3(a) & (d); 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A 8.3; 16A8.2 (1) and (2); 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1; 16A9.1(c); 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2(a)(ii) &(iii) Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.6.1 Treasury Regulation 19.8.4
Public service regulation	Public service regulation 18; 18 (1) and (2);
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17 & 25(7A)
PPPFA	Section 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 11.2

Legislation	Sections or regulations
	Paragraph 12.1 and 12.2
PPR 2022	Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
SITA ACT	SITA Act section 7(3)
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.3; 4.4(a),(c) & (d)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4(b); 3.9;
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4(a); 3.3.1
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
NT instruction note 1 of 2021/22	Paragraph 4.1

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note(s)	2024 '000	2023 Restated* '000
Assets			
Current Assets			
Inventories	10	84 032	54 869
Finance lease receivables	4	60 023	55 490
Receivables from exchange transactions	11	140 380	161 124
Prepayments	7	86 241	55 312
Other Receivables	8	676	432
Cash and cash equivalents	12	2 647 745	2 441 351
		3 019 097	**2 768 578**
Non-Current Assets			
Property, plant and equipment	2	1 340 798	1 153 069
Intangible assets	3	599	853
Finance lease receivables	4	175 570	103 685
Municipal deposit	9	321	321
		1 517 288	**1 257 928**
Total Assets		**4 536 385**	**4 026 506**
Liabilities			
Current Liabilities			
Finance lease obligation	13	178	456
Payables from exchange transactions	5	48 295	48 934
Other Payables	6	12 044	13 088
Income received in advance	15	1 533	-
		62 050	**62 478**
Non-Current Liabilities			
Finance lease obligation	13	14 685	14 740
Long-term leave accrual	14	2 792	2 624
Income received in advance	15	2 444	-
		19 921	**17 364**
Total Liabilities		**81 971**	**79 842**
Net Assets		**4 454 414**	**3 946 664**
Accumulated surplus		4 454 413	3 946 663
Total Net Assets		**4 454 413**	**3 946 663**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	2024 '000	2023 Restated* '000
Revenue			
Revenue from exchange transactions			
Revenue from auction of vehicles	18	66 982	87 940
Revenue from leases	16	1 073 451	976 340
Realisation of property lease liability	19	1 200	1 200
Debt Impairment reversal	20	6 902	-
Other income	21	17 320	5 399
Interest received	22	161 806	83 695
Total revenue from exchange transactions		**1 327 661**	**1 154 574**
Expenditure			
Employee related costs	24	(104 215)	(93 863)
Depreciation and amortisation	26	(121 892)	(110 675)
Finance costs	27	(1 232)	(1 246)
Bad debts written off	28	(85)	-
Fuel and oil	23	(244 567)	(256 659)
Repairs and maintenance	25	(161 087)	(129 499)
Cost of sales	17	(69 759)	(93 682)
General Expenses	29	(117 075)	(99 932)
Total expenditure		**(819 912)**	**(785 556)**
Surplus for the year		**507 749**	**369 018**

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus / deficit '000	Total net assets '000
Opening balance as previously reported	3 577 330	3 577 330
Adjustments Correction of errors 37	315	315
Balance at 01 April 2022 as restated*	**3 577 645**	**3 577 645**
Changes in net assets Surplus for the year	369 018	369 018
Total changes	369 018	369 018
Opening balance as previously reported	3 971 302	3 971 302
Adjustments Correction of errors 37	(24 638)	(24 638)
Balance at 01 April 2023 as restated*	**3 946 664**	**3 946 664**
Changes in net assets Surplus for the year	507 749	507 749
Total changes	507 749	507 749
Balance at 31 March 2024	**4 454 413**	**4 454 413**

Note(s)

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2024

	Note(s)	2024 '000	2023 Restated* '000
Cash flows from operating activities			
Receipts			
Revenue from Leases		1 073 602	975 217
Interest income		111 980	82 348
Auction of vehicles		90 804	64 120
Transport fees		1 463	1 931
		1 277 849	1 123 616
Payments			
Employee costs		(101 114)	(95 811)
Suppliers		(543 501)	(414 730)
		(644 615)	(510 541)
Net cash flows from operating activities	30	**633 234**	**613 075**
Cash flows from investing activities			
Purchase of property, plant and equipment		(398 813)	(260 320)
Proceeds from sale of finance lease receivables		(26 462)	71 434
Net cash flows from investing activities		**(425 275)**	**(188 886)**
Cash flows from financing activities			
Payments of finance lease obligations		(1 565)	(692)
Net increase/(decrease) in cash and cash equivalents		**206 394**	**423 497**
Cash and cash equivalents at the beginning of the year		2 441 351	2 017 854
Cash and cash equivalents at the end of the year	12	**2 647 745**	**2 441 351**

ACCOUNTING POLICIES

1. Background

g-FleeT is a provincial Trading Entity and reports to the Accounting Officer of the Gauteng Department of Roads and Transport as its controlling entity. The mandate of the entity is to be the leading provider of fleet management services within government. The Entity is incorporated and operates in the Republic of South Africa

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 40(1) of the Public Finance Management Act, 1, 1999 (PFMA). These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity, unless stated otherwise the financial statement amounts are rounded to the nearest thousand.

1.2 Going concern assumption

Financial Statements are prepared based on the expectation that the Entity will continue to operate as a going concern for at least the next 12 months.

1.3 Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP

1.4 Significant judgements and sources of estimation uncertainty

Management has made the following accounting estimates which have the most significant effect on the amounts recognised in the financial statements:

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible and intangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including trade values and retail values together with economic factors such as interest rates.

Provisions

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to the required to settle the obligation.

Segment reporting

Significant judgement is used in identifying service and geographical segments of the g-FleeT Management.

Impairment of Trade and other receivables

The Entity makes provision for doubtful debts relating to all long outstanding debts from customers. In determining the value of doubtful debts, the Entity estimates future expected cash flows arising from those receivables which, in its judgement, are impaired.

Useful lives and residual values of property, plant and equipment (PPE)

Reassessments of useful lives and residual values are performed annually after considering factors such as the condition of the asset, maintenance programmes, and relevant market information, and manner of recovery. In re-assessing residual values, the Entity considers the remaining life of the asset and its projected disposal value.

Classification of leases

The Entity has entered into lease agreements acting as both a lessor and lessee. The Entity uses judgement to determine, based on the evaluation of the terms and conditions of lease agreements, the appropriate treatment of the leases as either finance leases or operating leases.

Contingent liabilities

The existence of the obligation arising from legal claims against the Entity may only be determined through the outcome of legal proceedings. Management applies its judgement in determining whether a present obligation exists, and therefore whether these claims should be recognised as provisions or disclosed as contingent liabilities.

Cash- and non-cash generating assets

Management has applied its judgement in determining the cash generating capabilities of all the entity's assets. The entity is required to sustain itself financially and most of its assets are employed in generating enough profit and cash flow to remain self-sustained.

1.5 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Item	Depreciation method	Useful life
Machinery and tools	Straight line	5 Years
Furniture and office equipment	Straight line	5 - 25 years
Motor vehicles	Straight line	7-11 years
Computer equipment	Straight line	3 - 6 years
Leasehold improvements	Straight line	20 - 30 years
Leased assets	Straight line	Lease term
Assets under construction	Straight line	Not depreciated

The gains or losses arising from derecognition are determined as the difference between the carrying amount and the proceeds from disposal.

1.6 Intangible assets

Intangible assets are shown at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the intangible asset's useful life, which is estimated to be between 2 - 9 years.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the carrying amount and the proceeds from disposal.

1.7 Segment Reporting

The Entity has in the application of the requirements of GRAP 18 considered whether it has different segments within its operations that require separate disclosure. Accordingly, the Entity has outlined the following as part of its disclosure note:

- Factors used to identify the entity's reportable segments.
- Whether segments have been aggregated and the basis of the aggregation.
- Types of goods and/or services delivered by each segment.

1.8 Financial instruments

The Entity has the following types of financial assets:

- Receivables from exchange transactions
- Cash and cash equivalents
- Finance lease receivable

The Entity has the following types of financial liabilities:

- Payables from exchange transactions
- Finance lease obligation

The financial assets and liabilities of the Entity have all been classified as carried at amortised cost.

Trade and other receivables from exchange transactions

Trade and other receivables are stated at amortised cost using the effective interest rate method, less a provision for impairment.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost using the effective interest rate method. For purposes of the cash flow statement cash and cash equivalents comprise cash at banks and short-term deposits.

Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest rate method Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means

1.9 Leases

Finance leases - lessor

Amounts due from lessees under finance leases are recorded as receivables at commencement of the lease and measured at the amount of Entity's net investment in the leases.

The Entity recognises gains or losses arising from the sale in terms of the finance lease at inception of the lease. The gain or loss is determined by the difference between the net investment in the lease and the carrying value of the vehicle. The gain or loss is included in surplus or deficit.

During the lease term, finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Entity's net investment outstanding in respect of the leases. The accounting policy for impairment of trade and other receivables is also applied to impairment of the net investment in lease receivable.

The accounting policy for derecognition of trade and other receivables is also applied to derecognition of the net investment in lease receivable. At the end of the lease term, the Entity recognises the unguaranteed residual value of the leased vehicle as part of property plant and equipment. If at the end of the lease term the lessee is still in possession of the leased vehicle, the lease is then accounted for as month-to-month lease contract.

Finance leases - lessee

Where the Entity enters into a finance lease, assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment.

Corresponding liabilities are included in the Statement of Financial Position as finance lease liabilities. Lease payments are allocated between the lease finance cost and the capital repayment. The finance charge is allocated to each period during the lease term so as to achieve a constant rate of interest on the outstanding liability. The accounting policy for derecognition of trade and other payables is also applied to derecognition of the finance lease payable.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The Entity does not include lease rental escalation clauses in the agreements.

Operating leases - lessee

Operating lease expense is recognised as expenditure on a straight-line basis over the lease term.

1.10 Inventories

Inventory is measured at the lower of cost or net realisable value.

1.11 Impairment of cash-generating and non-cash-generating assets

The Entity assesses at each reporting date whether there is an indication that assets may be impaired. If any indication exist, or when annual impairment testing for assets is required, the Entity estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for the individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In determining fair value less costs of disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recognition of the impairment loss is recognised as part of the surplus or deficit in the Statement of Financial Position.

1.12 Employee benefits

Short-term employee benefits

The Entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for service.

The Entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Entity measures the expected cost of bonus, incentive and performance related payments at the best estimate of the present value of future cash flows.

1.13 Commitments

Commitments are disclosed for contracts that are entered into before the reporting date, but goods and services have not yet been received.

1.14 Revenue from exchange transactions

Revenue from auction of vehicles

Revenue is measured at the price determined on auction.

Kilometre tariffs

Revenue from excess kilometres (kilometres in excess of the contracted kilometres) is charged as the excess kilometre are travelled.

Income from other services relating to leases

For lease arrangements, a portion of the payments made by clients are for providing services ancillary to the lease, such as administration and tracking the vehicle. These payments are recognised on a straight-line basis over the term of the lease.

Transport services to government employees

The entity earns revenue from providing transport services to government employees from other Government Departments impacted by the relocation of Provincial Governments from Pretoria to Johannesburg after the 1994 elections. Transport service revenue is recognised once a trip is completed.

Interest

Interest from bank accounts is recognised using the effective interest method.

Interest on finance lease receivables is recognised from commencement of the lease until the finance lease is settled, based on the interest rate implicit in the lease as determined at inception of the lease.

Recoveries from clients

Toll, fuel, oil, accident and traffic fine revenue is a direct charge and recoverable from the clients. This revenue is recognised when the client incurs the cost.

Income Tax

In terms of Income tax Act No.58 of 1962, Section 10 Exemptions, subsection 1 " There shall be exempt from the tax (a) the receipts and accruals of the Government, any provincial administration or of any other state ".

1.15 Finance costs

Finance costs are measured using the effective interest rate method.

1.16 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. Fruitless and wasteful expenditure is also disclosed in the notes to the financial statements.

1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

(a)this Act; or

(b)the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or

(c)any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense or a assets in the period it occurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Irregular expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine in which case reasons therefore is provided in the note. Irregular expenditure is disclosed in the notes to the financial statements and removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

1.18 Related parties

Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.19 Subsequent Events

Events after the reporting date are those events both favourable and unfavourable that occur between the reporting date and the date when the Annual Financial Statements are authorised for issue and are treated as follows.

- The entity shall adjust the amounts recognised in its Annual Financial Statements to reflect adjusting events after the reporting date for those events that provide evidence of conditions that existed at the reporting date; and
- The entity shall not adjust the amounts recognised in its Annual Financial Statements to reflect non-adjusting events after the reporting date for those events that are indicative of conditions that arose after the reporting date.

1.20 Prepayments

A prepayment is a payment made in advance of the goods and services that are yet to be received, in accordance with the agreement under which the payment is made. Prepayment is recognised when a payment is made and goods or services are received at a future date.

1.21 Standards of GRAP approved but not yet effective

Standards of GRAP	Details of the amendment to the Standards and the anticipated impact	Effective Date
GRAP 104: Financial Instruments	The amendments to the standard prescribe the principles for recognising, measuring, presenting, and disclosing financial instruments. The impact of this is currently being assessed by management	01 April 2024
GRAP 105: Transfer of functions between entities under common control	The amendments to the standard prescribe the principles for recognising, measuring, presenting, and disclosing transfers of functions made between entities under common control. The impact of this is currently being assessed by management	01 April 2024
GRAP 106: Transfer of functions between entities not under common control	The amendments to the standard prescribe the principles for recognising, measuring,presenting and disclosing transfers of functions made between entities	01 April 2024

Notes to the Annual Financial Statements

Figures in Rand thousand

2. Property, plant and equipment

	2024 R'000			2023 R'000		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	28 821	(15 541)	13 280	26 308	(12 950)	13 358
Motor vehicles	1 573 320	(429 858)	1 143 462	1 391 488	(408 698)	982 790
Leasehold improvements	238 016	(66 167)	171 849	203 387	(59 145)	144 242
Leased Property	14 647	(2 663)	11 984	14 647	(2 515)	12 132
Leased machinery and cellphones	16 048	(15 825)	223	15 907	(15 360)	547
Total	**1 870 852**	**(530 054)**	**1 340 798**	**1 651 737**	**(498 668)**	**1 153 069**

Reconciliation of property, plant and equipment - 31 March 2024

	Opening balance R'000	Additions R'000	Sold R'000	Disposal on finance lease arrangement R'000	Transfers (to)/from inventory R'000	Write-off R'000	Vehicle losses R'000	Recoveries R'000	Depreciation R'000	Total R'000
Furniture and fixtures	13 358	5 928	-	-	-	(3 415)	-	-	(2 591)	13 280
Motor vehicles	982 790	466 326	(406)	(109 969)	(93 286)	-	(6 035)	15 454	(111 412)	1 143 462
Leasehold improvements	144 242	34 629	-	-	-	-	-	-	(7 022)	171 849
Leased Property	12 132	-	-	-	-	-	-	-	(148)	11 984
Leased machinery and cellphones	547	141	-	-	-	-	-	-	(465)	223
	1 153 069	**507 024**	**(406)**	**(109 969)**	**(93 286)**	**(3 415)**	**(6 035)**	**15 454**	**(121 638)**	**1 340 798**

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

Furniture and fixtures

Upon investigation (464) assets remained unverified and as a results we decided to write them off at a value of R 3 414 548.78. Furthermore, 216 ICT equipment assets which have been fully depreciated were approved for disposal prior to financial year end for which the disposal processes were concluded in the 2024-2025 financial year.

Motor vehicles

Vehicles to the value of R 843 676 are under investigation, whilst vehicles that where with clients amounting to R 5 191 207 have been reported as stolen. Leasehold improvements

Leasehold improvements include both completed assets and assets which are still under construction, i.e. Work-in progress (WIP). The WIP emanates from the construction and rehabilitation of the entity's head office property situated at Bedfordview which is leased by the entity from the Gauteng Department of Infrastructure Development (GDID). All completed leasehold improvements are recorded at cost less accumulated depreciation and impairment. WIP is recorded at cost less any impairment.

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2023

	Opening balance R'000	Additions R'000	Sold Vehicles R'000	Disposal on finance lease arrangement R'000	Transfers (to)/from inventory R'000	Vehicle losses R'000	Depreciation R'000	Total R'000
Furniture and fixtures	13 043	2 069	-	-	-	-	(1 754)	13 358
Motor vehicles	1 065 365	233 370	(4 867)	(56 522)	(134 640)	(18 602)	(101 314)	982 790
Leasehold improvements	147 048	4 028	-	-	-	-	(6 834)	144 242
Leased Property	12 280	-	-	-	-	-	(148)	12 132
Leased machinery and cellphones	25	890	-	-	-	-	(368)	547
	1 237 761	**240 357**	**(4 867)**	**(56 522)**	**(134 640)**	**(18 602)**	**(110 418)**	**1 153 069**

Leasehold improvements include both completed assets and assets which are still under construction, i.e. Work-in progress (WIP). The WIP emanates from the construction and rehabilitation of the entity's head office property situated at Bedfordview which is leased by the entity from the Gauteng Department of Infrastructure Development (GDID). All completed leasehold

improvements are recorded at cost less accumulated depreciation and impairment. WIP is recorded at cost less any impairment. The current WIP amount is R 27 465 998.08 and there were no impairment loss identified at year end.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

3. Intangible assets

	2024 R'000			2023 R'000		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2 859	(2 260)	599	2 859	(2 006)	853

Reconciliation of intangible assets - 31 March 2024

	Opening balance	Amortisation	Total
Computer software, other	853	(254)	599

Reconciliation of intangible assets - 31 March 2023

	Opening balance	Additions	Amortisation	Total
Computer software, other	987	122	(256)	853

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 '000	2023 '000
4. Finance lease receivables		
Gross investment in the lease due		
- within one year	125 210	64 500
- in second to fifth year inclusive	237 335	177 666
	362 545	242 166
less: Unearned finance revenue	(123 610)	(73 159)
Present value of minimum lease payments receivable	238 935	169 007
less: allowance for uncollectible minimum lease payments	(3 342)	(9 832)
	235 593	**159 175**
Present value of minimum lease payments due		
- within one year	60 023	55 490
- in second to fifth year inclusive	175 570	103 685
	235 593	**159 175**

The entity entered into finance leasing arrangements for certain of its motor vehicles and equipment.

The average lease terms are 4.5 years and the average effective lending rate was 35%.

None of the trade and other receivables have been pledged as security for liabilities or contingent liabilities.

An increase in Finance lease receivables is due to the acquisition of new finance lease vehicles due to an increase in demand for the additional vehicles from clients. Further, only a few leases terminated during the financial year as majority of the vehicles that were being replaced had expired in the previous years.

Notes to the Annual Financial Statements

5. Payables from exchange transactions

Trade payables	48 295	48 934

6. Other payables

Salary Payable	1 452	1 897
Debtors with credit balances	127	2 942
Leave pay accrual	7 361	5 794
Service bonus accrual	3 104	2 455
	12 044	**13 088**

Leave pay accrual

In terms of the Determination on Leave of Absence in the Public Service employees are entitled to annual leave with full pay during each leave cycle of 12 months, commencing on 1 January of each year. The remaining leave days, if any, must be taken no later than 6 months after the expiry of the relevant leave cycle, where after unused leave credits shall be forfeited.

Service bonus and long service award accrual

Accruals were raised for service bonus (13th cheque) which is due within 12 months. Debtors with credit balances

The debtors with credit balances arise due to either overpayment from clients on monthly invoices and/or the issuing of credit notes by the entity in response to resolving client disputes. As at 31 March 2024, these balances have been reclassified to trade payables.

An increase in Leave pay and Service bonus accrual is as a result of an increase in the number of employees. More vacant posts were filled in the currrent year.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 '000	2023 '000

7. Prepayments

The prepayment balance is reflective of monies paid to the Gauteng Department of Roads and Transport relating to motor vehicle licence registrations, motor vehicle maintenance, monies paid to OEMs for motor vehicles maintenance and to SANRAL in relation to e-toll services for all the entity's motor vehicles.

Motor Vehicles Prepayments	79 801	54 526
Gauteng Department of Roads and Transport	2 260	568
SANRAL	4 180	218
	86 241	**55 312**

8. Other Receivables

This balance relates to salary related suspense accounts that could not be cleared at year end.

Other Receivables	676	432

9. Municipal deposits

This relates to payments made to the landlord as deposit for office rentals at the regions.

Municipal deposits	321	321

10. Inventories

Vehicles held for sale	89 865	61 127
	89 865	61 127
Inventories (write-downs)	(5 833)	(6 258)
	84 032	**54 869**
Inventories recognised as an expense during the year	69 759	93 682

Notes to the Annual Financial Statements

	2024 '000	2023 '000
11. Receivables from exchange transactions		
Trade receivables	140 164	131 210
Other receivables - Revenue from auction of vehicles	-	23 822
Other debtors - Traffic fines and accident claims	216	6 092
	140 380	**161 124**

Balance as at 31 March 2024	Gross Balance	Impairment provision	Net balance
Trade Receivables	137 584	(1 958)	135 626
Other debtors - Traffic fines and accident claims	6 989	(6 773)	216
Other debtors	4 538	-	4 538
	149 111	**(8 731)**	**140 380**

Balances as at 31 March 2023	Gross Balance	Impairment provision	Net balance
Trade Receivables	138 657	(12 203)	126 454
Other receivables - Revenue from auction of vehicles	23 822	-	23 822
Other debtors - Traffic fines and accident claims	6 092	-	6 092
Other debtors	4 756	-	4 756
	173 327	**(12 203)**	**161 124**

The line with its mandate, the entity's business is focused toward servicing all Government Departments and Entities within South Africa. Accordingly, all reported trade receivables stem from monies outstanding by the applicable Government Departments and Entities.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 '000	2023 '000
Trade and other receivables past due but not impaired		
The ageing of amounts due but not impaired is as follows:		
Within 30 days	70 765	77 082
31 to 60 days	57 839	24 594
61 to 90 days	1 765	19 570
91 to 120 days	2 467	15 534
Greater than 120 days	4 748	1 876
	137 584	**138 656**
Reconciliation of provision for impairment of trade and other receivables from exchange transactions		
Opening balance	(12 203)	(11 607)
Changes to the Statement of Financial Performance	6 902	(596)
	(5 301)	**(12 203)**
12. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	22	22
Bank balances	2 647 723	2 441 329
	2 647 745	**2 441 351**
12.1 Bank Accounts		
Primary bank Account - Standard Bank		
Standard Bank		
Standard Bank Account		
Bank Statement balance at the end of the year	1 903 754	1 755 698
South African Reserve Bank		

SARB Account		
Bank Statement balance at the end of the year	743 969	685 632

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 '000	2023 '000
13. Finance lease obligation		
Non-current liabilities	14 685	14 740
Current liabilities	178	456
	14 863	**15 196**

As at 31 March 2024	Minimum lease payments	Future finance charges	Present value of minimum lease payments
Within One Year	1 388	(1 210)	178
Within Two To Five Years	4 856	(4 794)	62
Later Than Five Years	91 200	(76 578)	14 622
Subtotal	97 444	(82 582)	14 862
Less: Amount Due Within One Year	(1 388)	1 210	(178)
	96 056	**(81 372)**	**14 684**

As at 31 March 2023	Minimum lease payments	Future finance charges	Present value of minimum lease payments
Within One Year	1 684	(1 228)	456
Within Two To Five Years	4 910	(4 794)	116
Later Than Five Years	92 400	(77 776)	14 624
Subtotal	98 994	(83 798)	15 196
Less: Amount Due Within One Year	(1 684)	1 228	(456)

	97 310	**(82 570)**	**14 740**

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

The lease periods of agreements entered into by g-FleeT in the capacity as a lessee ranges from 2 to 99 years. Interest rates vary per lease agreement. The finance lease obligations, are secured by finance lease assets included in Property, Plant and Equipment.

The remaining leased term for buildings is 84 years. The lease term for machinery and cellphones is 2 years and the average effective borrowing rate is 10%.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 2.

	2024	**2023**
	'000	**'000**
14. Long-term leave accrual		
The long-term leave accrual represents the amounts of capped leave still due to employees who have not yet resigned or retired.		
Opening balance	2 624	2 628
Movement in the Statement of Financial Performance	168	(4)
	2 792	**2 624**
15. Income received in advance		
The amount relates to a prepayment received from the Gauteng Department of Roads and Transport in respect of mobile motor vehicle licencing centres leased from the entity.		
Income received in advance	3 977	-
16. Revenue from Leases		
Operating Lease	827 464	741 431
Toll Fees	7 568	5 757
Fuel and Oil	237 281	228 426
Traffic and Accident claims	1 008	467
Gain on Finance lease disposal	130	259
	1 073 451	**976 340**

g-FleeT Management

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Notes to the Annual Financial Statements

	2024 '000	2023 '000
17. Cost of sales		
Sale of goods		
Cost of goods sold	69 759	93 682
18. Revenue from auction of vehicles		
Revenue from auction of vehicles	66 982	87 940
19. Realisation of Property Lease Liability		
Realisation of Property Lease Liability	1 200	1 200

During 2009, the then Gauteng Department of Public Transport Roads and Works entered into a rental agreement with the Gauteng Department of Infrastructure Development on behalf of g-FleeT. In terms of this lease agreement, the monthly rental is R 100,000 per month (amounting to a R 1,2 million per annum) over the 99 year lease period. The rental agreement does not provide for any inflation, or inflationary adjustments.

The lease agreement further stipulates that the rental fees as paid by g-FleeT, that is in respect of the Entity's Head Office (situated at No. 76 Boeing Road East, Bedfordview) should be set off against any expenditure incurred by the Entity relating to leasehold improvements.

The Entity has recognised this contract as a finance lease, and therefore accounts for this benefit as revenue from exchange transactions given the improvements that have been effected by g-FleeT.

20. Debt Impairment reversal		
Trade and other receivables impairment	6 902	-

The reversal of debts previously impaired is due to downward adjustment in the provision for doubtful debts on trade receivables and finance leases.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 '000	2023 '000
21. Other income		
Revenue from Transport Income	1 463	1 931
Sundry Income	403	1 134
Motor vehicle recoveries	15 454	2 334
	17 320	**5 399**

Motor vehicle recoveries reflect the carrying value of vehicles that were previously reported as either lost and/stolen. The values reported for both the current and prior year are reflected of the work implemented by the entity in strengthening the overall internal control environment relating to the leasing of vehicles.

22. Interest received		
Interest revenue		
Bank	111 980	82 348
Interest on finance lease receivables	49 826	1 347
	161 806	**83 695**

The increase in interest on finance lease receivables is due to the increase demand in long term lease arrangements. In addition, a limited number of old lease arrangements terminated during the financial year.

23. Fuel and oil		
Fuel and oil	244 567	256 659

Notes to the Annual Financial Statements

	2024 '000	2023 '000
24. Employee related costs		
Basic	74 887	64 875
Medical aid - company contributions	5 587	5 382
Pension	8 918	8 105
Workmen's Compensation Act contribution	23	22
Leave pay provision charge	1 818	273
Other short term costs	73	62
Overtime payments	1 064	1 009
13th Cheques	5 839	5 020
Acting allowances	69	310
Housing benefits and allowances	5 937	8 805
	104 215	**93 863**

The increase in employee related costs is due to the work undertaken by the entity to fill vacant positions within the entity in line with the approved recruitment plan.

25. Repairs and maintenance

The following specific costs included in the amount of repairs and maintenance were incurred by g-FleeT Management.

General maintenance and services	146 166	115 796
Spares and accessories	1 391	1 171
Tyres and tubes	13 530	12 532
	161 087	**129 499**

The significant increase in general maintenance and services is due to planned maintenance work implemented by the entity through the Gauteng Department of Infrastructure Development on the leased buildings within both Bedfordview and Koedoespoort premise.

g-FleeT Management

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26. Depreciation and amortisation	
Motor vehicles	
Property, plant and equipment	
Intangible assets	

27. Finance costs	
Finance leases	

28. Bad debts written off	
Bad debts written off	

The increase in bad debts written off is due to the debt write-off process implemented by the Entity on old long outstanding debtors which had demonstrated no possibility of being recovered in line with the Entity's Revenue and Debt Management policy.

g-FleeT Management

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	2024 '000	2023 '000
29. General expenses		
Advertising	1 554	664
Auditors remuneration	6 309	6 565
Consulting and professional fees	7 818	615
Consumables	3 722	3 353
Debt Impairment expense	6 773	596
Entertainment	123	27
Conferences and seminars	1 590	965
License fees - software	367	1 964
Levies	12 009	2 991
Motor vehicle expenses	5	3
Postage and courier	50	51
Printing and stationery	1 253	556
Security	6 268	6 210
Subscriptions and membership fees	-	12
Training	354	52
Travel - local	752	725
Tracking expenses	30 263	22 235
Vehicle theft and losses	7 381	25 246
Rental expenses - operating lease	2 480	2 440
Assets written off	3 415	-
License fees - vehicles	4 818	5 580
Toll fees	14 322	15 257
Towing costs	530	-
Traffic fines	103	-
Accident claims	950	448
Injury on duty	-	13
Inventory write down to net realisable value	3 866	3 364
	117 075	**99 932**

Advertising

The variance is due to work undertaken by the marketing and communications unit in relation to Smart Mobility Africa Seminar.

Consulting and professional fees

The variance is due to the work undertaken by the entity in relation to the tariff benchmarking exercise, the conducting of lifestyle audits on all Senior Managers, the review of the business case for the proposed transition to a government component and the development of the business case towards the implementation of the logistics function within the entity.

Conferences and seminars

The variance is due to the hosting of the Departmental Broad Management Committee meeting and the opening of panel beating workshop.

Levies

The variance is due to the back dated water billing implemented by the City of Ekurhuleni against the entity due to a faulty water meter.

g-FleeT Management

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	2024 '000	2023 '000
30. Cash generated from operations		
Surplus	507 749	369 018
Adjustments for:	121 892	110 675
Depreciation and amortisation		
Interest income	(49 826)	(1 347)
Sundry payments	(403)	(1 134)
Finance costs - Finance lease	1 232	1 246
Debt impairment reversal	(6 902)	-
Bad debts written off	85	-
Debt Impairment expense	-	596
Assets written off	3 415	-
Cost of sales	69 759	93 682
Realisation of lease property	(1 200)	(1 200)
Recoveries: Non-cash	(15 454)	(2 334)
Inventory write-down	-	3 364
Vehicle Theft and losses	7 381	25 246
Changes in working capital:	151	30 579
Receivables from exchange transactions		
Movement in long - term leave accrual	-	(4)
Receivables from auction	23 822	-
Prepayments	(30 929)	8 946
Finance lease receivables	-	(23 820)
Payables from exchange transactions	(639)	1 506
Other payables	3 101	(1 944)
	633 234	**613 075**

31. Financial instruments disclosure

Categories of financial instruments

31 March 2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	140 380	140 380
Cash and cash equivalents	2 647 745	2 647 745
Finance lease receivables	235 593	235 593
	3 023 718	**3 023 718**

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 '000	2023 '000

31. Financial instruments disclosure (continued)

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	48 295	48 295
Finance lease obligation	14 863	14 863
Debtors with credit balance	127	127
	63 285	**63 285**

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	161 124	161 124
Cash and cash equivalents	2 441 351	2 441 351
Finance lease receivables	159 175	159 175
	2 761 650	**2 761 650**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	48 934	48 934
Finance lease obligation	15 196	15 196

Liquidity risk

g-Fleet's exposure to liquidity risk consists of the risk that it will not have sufficient cash to pay liabilities as they fall due.

g-Fleet manages liquidity risk by maintaining a positive cash balance.

The total exposure to liquidity risk is represented by the trade and other payables and finance lease payable balance in these financial statements.

The entity manages liquidity risk through an ongoing review of future commitments. Through this review, the Entity ensures that it has sufficient cash on demand or access to facilities to meet expected operational and capital expenses. The table below analyses the Entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual date. The amounts disclosed in the table are the contractual undiscounted cash flows. The maturity profile for finance lease maturity payables is disclosed in the finance lease obligations note.

g-FleeT Management

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	2024 '000	2023 '000

The following is an analysis of the age of accounts receivable that are due as at the reporting date but not impaired..

31. Financial instruments disclosure (continued)		
Financial assets past due - Accounts Receivable:		
With 30 days	83 091	65 945
More than 30 days and not more than 60 days	57 839	138 637
More than 60 days and not more than 90 days	1 765	23 822
More than 90 days	7 216	5 714
	149 911	**234 118**
Maturity of financial liabilities - 31 March 2024		Due within 1 month
Payables from exchange transactions		48 295

Credit risk

Credit risk consists of cash and cash equivalents and receivables. g-Fleet Management considers it's credit risk minimised as the entity only hold cash with major banks with high quality credit standing and Trade and other receivables comprise of a Government customer base. Government debt is considered recoverable. All debtors that are past due not impaired are thus considered to be recoverable, although recovery may not be within the contractually agreed timeframes. The entity continues to render services to its defaulting customers so as to ensure government service delivery is not impeded by its clients, in extreme cases petrol cards for service departments are suspended until such time outstanding accounts are settled or realistic payment plans are provided.

The entity provides for an impairment provision per client that represents its estimate of potential losses in trade receivables. Further credit risk information is provided in the notes for Receivables from exchange transactions and Finance lease receivables..

The entity has also considered the prevailing economic conditions both locally and internationally and it's impact on client budgets when estimating the provision for debt impairment.

Interest rate risk

The Entity is not entitled to charge interest on overdue debtors. The interest arising from finance lease receivables and payables arises from the interest rate implicit in leases, and is not affected by market interest rates. Thus, the entity's exposure to cash flow interest rate risk arises if it is required to pay interest on overdue trade and other payables. The extent of this risk amounts to market interest rates applied to the trade and other payables balance.

The entity has a policy of paying suppliers within 30 days of the invoice date, and interest rate risk exposure is managed through adherence to this policy.

The interest received from positive bank balances are linked to interest variation as pronounced by the governor of reserve bank

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	2024	2023
	'000	'000
32. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	152 313	324 717
Total commitments		
Total commitments		
Authorised capital expenditure	152 313	324 717

The reduction in authorised capital commitments is due to the improved turnaround times implemented by the manufacturers in the delivery of motor vehicles ordered by the entity. In addition, the entity implemented a financial year- end cut-off period for the ordering of new goods and services as guided by the Gauteng Provincial Treasury.

The Commitments comprises of R 150 532 859 for motor vehicles, R 1 032 742 for office equipment and R 746 933 for buildings.

Operating lease commitments		
Minimum lease payments due		
- within one year	1 326	620
- in second to fifth year inclusive	3 279	1 666
	4 605	**2 286**

g-FleeT Management entered into three (3) year transversal contract which commenced on 01 March 2024 and terminating on 28 February 2027 for all G-FleeT offices.

g-FleeT Management

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	2024	2023
	'000	'000

33. Contingent Liabilities

As at 31 March 2024, the entity was exposed to the following litigation cases which arose during the ordinary course of business and whose outcome is dependent on the outcome of formal legal proceedings and assessments thereof:

Description		
Various third-party motor vehicle accident claims	6 012	3 281
Mbokoda Construction CC – Non-payment of account	3 484	3 484
ABSA- non – payment of account	1 132	1 132
	10 628	**7 897**

The third-party motor vehicle accident claims emanate from accident claims that have been instituted against the entity for damages caused to third-party motor vehicles by state drivers using g-FleeT motor vehicles.

The matter with the Mbokoda Construction CC contractual legal dispute emanated on 24 October 2012. The claim was in respect of monies owed to sub-contractors and project management fees. The entity's legal assessment, i.e. both state attorney and senior counsel believed that the plaintiff did not have any lien over the g-fleet properties and that the matter was ready for trial and awaiting a court date. As at 31 March 2024, the status quo remained the same.

The matter with ABSA is with respect to the sub-contracting of services agreement regarding RT46 Contract entered between ABSA and Transit Solutions dated 24 May 2019. On 12 January 2023, ABSA 'legal representative issued a demand letter to the Entity of R1.132 million in respect to the facility letter of unpaid services. The Entity's had responded to the letter demand seeking more clarification and supporting documentation. Such information is still awaited. The Entity's legal assessment is that matter is defendable in court should it be pursued.

The entity is also dealing with a matter pertaining Zakeni Autobody and Project Management Pty Ltd, in which the plaintiff is claiming contractual rights relating to the operating of the entity's in-house panel beating workshop. The claim does not include any financial implications at this stage. An arbitration award in the favour of the plaintiff as been issued. Such award and claim of rights is being subjected to legal assessment for appeal to the courts.

In addition, the entity is exposed to 3 labour matters, all of which have been assessed by the entity's legal unit as being defendable in court.

34. Contingent assets

The court case number: 95/09/2016 of fraud, theft and corruption to the value of R 16 million opened against 2 accused, one of which was a former regional manager of g-FleeT Management at Eastern Cape and Kwa Zulu Natal. The second accused is a member of public that operated with the accused in the furtherance of the crimes. The accused were arrested on the 21

February 2023 and appeared at the Durban Specialized Commercial Crimes Court. Both accused are currently on bail of R20 000.00 and R10 000.00 respectively.

The investigation has been now extended to incorporate criminal charges against some identified senior officials who failed to mitigate the losses and risks when it was first brought to their attention.

Assets forfeiture Unit has been engaged and the approach was to seek preservation order upon conviction.

Level preservation orders against the identified individuals will be sought against their Pension Fund and assets. The matter remains ongoing

g-FleeT Management

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	2024	2023
	'000	'000

34. Related parties

g-FleeT Management is related to all Gauteng Provincial Government departments and entities by virtue of being under the same control by Gauteng Premier and Gauteng Legislature.

On a more direct level, the Entity is related to the Gauteng Department of Roads and Transport (GDRT) and its entities, namely, Gautrain Management Agency (GMA) and the Transport Authority of Gauteng (TAG) due to the same level of direct control exercised by the appointed Member of Executive Council (MEC).

All transactions with related parties, except for those outlined below are within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which the Entity would have adopted if dealing with that individual entity or person on terms and conditions within the normal operating parameters established by the reporting entity's legal mandate.

The entity's assessment of all transactions with related parties revealed the following transactions which were not concluded on the principles of being at arm's length:

- The entity is utilising office space located within its parent Department, the Gauteng Department of Roads and Transport head office at 45 Commissioner Street. Such office space is utilised at no cost to the entity.
- The entity entered into an agreement with its parent Department, the Gauteng Department of Roads and Transport wherein the Department is leasing of 4 mobile motor vehicle licencing centres. As part of the agreement approved by the Accounting Officer, the entity was required to support the Provincial Revenue Collection Strategy by only charging the Department for operational costs associated with the mobile units. The capital cost borne to be by the Entity in relation to the 4 mobile licencing units is estimated to amount to approximately R10million. As at 31 March 2024, the said mobile licencing units were not yet delivered to the Entity by the applicable manufacturer.

The Key management personnel are disclosed in Note 34

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	2024 '000	2023 '000

36. Members' emoluments

Executive

31 March 2024

	Basic Salary	13th Cheque	Pension Contribution	Other Benefits	Total
*Ms. Noxolo Maninjwa (Chief Executive Officer till 1 June 2023)	187	-	24	85	296
*Ms. Puleng Gadebe-Mabaso (acting CEO from 1 January 2024 to March 2024)	328	-	43	70	441
Mr. Poobalan Govender (Acting CFO from Sept 2021)	1 048	87	136	230	1 501
Ms. Andiswa Gingqi - Director: Finance	814	39	106	178	1 137
Mr PM Mabunda (Chief Director Logistics from 1 February 2023)	1 210	-	-	-	1 210
Mr. Sifiso Mhlongo - Director: Maintanance Services	817	68	106	176	1 167
Ms. Salomie Jafta - Director TSS	819	68	106	371	1 364
Ms. CM Mogotsi - Director: Corporate Service	814	68	106	175	1 163
Ms. Ravanne Mathews - Director Permanent Fleet	819	68	106	371	1 364
Mr. Trevor Nkambule - Acting Director: VIP and Pool Services (From 9 March 2023 to 8 June 2023)	118	-	15	14	147
	6 974	**398**	**748**	**1 670**	**9 790**

*The Chief Risk Officer, Ms. Delicia Kgage is rendering services for both G-FleeT Management and Department of Roads and Transport. The remuneration costs are borne by the Department of Roads and Transport.

*The former CEO, Ms. Noxolo Maninjwa has been seconded to Transport Authority for Gauteng (TAG) from the 1st of June 2023.

*The Acting Chief Executive Officer, Ms. Puleng Gadebe-Mabaso has been seconded to G-Fleet Management from the 1st of June 2023. The remuneration costs from the 1st of June to 31st of December 2023 were borne by Department of Human Settlement. G-Fleet Management is liable for her remuneration costs from the 1st of January to the 31st of March 2024.

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	2024	2023
	'000	'000

36. Members' emoluments (continued)

31 March 2023

	Basic Salary	13th Cheque	Pension Contribution	Other Benefits	Total
Ms. Noxolo Maninjwa (Chief Executive Officer)	1 075	90	140	508	1 813
Mr. Poobalan Govender (Acting CFO from Sept 2021)	986	82	128	233	1 429
Ms. Andiswa Gingqi (Director: Finance from November 2022)	322	-	42	78	442
Mr PM Mabunda (Chief Director Logistics from 1 February 2023)	218	-	-	-	218
Mr. Sifiso Mhlongo (Director: Maintanance Services from December 2022)	547	48	71	255	921
Ms. Salomie Jafta - Director TSS	747	62	97	363	1 269
Ms. CM Mogotsi (Director: Corporate Service from December 2022)	258	16	33	62	369
Ms. Ravanne Mathews - Director Permanent Fleet	747	62	97	395	1 301
Mr. Douglas Scott (Acting Director: VIP and Pool Services from 01 May 2022 to 31 October 2022)	296	49	39	140	524
Ms Delicia Kgage (Chief Risk Officer)	505	62	66	248	881
Mr. Trevor Nkambule - Acting Director: VIP and Pool Services (From 9 March 2023 to 8 June 2023)	51	-	7	8	66
	5 752	**471**	**720**	**2 290**	**9 233**

37. Prior period errors

Error 1: Winding down of Prepayment for the previous financial years

During the 2023-24 financial year, an error was identified by management in respect of the prior year amortisation of motor vehicle maintenance and service plans. Such error has been subsequently corrected with the resulting impact highlighted below:

Decrease in Prepayment	-	(27 756)
Increase in Repairs and maintenance	-	27 756
	-	-

Error 2: Vehicles recoveries

During the 2023-24 financial year, an error was identified by management in respect of the prior year audit adjustment journal in relation to motor vehicles. Such error has been subsequently corrected with the resulting impact highlighted below:

Increase in Non-Current Assets: Finance Lease Debt	-	2 334
Increase in Motor vehicle recoveries	-	(2 334)
	-	-

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	2024	2023
	'000	'000

37. Prior period errors (continued)

Error 3: Transfer of vehicle from finance leases to motor vehicles

During the 2023/24 financial year, an error was identified where a vehicle was not transferred from finance lease to the motor vehicles asset register. This error has been corrected.

Increase in Motor vehicles	-	355
Decrease in Non-Current Assets: Finance Lease Debt	-	(355)
	-	-

Error 4: Recognition of vehicles omitted in the asset register from the previous years

During the 2023/24 financial year, vehicles that were sold and stolen in the previous years were identified and subsequently derecognised.

Increase in Cost of sales	-	374
Decrease in Inventory	-	(374)
Increase in General Expenses	-	48
Decrease in Inventory	-	(48)

Error 5: Recognition of Municipal deposits from previous years

During the 2023/24 financial year, an error was identified by management in respect of the municipal deposit that was not included in the previous years.Such error has been subsequently corrected with the resulting impact highlighted below:

Increase in Municipal deposit	-	315
	-	(315)
	-	-

Error 6: Revenue transactions captured in the current year but belonging to previous year

During the 2023/24 financial year, an error was identified by management in respect of the revenue transactions captured in the current year but belonging to previous year.Such error has been subsequently corrected with the resulting impact highlighted below:

Increase in Receivables from exchange transactions	-	16 304
Increase in Revenue from leases	-	(16 304)
	-	-

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	2024	2023
	'000	'000

38. Going concern

As at 31 March 2024, management had every reason to believe that the entity had adequate resources in place to continue in operation for the foreseeable future.

This assumption is based on the below assessment:

1. The entity is self-sustaining and derives its funding from the revenue generated through the provision of services.
2. The Entity has a strong balance sheet that is backed by cash.
3. Strict daily cash management processes are embedded in the Entity's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the budget. The cash management processes are complemented with monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.
4. The Entity has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of services. Certain key financial ratios, such as liquidity and solvency are closely monitored and the necessary corrective actions instituted. Taking the aforementioned into account, management has prepared the Annual Financial Statements on the going concern basis.

39. Fruitless and wasteful expenditure		
Fruitless and wasteful expenditure identified - current	269	6 694
40. Irregular expenditure		
Irregular Expenditure - current	39	79

The reported irregular expenditure for the current financial year occurred due to a lapse in the internal control system relating to the finalisation of the appointed of a sole service provider without obtaining the signed Standard Bidding Document (SBD 4). The weakness in the internal control environment has been since been remedied to prevent any reoccurrence.

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	2024	2023
	'000	'000

41. Segment information

The entity has identified the need to segment report on 2 economic activities that generate separate economic benefits to the Entity whose results are regularly reviewed by management to make decisions about resources to be allocated and for which financial information is available. The 2 economic activities identified by the entity relate to leasing services and auction services. Key business processes that link directly to the respective activities have been aggregated into the respective activity. Business processes that cannot be linked to a specific activity have been excluded from the reported segment information. The reported information for the 2 economic activities as per GRAP 18 are as follows:

Segment surplus or deficit, assets and liabilities 2024

Revenue	**AUCTIONS**	**LEASING OF MOTOR VEHICLES**	**Total**
Revenue from exchange transactions	66 982	1 073 451	1 140 433
Other income	136	17 184	17 320
Total segment revenue	**67 118**	**1 090 635**	**1 157 753**
Entity's revenue			**1 157 753**
Expenditure			
Depreciation and amortisation	-	121 892	121 892
Finance costs	-	1 232	1 232
Bad debts written off	-	85	85
Repairs and maintenance	-	161 087	161 087
Fuel and oil	-	244 567	244 567
General Expenses	-	117 075	117 075
Employee related costs	-	104 215	104 215
Cost of Sales	69 759	-	69 759
Total segment expenditure	**69 759**	**750 153**	**819 912**
Total segmental surplus/(deficit)	**(2 641)**	**340 482**	**337 841**
Assets			
Inventories	84 032	-	84 032
Property Plant and Equipment	-	1 340 798	1 340 798
Receivables from exchange transactions	-	140 380	140 380
Prepayments	-	86 241	86 241
Intangibles	-	599	599
Other receivables	-	676	676
Finance lease receivable	-	235 593	235 593
Total segment assets	**84 032**	**1 804 287**	**1 888 319**

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Notes to the Annual Financial Statements

		2024	2023
		'000	'000
41. Segment information (continued) 2023			
Liabilities			
Payables from exchange transactions	-	48 295	48 295
Finance lease obligation	-	14 863	14 863
Long term leave accrual	-	2 792	2 792
Other payables	-	12 044	12 044
Income received in advance	-	3 977	3 977
Total segment liabilities	**-**	**81 971**	**81 971**
Total net segment assets/liabilities			**1 805 623**

	AUCTIONS	LEASING OF MOTOR VEHICLES	Total
Revenue			
Revenue from exchange transactions	87 940	976 340	1 064 280
Other income	981	4 418	5 399
Total segment revenue	**88 921**	**980 758**	**1 069 679**
Entity's revenue			**1 069 679**
Expenditure			
Depreciation and amortisation	-	110 675	110 675
Finance costs	-	1 246	1 246
Repairs and maintenance	-	129 499	129 499
Fuel and oil	-	256 659	256 659
General expenses	-	99 932	99 932
Employee cost	-	93 863	93 863
Cost of Sales	93 682	-	93 682
Total segment expenditure	**93 682**	**691 874**	**785 556**
Total segmental surplus/(deficit)	**(4 761)**	**288 884**	**284 123**
Assets			
Inventories	54 869	-	54 869
Property Plant and Equipment	-	1 153 069	1 153 069
Receivables from exchange transactions	23 822	137 302	161 124
Prepayments	-	55 312	55 312
Intangible assets	-	853	853
Other receivables	-	432	432
Finance lease receivable	-	159 175	159 175
Total segment assets	**78 691**	**1 506 143**	**1 584 834**

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

		2024	2023
		'000	'000
Liabilities			
Payables from exchange transactions	-	48 934	48 934
Finance lease obligation	-	15 196	15 196
Long term leave accrual	-	2 624	2 624
Other payables	-	13 088	13 088
Total segment liabilities	**-**	**79 842**	**79 842**
Total net segment assets/liabilities			**1 520 406**

42. Principal-agent arrangement

The entity utilises the services of professional auctioneers when undertaking the auctioning of motor vehicles. In terms of GRAP 109, this relationship between the appointed auctioneer and the entity has been assessed as being that of a principal agent arrangement. The appointed auctioneer derives revenue through the levying of commission on each sale. The levying of commission is outlined in the terms and conditions for each auction. The table below outlines the list of professional auctioneers used by the entity and respective percentage sales commission levied during each of the financial years

Riley Auctioneers (Pty) Ltd	3,5%	-	
Liquidity Services (Pty) Ltd	4%	-	
Customised Auction (Pty) Ltd	2,5%	-	

As at 31 March 2024, no resource of the entity was under the custodianship of any of the agents. In addition, there are no cost implications for the principal should the contract of the appointed agent be cancelled.

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