ANNUAL REPORT 2024/25

OUR VISION

To be a Centre of Excellence in providing catalytic and innovative financing mechanisms for strategic infrastructure projects in Gauteng Province.

OUR VALUE PROPOSITION

The GIFA is a centre of excellence that provides innovative financial solutions for key infrastructure projects in the province. GIFA provides a one stop service to provincial departments, municipalities and agencies. Through high quality skills and expertise, the GIFA converts project concepts or ideas into bankable proposals that would attract funding from investors community locally and internationally.

TABLE OF CONTENTS

PART A GENERAL INFORMATION

1. GENERAL INFORMATION 6
2. LIST OF ABBREVIATIONS/ACRONYMS 7
3. FOREWORD BY THE MEC 10
4. REPORT OF THE ACCOUNTING OFFICER 12
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT 20
6. STRATEGIC OVERVIEW 21
   6.1. VISION 21
   6.2. MISSION 21
   6.3. VALUES 21
7. LEGISLATIVE AND OTHER MANDATES 22
8. ORGANISATIONAL STRUCTURE 22

PART B PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES 25
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE 25
   2.1 SERVICE DELIVERY ENVIRONMENT 25
   SERVICE DELIVERY PROCESS-FLOW FOR PROJECT PREPARATION 26
   2.2 ORGANISATIONAL ENVIRONMENT 27
   2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES 27
3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION 31
   3.1 PROGRAMME 1: ADMINISTRATION 31
   3.2 PROGRAMME 2: PROJECT DEVELOPMENT & COMPLIANCE 36
   3.3 PROGRAMME 3: STRUCTURED FINANCE 39
4. TRANSFER PAYMENTS 41
5. CONDITIONAL GRANTS 41
6. DONOR FUNDS 41
7. CAPITAL INVESTMENT 41

PART C GOVERNANCE

1. INTRODUCTION 43
2. RISK MANAGEMENT 43
3. INTERNAL CONTROL UNIT 43
4. INTERNAL AUDIT AND AUDIT COMMITTEES 43
5. REPORT OF THE AUDIT COMMITTEE (GIFA) 47
6. COMPLIANCE WITH LAWS AND REGULATIONS 51
7. FRAUD AND CORRUPTION 51
8. MINIMISING CONFLICT OF INTEREST 51
9. CODE OF CONDUCT 51
10. HEALTH SAFETY AND ENVIRONMENTAL ISSUES 52
11. PRIOR MODIFICATIONS TO AUDIT REPORTS 52
12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION 52

PART D HUMAN RESOURCE MANAGEMENT

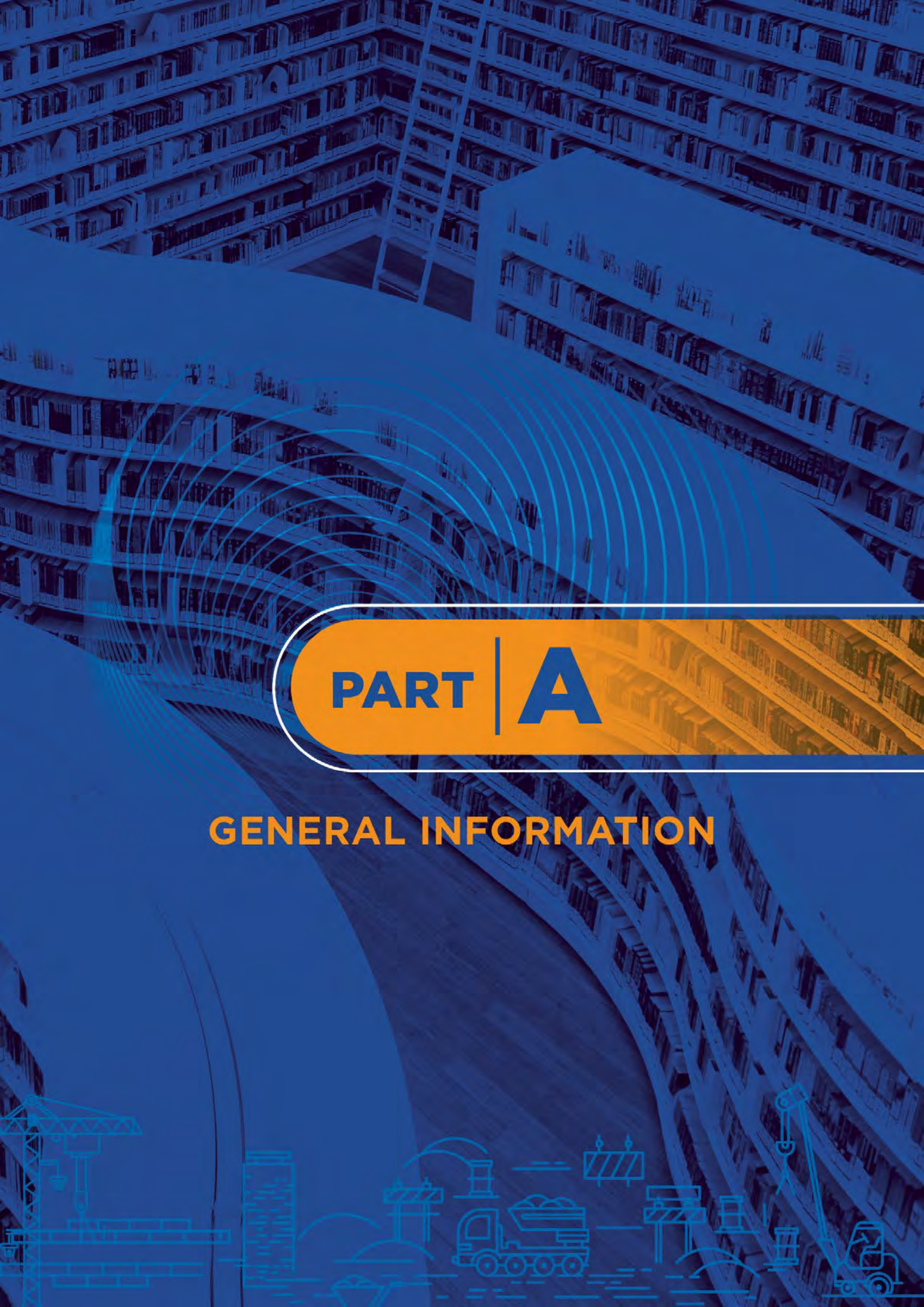
1. INTRODUCTION 54
2. OVERVIEW OF HUMAN RESOURCES 54
3. HUMAN RESOURCES OVERSIGHT STATISTICS 54
4. JOB EVALUATION 60
5. EMPLOYMENT CHANGES 62

PART E PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES 81
   1.1. IRREGULAR EXPENDITURE 81
   1.2. FRUITLESS AND WASTEFUL EXPENDITURE 84
   1.3. UNAUTHORISED EXPENDITURE 86
   1.4. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 40(3)(B)(I) & (III) 87
2. LATE AND/OR NON-PAYMENT OF SUPPLIERS 88
3. SUPPLY CHAIN MANAGEMENT 88
   3.1. PROCUREMENT BY OTHER MEANS 88
   3.2. CONTRACT VARIATIONS AND EXPANSIONS 88

PART F FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL 91
2. ANNUAL FINANCIAL STATEMENTS 96



PART A

GENERAL INFORMATION

1 GENERAL INFORMATION

PHYSICAL ADDRESS:	82 Grayston Drive 2nd floor Johannesburg, Sandton 2010
POSTAL ADDRESS:	PO Box 650780 Benmore 2010
TELEPHONE NUMBER/S:	011 290 6600/01
FAX NUMBER:	011 290 6700
EMAIL ADDRESS:	info@gifa.co.za
WEBSITE ADDRESS:	www.gifa.co.za

2 LIST OF ABBREVIATIONS/ACRONYMS

AIDC	Automotive Industry Development Centre
AGSA	Auditor General of South Africa
AFC	African Finance Corporation
AfDB	African Development Bank
AIF	Africa Investment Forum
AO	Accounting Officer
AOP	Annual Operational Plan
APP	Annual Performance Plan
ASISA	Association of Investments and Savings South Africa
AWTT	Alternative Waste Treatment Technology
BASA	Banking Association of South Africa
BBBEE	Broad Based Black Economic Empowerment
BFI	Budget Facility for Infrastructure
CBD	Central Business District
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMC	Change Management Committee
COGTA	Department of Cooperative Governance and Traditional Affairs
COJ	City of Johannesburg
DBSA	Development Bank of Southern Africa
DFI	Development Finance Institutions
EB	Enterprise Building
EIA	Environment Impact Assessment
EOI	Expression of Interest
GGT	Growing Gauteng Together
GPG	Gauteng Provincial Government
GPL	Gauteng Provincial Legislature
GPT	Gauteng Provincial Treasury
GRAP	Generally Recognised Accounting Practices
GICC	Gauteng Infrastructure Coordinating Council
GMSD	Gauteng Medical Supply Depot

GTAC	Government Technical Advisory Centre
HOD	Head of Department
IDZ	Industrial Development Zone
IFC	International Finance Corporation
ISA	Infrastructure South Africa
JMP	Jewellery Manufacturing Precinct
KGR	Krugersdorp Game Reserve
KPA	Key Performance Areas
LH	Logistics Hub
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
OCGT	Open-cycle Gas Turbine
OHSA	Occupational Health & Safety Act
OOP	Office of the Premier
ORTIA	OR Tambo International Airport
PBC	Premier's Budgeting Council
PFMA	Public Finance Management Act
PIC	Public Investment Corporation
PICC	Presidential Infrastructure Co-ordination Council
PMO	Project Management Office
PPF	Project Preparation Facility
PPP	Public Private Partnership
RFP	Request for Proposal
RFQ	Request for Qualification
SANSA	South Africa National Space Agency
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SHERQ	Safety Health, Environment and Risk and Quality
SEIA	Socio-economic Impact Assessment
SEZ	Special Economic Zone
SMME	Small Medium and Micro Enterprises
SOPA	State of the Province Address
SOP	Standard Operating Procedure

TA	Transaction Advisor
TA	Treasury Approval
TIH	The Innovation Hub
TISH	Townships, Informal Settlements and Hostels
TMR	Transformation, Modernisation, and Re-Industrialisation
TOR	Terms of Reference
TR	Treasury Regulations
TVR	Treasury Views and Recommendations
WR	West Rand
WRDWA	West Rand Dolomitic Water Association

3 FOREWORD BY THE MEC

Mr. Jacob Mamabolo
MEC: Infrastructure Development and Cooperative Governance and Traditional Affairs

The priorities of the 6th Administration of the Gauteng Provincial Government (GPG) were well captured in the Ten-Pillar Programme of Transformation, Modernisation, and Re-Industrialisation (TMR), the Growing Gauteng Together (GGT2030) and in the latter years of the term, Five Priorities were elevated and anchored on Townships, Informal Settlements and Hostels (TISH). In these final years of the term, the GPG committed its resources and concerted effort fighting crime, lawlessness, corruption, economic recovery, improving townships and hostels, building the capacity of the state and improving health and wellness of communities. The Gauteng Infrastructure Financing Agency (GIFA) always has a critical role to play in supporting the province within its mandate to achieve these priorities by exploring innovative ways raise funding from alternative sources, developing innovative funding mechanisms to finance projects and programmes. Finally, establish progressive partnerships with the private funding institutions and development funding institutions to support GPG developmental initiatives.

In 2024/25 financial year, the GIFA continued with raising funding from the Budget for Infrastructure Fund (BFI), thus signifying the stellar work of producing quality and credible business cases for infrastructure projects. R1,6 billion was raised from BFI grant funding for the City of Johannesburg Alternative Waste Water Treatment Technology (AWTT) project. The other success worth commending is the conclusion of the financial close for The Innovation Hub: Enterprise Building 3 project in Tshwane. The success of this project will build confidence in the work of GIFA to bring more investors and developers to The Innovation Hub development zone.

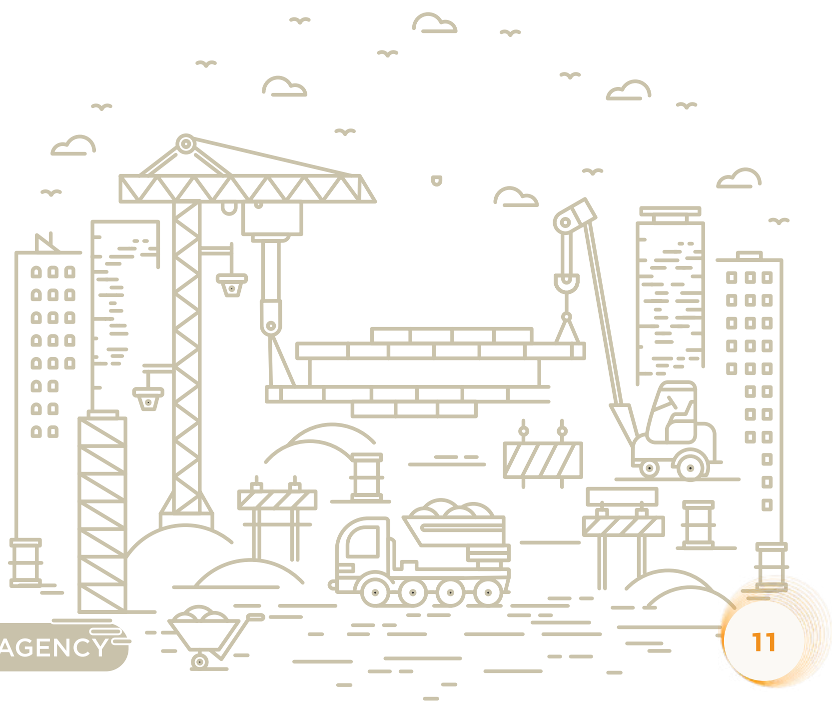
Meanwhile, the GIFA has continued to complement GPG's effort to revive the southern and western regions of the province by supporting projects such as the Vaal River City, Merafong Solar Farm Cluster West Rand Mega Park., Krugersdorp Game Reserve, Merafong Bio-energy Park and West Rand Agri-parks. The completion of these projects will bring about significant developmental spin-offs to the two regions. Lastly, the GIFA continues to play a sterling role in forging partnerships with local and international funding institutions such as African Development Bank (AfDB), Development Bank of Southern Africa (DBSA) and International Finance Corporation (IFC) to support selected projects with project development funding.

In the new term (2024 – 2029), the GIFA will be transferred from Gauteng Provincial Treasury (GPT) to the Department of Infrastructure Development (DID), whereby it will form a tripartite working arrangement that includes the Department of Cooperative Governance (GOGTA). The GIFA having gained invaluable experience and expertise in raising funding from alternative sources, will assist COGTA in developing funding mechanisms for bulk infrastructure. This is in support of the GPG's priority of implementing massive upgrades to municipal infrastructure to ensure that it can accommodate additional water and sanitation for socio-economic development across the province.

The DID has developed the Property Optimisation Strategy to transform under utilised government assests into productive economic assets. The GIFA will support DID on this strategy by developing mechanisms for commercialisation of identified strategic property assets owned by GPG. This will be a catalyst for raising much needed revenue for the development of infrastructure in the province. Finally, working the DBSA, GIFA will lead a process of rehabilitation and refurbishment of GPG owned buildings for staff accommodation.

In conclusion, the new term, will I would like to thank the CEO of GIFA, Mr Oupa Seabi and his team for the hard work they are doing in ensuring that GIFA becomes a centre of excellence in innovative financing solutions for infrastructure projects within the GPG.

Mr. J. Mamabolo
MEC: Infrastructure Development and Cooperative Governance and Traditional Affairs
Date: 31 July 2025



4 REPORT OF THE ACCOUNTING OFFICER

Mr. P.H.O Seabi
Accounting Officer: Gauteng Infrastructure Financing Agency

Introduction

The purpose of this report is to highlight the performance of the Gauteng Infrastructure Financing Agency for the reporting period of 1 April 2024 to 31 March 2025, in compliance with Section 40 of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) and specific financial matters for the period under review.

Overview of the Operations of the Entity

- **Overview of the Operations of the Entity**

  This section provides an overview of GIFA's performance results of GIFA for the 2024/25 financial year and the focus is on the following:

  o Highlights of performance against planned targets.

  o Highlights of projects performance.

- **Highlights of performance against planned targets:**

  The GIFA's performance is based on the targets in the approved 2024/25 Annual Performance Plan (APP) and this is measured against the key performance indicators. The functions and activities of GIFA to achieve the planned targets are executed through three Programmes, namely;

  o Programme 1: Administration.

  o Programme 2: Project Development & Compliance.

  o Programme 3: Structured Finance.

The table and diagrams below illustrate the executive summary of GIFA's performance in 2024/25 financial year:

Table 1: Executive Summary: GIFA 2024/25 Performance against planned targets

Programmes	Annual Targets	Targets Achieved	Deviations
Prog 1: Administration	13	13	0
Prog 2: Project Development & Compliance (PDC)	5	4	1
Prog 3: Structured Finance (SF)	3	2	1
TOTAL	**21**	**19**	**2**

Diagram 1: Programme Performance

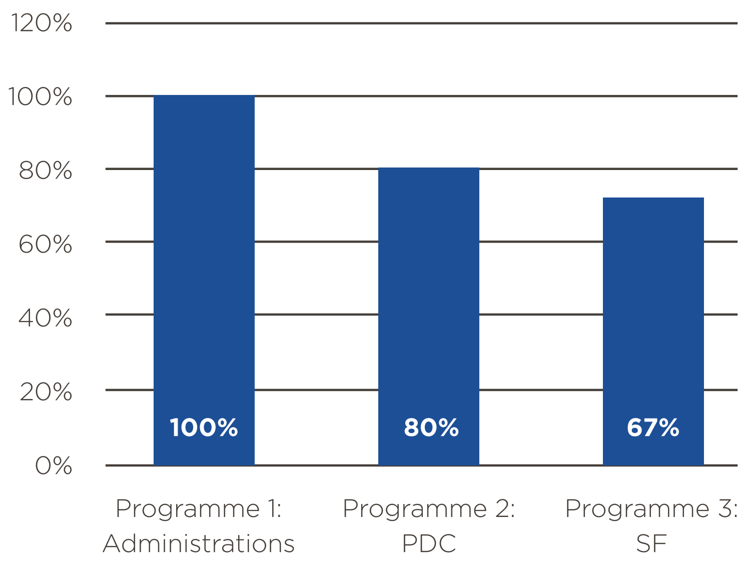
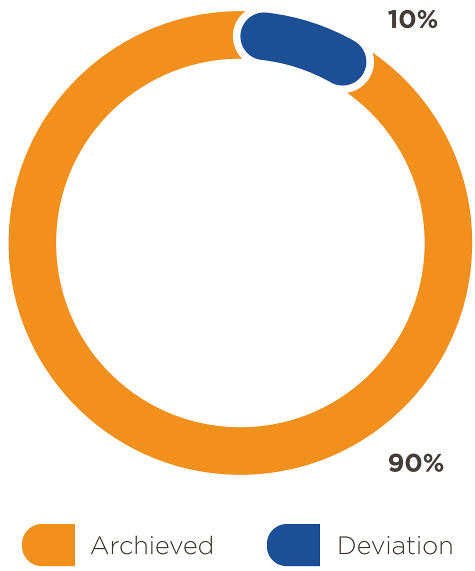


Diagram 1: Annual Performance Meter



Programme 1: Administration

The Programme has a total of 13 targets in the APP and all were achieved, with no deviations. All targets in Programme 1 are compliance targets that are set in line with the relevant legislation and regulations in the following sub-programmes:

- Office of the CEO
- Strategy, Monitoring And Evaluation
- Office of the Chief Financial Officer
- Corporate Services (Communication and Stakeholder Relations Management, Information Technology, Auxiliary Services)

Programme 2: Project Development & Compliance

Programme 2 has a total of five (5) targets and four (4) were achieved, with one (1) deviation. The highlights of achievements are:

- Two (2) projects were sourced for inclusion in the GIFA project pipeline. These projects were sourced during planned engagements with departments and municipalities. The sourced projects are:
  (i) City of Tshwane West Power Station: Projects owner is Tshwane Metropolitan Council.
  (ii) COGTA response to Energy Crisis Programme – Project owner is COGTA.
- Two (2) feasibility studies were completed. The projects are:
  (i) Daveyton Hospital
  (ii) AIDC Solar
- One (1) project was released to the market. The project is:
  (i) OR Tambo International Airport - Special Economic Zone.
- Completed the business case of State-owned Bank and submitted for approval by the Legislature.
- Completed the business case of State-owned Pharmaceutical Company and submitted for approval by the Legislature.

Programme 3: Structured Finance

Programme 3 has a total of three (3) targets and two (2) were achieved, with one (1) deviation. The highlights of achievements are:

- Implemented the Funder Engagement Strategy whereby GIFA signed the Momerandum of Understanding with the following Development Finance Institutions (DFI):
  - (i) Meridiam
  - (ii) Land Bank
- Analysed two (2) projects and tested them for bankability. The projects are:
  - (i) State-owned Pharmaceutical Company.
  - (ii) State-owned Bank
- Concluded financial close of one project, and the project is:
  - (i) The Innovation Hub: Enterprise Building 3.

• Deviation from planned targets in 2024/25 APP

There were two deviations from planned targets in 2024/25 financial year, details are highlighted in Part B: Performance Information, Section (4): Institutional Programme Performance Information:

The table below highlihgts deviations are in the following :

Programme	Number of Deviations	Targets
Programme 2: Project Development & Compliance	1	3 bankable projects released to the market
Programme 3: Structured Finance	1	Conclude 3 projects financial close

• Highlights of Projects Performance

The GIFA project pipeline has 20 projects in 2024/25 financial year, which are at different stages of the project development life-cycle. A Project Focus Forum monitors project progress on monthly basis. The CEO has developed a project progress tracking system, which is tracks progress of priority projects bi-weekly to fast-track these projects to financial close by facilitating interventions to remove any red tape and backlogs in decision making and approvals. Table 2 below, illustrates the status of GIFA projects by the end of 2024/25 financial year.

Table 2: GIFA Projects Status

Initiation Stage	Feasibility Stage	Market Release Stage	Procurement Stage	Commercial/ Financial Close Stage	Implementation Stage
	• AIDC Solar • AIDC Inland Port • Hospital Revitalization • State-Owned Bank • State-Owned Pharmaceutical Company • Gauteng Provincial Legislature • Vaal River City Mega Park	• Krugersdorp Game Reserve • COJ: Alternative Waste Treatment Technology (AWTT)	• OR Tambo International Airport - SEZ	• Rooftop Solar PV: Phase 1 • The Innovation Hub: EB2 • Merafong Solar Farm Cluster • COT Rail & Freight • Merafong Bio-energy Park • West Rand Agri-Parks	• Jewellery Manufacturing Precinct • West Rand Mega Park • Gauteng Schools Programme • The Innovation Hub: EB3
0	**7**	**2**	**1**	**6**	**4**
TOTAL			**20**		

The table indicates positive progress from 2023/24 to 2024/25 financial years:

- All projects at initiation stage at the end of 2023/24 have progressed to feasibility stage in 2024/25 .
- Three (3) projects that were at market release stage in 2023/24 have progressed to commercial/ financial close stage in 2024/25.
- One (1) project has completed implementation stage and it has been closed.
- One (1) project has concluded financial close and progressed to implementation stage in 2024/25.
- One (1) project has concluded commercial close and will be handed over to the private party for implementation.

Key Challenges

Below are the key challenges that impacted on the entity's performance, mainly project performance in 2024/25 financial year:

- Prolonged contract and agreements negotiations between government and the private party. However, it should be noted that it is in the nature of business to have rigorous and protracted PPPA and contractual negotiations to ensure value for money and appropriate risk transfer.
- Delayed decision making by key stakeholders such as potential tenant, approving authority, contracting party, etc.
- Delayed approvals by project owners such as the municipal councils and departments.
- Vacant posts could not be filled because of the moratorium placed by the Department of Public Service Administration (DPSA). Therefore, this caused a capacity constrain within GIFA

Overview of the financial results of the Entity

Entity receipts

GIFA received an annual transfer from Gauteng Provincial Treasury (GPT). This transfer payment is used to cover the operational costs of GIFA for the financial year. During the 2024/25 financial year an amount of R65,47 million was allocated to GIFA's operational budget.

Interest received on GIFA's positive bank balance will be disclosed in the financial statements.

Programme Expenditure

The budget of the GIFA is not appropriated and tabled independently thus no comparatives between budget and actual activities are given in the financial statements. The budgets are prepared on cash basis and presented to the GPT as part of their budget by economic classification linked to performance outcome objectives. It covers the fiscal period from 01 April 2024 to 31 March 2025 for the GIFA.

In 2024/25, GIFA spent 98% of its R 65,47 million budget.

No unauthorised, irregular expenditure or fruitless and wasteful expenditure occurred in the year under review.

Programme Name	2023/2024			2024/2025		
	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
Administration (Includes Strategy, Monitoring and Evaluation, Finance and Corporate Services)	43 993	42 205	1 788	45 697	44 589	1 108
Project Development	14 918	14 886	32	13 404	13 242	162
Structured Finance	6 557	5 744	813	6 367	6 315	52
Total	65 468	62 835	2 633	65 468	64 146	1 322

Economic Classification	2023/2024			2024/2025		
	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
Current Payments	**64 568**	**61 993**	**2 575**	**62 646**	**61 538**	**1 108**
Compensation of Employees	48 122	45 956	2 166	47 612	47 153	459
Goods and Services	16 446	16 037	409	15 034	14 385	649
Transfer payments	**0**	**0**	**0**	**1 922**	**1 922**	**0**
Capital Assets	**900**	**842**	**58**	**900**	**686**	**214**
Total	**65 468**	**62 835**	**2 633**	**65 468**	**64 146**	**1 322**

For the 2024/25 financial year, GIFA's budget allocation was reduced in line with the provincial baseline cuts.

Programme 1: Administration – The programme spent 97% of its budget for the 2024/25 financial year.

Programme 2: Project Development and Compliance – This programme spent 99% of its budget for the 2024/25 financial year.

Programme 3: Structured Finance - The programme has spent 99% of the 2024/25 financial year budget.

Virements

Virements were undertaken from Programme 3 to Programme 1 within the Economic Classification, from Compensation of Employees to Goods and Services and Transfer payments.

Funder Engagements in 2024/25

During 2024/25 financial year, funder engagement activities were undertaken through market sounding to promote projects to various funders. The GIFA engaged with a number of financiers and implementors for various projects and these are:

- International Finance Corporation
- Rand Merchant Bank (RMB)
- Stanlip
- KFW Development Bank
- Abu Dhabi Port Group
- Investec
- European Investment Bank
- African Development Bank
- Land Bank
- Meridiam

These engagements are aimed at creating market awareness on the GIFA projects in order to attract funding for project preparation, as well as financing projects implementation.

Future plans of the Entity

In the 2025/26 financial year, the GIFA will maintain the following key plans which are also outlined in the Annual Performance Plan:

a. Sustainable flow of infrastructure projects pipeline

The GIFA will continue to ensure that there is a sustainable inflow of strategic infrastructure projects that are sourced from GPG departments, municipalities and agencies. The GIFA will also take in projects that are referred by the Executive Council as part of solving the G13 problems of Gauteng Province. As a result, bulk infrastructure projects, property commercialisation and energy crisis projects will be central to the flow of projects into the GIFA pipeline going forward. The screening toolkit and filtration criteria will be implemented to ensure that valuable projects are sourced into the pipeline. The Business Process Re-engineering process has provided a robust and stringent prioritisation tool to rate projects in terms of impact and probability of success and alignment to the government priorities.

b. Complete feasibility Studies and Business Cases

Traditionally the GIFA has been focussing on conducting feasibility studies to provide optimal funding solutions for infrastructure projects. Going forward GIFA will assist provincial departments and municipalities with business case development. These will be focussed towards raising grant funding such as BFI grant and other international grants funding in market. The GIFA will also review business cases referred by project owners and provide expert input and support to ensure that quality business cases are developed.

c. Release projects to the Market

The GIFA will continue releasing projects to the market. This will be done to request for proposals, request for qualification and inviting expression of interest from the market.

d. Structure projects for bankability

The process of preparing projects for bankability is complex and requires expertise, time and budget. Hence, GIFA has prioritised of structuring projects in its plans going forward. More resources will be put in this process to ensure quality output of well structured projects that could attract alternative funding. The well structured projects will benefit the commercial and financial close processes as most projects have been spending more time in negotiations during the commercial and financial close stages.

e. Profile the role of GIFA and mobilise potential investors

The GIFA plans to continue building its profile within the Province by engaging with the municipalities and source infrastructure projects. The GIFA will continue to mobilise potential investors through various activities such as investor roadshows and conferences such as the African Investment Forum.

Consolidation of its partnerships with organisations such as the Development Bank of Southern Africa (DBSA), African Development Bank (AfDB), the Banking Association of South Africa (BASA), Association of Investments and Savings South Africa (ASISA), the Public Investment Corporation (PIC) will continue in earnest. Such partnerships have provided the GIFA with important linkages to funders. The GIFA will undertake an engagement exercise that is twofold, firstly aiming to provide the funders with an update of GIFA's project pipeline and secondly to solicit funders' interest on the projects.

f. Grant Funding

The GIFA will continue exploring the available channels for raising alternative funding for infrastructure projects, this includes grant funding. In 2025/26 GIFA will raise funding from National Treasury's BFI and other available grants internationally.

Public Private Partnerships

The GIFA is working on a number of projects, that are either registered as PPPs or have been recommended for PPP procurement model in the feasibility studies. It should be noted that GIFA is not the project owner of these PPP projects, therefore, the PPP Agreements are signed between the project owner and the implementer. The list below illustrates provincial and municipal based projects:

Public Private Partnerships			
Provincial	**Owner**	**Municipal**	**Owner**
Rooftop Solar PV: Phase 1	GDID	Krugersdorp Game Reserve	Mogale City Local Municipality
Innovation Hub: EB2	GDED	COJ: Alternative Waste Water Treatment Plant	City of Johannesburg Metropolitan Council
Innovation Hub: EB3	GDED		

Discontinued activities

There are no major discontinued and or proposed major activities to be reported for the 2024/25 financial year.

New or proposed key activities

The are no new or proposed activties that have financial implications or affect the entity's operations significantly.

Supply chain management

There were no unsolicited bid proposals concluded for the year under review. There was no irregular expenditure in 2024/25 financial year. The GIFA complied with the Supply Chain Management (SCM) policies and there were no major challenges experienced in SCM.

Gifts and Donations received in kind from non-related parties

No gifts and donations were received in kind from related or non-related parties.

Exemptions and deviations received from the National Treasury

The GIFA as a government component uses Generally Recognised Accounting Practice (GRAP) as its reporting framework and a deviation was received from National Treasury.

Events after the reporting date

There were no events that occurred after the reporting date of approval of the Annual Financial Statements.

Other

The Gauteng Premier's Notice 3 of 2024: **Assignment of departments, entities and laws or parts thereof, powers and functions entrusted by these laws, to Members of the Executive Council**, brought about changes that led to the transfer of GIFA, its operations and budget from Gauteng Provincial Treasury to Gauteng Department of Infrastructure Development (DID). The GIFA will be accountable to the Member of the Executive Council entrusted with the portfolio of Infrastructure Development, Co-operative Governance and Traditional Affairs (COGTA).

Conclusion

The GIFA will work closely with its tri-partite partners, the DID and COGTA to implement the 10 Priorities or Integrates that will complement the provincial government in solving the G13 problems. The GIFA will embark on a re-positioning process in an effort to make it more effective in delivering its mandate.

Acknowledgements

I wish to express special appreciation to the MEC, for his guidance and support. I would also like to thank the GIFA senior management team and staff for their tireless contributions in ensuring that the GIFA achieves its set targets and in striving to become a centre of excellence in project development and finance.

Approval and sign off

Mr. P.H.O Seabi
Accounting Officer: Gauteng Infrastructure Financing Agency
Date: 31 May 2025

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 F) have been prepared in accordance with the GRAP 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 2025.

Yours faithfully

Mr. P.H.O Seabi
Accounting Officer: Gauteng Infrastructure Financing Agency
Date: 31 May 2025

6 STRATEGIC OVERVIEW

6.1. Vision

To ensure alternative funding for Gauteng's strategic infrastructure projects.

6.2. Mission

- To set up a central point of coordination for all strategic infrastructure projects in the province;
- To identify bankable infrastructure projects through project filtration criteria and feasibility studies;
- To explore various funding mix through research on local and international best practices in project finance;
- To mobilise potential investors to support identified and approved infrastructure projects that are not funded through own Revenue Fund; and
- To monitor the implementation of infrastructure projects through successful contractual relationships between GPG departments and investors.

6.3. Values

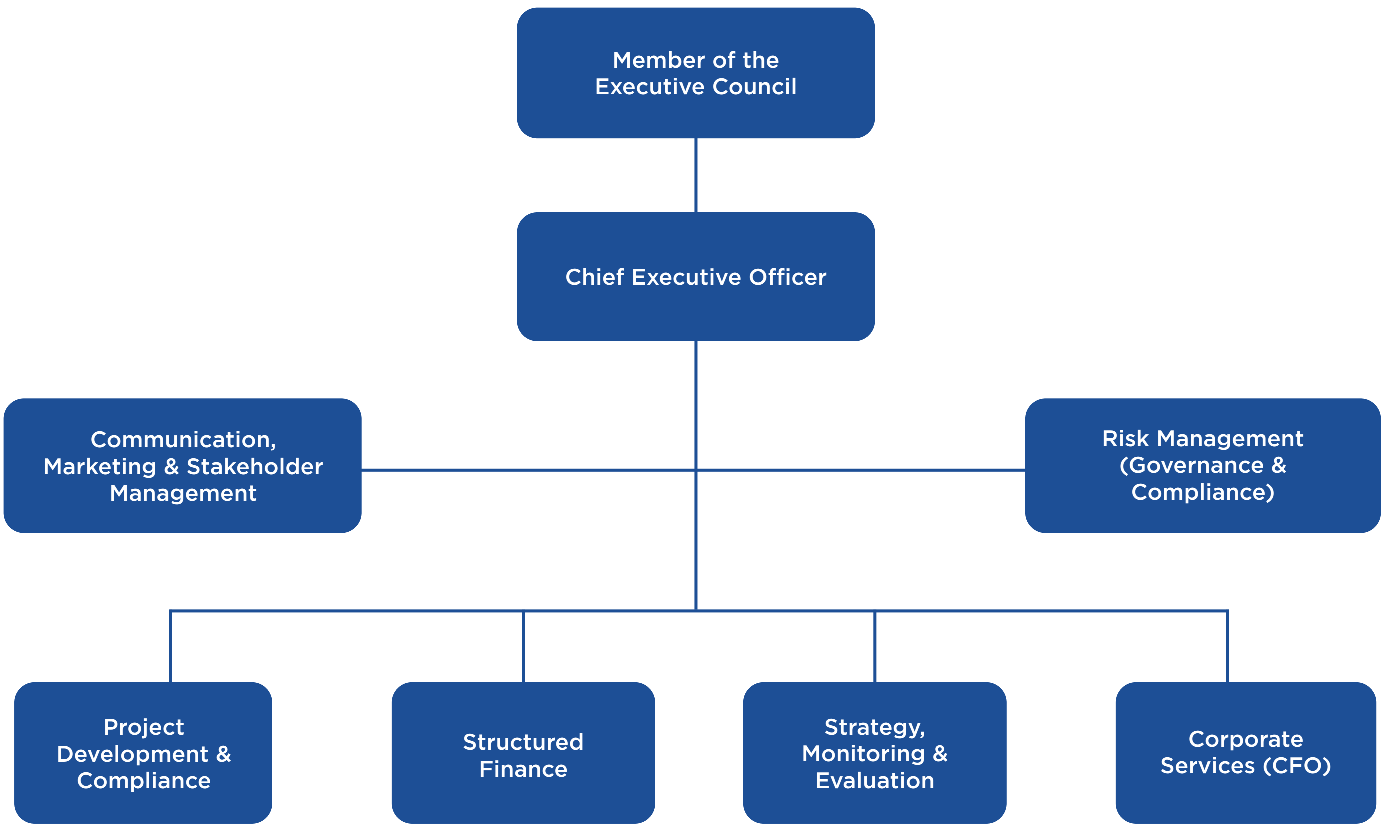
The values and principles that underpin the GIFA are predicated on the principles of Batho Pele and are:

Value	What it means
Value Employees	We attract, motivate, and retain talented people through career path, developing skills and empowering our employees. We also help them perform at consistently high levels by encouraging their professional and personal development. We reward their performance, treat them fairly, equally and we aim to be an employer of choice.
Honesty and Integrity	We will represent information transparently and truthfully, will honour our commitments; firmly adhere to a code of moral and ethical principles and will display professionalism in the workplace by being non-biased and objective.
Service Excellence	We place high value on our stakeholders and strive to meet their expectations and requirements by offering consistently good customer service, in both roles of support and / or oversight.
Teamwork	We align, collaborate, and communicate within and across the business units to meet the needs of our customers/stakeholders. We are committed to information and knowledge sharing.
Respect and Dignity	We will treat others with sensitivity, respect and have consideration for their uniqueness and personality differences and act within the law.
Accountability	We take full responsibility and ownership of our actions, by not passing the buck. We will have a positive, professional, and productive approach to our work

7 LEGISLATIVE AND OTHER MANDATES

- The GIFA is established as a government component in terms of section 7(5)(d) of the Public Service Act, 1994 following the President's Proclamation No. 69 of 2014 (Government Gazette No. 38088), within the portfolio of the MEC responsible for Finance in the Province with effect from 17 October 2014;
- The Premier of Gauteng Province proclaimed the Administration and Operations of the GIFA in the General Notice that was published on 13 July 2015 in the Provincial Gazette. Part 2 of the General Notice outlines the objectives, functions and powers of GIFA.
- In 2009 EXCO approved the creation of the Gauteng Funding Agency (GFA) later known as GIFA with the following objectives:
  - o To support provincial departments and municipalities with planning, management, and other technical expertise to roll out infrastructure more efficiently and effectively;
  - o To address challenges around infrastructure delivery capacity and skills where it lacks in government;
  - o To facilitate and coordinate alternative funding means for key strategic economic infrastructure projects;
  - o To develop strategic social infrastructure projects for funding through the fiscus.

8 ORGANISATIONAL STRUCTURE



GIFA business units and business unit heads

P.H.O Seabi
CEO

Deidre Londt
Head:
Corporate Services

Nathaniel Munetsi
Head:
Structured Finance

Victor Molate
Chief Finance Officer

Kemraj Ojageer
Head:
Project Development
& Compliance

Lebogang Tladinyane
Head:
Strategy, M&E

PART | B

PERFORMANCE INFORMATION

1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 91 of the Report of the Auditor General, published as Part F: Financial Information.

2 OVERVIEW OF ORGANISATIONAL PERFORMANCE

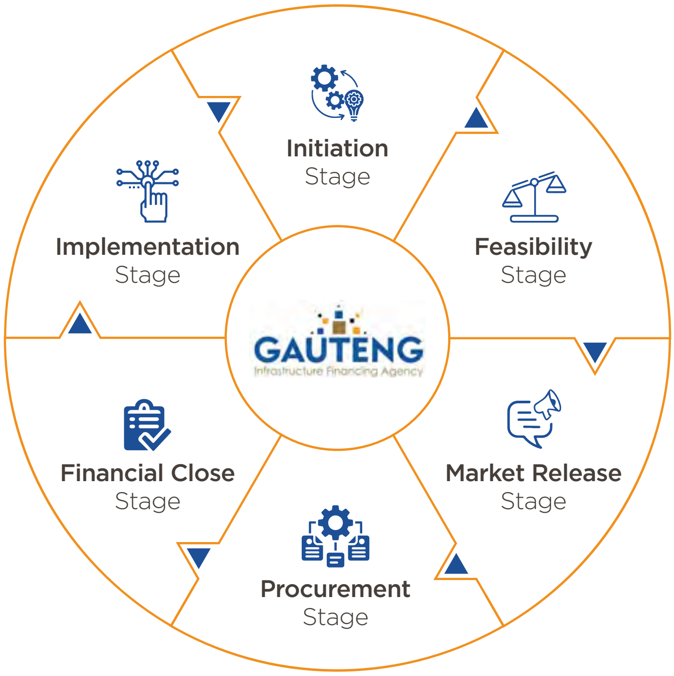
2.1. Service Delivery Environment

The type of service offered by the GIFA to its clients is project development support, structuring projects for bankability and facilitating funding partnerships to finance infrastructure projects off-balance sheet of the project owners. The primary clients or beneficiaries of GIFA's services are GPG departments, municipalities and their agencies. The GIFA does not deliver services directly to the public. Over the past years the clients have been:

The GIFA supports these client institutions in preparing projects to a point where they can be funded and implemented. In 2024/25 the GIFA continued to engage departments and municipalities on the current projects in the pipeline and also sourced new projects. This has impacted positively on the demand for GIFA services in the province.

For GIFA to deliver an efficient and effective service to its clients it has developed a service delivery process flow for project preparation. The process flow explains the steps undertaken during project preparation.

Service Delivery Process-flow for Project Preparation



The service delivery environment of GIFA is complex because it requires the involvement of various roleplayers and stakeholders. The role of GIFA is to manage the intricacies involved in the project development life-cycle as there are many interrelated elements, which are required for the project to move efficiently from initiation stage to financial close. The critical elements for ensuring service delicvery success are effective stakeholder involvement efficient decision execution at every decision-gate. GIFA on its part is expected to bring expertise and capacity to deliver projects throughtout the project development life-cycle.

During the reporting period under review there were successes in GIFA's service delivery, whereby all projects that were in initiation stage progressed to feasibility stage byu the end of the financial year. For projects to move from initiation to feasibility stage requires amongst other critical actions, the establishment of the project steering committee, agreement on the scope of the project between GIFA and the projects owner and appointment of the transaction advisor. There have been challenges in progressing projects from initiation to feasibility stage, such as, GIFA not obtaining project information to complete the scope, project owner delaying or failing to make a decision on the project scope or proposed options for the project, commitment of project budget for PPP projects, etc. In 2024/25 GIFA was able to put mitigating actions to support the projects that were in initiation stage.

A number of projects progressed from feasibility stage to commercial close and financial close. In the previous financial years this have been challenges of delayed decision making by project owners on proposed options of completed feasibility studies. Furthermore, municipal processes for decision making have been protracted, thus delaying the release of the projects to the market.

The main challenge experienced on projects that are at commercial and financial close stages are prolonged negotiations with the private parties to conclude agreements and sign-off the contracts for financial close. This process can be complex and intricate as the negotiating parties seek value for money in their favour. In 2024/25 there was success in some projects that concluded commercial close and financial close.

With projects completing feasibility studiesand the development of business cases for funding application, the GIFA has improved relations with the project owners and stakeholders and this has impacted positively on the need fpor GIFA's services and ability to deliver those services

2.2. Organisational environment

The GIFA has now established a sustainable pipeline of projects that have been sourced from provincial departments and municipalities. The standard operating procedures were developed in 2020/21 during the Business Process Re-engineering (BPR) Project have been well entrenched within project preperation processes to ensure that quality bankable projects are developed. Altough GIFA was affected by the DPSA moratorium on vacant posts, there were no major internal developments that negatively to the entity's ability to deloip its strategic plan and Annual performance Plan. The GIFA established a Project Management Unit (PMU) to provide technical support to the Project Development and Compliance and Structured Finance business units.

The proposed structure of GIFA was reviewed as recommended by the Department of Public Admininstration. The structure was consulted with Office of the Premier and GIFA started the process of reviewing job descriptions and post levels. The business case and service delivery model were developed and aligned to the strategic plan of the entity. By the end of 2024/25 financial year, the proposed structure of GIFA was not approved. However, the process of conducting job evaluations had started and once completed the structure will be resubmitted for approval. Lastly, once the moratorium on vacant posts have been lifted, GIFA will duly fill the available vacant positions.

2.3. Key policy developments and legislative changes

There were no changes to relevant policies or legislation that may have affected the operations of the GIFA during the period under review.

2.4. Progress towards achievements of institutional Impacts and Outcomes

The achievement of institutional impacts and outcomes occurs through the implementation of GIFA projects in the pipeline. The progress of the project outlined below ensures that GIFA achieves the following two (2) outcomes:

o **Outcome 1:** Bankable infrastructure projects prepared for alternative financing mechanisms.

o **Outcome 2:** Bankable infrastructure projects financed through capital investment raised from alternative sources of funding.

Table 3: 2024/25 Project Performance and Progress

No.	Project Name & Profile	Achieved 2024/25 Milestones	Contribution to Outcome	2025/26 Plans
1	**Jewellery Manufacturing Precinct (JMP)** **Owner:** GDID & GGDA **Value:** R1.1 billion **Stage:** Implementation	• All phases of the project are fully operational, that is: o In2Food Manufacturing Plant o Jewellery Manufacturing Precinct o Super Block Office Building	Outcome 2	None
2	**West Rand Mega Park** **Owner:** West Rand District Municipality (WRDM) **Value:** R1.2 billion **Stage:** Implementation	• Developer secured power supply from the City of JHB to start Phase 1 construction. • The project is under the management of the Developer.	Outcome 2	• A close-out report will be developed by GIFA.

No.	Project Name & Profile	Achieved 2024/25 Milestones	Contribution to Outcome	2025/26 Plans
3	**Gauteng Schools Programme** **Owner:** GDE **Value:** R1.5 billion **Stage:** Implementation	• 6 schools are under construction at the following locations: • Soshanguve A • Soshanguve South • Doornpoort • Birch Acres • Mayberry Park • Mpumelelo	Outcome 2	• Complete construction of 6 schools • Start construction of 8 schools.
4	**Rooftop Solar PV: Phase 1** **Owner:** GDID **Value:** R100 million **Stage:** Financial Close	• All negotiations for financial close were concluded. The PPP Agreement, Power Purchase Agreement and funding agreements were completed. • TAIII application with required documentation was prepared and submitted to the GDoH and GDID for sign-off and submission to National Treasury (NT) for approval.	Outcome 2	• Sign-off the TAIII application and submit to NT. • Obtain TAIII from NT. • Project close out report. • Implementation.
5 & 6	**The Innovation Hub: EB2 and EB3** **Owner:** GDED **Value:** R361 million **Stage:** Financial Close	• **EB2:** The Developer is working on contracting tenants for Enterprise Building 2. • **EB3:** TAIII was obtained from NT and financial close was concluded following the signing of PPP Agreement and Finance Direct Agreement.	Outcome 2	• Project close out report. • Implementation.
7	**Merafong Solar Farm Cluster** **Owner:** Merafong Local Municipality **Value:** R8 billion **Stage:** Commercial Close	• Lease agreements were signed between Sibanye Stillwater/ WRDWA and the Independent Power Producers (IPPs). All land parcels have been allocated to the IPPs. • IPPs are finalising compliance requirements such as a licensing agreements, EIAs, Zoning, funding, etc	Outcome 2	• Complete all compliance requirements. • Secure off-take agreements. • Project close out report.
8	**COT Freight & Rail** **Owner:** Tshwane Economic Development Agency (TEDA) **Value:** R1.6 billion **Stage:** Commercial Close	• Township establishment approved. • Ongoing engagements with the funders. • Engagements with City of Tshwane on bulk services to the project site.	Outcome 2	• Register Township with Surveyor-General and Deeds Office. • Secure funding. • Implementation. • Project close out report.

No.	Project Name & Profile	Achieved 2024/25 Milestones	Contribution to Outcome	2025/26 Plans
9	**West Rand Agri-Parks** **Owner:** West Rand District Municipality **Value:** R1 billion **Stage:** Commercial Close	• Farmers were identified through an EOI process. • Draft Options and Lease Agreements were completed by Sibanye Stillwater and the Far West Rand Dolomitic Water Association (FWRDWA) to be negotiated with the Farmers.	Outcome 2	• Conclusion of contracts between Sibanye Stillwater and FWRDWA and the Farmers. • Implementation of the project. • Negotiate and sign contracts.
10	**Merafong Bio-energy Park** **Owner:** Merafong Local Municipality **Value:** R1 billion **Stage:** Commercial Close	• Farmers were identified through an EOI process. • Draft Options and Lease Agreements were completed by Sibanye Stillwater and the Far West Rand Dolomitic Water Association (FWRDWA) to be negotiated with the Farmers.	Outcome 2	• Conclusion of contracts between Sibanye Stillwater and FWRDWA and the Farmers. • Implementation of the project. • Negotiate and sign contracts.
11	**OR Tambo International Airport – SEZ** **Owner:** Gauteng Department of Economic Development **Value:** R2 billion **Stage:** Procurement Stage	• Contract with the Dealmaker was concluded and work has commenced to procure developers and secure tenants for the SEZ.	Outcome 2	• Tenancy list concluded by Q2 (2025/26) Financial year. • BFI application in the next window of June 2025. • Release Project to Market in 2025/2026 Financial year.
12	**Krugersdorp Game Reserve** **Owner:** Mogale City Local Municipality **Value:** R100 million **Stage:** Market Release	• TVRI was obtained from National Treasury. • TRVII(a) application and draft procurement documentation were completed and submitted to National Treasury for approval.	Outcome 1	• Obtain TVRII(a) approval from National Treasury. • Release RFP to the market. • Select preferred bidder. • Financial close.
13	**COJ Alternative Waste Water Treatment Plant** **Owner:** City of Joburg **Value:** R3.5 billion **Stage:** Market Release	• National Treasury's BFI grant funding was approved for R1.6 billion. • Preparing procurement documents (draft RFQ and PPP Agreement).	Outcome 2	• Application and approval of TVRII(a) • Issue RFQ to the market in Q1 2025/26. • Identify preferred bidders.
14	**State-owned Bank** **Owner:** Gauteng Provincial Treasury **Value:** TBC **Stage:** Feasibility Stage	• Business case was developed and submitted for Legislature approval.	Outcome 1	• Obtain Legislature decision on the business case.
15	**State-owned Pharmaceutical Company** **Owner:** Gauteng Provincial Treasury **Value:** R825 million **Stage:** Feasibility Stage	• Business case was developed and submitted for Legislature approval.	Outcome 1	• Obtain Legislature decision on the business case.

No.	Project Name & Profile	Achieved 2024/25 Milestones	Contribution to Outcome	2025/26 Plans
16	**Hospital Revitalisation (BFI Business Case)** **Owner:** GDH **Value:** R3 billion **Stage:** Feasibility Stage	**Daveyton Hospital:** • Business case was developed for BFI grant funding application. • The site technical assessments was completed (Geotech, water, sanitation, roads and electricity). **Kyalami Hospital:** • The conditional assessment of the hospital was conducted, EOI was issued to the market 15and submitted proposals were evaluated. The outcome of this process, with options was presented to GDOH and GDID for decision.	Outcome 1	• Obtain final BFI response for Daveyton Hospital. • Complete the designs of the hospital. • GDoH decision on the proposed options for Kyalami Hospital.
17	**AIDC Solar** **Owner:** Gauteng Department of Economic Development **Value:** R96 million **Stage:** Feasibility Stage	• A new delivery model that provides optimal solar solution was developed. • The feasibility study is in progress. Due diligence and Options Analysis were completed.	Outcome 1	• Advertisement of the new solar solution for AIDC in Q2 2025/26.
18	**AIDC Inland Port** **Owner:** Gauteng Department of Economic Development **Value:** R1.5 billion **Stage:** Feasibility Stage	• Feasibility study is in progress and Option Analysis was completed. • Value Assessment is in progress.	Outcome 1	• Complete feasibility study and present outcome to the owner department.
19	**Gauteng Provincial Legislature** **Owner:** Gauteng Provincial Legislature **Value:** R1 billion **Stage:** Feasibility Stage	• GIFA is awaiting the response from GPL to the proposal of an alternative procurement solution (Design & Build) and the budget confirmation. • A management decision to close-out the GPL project has been taken. • A letter to request the re-imbursement of project preparation funds has been submitted to GPL. • A management decision to close-out the GPL project has been taken. • A letter to request the re-imbursement of project preparation funds has been submitted to GPL.	Outcome 1	• Obtain a decision from GPL on the project.
20	**Vaal River City** **Owner:** Emfuleni Local Municipality **Value:** R20 billion **Stage:** Feasibility Stage	• The business case development is in progress and the following deliverables were completed: o Socio-Economic Analysis Report. o The Options Analysis report	Outcome 1	• Obtain a decision from the project owner based on the outcome of the business case.

3 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. Programme 1: Administration

- **Purpose:**

The purpose of this Programme is to provide administration support the GIFA to become a centre of excellence. Key to supporting GIFA is providing strategic leadership, managing risks, monitor and evaluate performance, resources planning and allocation, human resources management, communications, stakeholder relations management and auxiliary services.

- **Sub- programmes:**
- Office of the CEO
- Strategy, Monitoring & Evaluation
- Office of the CFO
- Corporate Services

- **Sub-programme: Office of the CEO:**
  - **Purpose:** To strategically lead, direct and oversee delivery of the GIFA's mandate and ensure that organizational risks are effectively managed.

Programme 1: Administration								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/25**	**Deviation from planned target to Actual Achievement for 2024/25**	**Reasons for deviations**
Organisational risks managed effectively	Development of Risk Management strategy	Approved Risk Management Strategy	Review and implement Risk Management Strategy	Risk Management Policy reviewed and implemented	2025/26 Risk Management Strategy approved by the CEO	2025/26 Risk Management Strategy was approved by the CEO	None.	None.

Sub-Programme: Strategy, Monitoring and Evaluation

Purpose: To oversee and guide the development of organisational strategic plan, annual performance plans and also monitor and evaluate organisational performance and project development-cycle.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reasons for deviations
5-year Strategic Plan implemented effectively	Approved 5-year Strategic Plan implemented through Annual Performance Plans	Approved Annual Performance Plans	2023/24 Annual Performance Plan was approved and implemented	2024/25 Annual Performance Plan was approved	2025/26 Annual Performance Plan approved	2025/26 Annual Performance Plan was approved.	None.	None.
Organisational performance effectively monitored and evaluated	Reliable Organisation-wide M&E Framework	Number of Quarterly Performance (SOAR) Reports submitted to GPT	4 Quarterly Project Progress Reports submitted to Legislature	4 Quarterly Project Progress Reports submitted to Legislature	4 Quarterly Performance Reports (SOAR-GP) submitted to GPT	4 Quarterly Performance Reports (SOAR-GP) were submitted to GPT	None.	None.
		Number of approved Quarterly Project Progress Reports submitted to GPT	N/A	N/A	4 Quarterly Project Progress Reports submitted to GPT	4 Quarterly Project Progress Reports were submitted to GPT	None.	None.
		Audited Annual Report submitted to Legislature	N/A	Annual Report (2022/23) submitted to Legislature	Annual Report (2023/24) submitted to Legislature	Annual Report (2023/24) was submitted to Legislature	None.	None.

Sub-Programme: Office of the Chief Financial Officer

Purpose: To assist the accounting officer in discharging the duties prescribed in Part 2 of Chapter 5 of the Act and the annual Division of Revenue Act". The CFO has an essential function in carrying out financial management responsibilities in areas ranging from budget preparation to financial reporting and the development and maintenance of internal control policies and procedures.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reasons for deviations
Good governance and prudent financial management practices	Achieve unqualified audit outcome with no material findings on financial and non-financial performance information, free from material misstatements and non-compliance with legislation	Auditor General's audit outcome	Unqualified audit outcome	Unqualified audit outcome	Unqualified audit outcome	Unqualified audit outcome was achieved	None.	None.
		Number of credible and accurate annual financial statements submitted within the prescribed times	N/A	3 Quarterly and 1 Annual Financial Statements compiled and submitted to Gauteng Provincial Treasury	3 Quarterly and 1 Annual Financial Statements compiled	3 Quarterly and 1 Annual Financial Statements were compiled	None.	None.
	Payment of valid suppliers within prescribed timeframe	% of valid suppliers paid within 30 days	% of valid suppliers paid within 30 days	100% suppliers paid within 30 days	100% valid suppliers paid within 30 days	100% of valid suppliers were paid within 30 days	None.	None.

Sub-programme: Corporate Services

Purpose: To provide organisation-wide consolidated support services such as human resources, IT, legal, and facilities management, communications and stakeholder relations management.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reasons for deviations
Efficient human resources management and effective and human resource development	Implementation of the Human Resource Management and Development Strategy	Approved HRMD Strategy	HRMD Strategy was reviewed and implemented	HRMD Strategy was reviewed and implemented	HRMD Strategy approved	HRMD Strategy was approved.	None.	None.
Communication and stakeholder relations management implemented effectively	Implementation of the Organisation-wide Communication and Stakeholder Relations Strategy	Approved Communications Strategy	Organisation-wide Communication was approved and implemented	Organisation-wide Communication was approved and implemented	Communications Strategy approved	Communications Strategy was approved.	None.	None.
		Approved Stakeholder Relations Strategy	Stakeholder Relations Strategy was approved and implemented	Stakeholder Relations Strategy was approved and implemented	Stakeholder Relations Strategy approved	Stakeholder Relations Strategy was approved.	None.	None.
Effective ICT Strategy that is supporting the efficiency of GIFA's business application	Implementation of the ICT Strategy	Approved ICT Strategy	N/A	ICT Strategy was reviewed and implemented	ICT Strategy approved	ICT Strategy was approved.	None.	None.
Effective Facilities Management Plan that is supporting the efficiency of GIFA's business application	Implementation of the Facilities Management Plan	Approved Facilities Management Plan	N/A	N/A	Facilities Management Plan approved	Facilities Management Plan was approved.	None.	None.

Linking performance with budgets

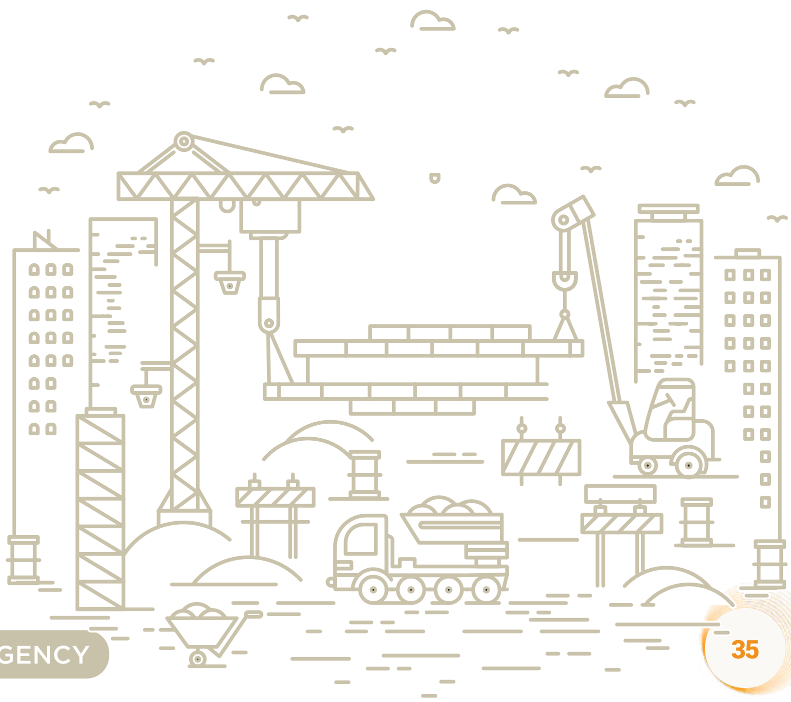
The budget is allocated Administration Programme for operational requirements to support the core business of GIFA in achieving its objectives. The majority of the budget is allocated to Compensation of Employees and for Goods and Services to resource the GIFA with facilities and systems.

Programme 1 expenditure

Programme Name	2023/24			2024/25		
	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
Administration (Includes Strategy, Monitoring and Evaluation, Finance and Corporate Services)	**41 514**	**40 276**	**1 238**	**45 697**	**44 589**	**1 108**

Strategy to overcome areas of under performance

There are no areas of underperformance in Programme 1.



3.2. Programme 2: Project development & compliance

- **Purpose:**

The purpose of this Programme is to source infrastructure projects from sector departments, municipalities, and agencies. The Programme is responsible for developing the projects into comprehensive bankable business plans that are ready for funding and implementation. The key activities of the Programme involve identifying strategic and catalytic projects, conducting pre-feasibility and feasibility studies and releasing projects to the market.

- **List the outcomes for the financial year under review:**

To ensure bankable infrastructure projects are prepared for alternative financing mechanisms.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 2: Project Development & Compliance									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achievement 2024/2025 until date of re-tabling**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output indicators / Annual Targets**
Small, micro and medium size businesses, unserved individuals and township enterprises integrated in the formal financial sector	Development of legislation to establish the State-owned Bank	Promulgated Notice for establishment of the State-owned Bank (SOB)	Legal due diligence report on establishment of State-owned bank developed	Business Case for establishment of State-owned bank approved	State Owned Bank business case submitted to National Treasury/ DPSA	SOB business case was submitted for approval	None	None	To address the mis-alignment between the Output Indicator and the Planned Annual Target
Sustainable medical supply in Gauteng health care facilities	Establishment of the State-owned Pharmaceutical Company	Promulgated Notice for establishment of the State-owned Bank (SOPC)	Legal due diligence report on the establishment of SOPC developed	Business Case for establishment of SOPC approved	SOPC business case submitted to National Treasury/ DPSA	The target of submitting the SOPC business case to National Treasury/ DPSA was not achieved	The business case was completed and submitted to the Special Project Steering Committee for review	The submission of the business case to the Special Project Steering Committee for review delayed the submission to National Treasury/ DPSA	To address the mis-alignment between the Output Indicator and the Planned Annual Target

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 2: Project Development & Compliance

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reasons for deviations
Bankable infrastructure projects prepared for alternative financing mechanisms	Sustainable pipeline of bankable strategic infrastructure projects	Number of sourced projects approved for inclusion into the infrastructure pipeline	2 sourced projects approved for inclusion into infrastructure pipeline	2 sourced projects approved for inclusion into infrastructure pipeline	2 approved projects sourced for inclusion into infrastructure pipeline	2 approved projects were sourced for inclusion into infrastructure pipeline. The projects are: a) COT West Power Station b) COGTA response to Energy Crisis	None.	None.
	Completed feasibility studies	Number of feasibility studies completed	3 feasibility studies completed	3 feasibility studies completed	2 feasibility studies completed	2 feasibility studies were Completed. The projects are: a) Daveyton Hospital b) AIDC Solar	None.	None.
Small, micro and medium size businesses, unserved individuals and township enterprises integrated in the formal financial sector	Development of legislation to establish the State-owned Bank (SOB)	Approved State-Owned Bank (SOB) business case	Legal due diligence report on establishment of SOB was developed	Business case for establishment of SOB was not approved	SOB business case submitted to EXCO for approval	SOB business case was submitted for EXCO approval	None.	None.
Sustainable medical supply in Gauteng health care facilities	Establishment of the State-owned Pharmaceutical Company (SOPC)	Approved State-owned Pharmaceutical Company (SOPC) business case	Legal due diligence report on establishment of SOPC was developed	Business Case for establishment of SOPC was not approved	SOPC business case submitted to EXCO for approval	SOPC business case was submitted for EXCO approval	None.	None.

Programme 2: Project Development & Compliance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/25**	**Actual Achievement 2024/25**	**Deviation from planned target to Actual Achievement for 2024/25**	**Reasons for deviations**
Bankable infrastructure projects prepared for alternative financing mechanisms	Release bankable projects to the market	Number of bankable projects released to the market	3 bankable projects released to the market	3 bankable projects released to the market	3 bankable projects released to the market	The target of releasing 3 bankable projects to the market was not achieved	1 bankable project was released to the market. The project is: ORTIA - SEZ	The stakeholder engagement process for preparing KGR procurement documentation was protracted, thus delaying the TVRII(a) approval to release of the project to the market. The delay to release AIDC Solar to the market is due to the change in the procurement options

Linking performance with budgets

The budget is allocated Project Development and Compliance Programme to support Provincial Departments and the Provincial Municipalities with the project development skills to enhance projects implementation. The majority of the budget is allocated to Compensation of Employees and for Goods and Services to undertake feasibility studies.

Programme 2 expenditure

Programme Name	2023/24			2024/25		
	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
Project Development and Compliance	**15 547**	**15 430**	**117**	**13 404**	**13 242**	**162**

Strategy overcome areas of underperformance

- **Krugersdorp Game Reserve:** Fast-track the completion of the draft RFP and PPP Agreement by ensuring that all relevant stakeholders make an input into these documents. Package the documentation as part of the TRVII(a) application to National Treasury and ensure continuous engagement with National Treasury for speedy approval of the TVRII(a) in order to release the project the market by Quarter 2 2025/26 financial year.
- **AIDC Solar:** Develop the new delivery approach of the project as well as the prefered procurement option and plan to release the project to the market by Quarter 2 2025/26 financial year.

3.3. Programme 3: Structured Finance

- **Purpose:**

The purpose of this Programme is to structure finance for strategic infrastructure projects, engage potential private and public funders with the aim of raising finance for the projects and to constantly research best practices and models for financing infrastructure projects. The key activities in this business unit involve ensuring that the projects accomplish financial close.

- **List the outcomes for the financial year under review:**

To provide bankable infrastructure projects financed through capital investment raised from alternative.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 3: Structured Finance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/25**	**Actual Achievement 2024/25**	**Deviation from planned target to Actual Achievement for 2024/25**	**Reasons for deviations**
Bankable infrastructure projects financed through capital investment raised from alternative sources of funding	Memoranda of understanding (MOU) concluded with financiers (DFIs, commercial banks, private equity firms and project developers)	Number of signed Memorandum of understanding with finaciers (DFIs, commercial banks, private equity firms and project developers)	Funder Engagement Strategy and Plan reviewed and implemented	Funder Engagement Strategy and Plan reviewed and implemented	2 MOUs concluded with financiers and project developers	2 MOUs were concluded with financiers and project developers. The financiers are: a) Meridiam b) Land Bank	None.	None.
	Bankable infrastructure projects	Number of feasibility studies analysed and tested for bankability	3 projects analysed and tested for bankability	3 projects analysed and tested for bankability	Analyse and test 2 projects for bankability	2 projects were analysed and tested for bankability.The projects are: a) State-owned Bank b) State-owned Pharmaceutical Company	None.	None.

Programme 3: Structured Finance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/25**	**Actual Achievement 2024/25**	**Deviation from planned target to Actual Achievement for 2024/25**	**Reasons for deviations**
Bankable infrastructure projects financed through capital investment raised from alternative sources of funding	Concluded financial close of identified projects	Number of projects concluded financial close	3 projects concluded financial close	5 projects concluded financial close	Conclude 3 projects financial close	The target of concluding financial close for 3 projects was not achieved.	1 project concluded financial close. The project is **TIH: EB3** 1 project concluded commercial close. The project is **Merafong Solar Farm Cluster** The TAIII application for **Rooftop Solar PV** was prepared and submitted to GDoH and GDID for signing and submission to NT	The project will be handed over to the Independent Power Producers to conclude financial close There was a delay to sign-off the TAIII application for **Rooftop Solar PV** by GDoH and GDID.

Linking performance with budgets

The budget is allocated Structured Finance Programme to support Provincial Departments and the Provincial Municipalities with the project finance and structuring skills to support bankable infrastructure projects financed through capital investment raised from alternative sources of funding. The majority of the budget is allocated to Compensation of Employees and for Goods and Services for funder engagement and market sounding.

Programme 3 expenditure

Programme Name	2023/24			2024/25		
	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
Structured Finance	**6 645**	**6 299**	**346**	**6 367**	**6 315**	**52**

Strategy to overcome areas of under performance

- **Rooftop Solar PV Phase 1:** There will be continuous engagement with the Department of Health to conclude the signing and submission of the TAIII to National Treasury. The GIFA will also engage the Office of the Premier for intervention where possible.

4 TRANSFER PAYMENTS

GIFA did not make any transfer payments.

5 CONDITIONAL GRANTS

GIFA did not pay or receive any conditional grants.

6 DONOR FUNDS

GIFA did not receive any donor funds.

7 CAPITAL INVESTMENT

GIFA procured the following assets during the 2024/25 financial year (R'000):

	Intangible Assets	Property, plant and equipment	TOTAL
GIFA	0	686	686

PART | C

GOVERNANCE

1 INTRODUCTION

The GIFA is committed to upholding the highest standards of governance in managing public finances and resources. To achieve this, the organization has established robust systems to ensure effective risk management, fraud prevention, anti-corruption measures, conflict of interest mitigation, compliance with the Public Service Code of Conduct, and rigorous internal auditing. This section outlines the key frameworks and policies that form the foundation of GIFA's corporate governance, developed and implemented in alignment with relevant legislative requirements.

2 RISK MANAGEMENT

GIFA has an approved Risk Management Policy that guides the organisation in establishing structures, processes, and standards for effective risk management. This policy is supported by a Risk Management Strategy and an accompanying Risk Implementation Plan, which outlines the nature and frequency of risk assessments conducted.

During the reporting period, GIFA conducted comprehensive risk assessments covering strategic, operational, fraud, project, ICT, and business continuity risks. Oversight of risk management is provided by the Risk and Ethics Management Committee, which comprises EXCO members, an independent external chairperson, and representatives from external stakeholders. This committee advises management on risk mitigation strategies and evaluates the effectiveness of the Risk Implementation Plan.

Additionally, GIFA's risk management processes are aligned with its Strategic Plan and Annual Performance Plan (APP) to enhance organisational performance. As a result, effective risk management has contributed to continuous improvements in the agency's overall performance.

3 INTERNAL CONTROL UNIT

The Internal Control Unit is responsible for facilitating internal and external audits, ensuring financial control, and enforcing compliance within the organization.

4 INTERNAL AUDIT AND AUDIT COMMITTEES

- Key activities and objectives of the audit committee
  - **Purpose and mandate**

    The Audit Committee is established in terms of the Public Finance Management Act and National Treasury Regulations to provide oversight responsibility on financial and non-financial performance of GPG departments, internal control systems, risk management, ICT, governance and to give counsel to the departments on any compliance with legal regulations.

- **Independence**

  The Audit Committee is an independent governance structure established and constituted in terms of section 38(1)(a)(ii) and 77 of the Public Finance Management Act (PFMA) and paragraph 3.1 of the Treasury Regulations.

- **Protecting the independence of the internal audit function**

  The Audit Committee ensure and protect the independence of the internal audit by reviewing and approving their three (03) years audit plan and monitor quarterly progress and implementation of the plans. The Audit Committee evaluate Internal Audit function at least annually to determine its efficiency and effectiveness.

- **Performance against statutory duties**

  The Audit Committee perform in terms of the Charter (Terms of Reference) which is aligned to the Public Finance Management Act and Treasury Regulations. Their duties and responsibilities are stipulated in the above-mentioned regulations and are monitored regularly to ensure its efficient and effectiveness.

- **Composition of the audit committee**

  The Audit Committee comprise of three (03) independent members, of which one (01) is appointed as the Chairperson.

- **Meeting attendance**

  There were five (05) Audit Committee Meetings held during the period under review. All stakeholders and Audit Committee Members attended the meetings as scheduled and in terms of the Audit Committee Charter.

- **Combined assurance**

  The Audit Committee review the effectiveness of the Combined Assurance Model and its implementation on a quarterly basis.

  The Audit Committee ensure sound relationships with all assurance providers, oversight structures and other stakeholders to achieve an effective combined assurance system.

- **Resolution of audit committee recommendations**

  The Audit Committee Meeting resolutions for 2024/2025 financial year were addressed to satisfactory.

- **Audit committee performance evaluation**

  The Audit Committee evaluation outcome for the period under review was effective, meaning the Audit Committee were observed as adding value to the Gauteng Government Departments.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Mr. Vishnu Naicker (Chairperson)	• Bachelor of Commerce (Accounting and Economics) • Higher Diploma in Taxation • Business Management Diploma • Systems Administration Diploma • Harvard Sustainable Business Strategy Certificate	IODSA-Certified Director IRMSA-Fellow	11 August 2020	31 July 2026	05	Yes	No	0	1
Ms. Sizo Mzizi (Member)	• Cert Dir; IODSA • ACG; CGISA • Post Graduate Diploma in Corporate Law • Post Graduate Certificate in Corporate Governance • ACMA CGMA; CIMA • BCom Hons (Financial Management) • BTech: Cost and Management Accounting • Higher Diploma in Education (Economic Sciences)	IODSA CIMA CGISA	01 August 2022	31 July 2025	04	Yes	No	3	1

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Mr. Luyanda Mangquku (Member)	• Chartered Accountant (South Africa) • Master of Business Leadership • Advanced Company Law I&II • Honours Bachelor of Accounting Sciences • Bachelor of Commerce Honours (Accounting)	SAICA	11 August 2020	31 July 2026	04	No	No	7	1

- Remuneration of audit committee members

o Rates

The Audit Committee Members are remunerated for preparation and actual duration hours of the Meetings, capped at 12 hours. The hourly remuneration rates are R3076 and R2153 for Chairperson and Member respectively. A special or ad hoc meeting is remunerated at R5500 for Chairperson and R5000 for a member.

o Whether audit committee members who worked or are working for an organ of state are being remunerated

All Audit Committee Member within the Cluster 02 are not working for an organ of the state.

o Total audit committee expenditure for the reporting period

The total Cluster 02 Audit Committee expenditure for the 2024/2025 reporting period amounted to R444 361 inclusive remuneration for all scheduled, in-committees or ad hoc meetings.

5 REPORT OF THE AUDIT COMMITTEE (GIFA)

We are pleased to present our report for the financial year ended 31 March 2025, set out in three parts:

Part 1: Audit Committee Reflections – 2024/25

The Audit Committee is an independent governance structure established in accordance with Section 38(1)(a)(ii) and Section 77 of the Public Finance Management Act, as well as paragraph 3.1 of the National Treasury Regulations. Its primary mandate is to provide oversight over the financial and non-financial performance of Gauteng Provincial Government Entities, with a focus on internal controls, risk management, ICT governance, and compliance with applicable legal and regulatory requirements.

Committee members formally declare any actual or potential conflicts of interest upon appointment and are required to disclose any interests relating to the meeting agenda at the beginning of each committee meeting. These declarations are appropriately recorded in the meeting minutes.

The Chief Audit Executive reports functionally to the Audit Committee and administratively to the Accounting Officer of the Gauteng Provincial Treasury. The Committee is responsible for reviewing and approving Internal Audit Plans and monitoring their implementation through quarterly progress reports. It also provides strategic oversight and support to the Internal Audit function, including holding individual engagements to address matters raised during audits.

An independent 360-degree evaluation of the Audit Committee's performance was conducted for the reporting period. The outcome confirmed the Committee's effectiveness and its contribution to enhancing governance across GPG Entities. Any shortcomings identified during this process were escalated to the Provincial Audit Committee meetings and addressed within appropriate timeframes.

The Audit Committee confirms that it has fulfilled its statutory responsibilities in line with the PFMA and Treasury Regulations. It has adopted and complied with its formal Charter, guided by the principles of the Global Internal Audit Standards™, and has operated independently and without restriction throughout the reporting period.

Part 2: Audit Committee Composition and Meeting Attendance

The audit committee consists of three (03) members. The committee is constituted correctly, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened five (05) times during the year for the ordinary meetings.

Include each member's meeting attendance details in tabular form as set out below:

Name (Position)	Qualifications	Is the AC member an employee of an organ of state? (Yes / No)	Number of ordinary meetings attended	Number of special meetings attended
Mr. Vishnu Naicker (Chairperson)	• Bachelor of Commerce (Accounting and Economics) • Higher Diploma in Taxation • Business Management Diploma • Systems Administration Diploma	No	5	0
Ms. Sizo Mzizi (Member)	• Post Graduate Diploma in Corporate Law • Post Graduate Certificate in Corporate Governance • Professional Qualification: CIMA (ACMA CGMA) • BCom Hons (Financial Management) • BTech: Cost and Management Accounting • Higher Diploma in Education (Economic Sciences)	No	4	0

Name (Position)	Qualifications	Is the AC member an employee of an organ of state? (Yes / No)	Number of ordinary meetings attended	Number of special meetings attended
Mr. Luyanda Mangquku (Member)	• Chartered Accountant (South Africa) • Master of Business Leadership • Advanced Company Law I&II • Honours Bachelor of Accounting Sciences • Bachelor of Commerce Honours (Accounting)	No	4	0

Part 3: Audit Committee Focus Areas

- Effectiveness of the internal control systems
- Following the audits conducted and subsequent reviews, the overall assessment of the internal control design is that it is adequate; however, there are certain areas where its effectiveness is lacking. The Audit Committee will continue to monitor the Entity's progress in enhancing the effectiveness of controls, specifically in the following areas:
  - Human Resources Management;
  - Supply Chain Management;
  - Stakeholder Management
  - Performance of the entity against predetermined objectives
  - Information Security Assessment

The Audit Committee will monitor quarterly and encourage Management to ensure timely addressing of Internal Audit findings.

- **Effectiveness of the Internal Audit Function (IAF)**

Gauteng Audit Services derives its mandate from the Internal Audit Charter, the Public Finance Management Act (PFMA), and Treasury Regulations. According to Section 38 (1) of the PFMA, the Accounting Officer for an entity, trading entity, or constitutional institution must ensure that there is a system of internal audit in place, under the control and direction of an Audit Committee. This system must comply with and operate in accordance with the regulations and instructions outlined in Sections 76 and 77.

Treasury Regulation 3.2 stipulates that every institution to which these regulations apply must have an Internal Audit Function. This function enhances the entity's ability to create, protect, and sustain value by providing management and, ultimately, the Audit Committee with independent, risk-based, and objective assurance, as well as advice, insights, and foresight.

The Audit Committee has concluded that the performance and effectiveness of the internal audit function are satisfactory. It has reviewed and approved the annual internal audit plans, evaluated the independence and performance of the internal audit function, considered the reports from the internal auditors regarding the entity's internal control systems, and assessed the adequacy of corrective actions taken by management in response to issues raised by the internal audit.

- **Activities of the IAF**

The following was processes and control environments were reviewed by Internal Audit during the year under review:

- Structured Finance
- Human Resources Management
- Supply Chain Management

- Follow Up on AG findings
- Stakeholder Management
- Review of Annual Performance Report
- Performance of the entity against predetermined objectives – Q1
- Performance of the entity against predetermined objectives – Q2
- SAP ESS & PERSAL leave reconciliation
- Information Security Assessment
- Data Analysis – ETHICS / FIN / HR (1 Jan 2024 – 30 June 2024)
- 2025-26 IT risk assessment
- Data Analysis – ETHICS / FIN / HR (1 July 2024 – 31 December 2024)

- **Effectiveness of risk management**

The Audit Committee received quarterly reports on the entity's risk management activities. While the Committee acknowledges and commends the entity's efforts to strengthen its risk management processes, it notes that certain areas still require further improvement. Management is urged to assume full accountability for the effective implementation of the Enterprise Risk Management process and to provide ongoing support to the Chief Risk Officer in driving improved performance. Furthermore, the entity should ensure that risk management principles are fully integrated into its decision-making processes.

- **Adequacy, reliability, and accuracy of financial and performance information**

The Audit Committee assessed the quality, accuracy, reliability, and relevance of both quarterly and annual financial reports. The committee is satisfied with the content and quality of the financial and non-financial quarterly reports submitted by the Accounting Officer of the entity during the year under review. Furthermore, the committee confirms that these reports comply with the statutory reporting framework.

- **Accounting and auditing concerns identified as a result of internal and external audits**

The Audit Committee held separate in-committee meetings with Management, the Auditor General of South Africa, and Internal Audit, where there was a need, to address findings raised by the auditors. Management has developed action plans to address audit findings. Where these findings remain unimplemented, measures have been put in place to resolve them by their due dates.

- **Compliance with legal and regulatory provisions**

During the year, the Audit Committee, Management, Internal Audit, and Auditor-General of South Africa identified some 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.

- **The quality of the in-year management and monthly/quarterly reports submitted in terms of legislation**

The Audit Committee would like to commend the entity for reporting monthly and quarterly to Treasury as is required by the PFMA. The Audit Committee recommends that the entity fully comply with section 40(1) of the PFMA, specifically in the management's review and monitoring of financial reports and performance information reports.

- **Combined Assurance**

The Combined assurance framework does exist within the entity. Management quarterly reported to the Audit Committee on the coordinated approach that integrates the Risk Management and assurance activities within the entity to optimise the effectiveness of controls.

• Evaluation of the annual financial statements

Prior to submission to the AGSA for auditing purposes, the Audit Committee reviewed and recommended the entity'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.

• External Audit

The Auditor General of South Africa, as an independent assurance provider, attended all Audit Committee meetings during the financial year and participated in the process. The Audit Strategy and Engagement Letter were presented and endorsed by the Audit Committee, including the audit fees. The Auditor General of South Africa engaged the Audit Committee to provide a progress update on the audit prior to finalisation of the Audit and Management Reports for the entity.

• Auditor-General's Report

The entity received a clean audit outcome with no findings, maintaining the same result as the previous year. The Audit Committee commends the Gauteng Infrastructure Financing Agency for this achievement.

• Conclusion

The Audit Committee extends its appreciation to the Honourable MEC for Finance, the Chief Executive Officer, and the Executive Management Team of the Gauteng Infrastructure Financing Agency for their unwavering commitment and support throughout the financial year. The Committee further acknowledges the contributions of the Auditor-General of South Africa, Internal Audit, and other assurance providers whose efforts were integral to strengthening governance, accountability, and internal control within the entity.

The strong partnership and alignment between the political and administrative leadership have been pivotal in advancing GIFA's mandate. Their collective leadership has not only ensured compliance with regulatory requirements but has also fostered an environment of continuous improvement.

The Audit Committee commends these collaborative efforts and encourages the leadership and staff of GIFA to build on the progress made, as the entity continues to play a critical role in driving infrastructure development and economic transformation in Gauteng.

Mr. Vishnu Naicker
Chairperson of the Audit Committee
Gauteng Infrastructure Financing Agency
Date: 7 August 2025

6 COMPLIANCE WITH LAWS AND REGULATIONS

In compliance with laws and regulations, Gauteng Infrastructure Financing Agency (GIFA) has developed and implimanted a compliance management policy that gave birth to the universal compliance risk assessmernt register that is being monitored and reported to Gauteng Provincial Treasury: Norms and Standards Directorate. Furthermore, GIFA has developed the Combined Assurance Steering Committee that has all assurance providers to assess significant strategic, operational and compliance risks.

7 FRAUD AND CORRUPTION

The GIFA has an approved Fraud Prevention Plan designed to ensure that employees and management operate legally, ethically, and in the public interest. In alignment with this plan and the Fraud Prevention Policy, several key governance documents were reviewed and recommended for approval to strengthen the existing framework.

These documents include:

- Fraud Risk Assessment
- Fraud Response Plan
- Whistleblowing Policy
- Gift Policy
- Remunerative Work Outside the Public Services (RWOPS) Policy

During the review period, various anti-fraud measures were implemented as part of the **Fraud Prevention Plan**. These included raising awareness on fraud and corruption, conducting fraud risk assessments in high-risk areas, and leveraging forensic data analysis tools to enhance fraud detection and prevention. These efforts were carried out in collaboration with the **Provincial Forensic Services**.

No incidents of fraud or corruption were reported during the **2024/2025 financial year**.

8 MINIMISING CONFLICT OF INTEREST

In compliance with the **Public Service Regulations, 2016 (PSR, 2016)**, all designated employees disclose their financial interests as required by **Chapter 2, Part 2** of the regulations. Additionally, conflict of interest declarations are submitted and recorded during relevant committee meetings.

No conflicts of interest were reported during the **2024/2025 financial year**.

9 CODE OF CONDUCT

The Gauteng Infrastructure Financing Agency (GIFA) operates as a Government Component under the guidance of the Public Service Act and Regulations. The Code of Conduct, as prescribed by the Public Service Act, applies to all GIFA employees.To ensure compliance, the Code of Conduct is presented to all employees annually and introduced to new employees during the induction process. In cases of non-compliance, disciplinary action is taken in accordance with the disciplinary code of the Public Service.

10 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The GIFA continues to implement and monitor compliance with Occupational Health and Safety Act of 83 of 1993 wherein OHS committee was established, and the committee convened 4 quarterly meetings. Hazard Identification and Risk Assessment was developed and implemented to ensure that hazards and risks are monitored, and controls are put in place to mitigate the risks. The OHS Statutory appointments were made wherein a Senior Manager was designated roles in terms of section 16. 2, Safety Health and Environment (SHE) Representative, first aiders, fire fighters and OHS committee members were appointed and trained in line with the OHS regulations. Inspections were conducted internally on a regular basis and issues of noncompliance were identified and addressed.

11 PRIOR MODIFICATIONS TO AUDIT REPORTS

An internal control deficiency was raised on performance information which was subsequently adjusted and addressed prior to the conclusion of the 2023/24 audit review.

12 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, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion** (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?	No	
Developing and implementing a preferential procurement policy?	No	
Determining qualification criteria for the sale of state-owned enterprises?	No	
Developing criteria for entering into partnerships with the private sector?	No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	

PART D

HUMAN RESOURCE MANAGEMENT

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

GIFA continue to strive to operate as a centre of excellence with a lean structure that consist of 48 posts on its staff establishment of which 45 posts are filled and 3 were vacant. The Human Resource Management continues to capacitate the employees with more focus on developing its workforces through awarding of bursaries and short courses. During the reporting period 7 employees were awarded bursaries and 63 were trained through short courses some employees attended more that once the figures include interns. GIFA paid subscription to professional bodies to 11 employees including Corporate membership, this efforts aims at encouraging continuous learning and growth. Amongst the employees awarded bursaries two employees were funded for ABET to assist them to acquire a formal qualification. During the reporting period under review, GIFA prioritised developing a work environment that fosters employee wellbeing and valuing of people as a major contributor to success of the Government Component. The employee health and wellness operational plans were developed and implemented; psychosocial support was provided to 20 employees. GIFA developed and implemented a change management programme to assist employees to navigate through changes brought about by internal and external factors. The Objectives of the Change management plan was to build a cohesive and committed workforce through effective Leadership and management of employees, to improve employee engagement, communication and promote employee wellbeing to project as caring image. GIFA achieved 100% compliance on Performance Management submissions for both level 1 to 12 and SMS members. Both level 1 to 12 and SMS, Employees on salary level 1-12 who were eligible for pay progression were paid accordingly.

GIFA's has experienced decreased turnover rate of which 3 employees terminated service during the reporting period, that is, all three employees resigned for better opportunities 7%. Exit interviews were conducted to establish the reasons why employees terminated services and all 3 employees terminated services for career growth.

The organisational structure is currently under review, the service delivery model, business case and the structure is being aligned with the new organisational strategy, all posts are going through job evaluation in line with the new system.

3 HUMAN RESOURCES OVERSIGHT STATISTICS

An organisational structure was approved as part of the business plan of GIFA when it was promulgated as a government component in 2014. As of 31 March 2024, GIFA had 50 posts on the staff establishment of which 48 were filled and 2 posts were vacant. This figure excludes 7 posts of interns.

6.1. 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 2024 and 31 March 2025

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	44 552	29 213	517	29	66	942
Project Development & Compliance	13 242	11 941	60	996	90	1 086
Structured Finance	6 315	5 999	89	0	95	2 000
Total	**64 109**	**47 153**	**666**	**1 025**	**74**	**1 048**

The total personnel expenditure excludes transfers, service bonus and leave provisions.

Table 3.1.2 Personnel costs by salary band for the period 1 April 2024 and 31 March 2025

The total personnel expenditure includes transfers.

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
RMC Chair	31	0,00	2	16
Interns	567	1.20	6	95
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (level 3-5)	1 278	2,70	4	320
Highly skilled production (levels 6-8)	6 630	14,1	13	991
Highly skilled supervision (levels 9-12)	11 872	25,2	12	1 989
Senior and Top management (levels 13-16)	26 757	56,8	15	3 501
Total	**47 136**	**100**	**52**	**907**

*Total number of employees includes interns and the REMC

Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025

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	26 643	91	83	0,28	797	3	632	2
Project Development & Compliance	9 792	82	0	0	181	2	105	0.9
Structured Finance	5 164	86	0	0	0	0	64	1
Total	**41 599**	**88**	**83**	**0,28**	**978**	**2**	**801**	**2**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025

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)	0	0	0	0	0	0	0	0
Skilled (level 3-5)	952	75	12	0,90	85	7	125	10
Highly skilled production (levels 6-8)	5 634	85	36	0,50	153	2	279	4
Highly skilled supervision (levels 9-12)	10 437	88	36	0,30	233	2	124	1
Senior management (level 13-16)	24 011	90	0	0	508	2	273	1
Interns	567	100	0	0	0	0	0	0
RMC	0	0	0	0	0	0	0	0
Total	**41 599**	**88**	**84**	**0.20**	**978**	**2**	**801**	**2**

6.2. 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 2025

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate (%)	Number of employees additional to the establishment
Administration	34	31	6	11
Project Development & Compliance	11	11	0	6
Structured Finance	3	3	0	0
Total	**48**	**45**	**6**	**17**

(Excluding 6 Interns)

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2025

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)	0	0	0	0
Skilled (3-5)	4	4	0	0
Highly skilled production (6-8)	14	13	7	6
Highly skilled supervision (9-12)	15	13	13	6
Senior management (13-16)	15	15	0	5
Total	**48**	**45**	**6**	**17**

(Excluding 6 Interns)

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2025

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Highly skilled supervision (level 9-12)	15	13	13	6
Senior Management (level 13-16)	15	15	0	5
Total	**30**	**28**	**6**	**11**

NB: Considering the nature and size of the organisation all employees on level 9-12 and SMS are categorised as critical occupations based on the qualifications required and experience and require advance knowledge and sometimes difficult to recruit and retain the services.

Notes

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

6.3. 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 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General / Head of Department	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	4	4	100	0	0
Salary Level 14	6	6	100	0	0
Salary Level 13	3	3	100	0	0
Total	**15**	**15**	**100**	**0**	**0**

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	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	4	4	100	0	0
Salary Level 14	6	6	100	0	0
Salary Level 13	3	3	100	0	0
Total	**15**	**15**	**100**	**0**	**0**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2024 and 31 March 2025

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	0	0	0
Salary Level 13	0	0	0
Total	**0**	**0**	**0**

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within twelve months
N/A

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

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 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within six months
N/A

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.

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 2024 and 31 March 2025 report

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)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	4	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	14	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	14	0	0	0	0	0	0
Senior Management Service Band A	3	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Total	**46**	**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 2024 and 31 March 2025

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 N/A	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 2024 and 31 March 2025

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Lower skilled (level 1-2)	0	0	0	N/A
Skilled (level 3-5)	0	0	0	N/A
Highly Skilled production (level 6-8)	0	0	0	N/A
Highly skilled supervision (9-12)	0	0	0	N/A
Senior management Service A	0	0	0	N/A
Senior Management Service B	0	0	0	N/A
Senior management Service band D+	0	0	0	N/A
Senior Management Service band D	0	0	0	N/A
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 2024 and 31 March 2025

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

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 2024 and 31 March 2025

Salary band	Number of employees at beginning of period - 1 April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	4	0	0	0
Highly skilled production (Levels 6-8)	14	0	1	7
Highly skilled supervision (Levels 9-12)	14	0	2	14
Senior Management Service Bands A	4	0	0	0
Senior Management Service Bands B	6	0	0	0
Senior Management Service Bands C	3	0	0	0
Senior Management Service Bands D	2	0	0	0
Total	**47**	**0**	**3**	**6**

(excluding 7 interns and REMC)

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025

Critical occupation	Number of employees at beginning of period - April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Senior Managers	15	0	0	0
Middle managers and professionals	13	0	2	15
Total	**28**	**0**	**2**	**7**

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

(a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria;

(b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

(c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

(d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	3	60
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfer to other Public Service Departments	0	0
Other	0	0
Total	**3**	**60**
Total number of employees who left as a % of total employment	**3**	**60**

Table 3.5.4 Promotions by critical occupation for the period 1 April 2024 and 31 March 2025

Occupation	Employees 1 April 2024	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
Senior Managers	**15**	**0**	**0**	**5**	**33**
Professional and Managers	**27**	**0**	**0**	**10**	**37**
Total	**42**	**0**	**0**	**15**	**36**

(Excluding 7 interns, 1 REMC, 4 employees on levels 3-5)

Table 3.5.5 Promotions by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Employees 1 April 2024	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)	0	0	0	0	0
Skilled (Levels 3-5)	4	0	0	2	50
Highly skilled production (Levels 6-8)	14	0	0	3	21
Highly skilled supervision (Levels 9-12)	14	0	0	5	36
Senior Management (Level 13-16)	15	0	0	5	33
Total	**47**	**0**	**0**	**15**	**32**

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 2025

Occupational band	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Legislators, Senior Officials and Managers	7	1	2	0	3	1	0	1	15
Professionals	6	0	0	0	5	1	1	0	13
Technicians and associate professionals	5	0	0	0	8	0	0	0	13
Clerks	0	0	0	0	4	0	0	0	4
Service and sales	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	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
Total	**18**	**1**	**2**	**0**	**20**	**2**	**1**	**1**	**45**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Top Management	3	0	1	0	0	1	0	0	5
Senior Management	4	1	1	0	3	0	0	1	10
Professionally qualified and experienced specialists and mid-management	6	0	0	0	5	1	1	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	0	8	0	0	0	13
Semi-skilled and discretionary decision making	0	0	0	0	4	0	0	0	4
Total	**18**	**1**	**2**	**0**	**20**	**2**	**1**	**1**	**45**

Table 3.6.3 Recruitment for the period 1 April 2024 and 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
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
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	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.4 Promotions for the period 1 April 2024 and 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
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	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.5 Terminations for the period 1 April 2024 and 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
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	2	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**2**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**3**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.6 Disciplinary action for the period 1 April 2024 and 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0

Table 3.6.7 Skills development for the period 1 April 2024 and 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Legislators, senior officials and managers	7	1	2	0	3	1	0	1	15
Professionals	8	0	0	0	4	1	1	0	14
Technicians and associate professionals	5	0	0	0	8	1	0	0	14
Clerks	0	0	0	0	2	0	0	0	2
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	2	0	0	0	2
Total	**20**	**1**	**2**	**0**	**19**	**3**	**1**	**1**	**47**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

These figures include 4 employees that left GIFA

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 August 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	1	1	1	100
Salary Level 16	1	1	1	100
Salary Level 15	4	4	4	100
Salary Level 14	6	6	6	100
Salary Level 13	3	3	3	100
Total	**15**	**15**	**15**	**100**

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2022.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 August 2024

Reasons
N/A

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 August 2024

Reasons
N/A

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

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 2024 and 31 March 2025

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R'000)
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	0	0	0	0
African Female	0	0	0	0	0
Asian Male	0	0	0	0	0
Asian Female	0	0	0	0	0
Coloured Male	0	0	0	0	0
Coloured Female	0	0	0	0	0
White Male	0	0	0	0	0
White Female	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2024 and 31 March 2025

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 (R'000)	
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 2024 and 31 March 2025

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Highly skilled supervision (level 9-12)	0	14	0	0	0
Senior Managers	0	15	0	0	0
Total	**0**	**29**	**0**	**0**	**0**

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –

(a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

(b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

(c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

(d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2024 to 31 March 2025

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 2024 and 31 March 2025

Salary band	01 April 2024		31 March 2025		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 (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	1	7	1	7	0	0
Total	**1**	**7**	**1**	**7**	**0**	**0**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2024 and 31 March 2025

Major occupation	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
Professional and managers	0	0	0	0	0	0
SMS members	**1**	**7**	**1**	**7**	**0**	**0**

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 April 2024 to 31 March 2025

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)	0	0	0	0	0	0
Skilled (levels 3-5)	37	67.60	4	11.80	9	40
Highly skilled production (levels 6-8)	74	81.10	11	32.40	7	130
Highly skilled supervision (levels 9 -12)	52	57.70	10	29.40	5	173
Top and Senior management (levels 13-16)	47	70.20	9	26.50	5	84
Total	**210**	**70.50**	**34**	**100**	**6**	**427**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 April 2024 to 31 March 2025

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 Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0	0
Highly skilled production (levels 6-8)	102	100	2	100	51	157
Highly skilled supervision (levels 9 -12)	0	0	0	0	0	0
Top and Senior management (levels 13-16)	0	0	0	0	0	0
Total	**102**	**100**	**2**	**100**	**51**	**157**

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 April 2024 to 31 March 2025

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	104	4	26
Highly skilled production (Levels 6-8)	285	14	20
Highly skilled supervision (Levels 9-12)	340	14	24
Senior management (Levels 13-16)	360	15	24
Total	**1089.00**	**47**	**23**

NB: The Figure include the employee who terminated services.

Table 3.10.4 Capped leave for the period 1 April 2024 to 31 March 2025

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 2025
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	11
Senior management (Levels 13-16)	0	0	0	27
Total	**0**	**0**	**0**	**22**

The following table summarise 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 2024 and 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2023/24 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2023/24	0	0	0
Current leave pay-out on termination of service for 2023/24	213	2	106 500
Total	**213**	**2**	**106 500**

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
N/A	N/A

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001 If so, provide her/his name and position.	X		The Director HRM: Ms Tsakani Maluleke
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		The programme is being managed by Deputy Director Human Resource Management. Ms Albertina Tshisikule and one HRM practitioner appointed on a contract basis. During the period under review R 95 000. An amount of R 85 000 spent on the implementation of the approved four EHWP Operational plans.

Question	Yes	No	Details, if yes
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		GIFA signed a contract with Lyra Health and Wellness organisation for a period of 36 months for psychosocial support for employees who needed counselling services and other health risk related matters. The awareness is being conducted 4 times a months. with different topics.
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		GIFA established OHS Committee. The committee members are trained every new financial year for compliance. The OHS Committee has the following members: Ms D Londt (16.2) Mr Vuyisile Mtembu (Chairperson) Ms Tsakani Maluleke (Deputy Chairperson) Mr KB Meje (Firefighter & First Aider) Ms N Mzizi (SHE Rep) Ms A Tshisikule (Incident Investigator) Ms N Motsieloa (Firefighter & First Aider) Mr A Hambisa (Secretary) Ms Mokgadi Mabidilala (Firefighter & First Aider) Ms Phozisa Gwata Firefighter & First Aider) Mr. Motlatsi Modumo (Firefighter & First Aider) Mr. Bongani Mnguni Firefighter & First Aider) Ms A Mashashane (Firefighter & First Aider) Ms K Mokhutshwane (Deputy Secretary & Firefighter & First Aider) Ms D Rabapane Firefighter & First Aider)
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/ practices so reviewed.	X		Leave policy reviewed and is being implemented. Infectious Disease Policy also developed. The four operational plan on HIV/Aids developed and approved. The SHEQ Policy reviewed and is being implemented.
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		Approved HIV/AIDS policy is being implemented to ensure that employees are not discriminated in the workplace.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Voluntary counselling is being conducted as and when required. GIFA conducts screening every Quarter and is free to all employees Employees are being tested during screening.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Operational plans in line with the 4 Pillars of EHWP were developed and approved and are being monitored on a quarterly basis. Through the services that are being rendered by PHS, we are able to manage and assess all incapacity leave and ill health retirement applications. The health risk manager also provides expert advice on the status of employee who are on incapacity leave. EAP Programmes are also implemented. Employees are being referred to Lyra (appointed service provider) for counselling. Hazard Identification and Risk Assessment is being reviewed annually and is being monitored quarterly through an implementation report.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2024 and 31 March 2025

Subject matter	Date
None	None

Notes

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

Total number of Collective agreements	**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 2024 and 31 March 2025

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

Notes

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

Total number of Disciplinary hearings finalised	**None**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
None	0	0
Total	**0**	**0**

Table 3.12.4 Grievances logged for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
Number of grievances resolved	1	50
Number of grievances not resolved	1	50
Total number of grievances lodged	**2**	**100**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2024 and 31 March 2025

Type of misconduct	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 2024 and 31 March 2025

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 2024 and 31 March 2025

Number of people suspended	**0**
Number of people whose suspension exceeded 30 days	**0**
Average number of days suspended	**0**
Cost of suspension(R'000)	**0**

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 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 2024	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	5	0	5	0	5
	Male	10	0	9	0	9
Professionals	Female	6	0	6	0	6
	Male	8	0	8	0	8
Technicians and associate professionals	Female	9	0	9	0	9
	Male	5	0	5	0	5
Clerks	Female	2	0	2	0	2
	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	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	2	0	2	0	2
	Male	0	0	0	0	0
Sub Total	Female	24	0	0	0	0
	Male	23	0	0	0	0
Total		**47**	**0**	**46**	**0**	**46**

Table 3.13.2 Training provided for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 2024	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	5	0	3	2	5
	Male	10	0	8	0	8
Professionals	Female	6	0	4	2	6
	Male	8	0	7	2	9
Technicians and associate professionals	Female	9	0	3	7	10
	Male	5	0	2	7	9
Clerks	Female	2	0	1	2	3
	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	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	2	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	25	0	0	0	0
	Male	23	0	0	0	0
Total		**47**	**0**	**28**	**22**	**50**

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 and 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	**0**	**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 who 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 2024 and 31 March 2025

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Consulting and advisory – Vetting contractors for the Gauteng Schools Project	1	3 months	R350, 750.00
Consulting and advisory – Update on Business Case for Vaal City Bulk Infrastructure	10	4 months	R979, 232.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
2	11	210 days	R1, 329.982.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Consulting and advisory – Vetting contractors for the Gauteng Schools Project	0.00%	0.00%	1 Indian Man Consultant
Consulting and advisory – Update on Business Case for Vaal City Bulk Infrastructure	100% Black African Ownership	100% Black African Management	1 Black African Woman Consultant 10 Black African Men Consultants

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025

Project title	Total Number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

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

4 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2024 and 31 March 2025

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

PART | E

PFMA COMPLIANCE REPORT

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

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/25	2023/24
	R'000	R'000
Opening balance	-	-
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	-	-

Include discussion here where deemed relevant.

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	-
Total	-	-

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

Description	2024/25	2023/24
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

Include discussion here where deemed relevant.

1. Group similar items
2. Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

c) Details of current and previous year irregular expenditure condoned

Description	2024/25	2023/24
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

Include discussion here where deemed relevant.

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2024/25	2023/24
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Include discussion here where deemed relevant.

e) Details of current and previous year irregular expenditure recovered

Description	2024/25	2023/24
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

Include discussion here where deemed relevant.

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2024/25	2023/24
	R'000	R'000
Irregular expenditure written off	-	-
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 non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2024/25	2023/24
	R'000	R'000
	-	-
Total	-	-

Include discussion here where deemed relevant.

i) Details of current and previous year 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	2024/2025	2023/2024
	R'000	R'000
Opening balance	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	-	-

Include discussion here where deemed relevant.

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2023/24	-	-
Fruitless and wasteful expenditure that relates to 2023/24 and identified in 2024/25	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	-

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

Description	2024/2025	2023/2024
	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.

3. Group similar items

4. Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

Include discussion here where deemed relevant.

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

Include discussion here where deemed relevant.

e) Details of current and previous year 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	2024/2025	2023/2024
	R'000	R'000
Opening balance	-	-
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	2024/2025	2023/2024
	R'000	R'000
Unauthorised expenditure that was under assessment in 2023/24	-	-
Unauthorised expenditure that relates to 2023/24 and identified in 2024/25	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

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

Description	2024/2025	2023/2024
	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 current and previous year material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

5. This amount may only be written off against available savings
6. Group similar items
7. Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

Include discussion here where deemed relevant.

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	-	-

Include discussion here where deemed relevant.

c) Other material losses recovered

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	-	-

Include discussion here where deemed relevant.

d) Other material losses written off

Nature of losses	2024/2025	2023/2024
	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	357	42 237
Invoices paid **within** 30 days or agreed period	357	42 237
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)**	-	-

System delays during the festive period.

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
-	-	-	-	-
-	-	-	-	-
Total				**-**

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
Update of business case for Vaal river project	MFS Mosebo Projects	Variation	4660019093	862	117	979
Total				**862**	**117**	**979**

PART F

FINANCIAL INFORMATION

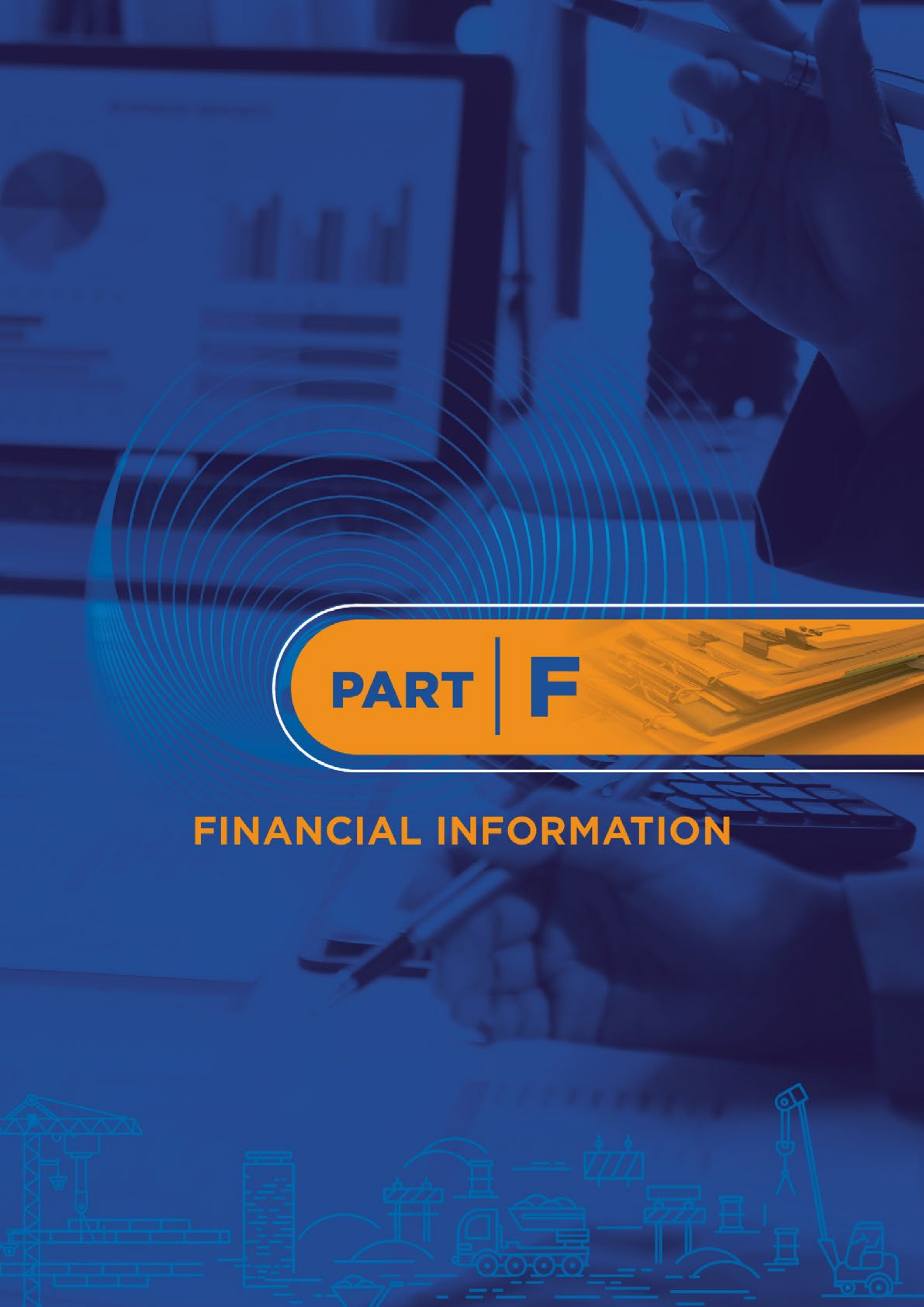
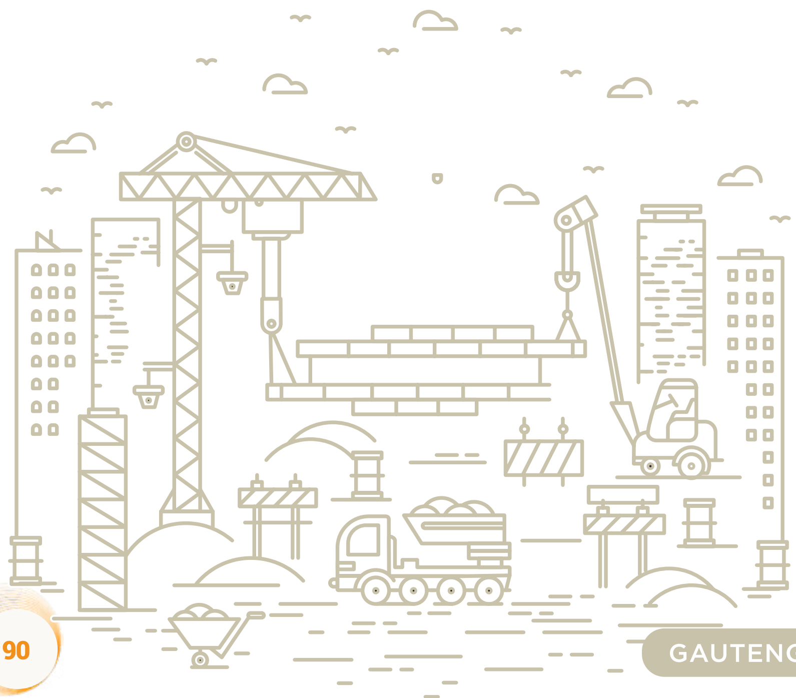


TABLE OF CONTENTS

1. REPORT OF THE AUDITOR-GENERAL 91
2. ANNUAL FINANCIAL STATEMENTS 96
STATEMENT OF FINANCIAL POSITION 96
STATEMENT OF FINANCIAL PERFORMANCE 97
STATEMENT OF CHANGES IN NET ASSETS 98
CASH FLOW STATEMENT 99
SIGNIFICANT ACCOUNTING POLICIES 100
NOTES TO THE ANNUAL FINANCIAL STATEMENTS 111



1 REPORT OF THE AUDITOR-GENERAL TO GAUTENG PROVINCIAL LEGISLATURE ON GAUTENG INFRASTRUCTURE FINANCING AGENCY

Report on the financial statements

1. I have reviewed the financial statements of the Gauteng Infrastructure Financing Agency set out on pages 96 to 123 which comprise the statement of financial position as at 31 March 2025, 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.

Conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Gauteng Infrastructure Financing Agency as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Responsibilities of the accounting officer for the financial statements

3. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the accounting officer 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.

4. In preparing the financial statements, the accounting officer is responsible for assessing the government component'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 government component 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

5. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements. The standard requires me to conclude on whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with relevant ethical requirements.

6. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

7. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the annual performance report

8. 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 information 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.

9. I selected the following material performance indicators related to Programme 2: Project Development and Compliance and Programme 3: Structured Finance presented in the annual performance report for the year ended 31March 2025. I selected those indicators that measure the government component's performance on its primary mandated functions and that are of significant national, community or public interest.
   - Promulgated Notice for establishment of the state-owned bank (SOB)
   - Promulgated Notice for establishment of the state-owned pharmaceutical company (SOPC)
   - Number of sourced projects approved for inclusion into the infrastructure pipeline
   - Number of feasibility studies approved
   - Approved state-owned bank (SOB) business case
   - Approved state-owned pharmaceutical company (SOPC) business case
   - Number of signed memoranda of understanding (MOU) concluded with financiers (DFIs, commercial banks, private equity firms and project developers) Number of feasibility studies analysed and tested for bankability
   - Number of projects concluded financial close

10. 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 government component's planning and delivery on its mandate and objectives.

11. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the government component's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the government component's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and 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.

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

13. I did not identify any material findings on the reported performance information for the selected indicators.

Achievement of planned targets

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

15. The government component plays a key role in sourcing funding for projects across the Gauteng Provincial Government which assists the departments and its entities deliver services to South Africans. The annual performance report includes the achievements against planned targets. Below is a summary of key indicators not achieved:

Targets for key indicators not achieved – Project development and compliance

Overall Targets achieved: 80%		
Budget spent: 98.79%		
Key indicators not achieved	**Planned target**	**Reported achievement**
Number of bankable projects released to the market	3	1

Targets for key indicators not achieved – Structured finance

Overall Targets achieved: 67%		
Budget spent: 99.18%		
Key indicators not achieved	**Planned target**	**Reported achievement**
Number of projects concluded financial close	3	1

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 government component's compliance with legislation.

17. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. 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 government component, 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.

Internal control deficiencies

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

21. I did not identify any significant deficiencies in internal control.

Professional ethics and quality control

22. I am independent of the government component 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 engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

23. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor - General

Johannesburg
31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the practitioner's report

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 38 Section 40 Section 50 Section 51 Section 57
National Treasury Regulations (TR)	TR 4 TR 5 TR 7 TR 8 TR 9 TR 10 TR 11 TR 12 TR 15. TR 16A TR 17 TR 18 TR 19
Preferential Procurement Regulations of 2011 (PPR)	Regulation 9
Preferential Procurement Regulations of 2017 (PPR)	Regulations 1;2;4;5;6;7;8;9;10;11
Preferential Procurement Regulations of 2022 (PPR)	Regulation 4
Public Service Regulations of 2016 (PSR)	PSR 25(1)(e)(i) and (iii)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
National Treasury Instruction Note 3 of 2021/22	Par.4
National Treasury Instruction Note 4 of 2015/16	Par.3
National Treasury Instruction Note 5 of 2021/22	Par.4 Par.5
Second amendment National Treasury Instruction No 5 of 2020/21	Par.1
Erratum NT Instruction note No 5 of 2020/21	Par.2
Treasury Instruction note 11 of 2020/21	Par.3

2 ANNUAL FINANCIAL STATEMENTS

Statement of Financial Position as at 31 March 2025

Assets	Note(s)	2025	2024 Restated*
		R'000	R'000
Current Assets			
Receivables from exchange transactions	7	440	880
Cash and cash equivalents	8	203 824	215 377
		204 264	**216 257**
Non-Current Assets			
Property, plant and equipment	2	2 668	2 672
Intangible assets	3	20	29
Receivables from exchange transactions	7	1 550	1 550
		4 238	**4 251**
Total Assets		**208 502**	**220 508**

Liabilities	Note(s)	2025	2024 Restated*
		R'000	R'000
Current Liabilities			
Payables from exchange transactions	6	3 302	3 688
Non-Current Liabilities			
Operating lease liability	5	929	606
Deferred income	9	82 586	101 881
		83 515	**102 487**
Total Liabilities		**86 817**	**106 175**

Net Assets	Note(s)	2025	2024 Restated*
		R'000	R'000
Net assets		**121 685**	**114 333**
Accumulated surplus		121 685	114 333
Total Net Assets		**121 685**	**114 333**

Statement of Financial Performance

Revenue	Note(s)	2025	2024 Restated*
		R'000	R'000
Revenue from exchange transactions			
Interest income	12	6 139	6 662
Revenue from non-exchange transactions			
Other income	10	64	-
Transfer revenue			
Government grants & subsidies	13	65 468	65 468
Deferred income	9	22 595	16 343
Total revenue from non-exchange transactions		**88 127**	**81 811**
Total revenue	10	**94 266**	**88 473**
Expenditure			
Compensation of employees	14	(49 050)	(45 956)
Depreciation and amortisation	15	(668)	(688)
Rental of building	11	(4 640)	(4 836)
Project development fees	17	(23 655)	(19 266)
General Expenses	18	(8 901)	(8 474)
Total expenditure		**(86 914)**	**(79 220)**
Surplus for the year		**7 352**	**9 253**

Statement of Changes in Net Assets

	Note(s)	Accumulated surplus / deficit	Total net assets
		R'000	R'000
Balance at 01 April 2023		**105 080**	**105 080**
Changes in net assets			
Surplus for the year		9 317	9 317
Correction of error		(64)	(64)
Total changes		9 253	9 253
Restated* Balance at 01 April 2024		**114 333**	**114 333**
Changes in net assets			
Surplus for the year		7 352	7 352
Total changes		7 352	7 352
Balance at 31 March 2025		**121 685**	**121 685**

Cash Flow Statement

Revenue	Note(s)	2025	2024 Restated*
		R'000	R'000
Cash flows from operating activities			
Receipts			
Government Grants		65 468	65 468
Interest income		6 139	6 662
Other receipts		3 364	9 341
		74 971	81 471
Payments			
Employee costs		(49 050)	(45 956)
Suppliers		(36 788)	(32 062)
		(85 838)	(78 018)
Net cash flows from operating activities	**19**	**(10 867)**	**3 453**

Cash flows from investing activities	Note(s)	2025	2024 Restated*
		R'000	R'000
Purchase of property, plant and equipment	2	(686)	(842)

Cash flows from financing activities	Note(s)	2025	2024 Restated*
		R'000	R'000
Net increase/(decrease) in cash and cash equivalents		**(11 553)**	**2 611**
Cash and cash equivalents at the beginning of the year		215 377	212 766
Cash and cash equivalents at the end of the year	**8**	**203 824**	**215 377**

The accounting policies on pages 100 to 110 and the notes on pages 111 to 123 form an integral part of the annual financial statements.

Significant Accounting Policies

1 Significant Accounting Policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999) (as amended by Act 29 of 1999), and the Treasury Regulations issued.

Where appropriate and relevant, additional information has been disclosed to enhance the usefullness of the finacial statements and to comply with the statutory requiremnets of the Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999) and Treasury Regulations issued.

These annual 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.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

Conformity with GRAP requires the use of some critical accounting estimates and for management to exercise judgement in the process of applying the accounting policies.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Materiality

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

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Rounding

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

1.6 Property, plant and equipment

Property, plant and equipment are tangible non current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non monetary asset or monetary assets, or a combination of monetary and non monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	5 to 15 years
Office equipment	Straight-line	3 to 15 years
IT equipment	Straight-line	3 to 15 years
Other property, plant and equipment	Straight-line	3 to 15 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the partiesto it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	6 to 15 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre specified terms and conditions.

Loans payable are financial liabilities, other than short term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or

- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non derivative financial assets or non derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:
- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases lessor
Operating lease revenue is recognised as revenue on a straight line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a other systematic basis describe.

Income for leases is disclosed under other revenue in statement of financial performance.

Operating leases lessee
Operating lease payments are recognised as an expense on a straight line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

1.11 Impairment of non cash generating assets

Non cash generating assets are assets other than cash generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non cash generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.12 Employee benefits

Identification

Employee benefits

The GIFA accounting policy in terms of the compensation of employees is in line with the department of Public Service and Administration (DPSA) guidelines. Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post employment benefits are employee benefits (other than termination benefits and short term employee benefits) that are payable after the completion of employment.

Other long term employee benefits are all employee benefits other than short term employee benefits, post employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A constructive obligation is an obligation that derives from an entity`s actions were by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectations on the part of those other parties that it will discharge those responsibilities.

Short term employee benefits

Short term employee benefits include items such as the following, if expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related services: (a) wages, salaries and social security contributions; (b) paid annual leave and paid sick leave; (c) bonus, incentive and performance related payments; and (d) non monetary benefits such as medical care, housing, cars and free or subsidised goods or services for current employees.

When an employee has rendered a service to the entity during a reporting period, the entity recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for that service: (a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to an extent that the prepayments will lead to, for example, a reduction in future payments or cash refund; and (b) as an expense, unless another standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost if compensated absences is recognised as an expense as employees render services that increases their entitlement or in case of non accumulating absenses, when the absence occurs. The entity measures the exepected 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 recognises the expected cost of bonus, incentive and perfomance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Short term employee benefits

Termination benefits

Recognition

The entity recognises a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of GRAP 19 and involves the payment of termination benefits.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due for more than 12 months after reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefits reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefits.

1.13 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- 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 can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed.

1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non contractual) arrangement (see the accounting policy on Statutory Receivables).

Interest, royalties and dividends

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non exchange transactions is classified based on the nature of the underlying transaction.

1.16 Revenue from non exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Non exchange transactions are transactions that are not exchange transactions. In a non exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non exchange transactions is classified based on the nature of the underlying transaction.

Services in kind

Except for financial guarantee contracts, the entity recognise services in kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in kind received during the reporting period.

1.17 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.20 Irregular expenditure

Irregular expenditure is any expenditure other than unauthorised expenditure incurred in contravention of or that is not in accordance with the requirements of any legislation applicable to GIFA , including the Public FInance Management Act (PFMA) 1999. Irregular expenditures are recognised as an expenditure in the Statement of Financial Perfomance. If relevant authority does not condone the expenditure, it is treated as an asset until it has been recovered or written off as irrecoverable.

1.21 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

1.22 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Due to the constitutional independence of the three spheres of government in South Africa, only entities within the provincial sphere of government are related parties as a result GIFA is considered as a related party to all the Gauteng provincial departments and entites.

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity’s financial statements to understand the effect of related party transactions on its annual financial statements.

1.23 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such an estimate cannot be made in respect of all material non adjusting events, where non disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.24 Financial Risk Management

Finacial Risk Factors

The GIFA's activities expose it to some financial risks, most of which are managed through the procurement and payment processes. GIFA does not have direct access to its bank account, and thus cash management was not performed at GIFA but at GPT. Risk management is the responsibility of GIFA management and is monitored by a central team within Gauteng Provincial Treasury. The most significant financial risks are related to reporting (inaccurate financial information that might result in inaccurate reporting and not meeting reporting deadlines in terms of PFMA) and financial systems (payment systems not aligned to business processes). The risk of reporting was mitigated by the implementation of an accounting system, enabling GIFA to record financial information more accurately on an accrual basis.

Market Risk

Fair value Interest Rate Risk

GIFA does not have any interest bearing assets.

Credit Risk

Credit risk represents the potential loss to GIFA as a result of unexpected defaults or unexpected deterioration in the creditworthiness of counterparties. GIFA's credit risk is primarily attributable to its receivables. However, this risk is minimal as GIFA's receivables (excluding amounts held with banks) are limited to advance to employees and interest receivable. There are no past due and impaired receivables. The carrying amount included in the Statement of Financial Position represents the GIFA's maximum exposure to credit risk in relation to this asset.

GIFA does not consider its operations to be any significant concentration of credit risk. Regarding credit risk arising from the other financial assets, which comprise cash and cash equivalents, GIFA's exposure arises from a potential default of the counterparty where credit rating is constantly monitored, with a maximum exposure to the carrying amount of these instruments. Cash and cash equivalents are only placed with banking institutions with an AA credit rating.

Maximum exposure to credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of each financial asset mentioned in the notes to follow.

Receivables pledged as security

GIFA does not hold any collateral as security.

Credit quality of financial assets neither past due nor impaired

The credit quality of both non current and current receivables is high.

Notes to the Annual Financial Statements

2 Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	2 983	(2 447)	536	2 978	(2 376)	602
Office equipment	1 022	(987)	35	1 022	(972)	50
Computer equipment	4 100	(2 388)	1 712	3 661	(2 065)	1 596
Audio visual equipment	566	(181)	385	558	(134)	424
Total	**8 671**	**(6 003)**	**2 668**	**8 219**	**(5 547)**	**2 672**

Reconciliation of property, plant and equipment - 2025	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	602	28	(5)	(90)	536
Office equipment	50	-	-	(15)	35
Computer equipment	1 596	650	(28)	(506)	1 712
Audio visual equipment	424	8	-	(47)	385
	2 672	**686**	**(33)**	**(658)**	**2 668**

Reconciliation of property, plant and equipment - 2024	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	695	-	-	(93)	602
Office equipment	78	4	-	(32)	50
Computer equipment	1 797	407	(70)	(538)	1 596
Audio visual equipment	8	432	-	(16)	424
	2 578	**843**	**(70)**	**(679)**	**2 672**

Pledged as security

There are no assets pledged as security. There were no repairs and maintenance done on property, plant and equipment. There are no contractual commitments for the acquisition of property, plant and equipment.

3 Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software, other	285	(256)	20	285	(256)	29

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Computer software, other	29	(9)	20

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software, other	38	(9)	29

Pledged as security

No intangible assets were pledged as security.

Other information

There are no contractual commitments for the acquisition of intangible assets.

4 Contingent Assets

Project life-cycle

Project life-cycle is divided into 6 stages namely initiation stage, feasibility stage, market release stage, procurement stage, financial close stage and implementation stage. Due to the risks and uncertainties involved, management has made a judgement not to disclose the potential contigent asset until the projects reaches the implementation stage as there is no realistic probability that the project costs will be recovered. The Schools project has reached the implementation stage and GIFA will seek to recover the cost of feasiblity studies incurred during the project amounting to R 15,5 million.

5 Operating lease liability

	2025	2024
	R'000	R'000
Operating lease smoothing	929	606

6 Payables from exchange transactions

	2025	2024
	R'000	R'000
Trade payables	806	1 314
Salary claim	-	317
Accrued leave	1 900	1 487
Service bonus accrual	596	570
	3 302	**3 688**

7 Receivables from exchange transactions

	2025	2024
	R'000	R'000
Salary payments control	440	330
Rental deposits	1 550	1 550
Prepaid expenses	-	550
	1 990	**2 430**

	2025	2024
	R'000	R'000
Non-current assets	1 550	1 550
Current assets	440	880
	1 990	**2 430**

Rental deposit represents the leasehold deposit held by the landlord as collateral for damages and amounts owed by GIFA at the end of the lease period. This deposit is held in a non interest bearing facility.

8 Cash and cash equivalents

	2025	2024
	R'000	R'000
Cash and cash equivalents consist of		
Bank and petty cash	84 349	69 213
Project preparation facility	119 475	146 164
	203 824	**215 377**

9 Deferred income

Money received or transferred to the Project Preparations Facility (PPF) is recognised as deferred income. A deferred income liablity is recognised to the extent that payments from the PPF have not been made. As GIFA incurs expenditures for feasibility studies through the PPF, it reduces the carrying amount of the liability and recognises an amount for the revenue equal to the reduction. During the 2024/2025 financial year, an amount of R 22,5 million (R 16,3 million for 2023/24) was recognised as an income, resulting in a movement of the balance of the deferred income.

	2025	2024
	R'000	R'000
Movement during the year		
Balance at the begining of the year	101 881	108 824
Additions for the year	3 300	9 400
Income recognition during the year (see note 10)	(22 595)	(16 343)
	82 586	**101 881**

10 Revenue

	2025	2024
	R'000	R'000
Interest received on bank balance and deposits	6 139	6 662
Government grants & subsidies	65 468	65 468
Deferred income	22 595	16 343
Other income	64	-
	94 266	**88 473**

	2025	2024
	R'000	R'000
The amount included in revenue arising from exchanges of goods or services are as follows:		
Interest received on bank balance and deposits	6 139	6 662

	2025 R'000	2024 R'000
The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer revenue		
Government grants & subsidies	65 468	65 468
Deferred income	22 595	16 343
Other income	64	-
	88 127	**81 811**

11 Operating lease rentals

	2025 R'000	2024 R'000
Premises		
Contractual amounts	4 640	4 836

12 Interest income

	2025 R'000	2024 R'000
Interest revenue		
Bank	6 139	6 662

13 Government grants & subsidies

	2025 R'000	2024 R'000
Operating grants		
Government grant	65 468	65 468

Conditional and Unconditional

A government grant is received anually from Gauteng Provincial Treasury (GPT). This grant is used to cover the operating costs and project preparation facility of the GIFA. The grant for the 2024/25 amounts to R68,7million (2023/24 was R 74,8 million).

	2025 R'000	2024 R'000
Conditional grants received	3 300	9 400
Unconditional grants received	65 468	65 468
	68 768	**74 868**

14 Employee related costs

	2025 R'000	2024 R'000
Employee costs breakdown		
Salaries	43 880	41 280
Employer contribution: medical	827	919
Employer contribution: pension	3 335	3 441
Leave pay	412	(254)
Service bonus	596	570
	49 050	**45 956**

15 Depreciation and amortisation

	2025 R'000	2024 R'000
Property, plant and equipment	659	679
Intangible assets	9	9
	668	**688**

16 Auditors' remuneration

	2025 R'000	2024 R'000
Fees	781	929

17 Project development fees

	2025	2024
	R'000	R'000
Feasibility study	9 802	1 062
Commercial close	8 258	10 404
Technical feasibility	3 724	5 423
Market release	680	625
Operational development cost	1 191	1 752
	23 655	**19 266**

18 General expenses

	2025	2024
	R'000	R'000
Advertising	203	144
Audit fees	781	929
Cleaning consumables	41	22
Computer consumables	98	77
Water Refreshment	29	20
Probity auditors	146	495
Loss on sale of assets	33	70
Catering services	30	59
Venues and facilities	299	235
IT consumables	102	92
Structured finance consulting	99	-
DSTV and TV license	74	33
Printing and stationery	289	261
Repairs and maintenance	79	26
IT Licenses	476	433
Security costs	4	7
Employee wellness	55	21
Telephone and cellphone costs	703	826
Training and Development	179	220
Travel and accomodation	507	544
Membership fees	56	62
Municipal utilities	2 711	2 319
Refreshments and groceries	82	68
Operating lease printers	78	78
Recruitment costs	-	14
Crockery and cutlery	2	-
Bursaries	432	373
Fire equipment servicing	12	73
Committee costs	36	18
System support and maintenance	1 256	799
Ethics risk assessment	-	137
Rental of GG vehicles	9	19
	8 901	**8 474**

19 Cash (used in) generated from operations

	2025 R'000	2024 R'000
Surplus	7 352	9 253
Adjustments for: Depreciation and amortisation	668	668
Loss on sale of assets and liabilities	33	70
Deferred income	(19 295)	(6 943)
Operating lease smoothing	323	606
Changes in working capital: Receivables from exchange transactions	439	(689)
Payables from exchange transactions	(387)	468
	(10 867)	**3 453**

20 Taxation

No provision for taxation has been made in the financial statements, as the GIFA is not a tax paying entity. The entity, as part of the Department of Treasury is exempt as per S10 of the Income Tax Act no.58 of 1962.

21 Financial instruments disclosure

Categories of financial instruments

2025

Financial assets	2025 R'000 At cost	2024 R'000 Total
Trade and other receivables from exchange transactions	1 550	1 550
Cash and cash equivalents	203 824	203 824
	205 374	**205 374**

Financial liabilities	2025 R'000 At cost	2024 R'000 Total
Trade and other payables from exchange transactions	806	806

2024

Financial assets	2025 R'000 At cost	2024 R'000 Total
Trade and other receivables from exchange transactions	1 550	1 550
Cash and cash equivalents	215 377	215 377
	216 927	**216 927**

Financial liabilities	2025 R'000 At cost	2024 R'000 Total
Trade and other payables from exchange transactions	1 314	1 314

22 Commitments

Operating leases - as lessee: Building

	2025 R'000 At cost	2024 R'000 Total
Minimum lease payments due		
- within one year	4 619	4 316
- in second to fifth year inclusive	10 229	14 848
	14 848	**19 164**
Rental expenses relating to operating leases: Printers		
- within one year	45	78
- in second to fifth year	-	46
	45	**124**

The entity leases property under a 5 year non cancellable contract from 1st April 2023.The lease agreement contains an escalation clause of 7%p.a.

GIFA participates in the transversal contract RT3 2022 for the supply, delivery, installation, commissioning and maintenance of office automation solutions to the state for the period 01 November 2022 to 31 October 2025.

23 Related parties

GIFA is a Government component of Gauteng Department of Infrastructure Development (GDID), therefore, all the departments and entities under Gauteng Provincial Government are considered as related parties.

Related party balances	2025	2024
	R'000	R'000
	At cost	Total
Inter-Departmental Transactions		
Government grants & subsidies	65 468	65 468
Deferred income	3 300	9 400
Salary claim	-	317
	68 768	**75 185**

Remuneration of management

Management class: Executive management

2025

Name	Basic salary	Bonuses and performance related payments	Employer contributions: Medical	Post employment benefits	Other benefits received	Total
Chief Executive Officer	1 782	-	131	-	572	2 485
Chief Financial Officer	1 099	-	-	143	328	1 570
Head of Corporate Services	1 373	-	-	179	417	1 969
Head of Project Development	1 606	-	-	209	479	2 294
Head of Structured Finance	1 313	110	-	170	283	1 876
Head of Strategy and Monitoring	971	-	-	126	521	1 618
Chief Director: Contract Management	1 030	-	20	134	533	1 717
Total	**9 174**	**110**	**151**	**961**	**3 133**	**13 529**

2024

Name	Basic salary	Bonuses and performance related payments	Employer contributions: Medical	Post employment benefits	Other benefits received	Total
Chief Executive Officer	1 468	-	132	189	893	2 682
Chief Financial Officer	1 048	-	-	136	313	1 497
Head of Corporate Services	1 347	-	-	175	401	1 923
Head of Project Development	1 533	-	-	199	457	2 189
Head of Structured finance	1 237	104	-	160	266	1 767
Head of Strategy and Monitoring	912	-	-	118	489	1 519
Chief Director: Contract Management	982	-	20	128	507	1 637
Total	**8 527**	**104**	**152**	**1 105**	**3 326**	**13 214**

24 Prior period errors

A prior period error was detected in the current financial year relating to invoices amounting to R 63 787,10 that were erroneously ommitted in the 2023/24 financial year. The financial statements were restated retrospectively.

Presented below are those items contained in the statement of financial position and statement of financial perfomance that have been affected by prior year adjustments:

Statement of financial position

2024	Note(s)	As previously reported	Correction of error	Restated
Accruals		1 250	64	1 314

Statement of financial performance

2024	Note(s)	As previously reported	Correction of error	Restated
General expenditure		8 410	64	8 474

25 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

26 Unauthorised, Irregular and Fruitless and Wasteful Expenditure

*Refer to reconciling notes in the annual report

No unauthorised, irregular, fruitless and wasteful expenditures occured in the year under review.

27 Services in kind

GIFA shares the internal audit function s and audit committee services with Gauteng Provincial Government. GIFA allocated office space to the Gauteng Provincial Treasury for no consideration.

28 Segment information

General information

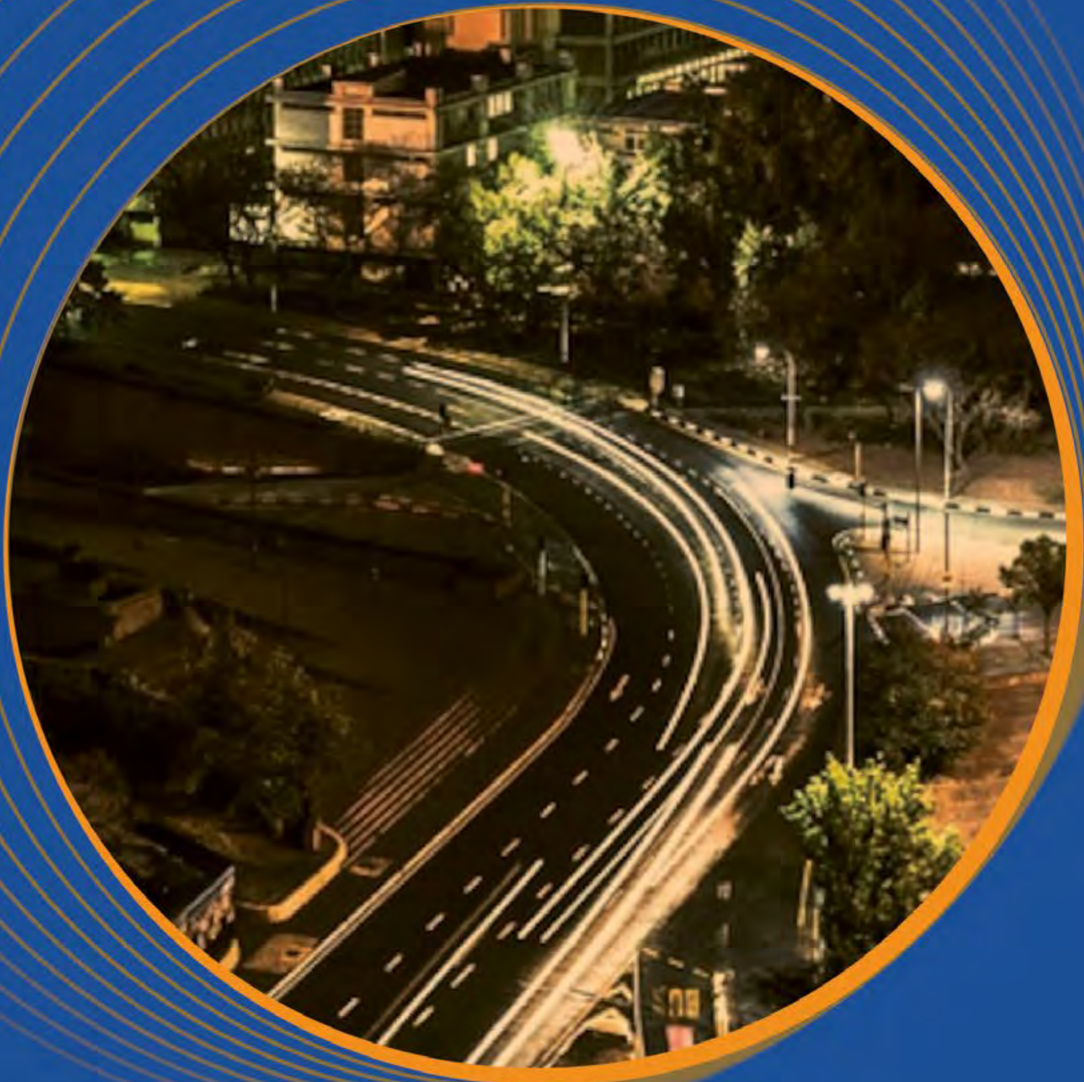
Identification of segments

GIFA does not have any segments. GIFA is based at 82 Grayston Drive in Sandton, where all key management decisions are made.

29 Accounting by principals and agents

The entity is a party to a principal agent arrangement. The Gauteng Infrastructure Financing Agency (GIFA) has been appointed to take over the responsibility of assisting with the Project Preparation Work for the hospital revitalisation project. In this role, GIFA provides expert advice, strategic direction and vision, recommendations, and information on all aspects of the project. Additionally, GIFA is responsible for appointing the necessary service providers to carry out the required work. The principal remains the owner and custodian of the project, and is responsible for providing and funding the project. All funds recieved have been utilised.

NOTES



GAUTENG
Infrastructure Financing Agency

Head Office
82 Grayston Drive,
Sandton,
2196

Telephone
(011) 290 – 6600/1

Fax
(011) 290 – 6700

E-mail
info@gifa.co.za

www.gifa.co.za

PR 159/2025
ISBN: 978-1-77997-857-8

Publication
Gauteng Infrastructure Financing Agency's Annual Report 2024/2025