G-FLEET MANAGEMENT

PART A

GENERAL INFORMATION

g-FleeT Management

01

Percentage of rental days utilised for Pool vehicles, 80% - the Entity achieved 90,55% against the set target of 80%.

02

Percentage of vehicles auctioned as per approved list, 80% - the Entity had a target of 80% of all approved vehicles to be sold and achieved 92 % against the set target for the year under review.

03

Percentage of rental days utilised for Pool vehicles, 80% - the Entity achieved 90,55% against the set target of 80%.

04

The Entity surpassed the 10% target by decreasing the average debtor days by reporting an average 12.23% achievement against this target.

05

Percentage of in-service vehicles tracked, 95%, the Entity achieved 96%.

06

Percentage of green vehicles in the Entity's fleet, 10%, the Entity achieved 10.4% of green vehicles.

07

Percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity), 10%, the Entity reported 12.23% reduction in average debtors' collection days.

08

As part of our continuous efforts to improve employees' work environment and operations, the Entity completed the refurbishments of three buildings at Bedfordview Head Office on 22 February 2023 as part of Phase 1 of its infrastructure plan.

09

The cost of sales increased by 105.2% to R143.887 million (2023/24: R70.124 million) due to the increased number of auctions held and increased number of vehicles sold during the 2024/2025 financial year.

1. TRADING ENTITY GENERAL INFORMATION

NAME OF TRADING ENTITY:	g-FleeT Management
PHYSICAL ADDRESS:	76 Boeing Road East Bedfordview 2008
POSTAL ADDRESS:	Private Bag X1 Bedfordview 2008
TELEPHONE NUMBER:	+27 11 372 8600
FAX NUMBER:	+27 086 669 6926
WEBSITE ADDRESS:	www.gfleet.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BAS	Basic Accounting System
CSD	Central Supplier Database
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
CRM	Client Relations Management
DPSA	Department of Public Service and Administration
ESS	Employee Self-Service
FIS	Fleet Information System
FML	Full Maintenance Lease
HoD	Head of Department
HRA	Human Resource Administration
ICT	Information and Communication Technology
IFMS	Integrated Fleet Management System
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
OD	Organizational Development
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
TMR	Transformation, Modernisation and Re-industrialisation
TR	Treasury Regulations
WSP	Workplace Skills Plan

3. FOREWORD BY THE CEO

MR. POOBALAN GOVENDER

ACTING CHIEF EXECUTIVE OFFICER G-FLEET MANAGEMENT

OVERVIEW OF FINANCIAL YEAR

1. BACKGROUND

g-FleeT Management (also herein referred to as the Entity) is the Trading Entity of the Gauteng Department of Roads and Transport (GDRT). The Entity was established as a trading entity in 2004 and later rebranded as g-FleeT Management in 2007. The Entity's main aim is to provide comprehensive fleet management services to Government.

The Entity's head office is situated at 76 Boeing Road East in Bedfordview within the City of Ekurhuleni. The head office accommodates the following units, namely:

- Office of the Chief Executive Officer,
- Corporate Services,
- Finance,
- Permanent Services,
- VIP and Pool,
- Fleet Maintenance,
- Technical Support Services, and
- Logistics Management.

However, space constraints pending the construction of the new office accommodation at Bedfordview, certain officials within the Entity's support services have also been accommodated at the Department's office at 45 Commissioner Street, Johannesburg.

In addition, to ensure that services are accessible to its customers, more specifically the Entity's national clients, the Entity has and operates within the following regional offices:

REGIONAL OFFICE	ADDRESS
Airport Kiosk	OR Tambo International Airport, Domestic Arrivals, Terminal B
Koedoespoort Office	1225 Blesbok Street, Koedoespoort, Pretoria
KwaZulu-Natal Regional Office	7 Umsinsi Junction, 2nd Floor, Dube City, La Mercy, KwaZulu-Natal
Western Cape Regional Office	Airport Office Park, (Oval Business Park), Ground Floor, North Wing Runway 01, Freight Road, Cape Town International Airport.
Eastern Cape Regional Office	East London Industrial Development Zone, Zone 1C, Science and Technology Park, Block H, Harbour Arterial Road, Sunnyridge, East London

The Entity's client base is predominantly Gauteng-based, with most clients participating in the Entity's long-term vehicle leasing service option. Although the Entity's client base is predominantly Gauteng-based, the actual location of each vehicle leased from the Entity is spread across the country as follows, in line with the respective mandates of each client:

Clients' list	No of clients	Service options
National Level Clients	25	Long and Short-term rental services
Gauteng Departments	16	Long and Short-term rental services
Limpopo Provincial Departments	8	Short-term rental services
Eastern Cape Provincial Government	1	Short-term rental services
Free State Provincial Government	1	Short-term rental services
Northwest Provincial Government	1	Short-term rental services
Municipality Gauteng	1	Short-term rental services.

In providing this service to our clients, the Entity owned and managed a fleet size of approximately 7,355 vehicles in the Entity's fleet as of 31 March 2025. The fleet includes a wide range of the latest models of economy and commercial vehicles, including but not limited to sedans, SUVs, light commercial trucks, minibuses, and buses.

2. SERVICES OFFERED BY THE ENTITY

The Entity is mandated to provide effective, efficient, competitive, and reliable fleet services to the government. In fulfilling this mandate, the Gauteng Provincial concept of "Growing Gauteng Together Through Smart Mobility, 2030" directs that the Entity must provide its clients with smart fleet management solutions at a cost-effective price to ensure service delivery mandates are not compromised. This enables the Entity's clients to better serve communities within their areas of work effectively and efficiently. During the 2024/2025 financial year, the Entity continued to provide the following customised vehicle fleet management services to its clients:

- Full Maintenance Lease (FML) – The FML is a long-term vehicle lease service offered by g-FleeT comprised of a fixed rental cost over a selected period of a minimum of 12 months up to seven years, depending on the type of vehicle and the functional needs of the client.
- Short-term motor rentals: This is a short-term vehicle lease service offered by g-FleeT, which is comprised of a fixed rental cost over a selected short period (less than 12 months).
- Chauffeur driven: This provides both a driver and vehicle for hire over a short-term period.
- Fuel card services: For payment of the fuel and toll gate fees.
- Managed maintenance: A call centre to ensure authorisation is only given for necessary maintenance that complies with the manufacturer's standards and is in line with the manufacturer's guidelines.

- Telematics: For tracking and monitoring of vehicles and drivers.
- Accident management and roadside assistance: This is offered on a 24/7 basis and assists our clients with towing and repairs of vehicles involved in accidents and ensuring the safety of our clients.
- License and traffic fine administration: Responsible for
  - ⇨ Motor vehicle registration and licensing, and
  - ⇨ Ensuring that every fine is re-routed to the correct offender.

3. CUSTOMER SATISFACTION

During the 2021/22 financial year, the Entity's approved the implementation of an operations strategy focused on improved client satisfaction, which supports a customer-centric approach to doing business. The operations strategy included developmental areas around human capital management and development, digitisation of systems and processes, providing a conducive work environment for our employees, improving internal control systems and corporate governance, zero tolerance for fraud and corruption and going green to improve environmental sustainability. The implementation of the operations strategy was aimed at improving our clients' experience, perception, and satisfaction with g-FleeT.

In assessing the impact of this operations plan, the Entity conducts a customer survey every two years to evaluate overall client satisfaction levels and to develop workable action plans to improve client experience, customer satisfaction and loyalty.

I am pleased to report that since the last customer satisfaction survey conducted during the 2024/25 financial year; the Entity has maintained a positive satisfaction level of 82% (2022/2023: 81.22%). This is an overall improvement of 0.78% from the last satisfaction survey conducted by the Entity.

The following were key qualities that customers identified as strengths of the Entity:

- Quality products and services.
- Competence of staff in terms of ability, qualities, and skills to perform their job.
- Customers have a strong level of trust in the Entity.
- Customers perceive the Entity to be reliable.
- Affordability in terms of prices of products and services.
- Good communication with customers.
- Availability of contact centre.
- Good customer service systems in place.

The following weaknesses were identified by customers:

- It is not easy to use the Fleet Information System (FIS), and its functionality is limited to customers.
- Some customers find the quality of products needs some improvement.
- Some customers find that the systems in place in the contact centre need improvement.
- Turnaround time for mechanical and accident repairs needs improvement.

The Entity continues to put the needs of its customers at the forefront of its business. Accordingly, during the 2025/26 financial year, the Entity's Senior Management Team has been tasked with preparing and implementing a customer satisfaction survey improvement plan focused on responding to the inputs and challenges faced by our clients when receiving our services.

4. FINANCIAL SUSTAINABILITY

A critical component to ensure the provision of quality, cost-effective and reliable vehicle fleet management services is the sustained financial viability of the Entity. I am pleased to report that the Entity continues to demonstrate strong financial sustainability even under difficult local and global financial conditions. The Entity's strong relationship with its clients, coupled with the implementation of its debt management policy, has enabled it to obtain firm commitments and written payment arrangements with key clients in response to some of the national and provincial fiscal consolidation frameworks implemented by the relevant treasuries.

5. GOOD GOVERNANCE

The Entity prides itself on maintaining good governance. During the 2024/2025 financial year, all senior managers within the Entity signed performance agreements to ensure the successful achievement of service delivery and targets as contained in the approved Annual Performance Plan. In addition, all senior managers completed and submitted their financial disclosures for the 2023/2024 and 2024/2025 financial years in compliance with the requirements of the National Department of Public Service and Administration. To further demonstrate the Entity's commitment to good governance, the Entity had, for the first time in its history, achieved a clean audit outcome for the 2023/2024 financial year as reported by the Auditor-General of South Africa. This achievement was unfortunately not sustained during the 2024/2025 financial year, as the Entity regressed to an unqualified audit opinion with findings on compliance with laws and regulations due to material corrections that needed to be affected the annual financial statements. Resignations and instability within key financial positions and challenges within the Entity's Information Technology environment were the main drivers of this regression. The Entity has already commenced with the implementation of its 2024/2025 audit improvement plan to respond to these challenges with the aim of restoring clean audit outcome for the forthcoming financial year.

6. ACHIEVEMENTS

Management worked very hard to improve the overall performance of the Entity against the targets approved in the revised annual performance plan for the 2024/2025 financial year. I am pleased to report that out of nine approved targets in the revised 2024/25 Annual Performance Plan, the Entity achieved all nine targets. This translates into an overall percentage achievement of 100%.

Below is a summary of the Entity's performance:

6.1. Improving efficiency and customer service

The Entity adopted several output indicators that are important to measure efficiency and to ensure financial sustainability of the Entity. These indicators measure the quality of services provided by the Entity to its customers, turnaround times and quality of vehicles provided by the Entity (i.e., age). Measuring efficiency enables the Entity to make the best possible use of the Entity's resources.

- **Average age of fleet, ≤4 years** – This outcome seeks to ensure that vehicles provided by g-FleeT Management are efficient and reliable. This is necessary to ensure that the cost of maintaining vehicles is minimised. The Entity kept an average age of fleet at or below 4 years (i.e., 3,5 years) during the financial year under review. The disposal of redundant vehicles and the acquisition of 1223 new vehicles ensured that this target was achieved.
- **Percentage of clients satisfied with g-FleeT services: 80%** – This outcome is aimed to assist by assessing clients' satisfaction levels with the products and services offered by g-FleeT and measuring how well they meet customer expectations. The planned target for the 2024/25 financial year was set at 80%. The Entity achieved 82% of clients satisfied with g-FleeT services. The exercise is also crucial for identifying various aspects of g-FleeT's products and services for improving customer satisfaction.

Maximising return on investment

Return on investment indicators are very important to g-FleeT management, as the Entity does not receive an equitable share or any grant allocations. The demand for vehicles by client departments has had a direct impact on the revenue generation of the Entity. The Entity strives to ensure that our fleet is optimally utilised. The utilisation of vehicles will increase the return on investment and strengthen the stability, growth, and sustainability of the Entity.

- **Percentage of rental days utilised for VIP self-drive vehicles: 61%** – During the period under review, the Entity achieved 61.80% against a set target of 61%. The target achievement was due to a steady client demand in short-term rentals. VIP self-drive service is a luxury car hire service, consisting of a variety of medium to large luxury sedans, utility vehicles, SUVs, minibuses, and buses, and the service is offered without a driver. The vehicles under this category are available under short-term rentals and are available for a period of one day to three months, with an option of renewal up to a maximum of 12 months.
- **Percentage of rental days utilised for pool vehicles: 80%** – The Entity achieved 90.55% against the set target of 80%. The overachievement was due to steady client demand throughout the period under review. Pool vehicle services are available for a period of one day to three months, with an option of renewal up to a maximum of 12 months. The fleet includes a wide range of the latest models of economy and commercial vehicles, including light commercial trucks.
- **Percentage of vehicles auctioned as per approved list: 80%** – The Entity had a target of 80% of all approved vehicles to be sold and achieved 92% against the set target for the year under review. The overachievement was due to effective advertising mechanisms which led to more bidders.

A total of **1240** vehicles were sold during the financial year, resulting in revenue from auctions totalling R131.715 million. This is a 97% increase in revenue from auctions when compared to the previous financial year. The increase is due to the increased number of auctions and the robust advertising and marketing campaigns initiated by the Entity.

The table below outlines the number of vehicles disposed of and revenue generated during the financial year under review.

Table 1: Proceeds received from the disposal of motor vehicles through public auctions

NO.	AUCTION DATE	FLEET SOLD	TOTAL PROCEEDS (R)
1	28 March – 14April 2024	391	44 552 903
2	26 – 27 June 2025	179	19 651 463
3	11 – 12 September 2024	295	29 087 650
4	27 – 28 November 2024	375	37 880 250
TOTAL		**1 240**	**131 172 266**

Revenue collection through the leasing of motor vehicles

The Entity surpassed the 10% target by decreasing the average debtor days by reporting an average 12.23% achievement against this target. This percentage excludes the amounts owed by client departments that submitted written payment plans.

Despite the many fiscal challenges experienced by client departments, the Entity, through its robust debt collection strategy, managed to collect R 1,023 billion. This is R152 million shy of the planned target of R1,175 billion. This is a 5% decrease in revenue collections when compared to the previous financial year. That said, however, the Entity has received numerous payment arrangements from some of the big client departments and intends to monitor and enforce these commitments:

Table 2: A synopsis of the revenue collection growth in the past five (5) years

	2020/21	2021/22	2022/23	2023/24	2024/25
Source of Revenue	R'000	R'000	R'000	R'000	R'000
Revenue Collected from Leases of vehicles	836,827	933,239	1,055,178	1,077,289	1,023,728
% Growth per year	-5%	11%	13%	2%	-5%

Safeguarding of vehicles

Percentage of in-service vehicles tracked: 95% - The purpose of installing comprehensive vehicle tracking units is to allow for g-FleeT-owned vehicles to be tracked and traceable, monitor the health of the vehicles, monitor driver behaviour, and ensure that the officials from various client departments and internally are driving safely. The comprehensive tracking system is used for route optimisation, location of a vehicle at a particular point in time, monitor mileage, speed, etc. All these have a direct impact on the sustainability of the asset (vehicle) and safety efficiencies. The target for the financial year under review was 95% of in-service vehicles tracked, and the Entity achieved 96%. The overachievement was due to the new vehicle installations balancing out with the auction vehicles.

Sustainable Development for the future generation

Percentage of green vehicles in the Entity's fleet: 10% – This target is required to ensure the reduction in the carbon footprint (i.e., decreasing greenhouse gas emissions produced by road transportation as expressed in the Green Transport Strategy for South Africa (2018-2050). The Entity is striving to minimise the amount of carbon footprint transmitted by its vehicles into the environment. As such, a target of 10% was set. The Entity achieved 10.4% of green vehicles in the Entity's fleet. The target for the period under review was achieved due to client demand through the procurement of low-emission/green vehicles.

Managing the Debtors

Percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity), 10% – while this is necessary for clean administration, it has direct implications on the financial sustainability of the Entity. An annual target of 10% average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity) was set. The Entity reported a12.23% reduction in average debtors' collection days. The achievement was due to aggressive follow-up on debtors in line with the debtors' management policy.

Clean Administration

Clean audit opinion issued by the Auditor General of South Africa – a well-governed institution is built on clean administration. Thus, clean government administration is one that puts the principles of the Constitution, 1996, into daily use. The Entity obtained a clean audit opinion from the Auditor General of South Africa for the 2023/24 financial year. This achievement was unfortunately not sustained during the 2024/2025 financial year, as the Entity regressed to an unqualified audit opinion with findings on compliance with laws and regulations due to material corrections that needed to be affected the annual financial statements. Resignations and instability within key financial positions and challenges within the Entity's Information Technology environment were the main drivers of this regression. The Entity has already commenced with the implementation of its 2024/2025 audit improvement plan which is monitored on a weekly basis, by the Head of Department with the aim of restoring clean audit outcome for the forthcoming financial year.

Revitalizing the township economy

Contribution towards Transformation, Modernization, and Re-industrialization (TMR)

The Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by Act 46 of 2013, promotes the achievement of the constitutional right to equality, increase broad-based and effective anticipation of black people in the economy, promotes a higher growth rate, increased employment, and more equitable income distribution, and establishes a national policy on broad-based black economic empowerment to promote the economic unity of the nation to protect the common market, and promote equal opportunity and equal access to government services.

The Gauteng Provincial Government has committed itself to a viable economic empowerment of all black people (historically disadvantaged individuals), in particular, women, youth, and people with disabilities, through diverse but integrated socio-economic strategies.

Through its policy directives, the Gauteng Provincial Government aims to speed up growth and transform the economy in the townships to create decent work and sustainable livelihoods within townships.

Table 3: Gauteng Provincial Government transformational targets

Percentage procurement spent on HDI companies	Percentage procurement spent on WOMEN-OWNED companies	Percentage procurement spent on YOUTH-OWNED companies	Percentage procurement spent on PWD-OWNED companies
80%	40%	20%	7%

Furthermore, the Gauteng Provincial Government had committed to achieving 60% of provincial spending on goods and services to support the Township Economy Revitalisation (TER) programme. The Entity has identified the need to direct 60% of the Entity's discretionary procurement spend towards township suppliers (excluding non-discretionary procurement spend – e.g., on transversal contracts RT3, RT5, RT15, RT46 and RT57, etc. Transactions from tender processes, all transversal contracts by SITA, all transactions from the Gauteng Provincial Treasury, all non-procurement transactions such as municipal accounts, auditor general, and claims against the state, procurement for other provinces, e.g., KZN Regional Office, East London Regional Office and Cape Town Regional Office, where suppliers are appointed from those provinces.)

The Entity remained committed to enhancing economic participation. During the 2023/2024 financial year, the Department together with the Entity finalising a Broad-Based Black Economic Empowerment (B-BBEE) implementation strategy which is currently being implemented by the Entity as part of its procurement processes. The results of the Entity's drive to transformation are outlined below.

The tables below show how the Entity has performed on equity targets between the 2023/24 and 2024/25 financial year.

Table 4.1 Analysis of awards to HDI's

CONTRACTS AWARDED TO ENTERPRISES OWNED BY HISTORICALLY DISADVANTAGED INDIVIDUALS					
2023/24			2024/25		
TOTAL NUMBER	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
81	94	18 242 695	71	98	20 308 782

Table 4.2. Analysis of awards to women

CONTRACTS AWARDED TO ENTERPRISES OWNED BY WOMEN					
2023/24			2024/25		
TOTAL NUMBER	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
50	56	10 023 721	48	56	9 916 966

Table 4.3. Analysis of awards to youth

CONTRACTS AWARDED TO ENTERPRISES OWNED BY YOUTH					
2023/24			2024/25		
TOTAL NUMBER	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
29	28	8 407 776	36	50	7 881 897

Table 4.4: Analysis of awards to PWD's

CONTRACTS AWARDED TO ENTERPRISES OWNED BY PEOPLE WITH DISABILITIES					
2023/24					
TOTAL NUMBER	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
5	6	1 026 943	5	5	1 577 019

Table 4.5. Analysis awards to military veterans

CONTRACTS AWARDED TO ENTERPRISES OWNED BY MILITARY VETERANS					
2023/24			2024/25		
TOTAL NUMBER	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
2	5	324 251	6	5	1 927 336

Table 4.6: The table below outlines the provincial target currently on Township Economy Revitalisation (TER) spent for the 2024/25 financial year:

Month	Total Spent on Goods, Services and Construction	Proportion Spent on Township Based Suppliers	% TER Spent
Apr-24	507 905,39	285 070,34	56
May-24	1 233 406,93	291 992,34	24
Jun-24	973 499,37	673 119,54	69
Jul-24	462 016,72	259 972,34	56
Aug-24	2 574 122,89	1 322 363,19	51
Sep-24	2 027 213,31	1 176 495,13	58
Oct-24	4 324 718,51	1 891 205,99	44
Nov-24	349 027,83	275 885,33	79
Dec-24	2 185 760,38	783 553,33	36
Jan-25	1 800 269,72	1 187 508,22	66
Feb-25	480 519,51	319 452,88	66
Mar-25	2 174 565,69	398 328,08	18
TOTAL	**19 093 026,25**	**8 864 946,71**	**46**

INFRASTRUCTURE PROJECTS

The Entity is committed to improving occupational health and safety aspects through rehabilitating existing infrastructure to ensure compliance with the OHS Act.

As part of our continuous efforts to improve employees' work environment and operations, the Entity completed the refurbishments of three buildings at Bedfordview Head Office on 22 February 2023 as part of Phase 1 of its infrastructure plan.

Phase 2 of the Entity's infrastructure plan relates to the construction and refurbishment of identified buildings at Head Office to address the shortage of office accommodation and enhance business operational flow.

This project involves the building of a New Administration Block with an auditorium, a new auction warehouse, and new permanent fleet buildings and renovations of other buildings to align to the g-FleeT Operating Model / Business Operational Flow.

The project is implemented in conjunction with the Gauteng Department of Infrastructure and Development, as the implementing agency, which appointed a Professional Team (engineers, QS, architects) in June 2024 to oversee the project.

The Stage 4 Report and Bill of Quantity (BOQ) were approved in December 2024. The drawings are at advanced stages for approval by the City of Ekurhuleni municipality. It is envisaged that the construction stage of the project will commence during November 2025.

Security Surveillance and Access Control equipment has been installed in Bedfordview and Koedoespoort. The Security Monitoring room has been equipped. Access Control Enrolments have been done, and the system is activated.

The security improvement project of building a perimeter wall around the premises and divisions of vehicle parking areas will commence on 21 April 2025.

CHALLENGES FACED BY THE ENTITY

The financial year under review has not been without its challenges. The following outlines some of the challenges experienced by the Entity.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The legacy Fleet Information System (FIS) operates in silos, lacking integration with financial and other systems, resulting in duplicated data entry and inconsistent reporting. The key functions such as billing, maintenance tracking, and usage reporting, relied heavily on manual intervention, increasing the risk of human error and delays. The legacy system does not support real-time insights or analytics, limiting decision-making related to fleet optimisation and cost control. The system architecture is outdated, making it difficult to scale or adapt to evolving organisational needs and regulatory requirements. Technical support and updates for the legacy system had diminished, raising operational risks.

To address the challenges outlined above, the entity has officially appointed the State Information Technology Agency (SITA) to develop the new Integrated Fleet Management System, with the system expected to go live by July 2027. The anticipated benefits of the new system include, but are not limited to, the following:

- Integrated Operations: The IFMS will offer seamless integration with key systems, streamlining data flows across finance, procurement, and business units.
- Enhanced Efficiency: Automated workflows for billing, invoicing, maintenance scheduling, and tariff calculations significantly reduce manual workload and processing time.
- Improved Accountability and Control: Real-time tracking of fleet usage, expenditure, and compliance enhances governance and supports audit-readiness.
- Data-Driven Decision-Making: Robust reporting and analytics tools provide visibility into fleet performance, enabling informed decisions on cost recovery, utilisation, and optimisation.

The implementation of the new IFMS will position the entity to improve service delivery, strengthen financial sustainability, and achieve better value for client departments.

Traffic Fines

The Entity still sends AARTO fines in a spreadsheet format to client departments to redirect to relevant drivers. The challenge is that most of these fines have not been paid or rerouted to driver's name. The Entity only pays warrants or enforcements that has a negative impact on its day-to-day operations and recover from the relevant client departments. The Entity has experienced some delays in acquiring the new fleet system that was being developed by e-Gov. SITA has been appointed to proceed with the development of the system. All other traffic fines other than AARTO are received from the post office, and some are downloaded from payment system.

The tracking service provider has just rolled out the activation of driver tags which will help the Entity to obtain driver details for redirecting traffic fines manually. The Entity hopes that there will be progress in expediting the rerouting of traffic fines since driver tags have been activated.

ORGANISATIONAL AND EMPLOYEE ENVIRONMENT

One of the unique features of the Entity is that it is required to be financially self-sustainable while not receiving any budget allocation for the Gauteng Provincial Treasury (GPT) or Gauteng Department of Roads and Transport (GDRT). In addition, the Entity must develop its own financial systems, prepare its own set of financial statements and accounts separately to various governance committees (i.e., Audit Committee, Risk Management Committee, Standing Committee on Public Accounts and Legislature be audited separately by the Auditor-General of South Africa (AGSA), and prepare its own Strategic Plan and Annual Performance Plan (APP).

These are functions required by the Entity; however not incorporated in the current organisational structure because of the "form and shape" of the Entity. The GDRT provides support and assistance in the following functions:

- Information Communications and Technology,
- Anti-fraud and Corruption,
- Risk Management Committee,
- Monitoring and Evaluation

Consultations with the business units were concluded, and input was submitted to the Office of the Premier to incorporate in the proposed structure. However, organised labour requested that the process must restart and officially be consulted. The Steering Committee comprising management and organised labour has been resuscitated to review both the structures of g-FleeT Management and DRT. Final consultations with the business units were concluded, and input will be resubmitted to the Office of the Premier to incorporate in the proposed organisational structure.

The change management strategy and plan have been developed by the Office of the Premier and will be shared with all employees as part of consultation sessions.

HIGH VACANCY RATE

Table 5: The vacancy rate as at 31 March 2025

Level	Approved Establishment	Filled (including contract workers)	Vacant	Vacancy Rate
SMS (Level 13 to 16)	8	7	1	0%
Level 11 to 12	17	17	0	6%
Level 7 to 10	107	98	9	9%
Level 1 to 6	143	101	42	29%
TOTAL	**275**	**223**	**52**	**18%**

The Entity has a total of 275 positions in the current approved structure, with 223 filled positions and 52 vacant positions. The current vacancy rate is at 18%.

FUTURE PLANS

On 27 September 2023, the Provincial Executive Committee (EXCO) approved the baseline study to repurpose the Entity to implement the provincial logistics function. After this approval, a warehouse simulation model was commissioned to determine the location and size of the warehouses that will be needed, as currently the warehousing of inventories in the province are fragmented and some are privately owned.

The operationalization of the logistics function, through a repurposed g-FleeT Management, seeks to respond to the imperative of the GGT2030 on the economy, jobs, and infrastructure in which strategic delivery of the activities will be sourced to the TISH communities. Through operationalization of the logistics function, the Provincial Government will plan, execute, and control the efficient and effective, storage and delivery of goods and services between the point of origin and the point of consumption to meet customer requirements and satisfaction.

A project steering committee to oversee the implementation of the project was established consisting of GDE, GDoH, the Gauteng Provincial Treasury, the Gauteng Department of e-Government, Organised Labour and the Office of the Premier. The broad mandate of the steering committee is to give strategic guidance on project implementation, to serve as a platform for the Gauteng Provincial Departments to be updated on the project progress and to share information on the on-going activities. The key deliverables will include, amongst others, ensuring the proclamation and operationalization of the logistics function. The implementation requires a proclamation of transfer of functions which the Premier has not yet finalised.

As a transitional arrangement that supports the work towards the operationalisation of the logistics function, the Entity obtained approval for the creation and filling of five (5) logistics posts in addition to the establishment of the Entity. This interim arrangement will enable a focussed approach towards implementing the vision of the province.

In support of the proposed additional mandate and based on the overall growth trajectory of the Entity, EXCO had advised that the Entity must develop and submit a business case which focuses on transitioning the Entity from being a current trading entity to a future Public Entity (3C). The Entity had engaged the support of its fellow Public Entity (Gautrain Management Agency) within the Gauteng Roads and Transport portfolio to assist the Entity in drafting business case for the consideration of the Gauteng Provincial Treasury and the National Treasury. As at 31 March 2025, the drafting of the business case was still in progress.

Overview Of The Financial Results Of The Trading Entity

STATEMENT OF FINANCIAL PERFORMANCE

RECEIPTS

Table 6: The results of the actual collections for 2024/25 and the comparative year are depicted below.

	2024/25			2023/24		
Entity receipts	Budget	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from Exchange Transactions – Leasing of vehicles	1 175 000	1 023 684	151 316	1 020 000	1 077 289	- 57 289
Revenue from Non-Exchange Transactions – Interest from bank, accident claims, and tender income.	149 000	162 022	-13 022	65 000	111 980	- 46 980
Accident claims	60	331 167	-331 107	100	38	62
Transport Fees	1 500	3 249	-1 749	1,880	1 463	417
Auctions Fees	102 554	124 692	-22 138	75 186	88 977	- 13 791
Revenue - Proceeds from sale of judge vehicles	1 098	4 061	-2 963	1 000	536	464
Total	**1 429 212**	**1 318 039**	**111 173**	**116 166**	**1 280 283**	**117117**

As per the table above, total revenue collected by the Entity increased to R1.318 billion in 2024/25 (2023/24: R1.280 billion). This represents a year-on-year increase of R37.7 million or 3%, mainly driven by higher income from auctions, transport fees, accident claims, and interest earned

Revenue collected from the leasing of vehicles decreased by 5% to R1.024 billion (2023/24: R1.077 billion). The decrease is attributed to the economic challenges faced by the Entity's clients due competing priorities and budget cuts. Additionally, actual collections were below the budgeted estimate of R1.175 billion, resulting in an under-collection of R151.3 million.

Table 7: Expenditure versus budget

	2024/25			2023/24		
Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CEO	15 989	4 469	11 520	8,341	7,109	R 1,232
Office of the COO	1 186	462	724	1,020	774	R 246
Office of the CFO	14 152	8 699	5 453	10,673	7,853	2,820
Financial Services	23 491	22 047	1 445	19,882	19,964	- 82
Corporate Services	113 273	81 038	32 236	105,653	100,803	4,850
Marketing and Communications	19 241	13 923	5 318	14,629	13,379	1,250
Fleet Maintenance Services	160 327	142 988	17 338	114,037	107,747	6,290
Transport Support Services	330 084	307 199	22 885	308,115	299,170	8,945
Permanent Fleet	710 616	605 725	104 891	554,285	524,704	29,580
VIP & Pool Services	23 487	21 194	2 293	18,778	17,424	1,354
Logistics Management	16 940	6 126	10 814			
Total	**1 428 786**	**1 213 871**	**214 915**	**1,155,412**	**1,098,926**	**56,487**

The employee costs increased by 5% to R111.540 million (2023/24: R105.790 million) due to the implementing its plans on the filling of vacant positions including those of senior management.

The cost of sales increased by 105.% to R143.887 million (2023/24: R70.124 million) due to the increased number of auctions held and increased number of vehicles sold during the 2024/2025 financial year.

The surplus for the financial year increased by 9.7% to R 553.056 million (2023/24: R504.062 million).

Intervention on budget spending

As at 31 March 2025, as depicted in the table above, the Entity underspent by 5%. The reported underspending was due to the following:

- The entity reported an underspending of R104 million on vehicle acquisition due to the spending patten being largely dependent on the average lead delivery times by the manufacturers in respect of vehicles ordered by the Entity. These vehicles will be delivered in the first quarter of the next financial year, and the budget has been accounted for in the new financial year to cover the costs associated with these deliveries.
- The entity has reported an underspending of R10.9 million due to the delays in finalising the implementation plan for the transfer of logistics functions from other departments to g-FleeT Management. Delays in procuring the warehouse systems and filling in of the five posts that have been approved.
- The entity has reported an underspending of R32 million due to the new Integrated Fleet Management System and renovation of the registry basement in Bedfordview. the budget that affected these projects is expected to be fully utilised in the new financial year.
- The entity has reported an underspending of R39 million on repairs and maintenance as well as fuel due to the December 2024 and January 2025 RT46 invoice being relatively low due toclient department activities being less compared to the other months of the financial year.

Mitigating plans in relation to the challenges listed above have been explored and will be implemented during the 2025/2026 financial year. In addition, the Entity continues to monitor its spending pattern and procurement plan monthly with the aim of timeously addressing any challenges pertaining to over/under spending.

STATEMENT OF FINANCIAL POSITION

The Entity has a strong asset base which is reflective of the operations. Significant asset classes include finance lease receivables, property, plant and equipment, and cash funds. The liabilities are limited to finance lease obligations and payables which arise from the Entity's operations.

The carrying value of non-current assets increased by 16% to R1.757 billion (2023/24: R1.514 billion).

The receivables from exchange transactions increased by 132% to R327.318 million (2023/24: R140.922 million). The average debtor's days decreased by 12.23% (the ratio indicating debt levels to revenue generated from such debtors) to 36.37 days on 31 March 2025 (31 March 2024: 41.44 days).

The Entity converted some of the prior year debt receivables into cash, and this is reflected in the increase of cash funds to R2.745 billion (2023/24: R2.647 billion).

The Accumulated Surplus increased from R4.454 billion on 31 March 2024 to R5.008 billion on 31 March 2025. The Entity 's net worth continues to grow on a yearly basis.

CASH FLOW STATEMENT

The cash generated from operating activities decreased to R576.097 million (2023/24: R633.234 million).

Net cash flows from investing activities increased to R477.622 million (2023/24: R425.275 million).

TARIFFS

The Entity rents out its vehicles using either a Full Maintenance Lease (FML) tariff or a short -term lease tariff.

The FML tariffs are more closely aligned to the costs that need to be recovered in respect of each vehicle leased to a client department. Most of the Entity's vehicles are currently leased out under the FML tariff regime.

The structure of tariffs is such that over the lease term, the Entity will recover the cost of the vehicle to ensure that the vehicle can be replaced at the end of its useful life. Tariffs also consider the direct and indirect costs required to maintain the vehicle over the lease term. The direct costs include the costs of a maintenance plan for routine preventative maintenance, routine tyre replacements, tracking, and licensing. The indirect costs are encompassed in an administration fee, which covers the cost of the Entity's staff and infrastructure and non-routine repairs. Future expected inflation is added to these costs upfront and charged evenly each month.

The cost of fuel, oil, and toll gates is incurred by client departments using fuel cards. These costs are charged to client departments monthly based on the actual costs incurred on the fuel, cards allocated to them. No exceptions, discounts, or free services are offered to client departments.

During the 2023/2024 financial year, the entity, through the appointment of the Council for Scientific and Industrial Research (CSIR), implemented a tariff structure review and benchmarking exercise focused on establishing the competitiveness and financial sustainability of the entity's tariff structure within the government fleet industry market. Whilst the overall outcome was positive for the entity's completeness and financial sustainability, the exercise also provided management with valuable information and recommendations on how to further improve on its market share within the government fleet management sector. During the 2024/25 financial year, the Entity reengaged the services of CSIR to expand on the original work and undertake a technical study and recommend tariff optimisation and development of a revised tariff calculator. The project is expected to be completed at the end of June 2025.

FREE SERVICES

No free services were rendered that would have yielded significant revenue had a tariff been charged.

SALES OF CAPITAL ASSETS

The following categories of assets were disposed of through a public auction in line with the approved Assets Management Policy:

- Vehicles that reached the end of their respective life cycles,
- Vehicles damaged in accidents,
- Vehicles that have high mileage, and
- Vehicles that have high repair costs.

UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

During the year under review, the Entity did not incur or report any new unauthorised, irregular or fruitless and wasteful expenditure.

SUPPLY CHAIN MANAGEMENT

All orders and acquisitions that are below the R1 000 000 threshold are administered by the Entity, and were applicable, through competitive bidding processes.

Orders and acquisitions above the R1 000 000 threshold, where applicable, are processed through the open tenders, which are processed through the Departmental Bid Adjudication Committee (BAC) for the approval of the Head of Department. All other bid committee functions, such as bid specification and bid evaluation are carried out and executed by the Entity.

The entity utilises the supply chain management policy and procurement strategy to respond to the social impact priorities of the Gauteng Provincial Government.

In the financial year under review, the following tenders were awarded internally and by implementing agencies for the entity:

Tenders finalised internally:

- Professional financial and asset verification tender was finalised during November 2024. However, the successful bidder later withdrew from implementing the tender, indicating that they had quoted incorrectly for 12 months instead of 36 months as per tender requirements. The Entity was legally advised to cancel the tender, as the tender validity of the other bidders had lapsed following the initial award.

Tenders awarded by implementing agencies:

- No tenders in favour of the Entity were awarded by implementing agencies.

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

The Entity did not receive any donations for the financial year under review.

EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY

The Trading Entity received three deviations in terms of the Public Finance Management Act or Treasury Regulations for the following services:

Tariff optimisation review and develop a revised costing model to the tariff structure

The Council for Scientific and Institutional Research (CSIR) was appointed to assist the entity with implementing a tariff structure review and benchmarking exercise focused on establishing the competitiveness and financial sustainability of the entity's tariff structure within the government fleet industry market.

Renewal of office accommodation and parking at the Kiosk at OR Tambo International Airport.

The lease agreement with Airports Company of South Africa (ACSA) was expiring on 31 July 2024 for the leasing of OR Tambo Kiosk. This space is used for VIP & Pool clients such as executive officials, i.e., judges, premiers, MEC's, municipal managers and other senior government officials who may be travelling around the country for official purposes.

Provision of training for five staff members, procurement of one additional license and payment of annual licenses.

The implementation of the CaseWare system in 2015 by GPT, in agreement with all GPG entities, was a strategic decision to modernise and standardise financial reporting across Gauteng Provincial Government (GPG) entities.

On award of the tender and finalisation of contracting processes with Adapt IT (CaseWare Africa), a sole service provider of the CaseWare system, the system was disseminated to all GPG entities for adoption and implementation. In terms of the contract, entities would need to ensure that they budget and pay for ongoing licenses and training on the system.

Noting that CaseWare is the current system used by GPG institutions, and for the entity to be able to use the system, the entity would be required in the interim to renew the software licenses until a procurement process for a new system is initiated.

Therefore, the renewal of software licenses would be justified through the sole source process, due to sole ownership of the system and the impracticality of renewing licenses with other service providers who are not the owners of the system.

EVENTS AFTER THE REPORTING DATE

There are no subsequent events to be reported upon at this stage.

ACKNOWLEDGEMENTS APPRECIATION

I wish to thank the MEC, HOD and all stakeholders who have invested a great deal in assisting g-FleeT Management during the period under review. My appreciation also extends to the g-FleeT Management and staff for their committed dedication and hard work in striving to achieve the mandate of The Entity in working during the period under review. Furthermore, I wish to thank the various client departments for continuing to work with the Entity during this period.

Mr Poobalan Govender, CA(SA)
Acting Chief Executive Officer
g-FleeT Management

Date: 31 July 2025

4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate, and is free from any omissions.

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

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

The Accounting Officer is responsible for the preparation of the Annual Financial Statements and the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of The Entity for the financial year ended 31 March 2025.

Yours faithfully,

Dr. Thulani A. Mdadane (Dr)
Accounting Officer
Gauteng Department of Roads and Transport

Date: 31 July 2025

5. STRATEGIC OVERVIEW

VISION

We keep Government Service Delivery on the Move.

MISSION

We will achieve our vision by:

- Providing effective, competitive and efficient fleet services to government.
- Focusing on providing reliable fleet to meet client needs.
- Building and maintaining sustainable stakeholder relations.

VALUES

Furthermore, core values applicable to the Provincial Government were revised and are reflect as follows:

"…Competence, Accountability, Integrity and Responsiveness…"

These values are all underpinned by the concept of teamwork and will apply to the Entity as well as to all officials of g-FleeT Management. A detailed description of what each core value encapsulates, is outlined below:

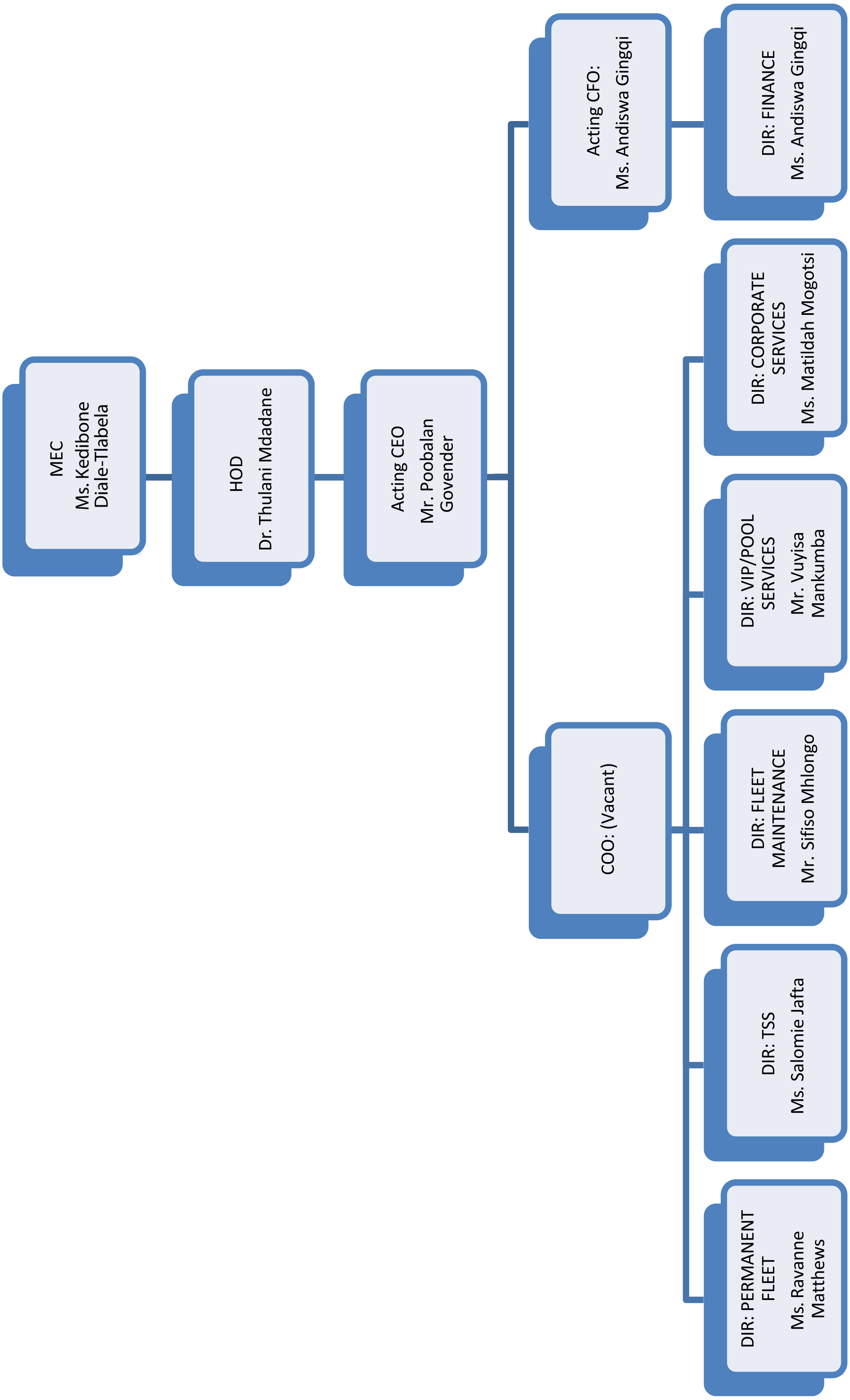
CORE VALUES	DETAILED DESCRIPTION
COMPETENCE	*We commit to being competent and excellent at all times.* *We undertake to deliver services with passion, excitement and enthusiasm.* Our people can do the tasks they are appointed to do, live our values and always strive for excellence. We all deliver on our outcomes and targets with quality, on budget and in time. We demonstrate an understanding of and work together to achieve our role in our Constitutional and electoral mandate.
ACCOUNTABILITY	*We pledge to be answerable to our stakeholders in the execution of our mandate and service delivery activities.* *We commit to deliver a service that meets our stakeholders' expectations.* We have a clear understanding of our objectives, roles, delegations and responsibilities. We are committed to delivering agreed outputs on time. We hold each other accountable and know we can trust to do what we say we will. As individuals, we take responsibility and ownership for our outcomes and accept the consequences of failure to do so.

CORE VALUES	DETAILED DESCRIPTION
INTEGRITY	*We commit to being ethical, professional, principled, fair and just in our conduct.* *We pledge to uphold sound principles of institutional management and efficient systems and processes in service delivery.* We seek truth and a greater understanding of it in each situation and we do what is right. We are honest, show respect and live out our positive values. We are reliable and trustworthy, doing what we say we will There are no grey areas with integrity applied at all levels and in all instances, ensuring we are corrupt free.
RESPONSIVENESS	*We shall be approachable, receptive and quick to respond to stakeholder needs.* We take our fellow public servants seriously, listening to and hearing their voices. (Listening more and talking less). We respond with action timeously, always asking is this the right response, and where we could be potentially wrong, how we can do it better? We engage collaboratively with each other, our stakeholders and the media, providing full information. Our focus is the past, present and future public service citizens, and responding as their government for the best results for the people we serve. They tell us how well we respond.

6. LEGISLATIVE AND OTHER MANDATES

Legislation	Act/Policy
Public Finance Management Act (PFMA) A trading entity means an entity operating within the administration of a department for the provision or sale of goods or services.	Act No.1 of 1999
Treasury Regulations (TR) Governs the operations of the organization in terms of its policy and reporting framework, establishment, capital requirements, disposal of assets, surrender of surplus funds, and financial reporting.	Issued in terms of the PFMA, 2001
Transport Circular 1 of 1988 Transport Circular 1 of 1988 – transferred the government motor transport functions and government garages to the provincial administration, following a Cabinet decision, with effect from 1 April 1988.	Circular 1 of 1988
Government Motor Transport Handbook The Handbook is applicable to all government motor vehicles, whether these vehicles are owned or rented by government with the purpose of utilising it for official purposes.	Version 1 of 2019

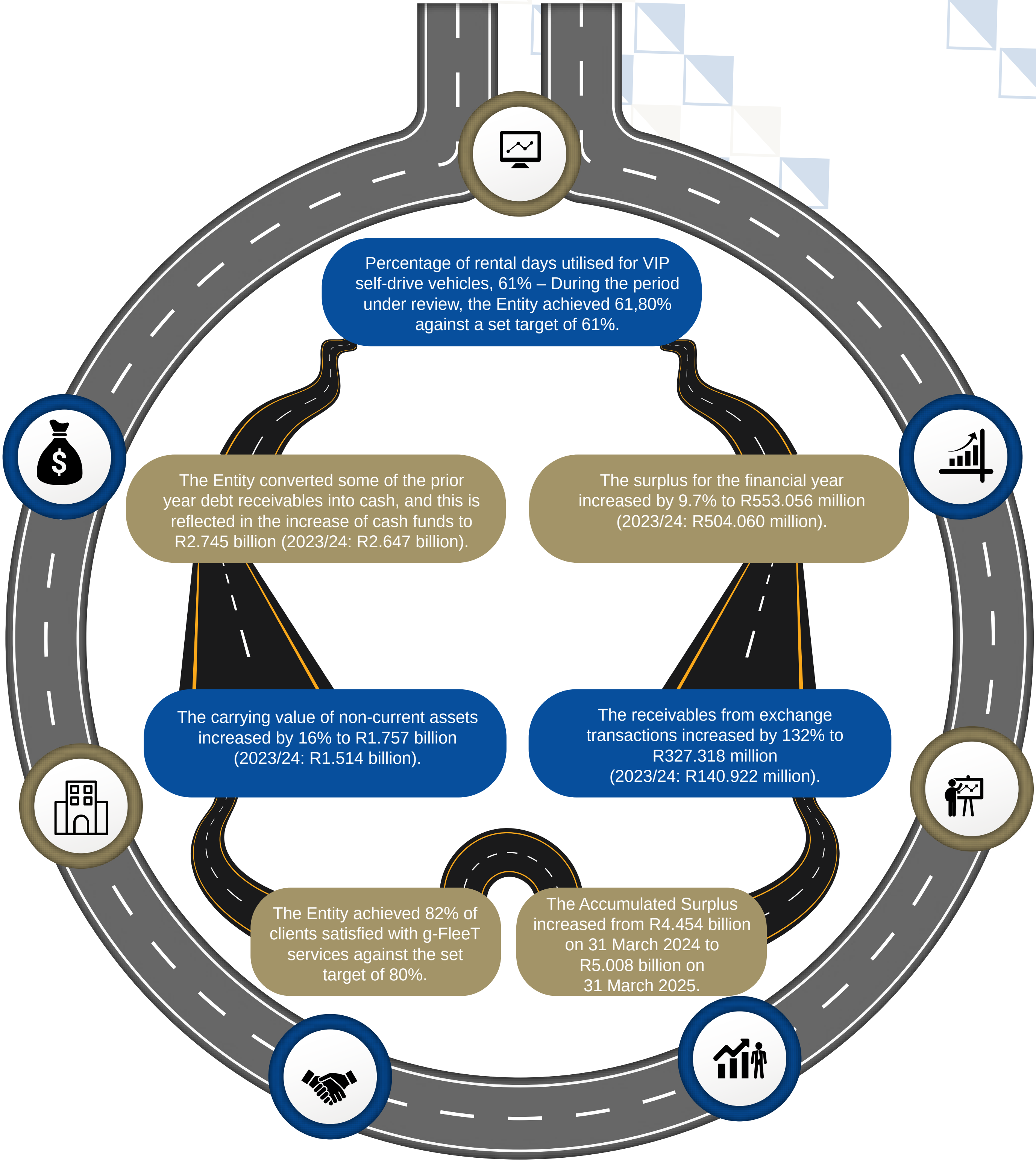
7. SMS ORGANISATIONAL STRUCTURE



G-FLEET MANAGEMENT

PART B

PERFORMANCE INFORMATION


Percentage of rental days utilised for VIP self-drive vehicles, 61% – During the period under review, the Entity achieved 61,80% against a set target of 61%.
The Entity converted some of the prior year debt receivables into cash, and this is reflected in the increase of cash funds to R2.745 billion (2023/24: R2.647 billion).
The surplus for the financial year increased by 9.7% to R553.056 million (2023/24: R504.060 million).
The carrying value of non-current assets increased by 16% to R1.757 billion (2023/24: R1.514 billion).
The receivables from exchange transactions increased by 132% to R327.318 million (2023/24: R140.922 million).
The Entity achieved 82% of clients satisfied with g-FleeT services against the set target of 80%.
The Accumulated Surplus increased from R4.454 billion on 31 March 2024 to R5.008 billion on 31 March 2025.

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the management report, with material findings being reported under the ***Report on the audit of the annual performance report*** section of the auditor's report.

Refer to pages 364 – 370 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF THE ENTITY'S PERFORMANCE

Service Delivery Environment for 2024/25

RT 46 CONTRACT

RT46 Contract is a Transversal Term Contract arranged and administered by Contracting Chief – Directorate within the Office of the Chief Procurement, National Treasury. The contract is then entered into between the National Department of Transport and RT46 Contract Service Provider (FNB).

The entities/government garages would participate in the RT46 contract. The contract is for the provision of vehicle fleet management services to the state for a period of five years from 1 April 2021 to 31 March 2026.

It allows for fuel card and e-Toll payments; vehicle repairs and maintenance (mechanical and accident); inspection of vehicles under repairs; and 24/7 towing and recovery.

CHALLENGES WITH FNB

The Entity has been experiencing challenges with WesBank ever since the inception of the RT46 2020 contract, and some of the issue remain unresolved. For example:

- Critical Fleet Maintenance reports not available/poor quality/inaccurate (vehicle downtime, projected maintenance, and executive reports) – Reports have since been made available; however cleaning up of the reports is underway to improve the quality of the report.
- Misalignment of accident vehicle repairs process, resulting in high turnaround time causing backlog of vehicles under repairs: Accident repair processes have been realigned and put in place.
- Delays in the inspection and assessment of vehicles under repairs: Insourced inspection/assessment has since been put in place to address delays.
- Delays on authorisation of vehicles under repairs: A number of interventions have since been put in place to improve efficiency on authorisations.
- FNB – The merchant development programme currently in place is not clearly responding to the target market (26 priority township/TISH/TER) – Customized Merchant Development Programme is approved and is being implemented.

Several interventions to improve the performance of the RT46 contract service providers have been put in place, namely:

- Fleet Maintenance Unit Customer Satisfaction Survey APP has been developed, tested and is in place.
- Operationalisation of the in-house panel beating workshop. To bring the process of accident repairs closer to g-FleeT.
- Introduction of a vehicle inspection/assessment unit to ensure quality and cost control on vehicles.
- HOD's approval for g-FleeT Inspectors to conduct inspections in and outside the province was granted.
- Approval for scheduled assessment and inspections of merchants and validation of repairs was granted.
- Close monitoring (weekly meeting with WesBank) for effective RT46 contract management.
- Implementation of the RT46 Contract Penalty Schedule as per the terms and conditions of the RT46 contract and the SLA.
- Continuous review and realignment of vehicle repairs & maintenance processes.
- Continuous review and update of engagement mandate in line with the Entity's and the client's expectations.
- HOD's approval for g-FleeT to administratively manage the accident repairs process inhouse was granted.

- A delegation of authority on authorisations of vehicle repairs was approved by the HOD to cut down the lengthy turnaround time on authorisations.
- The Entity had developed a Merchant Development Programme which seeks to address work allocation (RT46 Contract) to the target market, and the implementation of the programme is ongoing.

In terms of the reports, two of the Entity's output indicators, namely, average number of days taken for mechanical repairs and average number of days taken for accident repairs were removed from the APP due to the non-availability of critical fleet management reports in relation to the KPI, which included the following reports:

1. Turnaround time on mechanical repairs vehicles (Downtime Report)
2. urnaround time on accident repairs vehicles (Downtime Report)
3. Number of vehicles serviced as per manufacturers specifications (Projected Maintenance Reports)

The reports have since been made available, but the quality of the reports is still unsatisfactory, and to address this challenge, RT46 and the tracking system are being integrated to assist in improving the accuracy of the report. Systems have been successfully integrated, and the reports made available.

The RT46 Contract service provider's new Fleet Management System was developed and implemented as of 31 June 2023 to address some of the system-related challenges.

RT57 CONTRACT

The RT57 (purchasing of vehicles) is a transversal contract managed by the National Treasury (through the Office of the Chief Procurement Officer) and the National Department of Transport. It provides a streamlined process to purchase vehicles at reduced prices, although the choice of vehicles and engine capacity resides primarily with the user Department.

The new RT57 contract came into effect in July 2023 and will be due for renewal in June 2026. The contract will start the last year before renewal in July 2025.

SUPPLIERS (NON-OEM) SELLING VEHICLES FOR ORIGINAL EQUIPMENT MANUFACTURERS (OEM)

Vehicles sold by non-OEM suppliers sometimes do not offer a discounted price that may have been offered by an OEM had the OEM participated in the contract. Pricing may sometimes be more than what the market offers. The National Treasury must encourage OEMs to support non-OEMs selling their vehicles through the RT57 and not be at "arm's length". When non-OEM suppliers receive an order or orders with a huge volume of vehicles to supply, they are expected to provide capital upfront prior to vehicles getting delivered to the state. For small companies, this becomes an impediment to fulfilling orders, which results in the state suffering loss in time and cost.

COST OF ELECTRIC VEHICLES (EVs)

Although there are EVs offered in the RT57 contract, the cost of these vehicles is prohibitive. There is, however, an appetite by some OEMs to introduce smaller and "affordable" EVs. These "affordable" EVs may or may not be suitable for some of the department's applications due to range-related limitations. The National Treasury and National Department of Transport must encourage wider participation in the RT57 contract by OEMs who sell EVs. This may lead to contract competition and possible EV price reduction in the contract.

VEHICLES PURCHASED WITH SERVICE/MAINTENANCE PLAN

Some of the suppliers structure the cost of some of their vehicles' service/maintenance plans to be specific for the contract, which may not always be advantageous government in that they may be expensive.

Sone non-OEM suppliers sell vehicles and service/maintenance plans that are not managed by agents appointed by the relevant OEM. This results in OEM dealerships not having immediate access to the systems of the agents administering the service/maintenance plan when vehicles are brought in for scheduled service.

Service/maintenance plans should either mirror what is sold in the market, be advantageous to the state and must be active from the delivery date. Subcontracting RT57 suppliers must sell service/maintenance plans administered by OEM-appointed administrators or agents. National Treasury will be requested to tighten the special conditions of contract relating to service/maintenance plans when issuing the new contract terms of reference.

LOGISTICS FUNCTION

The provision of logistics in the province is currently provided on a fragmented basis wherein individual departments perform their own operations. The establishment of the logistics function aims to ensure service delivery to the citizens of Gauteng, through a centralised focus with an efficient and cost-effective supply chain that supports social and economic transformation. The repurposed g-FleeT must be able to respond to provincial department's wastage and delays in the performance of logistics operations inGauteng.

The sourcing of supplies, distribution, and warehousing process in the province is fragmented and not properly coordinated through a government function. Currently, user departments individually procure and deliver to areas of need. The incremental inefficiencies in the time taken and the delivery require a new approach, in that the delivery has taken longer than needed and at a cost over a period. Therefore, there is a need to eliminate administrative inefficiencies to reduce the turnaround time, gain from economies of scale, and save costs in a single system of command to improve efficiencies in the warehousing and delivery needs through a centralised system and department which will perform the end-to-end function in the province.

The logistics operations will encompass all aspects of the delivery process, including loading and unloading, route optimisation, and inventory management

THE PROCESS TO DATE

- The Gauteng Provincial Government, through the Executive Authority of Transport and Logistics appointed CSIR to develop the business case for the development of the logistics function or repurposing the g-FleeT management to perform the logistics function. The function is expected to optimise the current logistics activities and develop the function to increase efficiency and reduce costs, supporting social transformation through the inclusion of disadvantaged communities (townships, informal settlements, hostels, and others) and people with disabilities.
- Consultation with the departments in the Gauteng province has been concluded to provide the necessary data on how effectively and efficiently the function can be implemented.
- The focus of the work is on end-to-end logistics, which refers to the entire supply chain process from the source of goods to the end-user receiving the goods.
- The business case has been developed which describes (1) the current functioning of the Department of Health and Education supply chains, (2) an appropriate role for g-FleeT in developing its logistics function in support of end-to-end supply chains for improved service delivery, and (3) the warehouse infrastructure has been developed, (4) warehouse management system has been procured, and (5) the recruitment of personnel has been started.

The logistics operations approach will recognise that every organisation must be understood as a system, that is, a set of elements among which there is an interdependence relation.

Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
• Full Maintenance Lease (FML) – The FML is a long-term vehicle lease service offered by g-FleeT which is comprised of a fixed rental cost over a selected period of a minimum of 12 months up to seven years, depending on the type of vehicle and the functional needs of the client. • Short-term motor rentals – is a short-term vehicle lease service offered by g-FleeT which is comprised of a fixed rental cost over a selected short period (less than 12 months). • Chauffeur driven, which provides both driver and vehicle for hire over a short-term period. • Fuel card services – for payment of the fuel and toll gate fees • Managed maintenance – a call centre to ensure authorisation is only given for necessary maintenance that complies with manufacturers standards and is in line with manufacturers guidelines. • Telematics, for tracking and monitoring of vehicles and drivers • Accident management and roadside assistance, which assists our clients with towing and repairs of vehicles • Licence and traffic fine administration which is responsible for: • Motor vehicle registration and licensing • Ensuring that every fine is re-routed to the correct offender.	g-FleeT customers (i.e. government Department and municipalities)	The Entity has SLAs with various client departments.	The desired standard of service is in terms of the SLA between g-FleeT and the customer.	The actual achievements on various targets are explicitly covered in the Annual Performance Plans information.

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

Current/actual arrangements	Desired arrangements	Actual achievements
Not Applicable - The Entity does not deal directly with communities	Not Applicable - The Entity does not deal directly with communities	Not Applicable - The Entity does not deal directly with communities

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Existing contracts with customers	Executive automated dashboard	Customer survey indicating 82 percent satisfaction levels.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Manual complaints mechanism	Automated complaints system on the website with tracking sheet	Customer survey indicating 82 percent satisfaction levels.

ORGANISATIONAL AND EMPLOYEE ENVIRONMENT

One of the unique features of the Entity is that it is required to be financially self-sustainable while not receiving any budget allocation from the Gauteng Provincial Treasury (GPT) or Gauteng Department of Roads and Transport (GDRT). In addition, the Entity must develop its own financial systems, prepare its own set of financial statements and accounts separately to various Governance Committees (i.e., Audit Committee, Risk Management Committee, Standing Committee on Public Accounts and Legislature), is audited separately by the Auditor-General of South Africa (AGSA) and prepares its own Strategic Plan and Annual Performance Plan (APP).

These are functions required by the Entity, however not incorporated in the current organisational structure because of the "form and shape" of the Entity. The GDRT provides support and assistance in the following functions:

- Information Communications and Technology,
- Anti-fraud and Corruption,
- Risk Management Committee,
- Monitoring and Evaluation

Consultations with the business units were concluded, and input was submitted to the Office of the Premier to incorporate in the proposed structure. However, organised labour requested that the process should be restarted and that they be officially consulted. The Steering Committee, comprising of management and organised labour has been resuscitated to review g-FleeT and DRT structures. Final consultations with the business units were concluded and input will be resubmitted to the Office of the Premier to Incorporate in the proposed organisational structure.

The change management strategy and plan have been developed by the Office of the Premier and will be shared with all employees as part of consultation sessions.

Form and Shape of the Organisation

The Entity is establishing g-FleeT Management as a Public Entity. The Entity has developed and has submitted its business case and draft organogram to the Gauteng Provincial Treasury (GPT) in June 2024; however, g-FleeT Management was advised to revise the business case and establish g-FleeT Management as a Public Entity. G-FleeT Management appointed Gautrain Management Agency to assist with the revision of the business case.

HIGH VACANCY RATE

The vacancy rate in the 2024/2025 financial year was at 18% as indicated below:

Level	Approved Establishment	Filled(including contract workers)	Vacant	Vacancy Rate
SMS (Level 13 to 16)	8	7	1	13%
Level 11 to 12	17	17	0	0%
Level 7 to 10	107	98	9	9%
Level 1 to 6	143	101	52	29%
TOTAL	**275**	**223**	**52**	**18%**

The Entity has a total of 275 positions in the current approved structure, with 223 filled positions and 52 vacant positions. The current vacancy rate is at 18%.

As a transitional arrangement that supports the work towards the operationalisation of the logistics function, the Entity obtained approval for the creation and filling of five logistics posts in addition to the establishment of the Entity. This interim arrangement will enable a focused approach towards implementing the vision of the province.

Key policy developments and legislative changes

The Competition Commission

On 10 December 2020, the Competition Commission ("Commission ") issued the final guidelines for competition in the South African Automotive Aftermarket ("Automotive Guidelines "), effective 1 July 2021

The Guidelines were prepared in terms of Section 77 of the Competition Act (89 of 1998, as amended), to provide practical guidance to industry players towards the adoption of pro-competitive measures in the automotive aftermarket and to promote greater participation of small businesses as well as historically disadvantaged individuals (HDIs) in the market. The guidelines also place responsibility on all industry players to disclose certain information to consumers to enable them to make informed choices; the guidelines also address consumer safety. A dispute resolution process and a self-monitoring mechanism by industry stakeholders are also articulated.

The Automotive Guidelines are intended to promote inclusion and to encourage competition through greater participation of small businesses as well as historically disadvantaged groups.

Some of the novel measures proposed in the Automotive Guidelines, which have cost, staffing and legal implications for participants in the automotive industry, are the following:

- The unbundling of the new motor vehicle price from the price of the service and/or maintenance plan of that motor vehicle. In other words, dealers must ensure that at the point of sale of a motor vehicle, that consumers have full disclosure of the

a) purchase price of the motor vehicle; and

b) the purchase prices of service and maintenance plans, and other value-added products. Consumers will then have the choice whether to purchase the motor vehicle and service/maintenance plan separately or at the same time.

- Original Equipment Manufacturers (OEMs) and independent third-party providers must transfer a service and/or maintenance plan to a replacement motor vehicle in circumstances where the motor vehicle is written off by the insurer.
- In circumstances where there is no replacement motor vehicle after a write-off or it's not feasible to transfer a service and/or maintenance plan to a replacement motor vehicle, the consumer must be afforded the right to cancel the service and/or maintenance plan contract and/or receive a refund for the balance of the product.

- Approved dealers that sell new motor vehicles and products of competing OEMs must ensure that they do not engage in price coordination. Specifically, the prices of competing motor vehicles and products must be determined by different individuals within the dealership.
- Approved dealers that sell new motor vehicles and products of competing OEMs must ensure that no commercially sensitive information (including information stored in the cloud) is provided or shared with competing OEMs.

The Automotive Guidelines are effective from 1 July 2021, and affected parties in the automotive industry, thus, have until 1 July 2021 to ensure their businesses and business arrangements are compliant. Although the Automotive Guidelines are non-binding on the competition authorities, it indicates the Commission's approach on any matter falling within its jurisdiction in terms of the Competition Act, No. 89 of 1998 ("Competition Act"). Importantly, the Automotive Guidelines do not preclude the Commission from pursuing any firm in the automotive industry for anti-competitive conduct through the Commission's enforcement powers

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Impact statement	A sustainable, safe, efficient, reliable and affordable fleet management solution

Programme 1: OPERATIONAL MANAGEMENT SERVICES

This programme is responsible for providing fleet management services that are effective, efficient, and client-focused.

The following are the sub-programmes of the structure:

- Permanent Fleet
- Finance
- Transport Support Services
- Communications

Outcomes, outputs, output indicators, targets and actual achievements

- **Percentage of green vehicles in the Entity's fleet: 10%** – this target is required to ensure reduction in the carbon footprint (i.e., decreasing greenhouse gas emissions produced by road transportation as expressed in the Green Transport Strategy for South Africa 2018-2050). The Entity is striving to minimise the impact of its core assets (vehicles) on the environment. As such, a target of 10% was set. The Entity achieved 10.4% of green vehicles in the Entity's fleet. This was due to an increase in the demand for green vehicles.
- **Average age of fleet: ≤4 years** – this outcome seeks to ensure that vehicles provided by g-FleeT Management are efficient and reliable. This is necessary to ensure that the cost of maintaining vehicles is minimised. The Entity kept the average age of the fleet at less than 4 years; an achievement of 3.2 years was achieved during the financial year under review. The disposal of redundant vehicles and the acquisition of 1223 new vehicles ensured the target was achieved.
- **Percentage of vehicles auctioned as per approved list** – the Entity had a target of 80% of all approved vehicles to be sold and achieved 92% against the set target for the year under review. The overachievement was due to the aggressive advertising mechanisms, which led to bidders.
- **Percentage of in-service vehicles tracked: 95%** – The outcome (safeguarding of the state assets by installing comprehensive vehicle tracking units) allow for vehicles to be tracked and traceable. This in turn is used for route optimisation, location of a vehicle at a particular point in time, monitoring mileage, speed, etc.

  All these have a direct impact on the sustainability of the asset (vehicle) and safety and efficiencies. The set target for the financial year was to have 95% of in-service vehicles tracked. The Entity achieved 96% of in-service vehicles tracked. The indicator was overachieved due to the new vehicle installations balancing out with the auction vehicles.
- **Percentage of clients satisfied with g-FleeT services** – this outcome is measured by assessing clients' satisfaction levels with the products and services offered by g-FleeT and measuring how well they meet customer expectations. The planned target for the 2024/25 financial year was set at 80%. The Entity achieved 82% of clients satisfied with g-FleeT services. The exercise is also crucial for identifying various aspects of g-FleeT's products and services for improving customer satisfaction.

Table 2.4.4.1:

(The table below ONLY reflects the revisions to the original APP until quarter three of the 2024/25 financial year). This output indicator is an annual target; therefore, no actual performance is reflected at the time of revision. The revision entails changing the wording in the indicator.

Programme / Sub-programme: Operational Management Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2024/2023	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

*Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan until the date of re-tabling (in the instance where a department has re-tabled an Annual Performance Plan in the financial year under review).

Table 2.4.4.2:

The table below reflects the planned and actual achievements against the adjusted and re-tabled 2024/25 APP. The APP was revised during the first month of the 3rd quarter of the 2024/25 financial year and was approved in October 2024.

Programme / Sub-programme: Operational Management Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2024/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Reduced Carbon Footprint from the Entity	Percentage of green vehicles in the Entity's fleet.	Percentage of green vehicles in the Entity's fleet.	7.3% (424/5771)	8.3% (528/6296)	10% of green vehicles in the Entity's fleet	10.4%	+0.4	Client demand through the procurement of low-emission/green vehicles exceeded the target.
Improve efficiency & customer service	Average age of fleet	Average age of fleet	4 Years	3.5 Years	≤ 4 Years	3,2 years	-	The disposal of redundant vehicles and the acquisition of 1223 new vehicles ensured the target was achieved.
Maximised return on investment	Percentage of vehicles auctioned	Percentage of vehicles auctioned as per approved list.	93%	85%	80% of vehicles auctioned as per approved list.	92%	+12%	Effective advertising mechanism leading to more bidders.

Programme / Sub-programme: Operational Management Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2024/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	**Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Safeguard state assets	Vehicles tracked	Percentage of in-service vehicles tracked	89% (5089)	97% (6108)	95% of in-service vehicles tracked.	96% (6462)	+1%	The new vehicle installations were balancing out with the auction vehicles.
Improve client experience. Improve customer satisfaction and loyalty.	Percentage of client satisfaction	Percentage of clients satisfied with g-FleeT services	81.22%	-	80% of clients satisfied with g-FleeT services	82%	+2%	The prepared, concise, and understandable questionnaire and the draft discussion guide for the in-depth interviews were crucial in gathering pertinent data for the client's overall satisfaction. Through the client satisfaction survey, g-FleeT clients play an important role and contribute immensely as a reliable barometer to measure our service standards. In terms of the overall target or results, the Entity does not have control over the outcome, as the survey project is independent, and we cannot influence the outcome from the clients.

**Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan (in the instance where a department did not re-table the Annual Performance Plan in the financial year under review) OR in relation to the performance information reflected in the re-tabled Annual Performance Plan.

Strategy to overcome areas of underperformance.

None

LINKING PERFORMANCE WITH BUDGETS

The Entity has reported under-expenditure for both the current and previous financial years. The under-expenditure in both financial years is largely driven by factors not fully within the control of the Entity such as the following:

- The entity reported an underspending of R104 million on vehicle acquisition due to the spending pattern being largely dependent on the average lead delivery times by the manufacturers in respect of vehicles ordered by the Entity.
- The entity has reported an underspending of R39 million on repairs and maintenance as well as fuel due to the December 2024 and January 2025 RT46 invoice that is relatively low due to the fact that client department activities are less compared to the other months of the financial year.
- The entity has reported an underspending of R10.9 million due to the delays in finalising the implementation plan for the transfer of logistics functions from other departments to g-FleeT Management. There were also delays in procuring the warehouse systems and filling five approved posts.

Despite the under-expenditure within this programme, the Entity, through its interventions, was still able to report achievement of all performance targets within this programme.

Sub-programme expenditure

Sub- Programme Name	2024/2025			2023/2024		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Permanent Fleet	R 710 616	R 605 725	R 104 891	R 554 285	R 524 704	R 29 580
Finance	R 23 491	R 22 047	R 1 445	R 19 882	R19 964	(R 82)
Transport Support Services	R 330 084	R 307 199	R 22 885	R 308 115	R 299 170	R 8 945
Fleet Maintenance	R 160 327	R 142 988	R 17 338	R 114 037	R 107 747	R 6 290
Communications	R 19 241	R 13 923	R 5 318	R 14 629	R 13 379	R 1 250
TOTAL	**R 1 243 759**	**R 1 091 882**	**R 151 876**	**R1 010 948**	**R 964 964**	**R 45 983**

Programme 2: Corporate and Financial Management

This programme is responsible for ensuring a well-run organisation by designing and maintaining effective systems and processes that will result in optimal use of The Entity's assets in the delivery of services.

The following are the sub-programme structures:

- VIP and Pool Services
- Finance

Outcomes, outputs, output indicators, targets and actual achievements

- **Percentage of rental days utilised for VIP self-drive vehicles, 61%** – the Entity achieved 61,80% against a target of 61%. This contributes to the impact of a sustainable, safe, efficient, reliable, and affordable fleet management solution. The overachievement was due to the high demand for short-term rental services.
- **Percentage of rental days utilised for Pool vehicles, 80%** – the Entity achieved 90,55% against the target of 80%. This in return maximise Entity returns and ensure financial sustainability. The overachievement was due to the high demand for short term rentals.
- **Unqualified opinion from the Auditor General of South Africa** – The Entity obtained an unqualified 2023/24 audit opinion, with no material findings on compliance and performance information. The target was overachieved; the Entity received a clean audit outcome.
- **Percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity): 10%** – while this is necessary for clean administration, it has direct implications for the financial sustainability of the Entity. As such, a target of 10% reduction on outstanding debts was set. The Entity's achievement for the year under review was 12.23%. The achievement was due to aggressive follow-ups on debtors in line with the debtors' management policy.

Table 2.4.4.1:

The table below ONLY reflects the revisions to the original APP until quarter three of the 2024/25 financial year. The indicator revised reflects actual performance is reflected at the time of revision.

Programme / Sub-programme: Corporate and Financial Management									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2024/2023**	**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**
Improved debt collection	Reduction in the average debtors' collection period	Percentage decrease in average debtors' collection days. (Excluding outstanding balances of clients that have payment arrangements with the Entity)	18.06%	18.57%	15% (Excluding amounts owed by clients that have submitted written payment arrangements)	Increased by 95.41%		Non-billing of vehicles for July and August. eGov to provide immediate support and maintenance of the system until the challenges are resolved.	The Entity proposed that this indicator be revised downwards from 15% to 10%. The revision was necessitated by the following: Cost containment directive from Treasury. Economic reasons experienced by client departments.

*Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan until date of re-tabling (In the instance where a department has re-tabled an Annual Performance Plan in the financial year under review)

Table 2.4.4.2:

The table below reflects the planned and actual achievements against the adjusted and re-tabled 2024/25 APP. The APP was revised in during the first month of the 3rd quarter of the 2024/25 financial year and was approved at the end of October 2024.

Programme / Sub-programme: Operational Management Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2024/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	****Actual Achievement 2024/2025**	**Deviation from planned target to Actual Achievement 20243/2025**	**Reasons for deviations**
Maximise return on investment	Percentage of rental days utilised.	Percentage of rental days utilised for VIP self-drive vehicles.	76.11%	72.62%	61% of rental days utilised for VIP self-drive vehicles	61.80%	+0.80%	Steady client demand
Maximise return on investment	Percentage of rental days utilised.	Percentage of rental days utilised for pool vehicles	93.01%	89.10%	80% of rental days utilised for pool vehicles.	90.55%	+11.05%	Steady client demand
Clean Administration	Unqualified opinion from Auditor General	Unqualified opinion from Auditor General	Qualified opinion from AG for the 2021/22 financial year.	Unqualified opinion from Auditor General for the 2024/23 financial year.	Unqualified 2023/24 audit opinion from Auditor General	Unqualified 2023/24 audit opinion, with no material findings on compliance and performance information	Overachieved. The Entity received a clean audit outcome.	Overachieved. The Entity received a clean audit outcome.
Improved debt collection	Reduction in the average debtors' collection period	Percentage decrease in average debtors' collection days (excluding amounts owed by clients that have submitted written payment arrangements)	18.06%	18.57%	10% decrease in average debtors' collection days (Excluding amounts owed by clients that have submitted written payment arrangements)	12.23%	+2.23%	Aggressive follow-up on debtors in line with the debtors' management policy.

**Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan (In the instance where a department did not re-table the Annual Performance Plan in the financial year under review) OR in relation to the performance information reflected in the re-tabled Annual Performance Plan.

Strategy to overcome areas of underperformance.

None

LINKING PERFORMANCE WITH BUDGETS

The under-expenditure in both financial years is largely driven by factors not fully within the control of the Entity such as the following:

- The entity has reported an underspending of R32 million due to the new Integrated Fleet Management System and renovation of the registry basement in Bedfordview. The budget that affected these projects is expected to be fully utilised in the new financial year.
- The entity has reported underspending R2.2 million within the VIP and Pool Unit due to delays in the recruitment processes for new drivers, who support the chauffeur VIP services of the entity.

Sub-programme expenditure

Sub- Programme Name	2024/2025			2023/2024		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
VIP and Pool Services	R 23 487	R 21 194	R 2 293	R 18,778	R17,423	R 1,355
Finance	R 23 491	R 22 047	R 1 445	R 19,882	R19,964	(R 82)
ICT	R 14 576	R 6 673	R 7 903	R 7,699	R 6,205	R1,494
TOTAL	**R 61 555**	**R 49 914**	**R 11 641**	**R 46 359**	**R 42 767**	**R 3 767**

G-FLEET MANAGEMENT

PART C

GOVERNANCE

g-FleeT Management

All Senior Managers signed performance agreements to ensure the successful achievement of service delivery and targets as contained in the approved Annual Performance Plan.

All Senior Managers completed and submitted their financial disclosures for the 2024/2025 financial year in compliance with the requirements of the National Department of Public Service and Administration.

The Entity had, for the first time in its history, achieved a clean audit outcome for the 2023/2024 financial year as reported by the Auditor-General of South Africa.

The Entity has an approved whistleblowing policy which is communicated constantly through the ethics and anti-fraud and corruption awareness sessions and induction workshops.

Administrative policies were reviewed, approved, and communicated.

1. INTRODUCTION.

The Entity regards governance as fundamentally important to the achievement of its strategic objectives and the fulfilment of its responsibilities in meeting service delivery standards. It is paramount that the Entity ensures that its values are well defined and are entrenched in all structures of the organisation. The Entity has applied the principles as set out in the code of professional conduct, ensuring that its leadership applies the 'tone at the top' approach in carrying out responsibilities in good faith, with due diligence and care, for the best interests of the Entity and all its stakeholders. The Entity always strives to maintain and improve its standards of good governance through the concerted efforts of various management committees.

2. RISK MANAGEMENT

- The Entity has a risk management framework, charter, policy and strategy.
- The Entity conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new/emerging risks.
- The Entity has a Risk Management Committee that is chaired by an independent chairperson and advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.
- The Audit Committee is the advisory body for the Entity on risk management and independently monitors the effectiveness of the system of risk management.
- There have been applaudable changes in the management of risks; the Entity has made a commitment to manage risks on a continuous basis. This has been attributed to the quarterly risk management committee meetings instituted by the Head of Department and weekly reporting to the Head of Department on the progress status of the identified findings, both AG and GAS findings. Also, the performance contracts of senior management have incorporated risk management for accountability purposes.

3. FRAUD AND CORRUPTION

- The Entity has a risk anti-fraud and corruption policy and strategy.
- The Office of the Premier conducts an annual fraud risk assessment to determine the effectiveness of the risk management strategy and to identify new/emerging risks. A fraud risk register is then established, which is tracked quarterly and monitored by the Office of the Premier.
- The Entity has a Risk Management Committee that is chaired by an independent chairperson and advises management on the overall system of risk management of which fraud- and corruption-related issues are discussed. Fraud and corruption issues are also discussed on a weekly basis with the Head of Department.
- The Audit Committee is the advisory body for the Entity on anti-fraud and corruption-related issues and independently monitors the effectiveness of the system for management.
- The Entity has an approved whistleblowing policy which is communicated constantly through the ethics and anti-fraud and corruption awareness sessions and induction workshops.
- Allegations are reported by respective management using various mechanisms, i.e., hotline, internal audit, and fraud detection reviews.
- A fraud case register forms part of Senior Management quarterly meetings agenda, additionally, monthly meetings have been scheduled with the Entity's CEO, risk management, internal fraud unit and a delegate from the Office of the HOD to discuss fraud cases and progress updates.

4. MINIMISING CONFLICT OF INTEREST

Accountability is fundamental to the organisational integrity. All employees are expected to take responsibility for their actions. Disciplinary matters are resolved in line with the disciplinary code and procedure. Labour relations supports the introduction and implementation of disciplinary management. Application for disciplinary measure is an integral component of an effective fraud and corruption deterrent strategy within the Entity.

The Entity is doing its best to minimise conflict of interest by:

Conducting awareness sessions on Public Service Regulations, 2016 under regulations 13b and f, and it is supported by the Code of Conduct for Public Service that has a pledge. The Entity has also reviewed its policy on conflict of interest. It is also working with various stakeholders such as DPSA, GAS and AG to identify conflict and potential conflict from officials. The e-disclosure that is filed by SMS, MMS and officials from the Finance branch also helps to identify those who might have conflicts of interest. To further minimise Ethics management is working with communications to develop posters, and some intranet posts are issued to educate and sensitise officials on conflicts of interest. Induction programmes are held in partnership with HR development with the newly appointed officials, and an online course is available that covers a lot of issues on ethics management.

5. CODE OF CONDUCT

The Public Service Commission (PSC) developed a code of conduct for the public servants to promote the high standard of professional ethics. The ethical principles contained in the code are applicable to DRT employees. The Entity implemented the code and management to ensure compliance by all staff.

6. INTERNAL CONTROL UNIT

- In accordance with the requirements of the PFMA and best practice, the Entity has a fully resourced internal audit function.
- The Internal Audit performed its audits according to the approved Internal Audit coverage plan. The Plan was based on high-risk areas as per the strategic risk profile.
- The Head of the Entity was appointed and is responsible for strategic and administrative support for the internal audit function.

There is an ongoing process for identifying, evaluating, and managing the significant risks faced by the Entity to prioritise high risk and ensure adequate controls are designed and are tested on a regular basis for effectiveness.

- Fifteen internal audits were planned the year under review, 12 audits were completed for the year under review, three are in progress, zero not yet due, and overall performance percentage is 80%.
- Administrative policies were reviewed, approved, and communicated.
- Quarterly audit reports were presented to the audit committee for independent oversight.
- Risk management action plans were closely monitored for implementation.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

A) INTERNAL AUDIT

Gauteng Audit Services (GAS) provides internal audit services to the Entity. The objective of GAS is to promote sound corporate governance in the province through ensuring an effective internal control environment.

Key Activities of Internal audit

Risk-based internal audit plans were developed by GAS and approved by the respective Entity Audit Committees which exercise oversight over the activities of GAS.

The activities are as follows:

- Risk and compliance audit.
- Performance Audit; and
- Computer Audit.
- Information Technology Risk Assessment.

Specify summary of audit work done

Twelve risk, compliance, performance and computer audits.

During the last quarter of the 2024/2025 financial year, Gauteng Audit Services presented the risk-based three-year rolling internal audit plan for the Entity to the audit committee, having discussed it with the Accounting Officer and recommended for approval by the Audit Committee. The Internal Audit plan was approved by the audit committee for implementation from 1st April 2024

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The establishment of the Occupational Health and Safety (OHS) Committee

The OHS Committee was revived in 2024, and additional members were appointed, including members of NEHAWU and PSA.

A service provider was appointed to conduct Hazard Identification and Risk Assessment (HIRA) services for all g-FleeT buildings. The assessments were done for Bedfordview on 29 October 2024, OR Tambo Airport on 30 October 2024 and Koedoespoort on 30 October 2024. The HIRA final report was received on 22 November 2024. The service provider presented the final report to the OHS Committee members on 11 February 2025.

DRT facilitated an OHS launch which was attended by both DRT and g-FleeT OHS committees on 28 March 2025.

g-FleeT Management is working with the Departmental OHS Specialist to develop evacuation and emergency plans

PORTFOLIO COMMITTEES

Responses to the Committee's Questions on the fourth quarter performance report for the 2023/24 financial year.

Question No	Question / Recommendation	Department Response
18.	g-FleeT Management should provide a report on the state of debt collection	The Entity continues to engage its client departments in terms of debt collection for leasing vehicles with a view to achieving its target of 15% reduction of average collection days and beyond. This target was achieved during the 4th quarter with an actual achievement of 18.57%. The highlights of the debt report are as follows: • As of 31 March 2024, the Entity was owed R150.557 million by client departments nationally and within the province. • As of 16 August 2024, the total outstanding balance is R48.993 million. It must be reported that the highest debt is owed by the Gauteng Department of Health, which has committed to pay the amount outstanding before 31 August 2024.
19.	g-FleeT Management should provide a report on the operational state of the in-house workshop which was launched in the financial year under review.	Operationalisation of the Panel Beating Workshop is done in partnership with Automotive and Skills Development Centre (AIDC). Current Status: The Panel Beating Workshop is 85% ready for its full operational state • Tools and Equipment – 95% • Staff Capacity – 65% • Panel Beating facility readiness (Design, signage and furniture) – 95% • RMI and SAMBRA accreditation – 85% • Accident Management and Quotation system procured and in place – 100% • Standard Operating Procedures – 95% The Entity in partnership with the Automotive and Skills Development Centre (AIDC) – The service provider is in the process of procuring through SCM the Paint Bank System and the Automotive Parts Procurement & Management System to complete the full operational status of the Panel Beating Workshop. The undermentioned items are outstanding, and the procurement process is underway. Paint bank system – Service provider (operator/technical buyer and the system). Automotive Parts Procurement System – Service provider (operator/technical buyer and the system). The estimated date for the appointment of the service providers is 30 September 2024.
20	g-FleeT Management should provide reasons for the significant balance in the Permanent Services Programme and Maintenance Services Programme.	The Permanent Services Programme represents the new motor vehicle acquisition unit within the Entity. The remaining balance within this programme for the quarter under review represents the delay in the delivery of new vehicles ordered during the 2nd and 3rd quarter of the financial year. The manufacturers were unable finalise delivery of the new vehicles in line with the financial year-end cut-off periods as initiated by the entity. The Maintenance Programme is responsible for overseeing the implementation of all vehicle repairs and maintenance. For the quarter under the review, the entity had continued to implement its strategy of withdrawing older vehicles with high mileage and high lifetime mileage (LTD) from service, thereby reducing the expenditure associated with ongoing repairs and maintenance of such vehicles.

Responses to the Roads and Transport Portfolio Committee Questions on the First Quarter Report of the 2024/25 Financial Year.

Question No.	Question / Recommendation	Department Response
8.	The g-FleeT Management should report on the number of vehicles that were returned due to mileage and mechanical repairs.	The fleet maintenance unit undertakes a detailed analysis of all quotations provided for repairs. The analysis takes into consideration the following key elements: • Vehicle age/model • Life-to date expenditure • Estimated repair costs. A total of 172 vehicles were returned to the Entity during the period under review.
9.	The Entity should provide a report on the mechanical repairs that affected the rental days utilised for VIP self-drive.	The Entity provided a list to the committee of the vehicles that were not available to clients due to vehicle repairs.
10	The g-FleeT Management should provide a report on the state of operation of the in-house workshop in relation to mechanical repairs of vehicles.	Operationalisation of the Panel Beating Workshop is done in partnership with the Automotive and Skills Development Centre (AIDC). Current Status: The Panel Beating Workshop is 85% ready for its full operational state • Tools and Equipment – 95% • Staff Capacity – 65% • Panel Beating facility readiness (Design, signage and furniture) – 95% • RMI and SAMBRA accreditation – 85% • Accident Management and Quotation system procured and in place – 100% • Standard Operating Procedures – 95% The Entity in partnership with the Automotive and Skills Development Centre (AIDC) – the service provider is in the process of procuring, through the SCM, the Paint Bank System and the Automotive Parts Procurement & Management System to complete the full operational status of the Panel Beating Workshop. The estimated time for the appointment of the service providers is 30 September 2024.
11	The entity should provide a list and owed amounts of the top 10 clients that are not settling their debts.	The list of top 10 clients not settling their debt was submitted to the committee. The Entity continues to engage its client departments in terms of debt collection for leasing of vehicle services with a view to achieve its target of 15% reduction of average collection days and beyond. This target was achieved during 4th quarter with an actual achievement of 18.57%. The highlights of the debt report are as follows: • As of 31 March 2024, the top 10 debtors totalled R116.633 million by client departments nationally and within the province. • As of 30 June 2024, the top 10 debtors totalled R105.578 million by client departments nationally and within the province. • As of 27 August 2024, the top 10 debtors outstanding balance is R15.888 million. The Entity continues to implement the following debt recovery processes: • Implementation of debtors' management policy, • CEO roadshows • CFO forums, • Notice of intent to suspend petrol cards and other related communication, and • Daily, weekly and monthly meetings with clients,

Question No.	Question / Recommendation	Department Response
12	The entity should explain whether the introduction of roadshows is making a difference, considering that client departments are not settling their debts.	The objective behind the implementation of the CEO roadshow initiative is to promote an improved customer-centric approach to responding to the needs of our clients. Overall, all clients have welcomed this initiative, as it provides a platform for clients to engage on the services of g-FleeT Management. The area of client financial responsibility and payment trends forms a part of the overall agenda when the CEO roadshow engagement occurs. Highlighting this area during the roadshow is critical to provide information to the client's key decision-makers who form part of the engagement. We have noted a significant improvement in the payment trends of client departments since the commencement of the CEO roadshows. This initiative also enabled us to meet the target during the 2023/2024 financial year. The non-achievement of the target for the 1st quarter can be linked to various factors, including, but limited to the following: • The delays from key departments in the creation of new purchase orders for the 2024/2025 financial year. This is largely due to the budget cuts implemented by the Gauteng Provincial Treasury and the legislative spending limitations imposed due to the delay in the approval of the MTEF budget. • The delays from key departments in reconciling their invoices during quarter 1. Overall, management remains positive on the impact that the CEO roadshows are having in enhancing the business of g-FleeT Management.
13	The entity should provide reasons for 37% overexpenditure in the Office of the CEO in the quarter under review.	The Office of the Chief Executive Officer reported overspending of R1.1 million in relation to finalising the business case for transition to Government Component. The business case was originally meant to be finalised during March 2023. However, due to the additional inputs provided during the various consultative meetings, the business case was only finalised during April 2024 and payment processed accordingly.

Responses to the Roads and Transport Portfolio Committee Questions on the 2nd Quarter Report for g-FleeT Management

Question No.	Question / Recommendation	Department Response
24	The g-FleeT Management should update the committee on the non-billing of vehicles for July and August 2024, which led to e-Gov providing support and maintenance of the system.	During the period under review, the entity experienced challenges with its Fleet Information System, which directly affected the entity's ability to bill its clients timeously. The challenge was beyond the skills of the entity's internal IT unit. The entity approached both the Gauteng Provincial Treasury and the Department of eGOV for support. The Department of eGOV was able to deploy an IT support team on 12 September 2024 to assist in identifying the system challenges with the aim of stabilising the system and providing ongoing support and maintenance to the system. The eGOV team, working closely with the entity's internal IT team, was able to restore the system to functionality during October 2024.Catch-up billings for July, August and September 2024 were implemented at the end of October 2024. The team continues to work on issues pertaining to system data cleansing and minor programming errors. The target date to resolve these issues is 31 December 2024.

g-FleeT responses to the Committee on the 3rd Quarter Report for the 2024/25 financial year.

Question No	Question / Recommendation	Department Response
11	g-FleeT's plan to spend the remainder of the budget in the 4th quarter.	**OFFICE OF THE CHIEF EXECUTIVE OFFICER** • The Office of the Chief Executive Officer (CEO) will not fully utilise the remaining budget due to delays in the procurement of a probity auditor and the initiation of an independent investigation on behalf of the Gauteng Department of Roads and Transport. • To date, the Entity has committed R5.7 million to the probity auditor and the independent investigation project, with an appointed purchase order/value of R2.2 million. • The funding allocated for the Strategic Planning Sessions was postponed during November 2024 pending the appointment of a new permanent CEO. Such sessions will commence during the new financial year. **OFFICE OF THE CHIEF OPERATIONS OFFICER** • The Office of the Chief Operations Officer will not fully utilise the remaining budget due to the withdrawal of the post's appointment. • This decision was made to ensure alignment with the positions outlined in the proposed new organizational structure. **CORPORATE SERVICES** • R15 million has been allocated for the Phase II Infrastructure Project, covering professional fees, with payment scheduled before the end of the financial year. • Payments for the eDRMS licenses, support, and maintenance, including the Microsoft portion estimated at R14 million, will also be made before the financial year concludes. The total funding required for these items is R20 million. • An allocated budget of R9.6 million will be used to pay for the installation of security and surveillance upgrades at g-FleeT premises before the end of the financial year. **MARKETING AND COMMUNICATIONS** • The Business Unit will not fully utilise the remaining budget as certain projects, events, and activities have been postponed due to delays in finalising clear specifications aligned to the approved marketing and communication implementation plan

Question No	Question / Recommendation	Department Response
11	g-FleeT's plan to spend the remainder of the budget in the 4th quarter.	**PERMANENT SERVICES** • The spending pattern within this unit is largely dependent on the average lead delivery times by the manufacturers in respect of vehicles ordered by the Entity. • The Business Unit anticipates receiving a minimum of 151 vehicles, valued at R80 million, by the end of the financial year. • This projection is subject to change, pending confirmation for an additional 65 vehicles valued at R39 million. • Any vehicles not delivered by the financial year-end cutoff date will be carried forward for delivery in the new financial year, aligned with the new budget. **VIP AND POOL SERVICES** • The Business Unit will not fully utilise the remaining budget due to delays in the appointment of VIP and pool drivers. The recruitment process was only concluded on 3 March 2025. **LOGISTICS FUNCTIONS** • The Business Unit will not fully utilise the remaining budget due to delays in finalising the implementation plan for the transfer of logistics functions from other departments to g-FleeT Management.

Responses to the Roads and Transport Portfolio Committee Questions on the 2023/24 Annual Report for g-FleeT Management

Question No	Question / Recommendation	Department Response
24	g-FleeT Management should explain further the removed TID from the 23/24 Annual Performance Plan	Due to the ongoing challenges experienced with external factors which impacted the completion of the project, management agreed that this outcome indicator and TID be removed from the 2023/24 Annual Performance Plan. The Gauteng Department of e-Government (e-Gov) was engaged in the development of the Integrated Fleet Management System (IFMS) due to the technical expertise required. However, e-Gov identified capacity challenges (a shortage of the required technical skills to develop the complete system) during the development phase of the system. Considering this challenge, e-Gov was tasked with engaging the State Information Technology Agency (SITA) on the development of the system. This engagement has since been concluded during the 2024/2025 financial year, and the process to commence with development is underway.
25	The g-FleeT Management should explain what necessitates the proposal to revise the target for debt collection from 15% to 11%.	The Entity proposed that the indicator for "percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity) be revised downwards from 15% to 11%. The revision was necessitated by the following: • The analysis on the current payment trends indicated that the average collection days for the past six months was approximately 52.15 days, which was far above the targeted days of 43,25. • The analysis was reflective of the prevailing fiscal challenges faced by the country and the financial pressures experienced by the Entity's clients in implementing service delivery priorities with reduced financial resources. • The National Treasury cost containment measures issued on 31 August 2023 and the anticipated budget cuts to be announced by the Minister of Finance placed further strain on g-FleeT's debtor's book. • In addition, the prevailing international events continued to contribute negatively to both crude oil prices and the purchase cost of motor vehicles.

Question No	Question / Recommendation	Department Response
26	The Entity should update the committee on the delayed payments by Department of Justice and Constitutional Development.	During the 2023/2024 financial year, the Department of Justice and Constitutional Development implemented a change in their internal budgeting and payment processes. Budgets for fleet management services were decentralised to the regional offices of the Department of Justice and Constitutional Development. This change in the client's business processes impacted negatively on the timeous payment of g-FleeT invoices. The Entity has been working closely with the Department of Justice and Constitutional Development to minimise the impact of this change in the business process. The process of resolving the challenge entailed the following, among others: • Allocation of vehicles to correct regional offices. • Providing each regional office with codes that were utilised as payment reference numbers. • Timeous invoicing per regional office. All nine regional offices of the Department of Justice and Constitutional Development continue to process payments promptly, and currently, there are no significant challenges experienced. The nine regional offices of the Department of Justice and Constitutional Development were collectively billed R44,556 million and have paid R38,629 million.
27	The Entity should also update the Committee on the non-payment of invoices in August 2023 by the Gauteng Department of Community Safety and National Department of Rural development and Land Reform.	**Gauteng Department of Community Safety** The Department experienced internal budgetary challenges which delayed the August 2023 payment. This invoice was subsequently paid. As at 31 March 2024, the Department was reflected as owing g-FleeT Management R2,971 million. **National Department of Rural Development and Land Reform** The Department experienced challenges with reconciling its invoices, which delayed the August 2023 payment. The Entity worked closely with the department and assisted in resolving the challenges experienced by it. Consequently, the national Department of Rural Development and Land Reform managed to reconcile its account and has made payments every month to date.
28	The Entity should clarify the reported planned and actual performance targets reported in Corporate and Financial Services and Operational Management Services	The Entity managed to achieve all the targets as set out in the approved 2023/24 Annual Performance Plan.
29.	Excluding vehicles for judges that are not fitted with trackers due to safety reasons, which other vehicles make up the 3% outstanding vehicles that are not being tracked?	The "other" vehicles which form part of the 3% of vehicles not tracked relate to the following categories: • Vehicles with client Departments who had not yet finalised booking appointments for fitment of replacement tracking units when the entity transitioned from the previous vehicle tracking service provider to the current one (EKS). – 70 vehicles. • Vehicles reported as unverified and subjected to internal and external investigations – 48 vehicles.
30.	The g-FleeT Management should explain why the permanent fleet sub programme largely contributed to the underexpenditure.	The vehicle acquisition unit, which has been provided with additional resources during the adjustment budget, underspent R29.580 million (15%). This was due to the delay in the delivery of new vehicles by the vehicle manufacturers in accordance with the Entity's financial year-end cut-off processes.

Question No	Question / Recommendation	Department Response
31	The g-FleeT Management should explain why the Office of the CFO and Office of the COO recorded an underexpenditure by more than 24%	**Office of the CFO** • The Office of the CFO reported underspending due to delays in finalising the tender processes for both missing vehicles investigation and external asset verification support. The tender process for missing vehicles was finalised by the Department's Supply Chain Management on 31 March 2024. The service provider is close to finalising the investigation process. • The tender for the external asset verification support was awaiting final approval from the Head of Department for advertising. The approval was duly granted, and the Bid Evaluation Committee is close to finalising its recommendation to the Bid Adjudication Committee. **Office of the COO** The Office of the COO reported underspending due to the delay in finalising the appointment of the COO.

Responses to the Committee's Oversight Report on the Annual Report of g-FleeT Management for the 2023/24 Financial Year.

Resolutions	Question / Recommendation	Department Response
R1	Progress on the implementation plan to address challenges in relation to traffic fines incurred by clients (re-routing of traffic fines)	• The Entity is currently conducting the awareness campaigns to all user departments. • The Driver Tag Acceptance Form was designed and sent to all government departments to be part of documents requested when a vehicle is requested and allocated to an official. • The New Fleet Information System is still under development to redirect traffic fines electronically from the RMC system. • The Driver Identification Forms are being submitted/collected to order driver tags for all government officials to be utilised in order for the vehicles to start.
R2	Progress on the implementation plan to address challenges in relation to the increased number of leased vehicles stolen and hijacked.	• The awareness campaigns were conducted on stolen/hijacked vehicles. • 97% of vehicles are being tracked. • Physical verifications are done monthly at the g-FleeT premises . • The Fleet Management Committee has been established to verify vehicles by each responsible unit, including the Key Account Managers liaising with client departments on a daily and weekly basis and physical monthly visits. • Access control systems were implemented with new camera systems by Facilities and Security. • Stolen/hijacked cases are also referred to Fraud and Corruption for further investigation. • All these controls did contribute to the decrease of stolen/hijacked cases from the previous financial year vs the current financial year, from 28 vehicles not recovered vs 15 not recovered.

Resolutions	Question / Recommendation	Department Response
R3	Progress on the implementation plan to address challenges in relation to the high vacancy rate	• The Entity has a total of 275 positions in the current approved organisational structure, with (208 filled positions and 67 vacant positions. The current vacancy rate is at 24%. • Five of the 67 vacant posts will not be filled due to advice from the Office of the Premier as these posts are not in the proposed organisational structure. Therefore, only 62 vacant posts are to be filled. • At senior management level, there are 8 (positions with 5 positions filled by females and 2 by males with 1 post vacant. The recruitment process for the Chief Operations Officer post was concluded but withdrawn for appointment to ensure alignment to the posts as per the proposed new organisational structure. This will translate to a 12% vacancy rate at the senior management level. • Of the 25 vacant posts 24 were re-advertised on 9 October 2024, and 3 driver posts for the regional offices were advertised in the regional local newspapers. The shortlisting process and interviews for the above-mentioned posts were conducted. Of the 25 vacant posts, five offers of appointments have been issued, and 20 of the 25 vacant posts are awaiting approval. One official started on 1 December 2024, and four officials will start on 1 February 2025. • A request for concurrence for filling of 19 vacant posts in line with the directive on the implementation of control measures aimed at assisting the executive authorities in managing fiscal sustainability for the positions that are part of the current organisational structure which are vacant and funded in terms of PERSAL was submitted to the Office of the Premier on 12 December 2024. • The seven posts were evaluated on 17 October 2024, and the results were issued on 6 November 2024 with the same salary level. • The request for HOD to approve the recommended JE results was rerouted to the office of the acting CEO on 19 November 2024 and approved by the HOD on 25 November 2024. • The evaluated posts were submitted to DPSA for advertising and were advertised on 10 January 2025 with the closing date of 24 January 2025. • Seven posts were evaluated on 28 November 2024, and the Entity is yet to receive feedback from Office of the Premier. These posts will be advertised in January/February 2025.
R4	Progress of the implementation plan to address challenges in relation to the functionality of the fleet information system (FIS).	• The tasking letter to SITA for the support and maintenance of the FIS was approved by the HOD: GDRT and e-Gov. • Based on a cost-benefit analysis, e-Gov was appointed to restore the full functionalities of the system at no cost. • e-Gov has managed to restore the system functionalities and restored back billing for the affected months (April – October 2024)

8. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS

Responses to the Preliminary Questions on the Progress in the Implementation of House Resolutions emanating from SCOPA Oversight Report on the Report of AGSA for the Financial Year ending – 31 March 2023

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
1,	That the Entity must provide the committee with a report detailing the effectiveness of the measures put in place to address the percentage of clients satisfied with g-FleeT Management services.	To enhance customer service, the Entity began with the creation and implementation of a front-end Customer Relations Management (CRM) system. The system was implemented to thoroughly record and escalate calls or enquiries. Employees working in the Call Centre and Client Service Centre are receiving training on the front-end system and procedures so that they can monitor and analyse in-depth Call Centre statistics and timeously generate reconciliations. The Entity can increase productivity and efficiency by using ICT to organise, process, and simplify important information. Furthermore, the CEO's roadshows still have a big and important part to play in engaging with the Entity's clientele to ensure that their needs are met to the highest standard. In addition, the Entity has established its social media platforms for engagements and is also in the process of migrating its website from SITA to e-Gov. The newly-revamped website will include forms for clients to comment on the Entity's services. It is envisaged that the project will be completed before the end of the financial year 2024/25.	Ongoing
2.	That the Entity must provide the committee with a report detailing the effectiveness of the Audit Improvement Plan to prevent the identified internal control weaknesses.	The development and implementation of an overall audit improvement plan is an essential tool to assist management in the prevention, detection and correction of identified internal control weaknesses. The plan supports the management of strategic risks and the achievement of good governance. In respect of the 2023/2024 audit improvement plan, it is management's assessment that the implementation of the audit improvement plan has been effective in improving the overall internal control environment within the Entity. The plan reported an 86% achievement rate with 37 out of the 45 actions being successfully implemented. The remaining eight actions encountered external dependencies, but the entity was able to effectively mitigate against their negative impact. The implementation of the audit improvement plan and the commitment and dedication shown by all employees in wanting to see a new and improved g-FleeT Management can be attributed to the clean audit outcome received by the Entity during the 2023/2024 financial year. Despite this achievement, the entity acknowledges the need for continuous monitoring, evaluation and improvement in internal controls. Therefore, the entity has already developed and is busy implementing its 2024/2025 audit improvement plan. Currently, the entity can report a 27% achievement rate, with four out of the 15 activities already having been implemented.	Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
3.	That the Entity must provide the committee with a report detailing the status of the reimbursement by WesBank of approximately R6,6 million and a quarterly report continuing up until finalisation thereof.	**Measures put in place for reimbursement:** • The Entity has put in place preventive measures to ensure non-recurrence of the finding. A joint Reimbursement Project Implementation Plan with clear timelines was developed between WesBank and g-FleeT Management and was put in place. • The plan focuses on preventative, detective, and corrective controls currently and going forward. • A new Standard Operating Procedure (Vehicle Information Onboarding) for efficient management of services and maintenance plans is being developed and will be put in place. • The Entity has also commenced with not paying WesBank on disputed areas pertaining to service and maintenance plans to ensure non-recurrence of the finding. • Weekly meetings have been scheduled to monitor progress against the plan. The target date to finalise all aspects of the plan is 31 October 2024, and this includes the final settlement of the debt raised against WesBank. **The reimbursement process entails the following:** • The population of all vehicles/transactions affected. • Raising a debt against WesBank and acknowledgement of debt thereof. • Sharing of data with WesBank and OEMs. • Reconciliation and validation of affected vehicles and transactions • Confirmation of detailed service and maintenance plans information by OEMs at the delivery stage of the vehicle. **Progress Status:** A total debt of R6.6m was raised with WesBank. • An amount of R1.5m has since been reimbursed by WesBank. • An additional amount of R1m has been confirmed for reimbursement to the Entity in the weekly meeting held on 10 October 2024. • An amount of R1.4m has been credited directly into the Entity's account by the OEMs for the plans that were confirmed to have not been activated. • Committee to note that the process of reimbursement is slightly behind due to delays in the confirmation of service and maintenance plans by the OEM's, however WesBank had since put in place interventions to meet the deadline of 31 October 2024 for a full and final settlement of debt raised against WesBank in relation to all transactions of vehicles confirmed to have been charged for repairs while having valid service and maintenance plans.	

Question 5. TR005 Posed by the Legislature: According to the Gauteng Provincial Government Annual Financial Statements 2024/23, g-FleeT Management incurred fruitless and wasteful expenditure amounting to R86 444.12 because of salary overpayment.

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
LQ5.TR005	According to the Gauteng Provincial Government Annual Financial Statements 2024/23, g-FleeT Management incurred fruitless and wasteful expenditure amounting to R86 444.12 as a result of salary overpayment. • Why was no disciplinary action taken against the responsible official/s? • From this fruitless and wasteful expenditure, is any amount under investigation? and • If yes to (ii), what were the findings?	**Salary overpayment** The salary overpayment amounting to R86, 444.12 occurred due to delays by the Entity in processing the resignation of a former employee on the Entity's payroll system, i.e., PERSAL. (i) The reasons for the delays were assessed, and disciplinary action has been instituted against the responsible official. The responsible official for the transgression was issued with a final written warning due to the late termination of the retired former employee (the letter is attached as Annexure A). In addition, the Entity has also strengthened the internal control environment, inclusive of training and development to ensure timeous processing of all resignations and/or terminations on the Persal System. (ii) The Entity concluded that there was no need for an investigation into the matter as the root cause, process of recovery and application of consequence management was sufficiently detrimental based on the available information. Furthermore, the Office of State Attorney has issued the letter of demand to the former employee to recover the overpaid salary (the letter is attached as Annexure B). (iii) N/A. **Service and Maintenance Plan** The reported fruitless and wasteful expenditure amounting to R6.694 million occurred due to the Entity having paid the RT46 Transversal Contractor, i.e., WesBank, for motor vehicle services and maintenance undertaken in respect motor vehicles which already had preapproved service and maintenance plans in place. (i) The reasons for the payments were assessed together with WesBank. WesBank had officially acknowledged weaknesses in their own internal controls which led to transgressions and committed to refund the Entity all amounts after its own internal verification and assessment processes. The process of verification and assessment is approaching finality and is expected to be completed by WesBank on 12 April 2024. Accordingly, the Entity concluded that there was no need to implement internal disciplinary action against any official within the Entity. (ii) The Entity concluded that there was no need for an internal investigation into the matter, as the root cause, which resided within the ambit of WesBank, and the process of recovery was sufficiently determined and committed to. In addition, the Entity has also further strengthened its own internal control environment to protect itself against any future lapses in processes by WesBank. These include, but not limited to, the strict enforcement of all contractual terms and conditions. (iii) N/A.	

9. PRIOR MODIFICATION TO AUDIT REPORTS

None for the period under review. The Entity received a clean audit opinion from the Auditor General for the 2023/24 Financial Year.

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

10. INTERNAL CONTROL UNIT

The Accounting Officer through monitoring and management of the Drivers of Internal Control ensures that set control objectives have the required control mechanisms and activities in place that will monitor and evaluate controls. The Accounting Officer continually assesses and evaluates internal control to assure that the control activities in place are effective, efficient, and transparent and updated when necessary. The Auditor-General also conducts an assessment on the Drivers of Internal Control of the Entity and the recommendations are taken into considerations when improvements of the control weakness are put in place.

Through strategic risk and operational risk assessments, control weaknesses and control gaps are identified and strengthened, and new action plans put in place.

The internal audit section from Gauteng Audit Services performs reviews on g-FleeT processes and through the audit findings and audit recommendations the identified inadequate controls or lack of controls are strengthened or developed, and new effective and efficient ones put in place.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

A) INTERNAL AUDIT

- 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 2024/2025	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					
Ms. Thebi Moja (Chairperson)	• Masters in Business Leadership • Bachelor of Commerce	None	11 August 2020	31 July 2026	5	Yes	No	6	4
Mr. Mduduzi Sibeko (Member)	• Master of Business Administration • Postgraduate Diploma: Integrated Reporting • B-Tech: Internal Auditing • National Diploma: Internal Auditing	Certified Internal Auditor (CIA) Member of the Chartered Institute of Procurement and Supply (MCIPS)	01 August 2022	31 July 2025	5	Yes	No	6	1
Ms. Lwazi Giba (Member)	• Bachelor of Science • Bachelor of Accounting Honors (CTA)	CIBA	01 August 2023	31 July 2026	4	Yes	No	0	0

- Remuneration of audit committee members
  - ⇨ **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.
  - ⇨ **Whether audit committee members who worked or are working for an organ of state are being remunerated**

    All Audit Committee Member within the Cluster 04 are not working for an organ of the state.
  - ⇨ **Total audit committee expenditure for the reporting period**

    The total Cluster 04 Audit Committee expenditure for the 2024/2025 reporting period amounted to R476 777,50 inclusive remuneration for all scheduled, in-committees or ad hoc meetings.

12. AUDIT COMMITTEE REPORT

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

Chairperson's brief reflections on key objectives and activities of the AC:

The Purpose and mandate of the Audit Committee is that it 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.

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.

The Audit Committee declare any conflict of interest when they sign their appointment contracts to serve in the GPG Audit Committees. Also, in each Audit Committee Meetings, Audit Committee Members are offered the opportunity to declare any interest relative to meeting agenda, and such are recorded accordingly in the minutes.

The Chief Audit Executive report functionally to the Audit Committee and administratively to the Accounting Officer: Gauteng Provincial Treasury. The Audit Committee review and approve the Internal Audit Plans and monitor quarterly progress against the IA plans. The Audit Committee provide oversight and counsel role to the Internal Audit activities, conduct one-on one meetings to address and resolve differences and/or matters identified by IA during their audits.

The 360-degree approach was conducted on the evaluation of the Audit Committee function for the period under review. The Audit Committee evaluation outcome was effective, meaning the Audit Committee were observed as adding value to the Gauteng Government Departments. Any challenges or shortcoming identified during the evaluations are presented at the Provincial Audit Committee Meetings by the Secretariat and addressed during the period under review or within stipulated timeframes.

The Audit Committee has complied with its responsibilities arising from Public Finance Management Act and Treasury Regulations. The Audit Committee understands and has internalised the requirements of the Global Internal Audit Standards™ in its work. The Audit Committee reviewed and adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein. The Audit Committee can confirm that it has functioned without hindrance or limitations throughout the reporting period.

Part 2: Audit Committee Composition and Meeting Attendance

The audit committee consists of three (03) members. The committee is properly constituted, 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
Ms. Thebi Moja (Chairperson)	• Masters in Business Leadership • Bachelor of Commerce	No	5	0
Mr. Mduduzi Sibeko (Member)	• Master of Business Administration • Postgraduate Diploma: Integrated Reporting • B-Tech: Internal Auditing • National Diploma: Internal Auditing	No	5	0

Ms. Lwazi Giba (Member)	• Bachelor of Science • Bachelor of Accounting Honors (CTA)	No	4	0

Part 3: Audit Committee Focus Areas

The following was reviewed during the year under review:

- **Effectiveness of the internal control systems**

Based on the results of the audits performed and the follow up reviews conducted, the overall opinion on the internal control design was Adequate but Ineffective to ensure that the Entity's' objectives will be achieved. The Audit Committee will encourage the Management to pay attention in improving internal control on Occupational Health and Safety, Stakeholder Management and Follow up on AG.

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

Gauteng Audit Services derives its mandate from the Internal Audit Charter, PFMA, and the Treasury Regulations. The PFMA Section 38 (1) requires that the Accounting Officer for a Department, trading entity or constitutional institution, must ensure that the Department, Trading Entity or Constitutional Institution has and maintains a system of internal audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77.

Treasury Regulations 3.2 require that each institution to which these Regulations apply must have an Internal Audit Function.

The Internal Audit Function strengthens 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, advice, insight, and foresight.

Audit committee concluded that the internal audit performance and effectiveness is satisfactory:

- ⇨ Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- ⇨ Considered the reports of the Internal Auditors on the Entity's systems of internal control;
- ⇨ Reviewed issues raised by internal audit and the adequacy of corrective action implemented by management in response thereto.

The following internal audit work was completed during the year under review:

- **Activities of the IAF**

The following internal audit work was completed during the year under review:

- ⇨ Revenue and Debt Management
- ⇨ Occupational Health and Safety
- ⇨ Fleet Management VIP and Pool
- ⇨ Follow up audit on AG Findings
- ⇨ Stakeholder Management
- ⇨ Review of Draft Annual Performance Report
- ⇨ Audit on the achievement of predetermined objectives Q1
- ⇨ Audit on the achievement of predetermined objectives Q2
- ⇨ Effectiveness of loss control and vehicle monitoring
- ⇨ SAP ESS & PERSAL leave reconciliation

- IFMS Project governance review
- Information Technology(IT) Governance Follow up Review
- 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**

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee commends the effort made by the Department to improve its risk management processes, although some areas still require improvement. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to enhance the performance of the Department. The Department should enhance its decision-making processes to be embedded with risk management considerations.

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

The Audit Committee reviewed the quality, accuracy, uselessness, reliability and appropriateness of quarterly and annual financial reporting and the Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

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

The Audit Committee held separate in-committee meetings with Management, Auditor General of South Africa and Internal Audit where there was a need, to address findings raised by the auditors. Management have implemented mitigation action plans for audit findings and where audit findings are still not addressed, Management have put measures in place to resolve them with due dates.

- **Compliance with legal and regulatory provisions**

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

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

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

- **Combined Assurance**

The Combined assurance framework does exist within the Entity. Management quarterly reported to the Audit Committee on the coordinated approach that integrate the Risk Management and assurance activities within the Entity to optimise the effectives if 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 on the 20 May 2025. The Audit Committee agrees with and accepts the Auditor-General 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 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 South Africa engaged the Audit Committee to provide progress update on the audit prior to finalisation of the Audit and Management Reports for the Entity.

- **Auditor-General's Report**

The audit outcome for g-FleeT Management Entity has regressed to an unqualified audit outcome with material findings on compliance with laws and regulations. Material misstatements were identified in the financial statements submitted for audit however these were corrected resulting to non-compliance with section 40(1)(b) of the PFMA.

- **Conclusion**

The Audit Committee wishes to acknowledge the commitment and support of the Honourable MEC, Head of the department and his staff, AGSA, and Internal Audit of the department. Both political and administrative leadership in the Entity played ultimately and the big role during the financial year.

Ms. Thebi Moja
Chairperson of the Audit Committee
Department of Road and Transport

Date: 31 July 2025

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry. Where there has been no or only partial compliance with the criteria, The Entity should provide a discussion and also indicate the measures taken to comply.

NOT APPLICABLE TO THE ENTITY

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1–8) with regards to the following:		
Criteria	**Response Yes/No**	**Discussion** *(include a discussion on your response and indicate what measures have been taken to comply)*
Determining qualification criteria for the issuing of licenses, concessions or other authorisations in respect of economic activity in terms of any law?		
Developing and implementing a preferential procurement policy?		
Determining qualification criteria for the sale of state-owned enterprises?		
Developing criteria for entering into partnerships with the private sector?		
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?		

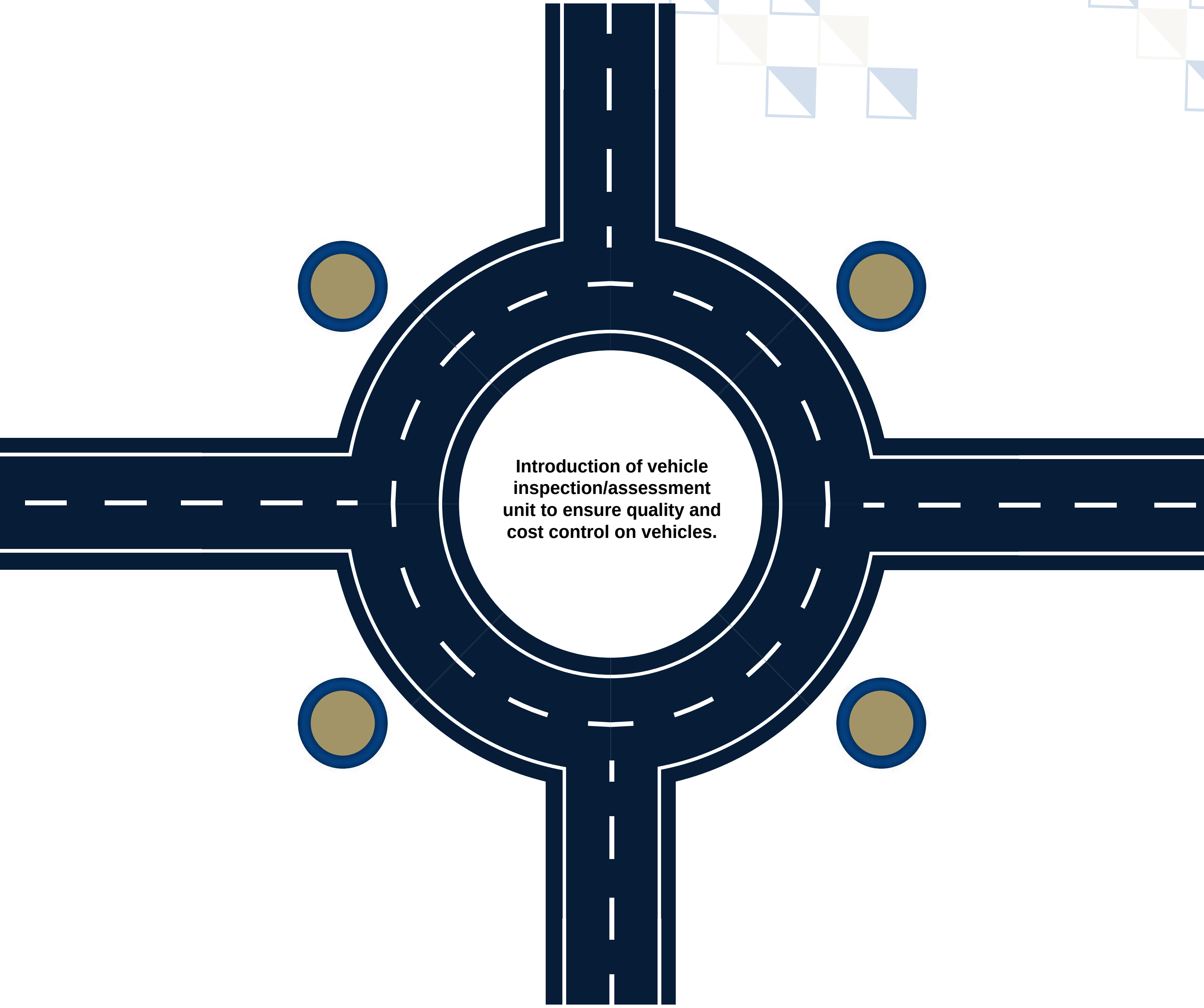
G-FLEET MANAGEMENT

PART D

HR MANAGEMENT

PART D: HUMAN RESOURCES MANAGEMENT

g-FleeT Management



1. INTRODUCTION

The Entity is in the process of establishing g-FleeT Management as a Public Entity. The Entity has developed and submitted its business case and draft organogram to the Gauteng Provincial Treasury (GPT) in June 2024; however, g-FleeT Management was advised to revise the business case to establish g-FleeT Management as a Public Entity. G-FleeT Management appointed Gautrain Management Agency to assist with the revision of the Business Case.

1.1 ORGANISATIONAL STRUCTURE AND FILLING OF CRITICAL POSITIONS

Consultations with the business units were concluded, and input was submitted to the Office of the Premier to incorporate in the proposed structure. However, organised labour requested that the process restart and include them officially in the consultations. The Steering Committee, including management and organised labour, has been resuscitated to review g-FleeT and DRT structures. Final consultations with the business units were concluded and input will be resubmitted to the Office of the Premier to incorporate in the proposed organisational structure.

The Change Management Strategy and plan have been developed by the Office of the Premier and will be shared with all employees as part of consultation sessions.

The Entity has a total of 275 positions in the current approved structure, with 223 filled positions and 52 vacant positions. The current vacancy rate is at 18%. The Entity has advertised the agreed to posts, job-evaluated and approved 14 of 19 vacant posts for financial year 2025/2026. The recruitment plan has been developed to fill 52 posts.

At senior management level, there are eight positions, with five positions filled by females and two males. The recruitment process for the Chief Operations Officer post had been concluded. However, the executive authority withdrew the recruitment process for Chief Operations Officer as it has been repurposed. This translates to a 13% vacancy rate at Senior Management level.

Submission for creation and filling of five logistics posts additional to the establishment of g-FleeT Management for concurrence in line with the directive on the implementation of control measures aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant positions and a request for deviation on job evaluation of newly-created jobs within proposed Chief Directorate: Logistics Management were submitted for HOD and MEC for approval. Three of five logistics posts were advertised on 10 January 2025.

1.2 TRAINING AND DEVELOPMENT

The Entity has for the second time opened an opportunity for employees who are interested in pursuing further education and training from institutions of higher learning. The purpose of the bursary opportunity is to assist successful applicants to pay for their registrations, tuition fees and buy books.

The bursary applications closed on 15 February 2024. An approval was granted by the HOD for g-FleeT to establish a bursary committee which will moderate the bursary applications going forward. A total of 21 bursary applications for financial year 2024/2025 were assessed by the bursary committee.

A total of 159 officials were trained on GRAP, Batho Pele Principles, AARTO Legislative Training and Advanced Excel for financial year 2023/2024. There was a delay in the appointment of training providers to facilitate training in g-FleeT due to the numbers that are required per class. g-FleeT is collaborating with DRT to ensure more people are trained in financial year 2025/2026.

1.3 PERFORMANCE MANAGEMENT SYSTEM

As part of the Gauteng Provincial Government (GPG), GDRT implements the Public Service Act, 1994 as amended, Public Service Regulations of 2016, MPSA directives, the revised Incentive Policy Framework, all other relevant legislative prescripts, and the Gauteng Provincial Government (GPG) Policy on Performance Management and Development System (PMDS) to recognise performance and reward good performance. In that regard, employees were assessed by their supervisors, including line managers. Directors and Chief Directors ratified the scores, and the Departmental Moderation Committee (DMC) moderated the final appraisal scores.

Notch progression for the 2023/24 performance cycle was implemented according to the 2019 Incentive Policy Framework for Employees in the Public Service after the final Departmental Moderating Committee. A total number of 167 employees on salary levels 1-12 qualified for notch progressions and a total two employees on salary level 13 qualified for notch progression.

2. EMPLOYEE HEALTH AND WELLNESS PROGRAMME

g-FleeT has completed the building of a wellness centre with a fully equipped canteen facility and a gym area. The wellness centre has been formally handed over to g-FleeT by DID.

The wellness centre is fully equipped with gym equipment, and the gym area and aerobic room are fully operational. The Entity has aerobics activities that take place from Monday to Thursday from 14:50 to 15:50, while the gym area operates daily in the morning from 6:30 to 07:50 and in the afternoon from 14:50 to 15:50. The g-FleeT sports committee was established as a subcommittee to the DRT sports committee on 15 April 2024 to oversee sporting activities in g-FleeT, including soccer (male and female), netball, volleyball, golf and tennis. The sports committee was tasked with finding training facilities on 27 January 2025 for all the sports codes. Employees have been requested to register for sporting codes of their choice; the deadline was 19 April 2025. The wellness team is to procure sports equipment through SCM and kit through the communication unit.

The organisation has health screening for workers that occurs twice in 12 months. We have a service provider that was appointed in 2024 which offers counselling services, legal and financial advice to employees for a period of two years. The intervention includes mental health work and managerial empowerment workshops that we had in March and April 2025 respectively. There is an established mens's forum which sits quarterly where they discuss matters that affect men's mental health related issues. Women issues are addressed on Woman's Day in September.

3. HUMAN RESOURCE OVERSIGHT STATISTICS

3.1 PERSONNEL RELATED EXPENDITURE

The following tables provide a summary of the final audited personnel-related expenditure by programme and salary bands. It indicates the following:

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

Table 3.1.1 Personnel Expenditure by the programme for the period 1 April 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)
Office of the CEO	4 469	2 075			0%	1 038
Office of the COO	462	462			0%	462
Office of the CFO	8 699	1 368		1 277	0%	684
Financial Services	22 047	21 148			2%	371
Corporate Services	81 038	20 709	286		2%	398
Marketing and Communication	13 923	11 464			1%	459
Maintenance Services	142 988	15 216			1%	400
Transport Support Services	307 199	11 423			1%	293
Permanent Services	605 725	12 721			1%	636
VIP and Pool Services	21 194	20 746			2%	319
Logistics Management	6 126	1 436			0%	1 436
Total	**1 213 871**	**118 768**	**286**	**1 277**	**10%**	**6 496**

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

Salary band	Personnel Expenditure (R'007-0)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	606	0,5%	2	303
Skilled (Levels 3-5)	29 793	25,1%	165	181
Highly skilled production (Levels 6-8)	43 377	36,5%	89	487
Highly skilled supervision (Levels 9-12)	35 105	29,6%	42	836
Senior and Top management (Levels 13-16)	10 716	9,0%	7	1 531
Total	**118 768**	**100%**	**305**	**3 338**

Table 3.1.3 Salaries, Overtime, Home Owners 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
Office of the CEO	2 075	2%	17	0%	21	0.0%	41	0%
Office of the COO	462	0%	-	0%	7	0%	47	0%
Office of the CFO	1 368	1%	-	0%	21	0%	50	0%
Financial Management	21 148	18%	2	0%	673	0.6%	994	1%
Corporate Services	20 709	17%	125	0%	999	0.8%	1 298	1%
Marketing and Communication	11 464	10%	-	0%	448	0.4%	501	0%
Maintenance Services	15 216	13%	1	0%	501	0.4%	695	1%
Transport Support Services	11 423	10%	-	0%	469	0.4%	876	1%
Permanent Services	12 721	11%	-	0%	480	0.4%	534	0%
VIP/POOL Services	20 746	17%	1 310	1%	898	0.8%	1 280	1%
Logistics Management	1 436	1%	-	0%	-	0.0%	-	0%
Total	**118 768**	**100%**	**1 455**	**1%**	**4 517**	**4%**	**6 316**	**5%**

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 bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 1-2)	606	0,5%	53	0%	114	0%	86	0%
Skilled (Levels 3-5)	29 793	25,1%	719	1%	1 068	1%	1 764	1%
Highly skilled production (Levels 6-8)	43 377	36,5%	590	0%	1 568	1%	3 244	3%
Highly skilled supervision (Levels 9-12)	35 105	29,6%	94	0%	1 357	1%	1 152	1%
Senior management (Level 13-16)	10 716	9,0%		0	410	0%	70	0%
Total	**118 768**	**100%**	**1 455**	**1%**	**4 517**	**4%**	**6 316**	**5%**

3.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position of the Entity with regards to employment and vacancies.

The following tables summarize the number of posts in the establishment, the number of employees, the vacancy rate, and whether any employees that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

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

Table 3.2.1 Employment and vacancies by the programme as on 31 March 2025

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
SMS (Levels 13-16)	8	7	13% (1)	1
Levels 11-12	17	17	0% (0)	0
Levels 7-10	107	98	9% (9)	0
Levels 1-6	143	101	29% (42)	6
Total	**275**	**223**	**18% (52)**	**7**

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 (Levels 1-2)	8	1	88% (7)	0
Skilled (Levels 3-5)	124	92	26% (32)	6
Highly skilled production (Levels 6-8)	90	81	9% (9)	0
Highly skilled supervision (Levels 9-12)	45	42	7% (3)	0
Senior management (Levels 13-16)	8	7	13% (1)	1
Total	**275**	**223**	**18% (52)**	**7**

3.3 FILLING OF SMS POSTS

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
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	1	0	0%	1	100%
Salary Level 13	6	6	100%	0	0%
Total	**8**	**7**	**87%**	**1**	**13%**

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
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	1	0	0%	1	100%
Salary Level 13	6	6	100%	0	0%
Total	**8**	**7**	**87%**	**1**	**13%**

Table 3.3.3 Advertising and filing of SMS post for the period 1 April 2024 and 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	0	0	0%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	1	0	0%	0	100%
Salary Level 13	6	6	100%	0	0%
Total	**8**	**7**	**87%**	**0**	**13%**

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts – 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
The vacant SMS post was advertised. However, delegation of authority withheld the recruitment process to finalise the recruitment process for the post until further notice.

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
None

Reasons for vacancies not filled within six months
Delegation of authority withheld the recruitment process to finalise the recruitment process for the post until further notice.

3.4 JOB EVALUATION

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

Table 3.4.1 Job Evaluation by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	8	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	124	0	0%	0	0%	0	0%
Highly skilled production (Levels 6-8)	90	4	4%	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	45	2	4%	0	0%	0	0%
Senior Management Service Band A	8	0	0%	0	0%	0	0%
Senior Management Service Band B	0	0	0%	0	0%	0	0%
Senior Management Service Band C	0	0	0%	0	0%	0	0%
Senior Management Service Band D	0	0	0%	0	0%	0	0%
Total	**275**	**6**	**2%**	**0**	**0%**	**0**	**0%**

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 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					

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
None	0	0	0	0
	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				
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

Total number of employees whose remuneration exceeded the grade determined by job evaluation	**0**

3.5 EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates indicate trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	3	0	0	0%
Skilled (Levels 3-5)	88	1	10	11%
Highly skilled production (Levels 6-8)	64	4	3	5%
Highly skilled supervision (Levels 9-12)	32	3	3	9%
Senior Management Service Bands A	3	2	0	0%
Senior Management Service Bands B	0	0	0	0%
Senior Management Service Bands C	0	0	0	0%
Senior Management Service Bands D	0	0	0	0%
Total	**190**	**10**	**16**	**8%**

Table 3.5.2 Annual turnover rates by Critical Occupation for the period 1 April 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
Administrative related, Permanent	12	1	1	8%
All artisans in the building metal machinery, etc. Permanent	4	0	1	25%
Building and other property caretakers, Permanent	0	0	0	0%
Bus and heavy vehicle drivers, Permanent	7	0	1	14%
Cleaners in offices workshops hospitals etc., Permanent	3	0	0	0%
Client inform clerks (switchboard/receptionist informs clerks), Permanent	3	0	0	0%
Computer programmers, Permanent	1	2	0	0%
Finance and economics related, Permanent	3	0	1	33%
Financial and related professionals, Permanent	5	2	0	0%
Financial clerks and credit controllers, Permanent	11	0	1	9%
Head of department/chief executive officer, Permanent	1	0	0	0%
Human resources & organisational development & relate prof, Permanent	2	0	1	50%
Human resources clerks, Permanent	4	0	0	0%
Human resources related, Permanent	10	0	1	10%
Information technology related, Permanent	1	0	0	0%
Library mail and related clerks, Permanent	1	0	0	0%
Light vehicle drivers, Permanent	17	0	6	35%
Material-recording and transport clerks, Permanent	0	0	0	0%
Messengers, porters and deliverers, Permanent	4	0	0	0%
Motor vehicle drivers, Permanent	1	0	0	0%
Other administration & related clerks and organisers, Permanent	71	2	4	6%
Other administrative policy and related officers, Permanent	1	0	0	0%
Other occupations, Permanent	0	0	0	0%
Secretaries & other keyboard operating clerks, Permanent	12	0	0	0%
Senior managers, Permanent	2	2	0	0%
Trade labourers, Permanent	2	0	0	0%
Total	**178**	**9**	**17**	**10%**

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

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

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations
Death	2	1%
Resignation	1	0.3%
Expiry of contract	1	0.3%
Dismissal – operational changes	0	0%
Dismissal – misconduct	1	0.3%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	3	1%
Transfer to other Public Service Departments	0	0%
Other	0	0%
Total	**8**	**3%**
Total number of employees who left as a % of total employment	**1%**	

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
Clerks	84	11	13%	84	13%
Technicians and associate professionals	69	6	9%	69	9%
Total	**153**	**17**	**11%**	**153**	**17%**

Table 3.5.5 Promotions by salary band for the period 1 April 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)	2	0	0%	2	0%
Skilled (Levels 3-5)	69	23	33%	69	33%
Highly skilled production (Levels 6-8)	69	6	9%	69	9%
Highly skilled supervision (Levels 9-12)	34	0	0%	34	0%
Senior Management (Levels 13-16)	6	0	0%	6	0%
Total	**180**	**29**	**16%**	**180**	**16%**

3.6 EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	0	0	0	3	2	0	0	7
Professionals	22	1	0	0	15	3	1	2	44
Technicians and associate professionals	24	2	1	3	44	4	1	5	84
Clerks	50	1	0	1	34	2	1	1	90
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	**98**	**4**	**1**	**4**	**96**	**11**	**3**	**8**	**223**
Employees with disabilities	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**1**	**3**

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

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0		0	0	0	0	0	0
Senior Management	2	0	0	0	3	2	0	0	7
Professionally qualified and experienced specialists and mid-management	22	1	0	0	15	3	1	2	44
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	44	2	0	0	35	0	0	1	82
Semi-skilled and discretionary decision-making	50	1	0	1	34	2	1	1	90
Unskilled and defined decision-making	0	0		0	0	0	0	0	0
Total	**118**	**4**	**0**	**1**	**87**	**7**	**2**	**4**	**223**

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	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3	0	0	0	1	0	0	0	4
Semi-skilled and discretionary decision-making	16	0	0	0	6	0	0	0	22
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
Total	**21**	**0**	**0**	**0**	**7**	**0**	**0**	**0**	**28**
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	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	5	0	0	0	5	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	9	0	0	0	10	0	0	0	19
Semi-skilled and discretionary decision-making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
Total	**15**	**0**	**0**	**0**	**16**	**0**	**0**	**0**	**31**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.5 Terminations for the period 1 April 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	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision-making	5	0	0	0	0	0	0	2	7
Contract (Top Management), Permanent	0	0	0	0	0	0	0	0	0
Contract (Senior Management), Permanent	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	0
Total	**6**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**8**
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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Suspension without pay	0	0	0	0	1	0	0	0	1
Dismissal	0	0	0	0	1	0	0	0	1

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	1	0	0	1
Professionals	5	1	0	0	4	1	0	1	12
Technicians and associate professionals	17	3	0	0	42	2	1	2	67
Clerks	29	0	0	2	46	0	0	2	79
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	**51**	**4**	**0**	**2**	**92**	**4**	**1**	**5**	**159**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 March 2025

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/Head of Department	0	0	0	0
Salary Level 16	0	0	0	0
Salary Level 15	1	1	1	100%
Salary Level 14	1	0	0	0%
Salary Level 13	6	6	6	100%
Total	**8**	**7**	**7**	**100%**

Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2025

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2025

Reasons
None

3.8 PERFORMANCE REWARDS

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
African	210	131	92%		
Male	103	52	44.3%		
Female	97	79	42%		
Asian	2	0	0.86%		
Male	0	0	0		
Female	2	0	0.86%		
Coloured	7	12	3%		
Male	5	4	2,1%		
Female	4	10	2%		
White	9	8	9%		
Male	5	5	2.1		
Female	4	3	2%		
Total	**232**	**151**			
Employees with disabilities	**2**	**0**			

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

Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service, for the period 1 April 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	
Lower Skilled (Levels 1-2)	1	232	0.43%	0	0	0
Skilled (Levels 3-5)	98	232	42.2%	0	0	0
Highly skilled production (Levels 6-8)	89	232	38.3%	0	0	0
Highly skilled supervision (Levels 9-12)	44	232	19%	0	0	0
Total	**232**	**232**	**100%**	**0**	**0**	**0**

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2024 and 31 March 2025

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Lower Skilled (Levels 1-2)	5	2	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 3.8 4 Performance-related Rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 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	
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 (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

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

Major Occupation	01 April 2024		31 March 2025		Change	
	Number	% of total	Number	% of total	Number	% Change
	0	0%	0	0%	0	0%
	0	0%	0	0%	0	0%
Total	**0**	**0%**	**0**	**0%**	**0**	**0%**

3.10 LEAVE UTILISATION

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

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

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower Skills (Levels 1-2)	694	8%	2	3%	12.00	R95 015.9
Skilled (Levels 3-5)	1 030	10%	86	23%	11.00	R3 294 377.39
Highly skilled production (Levels 6-8)	1 143	9%	73	22%	9.00	R2 200 078.46
Highly skilled supervision (Levels 9-12)	473	8%	32	7%	5.00	R7 234 923.3
Top and Senior management (Levels 13-16)	14	8%	3	3%	6.00	R3 139 570.47
Total	**3 354**	**8%**	**196**	**58%**	**7.00**	**R33 018 307.6**

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

Salary band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0.00
Skilled (Levels 3-5)	0	0%	0	0%	0	0.00
Highly skilled production (Levels 6-8)	0	0%	0	0%	0	0.00
Highly skilled supervision (Levels 9-12)	0	0%	0	0%	0	0.00
Senior management (Levels 13-16)	0	0%	0	0%	0	0.00
Total	**0**	**0%**	**0**	**0%**	**0**	**0.00**

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

Table 3.10.3 Annual Leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	5	2	3.00
Skilled (Levels 3-5)	260	88	3.00
Highly skilled production (Levels 6-8)	284	74	4.00
Highly skilled supervision (Levels 9-12)	126	32	4.00
Senior management (Levels 13-16)	12	3	4.00
Total	**287**	**199**	**14.00**

Table 3.10.4 Capped Leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March
Lower skilled (Levels 1-2)	0	0	0	
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	**0**	**0**	**0**	**0**

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

Table 3.10.5 Leave pay-outs for the period 1 April 2024 and 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2024/25 due to non-utilisation of leave for the previous cycle for 2024/25	R0.00	0	R0.00
Capped leave pay-outs on termination of service for 2024/25	R64,987.71	2	R32,494.00
Current leave pay-out on termination of service for 2024/25	R47,915,84	2	R23,958.00
Total	**R112,903.55**	**2**	**R56,452.00**

3.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	None

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

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		X	
2. Does the Department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.		X	
3. Has the Department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of this Programme.	X		The organisation has appointed a service provider to deal with employee health and wellness services for employee awareness programmes.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/ practices so reviewed.		X	
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Employee Health and Wellness
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	Labour Relations Unit		
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	Public Awareness		

3.12 LABOUR RELATIONS

Table 3.121 Collective agreements for the period 1 April 2024 and 31 March 2025

Subject Matter	Date
None	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%
Verbal warning	-	0%
Written warning	2	67%
Final written warning	-	0%
Suspended without pay	1	33%
Fine	-	0%
Demotion	-	0%
Dismissal	-	0%
Not guilty	-	0%
Case withdrew	-	0%
Total	**3**	**100%**

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

Type of misconduct (based on annexure A)	Number	% of total
Abscondment from work	1	0.5%
Total	**1**	**0.5%**

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

Grievances	Number	% of Total
Number of grievances resolved	1	100%
Number of grievances not resolved	1	100%
Total of grievances not lodged	2	100%

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

Grievances	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged	0	0%

Table 3.12.6 Strike actions for the period 1 April 2024 and 31 March 2025

Total number of persons working days lost	**0**
Total costs working days lost	**0**
Amount (R'000) recovered because of no work no pay	**0.00**

Table 3.12.7 Precautionary suspensions for the period 1 April 2024 and 31 March 2025

Number of people suspended	**1**
Number of people whose suspension exceeded 30 days	**1**
Average number of days suspended	**60**
Cost (R'000) of suspension	**0.00**

3.13 SKILLS DEVELOPMENT

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

Table 3.13.1 Training needs identified for the period 1 April 2024 and 31 March 2025

Occupational Category	Gender	Number of employees as of 1 April 2024	Training needs to be identified at the start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	1	0	1
	Male	1	0	0	0	0
Professionals	Female	13	0	6	0	6
	Male	17	0	6	0	6
Technicians and associate professionals	Female	16	0	15	0	15
	Male	12	0	4	0	4
Clerks	Female	62	0	11	0	11
	Male	41	0	10	0	10
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	0	0	0
	Male	7	0	0	0	0
Elementary occupations	Female	1	0	0	0	0
	Male	13	0	1	0	1
Sub-total		0	0	0	0	0
	Male	0	0	0	0	0
Total		**190**	**0**	**54**	**0**	**54**

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

Occupational Category	Gender	Number of employees as of 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	1	0	1
	Male	1	0	0	0	0
Professionals	Female	13	0	6	0	6
	Male	17	0	6	0	6
Technicians and associate professionals	Female	16	0	47	0	47
	Male	12	0	20	0	20
Clerks	Female	62	0	48	0	48
	Male	41	0	31	0	31
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	0	0	0
	Male	7	0	0	0	0
Elementary occupations	Female	1	0	0	0	0
	Male	13	0	0	0	0
Sub-total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		**190**	**0**	**159**	**0**	**159**

3.14 INJURY ON DUTY

The following tables provide basic information for injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2024 and 31 March 2025

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	0.3%
Temporary total disablement	0	0%
Permanent disablement	0	0%
Fatal	0	0%
Total	**1**	**0.3%**

3.15 UTILISATION OF CONSULTANT

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2024 and 31 March 2025

Project Title	Total number of consultants that worked on the project	Duration (Workdays)	Contract value in Rand
0	0	0	0

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 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
0	0	0	0
0	0	0	0

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 the project	Duration (Workdays)	Donor and contract value in Rand
0	0	0	0
0	0	0	0

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

Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 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
0	0	0	0
0	0	0	0

3.16 SEVERANCE PACKAGES

Table 3.16.1 Granting employee-initiated severance packages for the period 1 April 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)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	**0**	**0**	**0**	**0**

G-FLEET MANAGEMENT

PART E

PMFA COMPLIANCE REPORT

PART E: PFMA COMPLIANCE REPORT

- During the 2024/ 2025 financial year, all senior managers within the Entity signed a performance agreement to ensure the successful achievement of service delivery as contained in the approved Annual Performance Plan.

- All senior managers completed and submitted their financial disclosures for the 2023/2024 and 2024/2025 financial years in compliance with requirements of the National Department of Public Service and Administration.

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	96 421	103 880
Add: Irregular expenditure confirmed	0	39
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	7 498
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	**96 421**	**96 421**

The historically reported irregular expenditure totalling R96 421 000 is still being subjected to condonation processes in line with the National Treasury Irregular Expenditure Framework.

Reconciling notes

Description	2024/2025	2023/2024[1]
	R'000	R'000
Irregular expenditure that was under assessment in 2024/25	0	0
Irregular expenditure that relates to 2023/2024 and identified in 2024/2025	0	0
Irregular expenditure for the current year	0	39
Total	**0**	**39**

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

Description[2]	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total[2]	**0**	**0**

Not applicable.

[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	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	0	0
Total	**0**	**0**

Not applicable.

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	7 498
Total	**0**	**7 498**

During the 2023/2024 financial year, the entity processed a R7 498 000 removal of irregular expenditure that was not condoned. Such removal was approved by the Head of Department in line with the National Treasury Irregular Expenditure Framework.

e) Details of current and previous year irregular expenditure recovered

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recovered	0	0
Total	**0**	**0**

Not applicable.

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	0	0
Total	**0**	**0**

Not applicable.

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
Not applicable
Total

Not applicable

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

Description	2024/2025	2023/2024
	R'000	R'000
Not applicable		
Total		

Not applicable

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
X3 officials were served with warning letters based on their roles and responsibilities which resulted in the incurrence of the historic irregular expenditure.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	308	316
Add: Fruitless and wasteful expenditure confirmed	0	269
Less: Fruitless and wasteful expenditure written off	(308)	(8)
Less: Fruitless and wasteful expenditure recoverable	0	(269)
Closing balance	**0**	**308**

During the 2024/25 financial year finalised its assessment of historic fruitless and wasteful expenditure as recorded by the Entity, that was investigated by an independent investigator. The final assessment and the consideration for write-off was prepared and approved approved by the Head of Department in line with the National Treasury Framework on Fruitless and Wasteful Expenditure.

Reconciling notes

Description	2024/2025	2023/2024[3]
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	0	0
Fruitless and wasteful expenditure that relates to 2023/24 and identified in 2024/25	0	0
Fruitless and wasteful expenditure for the current year	0	269
Total	**0**	**269**

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

Description[4]	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total[5]	**0**	**0**

Not applicable

[3] Record amounts in the year in which it was incurred
[4] Group similar items
[5] Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination) and criminal conduct (investigation)

c) Details of current and previous year Fruitless and Wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	0
Total	**0**	**0**

Not applicable

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	308	8
Total	**308**	**8**

During the 2024/25 financial year finalised its assessment of historic fruitless and wasteful expenditure as recorded by the Entity, that was investigated by an independent investigator. The final assessment and the consideration for write-off were prepared and approved by the Head of Department in line with the National Treasury Framework on Fruitless and Wasteful Expenditure.

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

Disciplinary steps taken
X1 official was served with a warning letter based on their role and responsibility, which resulted in the incurrence of the historic fruitless and wasteful expenditure.

During the 2024/25 financial year, it finalised its assessment of historic fruitless and wasteful expenditure as recorded by the Entity, that was investigated by an independent investigator. The final assessment and the consideration for write-off were prepared and approved by the Head of Department in line with the National Treasury Framework on Fruitless and Wasteful Expenditure.

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	4 253	5 191
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	**4 253**	**5 191**

The above relates to leased vehicles that were reported to have been stolen and/or hijacked whilst in the custody of the Entity's clients.

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)		
Vehicles	0	844
Total	**0**	**844**

The above reflects the value of motor vehicles that could not be verified during the financial years as part of the annual verification process.

c) Other material losses recovered

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	0	0
Vehicles	1 271	15 454
Total	**1 271**	**15 454**

The above reflects the value of motor vehicles that were verified post the financial year annual verification process.

d) Other material losses written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	**0**	**0**

None

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	1 834	1 095 596
Invoices paid **within** 30 days or agreed period	1 834	1 095 596
Invoices paid **after** 30 days or agreed period	0	0
Invoices older than 30 days or agreed period **(unpaid and without dispute)**	0	0
Invoices older than 30 days or agreed period **(unpaid and in dispute)**	0	0

Not applicable.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
To undertake a tariff optimisation review process and develop a revised costing model to the tariff structure.	COUNCIL FOR SCIENTIFIC AND INSTITUTIONAL RESEARCH (CSIR)	Other means approved by HoD	N/A	R1 317 763,15
Renewal of office accommodation and parking at the Kiosk at OR Tambo	ACSA - OR TAMBO INTERNATIONAL AIRPORT	Other means approved by HoD	N/A	R343 807,92
Provision of training to 5 staff members, procurement of one additional licence and payment of annual licenses.	ADAPT IT	Other means approved by HoD	N/A	R200 160,64
Total				**R1 861 731.71**

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
Provision of a car hire for the Premier	LIVE TO TRAVEL & TOUR	Variation	RFQ	R150 080.00	N/A	R8 552,00
Total				**R150 080.00**		**R8 552.00**

G-FLEET MANAGEMENT

PART F

FINANCIAL INFORMATION

PART F: FINANCIAL INFORMATION

A total of 1 240 vehicles were sold during the financial year, resulting in revenue from auctions totaling R131.715 million.

The cash generated from operating activities reduced to R576 097 million (2023/24: R633.234).

Net cash flows from investing activities increased to R477. 622 million (2023/24: R425.275 million).

1. REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE G-FLEET MANAGEMENT

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of g-FleeT Management set out on pages 372 to 406, 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.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of g-FleeT Management as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 36 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2025.

Responsibilities of the accounting officer for the financial statements

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

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 368, forms part of my auditor's report.

Report on the annual performance report

12. 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.
13. I selected the following material performance indicators related to corporate and financial management presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the trading entity's performance on its primary mandated functions and that are of significant national, community or public interest.
    - Percentage of rentals days utilised for VIP self-drive vehicles
    - Percentage of rental days utilised for pool vehicles
    - Percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the entity)
14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the trading entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the trading entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the trading entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

17. The material findings on the reported performance information for the selected material indicators are as follows:

Various indicators

18. Based on the audit evidence, the actual achievements for the percentage of rental days utilised for VIP self-drive vehicles and the percentage of rental days utilised for pool vehicles did not agree with what was reported. I could not determine the actual achievements, but I estimated them to be materially more. The targets were still achieved. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Outcome	Reported Achievement
Percentage of rental days utilised for pool vehicles	80%	Daily utilisation of pool fleet (i.e. economy and commercial vehicles rented by clients)	90,55%
Percentage of rental days utilised by VIP self-drive vehicles	61%	Daily utilisation of VIP fleet (i.e. luxury vehicles rented by clients)	61,8%

Other matter

19. I draw attention to the matter below.

Material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. Management did not correct the misstatements relating to accuracy and validity and I reported material findings in this regard.

Report on compliance with legislation

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

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

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

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

Annual financial statements

25. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 40(1)(b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

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

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

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

29. The other information I obtained prior to the date of the auditor's report is a draft of the 2024/25 annual report. The final 2024/25 annual report is expected to be made available to me after 31 July 2025.

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

31. When I do receive and read the final 2024/25 annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

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

34. The accounting officer and senior management did not exercise adequate oversight responsibility over the internal controls relating to compliance with key laws and regulations. This resulted in material noncompliance with laws and regulations.

35. Senior management did not implement sufficient controls for the preparation of valid, accurate and complete annual performance report that is supported by reliable supporting information. This resulted in material findings in the annual performance report.

Auditor General

Johannesburg
31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the trading entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); 38(1)(j) Section 39(1)(a); 39(2)(a) Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4) Section 44 (1) and (2) Section 45(b)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities	Regulation 4.1.1; 4.1.3 Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Regulation 7.2.1 Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Regulation 9.1.1; 9.1.4 Regulation 10.1.1(a); 10.1.2 Regulation 11.4.1; 11.4.2; 11.5.1 Regulation 12.5.1 Regulation 15.10.1.2(c') Regulation 16A6.1; 16A6.2(a), (b) and (e); 16A6.3(a) and (d); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6 Regulation 16A8.3; 16A8.2 (1) and (2); 16A8.3(d); 16A8.4; Regulation 16A9; 16A9.1;16A9.1(c); 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A 9.2(a)(ii) and (iii) Regulation 17.1.1 Regulation 18.2 Regulation 19.6.1 Regulation 19.8.4
Public Service Regulations	Regulation 18; 18 (1) and (2)
Prevention and Combating of Corrupt Activities Act No.12 of 2004	Section 34(1)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	Regulation 17 Regulation 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Section 2.1(a); 2.1(b); 2.1(f)

Legislation	Sections or regulations
Preferential Procurement Regulations, 2017 (PPR)	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 11.2 Paragraph 12.1; 12.2
PPR 2022	Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act 88 of 1998	Section 7(3)
National Treasury (NT) Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT Supply Chain Management (SCM) Instruction Note 3 2021/22	Paragraph 4.3; 4.4(a), (c) and (d)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4(b); 3.9
NT SCM Instruction Note 2 of 2021/22	Paragraph 3.2.1; 3.2.4(a); 3.3.1
PFMA SCM Instruction 8 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3
NT Instruction Note 4 of 2015/16	Paragraph 3.4
Second amendment of NT Instruction 5 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NT Instruction 5 of 2020/21	Paragraph 1
Erratum NT Instruction 5 of 2020/21	Paragraph 2
Practice Note 7 of 2009/10	Paragraph 4.1.2
NT Instruction Note 1 of 2021/22	Paragraph 4.1

GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

gFleeT MANAGEMENT
"Making your fleet our business"

g-FleeT Management
Annual Financial Statements
for the year ended 31 March 2025

Table of Contents

The reports and statements set out below comprise the financial statements presented to the provincial legislature:

g-FleeT Management

Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

	Note(s)	2025 '000	2024 Restated* '000
Assets			
Current Assets			
Inventories	10	49 233	82 701
Finance lease receivables	4	98 511	60 023
Receivables from exchange transactions	11	327 318	140 922
Prepayments	7	97 069	87 356
Other Receivables	8	9 283	676
Cash and cash equivalents	12	2 745 995	2 647 745
		3 327 409	**3 019 423**
Non-Current Assets			
Property, plant and equipment	2	1 587 849	1 337 948
Intangible assets	3	350	599
Finance lease Receivables	4	168 607	175 570
Municipal Deposit	9	321	321
		1 757 127	**1 514 438**
Total Assets		**5 084 536**	**4 533 861**
Liabilities			
Current Liabilities			
Finance lease obligation	13	363	178
Payables from exchange transactions	5	47 968	48 294
Other payables	6	10 934	12 044
Income Received in advance	15	-	1 533
		59 265	**62 049**
Non-Current Liabilities			
Finance lease obligation	13	14 914	14 685
Long-term leave accrual	14	2 500	2 792
Income received in advance	15	-	2 444
		17 414	**19 921**
Total Liabilities		**76 679**	**81 970**
Net Assets		**5 007 857**	**4 451 891**
Accumulated surplus		5 007 857	4 451 891
Total Net Assets		**5 007 857**	**4 451 891**

g-FleeT Management

Financial Statements for the year ended 31 March 2025

Statement of Financial Performance for the year end 31 March 2025

	Note(s)	2025 '000	2024 Restated* '000
Revenue			
Revenue from exchange transactions			
Revenue from auction of vehicles	18	131 715	66 982
Revenue from leases	16	1 103 202	1 073 993
Realisation of property lease liability	19	1 200	1 200
Debt Impairment reversal	20	477	6 902
Other income	21	13 330	17 320
Interest received	22	209 097	161 806
Total revenue from exchange transactions		**1 459 021**	**1 328 203**
Expenditure			
Employee related costs	24	(111 540)	(105 790)
Depreciation and amortisation	26	(134 206)	(121 595)
Finance costs	27	(1 214)	(1 232)
Bad debts written off	28	-	(85)
Fuel and oil	23	(244 299)	(244 567)
Repairs and maintenance	25	(168 587)	(161 087)
Cost of sales	17	(143 887)	(70 124)
General Expenses	29	(102 232)	(119 661)
Total expenditure		**(905 965)**	**(824 141)**
Surplus for the year		**553 056**	**504 062**

g-FleeT Management

Financial Statements for the year ended 31 March 2025

Statement of Changes in Net Assets

	Accumulated surplus / deficit '000	Total net assets '000
Balance at 01 April 2023	**3 946 664**	**3 946 664**
Changes in net assets		
Surplus for the year	505 227	505 227
Total changes	505 227	505 227
Opening balance as previously reported	4 457 865	4 457 865
Adjustments		
Correction of errors 36	(3 064)	(3 064)
Restated* Balance at 01 April 2024 as restated*	**4 454 801**	**4 454 801**
Changes in net assets		
Surplus for the year	553 056	553 056
Total changes	553 056	553 056
Balance at 31 March 2025	**5 007 857**	**5 007 857**

Note(s)

Cash Flow Statement for the period ended 31 March 2025

	Note(s)	2025 '000	2024 Restated* '000
Cash flows from operating activities			
Receipts			
Revenue from Leases		908 676	1 073 602
Interest income		162 332	111 980
Auction of vehicles		131 715	90 804
Transport fees		3 577	1 463
		1 206 300	1 277 849
Payments			
Employee costs		(116 919)	(101 114)
Suppliers		(513 284)	(543 501)
		(630 203)	(644 615)
Net cash flows from operating activities	30	**576 097**	**633 234**
Cash flows from investing activities			
Purchase of property, plant and equipment		(577 969)	(398 813)
Proceeds from sale of finance lease receivables		100 347	(26 462)
Net cash flows from investing activities		**(477 622)**	**(425 275)**
Cash flows from financing activities			
Payments of finance lease obligations		(225)	(1 565)
Net cash flows from financing activities		**(225)**	**(1 565)**
Net increase/(decrease) in cash and cash equivalents		**98 250**	**206 394**
Cash and cash equivalents at the beginning of the year		2 647 745	2 441 351
Cash and cash equivalents at the end of the year	12	**2 745 995**	**2 647 745**

g-FleeT Management

Financial Statements for the year ended 31 March 2025

Accounting Policies

1. Background

g-FleeT is a provincial Trading Entity and reports to the Accounting Officer of the Gauteng Department of Roads and Transport as its controlling entity. The mandate of the entity is to be the leading provider of fleet management services within government. The Entity is incorporated and operates in the Republic of South Africa

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 40(1) of the Public Finance Management Act, 1, 1999 (PFMA). These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the entity, unless stated otherwise the financial statement amounts are rounded to the nearest thousand.

1.2 Going concern assumption

Financial Statements are prepared based on the expectation that the Entity will continue to operate as a going concern for at least the next 12 months.

1.3 Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP

1.4 Significant judgements and sources of estimation uncertainty

Management has made the following accounting estimates which have the most significant effect on the amounts recognised in the financial statements:

<u>Impairment testing</u>

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible and intangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including trade values and retail values together with economic factors such as interest rates.

<u>Provisions</u>

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to the required to settle the obligation.

<u>Impairment of Trade and other receivables</u>

The Entity makes provision for doubtful debts relating to all long outstanding debts from customers. In determining the value of doubtful debts, the Entity estimates future expected cash flows arising from those receivables which, in its judgement, are impaired.

<u>Useful lives and residual values of property, plant and equipment (PPE)</u>

Reassessments of useful lives and residual values are performed annually after considering factors such as the condition of the asset, maintenance programmes, and relevant market information, and manner of recovery. In re-assessing residual values, the Entity considers the remaining life of the asset and its projected disposal value.

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Financial Statements for the year ended 31 March 2025

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Classification of leases

The Entity has entered into lease agreements acting as both a lessor and lessee. The Entity uses judgement to determine, based on the evaluation of the terms and conditions of lease agreements, the appropriate treatment of the leases as either finance leases or operating leases.

Contingent liabilities

The existence of the obligation arising from legal claims against the Entity may only be determined through the outcome of legal proceedings. Management applies its judgement in determining whether a present obligation exists, and therefore whether these claims should be recognised as provisions or disclosed as contingent liabilities.

Cash- and non-cash generating assets

Management has applied its judgement in determining the cash generating capabilities of all the entity's assets. The entity is required to sustain itself financially and most of its assets are employed in generating enough profit and cash flow to remain self-sustained.

1.5 Property, plant and equipment

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

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Machinery and tools	Straight line	5 Years
Furniture and office equipment	Straight line	5 - 25 years
Motor vehicles	Straight line	7-11 years
Computer equipment	Straight line	3 - 6 years
Leasehold improvements	Straight line	20 - 30 years
Leased assets	Straight line	Lease term
Assets under construction	Straight line	Not depreciated

The gains or losses arising from derecognition are determined as the difference between the carrying amount and the proceeds from disposal.

1.6 Intangible assets

Intangible assets are shown at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the intangible asset's useful life, which is estimated to be between 2 - 9 years.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the carrying amount and the proceeds from disposal.

1.7 Segment Reporting

The Entity has in the application of the requirements of GRAP 18 considered whether it has different segments within its operations that require separate disclosure. Accordingly, the Entity has outlined the following as part of its disclosure note:

- Factors used to identify the entity’s reportable segments.
- Whether segments have been aggregated and the basis of the aggregation.
- Types of goods and/or services delivered by each segment.

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Financial Statements for the year ended 31 March 2025

Accounting Policies

1.8 Financial instruments

The Entity has the following types of financial assets:
- Receivables from exchange transactions
- Cash and cash equivalents
- Finance lease receivable

The Entity has the following types of financial liabilities:
- Payables from exchange transactions
- Finance lease obligation

The financial assets and liabilities of the Entity have all been classified as carried at amortised cost.

Trade and other receivables from exchange transactions

Trade and other receivables are stated at amortised cost using the effective interest rate method, less a provision for impairment.

Cash and cash equivalents

Cash and cash equivalents are stated at amortised cost using the effective interest rate method. For purposes of the cash flow statement, cash and cash equivalents comprise of cash at the banks and short-term deposits.

Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest rate method

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means

1.9 Leases

Finance leases - lessor

Amounts due from lessees under finance leases are recorded as receivables at commencement of the lease and measured at the amount of Entity’s net investment in the leases.

The Entity recognises gains or losses arising from the sale in terms of the finance lease at inception of the lease. The gain or loss is determined by the difference between the net investment in the lease and the carrying value of the vehicle. The gain or loss is included in surplus or deficit.

During the lease term, finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Entity’s net investment outstanding in respect of the leases. The accounting policy for impairment of trade and other receivables is also applied to impairment of the net investment in lease receivable.

The accounting policy for derecognition of trade and other receivables is also applied to derecognition of the net investment in lease receivable. At the end of the lease term, the Entity recognises the unguaranteed residual value of the leased vehicle as part of property plant and equipment. If at the end of the lease term the lessee is still in possession of the leased vehicle, the lease is then accounted for as month-to-month lease contract.

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Accounting Policies

1.9 Leases (continued)

Finance leases - lessee

Where the Entity enters into a finance lease, assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment.

Corresponding liabilities are included in the Statement of Financial Position as finance lease liabilities. Lease payments are allocated between the lease finance cost and the capital repayment. The finance charge is allocated to each period during the lease term so as to achieve a constant rate of interest on the outstanding liability. The accounting policy for derecognition of trade and other payables is also applied to derecognition of the finance lease payable.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The Entity does not include lease rental escalation clauses in the agreements.

Operating leases - lessee

Operating lease expense is recognised as expenditure on a straight-line basis over the lease term.

1.10 Inventories

Inventory is measured at the lower of cost or net realisable value.

1.11 Impairment of cash-generating and non-cash-generating assets

The Entity assesses at each reporting date whether there is an indication that assets may be impaired. If any indication exist, or when annual impairment testing for assets is required, the Entity estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for the individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In determining fair value less costs of disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recognition of the impairment loss is recognised as part of the surplus or deficit in the Statement of Financial Position.

1.12 Employee benefits

Short-term employee benefits

The Entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for service.

The Entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Entity measures the expected cost of bonus, incentive and performance related payments at the best estimate of the present value of future cash flows.

1.13 Commitments

Commitments are disclosed for contracts that are entered into before the reporting date, but goods and services have not yet been received.

g-FleeT Management

Financial Statements for the year ended 31 March 2025

Accounting Policies

1.14 Revenue from exchange transactions

Revenue from auction of vehicles

Revenue is measured at the price determined on auction.

Kilometre tariffs

Revenue from excess kilometres (kilometres in excess of the contracted kilometres) is charged as the excess kilometre are travelled.

Income from other services relating to leases

For lease arrangements, a portion of the payments made by clients are for providing services ancillary to the lease, such as administration and tracking the vehicle. These payments are recognised on a straight-line basis over the term of the lease.

Transport services to government employees

The entity earns revenue from providing transport services to government employees from other Government Departments impacted by the relocation of Provincial Governments from Pretoria to Johannesburg after the 1994 elections. Transport service revenue is recognised once a trip is completed.

Interest

Interest from bank accounts is recognised using the effective interest method.

Interest on finance lease receivables is recognised from commencement of the lease until the finance lease is settled, based on the interest rate implicit in the lease as determined at inception of the lease.

Recoveries from clients

Toll, fuel, oil, accident and traffic fine revenue is a direct charge and recoverable from the clients. This revenue is recognised when the client incurs the cost.

Income Tax

In terms of Income tax Act No.58 of 1962, Section 10 Exemptions, subsection 1 " There shall be exempt from the tax (a) the receipts and accruals of the Government, any provincial administration or of any other state ".

1.15 Finance costs

Finance costs are measured using the effective interest rate method.

1.16 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred.

The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. Fruitless and wasteful expenditure is also disclosed in the notes to the financial statements.

1.17 Irregular expenditure

Irregular expenditure as defined means expenditure other than unauthorised expenditure,incurred in contravention of or that is not in accordance with a requirement of any applicable legislation.

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Financial Statements for the year ended 31 March 2025

Accounting Policies

1.17 Irregular expenditure (continued)

Irregular expenditure is incurred when the resulting transaction is recognized in the financial records of the entity in accordance with GRAP .

A debt is reported in the financial records of the entity where such a debt arose from losses incurred as a result of irregular expenditure.

If the amount of a debt is irrecoverable from a responsible employee,the accounting officer may write off the debt in terms of Treasury Regulation 11.4

1.18 Related parties

Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.19 Subsequent Events

Events after the reporting date are those events both favourable and unfavourable that occur between the reporting date and the date when the Annual Financial Statements are authorised for issue and are treated as follows.

- The entity shall adjust the amounts recognised in its Annual Financial Statements to reflect adjusting events after the reporting date for those events that provide evidence of conditions that existed at the reporting date; and
- The entity shall not adjust the amounts recognised in its Annual Financial Statements to reflect non-adjusting events after the reporting date for those events that are indicative of conditions that arose after the reporting date.

1.20 Prepayments

A prepayment is a payment made in advance of the goods and services that are yet to be received, in accordance with the agreement under which the payment is made. Prepayment is recognised when a payment is made and goods or services are received at a future date.

1.21 Standards of GRAP approved but not yet effective

Standards of GRAP	Details of the amendment to the Standards and the anticipated impact	Effective Date
GRAP 104: Financial Instruments	The amendments to the standard prescribe the principles for recognising, measuring, presenting, and disclosing financial instruments. The impact of this is currently being assessed by management	01 April 2025

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2. Property, plant and equipment

	31 March 2025 R'000			31 March 2024 R'000		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	32 153	(14 456)	17 697	28 821	(15 541)	13 280
Motor vehicles	1 823 113	(454 509)	1 368 604	1 569 683	(429 071)	1 140 612
Leasehold improvements	262 778	(73 656)	189 122	238 016	(66 167)	171 849
Leased Property	14 647	(2 811)	11 836	14 647	(2 663)	11 984
Leased machinery and cellphones	16 623	(16 033)	590	16 048	(15 825)	223
Total	**2 149 314**	**(561 465)**	**1 587 849**	**1 867 215**	**(529 267)**	**1 337 948**

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Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

Figures in Rand thousand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2025

	Opening balance	Additions	Sold R'000	Disposal on finance lease arrangement R'000	Transfers (to)/from inventory R'000	losses R'000	Recoveries R'000	Depreciation	Total
Furniture and fittings	13 280	7 157	(120)	-	-	(87)	-	(2 533)	17 697
Motor vehicles	1 140 612	560 481	(4 092)	(100 391)	(101 328)	(4 253)	1 153	(123 578)	1 368 604
Leasehold improvements	171 849	24 763	-	-	-	-	-	(7 490)	189 122
Leased Property	11 984	-	-	-	-	-	-	(148)	11 836
Leased machinery and cellphones	223	575	-	-	-	-	-	(208)	590
	1 337 948	**592 976**	**(4 212)**	**(100 391)**	**(101 328)**	**(4 340)**	**1 153**	**(133 957)**	**1 587 849**

Leasehold improvements

Leasehold improvements include both completed assets and assets which are still under construction, i.e. Work-in progress (WIP). The WIP emanates from the construction and rehabilitation of the entity's head office property situated at Bedfordview which is leased by the entity from the Gauteng Department of Infrastructure Development (GDID). All completed leasehold improvements are recorded at cost less accumulated depreciation and impairment. WIP is recorded at cost less any impairment.

Motor vehicles

Vehicles with clients amounting to R4 252 779.80 have been reported stolen.

Furniture and Fixtures

ICT equipments (Laptops) with carrying value of R 86 973,64 were reported stolen during the current financial year and were derecognised.

g-FleeT Management
Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

Figures in Rand thousand

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2024

	Opening balance	Additions	Sold R'000	Disposal on finance lease arrangement R'000	Transfers (to)/from inventory R'000	Write-off R'000	Vehicle losses R'000	Recoveries R'000	Depreciation	Total
Furniture and fixtures	13 358	5 928	-	-	-	(3 415)	-	-	(2 591)	13 280
Motor vehicles	980 763	465 212	(406)	(109 969)	(92 965)	-	(6 035)	15 125	(111 114)	1 140 611
Leasehold improvements	144 242	34 629	-	-	-	-	-	-	(7 022)	171 849
Leased Property	12 132	-	-	-	-	-	-	-	(148)	11 984
Leased machinery and cellphones	547	141	-	-	-	-	-	-	(465)	223
	1 151 042	**505 910**	**(406)**	**(109 969)**	**(92 965)**	**(3 415)**	**(6 035)**	**15 125**	**(121 340)**	**1 337 947**

Furniture and Fixtures

Upon investigation(464) assets remained unverifiedand as a results we decided to write them off at a value of R3 414 548,78.Furthermore,ICT equipment assets which have been fully depreciated were approved for disposal prior to financial year end for which the disposal processes were concluded in the 2024-2025 financial year.

Motor vehicles

Vehicles to the value of R 843 676 are under investigation ,whilst vehicles that were with clients amounting to R 5 191 207 have been reported as stolen.

Leasehold improvements

Leasehold improvements include both completed assets which are still under construction,i.e. Work in progress (WIP).The WIP emanates from the construction and rehabilitation of the entity's head office property situated at Bedfordview which is leased by the entity from the gauteng Department of Infrastructure Developments(GDID).All completed leasehold iprovements are recorede at cost less accumulated depreciation and impairment.WIP is recorded at cost less any impairment.

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Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

Figures in Rand thousand

3. Intangible assets

	31 March 2025 R'000			31 March 2024 R'000		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2 859	(2 509)	350	2 859	(2 260)	599

Reconciliation of intangible assets - 31 March 2025

	Opening balance	Amortisation	Total
Computer software, other	599	(249)	350

Reconciliation of intangible assets - 31 March 2024

	Opening balance	Amortisation	Total
Computer software, other	853	(254)	599

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Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

4. Finance lease receivables

	2025 '000	2024 '000
Gross investment in the lease due		
- within one year	141 757	125 210
- in second to fifth year inclusive	212 185	237 335
- later than five years	1 273	-
	355 215	362 545
less: Unearned finance revenue	(88 098)	(123 610)
Present value of minimum lease payments receivable	267 117	238 935
less: allowance for uncollectible minimum lease payments	-	(3 342)
	267 117	**235 593**

	2025 '000	2024 '000
Present value of minimum lease payments due		
- within one year	98 511	60 023
- in second to fifth year inclusive	167 450	175 570
- later than five years	1 156	-
	267 117	**235 593**

	2025 '000	2024 '000
Non-current assets	168 606	175 570
Current assets	98 511	60 023
	267 117	**235 593**

The entity entered into finance leasing arrangements for certain of its motor vehicles and equipment.

The average lease terms are 4.5 years and the average effective lending rate was 23%.

None of the trade and other receivables have been pledged as security for liabilities or contingent liabilities.

5. Payables from exchange transactions

	2025 '000	2024 '000
Trade payables	47 968	48 294

6. Other payables

	2025 '000	2024 '000
Salary Payable	2 334	1 452
Debtors with credit balances	87	127
Leave pay accrual	5 654	7 361
Service bonus accrual	2 859	3 104
	10 934	**12 044**

Leave pay accrual

In terms of the Determination on Leave of Absence in the Public Service employees are entitled to annual leave with full pay during each leave cycle of 12 months, commencing on 1 January of each year. The remaining leave days, if any, must be taken no later than 6 months after the expiry of the relevant leave cycle, where after unused leave credits shall be forfeited.

Accruals were raised for service bonus (13th cheque) which is due within 12 months.

Debtors with credit balances

The debtors with credit balances arise due to either overpayment from clients on monthly invoices and/or the issuing of credit notes by the entity in response to resolving client disputes. As at 31 March 2025, these balances have been

g-FleeT Management

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

7. Prepayments

The prepayment balance is reflective of monies paid to the Gauteng Department of Roads and Transport relating to motor vehicle licence registrations, motor vehicle maintenance, monies paid to OEMs for motor vehicles maintenance and to SANRAL in relation to e-toll services for all the entity's motor vehicles.

	2025 '000	2024 '000
Motor Vehicles Prepayments	93 252	80 916
Gauteng Department of Roads and Transport	2 534	2 260
SANRAL	1 283	4 180
	97 069	**87 356**

8. Other Receivables

This balance relates to salary related suspense accounts that could not be cleared at year end.

	2025 '000	2024 '000
Other Receivables	9 283	676

9. Municipal deposits

This relates to payments made to the landlord as deposit for office rentals at the regions.

	2025 '000	2024 '000
Municipal deposits	321	321

10. Inventories

	2025 '000	2024 '000
Vehicles held for sale	52 464	87 947
	52 464	87 947
Inventories (write-downs)	(3 231)	(5 246)
	49 233	**82 701**
Inventories recognised as an expense during the year	143 887	70 124

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Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

11. Receivables from exchange transactions

	2025 '000	2024 '000
Trade receivables	326 741	140 706
Other debtors - Traffic fines and accident claims	577	216
	327 318	**140 922**

Balance as at 31 March 2025	Gross Balance	Impairment provision	Net balance
Trade Receivables	300 935	(1 481)	299 454
Other debtors - Traffic fines and accident claims	7 350	(6 773)	577
Other debtors	27 287	-	27 287
	335 572	**(8 254)**	**327 318**

Balances as at 31 March 2024	Gross Balance	Impairment provision	Net balance
Trade Receivables	137 584	(1 958)	135 626
Other debtors - Traffic fines and accident claims	6 989	(6 773)	216
Other debtors	5 080	-	5 080
	149 653	**(8 731)**	**140 922**

The line with its mandate, the entity's business is focused toward servicing all Government Departments and Entities within South Africa. Accordingly, all reported trade receivables stem from monies outstanding by the applicable Government Departments and Entities.

Trade and other receivables past due but not impaired

The ageing of amounts due but not impaired is as follows:

	2025 '000	2024 '000
Within 30 days	173 296	70 765
31 to 60 days	50 743	57 839
61 to 90 days	33 957	1 765
91 to 120 days	11 615	2 467
Greater than 120 days	31 324	4 748
	300 935	**137 584**

Reconciliation of provision for impairment of trade and other receivables from exchange transactions

	2025 '000	2024 '000
Opening balance	(1 958)	(5 301)
Changes to the Statement of Financial Performance	477	3 343
	(1 481)	**(1 958)**

12. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025 '000	2024 '000
Cash on hand	22	22
Bank balances	2 745 973	2 647 723
	2 745 995	**2 647 745**

12.1 Bank Accounts

Primary bank Account - Standard Bank

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Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

12. Cash and cash equivalents (continued)

Standard Bank

Standard Bank Account		
Bank Statement balance at the end of the period	873 402	1 903 754

South African Reserve Bank

SARB Account		
Bank Statement balance at the end of the period	1 872 490	743 969

13. Finance lease obligation

Non-current liabilities	14 914	14 685
Current liabilities	363	178
	15 277	**14 863**

As at 31 March 2025	Minimum lease payments	Future finance charges	Present value of minimum lease payments
Within One Year	1 596	(1 246)	350
Within Two To Five Years	5 098	(4 804)	294
Later Than Five Years	90 000	(75 380)	14 620
Subtotal	96 694	(81 430)	15 264
Less: Amount Due Within One Year	(1 233)	1 246	13
	95 461	**(80 184)**	**15 277**

As at 31 March 2024	Minimum lease payments	Future finance charges	Present value of minimum lease payments
Within One Year	1 388	(1 210)	178
Within Two To Five Years	4 856	(4 794)	62
Later Than Five Years	91 200	(76 578)	14 622
Subtotal	97 444	(82 582)	14 862
Less: Amount Due Within One Year	(1 209)	1 210	1
	96 235	**(81 372)**	**14 863**

The lease periods of agreements entered into by g-FleeT in the capacity as a lessee ranges from 2 to 99 years. Interest rates vary per lease agreement. The finance lease obligations, are secured by finance lease assets included in Property, Plant and Equipment.

The remaining leased term for buildings is 84 years. The lease term for machinery and cellphones is 2 years and the average effetive borrowing rate is 11.38%.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 2.

14. Long-term leave accrual

The long-term leave accrual represents the amounts of capped leave still due to employees who have not yet resigned or retired.

g-FleeT Management

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

14. Long-term leave accrual (continued)

Opening balance	2 792	2 624
Movement in the Statement of Financial Performance	(292)	168
	2 500	**2 792**

15. Income received in advance

Income received in advance	-	3 977

16. Revenue from Leases

Operating Lease	886 654	827 054
Toll Fees	7 716	7 568
Fuel and Oil	207 882	237 281
Traffic and Accident claims	699	1 008
Gain on Finance lease disposal	251	130
	1 103 202	**1 073 993**

17. Cost of sales

Sale of goods		
Cost of goods sold	143 887	70 124

18. Revenue from auction of vehicles

Revenue from auction of vehicles	131 715	66 982

19. Realisation of Property Lease Liability

Realisation of Property Lease Liability	1 200	1 200

During 2009, the then Gauteng Department of Public Transport Roads and Works entered into a rental agreement with the Gauteng Department of Infrastructure Development on behalf of g-FleeT. In terms of this lease agreement, the monthly rental is R 100,000 per month (amounting to a R 1,2 million per annum) over the 99 year lease period. The rental agreement does not provide for any inflation, or inflationary adjustments.

The lease agreement further stipulates that the rental fees as paid by g-FleeT, that is in respect of the Entity’s Head Office (situated at No. 76 Boeing Road East, Bedfordview) should be set off against any expenditure incurred by the Entity relating to leasehold improvements.

The Entity has recognised this contract as a finance lease, and therefore accounts for this benefit as revenue from exchange transactions given the improvements that have been effected by g-FleeT.

20. Debt Impairment reversal

Trade and other receivables impairment	477	6 902

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Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

21. Other income

Revenue from Transport Income	3 577	1 463
Sundry Income	8 482	403
Motor vehicle recoveries	1 271	15 454
	13 330	**17 320**

Motor vehicle recoveries reflect the carrying value of vehicles that were previously reported as either lost and/stolen. The values reported for both the current and prior year are a reflection of the work implemented by the entity in strengthening the overall internal control environment relating to the leasing of vehicles.

22. Interest received

Interest revenue		
Bank	162 332	111 980
Interest on finance lease receivables	46 765	49 826
	209 097	**161 806**

23. Fuel and oil

Fuel and oil	244 299	244 567

24. Employee related costs

Basic	77 559	76 462
Medical aid - company contributions	6 261	5 587
Pension	10 260	8 918
Workmen's Compensation Act contribution	26	23
Leave pay provision charge	(1 275)	1 818
Other short term costs	124	73
Overtime payments	3 425	1 064
13th Cheques	8 957	5 839
Acting allowances	2	69
Housing benefits and allowances	6 201	5 937
	111 540	**105 790**

g-FleeT Management

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

25. Repairs and maintenance

The following specific costs included in the amount of repairs and maintenance were incurred by g-FleeT Management.

	2025 '000	2024 '000
General maintenance and services	157 514	146 166
Spares and accessories	32	1 391
Tyres and tubes	11 041	13 530
	168 587	**161 087**

26. Depreciation and amortisation

	2025 '000	2024 '000
Motor vehicles	123 578	111 114
Other assets	10 379	10 226
Intangible assets	249	255
	134 206	**121 595**

27. Finance costs

	2025 '000	2024 '000
Finance leases	1 214	1 232

28. Bad debts written off

	2025 '000	2024 '000
Bad debts written off	-	85

29. General expenses

	2025 '000	2024 '000
Advertising	2 487	1 554
Auditors remuneration	6 384	6 309
Consulting and professional fees	4 804	7 818
Consumables	3 587	3 722
Debt Impairment expense	-	6 773
Other Consumables	211	123
Conferences and seminars	1 067	1 590
License fees - software	481	367
Municipal Expenses	5 332	12 009
Motor vehicle expenses	1	5
Postage and courier	47	50
Printing and stationery	938	1 253
Security	6 416	6 268
Training	886	354
Travel - local	922	752
Loss on disposal of asset	2 174	1 790
Tracking expenses	33 910	30 263
Vehicle theft and losses	4 487	7 615
Rental expenses - operating lease	2 993	2 480
Assets written off	1 982	3 415
License fees - vehicles	5 346	4 818
Toll fees	11 715	14 322
Towing costs	2 185	530
Traffic fines	37	103
Accident claims	609	950
Inventory write down to net realisable value	3 231	4 428
	102 232	**119 661**

g-FleeT Management
Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

30. Cash generated from operations

Surplus	553 598	507 749
Adjustments for:		
Depreciation and amortisation	134 206	121 892
Sundry payments	-	(403)
Leave pay provision	(1 275)	-
Interest income	(46 765)	(49 826)
Finance costs - Finance lease	1 214	1 232
Debt impairment reversal	(477)	(6 902)
Bad debts written off	-	85
Assets written off	1 982	3 415
Cost of sales	143 887	69 759
Realisation of lease property	(1 200)	(1 200)
Gain on finance lease disposal	(251)	-
Recoveries: Non-cash	(1 271)	(15 454)
Vehicle theft and losses	4 487	7 381
Changes in working capital:		
Receivables from exchange transactions	(196 619)	151
Receivables from auction	-	23 822
Prepayments	(9 713)	(30 929)
Payables from exchange transactions	(327)	(639)
Other payables	(5 379)	3 101
	576 097	**633 234**

31. Financial instruments disclosure

Categories of financial instruments

31 March 2025

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	327 318	327 318
Cash and cash equivalents	2 745 995	2 745 995
Finance lease receivables	267 117	267 117
	3 340 430	**3 340 430**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	47 968	47 968
Finance lease obligation	15 277	15 277
Debtors with credit balance	87	87
	63 332	**63 332**

31 March 2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	140 922	140 922
Cash and cash equivalents	2 647 745	2 647 745
Finance lease receivables	235 593	235 593

g-FleeT Management

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

31. Financial instruments disclosure (continued)

	3 024 260	**3 024 260**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	48 295	48 295
Finance lease obligation	14 863	14 863
Debtors with credit balance	127	127
	63 285	**63 285**

Liquidity risk

g-Fleet's exposure to liquidity risk consists of the risk that it will not have sufficient cash to pay liabilities as they fall due. g-Fleet manages liquidity risk by maintaining a positive cash balance.

The total exposure to liquidity risk is represented by the trade and other payables and finance lease payable balance in these financial statements.

The entity manages liquidity risk through an ongoing review of future commitments. Through this review, the Entity ensures that it has sufficient cash on demand or access to facilities to meet expected operational and capital expenses. The table below analyses the Entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual date. The amounts disclosed in the table are the contractual undiscounted cash flows. The maturity profile for finance lease maturity payables is disclosed in the finance lease obligations note.

The following is an analysis of the age of accounts receivable that are due as at the reporting date but not impaired.

Financial assets past due - Accounts Receivable:		
With 30 days	94 653	70 765
More than 30 days and not more than 60 days	78 942	57 839
More than 60 days and not more than 90 days	50 743	1 765
More than 90 days	76 597	7 216
	300 935	**137 585**

Maturity of financial liabilities - 31 March 2025	Due within 1 month
Payables from exchange transactions	47 968

Credit risk

Credit risk consists of cash and cash equivalents and receivables. g-Fleet Management considers it's credit risk minimised as the entity only hold cash with major banks with high quality credit standing and Trade and other receivables comprise of a Government customer base. Government debt is considered recoverable. All debtors that are past due not impaired are thus considered to be recoverable, although recovery may not be within the contractually agreed timeframes. The entity continues to render services to its defaulting customers so as to ensure government service delivery is not impeded by its clients, in extreme cases petrol cards for service departments are suspended until such time outstanding accounts are settled or realistic payment plans are provided.

The entity provides for an impairment provision per client that represents its estimate of potential losses in trade receivables. Further credit risk information is provided in the notes for Receivables from exchange transactions and Finance lease receivables..

The entity has also considered the prevailing economic conditions both locally and internationally and it's impact on client budgets when estimating the provision for debt impairment.

g-FleeT Management
Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

31. Financial instruments disclosure (continued)

Interest rate risk

The Entity is not entitled to charge interest on overdue debtors. The interest arising from finance lease receivables and payables arises from the interest rate implicit in leases, and is not affected by market interest rates. Thus, the entity's exposure to cash flow interest rate risk arises if it is required to pay interest on overdue trade and other payables. The extent of this risk amounts to market interest rates applied to the trade and other payables balance.

The entity has a policy of paying suppliers within 30 days of the invoice date, and interest rate risk exposure is managed through adherence to this policy.

The interest received from positive bank balances are linked to interest variation as pronounced by the governor of reserve bank.

32. Commitments

Authorised capital expenditure

	2025 '000	2024 '000
Already contracted for but not provided for		
• Property, plant and equipment	69 098	152 313

Total commitments

	2025 '000	2024 '000
Total commitments		
Authorised capital expenditure	69 098	152 313

Operating lease commitments

	2025 '000	2024 '000
Minimum lease payments due		
- within one year	1 379	1 326
- in second to fifth year inclusive	1 900	3 279
	3 279	**4 605**

g-FleeT Management entered into three (3) year transversal contract which commenced on 01 March 2024 and terminating on 28 February 2027 for all G-FleeT offices.

g-FleeT Management
Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

33. Contingent Liabilities

As at 31 March 2025 the entity was exposed to the following litigation cases which arose during the ordinary course of business and whose outcome is dependent on the outcome of formal legal proceedings and assessments thereof:

Description	2025	2024
Various third-party motor vehicle accident claims	8 865	6 012
Mbokoda Construction CC – Non-payment of account	3 900	3 484
ABSA- non – payment of account	-	1 132
	12 765	**10 628**

The third-party motor vehicle accident claims emanate from accident claims that have been instituted against the entity for damages caused to third-party motor vehicles by state drivers using g-FleeT motor vehicles.

The matter with the Mbokoda Construction CC contractual legal dispute emanated on 24 October 2012. The claim was in respect of monies owed to sub-contractors and project management fees. The entity's legal assessment, i.e. both state attorney and senior counsel believed that the plaintiff did not have any lien over the g-fleet properties and that the matter was ready for trial and awaiting a court date. As at 31 March 2025, the status quo remained the same.

In addition, the entity is exposed to 3 labour matters, all of which have been assessed by the entity's legal unit as being defendable in court.

34. Related parties

g-FleeT Management is related to all Gauteng Provincial Government departments and entities by virtue of being under the same control by Gauteng Premier and Gauteng Legislature.

On a more direct level, the Entity is related to the Gauteng Department of Roads and Transport (GDRT) and its entities, namely, Gautrain Management Agency (GMA) and the Transport Authority of Gauteng (TAG) due to the same level of direct control exercised by the appointed Member of Executive Council (MEC).

All transactions with related parties, except for those outlined below are within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which the Entity would have adopted if dealing with that individual entity or person on terms and conditions within the normal operating parameters established by the reporting entity's legal mandate.

The entity's assessment of all transactions with related parties revealed the following transactions which were not concluded on the principles of being at arm's length:

- The entity is utilising office space located within its parent Department, the Gauteng Department of Roads and Transport head office at 45 Commissioner Street. Such office space is utilised at no cost to the entity.
- The entity entered into agreement with Gauteng Department of Roads and Transport (GDRT) to source and pay probity audit services to the value of R2,580,642 which is secured. As part of the agreement, the Entity is expected to raise a debt against GDRT on transactions processed. So far the entity has spent R643,331.40 which then leaves a commitment of R1,937,310.60 for the probity audit service sourced on behalf of GDRT.
- The Entity's Chief Executive officer (Ms Noxolo Maninjwa) was seconded to the Transport Authority of Gauteng (TAG) during the 23/24 financial year in order to facilitate the operationalisation of TAG.The Entity continues to bear the cost of the official's remuneration.The remuneration for 2024/25 amounted to R 1,962,215. (2023/24:R1,575,242).
- During 2023/24 the Entity entered into an agreement with its parent Department,the Gauteng Department of Roads and Transport wherein the Department is leasing 4 mobile motor vehicle licencing centres.As part of the agreement approved by the Accounting Officer,the entity was required to support the Provincial Revenue collection Strategy by only charging the department for opertional cost associated with the mobile units.The capital cost to be borne by the Entity in relation to the 4 mobile licencing units is estimated to amount to approximately R10 million

g-FleeT Management

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Notes to the Financial Statements

	2025 '000	2024 '000

35. Members' emoluments

Executive

31 March 2025

	Basic Salary	13th Cheque	Pension Contributions	Other Benefits	Total
Ms PP Gadebe-Mabaso (acting CEO from 1 June 2023 until 30 June 2024)	-	-	-	-	-
*Mr.Poobalan Govender (acting CEO from 01 July 2024)	1 115	93	145	242	1 595
Mr Sifiso Mhlongo-(Director Maintenance Services)	852	71	111	183	1 217
Mr V Mankumba - (Director VIP and Pool)	852	35	111	191	1 189
Mr.PM Mabunda(Chief Director Logistics)	1 436	-	-	-	1 436
Ms Andiswa Gingqi(Acting CFO from 06 January 2025)	852	71	111	184	1 218
Ms Ravanne Mathews-(Director Permanent Fleet)	860	72	112	390	1 434
Ms Salomie Jafta-(Director TSS)	847	71	110	384	1 412
Ms. CM Mogotsi - (Director Corporate Services)	852	71	111	183	1 217
	7 666	**484**	**811**	**1 757**	**10 718**

The Entity's Chief Executive Officer (Ms Noxolo Maninjwa) was seconded to the Transport Authority of Gauteng (TAG) during the 23/24 financial year in order to faciliate the operationalisation of TAG. The Entity continues to bear the cost of the official's remuneration.The remuneration for 2024/25 amounted to R1,962,215.

The Acting CEO Ms Puleng Radebe Mabaso had been seconded to g-FleeT Management from the 1st of June 2023 until 30 June 2024.All remuneration costs were borne by the Gauteng Department of Human Settlement.

31 March 2024

	Basic Salary	13th Cheque	Pension Contributions	Other Benefits	Total
*Ms. Noxolo Maninjwa (Chief Executive Officer)	187	-	24	85	296
*Ms. Puleng Gadebe-Mabaso (acting CEO from 1 January 2024 to March 2024)	328	-	43	70	441
Mr. Poobalan Govender (Acting CFO from Sept 2021)	1 048	87	136	230	1 501
Ms. Andiswa Gingqi - Director: Finance	814	39	106	178	1 137
Mr PM Mabunda (Chief Director Logistics from 1 February 2023)	1 210	-	-	-	1 210
Mr. Sifiso Mhlongo - Director: Maintanance Services	817	68	106	176	1 167
Ms. Salomie Jafta - Director TSS	819	68	106	371	1 364
Ms. CM Mogotsi - Director: Corporate Service	814	68	106	175	1 163
Ms. Ravanne Mathews - Director Permanent Fleet	819	68	106	371	1 364
Mr. Trevor Nkambule - Acting Director: VIP and Pool Services (From 9 March 2023 to 8 June 2023)	118	-	15	14	147
	6 974	**398**	**748**	**1 670**	**9 790**

g-FleeT Management
Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000

35. Members' emoluments (continued)

*The Acting Chief Executive Officer, Ms. Puleng Gadebe-Mabaso has been seconded to G-Fleet Management from the 1st of June 2023. The remuneration costs from the 1st of June to 31st of December 2023 were borne by Department of Human Settlement.

The Entity's Chief Executive Officer (Ms Noxolo Maninjwa) was seconded to the Transport Authority of Gauteng (TAG) from June 2023 financial year in order to faciliate the operationalisation of TAG. The Entity continues to bear the cost of the official's remuneration.The remuneration from June 2023 to 31March 2024 amounted to R1,575,241

36. Prior period errors

Error 1: Correction of prior year additions for motor vehicles

An error was identified in which the cost of new vehicles was incorrectly recorded in the motor vehicle register.This error has since been corrected,and the affected balances have been adjusted accordingly.

	2024
Decrease in Motor vehicles	(1 028)
Decrease in Depreciation	(87)
Increase in prepayment	1 115
	-

Error 2: Correction of prior year for recoveries

Vehicles that were still under investigation were erroneously recognised as recovered.This error has since been corrected ,and the impact is as follows:

Decrease in Motor vehicles	(525)
Decrease in Depreciation	(38)
Decrease in recoveries	329
Increase in losses	234
	-

Error 3: Correction of motor vehicles classified as finance leases in the previous years

Vehicles that had been classified as finance leases in prior years were incorrectly recognised as Property,Plant and Equipment (PPE).This classification error has since been corrected and the impact is as follows:

Decrease in Motor Vehicles	(1 618)
Increase in losses	1 790
Decrease in Depreciation of motor vehicles	(172)
	-

Error 4: Revenue transactions captured in the current year but beloning to previous year.

During the 2024/25 financial year an error was idetified by management in respect of the revenue transactions captured in the current year but belonging to previous year.Such error has been susequently corrected with the resulting impact highlighted below:

Increase in Receivables from exchange transactions	542
Increase in Revenue from leases	(542)

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Notes to the Financial Statements

	2025 '000	2024 '000

36. Prior period errors (continued)

Error 5: Vehicles disposed in previous years

Vehicles that were disposed in previous years were identified and subsequently derecognised

Decrease in recoveries	81
Increase in cost of sales	366
Increase in inventory write down	562
Decrease in inventory	(1 009)
	-

Error 6: Vehicles in use will be transferred to PPE

Vehicles that were incorrectly recommended for disposal transferred back to PPE

Increase in Motor vehicles	321
Decrease in inventory	(321)
	-

Error 7: Debt against TAG incorrectly raised

During the 2024/25 financial year an error was identified by management in respect of debt raised against TAG for a salary related to the previous CEO(Ms Maninjwa).Such error has been subsequently corrected with the resulting impact highlighted below.

Increase in employee related costs	1 575
Decrease in receivable from exachange transactions	(1 575)
	-

37. Going concern

As at 31 March 2025, management had every reason to believe that the entity had adequate resources in place to continue in operation for the foreseeable future.

This assumption is based on the below assessment:

1. The entity is self-sustaining and derives its funding from the revenue generated through the provision of services.

2. The Entity has a strong balance sheet that is backed by cash.

3. Strict daily cash management processes are embedded in the Entity's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the budget. The cash management processes are complemented with monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

4.The Entity has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of services. Certain key financial ratios, such as liquidity and solvency are closely monitored and the necessary corrective actions instituted. Taking the aforementioned into account, management has prepared the Annual Financial Statements on the going concern basis.

38. Fruitless and wasteful expenditure

	2025	2024
Add: Fruitless and wasteful expenditure identified - current	-	269

g-FleeT Management

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 '000	2024 '000
39. Irregular expenditure		
Add: Irregular Expenditure - current	-	39

40. Segment information

The entity has identified the need to segment report on 2 economic activities that generate separate economic benefits to the Entity whose results are regularly reviewed by management to make decisions about resources to be allocated and for which financial information is available. The 2 economic activities identified by the entity relate to leasing services and auction services. Key business processes that link directly to the respective activities have been aggregated into the respective activity. Business processes that cannot be linked to a specific activity have been excluded from the reported segment information. The reported information for the 2 economic activities as per GRAP 18 are as follows:

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Figures in Rand thousand

40. Segment information (continued)

Segment surplus or deficit, assets and liabilities

31 March 2025

	AUCTIONS	LEASING OF MOTOR VEHICLES	Total
Revenue			
Revenue from exchange transactions	131 715	1 103 202	1 234 917
Other income	-	13 330	13 330
Total segment revenue	**131 715**	**1 116 532**	**1 248 247**
Entity's revenue			**1 248 247**
Expenditure			
Depreciation and amortisation	-	134 206	134 206
Finance costs	-	1 214	1 214
Bad debts written off	-	-	-
Repairs and maintenance	-	168 587	168 587
Fuel and oil	-	244 299	244 299
General Expenses	-	102 232	102 232
Employee related costs	-	111 540	111 540
Cost of Sales	143 887	-	143 887
Total segment expenditure	**143 887**	**762 078**	**905 965**
Total segmental surplus/(deficit)	**(12 172)**	**354 454**	**342 282**

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Figures in Rand thousand

40. Segment information (continued)

	AUCTIONS	LEASING OF MOTOR VEHICLES	Total
Assets			
Inventories	49 233	-	49 233
Property Plant and Equipment	-	1 587 849	1 587 849
Receivables from exchange transactions	-	327 318	327 318
Prepayments	-	97 069	97 069
Intangibles	-	350	350
Other receivables	-	9 283	9 283
Finance lease receivable	-	267 118	267 118
Total segment assets	**49 233**	**2 288 987**	**2 338 220**
Liabilities			
Payables from exchange transactions	-	47 968	47 968
Finance lease obligation	-	15 277	15 277
Long term leave accrual	-	2 500	2 500
Other payables	-	10 934	10 934
Total segment liabilities	**-**	**76 679**	**76 679**
Total net segment assets/liabilities			**2 261 541**

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Figures in Rand thousand

40. Segment information (continued)

31 March 2024

	AUCTIONS	LEASING OF MOTOR VEHICLES	Total
Revenue			
Revenue from exchange transactions	66 982	1 073 993	1 140 975
Other income	136	17 184	17 320
Total segment revenue	**67 118**	**1 091 177**	**1 158 295**
Entity's revenue			**1 158 295**
Expenditure			
Depreciation and amortisation	-	121 595	121 595
Finance costs	-	1 232	1 232
Bad debts written off	-	85	85
Repairs and maintenance	-	161 087	161 087
Fuel and oil	-	244 567	244 567
General expenses	-	119 661	119 661
Employee cost	-	105 790	105 790
Cost of Sales	70 124	-	70 124
Total segment expenditure	**70 124**	**754 017**	**824 141**
Total segmental surplus/(deficit)	**(3 006)**	**337 160**	**334 154**
Assets			
Inventories	82 701	-	82 701
Property Plant and Equipment	-	1 337 947	1 337 947
Receivables from exchange transactions	-	140 922	140 922
Prepayments	-	87 356	87 356
Intangible assets	-	599	599
Other receivables	-	676	676
Finance lease receivable	-	235 593	235 593
Total segment assets	**82 701**	**1 803 093**	**1 885 794**

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Figures in Rand thousand

40. Segment information (continued)

	AUCTIONS	LEASING OF MOTOR VEHICLES	Total
Liabilities			
Payables from exchange transactions	-	48 295	48 295
Finance lease obligation	-	14 863	14 863
Long term leave accrual	-	2 792	2 792
Other payables	-	12 044	12 044
Income received in advance	-	3 977	3 977
Total segment liabilities	**-**	**81 971**	**81 971**
Total net segment assets/liabilities			**1 803 823**

41. Principal-agent arrangement

The entity utilises the services of professional auctioneers when undertaking the auctioning of motor vehicles. In terms of GRAP 109, this relationship between the appointed auctioneer and the entity has been assessed as being that of a principal agent arrangement. The appointed auctioneer derives revenue through the levying of commission on each sale. The levying of commission is outlined in the terms and conditions for each auction. The table below outlines the list of professional auctioneers used by the entity and respective percentage sales commission levied during each of the financial years:

	2025	2024
Riley Auctioneers (Pty) Ltd	3,5%	3,5%
Customised Auction (Pty) Ltd	-	2,5%

As at 31 March 2025, no resource of the entity was under the custodianship of any of the agents. In addition, there are no cost implications for the principal should the contract of the appointed agent be cancelled.

Gauteng Department of Roads and Transport
45 Commissioner Street, Life Centre Building
Private Bag X83 Marshalltown 2107

Tel: 011 355 7332
Fax: 011 355 7305

Email: CommunicationsGPDRT@gauteng.gov.za
www.gauteng.gov.za

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