



DEPARTMENT OF ROADS AND TRANSPORT

# ANNUAL REPORT 2022 - 2023

Growing Gauteng through Smart Mobility



**GAUTENG PROVINCE**  
ROADS AND TRANSPORT  
REPUBLIC OF SOUTH AFRICA

**GGT2030**  
GROWING GAUTENG TOGETHER





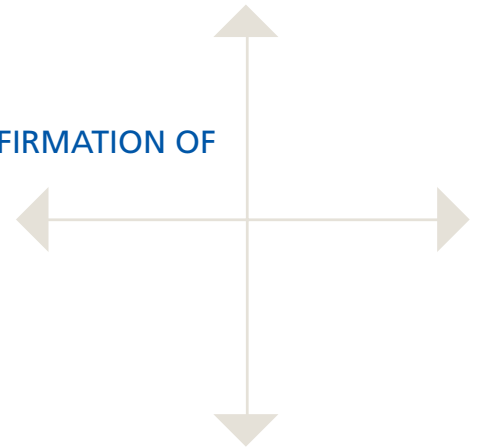
**GAUTENG PROVINCE**

ROADS AND TRANSPORT  
REPUBLIC OF SOUTH AFRICA

# Vote 9 Annual Report 2022/23 Financial Year

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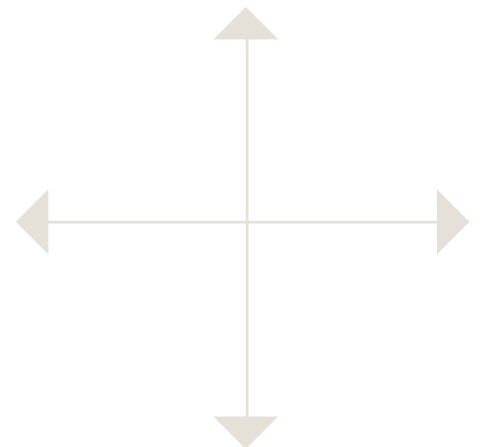
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Part  
A

DEPARTMENT OF ROADS AND TRANSPORT

GENERAL INFORMATION



# GENERAL INFORMATION

## HIGHLIGHTS

Department of  
Roads &  
Transport

MAJOR  
ACHIEVEMENT

01

P39/1 heavy road rehabilitation from Diepsloot to Muldersdrift completed and open to road users.

MAJOR  
ACHIEVEMENT

02

COVID-19 CADET Programme continued in 2022/23 with 552 Military Veterans (MV) as scholar transport monitors

MAJOR  
ACHIEVEMENT

03

P156/3 (R42) from P155/1 to D2563 Vanderbijlpark heavy road rehabilitation completed and open to road users.

MAJOR  
ACHIEVEMENT

04

Re-launched the R4, 5 million refurbished Xavier Driver Learner Testing Center (DLTC) situated in Ormonde, Johannesburg

MAJOR  
ACHIEVEMENT

05

Benoni Impound Facility reopened in December 2022.

MAJOR  
ACHIEVEMENT

06

EPWP job opportunities created – Total - 3, 300- 1, 950 youth and 1, 1 782 women.

07

105, 607.26m2 Blacktop patching completed

08

R630, 645 million spent on Road maintenance activities

09

1, 996km of provincial roads network visually assessed

10

1 950 youth were employed in various programmes

11

5, 532, 313 motor vehicle licences registered

12

380, 470 Learner licence applications received.

13

256, 276 Driver licence tests applications processed.

14

70, 5201 driver licence renewals.

15

1, 923 subsidised busses electronically monitored

16

8, 369 public transport operating licences issued.

17

72 interns were employed in the Department

18

4, 809, 223 motor vehicle licences renewed.

19

266, 315 Learner licences issued.

20

205, 222 Driver licence issued.

21

100% Senior Management financial disclosure

22

2, 390 subsidised busses providing subsidised commuter trips

23

A total of 251, 537 public transport users began accessing public transport and infrastructure information through the Transport Management (TMC).



## 1. DEPARTMENT GENERAL INFORMATION

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<b>EMAIL ADDRESS:</b>	<a href="mailto:CommunicationsGPDRT@gauteng.gov.za">CommunicationsGPDRT@gauteng.gov.za</a>
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<b>TWITTER:</b>	<a href="http://www.twitter.com/GPDRT_">www.twitter.com/GPDRT_</a>
<b>FACEBOOK:</b>	<a href="http://www.facebook.com/GPDRT">www.facebook.com/GPDRT</a>
<b>INSTAGRAM:</b>	<a href="http://www.instagram.com/GPDRT">www.instagram.com/GPDRT</a>
<b>YOUTUBE:</b>	<a href="http://www.youtube.com/@GautengTransport">www.youtube.com/@GautengTransport</a>



## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>AGSA</b>	Auditor-General of South Africa
<b>AO</b>	Accounting Officer
<b>BAS</b>	Basic Accounting System
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BRT</b>	Bus Rapid Transit
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CoJ</b>	City of Johannesburg
<b>CoT</b>	City of Tshwane
<b>CSIR</b>	Council of Scientific and Industrial Research
<b>DDG</b>	Deputy Director General
<b>DLTC</b>	Driver Licensing Testing Centres
<b>DoRA</b>	Division of Revenue Act
<b>DPSA</b>	Department of Public Service and Administration
<b>e-NaTIS</b>	electronic National Traffic Information System
<b>EPCO</b>	e-Hailing Partners Council
<b>EPWP</b>	Expanded Public Works Programme
<b>GDID</b>	Gauteng Department of Infrastructure Development
<b>GDRT</b>	Gauteng Department of Roads and Transport
<b>GIAMA</b>	Government Immovable Asset Management Act
<b>GISCMC</b>	Gauteng Integrated Smart City Modelling Centre
<b>GEYODI</b>	Gender, Youth and People with Disabilities
<b>GPG</b>	Gauteng Provincial Government
<b>GTA</b>	Gauteng Transport Authority

<b>GTIP5</b>	5-Year Transport Implementation Plan
<b>GSRN</b>	Gauteng Strategic Road Network
<b>GSTN</b>	Gauteng Strategic Transport Network
<b>HIRA</b>	Harzard Identification and Risk Assessment
<b>HDI</b> s	Historically Disadvantaged Individuals
<b>HIV/AIDS</b>	Human Immune Deficiency Virus/Acquired Immune Deficiency Syndrome
<b>HoD</b>	Head of Department
<b>HR</b>	Human Resource
<b>ICT</b>	Information Communication Technology
<b>ICTM</b>	Information Communication Technology Management
<b>IDMS</b>	Infrastructure Delivery Management System
<b>ITMP25</b>	25-Year Integrated Transport Master Plan
<b>JRA</b>	Johannesburg Roads Agency
<b>MEC</b>	Member of Executive Council
<b>MoA</b>	Memorandum of Agreement
<b>MBT</b>	Minibus Taxi
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MVRA</b>	Motor Vehicle Registration Authority
<b>NLTIS</b>	National Land Transport Information System
<b>NRTA</b>	National Road Traffic Act
<b>OHSA</b>	Occupational Health and Safety Act
<b>PFMA</b>	Public Finance Management Act
<b>PLTF</b>	Provincial Land Transport Framework
<b>PMDS</b>	Performance Management Development System
<b>PRASA</b>	Passenger Rail Agency of South Africa



<b>PRE</b>	Provincial Regulating Entity
<b>PRMG</b>	Provincial Roads Management Grant
<b>PPP</b>	Public Private Partnership
<b>PSCBC</b>	Public Service Co-ordinating Bargaining Council
<b>PTOG</b>	Public Transport Operations Grant
<b>QMS</b>	Queue Management System
<b>RISFSA</b>	Road Infrastructure Strategic Framework of South Africa
<b>SABOA</b>	South African Bus Operators Association
<b>SCM</b>	Supply Chain Management
<b>SED</b>	Socio-Economic Development
<b>SLA</b>	Service Level Agreement
<b>SMS</b>	Senior Management System
<b>SMME</b>	Small Medium Micro Enterprises
<b>TAG</b>	Transport Authority for Gauteng
<b>TIH</b>	Transport Infrastructure House
<b>TMH</b>	Technical Methods for Highways
<b>TMR</b>	Transformation, Modernisation and Re-industrialisation
<b>TOLABs</b>	Transport Operating Licence Administrative Bodies
<b>ToR</b>	Terms of Reference
<b>VTS</b>	Vehicle Testing Stations



### 3. FOREWORD BY THE MEC

## MS KEDIBONE DIALE-TLABELA MEMBER OF THE EXECUTIVE COUNCIL (MEC)

The financial year 2022/23 marked a critical juncture for Gauteng's socio-economic recovery, as it represented the penultimate year of the 6th administration's term. The Department of Roads and Transport played a pivotal role in catalysing the region's recovery efforts following the impact of the COVID-19 pandemic and various national and international crises.

The aftermath of the COVID-19 pandemic and the economic uncertainties necessitated a strategic approach to fostering socio-economic recovery. The Department of Roads and Transport recognised the importance of transport in driving recovery and reconfigured its efforts to align with the reprioritised Growing Gauteng Together (GGT) 2023 Plan and the five Elevated Priorities introduced by the Provincial Cabinet.

The five Elevated Priorities - emphasised as non-negotiable areas of focus - guided the Department's initiatives. To address these priorities, the Department intensified its Growing Gauteng Together Through Smart Mobility - 2030 Plan. The Smart Mobility Plan centered on transforming transport through Infrastructure, Operations, Institutions, and enabling Technology. The plan aimed to integrate information technology and smart solutions to create a seamless and efficient transport network.

To stimulate economic growth, the Department invested in upgrading and rehabilitating road infrastructure. Notable projects included the rehabilitation of roads such as P39/1 and P156/3, which contributed to economic recovery, job creation, and community empowerment. Additionally, several ongoing and future infrastructure projects were undertaken to enhance connectivity, safety, and capacity in the province.

Acknowledging the surge in unemployment due to the pandemic, the Department leveraged the Expanded Public Works Programme (EPWP) to create job opportunities. Through initiatives like the COVID-19 Transport Cadet Programme and Departmental Internship Programme, the Department provided employment opportunities, particularly for youth, women, and persons with disabilities. This not only supported economic relief but also fostered skill development.

The One Province One ticket project aimed at seamless travel through an integrated e-ticket system, while the Transport Management Center (TMC) facilitated real-time information for commuters. These initiatives enhanced safety, efficiency, and informed decision-making in public transport, contributing to a smarter mobility ecosystem.



The Department's efforts extended to public safety, with the establishment of impound facilities, the Public Transport Arbitration Office, and the introduction of a new Vehicle Number Plate System. These measures aimed to combat crime, enhance our law enforcement, and ensure the safety of both commuters and operators.

The Department demonstrated financial resilience by achieving revenue targets through strategies like efficient revenue collection, tariff reviews, and stakeholder collaboration. Despite challenges from the pandemic and economic conditions, the Department maintained a strong revenue contribution to the provincial government.

Throughout the year, the Department faced challenges such as cash flow issues with contractors, community stoppages, load shedding disruptions, and conflicts in the public transport industry. The Department responded with strategic interventions, stakeholder engagements, and community partnerships to navigate these challenges effectively.

The Department of Roads and Transport in Gauteng exhibited resilience, adaptability, and dedication in its mission to drive socio-economic recovery. Its strategic initiatives aligned with the province's priorities, resulting in tangible contributions to economic growth, job creation, and public safety. Despite challenges, the department's achievements in infrastructure development, smart mobility solutions, and revenue generation demonstrate its commitment to the well-being and prosperity of Gauteng's citizens. As the financial year 2022/23 drew to a close, the department remained on course to fulfill its mandate and further contribute to the province's socio-economic advancement.

**Ms Kedibone Diale-Tlabela**

MEC of the Department of Roads and Transport

**Date: 31 July 2023**



### 3. REPORT OF THE AO

DR THULANI MDADANE  
ACCOUNTING OFFICER

#### Overview of the operations of the Department

The financial year 2022/23, is the penultimate year of the sixth administration's 2019 -2024 five-year term. The Department of Roads and Transport (DRT) continued to ensure that transport played a catalytic role in driving Gauteng's Socio-Economic recovery. This was an imperative in the aftermath of the COVID-19 pandemic and the low economic growth predictions due to the various impacts of international and national crises on the economy. The Department remained focused in its contribution to the Reprioritised Growing Gauteng Together (GGT) 2023 Plan together with the five Elevated Priorities proclaimed by the new Provincial Cabinet in October 2022. The elevated priorities were introduced on 7 October 2022, with the Gauteng Premier pronouncing "We have decided to elevate certain areas of the GGT 2030 blueprint, which we feel are non-negotiable, between now and the end of the sixth administration."

The five elevated priorities pronounced are as follows:

1. **Economic recovery and acceleration**
2. **Improve living conditions in townships, informal settlements, and hostels (TISH)**
3. **Strengthen the battle against crime, corruption, vandalism, and lawlessness**
4. **Prioritization of health and wellness of communities**
5. **Strengthen the capacity of the state to deliver services**

The Department commenced with instilling these priorities within its core mandate of providing smart road infrastructure and transport systems for Gauteng. This led to intensifying and refocusing of its Growing Gauteng Together Through Smart Mobility - 2030 Plan to contribute to the achievement of the elevated priorities. The Smart Mobility Plan - 2030 Plan seeks to address the Province's transport challenges and support the Economic Recovery Plan of the Province. The Smart Mobility 2030 Plan's key focus areas of Infrastructure, Operations, Institutions and enabling Technology are aimed at transforming the current transport system into an integrated smart transport network, utilising information technology to facilitate the smart mobility of Gauteng citizens.





The lessons learnt from the past two years of the COVID-19 pandemic has empowered the Department to implement agile strategies in the transport environment. This agility has assisted the Department to refocus itself toward contributing to the Elevated Priorities in a meaningful manner. However, this was navigated through internal and external pressures which continue to impact on the country. The lingering aftermath of scourge of the COVID-19 pandemic, which have had devastating impacts on the country's economy and its people, continues to influence the socio-economic recovery of the Province. Unemployment remains high, the record-breaking petrol price increase also amplified the pressure on commuters and industries as traveling cost increased. This led to expected increase in the price of some commodities as the input cost of companies rose. The compounding effects of the increasing Eskom loadshedding stages continue to exert severe economic pressure on the economy. The negative impact of these adversities will continue to affect the Province's economic outlook over the Medium-Term Expenditure Framework (MTEF). Despite these adversities, positive gains were achieved by the Department in meeting its service delivery mandate and the Elevated Priorities.

The Department made notable contributions to the Economic Recovery and Acceleration priority. The focus was on the restructuring of the urban form through the provision of a smart roads system as a catalyst for both Provincial and regional economic growth.

### ***Restructured Urban Form – Smart Roads System***

The upgrading and rehabilitation of road infrastructure was aimed to facilitate economic recovery and growth, provide much needed job opportunities, improve the road network and smart mobility. The investment also served to promote the participation of small and emerging contractors whilst empowering communities through job creation. During the financial year under review, the Department completed and launched the following road infrastructure projects to the citizens of Gauteng.

- **P39/1 Heavy Rehabilitation from Diepsloot to Muldersdrift**

The road forms part of the Central and Western Corridors. The project involves rehabilitation of 14.45kms of road P39/1 between Diepsloot and Muldersdrift in the Westrand. The rehabilitation of road P39/1 increased structural capacity and safety on the road through the reconstruction of the gravel shoulders. The road rehabilitation is complete and open to road users.

- **P156/3 (R42) from P155/1 to D2563 Vanderbijlpark**

The road is in Vanderbijlpark Emfuleni Local Municipality and forms part of the Southern Corridor. The project involved the rehabilitation of 5.8 km which will include sidewalks. The road will enhance and maintain economic activities around Vereeniging/Vanderbijlpark. The rehabilitation of the road is complete and is open to road users.

### **The following strategic road infrastructure projects are being implemented and will be completed over the Medium-Term Expenditure Framework (MTEF).**

- **P241 (R554) from 15.7km to 19.75km and road D405 (R554) from 0.00 km to 8.75 km (R82)** – It is a pavement rehabilitation project and gravel shoulders will be re-gravelled. The project is at 87% complete.
- **K73 between Woodmead Drive and Allandale Road (D58) Mushroom Farm** – The project involves the upgrading and construction of the link between Allandale Road and the R55/Allandale. The upgrade will alleviate congestion on the R55/Allandale intersection and assist the industries in the North of Johannesburg to access the Lanseria Airport. Construction works is at 68% complete.
- **D483 between P6/1 (Bapsfontein) and D713 Cullinan** – D483 entails the rehabilitation of a single carriageway with gravel shoulders, located between P6/1 (Bapsfontein) and D713 (Cullinan). Progress is at 68% complete.
- **K69 Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54** – The project involves the doubling of 9km of an existing single carriageway. K69 will increase capacity, safety and accessibility for existing and future developments. The project is at 69% complete.
- **K46 (P79/1) William Nicol from PWV5 to Diepsloot/N14 Phase 2** – The upgrading of K46 comprises of the dualisation of 7.2km single carriageway between PWV5 and Diepsloot and will act as an access for developments along the Central Corridor (Lanseria, Fourways, Hartebeespoort Dam and Sandton). The project is at 50% complete.

- **K101 from D795 Olifantsfontein to N1 Brakfontein** – The project involves the construction of 5.4km of an existing road and the interchange between K27 and K101 and aims to alleviate traffic congestion during peak hours in the Midrand area around the Waterfall developments. Progress is at 30% complete.
- **K174, Vaal River City Interchange** – The project involves the upgrading of 2km in the Vaal River Interchange, Ascot Ave (future K55) and the Barrage Road (K174). The project is at 16% complete.
- **K31 access to Green Gate Development: Reconstruction and upgrade of the M5 Beyers Naude Road** – The upgrade is from a single to a 2.3km dual carriageway road to accommodate the increase in traffic. The road will provide access to the new Green Gate Development. The project is at 19% complete.
- **R82 Phase 2** – The project involves the dualisation of R82 Phase 3 (11.3km) between roads D1073 and K164 and will provide an alternative link between Johannesburg and Vereeniging, including access to existing and future developments in Walkerville, Eikenhoff and De Deur. Construction is at 7% complete.

### *Job creation*

The downturn in the economy due to the COVID-19 pandemic has seen the highest increase in the unemployment rate to 35.3%. The Department implemented various infrastructure projects through the Expanded Public Works Programme (EPWP) which is aimed at creating job opportunities for the most vulnerable of Gauteng citizens in local communities. A total of 3 300 job opportunities were created giving economic relief to many households. These included 1 950 youth with 1 782 women and 38 persons with disabilities.

Further, to provide sustainability in the job opportunities created from the previous financial year, the Department continued with the repurposing of 2021/22 COVID-19 Transport Cadet Programme. A total of 552 Military Veterans (MV) were placed in the repurposed Scholar Transport Cadet Programme to monitor scholar transport adherence to COVID-19 preventative interventions to ensure the safe transit of scholars to schools.

A total of 72 interns were employed on a two-year Departmental Internship Programme with an additional 82 being vetted for appointment in the next financial year, 2023/24.

### *Transport Management Center*

The Growing Gauteng Together Smart Mobility 2023 Plan seeks to ensure smart mobility for the citizens of Gauteng. A critical component of this is the Transport Management Centre (TMC) which aims at providing real time transport and infrastructure information to citizens to enable them to make smart, safe, affordable and reliable travel decisions. During the year under review, the operationalising of the TMC was undertaken with the soft launch of the TMC Call Center as a single point of contact for customer journey coordination across Provincial and Municipal transport modes. A total of 251, 537 public transport users accessed public transport information through the Call Centre. It played an instrumental role in keeping the public informed on transport operations by working closely with other local governments to maximise the safety and efficiency of the public transport network to the public. Exciting updates to the TMC's public transport data platform will be undertaken in the next financial year. These include increased functionalities such as:

- Journey planning
- Commuter facing website
- Taxi rank locations
- Subsidised busses operations
- Municipal busses Bus Rapid Transit (BRT) services
- Gautrain services

This integrated transport data platform will provide commuters with an array of transport information to assist in making an informed decision. The Transport Management Centre will be officially launched in July 2023 and will be the hub of transport and infrastructure operations in Gauteng.



### ***Reopening of impound facilities***

In contribution to the priority of Addressing Crime and Lawlessness, the Department completed the secondment of the Public Transport Inspectorate Unit from the Department of Community Safety. The Inspectorate conducts amongst others; the monitoring of Public Transport operations and compliance inspections as per National Road Traffic Act 93 of 1996. The aim is to address incidences of lawlessness, crime and violence in the public transport industry, thereby making public transport safer for commuters. The Department also reopened the Benoni impound facility and will also be reopening three impound facilities during the next financial year to address crime, road and transport safety and ensure public transport operators' adherence to the National Road Traffic Act Regulations.

### ***New Vehicle Number Plate System***

The call for an immediate strengthening of the fight against crime, corruption, vandalism and lawlessness pronouncement by the Premier was responded to by the Department through the development of a new smart Vehicle Number Plates Recognition System. Amongst its key objectives is to assist in enhancing monitoring and law-enforcement efforts. The Department, in February 2023, published in the Government Gazette the intention to introduce a new motor vehicle number plate system for the Gauteng Province (GP) which would include new security features and related changes. The objective of the new GP number plate system, with enhanced security features, is to improve the detection of motor vehicle and owner identification, enhance law enforcement and enable responsiveness to crime. The Department hosted various stakeholder engagements and workshops with the intergovernmental transport and security clusters for their contribution and inputs on the best security features for the development of a new number plate system for Gauteng. These included the Road Traffic Infringement Agency Road Traffic Management Corporation (RTMS), South African Police Service (SAPS), South African Bureau of Standards (SABS), the National Department of Transport as well as the Johannesburg Metropolitan Police Department. Draft requirements were also discussed with SABS. Workshops were held with embossers on 23rd March 2023 and written comments on their registration requirements were submitted on 31 March 2023. These comments are being reviewed for consideration during the development of the prototype and registration of manufacturers during the financial year 2023/24. The Department has engaged the Council for Scientific and Industrial Research (CSIR) to assist in the development of the new system which is envisaged to be completed by end October 2023.

### ***Vereeniging Intermodal Facility***

The Vereeniging Intermodal Facility project is part of the Passenger Rail Agency of South Africa (PRASA) Corridor Modernisation Programme. The Department entered into an agreement with PRASA and Sedibeng District Municipality towards the development of the station precinct. The project entails the upgrading of Vereeniging Station into a modern integrated intermodal facility. The project was handed over to the Gautrain Management Agency (GMA) for implementation and will be completed in two phases. .

- **Temporary holding Taxi Rank Phase 1**

The construction of Phase 1 commenced once engagements with stakeholders on Phase 1 (scope and construction stages) were completed and all stakeholders supporting the work planned for Phase 1. The construction is envisaged to be completed in May 2023.

- **Intermodal facility Phase 2:**

Phase 2 of the Vereeniging Intermodal facility will encompass a complete public transport intermodal facility. The architectural model and layout for Phase 2 as a new future taxi rank was developed. The Sedibeng Taxi Associations and Municipality were engaged on the model and the concept was accepted. This paved the way for the submission of the business case to Provincial Treasury for funding of the Phase 2 construction which is envisaged to be completed in the financial year, 2024/25.

### ***Establishment of the Public Transport Arbitration Office***

The Provincial Registering Entity Regulation amendments were promulgated on 6 June 2022 which empowered the Provincial Minister of the Executive Council (MEC) for Transport and Logistics to establish an Arbitration Office. This resulted in an Arbitration Office being established within the Department for the adjudication of public transport disputes. The Office is led by the appointment of retired, Judge- Advocate, Shongwe, and includes secretariate services for the operations of the Office.

### ***Revenue maximisation***

Despite challenges experienced with the COVID-19 pandemic which impacted negatively on the Driver Learner Licensing Testing Centres (DLTCs) and Registering Authorities (RAs) during the financial year 2020/21, the financial year showed a turnaround in revenue collection. The Department successfully achieved its revenue target of R4,4 billion with an overachievement of R4,5 billion through implementing revenue generating strategies. This makes the Department the highest revenue contributor in the Gauteng Provincial Government.

The continued growth in revenue collection reflects the effectiveness and efficiencies of the Department's Revenue Maximisation Strategy. It is driven by four pillars, namely, maximisation of the agency fee cost, efficient revenue collection, continuous tariff reviews, stakeholder inclusion and data clean-up. The strategy will continue to ensure alignment and contribution to the National Medium-Term Strategic Framework (MTSF) priorities and the Province's Growing Gauteng Together 2030 (GGT2030) Plan. However, Municipal implementing partners/agents in extreme financial distress, unfavourable economic conditions, power interruption, weak e-NaTIS systems environment continue to pose a challenge to revenue generation.

### ***Payment of suppliers***

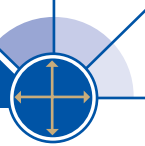
As part of its contribution to the economic recovery of the Province, the Department paid 100% of service providers within 30 days and 92% of those invoices were paid within 15 days as required by legislative prescripts. During the current economy, the critical priority for the Department was ensuring efficiency in the delivery of projects and sustainability of Small Medium and Micro Enterprises (SMMEs) in line with GGT2030 priorities. The aim remains to continue building the public's confidence in the Department and fast-track service delivery. Aligned to the Smart Mobility Plan 2030's Key Pillar of building a strong institution, the Department introduced the electronic invoicing systems and implemented the Financial Automation Management System to refine its payment processes to ensure all SMMEs and township businesses invoices are verified and paid within 15 days. Further efficiencies will be achieved with the introduction of e-Tendering in the financial year, 2023/24.

### ***Challenges navigated***

The year has been not without its challenges which the Department had to navigate to ensure continued service delivery. Challenges were experienced in the Transport Infrastructure Programme with the appointed contractors who experienced cash flow and capacity issues, resulting in their inability to deliver within budget and time. Extensive consultations were held to address these issues with the contractors and provide mitigation strategies to ensure the projects continued and deadlines were met.

There were also community stoppages on projects due to socio-economic pressures impacting on communities. The Department implemented a social facilitation stakeholder engagement programme which was led both by the MEC and the Accounting Officer to address community issues and built a sense of partnership and ownership of the road infrastructure assets with the community.

Local Municipalities were experiencing various challenges in maintaining their road infrastructure. This resulted in the Department upscaling their Smart Mobility Programme to providing support from a weekly basis to a daily intervention programme. Collaboration on the maintenance of road infrastructure, such as pothole patching and grass cutting were completed. This culminated in the Department developing a Memorandum of Understanding (MoU) with Municipalities.



The MoUs set out the roles and responsibilities of the Department and Municipalities and how the two spheres of government will collaborate on maintaining the Municipal and Provincial road infrastructure.

The continued conflict in the public transport industry continued to plague the safety of commuters and public transport operators. The Department undertook several stakeholder engagements with the public transport industry role players to address these issues and jointly prepared mitigation strategies.

The ongoing loadshedding has wrought disruption of services to the Driver Learner Testing Centres resulting in the delay of services to waiting clients. This has also negatively impacted on the services rendered and the revenue generation at these centres.

The loadshedding also resulted in traffic signals not working causing disruptions in road traffic flows and major delays. Road safety strategies are being developed to address these disruptions. One of the interventions focusing on road traffic pointsmen being appointed to ensure the smooth flow of traffic. This also will contribute to job creation opportunities for the Department.

## OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

### Departmental receipts

Departmental receipts	2022/23			2021/22		
	Estimate	Actual amount collected	(Over)/under collection	Estimate	Actual amount collected	(Over)/under collection
	R'000					
Tax Receipts	4,695,173	4,548,191	146,982	4,480,127	4,407,797	72,330
Sale of goods and services other than capital assets	97,972	63,596	34,376	93,485	62,958	30,527
Fines, penalties and forfeits	-	506	-506	-	-	-
Interest, dividends and rent on land	79	7	72	75	5	70
Sale of capital assets						
Financial transactions in assets and liabilities	1,955	1,405	550	1,865	591	1,274
<b>Total</b>	<b>4,795,179</b>	<b>4,613,704</b>	<b>181,474</b>	<b>4,575,552</b>	<b>4,471,351</b>	<b>104,201</b>

The Department is the major contributor to the Provincial Revenue Fund (PRF) and thus accounts for over half of GPG's own revenue collection. The revenue is primarily generated through tax receipts arising from motor vehicle registration and licensing fees. In generating this revenue, the Department is also liable for direct charges including amounts deducted from collected revenue to reimburse primary collectors/agents. Other Departmental revenue items are minor in comparison. Motor vehicle licensing is by far the most productive source of revenue for the Department. In conclusion, the following factors were considered.

- The Consumer Price Inflation Index (CPIX)
- Vehicles on the road
- Direct cost expected to be paid from the revenue account
- Interest and penalties expected to be received
- Previous revenues collected
- Trends in the motor industry in the country.

The revenue increased from R4,1 billion in the financial year 2021/22 to R4,6 billion in the financial year 2022/23. This increase is attributed to increase in vehicles on the road, the Department's efforts to unblock bottlenecks on licence renewals such as the Book a Slot Campaign and the Queue Management System that was launched at a number of DLTCs to reduce service delivery turnaround times.

The Department collected 96.2% of its target set for the financial year 2022/23. The challenges impacting the Department's ability to collect full amounts are a combination of non-or-slow payment of invoices by several Municipalities rendering services on behalf of the Department and the fact that the validity of the Motor Vehicle License (MVL) and the renewal period were extended from March 2020 to August 2020.

Over the 2022 Medium-Term Revenue Framework (MTRF) period, revenue is estimated to increase from R5 billion in 2023/24 to R5,5 billion in the financial year 2025/26.

The second contributor to revenue generation is sales of goods and services other than capital assets consisting of sales of tender documents. Growth in revenue from this source over the years was due to high sales of documents to prospective tenderers.

Interest, dividends and rent on land mainly consists of items such as interest on staff debt, a minor contributor to the total revenue collection. The inconsistent trend can be attributed to the difficulty in accurately projecting for these items, owing to their uncertain nature.

The Department also collects revenue from transactions in financial assets and liabilities which consists of fees for the recovery of debts. The variations over the seven years under review can be attributed to the difficulty in budgeting for this, owing to its uncertain nature.

## Programme expenditure

Programme name	2022/23			2021/22		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000					
1. Administration	423,578	396,020	27,558	381,216	361,499	19,717
2. Transport Infrastructure	2,190,186	2,060,410	129,776	1,824,973	1,681,772	143,201
3. Transport Operations	2,862,866	2,289,882	572,984	3,194,900	2,621,494	573,406
4. Transport Regulation	350,465	289,629	60,836	337,819	299,682	38,137
5. Gautrain	2,657,566	2,657,566	-	2,776,816	2,776,816	-
<b>Total</b>	<b>8,484,661</b>	<b>7,693,507</b>	<b>791,154</b>	<b>8,515,724</b>	<b>7,741,263</b>	<b>774,461</b>

The Department is continuing with implementation of the GGT2030 programme, and all the allocations are geared towards contributing to it from a roads and transport perspective.

A significant portion of the overall expenditure in the outcome years and the allocations from the financial year 2021/22 to the financial year 2022/23 is under the core programmes of the Department being Programme 2: Transport Infrastructure and Programme 3: Transport Operations, at approximately 36% and 31%, respectively. The Administration Programme is the administration centre for the Department and focuses on supporting the core operations whilst Programme 4: Transport Regulation is for the provision of regulation through registration and licensing of motor vehicles, including public transport, and therefore, collects the revenue for the Department. The Gautrain Management Agency is funded within Programme 5 and the Department makes transfers to the agency in line with the National Treasury payment schedule. The details for each of the programmes is provided in the sections below.

**Programme 1: Administration:** This is the administrative hub of the Department and provides support to core programmes. Budget increases in 2022/23 during the mid-term adjustment budget was because of outstanding litigation costs against the Department and state of infrastructure projects readiness within the programme. The Department will



continue with the commitment of managing expenditure within this programme to align with National and Provincial cost-containment measures while supporting core programmes.

**Programme 2: Transport infrastructure:** This is one of the core programmes of the Department and is funded through both the equitable share and two of the conditional grants: the Provincial Road Maintenance Grant (PRMG) and the Expanded Public Works Programme (EPWP) Incentive Grant. The under spending within this programme item was mainly because of delays in revising the organisational structure and delays in the procurement of outsourced routine road maintenance contractors as well as supervisors.

**Programme 3: Transport Operations:** The underspending within this programme is mainly because of the delay in finalising the new bus tenders.

**Programme 4: Transport Regulation:** The underspending within this programme is because of delays in revising the organisational structure. Furthermore, the lower-than expected spending on the gazetting budget due to the moratorium that was in place for the first eight months of the financial year.

**Programme 5: Gautrain:** All transfers to Gautrain were made in line with the financial year 2022/23 payment schedule.

## Virements/rollovers

The Department has submitted two rollover applications as follows:

- PTOG: R132 556 million
- Equitable Share: R29 037 million.

The response from the Provincial Treasury is still pending.

The year-end shifts and virements have been submitted to the Gauteng Provincial Treasury and were all approved as submitted. The request for year-end shifts and virements was primarily to clear over-expenditure within programmes, items and projects.

## Unauthorised expenditure

Department has effectively monitored and controlled its spending patterns to ensure the prevention of unauthorised expenditure. There is no unauthorised expenditure for financial year 2022/23.

## Strategic focus

### *Transport Logistics Function*

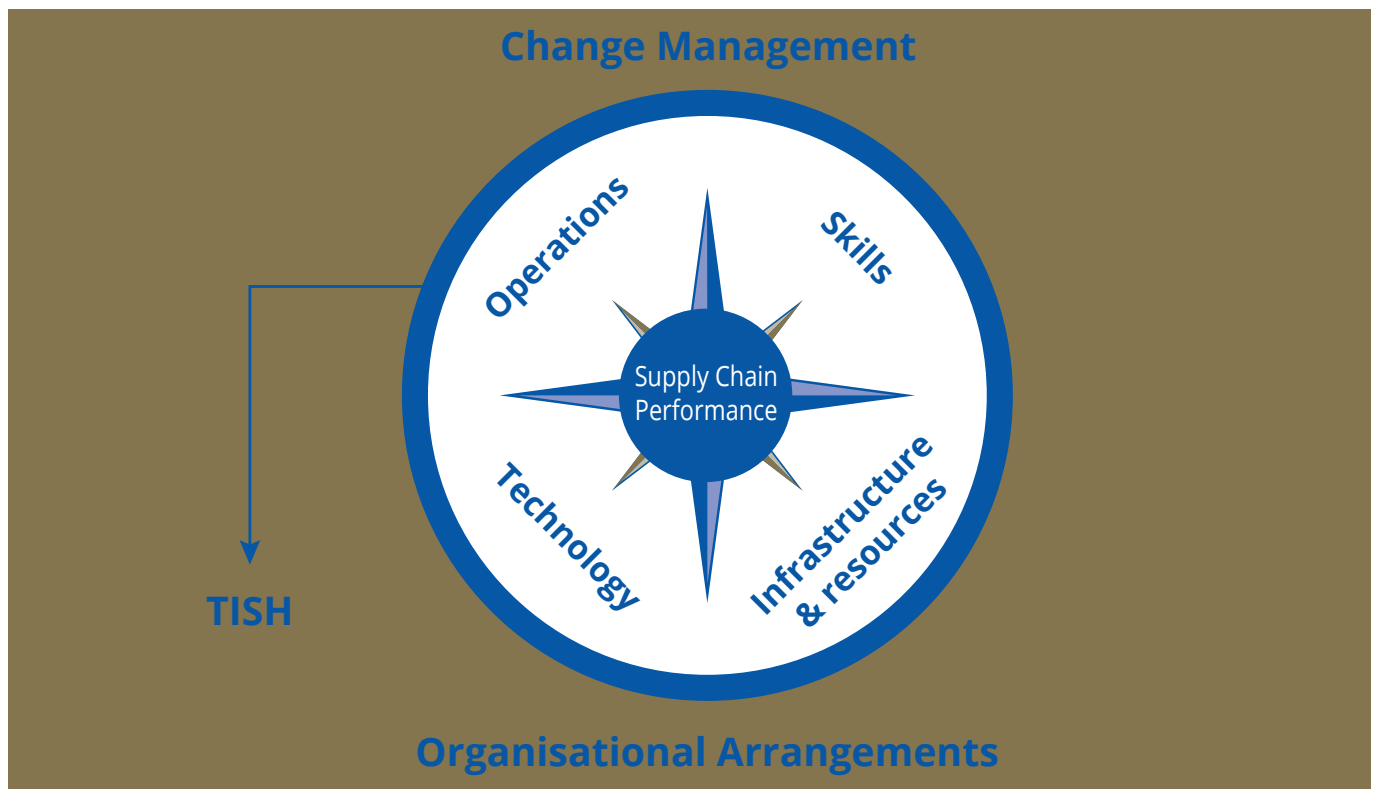
The Premier has in his inaugural speech pronounced on the establishment of the logistics function which seeks accelerated delivery of public service functions, which needs in practice to be delivered within a limited time and the creation of a new entity was announced, a logistics function to be created in the g-FleeT Management unit of the Roads and Transport Department.

### 1. THE PROBLEM STATEMENT

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

## 2. THE PROCESS METHODOLOGY

- The Gauteng Provincial Government through the Department of Roads and Transport appointed CSIR to develop the business case on the development of the logistics function and repurposing the g-FleeT Management to perform the logistics function, which must optimise the current logistics function and focus on increasing efficiency, reducing cost and supporting social transformation through 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 from source of goods to the end-user receiving the goods.
- The business case has been developed which describes (1) the current functioning of the health and education supply chains, (2) an appropriate role for g-FleeT Management in developing its logistics function in support of end-to-end supply chains for improved service delivery, and (3) a roadmap describing the short- and long-term interventions to develop g-FleeT Management's logistics capability to support end-to-end service delivery.



### *Perspectives on Supply Chain Analysis*

For each of the focus areas, the following process guided the investigation:

- Identify constraints.
- Find opportunities for improvement.
- Determine what is required to achieve the desired performance.
- Develop recommendations.





The business case will be submitted to the Provincial Executive for approval. Thereafter consultative forums of the Departments will be established to assist the transitional arrangements of the implementation of the logistics function during the financial year 2023/24.

### Public Private Partnerships

- The Department did not enter into Public Private Partnerships (PPPs) during the year under review.
- The existing PPP is the Gautrain Rapid Link Project with the Bombela Consortium.

### Discontinued key activities/activities to be discontinued.

None

### New or proposed key activities.

None

### Supply chain management

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

There were no unsolicited bids for the financial year under review.

⇒ **Indicate whether Supply Chain Management (SCM) processes and systems are in place to prevent irregular expenditure.**

Yes, Supply Chain Management processes and systems are in place to prevent irregular expenditure. Continuous monitoring of the internal controls will be assessed continuously to ensure achievement of the desired outcomes.

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

Skills and competencies – various on the job trainings were conducted and formal trainings are ongoing. Expenditure on the designated categories of Gender, Youth and People with Disabilities (GEYODI) - The Department's B-BBEE plan is being finalised to improve supply chain process and will be implemented in the financial year 2023/24. In addition, the new Preferential Procurement Regulations, 2022 defines the process to be undertaken by the Departments to achieve the specific goals and the refined approved policy is currently on the implementation stage to deal with these shortcomings.

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

### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2022/23 R'000
<b>Made in-kind</b>	
MEC Back to School	81
Kitso Information and Development Centre	173
Advanced Children For Success (ACFS)	281
Retirements	61
<b>Total</b>	<b>596</b>

## Exemptions and deviations received from the National Treasury

None

## Events after the reporting date

None

## Other

None

## Acknowledgement/s or Appreciation

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

## Approval and sign off.



### Dr. T. Mdadane

Accounting Officer

Department of Roads and Transport

**Date: 31 July 2023**



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

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

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

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

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

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

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

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

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2023.

Yours faithfully

**Dr. T. Mdadane**

Accounting Officer

Department of Roads and Transport

**Date: 31 July 2023**

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

Growing Gauteng Together through Smart Mobility 2030

### 6.2 Mission

To facilitate and provide an integrated transport system that:

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

### 6.3 Values

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

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



## 7. LEGISLATIVE AND OTHER MANDATES

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

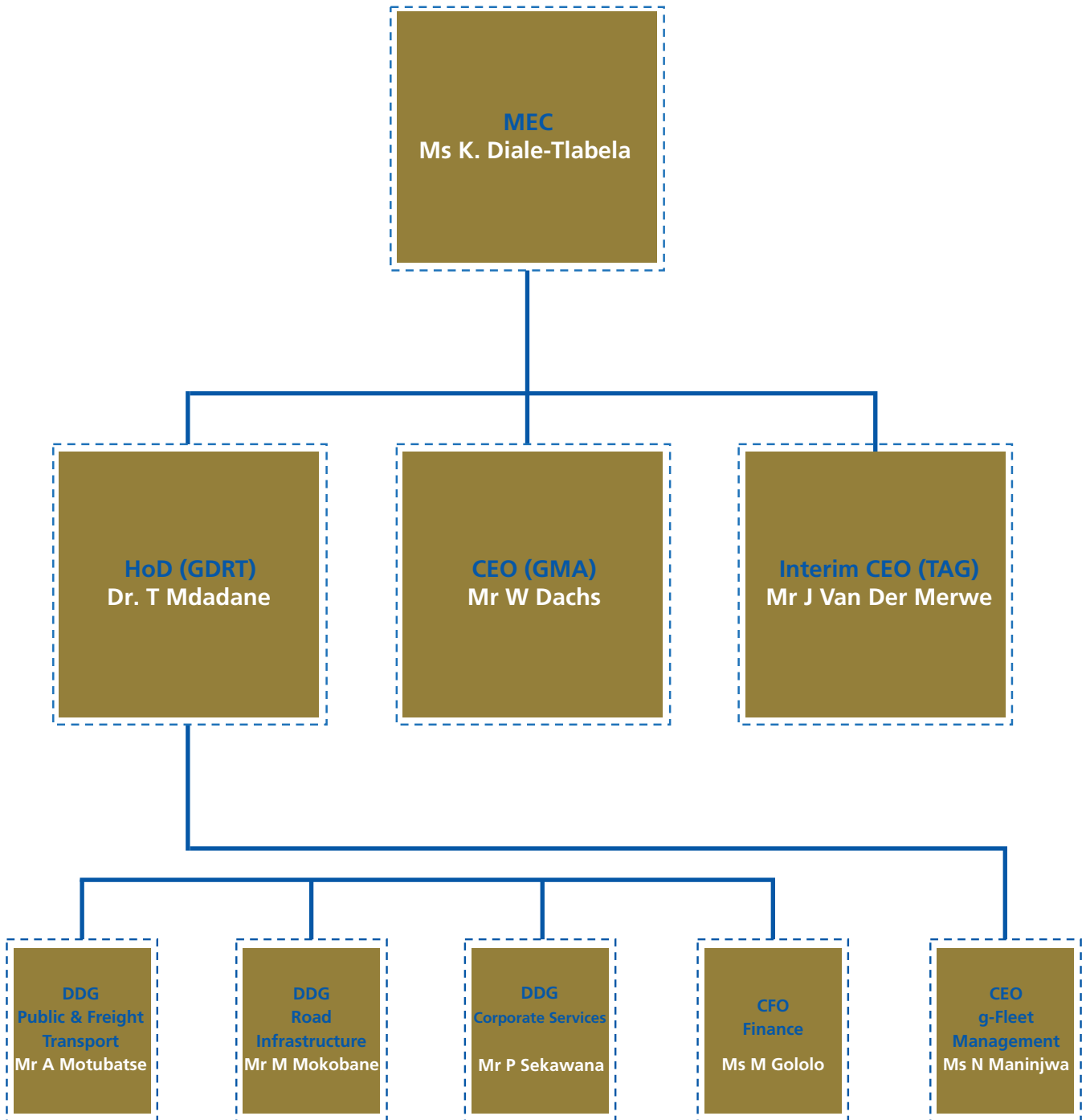
### National Policy and Legislative Mandates

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

### Provincial Policy and Legislative Mandates

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

## 8. ORGANISATIONAL STRUCTURE





## 9. ENTITIES REPORTING TO THE MEC

### Gautrain Management Agency (GMA)

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Gautrain Management Agency	<p>Gautrain Management Agency (GMA) has been established in terms of the GMA Act and listed under Schedule 3 (c) of the Public Finance Management Act (PFMA) as a Provincial Public Entity.</p> <p><b>National Policy and Legislative Mandates:</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of South Africa (1996).</li> <li>• National Land Transport Act, Act No. 5 of 2009.</li> <li>• Public Finance Management Act No. 1 of 1999.</li> <li>• Environmental Conservation Act No. 73 of 1989.</li> <li>• National Railway Safety Regulator Act No. 16 of 2002.</li> <li>• National Treasury Regulations.</li> <li>• Division of Revenue Act.</li> <li>• Consumer Protection Act No. 68 of 2008.</li> <li>• Preferential Procurement Policy Framework, Act No. 5 of 2000.</li> <li>• Protection of Personal Information Act, Act No. 4 of 2013.</li> <li>• Employment Equity Act, Act No. 55 of 1998.</li> <li>• Companies Act, Act No. 71 of 2008.</li> <li>• Minimum Information Security Standards Act.</li> <li>• Electronic Communications and Transactions Act, Act No. 25 of 2002.</li> </ul> <p><b>Provincial Policy and Legislative Mandate</b></p> <ul style="list-style-type: none"> <li>• Gauteng Transport Infrastructure Act, Act No. 8 of 2001.</li> <li>• Gauteng White Paper on Transport Policy.</li> <li>• Gauteng Transport Framework Revision Act No. 8 of 2002.</li> <li>• Gauteng Legislation on Development Planning.</li> <li>• Gautrain Management Agency Amendment Act No. 6 of 2008.</li> <li>• Provincial Growth and Development Strategy (PGDS).</li> <li>• Gauteng Spatial Development Perspective.</li> <li>• Gauteng Transport Authority Act, Act No. 2 of 2019 (the GTA Act).</li> </ul> <p>Other Policy and Strategy Frameworks impacting on GMA are found in the GMA Strategy Plan 2022/23 to 2023/24.</p>	The GMA receives its MTEF funds through the Department' vote.	<p>The main objective of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project.</p> <p>It is also responsible for additional related projects and provision of assistance to other organs of state to realise the integration and co-ordination of public transport, essentially contributing to the programme of Growing Gauteng Together through Smart Mobility and its pillars.</p>

## SUMMARY OF THE INTEGRATED ANNUAL REPORT 2022/23 FINANCIAL YEAR

The Gautrain Management Agency's (GMA) strategy is aligned to the Gauteng Medium-Term Strategic Framework as well as the Growing Gauteng Together 2030 plan. The Gautrain strategy is also a key component of the smart mobility objectives of the Gauteng Department of Roads and Transport as captured in the "Growing Gauteng Together Through Smart Mobility 2030" strategy. To contribute to the smart mobility objective, the GMA is focused on enhancing service excellence through innovation on the existing system, and by leveraging the benefits of the Gautrain's excellence for other parts of the Provincial Public Transport systems

### Performance Highlights

The GMA Board has started the last year of its term and has in the year under review continued to provide governance and oversight to the Agency. The GMA also continued to move towards an outcome-based approach in terms of the application of the King IV principles. The fruits of these efforts were found in the 10th consecutive clean audit for the GMA.

The GMA made good progress across several areas in the financial year 2022/23, especially in terms of oversight of the Concessionaire where the Gautrain achieved high levels of operational efficiency.

The overall system performance in the financial year was of an exceptionally high standard. The train service operations achieved an average availability of 99.71% and 98.39% on punctuality over the review period. The train service operation maintained a high level on an aggregated monthly performance. The fare evasion rate applicable throughout the year remained below the 4% norm. The average fare evasion rate stood at 0.00% in 2022/23, which is lower than the 0.01% fare evasion rate recorded in 2021/22.

### g-FleeT Management

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
g-FleeT Management	<ul style="list-style-type: none"> <li>Public Finance Management Act (PFMA)</li> <li>Treasury Regulations</li> <li>Treasury Practice Notes</li> <li>Public Service Act</li> <li>Public Service Regulations</li> <li>Cabinet Memo of 1988</li> <li>Transport Circular 4 of 2000</li> <li>National Road Traffic Act of 1996</li> </ul>	g-FleeT Management is a trading entity of the Department and it is formally known as the Government Motor-Transport	The entity's operations are largely regulated by the National Transport Circular No. 4 of 2000, which governs all matters relating to the utilisation of government-owned transport and related transport

The Annual Report for g-FleeT Management is included on page 274 of this report.







Part  
B

DEPARTMENT OF ROADS AND TRANSPORT

PERFORMANCE INFORMATION

# PERFORMANCE INFORMATION

## HIGHLIGHTS Department of Roads & Transport

Smart Mobility Preventative Maintenance implemented in 26 Townships for pothole patching, grass cutting and litter picking.

1, 923 Subsidised busses electronically monitored

Launch of the Gauteng Pothole Fixit App



8, 369 public transport operators Licences issued



Introduction of the Queue Management System in all provincially operated DLTCs



A total of 251, 537 public transport users began accessing public transport and infrastructure information through the Transport Management (TMC).

The Department officially re-launched the R4, 5 million refurbished Xavier Driver Learner Testing Center (DLTC) situated in Ormonde, Johannesburg in March 2023.



## 1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management.

Refer to pages 176 – 184 of the Report of the Auditor-General, published as Part F: Financial Information.



## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

#### *Smart Mobility Preventative Maintenance in the 26 Township*

As part of the Department's contribution to the elevated priority of improving living conditions in townships, informal settlements, and hostels (TISH), the Smart Mobility Preventive Maintenance Programme was implemented in the 26 identified townships. The programme consisted of pothole patching, grass cutting and litter picking. The Department achieved the following in the four Municipalities. The City of Ekurhuleni, 23.74km of grass cutting and litter picking as well as 6 487m<sup>2</sup> of pothole patching was completed, in the City of Tshwane grass cutting and litter picking of 109 km and 1 439.68m<sup>2</sup> of potholes patched was achieved. The West Rand District Municipality had grass cutting as well as litter picking of 105 km and 204 m<sup>2</sup> of potholes patching completed, The Sedibeng District Municipality project achieved grass cutting and litter picking of 31km as well as potholes patching of 158m<sup>2</sup>.

#### *Gauteng Pothole Fixit App*

The Provincial Road network, which has an asset road network of 5, 638 km comprising of 4, 200km of paved roads and 1, 438 km unpaved roads with 676 bridges and 428 culverts, is critical for economic development. To support the continued maintenance of the road network the Department has launched the **Pothole Management System Application (Pothole App)**. The App was created as a management tool for the Department to manage the turnaround times for patching of identified potholes on the Provincial roads. This allows for citizens to report potholes to be fixed via their mobile phones and receive updates on the fixed potholes. The turnaround time is 24 hours, and the Department has achieved a 62% achievement rate. This is due to capacity constraints and the excessive rainfall experienced during the summer months leading to an increase in pothole occurrences on the provincial road network. The Department has developed mitigation strategies to address the backlog and ensure it achieves its 95% set target. Further developments to the Pothole Application are underway and the inclusion of the reporting of faulty traffic signals will be undertaken in the next financial year, 2023/24.

#### *Xavier Driver Learner Testing Center Official Launch*

The Department officially re-launched the R4,5 million refurbished Xavier Driver Learner Testing Centre (DLTC) situated in Ormonde, Johannesburg in March 2023. The Xavier Junction Licensing Centre was revamped with cutting-edge technology as part of the Department's vision of client centric transport services which emphasises bringing services closer to residents. The Center introduces the "Smart Licensing Centres" concept which leverages on the new smart technology concept to improve customer experience, reduce waiting times and address backlogs in the provision of driver and vehicle licensing services in the Province. It is also equipped with the latest technology for conducting Learner's Licence tests online, to assist in eliminating corruption and provides universal accessibility to ensure ease of access for older and persons with disabilities. The Center was upgraded to provide additional Motor Vehicle Registration and Licensing services: and includes six Live Enrolment Units for eye testing and 28 Computerised Learner's Licence Test Systems to improve services times. In the next financial year, 2023/24, the Department will be phasing out the cash payment system and make this facility cashless which will go a long way in our fight against corruption.

#### *Public Transport Inspectorate Unit*

The Department and the Gauteng Department of Community Safety (GDCS) have agreed to the secondment of the Public Transport Inspectorate from GDCS to the Department for monitoring of public transport. The secondment of the Inspectorate was completed during the financial year and the Unit has undertaken the following initiatives with the aim of addressing violence and conflict in the public transport industry, strengthening the law enforcement capacity and ensuring compliance monitoring of Public Transport operations and compliance inspections as per National Road Traffic Act 93 of 1996. The Inspectorate undertook the following law enforcement activities:

- Surveillance of taxi violence hotspots to ensure proactive response to eminent conflicts as per intelligence information received.
- Monitoring of illegal operators and operations.
- Implementation of pending court orders for combating route evasions.
- Compliance inspections of Driver Learner Testing Centers, Motor Vehicle and Registering Authorities, Vehicle Testing Stations and Motor Importers and Builders.

The secondment of the Inspectorate will eventually culminate into a transfer of the Inspectorate officials and employment of additional capacity during the next financial year, 2023/24. This will ensure the effective operationalising of public transport monitoring in compliance with the National Land Transport Act. The monitoring capacity will be instrumental in implementing the second amendment of the Provincial Regulating Entity (PRE) Regulations which are currently being drafted.

### ***Road Infrastructure rehabilitation projects***

The following road rehabilitation projects continued during the financial year and will be completed over the Medium-Term Expenditure Framework (MTEF).

#### **1. Hendrik Potgieter Road (City of Johannesburg)**

The construction designs were completed and the construction contractor commenced with construction work in March 2023. To provide an alternate route for traffic and road safety road signage for route diversions from Hendrik Potgieter Road to alternative routes were installed.

#### **2. Road R28 – Randfontein/Mohlakeng (West Rand)**

An appointed routine roads maintenance contractor completed the remedial processes.

#### **3. R553 – Golden Highway (City of Johannesburg)**

The Department engaged in a procurement process for geotechnical services to undertake a survey and investigate the problem. Outcomes of the study will provide the remedial process and construction time frames for implementation in the next financial year.

#### **4. Main Road – Irene (City of Tshwane)**

The procurement process for geotechnical services was undertaken to survey and investigate the problem. Outcomes of study to provide remedial process and construction time frames for implementation in the next financial year.

#### **5. R50 – Delmas Road (City of Tshwane)**

The Department appointed geotechnical engineers and a remedial method has been determined. Engineers are engaged with the design stage.

### ***Opening of the Benoni Impound facility.***

Keeping public transport and roads safe requires public transport vehicles found to be un-road worthy by the public transport Inspectorate Unit to be removed from the roads and impounded. The Department reopened its Benoni Impound Facility in December 2022. The facility is the first of three impound facilities planned to be opened by the end of the 6th administration term. The commencement of the impoundment of public transport vehicles were undertaken in relation to the non-compliance with the National Land Transport Act:

- Public Transport vehicles without operating licences.
- Route violations.



- Taxis involved in areas where there is conflicts and violence.

The impound facility has ensured that mini bus taxis which are in non-compliance with the public transport regulations are taken off the roads and impounded.

### *Department cultivates a culture of accountability and transparency*

In February 2023 former g-Fleet Management officials appeared at the Durban Magistrates Court on charges of fraud, theft and defeating the ends of justice. The arrests were a culmination of investigative work, over six years, by the Department's Fraud and Anti-Corruption Unit, the Directorate for Priority Crime Investigations and the National Prosecuting Authority (NPA). The Department has taken a zero-tolerance stance to fraud and corruption and has called on its officials for urgent and collective action on everyone in the Department to contribute to the fight against fraud, corruption and unethical conduct.

### *Supporting the Sedibeng District Municipality through the District Development Model*

In an effort to engage local government and monitor progress on the implementation of President Cyril Ramaphosa's Sedibeng Imbizo 2022 commitments, Deputy President Paul Mashatile, accompanied by Gauteng Premier Panyaza Lesufi, conducted an oversight visit in the Sedibeng District Municipality. The Premier was joined by Sedibeng Mayoral Committee and Members of the Executive Council (MECs) in the Province. This also served as a coordination platform of the different spheres of government, to improve the functioning of Municipalities under the District Development Model.

The model is a process of joint and collaborative planning, undertaken by all three spheres of governance resulting in a single strategically focussed plan. It seeks to ensure that local government is capacitated and transformed to play a developmental role. Sedibeng District is one such hotspot and comprises the Emfuleni, Midvaal and Lesedi local districts. It is a focussed area and part of a number of districts that require and will receive attention as mentioned in the 2022 State of the Nation Address.

The Deputy President was taken on a tour of major projects undertaken by the Department in the Sedibeng District Municipality to facilitate economic and social development. These included the construction project at Vaal River City Interchange and the Vereeniging interim Intermodal Facility. These form part of major progress towards the designation and development of the Vaal Special Economic Zone.

### *Engagement with e-Hailing Partners Council (EPCO)*

The Department hosted a consultative meeting with representation from the e-Hailing Partners Council (EPCO) to address issues faced within the e-hailing sector in February 2023.

The EPCO is an industry body launched in April 2022, with a leadership of 16 democratically elected leadership members. It seeks to lobby and negotiate on behalf of its members with government, companies, regulators, government agencies and industry associations. The Council raised concerns and chief amongst these, was the non-acknowledgement of its existence by metered taxi operators.

They are regarded as competitors, and this has resulted in violent attacks on its members. The Council made various recommendations to the Department to improve e-hailing services in the Provinces. The Department noted the recommendations and committed to continue its engagement with the Council on these recommendations.

### *Transport Licensing Services*

A part of the transport regulations mandate of the Department, the issuance of driver and motor vehicle licensing are key services delivered to the public. The registration and renewal of motor licences completed during the financial resulted in **5,532,313** motor vehicle licences registered with **2,029,709** motor vehicles registered. The Department received **380,470** learner licence applications with **266,315** learner licences issued. A total of **256,276** driver licence tests applications were processed with **205,222** driver licences issued. A total of **705,201** driver licence renewals were completed.

## 2.2 Service Delivery Improvement Plan (SDIP)

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

### Main services and standards

#### Key service 1: The number of motor vehicle licenses renewal at Registration Authority (RAs).

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Annual renewal of motor vehicle licences.	Vehicle owners and title holders through the RAS.	R4, 4 billion	R4, 4 billion	R4, 4 billion

#### Key service 2: To increase the number of operating/ permits issued and permits converted into operating Licences

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
The number of permits converted into operating licences.	Public transport operators	10	50	20

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

Current/actual arrangements	Desired arrangements	Actual achievements
Forums	Establishment of committees	Held consultations through the Gauteng Freight Forum, Gauteng Rail Committee, the Integrated Transport Planning Committee and the Transport Technical Working Committee (TTWC) to address transport needs in Gauteng
Social Facilitation	Stakeholder Consultation	Informed customers, community members and other staff members through stakeholder consultation
Media Networking Sessions	Informed public	Improved image and informed public
Publications including Newsletters	Informed public	Informed internal and external stakeholders
Infrastructure Planning	Informed infrastructure planners	Providing updated and accurate Provincial transport data

#### Service delivery information tool

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

#### Complaints mechanism

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





## 2.3 Organisational Environment

### ***Re-aligned organisational structure***

The Department is in the process of realigning the organisational structure as mandated by the Public Service Regulation Chapter 3 (1)(2) (a, b, and c), and the DPSA 2016 Circular on changes to the organisational structure. The organisational structure is finalised and costed. The costing of the proposed structure of the Department has been finalised and approved by the Provincial Treasury. A signed approval letter was issued to the Department.

The proposed structure has been finalised and has been submitted to the Office of the Premier oversight team. The structure is in the process of being quality assured before submission to the Department of Public Service and Administration (DPSA) for approval in the financial year, 2023/24. The Department has realigned its organisational structure to align with its Growing Gauteng Together Smart Mobility Plan 2030.

The g-FleeT Management Entity organisational structure and business case was signed off together with the Service Delivery Model and submitted to Provincial Treasury to commence with the process of engagements towards establishing g-FleeT Management as a separate entity.

### ***Building capacity of the Department***

The Department engaged on a strategy to capacitate itself with the required competencies to optimally deliver on its mandate.

Thirty-nine key positions in the Transport Branch were advertised with 199 positions in the Roads Branch posts advertised to build the technical capacity of the Department. Eight positions in the Finance Branch and 17 in the Corporate Services Branch were advertised to ensure critical financial and administrative capacity in the Department. During the financial year, 46 posts were filled in the Department.

The ongoing implementation of the realigned organisational structure and the filling of critical positions will enable the Department to ensure it has the relevant competencies and capacity to carry out its mandate and ensure good corporate governance practices to ensure sustainability and efficient service delivery to the public within a very constraint budget environment.

### ***Safety, Health, Environment, Risk and Quality Management (SHERQ)***

Following the repealing of regulations governing management of COVID-19 in terms of the Disaster Management Act, 2002, an amended Consolidated Direction on Occupational Health and Safety Measures in certain workplaces was issued by the Minister of Employment and Labour in terms of Regulations 4 (10) of the Disaster Management Regulations. The Department was required to undertake a risk management exercise to give effect to the minimum measures required by the above mentioned directive and Occupational Health and Safety Act (OHSA) Regulations for Hazardous Biological Agents. The Department conducted the Hazard Identification and Risk Assessments (HIRAs) in all Departmental worksites totaling 18 HIRA reports. The Department also reviewed its Safety, Health, Environment, Risk and Quality Management (SHERQ) Committee to ensure its effectiveness.

### ***GEYODI EMPOWERMENT***

The Department received funding from USAID to launch the Women Inspiring Programme in the financial year, 2023/24. The programme will provide women, youth, people with disabilities and dependents of Military Veterans with career opportunities in the transport industry, to improve their lives while also ensuring that they make a difference in their community.

Through this funding, the Department will train 200 entrepreneurs to develop sustainable and bankable businesses. One hundred women from vulnerable and high-risk communities will be upskilled to become competent commercial drivers (obtain code 14 driver's license and placed in jobs). Thirty South African Women in Transport (SANWIT) women leaders will receive the Women in Leadership International Diploma in Supply Chain to create enterprises that are both sustainable and bankable.

The Artisan Development Programme was drafted to provide unemployed youth, women and people with disabilities with job opportunities and valuable work experience in jobs requiring artisanal and technical skills.

### **Youth Career Expo**

The Department hosted a career expo for the Province's disadvantaged youth at the Gallagher Estate in commemoration of youth month. The exhibition demonstrated employment possibilities in all forms of transportation as well as bursary opportunities supported by the Department and its agencies.

The job exhibition attracted over 300 students from various Technical Vocational Education and Training (TVET) colleges in the Province. The Department highlighted employment options in the transportation sector while also recruiting youth in the Province, particularly those from historically disadvantaged neighbourhoods. The exhibition is part of the government's commitment to supporting youth through skills development and capacity building in the transportation sector.

### **Military Veterans Programme**

The programme continued during the financial year with the repurposing and renewal of the 538 Military Veterans Transport COVID-19 contracts. The Military Veterans continued to provide enforcement of COVID-19 protocols of learner transport operators. A Scholar Transport Monitoring Programme was developed for the rescoping of Military Veterans trained for the Transport Programme for COVID-19. This programme seeks to continue the monitoring of scholar transport to ensure the health and safety of learners in transit to schools.

The Department is concluding discussions with Securitas and Department of Military Veterans on the Private Security Industry Regulatory Authority's (PSIRA's) Accredited Training Programme which will commence in the financial year 2023/24. Further, Gerotek has agreed to train 275 Military Veterans (women and men) as points persons to manage traffic during loadshedding outages in June 2023. This will assist in not only ensuring Military Veterans receive further skills training, but to also contribute to safe roads during loadshedding.

### **Annual 8 Principles Meeting**

During the Public Service Women's Management Week, the Head of Department (HoD) held the Annual 8 Principles Meeting with women Senior Managers to discuss pertinent issues such as barriers to advancement and the HoD's 8 Principles. The recommendations from the meeting will be implemented over the MTEF.

### **Building Public Transport Law Enforcement Capacity**

The secondment of **the Public Transport Intervention Unit and the Inspectorate Unit** from the Gauteng Department of Community Safety to the Gauteng Department of Roads and Transport was finalised during the financial year 2022/23, to ensure the effective regulation and law enforcement of public transport. The Unit monitors public transport modes and facilities to address issues of violence and conflict. The priority is also to crackdown on illegal operators, hotspots surveillance through the Transport Inspectorate. The transfer of the Inspectorate to the Department will be completed in the next financial year 2023/24.

## **2.4 Key policy developments and legislative changes**

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

### **Transport policies**

- **The Policy Framework on Bus and Minibus Taxi Facilities on Major Provincial Roads in Gauteng (BB7)**

The 25-year Integrated Transport Master Plan (ITMP25) recommended the updating of the guideline and policy for facilities for Bus and Minibus Taxis on Provincial roads, previously referred to as the BB7, to take into account developments in the National and Provincial sphere of policies as well as in the public transport sector at all spheres of government.



The updated final versions of the Policy Framework on Bus and Minibus Taxi Facilities on Major Provincial Roads in Gauteng (BB7) Guidelines and Policy were developed. The policy provides a framework for bus and minibus taxi facilities on major Provincial roads in Gauteng. The policy was presented to the local sphere of government to dovetail with developments, by-laws and strategies that the local authorities may have developed. This followed internal consultations with technocrats and engineers in the Department. The cities and local authorities appreciated the updated documents as these were seen to assist them in their own policies that were either being developed or reviewed.

- **The Policy for Non-Motorised Transport on Gauteng Provincial Roads (BB10)**

In keeping with the recommendation of the ITMP25, the Department updated the Non-Motorised Transport (NMT) Policy, previously referred to as the "BB10 –Walking and cycling on roads and street in Gauteng. The review of the BB10 was to provide a guideline for supporting infrastructure for non-motorised travel and public transport due to the absence of appropriate guideline documents. The Gauteng Infrastructure Act (Act 8 of 2001 - as amended) empowers the Provincial administration to plan, design, develop, construct, finance, manage, control, maintain, protect and rehabilitate Provincial roads, railway lines and other transport infrastructure in the Province. The entire infrastructure value chain, from planning to rehabilitation, is inclusive of all infrastructure associated with Provincial roads and rail reserves, including walkways, cycleways and public transport facilities. The guideline and its policy were completed with internal consultations with engineers and technocrats. The cities and districts were appreciative of the updates.

- **Gauteng's Green Transport Policy**

The Department commenced with the redrafting of the Green Transport Policy to align it, to various developments around sustainable technologies and the Green Transport Strategy. The first draft of the policy was requested to be aligned with Gauteng Department of Agriculture and Rural Development (GDARD) in 2013, by Provincial Executive Committee. Desktop research for policy updates commenced with a comparative tabulation of the legislative mandate of the previous policy.

- **Policy on the use of Non-Standard Innovative Materials and Technologies in Road Building**

The policy focuses on how road building material is sourced, its carbon footprint in road building as well as its investment into new technologies and innovation which promote Smart Mobility and skills development in the Artificial Intelligence era. It will also create an innovative friendly regulatory environment which will allow the early adoption in the use of Non-Standard Materials and Road Building Technologies. The Department completed the draft policy for further consultations.

- **Policy for Provincial Registration and Monitoring of Modes of Public Transport**

The policy will outline registration processes for various modes of transport and the role of associations. It will prescribe documents, roles and responsibilities and provide Departmental details in the registration process, whilst assigning a compliance monitoring role to the Department to reduce conflict and confusion in terms of owners/operators, drivers and associations. It will also provide a platform for collaboration with law enforcement agencies. The draft policy was developed for consultation in the next financial year.

## Regulations

- **Reviewed regulations**

- ⇒ **Gauteng Public Transport Regulatory Entity (GPRT) Second Amendment Regulations, 2011**

Treasury Regulations section 7.1.3 states that "the Accounting Officer of an institution must review annually all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relates to revenue accruing to a revenue fund." In support of the above, Section 25(1)(g) and (h) of the Gauteng Road Traffic Act, 1997 (Act 10 of 1997) provides for the MEC to make regulations with regard to the adjustment of fees pertaining to certain road traffic management transaction. Thus, the Motor Vehicles License Fees must be increased annually.

Pre-certification of the Gauteng Provincial Road Traffic Amendment Regulation has been pre-certified by the State Law Advisor. The regulations will be published and implemented in the next financial year.

### 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

During the financial year under review, the Department of Roads and Transport revised its five-year Strategic Plan in line with the directive from the Department of Performance Monitoring and Evaluation in response to the COVID-19 pandemic. The pandemic impact on the country resulted in Government having to re-align and reprioritise its services due to the critical emerging priorities to address the challenges. Thus, a risk adjusted revised 5-year Strategic Plan and 2022/23 Annual Performance Plan were developed and implemented during the financial year under review. The revised outcomes aligned to the Department's Growing Gauteng Together Smart Mobility Plan-2030 are outlined below.

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

Outcome 2	Increased Socio-Economic Development (SED) in Broad-Based Black Economic Enterprises
Outcome Indicator:	Percentage of B-BBEE procurement expenditure awarded to Historically Disadvantaged Individuals (HDIs)
Baseline:	80%
Five-year target:	80%

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

Outcome 4	Strong Institutions supporting smart mobility in Gauteng
Outcome Indicator 1:	Number of policy planning documents completed.
Baseline:	25-Year Integrated Transport Master Plan (ITMP25), Provincial Land Transport Framework (PLTF) and 5-Year Transport Implementation Plan (GTIP5).
Five-year target:	A long-term planning updated ITMP25 Master Plan and PLTF indicating planning and implementation projects in the Province over the next five years.
Outcome Indicator 2:	Gauteng Transport Authority (GTA) operationalised.
Baseline:	Based on Section 12 of the National Land Transport Act, the transport challenges that Gauteng is facing can be ascribed to the lack of cross-municipal boundary integration of public transport services. Improved public transport accessibility, affordability, reliability, interoperability and safety are required to give effect to redressing apartheid spatial planning, allowing economic growth and reducing economic and social opportunity costs for communities to access economic opportunities.
Five-year target:	Fully operational GTA established to address smart mobility in terms of its mandate.
Outcome Indicator 3:	Number of seamless platforms of e-Services supporting smart mobility.
Baseline:	2
Five-year target:	3 seamless platforms of e-Services supporting smart mobility.



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

<b>Outcome 6</b>	<b>Increased Data-Centric Mobility in Gauteng by 2025</b>
Outcome Indicator: 1	Transport Management Centre Operationalised.
Baseline:	Transport Centre Business Case and Plans finalised.
Five-year target:	Transport Management Centre Operationalised.
Outcome Indicator: 2	Number of e-Tickets and contactless cards integrated on public transport systems (Gautrain, BRT, Metrobus Metrorail and minibus taxis).
Baseline:	Gauteng On The Move APP Launched.
Five-year target:	3,5 million contactless card users integrated on public transport systems (Gautrain, BRT, Taxis, Metrobus and Metrorail).

<b>Outcome 7</b>	<b>Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025</b>
Outcome Indicator:	Average turnaround times at Transport Service Centres.
Baseline:	None, will be conducted during the financial year 2022/23.
Five-year target:	<ol style="list-style-type: none"> <li>1. 15% reduction for Motor Vehicle Licence Renewal.</li> <li>2. 15% reduction for Learner Licence and Driver Licence Application.</li> <li>3. 10% for Driver Licence Renewal.</li> <li>4. 10% for PrDP Applications.</li> <li>5. 90 Days Public Transport Operator Licences.</li> <li>6. 20% Online Renewal of Driver and Motor Vehicle Licences.</li> </ol>

<b>Outcome 8</b>	<b>Reduction of freight on the Gauteng road network by 2025</b>
Outcome Indicator:	Percentage of freight on roads.
Baseline:	80%
Five-year target:	78.5%

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

## 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

### 4.1 Programme 1: Administration

#### Purpose

The purpose of the Programme is to conduct the overall management and administrative support function to the Office of the MEC and the Department.

#### *Objectives of the programme*

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

#### *List of Sub-programmes*

- **Office of the MEC**

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

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

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

- **Corporate Support**

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

- **Finance**

**Purpose:** The Sub-programme ensures sound financial management by the Department. The Supply Chain Management function also resides under this sub-programme.

#### *Institutional Outcomes:*

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



## Outcomes, outputs, output indicators, targets and actual achievements

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

#### **Improved Good Corporate Governance and Accountability**

##### ***30-day payment of invoice***

The Department continues to improve its compliance in terms of payment of service providers. In the financial year 2022/23, one hundred percent of service providers were paid within thirty days with 96% of these invoices paid within 15 days.

#### **Human Capital Development – Professionalising the Department through skills development interventions**

The following human resources projects were completed:

##### ***Departmental Training***

The Department trained and developed 680 employees in 44 conferences and short skills development programmes.

##### ***Zwartkop Academy***

The Zwartkop Training Center trained a total of 39 employees on six various technical/machinery programmes to ensure officials acquire the required technical skills to optimally implement the transport infrastructure functions.

##### ***Internships***

The Department has 72 interns employed in the Internship Programme during the financial year under review as part of youth development. A further 82 interns are undergoing the vetting process for appointment in the financial year 2023/24.

##### ***Performance Management Development System (PMDS)***

The Department continues to provide training sessions for the Electronic Performance Management Development System (e-PMDS) and the number of e-PMDS users have increased to optimise the utilisation of the automated system.

The Departmental Moderation Charters on performance management for employees on levels 2-12 and Senior Management System (SMS) members were approved. Ninety-five of employees submitted their performance agreements for the financial year 2022/23.

The Departmental Moderation Committee (DMC) meeting convened and recommended notch progression for level 2-12 and SMS members for approval for the financial year 2021/22.

The Quality Assurance Committee was established for the quality assurance of SMS members performance agreements of 2023/24.

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

Information Communication Technology Management (ICTM) has been embraced as a catalyst in the delivery of IT services to the public. ICTM will enable online tracking, monitoring and reporting on Departmental programmes and projects. It will expedite the responses to customer requests and complaints. The ICT landscape will promote transparency in the Departmental processes by disseminating government information to the public.

#### **Automation of services through e-Services solutions.**

##### ***Government to Citizens – Online Automated Map Plans:***

This is an online service which enables members of the public to get access to various services offered by the Department of Roads and Transport without physical interaction. The online automation of road plans makes road plans and maps accessible 24 hours to the members of the public without human interaction. The requirement and development stages were completed, and the online system went live on 31 March 2023.

##### ***Modernisation and Digitisation of Information and Communication Technology***

The Department is utilising Information and Communication Technology (ICT) as a catalyst for the delivery of government services as derived in Department of Public Service and Administration (DPSA). Corporate Governance ICTM Policy Framework, is a platform for accessing online government services to employees and citizens has been created.

- **Queue Management System**

The Department developed a strategy to rollout the Queue Management System to Provincial Registering Authorities, Driver, Learner Testing Centres (DLTCs), Transport Operators Licensing and Administration Bodies (TOLABs) and Registration Authorities within Gauteng Province. The aim is to reduce the waiting and service times to the public. The Queue Management System has been rolled out and is fully functional in the following Provincial DLTCs and TOLABs:

- ⇒ Temba DLTC and MVRA,
- ⇒ Kagiso DLTC,
- ⇒ Mabopane DLTC and MVRA,
- ⇒ Xavier Registering Authority,
- ⇒ 45 Commissioner TOLAB, and
- ⇒ Germiston TOLAB.

A commitment was made by the Department to the Municipalities to rollout the Queue Management System (QMS) at Municipal managed centres as well.

During the financial year 2022/23, the Xavier DLTC was refurbished, and a Queue Management System was installed. The system went live on 27<sup>th</sup> February 2023.





- **Donation of ICT equipment**

During the financial year 2022/23, the Department of Roads and Transport made donations for the IT equipment to the below mentioned organisations.

- ⇒ Sibongile Early Development Centre - 2 X Acer Laptops
- ⇒ Alafang Secondary School - 2 X Acer Laptops
- ⇒ Kitso Development Centre - 10 X HP Desktops PC, 10 X HP Monitors, 2 X HP Printers and 4 X Acer Laptops
- ⇒ ACSF - 10 X HP Desktops, 10 X HP Monitors, 4 X Laptops and 3 X HP Printers

***Knowledge Management Improvement Financial Year 2022/23 – Accessible and well-resourced knowledge management portal***

The purpose of a Knowledge Management System, also known as a knowledge management portal or repository, is to enable employees to locate and organise the relevant information, knowledge and expertise required to address specific business tasks and projects. To ensure the project's success, the Department established a Knowledge Management Forum and appointed committee members. The Forum meets quarterly to ensure the portal's continuous updating and maintenance, as well as to foster an open culture within the Department for creating, storing, sharing, integrating and transferring knowledge.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2022/23.

### *Outcomes, Outputs, Performance Indicators and Targets*

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
<b>SUB-PROGRAMME: CORPORATE SUPPORT</b>								
Strong Institutions supporting smart mobility in Gauteng.	One e-Service operationalised annually.	One e-Service operationalised annually.	-	One e-Service operationalised (maintenance and construction digital platforms)	One e-Service operationalised annually.	One e-Service operationalised annually.	-	-
	2 research/surveys completed annually	Number of research/surveys completed annually	-	1	2 surveys completed	2 surveys completed	-	-

### *Strategy to Overcome Areas of Underperformance*

Indicator	Proposed Intervention
-	-



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

The major events conducted during the financial year, 2022/23 included the following:

- **Vehicle Testing Stations Conference**

The Department hosted its first Vehicle Testing Stations (VTS) consultations in the West Rand District Municipality. The conference provided a platform to exchange ideas and debate some of the critical issues affecting the sector. It also afforded representatives of the sector an opportunity to present various solutions to the Department aimed at addressing challenges experienced at vehicle testing stations as well as measures to reduce road fatalities.

- **Broad stakeholder engagements on Hendrick Potgieter collapsed bridge construction progress.**

As part of continued engagements with communities, the Department held a stakeholder meeting with those affected by Hendrick Potgieter bridge where it shared updates on timelines for repairs as well as Traffic Management Plan.

- **e-Hailing Partners Council (EPCO) stakeholder engagement**

The Department, through its feedback loop sessions, held a consultative meeting with representatives from the e-Hailing Partners Council (EPCO) to iron out issues faced within the e-Hailing sector. EPCO seeks to lobby and negotiate on behalf of its members with government, companies, regulators, government agencies and industry associations.

- **MEC's meeting to discuss operations matters with South African Bus Operators Association**

The Department engaged with representatives from the South African Bus Operators Association (SABOA). The purpose of the meeting was to discuss amongst others, issues affecting the public transport bus sector contracts, service delivery and future plans.

The table below indicate the events and media liaison activities conducted during the financial year:

Media Activities	Quantity
Media Advisories	36
Media Statements/Speeches	26
Interviews	142
Stakeholder Engagements	85
Media Enquiries	28
Key DRT Issues	606
Events	66

## Stakeholder Management

### *Infrastructure Projects*

The social facilitation was conducted for the following Infrastructure Projects: K174, R82, K31 and K101.

### *Commuter Forums Engagement*

The subsidised bus contracts expired on 31 March 2023. Stakeholder Management held commuter forums engagement at Ou Raad Saal Council Chambers, Tshwane to provide progress report with regards to current negotiations of the new subsidised bus contracts.

### *Facilities Management*

The Department has undertaken a project to cater to the upgrades and additions to 10 affected regional offices and road camps. This project commenced in the financial year 2022/23, and will continue to be implemented over the MTEF.

### *Infrastructure Delivery Management System Government Immovable Asset Management Act Compliance*

The Department commenced with the reviewing and preparing the 2024/25 Infrastructure/User Asset Management Plan (I/U-AMP). The Infrastructure Programme Management Plan (IPMP), mandated by the IDMS, confirming the appointment of Gauteng Department of Infrastructure Development (GDID) as the Implementing Agent (IA) for the Department's facilities related to infrastructure upgrades and maintenance of regional offices.

**Table 2.4.4.1:**

The Table 2.4.4.1. below reflects ONLY the Planned Targets and Actual Achievements from the Originally Tabled Annual Performance Plan (APP) 2022/23 up until the date of re-tabling of the Revised APP 2022/23 in Quarter 2.

### **Outcomes, Outputs, Performance Indicators and Targets**

Programme Name: Administration									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations	Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets
<b>SUB-PROGRAMME: FINANCE</b>									
Improved good governance and accountability in the management of state resources by 2025	Highest level of financial management and governance as reflected by the audit opinion	Auditor-General's audit outcome for the Department	Financially unqualified audit opinion with 3 findings on compliance with laws and regulations and findings on predetermined objectives	Financially unqualified audit opinion for financial year 2020/21	Unqualified audit opinion	-	Unqualified audit opinion	No target was set for Quarter 1, 2022/23	The target was revised to improve the usefulness of the target

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2023, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year 2022/23, but only for Quarter 1 (April to June 2022) of financial year 2022/23.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2022/23.

### Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
Improved good governance and accountability in the management of state resources by 2025	Highest level of financial management and governance as reflected by the audit opinion	Auditor-General's audit outcome for the Department	Financially unqualified audit opinion with 3 findings on compliance with laws and regulations and findings on predetermined objectives	Financially unqualified audit opinion for financial year 2020/21	Unqualified audit opinion for financial year 2021/22	Qualified audit opinion	Unqualified audit opinion for financial year 2021/22	Audit findings on Departmental Revenue Management and Assets have led to an audit qualification
			<b>SUB-PROGRAMME: FINANCE</b>					

### Strategy to Overcome Areas of Underperformance

Indicator	Proposed Intervention
Auditor-General's audit outcome for the Department.	The Department is migrating its assets to SAP to ensure proper reporting. Furthermore, the strengthening of internal controls for revenue review have been implemented to ensure accuracy.



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

Table 2.4.4.1:

The Table 2.4.4.1. below reflects ONLY the Planned Targets and Actual achievements from the Originally Tabled Annual Performance Plan (APP) 2022/23 up until the date of re-tabling of the Revised APP 2022/23 in Quarter 2.

### Outcomes, Outputs, Performance Indicators and Targets

Programme Name: Administration									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations	Reasons for revisions to the Outputs/Output Indicators/Annual Targets
<b>SUB-PROGRAMME: SUPPLY CHAIN MANAGEMENT</b>									
Increased Socio-Economic Development (SED) in Broad Based Black Economic Enterprises.	Procurement expenditure spend to targeted groups.	Percentage spent on women owned enterprise (non-cumulative)	38%	24%	40%	18%	22%	There are very few or no commodities that have been earmarked for designated categories and no legislation that permits for setting aside procurement for such categories	The Department embarked on a process of developing strategies and identifying commodities which will enable the Department to achieve its targets for youth, women and persons with disabilities. Once finalised, the strategy will be implemented to achieve set targets
		Percentage spent on youth owned enterprise (non-cumulative)	25%	14%	30%	10%	20%		
		Percentage spent on people with disabilities (non-cumulative)	0.3%	0.1%	7%	0.3%	6.7%		

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2023, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year 2022/23, but only for Quarter 1 (April to June 2022) of financial year 2022/23.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2022/23.

### **Outcomes, Outputs, Performance Indicators and Targets**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
<b>SUB-PROGRAMME: SUPPLY CHAIN MANAGEMENT</b>								
Increased Socio-Economic Development (SED) in Broad-Based Black Economic Enterprises	Procurement expenditure spend on targeted groups	Percentage spent on B-BBEE compliant empowering suppliers (non-cumulative)	108%	59%	80%	90%	+10%	Increased spending on tenders awarded to B-BBEE compliant enterprises including township and Black owned enterprises
		Percentage spent on township owned enterprise (non-cumulative)	-	-	40%	45%	+5%	
		Percentage spent on Black owned enterprise (non-cumulative)	-	-	50%	61%	+11%	

### **Strategy to Overcome Areas of Underperformance**

Indicator	Proposed Intervention
-	-





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

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

### Linking performance with budgets

#### *Programme expenditure*

Administration	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
<b>Office of the MEC</b>	18,508	18,275	233	12,145	12,154	1,041
<b>Management of the Department</b>	29,889	28,874	1 015	34,983	22,823	4,101
<b>Corporate Support</b>	371,694	345,774	25 920	350,497	323,454	13,870
<b>Departmental Strategy</b>	3,487	3,097	390	3,773	3,068	705
<b>Total</b>	<b>423,578</b>	<b>396,020</b>	<b>27,558</b>	<b>401,398</b>	<b>361,499</b>	<b>19,717</b>

The sub-programmes within this programme are administrative in nature, therefore, the allocations are funded from the equitable share portion of the Departmental allocation. The under spending within this programme is because of delays in implementing the organisational structure review as well as payments that could not be made in time before the closure of the financial year. The payment relating to the software licences has been requested as a rollover.

## 4.2 Programme 2: Transport Infrastructure

### *Purpose*

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

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

### List of Sub-programmes

- **Infrastructure Planning**

To ensure that macro-transport sector planning is integrated, coordinated with land use to facilitate multi-modalism. The Sub-programme focuses on the Transport Policy, planning and designing of current and future transport infrastructure and systems towards an integrated and seamless transport network in collaboration with Municipalities through various Inter-Governmental Relations (IGR) structures.

- **Infrastructure Design**

This Sub-programme involves the design of the roads infrastructure and deals with the proclamation of road reserves for Provincial roads, ensuring alignment to the Provincial Spatial Development Framework, consultation with stakeholders and maintaining the road asset management for the Province.

- **Construction**

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

- **Maintenance**

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

### Institutional Outcomes:

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



## Outcomes, outputs, output indicators, targets and actual achievements

### Outcome 3: Improved Gauteng Provincial road network by 2025

#### SUB-PROGRAMME: INFRASTRUCTURE DESIGN

#### Road Designs to be completed in the financial year 2022/23

##### Northern Corridor

- Road K111 Phase 1 is a North-South Corridor portion of K111 alignment.**

The proposed route is located on Road K111 from Nellmapius Drive to PWV 5 approximately 10.36km. This section of the road falls under Ekurhuleni and Tshwane Municipalities. The proposed route K111 will serve as an important link between the business centres of Centurion and Midrand and it will also reduce the high traffic volumes on the N1 (Ben Schoeman Freeway) and R101 (Old Johannesburg Road). K111 will also improve the prospects of future developments in surrounding areas and will form an important link in the secondary road network. The detail designs are complete.

- K43 (P219) from K142 to K122 approximately 6.24km**

Road K43 Phase 1 is a North-South Corridor portion of K43 alignment. This portion will be constructed to develop the Gauteng Strategic Road network. The K43 alignment is planned to provide the link between the areas of Lenasia, Eldorado Park and Walter Sisulu Square (Kliptown). K43 Phase 1 is an upgrade and new construction aimed at alleviating traffic congestion and improving mobility, leading to reduced pollutions and reduced travel times. The detail designs are complete.

##### Southern Corridor

- R59 Pedestrian Bridge**

The pedestrian bridge on R59 will be a new construction located in the Meyerton area in the Sedibeng District Municipality. The bridge was identified by the Ntirhisano Programme to provide safety to community members when crossing the R59. The draft detailed design report and draft tender document have been completed. The detail designs are complete.

##### Multi-year Projects

#### Road Designs to be completed in the financial year 2023/24

Road Description	Corridor	Progress
<b>D2204: Construction of road D2204 over rail</b>	<b>Central Corridor</b>	The project is at preliminary design stage
<b>P241/1 from K15 (R558) to K11 (R28) Bekkersdal approximately 19km</b>	<b>Western Corridor</b>	The project is at preliminary design stage

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

Road Description	Corridor	Progress
<b>K217 from K8 (R566) to K4 (Ruth First Road) Phase 1</b>	<b>Northern Corridor</b>	The project is at contracting stage with a Professional Service Provider (PSP)
<b>D2150 from P73/1 (Golden Highway) and Link Road Transport Corridor</b>	<b>Central Corridor</b>	The project is at procurement stage (Bid Evaluation Committee (BEC))
<b>P66/1 (K71 Phase 3) – between road P71/1 and road D795- Links Kyalami in Midrand and Noordwyk R562.</b>		The project is at procurement stage (Bid Evaluation Committee (BEC))

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2022/23.

**Outcomes, Outputs, Performance Indicators and Targets**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
<b>SUB-PROGRAMME: INFRASTRUCTURE DESIGN</b>								
Improved Gauteng Provincial road network by 2025	Road infrastructure designs completed	Number of detailed designs completed	2 designs completed	8 designs	3 detailed designs completed	3 detailed designs completed	-	-

**Strategy to Overcome Areas of Underperformance**

Indicator	Proposed Intervention
-	-



The Department has upgraded the following surfaced roads:

## SUB-PROGRAMME: CONSTRUCTION

Ongoing projects in the financial year, 2022/23

### Surfaced Roads Upgraded

#### Northern Corridor

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

The project involves the doubling of 9km of an existing single carriageway with the aim of increasing capacity, safety and accessibility for existing and future developments along the K69. The K69 connects Pretoria CBD and other areas of economic activity to Pretoria East, notably Mamelodi. This route carries a significant volume of traffic (significant mix of pedestrians, cyclists and motorists alike) all trying to get to their workplaces in Pretoria. The project is at 69% complete.

### Surfaced Roads Upgraded

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

#### Multi-year projects to be completed in financial year 2023/24

Road Description	Corridor	Progress
<b>Vaal River City Interchange</b>	<b>Southern Corridor</b>	The project is 22% complete
<b>K31 access to Green Gate Development: Reconstruction and upgrade of the M5 Beyers Naude Road</b>		The project is 19% complete.
<b>Upgrading of K73 between Woodmead Drive and Allandale Road (D58) Mushroom Farm</b>		The project is 68% complete
<b>K46 (P79/1): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot /N14 Phase 2</b>	<b>Central Corridor</b>	The project is 50% complete

#### Multi-year projects to be completed in financial year 2024/25

Road Description	Corridor	Progress
<b>Upgrade of K101 from D795 Olifantsfontein to N1 Brakfontein</b>	<b>Central Corridors</b>	The project is 30% complete
<b>Construction of K56 between K46 (William Nicol) and P71/1 (Main Road) and the extension of Erlings Road from Dorothy Road</b>		Court interdict has been uplifted. Water Use Licence Application (WULA) appeals to delay the process of appointing a contractor
<b>K60 Waterfall City: Construction of new link between R55 Woodmead Drive and Allandale Road</b>		The project is on hold due to a court interdict that prohibits it from continuing. GDRT has applied for rescission and the matter is awaiting a verdict

## Multi-year projects to be completed in financial year 2025/26

Road Description	Corridor	Progress
<b>K14 between Cullinan and Rayton Road (D483)</b>	<b>Northern Corridor</b>	The Department will finalise the Memorandum of Agreement (MoA) for the designs with Petra Mines
<b>R82 Phase 3 (between D1073 (Walkerville) and K164 (De Deur))</b>	<b>Southern Corridor</b>	The project is 7% complete
<b>K54: Mamelodi (Tsamaya Road) to R104 Pretoria Bronkhorstspuit</b>		The project is 76% complete and was terminated in 2021 as there is no available land for the contractor to continue with outstanding works due to illegal dwellers/informal settlement on the road reserve. The Department engaged the Department of Human Settlement to expedite the relocation of the informal settlement

**Table 2.4.4.1:**

The Table 2.4.4.1 . below reflects ONLY the Planned Targets and Actual Achievements from the Originally Tabled Annual Performance Plan (APP) 2022/23 up until the date of re-tabling of the Revised APP 2022/23 in Quarter 2

### ***Outcomes, Outputs, Performance Indicators and Targets***

Programme Name: Transport Infrastructure									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
<b>SUB-PROGRAMME: CONSTRUCTION</b>									
Improved Gauteng Provincial road network by 2025	Surfaced roads upgraded for increased capacity	Number of m <sup>2</sup> of surfaced roads upgraded	-	0	200,200,00m <sup>2</sup>	0	200,200,00m <sup>2</sup>	No target was set for Quarter 1, 2022/23	The upgrade of K69 target was revised to the following financial year, 2023/24 pending the resolution of the road reserve encroachment by City of Tshwane (CoT)

*Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2023, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year 2022/23, but only for Quarter 1 (April to June 2022) of the financial year 2022/23.*

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2022/23.

### **Outcomes, Outputs, Performance Indicators and Targets**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23 until date of re-tableting	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
<b>SUB-PROGRAMME: CONSTRUCTION</b>								
Improved Gauteng Provincial road network by 2025	Surfaced roads upgraded for increased capacity	Number of m <sup>2</sup> of surfaced roads upgraded	-	0m <sup>2</sup>	0m <sup>2</sup>	0m <sup>2</sup>	-	-
	Gravel roads upgraded to surfaced roads	Number of kilometres of gravel roads upgraded to surfaced roads	-	-	-	-	-	-
	EPWP work opportunities created through infrastructure projects	Number of EPWP work opportunities created in construction projects	15	136	500	545	+45	The additional work opportunities were created due to the awarding of 2 new projects (R82 and K31)
		Number of youth employed (18-35) through the implementation of EPWP principles in construction projects	-	-	300	310	+10	Additional youth employed due to the awarding of 2 new projects (R82 and K31)
		Number of women employed through the implementation of EPWP principles in construction projects	-	-	300	217	83	Fewer applications received from women in the communities
		Number of persons with disabilities employed through the implementation of EPWP principles in construction projects	-	-	10	7	3	Fewer applications received from people with disabilities in the community





## Strategy to Overcome Areas of Underperformance

Indicator	Proposed Intervention
Number of women employed through the implementation of EPWP principles in construction projects	The outstanding jobs will be created in the new financial year, 2023/24, once new projects have been awarded and implemented
Number of persons with disabilities employed through the implementation of EPWP principles in construction projects	

The Department has executed and rehabilitated the following projects:

### SUB-PROGRAMME: MAINTENANCE

#### *Provincial Road Maintenance Grant (PRMG)*

The Department was allocated R680,058,000.00 from the Department of Transport to address the Roads Maintenance backlog as per the S'hamba Sonke Framework. The money was allocated as per the conditions of the Provincial Roads Maintenance Programme (PRMG) as outlined above. The expenditure for the financial year is R630,645,000.00 which is 92.7% of the annual allocated budget.

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

The Visual Conditioning Assessment Project has commenced and is on-going for the period of 36 months.

#### *Routine Maintenance*

The Department has bladed 2,421.53km of gravel roads, re-gravelled 60.03km and patched 105,607.26m<sup>2</sup> of potholes patched as well as created 2,694 jobs. Furthermore, the Department has implemented surface failure repairs of more than 100,000m<sup>2</sup> to some roads as part of road safety in promotion and accessibility, including improvement of rideability. The work executed included grass cutting as well as the installation of guard rails, crack sealing including replacement of road signs and bridge rails repairs.

#### *Road Rehabilitation*

##### *Completing in financial year 2022/23*

##### *Northern Corridor*

- **P39/1 Heavy Rehabilitation from Diepsloot to Muldersdrift**

The road forms part of the Central and Western Corridors. The project involves rehabilitation of 14.45kms of road P39/1 between Diepsloot and Muldersdrift in the Westrand. The rehabilitation of road P39/1 will increase structural capacity and safety on the road through the reconstruction of the gravel shoulders. The road rehabilitation is complete and open to road users.

- **P156/3 (R42) from P155/1 to D2563 Vanderbijlpark**

P156/3 is in Vanderbijlpark Emfuleni Local Municipality and forms part of the Southern Corridor. The project involves rehabilitation of 5.8km which will include sidewalks. The road will enhance and maintain economic activities around Vereeniging/Vanderbijlpark. The rehabilitation of the road is complete and is open to road users.

## Ongoing surfaced roads in the financial year 2022/23

### Northern Corridor

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

The project entails the rehabilitation of Road D483 between P6/1 Bapsfontien and D713 Cullinan. The road predominantly serves as Class 2 road with the aim of serving users between the various small towns in the area (Bapsfontein, Bronkhorstspuit and Cullinan). D483 is in the North of Gauteng, West of Pretoria. The project is at 68% complete.

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

Road P241/1 serves as one of two main link roads between Johannesburg and Lenasia, which forms part of the Central Corridors. The section of road commences at Roads P1/1 (R82) intersection and ends at the Municipal boundary, past the M10 in Lenasia. P241/1 (R554) is a pavement rehabilitation project and has no upgrade of structure nor widening of carriageway, although most of its gravel shoulders will need to be re-gravelled under this contract. The project is at 87% complete.

## Multi-year projects completing in financial year 2023-2024

Road Description	Corridor	Progress
<b>Rehabilitation of P122/1 from P36/1 (R10) (Solomon Mahlangu Drive Olifantsfontien)</b>	<b>Northern Corridor</b>	The tender process for the project will be undertaken in the next financial year, 2023/24

## Multi-year projects to be completed in financial year 2024/25

Road Description	Corridor	Progress
<b>Rehabilitation of Road P73/1 (R553) Golden Highway between Ennerdale (41.0 km) and Eldorado Park (62.24km), approximately 21.24 km</b>	<b>Southern Corridor</b>	The tender process will be undertaken in the next financial year, 2023/24
<b>K175: Rehabilitation of the Road from N4/2 to D670 (8.1km)</b>		Tender processes were completed and project will be awarded in the next financial year 2023/24
<b>Rehabilitation of 8 Bridges and 1 Major Culvert in the Krugersdorp Region within the Gauteng Province</b>	<b>Western Corridor</b>	The tender process will be undertaken in the next financial year, 2023/24

**Table 2.4.4.1:**

The Table 2.4.4.1. below reflects ONLY the Planned Targets and Actual Achievements from the Originally Tabled Annual Performance Plan (APP) 2022/23 up until the date of re-tabling of the Revised APP 2022/23 in Quarter 2.

### **Outcomes, Outputs, Performance Indicators and Targets**

Programme Name: Transport Infrastructure									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
<b>SUB-PROGRAMME: MAINTENANCE</b>									
Improved Gauteng Provincial road network by 2025	Surfaced roads rehabilitated	Number of m <sup>2</sup> of surfaced roads rehabilitated	134, 563.00m <sup>2</sup>	0	378 490.00m <sup>2</sup> <b>D483</b> 206, 090.00m <sup>2</sup> <b>P39</b> 172, 400.00m <sup>2</sup>	0	<b>378</b> <b>490.00m<sup>2</sup></b> <b>D483</b> 206, 090.00m <sup>2</sup> <b>P39</b> 172, 400.00m <sup>2</sup>	No target was set for Quarter 1, 2022/23	The annual target was revised to include P156/3
	Surfaced roads resealed	Number of m <sup>2</sup> of surfaced roads resealed	366, 520.93m <sup>2</sup>	122, 000.00m <sup>2</sup>	200, 200.00m <sup>2</sup>	0	200, 200.00m <sup>2</sup>	No target was set for Quarter 1, 2022/23	The surfaced roads resealed was revised to the following financial year, 2023/24 due to the delay in the procurement process.
	Surfaced roads blacktop patched	Number of m <sup>2</sup> of blacktop patching	129, 708.95 m <sup>2</sup>	133, 805.46m <sup>2</sup>	110, 000.00m <sup>2</sup>	21, 027.15m <sup>2</sup>	88, 972.85 m <sup>2</sup>	There was no deviation as the Quarter 1 target was achieved. The deviation indicates the planned target to be achieved during Quarters 2-4	The target was therefore revised in the Revised APP 2022/23 due to the delay in the procurement process

Programme Name: Transport Infrastructure									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations	Reasons for revisions to the Outputs/Output Indicators/Annual Targets
<b>SUB-PROGRAMME: MAINTENANCE</b>									
Improved Gauteng provincial road network by 2025	<b>EPWP rehabilitation work opportunities created</b>	<b>Number of EPWP work opportunities created on road rehabilitation projects</b>	31	173	205	48	157	The original target was not achieved due to projects being interdicted (P122/1)	Therefore, the original target was revised due to projects being interdicted (P122/1)
		Number of youth employed (18-35) through the implementation of EPWP principles in rehabilitation projects	-	-	123	37	86		
		Number of women employed through the implementation of EPWP principles in rehabilitation projects	-	-	123	23	100		
		Number of persons with disabilities employed through the implementation of EPWP principles in rehabilitation projects	-	-	4	0	4		
	EPWP preventative maintenance work opportunities created	Number of persons with disabilities employed through the implementation of EPWP principles in preventative maintenance projects	-	-	29	1	28	The original target for persons with disabilities was not achieved due to the delay in the procurement process	The target was therefore revised in the Revised APP 2022/23 due to the delay in the procurement process

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2023, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year 2022/23, but only for Quarter 1 (April to June 2022) of financial year 2022/23.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2022/23.

### Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
Improved Gauteng Provincial road network by 2025	Surfaced roads rehabilitated	Number of m <sup>2</sup> of surfaced roads rehabilitated	134, 563.00m <sup>2</sup>	0	<b>394 084.00m<sup>2</sup></b> <b>D483</b> 206, 090.00m <sup>2</sup>	226, 985.00m <sup>2</sup> <b>P39</b> 145, 000.00m <sup>2</sup>	<b>167, 099.00m<sup>2</sup></b> <b>D483</b> 206, 090.00m <sup>2</sup>	Project D483 was not completed due to the following: Contractor experiencing financial constraints Non-payment of workers and SMMEs which resulted in the project being stopped An increase of 38, 991m <sup>2</sup> in P156/3 was due to the following: <ul style="list-style-type: none"> <li>Provision of access to properties along left hand side of R42</li> <li>Surfacing of intersection and slip lanes which resulted in additional area surfaced</li> </ul>
	Surfaced roads resealed	Number of m <sup>2</sup> of surfaced roads resealed	366, 520.93m <sup>2</sup>	122, 000.00m <sup>2</sup>	0m <sup>2</sup>	0m <sup>2</sup>	-	-
	Gravel roads re-gravelled	Number of kilometres of gravel roads re-gravelled	-	-	39km	60, 03km	+21. 03km	Additional 21.03km of Road D25, D734, D1113 was gravelled to address road safety

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
<b>SUB-PROGRAMME: MAINTENANCE</b>								
Improved Gauteng Provincial road network by 2025	Surfaced roads blacktop patched	Number of m <sup>2</sup> of blacktop patching	129, 708.95 m <sup>2</sup>	133, 805.46m <sup>2</sup>	80, 000.00m <sup>2</sup>	105, 607.26m <sup>2</sup>	+25, 607.26m <sup>2</sup>	Additional 25, 607.26m <sup>2</sup> completed due to rapid deterioration of the following roads: D374, P156/2, D1310, P2/5, P95/2, P207/1, D1064, P39/1, P61/3, D1755, P45/1, D1463, P66/1, D36, D48, D400, P25/1, D2182, P2/4, D2081, P219/1, P61/3, P126/1, P139/1, D540, P230/1, K103, D321, D327, D1310, D318, P102/1, D1146, P243/1, D2762, P2236, D4/1, P41/2, D64, D1463 and P167
	Gravel roads bladed	Number of kilometres of gravel roads bladed	-	-	1, 309.69km	2, 421.53km	+1, 111.84km	Additional 1, 111.84km completed to address poor roads conditions and safety on the following roads: D38, D327 D892, D961, D734, D781, D1333, D356, D1814, D322, D1685, D2192, D1342, D638, D755, D1743 and D321, D77, D892, D1717, D734, D801, D817, D1313, D2118, D2297, D995, D1114, D420, D2292, D38, D960, D99, D907, D1919, D6328, D1127, D1133, and D1743.
	Implementation of the National Contractor Development Programme (NCDP) in Road Infrastructure Projects	*Number of contractors participating in the National Contractor Development Programme	-	-	0	0	-	-



Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
Improved Gauteng Provincial road network by 2025	EPWP rehabilitation work opportunities created	<b>Number of EPWP work opportunities created on road rehabilitation projects</b>	31	173	55	61	+6	Additional work opportunities were created on re-instated (P241) project
		Number of youth employed (18-35) through the implementation of EPWP principles in rehabilitation projects	-		30	42	+12	
		Number of women employed through the implementation of EPWP principles in rehabilitation projects	-		30	31	+1	
<b>SUB-PROGRAMME: MAINTENANCE</b>								

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
<b>SUB-PROGRAMME: MAINTENANCE</b>								
Improved Gauteng Provincial road network by 2025	<b>EPWP rehabilitation work opportunities created</b>	Number of persons with disabilities employed through the implementation of EPWP principles in rehabilitation projects.	-		2	0	2	No work opportunity created due to poor response from people with disabilities in the community
	EPWP preventative maintenance work opportunities created	<b>Number of EPWP work opportunities created on Preventative Maintenance projects</b>	3, 825	3, 049	2, 500	2,694	+194	Additional EPWP job opportunities created due to the improvement of Departmental stakeholder engagement within communities where projects were implemented
		Number of youth employed (18-35) through the implementation of EPWP principles in Preventative Maintenance projects	-	-	1, 375	1, 598	+223	





Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
Improved Gauteng Provincial road network by 2025	EPWP preventative maintenance work opportunities created	Number of women employed through the implementation of EPWP principles in preventative maintenance projects	-	-	1 375	1 534	+159	Additional EPWP job opportunities created due to the improvement of Departmental stakeholder engagement within communities where projects were implemented
		Number of persons with disabilities employed through the implementation of EPWP principles in preventative maintenance projects	-	-	10	31	+21	

### Strategy to Overcome Areas of Underperformance

Indicator	Proposed Intervention
Number of m <sup>2</sup> of surfaced roads rehabilitated	Extension of time (EOT) has been granted until end of June 2023 for the completion of the project
Number of persons with disabilities employed through the implementation of EPWP principles in rehabilitation projects	The outstanding jobs will be created in the new financial year, 2023/24, once new projects have been awarded and implemented

## ***Outcome 4: Strong Institutions supporting smart mobility in Gauteng.***

### **SUB-PROGRAMME: INFRASTRUCTURE PLANNING**

The Department has compiled the following Policy Planning documents:

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

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

The reviewed ITMP25 will underpin the Province as the economic powerhouse of Southern Africa, to stimulate and to have sustainable long-term economic growth, skills development and job creation. The Province through its Department of Roads and Transport, aims to contribute to the further transformation of society and create a better life for all the people of Gauteng, based on the reviewed ITMP25. This will enable the Department to regulate, plan and develop an efficient and well-integrated transport system that serves the public interest by enhancing mobility and delivering safe, secure and environmentally responsible air, road-based public and private transport, and rail transport services.

The ITMP25 review will accommodate changes in the transport policy and planning ecosystem that includes extensions of the Cities Bus Rapid Transit (BRT) systems, Gautrain Expansion as well as the 2019 Gauteng Household Travel Survey data, and recent Household Travel Survey to measure the impact of COVID-19 on mobility. Furthermore, the review will include a new chapter on the 4th Industrial Revolution (e.g., electric cars, driverless cars and the use of carpools) and a revision and update of chapters in the original plan, taking into consideration changes on governance of public transport in Gauteng with the recently established Transport Authority for Gauteng (TAG) and will also incorporate development of a Freight Travel Demand Management Plan.

The ITMP25 Review study will also include the review of the Gauteng Strategic Road/Transport Network (GSRN/GSTN).

The procurement and delivery of the review of the ITMP25 project is being undertaken with the review being completed in the financial year 2023/24.

#### **Development of the Provincial Land Transport Framework (PLTF)**

A five-year plan is required for the short-term planning and implementation of transport initiatives in the Province, and therefore, a revision of the previous Gauteng Five-Year Transport Implementation Plan (GTIP5) is in progress. However, it will be in the legislated required format of the Provincial Land Transport Framework (PLTF) for 2020–2024. Once approved, it will enable the Transport Authority for Gauteng (TAG) to develop a Strategic Transport Plan and an Integrated Implementation Plan. The review and updating of the PLTF for the Gauteng Province that is being undertaken is both a legislative requirement as contemplated in Section 35 of the National Land Transport Act (NLTA) as well as a key document for enabling TAG and the Department to achieve its strategic transport planning objectives.

The PLTF has been completed and will be launched in the next financial year 2023/24.

#### **Household Travel Survey to measure the impact of COVID-19 on mobility patterns**

The Department sought to supplement the results of the 2019/20 Household Travel Survey with an additional survey which is reflective of the impact of the COVID-19 pandemic and associated with National lockdown regulations on household travel choices and mobility patterns.

The supplementary Household Survey was intended to measure household travel choices and patterns during different state of emergency alert levels and how these travel choices and patterns are likely to change mobility into the future. The Household Travel Survey Report was completed and launched to the public.



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

The Department signed a Memorandum of Agreement (MoA) with the University of Pretoria (UP) in November 2020 to pursue evidence-based roads and transport related research projects and to explore opportunities for smart green transportation as critical steps for addressing transport's contribution to greenhouse gas emissions. The Department has collaborated with UP to conduct a study that will measure, monitor and later certify the exact emission contribution of transport along critical corridors in Gauteng.

The Centre for Transport Development at the University has acquired Portable Emissions Measurements System (PEMS) that allows for the measurement of emissions from vehicles as they drive under Gauteng driving conditions. This system will measure CO, CO<sub>2</sub>, NO and NO<sub>2</sub> concentrations.

The emissions testing prototype machine has been developed and field testing is underway. The Emission Measuring Pilot Study project will be launched in June 2023 and a reporting emissions data and technical report on emissions will be completed in the next financial year, 2023/24.

## **Investigation into an appropriate network hierarchy and associated support infrastructure for minibus taxi operations in Gauteng Province.**

One of the main interventions proposed in the Smart Mobility Plan 2030 is the mapping and digitisation of the Minibus Taxi Industry as a mechanism towards a modernised and transformed industry. The Department has commissioned the Council for Scientific and Industrial Research (CSIR) to undertake the primary data collection relating to Minibus Taxi (MBT) facilities and ranks operated by minibus taxi associations registered in Gauteng. The objective is to develop a comprehensive set of evidence-based decision support tools that enables appropriate planning and modelling of characteristics of MBT operations and infrastructure.

The network Infrastructure Design principles for Phase 2 of Taxi Network Hierarchy were completed.

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

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

### **Gauteng Integrated Smart City Modelling Centre (GISCMC) for Road, Rail and Transport Planning (maintain functionality)**

The Department identified a tool that is being utilised to meet the growing set of functional requirements needed for transportation system modelling called the Transport Modelling Centre. This tool will provide the transport evidence-based decision-making capabilities which are required to improve the mobility of goods and people in the Province. The Transport Model requires updating annually which include new transport links, traffic information, land use information, demographics and economic data.

To standardise the format of public transport data, the Department and Council of Scientific and Industrial Research (CSIR) initiated a process to collect and convert public transport data into General Transit Feed Specification (GTFS) format to ensure that it can be loaded on google maps.

Continuous updates and validation to the model are being based on the scenarios developed with planning authorities and CSIR.

Furthermore, the GTFS proto-type device was developed to send the live coordinates of a vehicle to a server that is then pushed to the Google Transit server. The device can be plugged into a USB of a vehicle and will then send the live location to the server every 15 seconds.

As the GISCMC is an ongoing process, a new agreement and scope of work is in process.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2022/23.

### **Outcomes, Outputs, Performance Indicators and Targets**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
<b>SUB-PROGRAMME: INFRASTRUCTURE PLANNING</b>								
Strong institutions supporting smart mobility in Gauteng	Smart Mobility Transport planning studies completed	Number of transport planning studies completed	1 (GHTS report completed)	0	1 (Mapping of taxi facilities and network design principles completed)	1 (Mapping of taxi facilities and network design principles completed)	-	-
	Improved Gauteng Provincial road network by 2025	Smart Mobility Transport Infrastructure Plans developed	-	-	1	1	-	-
	Gauteng surfaced roads visual assessment report completed as per the applicable Technical Methods for Highways (TMH) manual	Number of kilometres of surfaced roads visually assessed as per the applicable (TMH) manual	0	0	4 571km	700.55km	3 870.45km	The 3 870.45km could not be assessed due to the delays in the appointment of the service provider
	Gauteng gravel roads visual assessment report completed as per the applicable TMH manual	Number of kilometres of gravelled road visually assessed as per the applicable TMH manual	0	0	1 359km	1 295.11km	63.89km	The outstanding 63.89km could not be assessed due to heavy rain experienced in Quarter 4, 2022/23

## Strategy to Overcome Areas of Underperformance

Indicator	Proposed Intervention
Number of kilometres of surfaced roads visually assessed as per the applicable Technical Methods for Highways (TMH) manual	The service provider is continuing with the entire network as per the project plan, the completion date is May 2023
Number of kilometres of gravelled road visually assessed as per the applicable TMH manual	

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

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

### *Linking performance with budgets*

### *Programme expenditure*

Transport Infrastructure	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
Infrastructure Planning	104,998	60,698	44,300	91,196	56,687	31,056
Infrastructure Design	100,844	91,941	8,903	87,199	70,080	12,244
Construction	1,094,173	1,074,233	19,940	522,715	511,006	4,734
Maintenance	815,267	760,633	54,634	1 045,193	90, 837	93,872
Programme Support Infrastructure	74,904	72,905	1,999	62,054	142,162	1,295
<b>Total</b>	<b>2,190,186</b>	<b>2,060,410</b>	<b>129,776</b>	<b>1,808,357</b>	<b>1,681,772</b>	<b>143,201</b>

The allocation for this programme includes the PRMG, the EPWP incentive grant as well as the Provincial earmarked infrastructure allocations. These allocations form part of the core of this programme and of the Department.

### Infrastructure Planning

The Infrastructure Planning sub-programme is responsible for guiding infrastructure development throughout the Department and to give effect to that, implements a range of planning projects. The under-expenditure for both of the financial years indicated was mainly due to the TAG allocation that is located within this sub-programme as well as the delay in the filling of vacant posts.

### Infrastructure Design

The Infrastructure Design Unit is responsible for the design of road infrastructure projects and the management of land proclamation processes. The under-expenditure for both of the financial years indicated was mainly due to the delay in finalising the land proclamations during the year as well as the design projects that are taking longer than anticipated.



## Construction

The Construction Unit is responsible for upgrades to rehabilitation and construction of new roads within the Province. The expenditure increased when comparing the financial years 2021/22 and 2022/23; however, the allocation for the financial year 2022/23 was higher because the Department implemented the project acceleration programme in the Quarter 4 of the financial year, unlocking bottlenecks within major construction projects and therefore realising expenditure. This exercise therefore increased total spending for the year.

## Maintenance

The Maintenance Unit is responsible for the maintenance of roads in the Provincial network and is funded by the PRMG, the EPWP grant and the infrastructure equitable share allocation. The under-expenditure has reduced significantly when comparing the two financial years and the 2022/23 under-spending all relates to the PRMG due to the delay in procurement of outsourced routine road maintenance contractors as well as supervisors.

## Programme Support Infrastructure

This Programme Support Infrastructure sub-programme is allocated with the operational budget for all the sub-programmes. Expenditure was high in the financial years 2018/19 and 2020/21 because the Department settled legal claims that became due in those years. In 2021/22, the budget was increased due to decentralisation of the government cars budget which also continues into the financial year 2022/23. The budget cuts then affect the last two years of the MTEF; hence the drastic reduction of the budget in those years.

## 4.3 Programme 3: Transport Operations

### *Purpose*

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

### *List of Sub-programmes*

- **Public Transport Services**

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

### *Institutional Outcomes:*

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

### *Outcomes, outputs, output indicators, targets and actual achievements*

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

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

### **SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES**

#### **Public Transport Operations Grant (PTOG)**

The Department managed 30 operational and four non-operational subsidised bus contracts of which 23 are tendered and 7 interim contracts which are awarded to 13 bus operators. The subsidised bus services are operated by bus companies on behalf of government through a system of either interim or tendered contracts. The 2 contracts are funded by the Public Transport Operations Grant (PTOG) and 2 ceded contracts from the North-West Province are funded by the Gauteng Province. These contracts are operating in the 3 Metros and 1 District Municipality, namely: City of Johannesburg (CoJ), City of Tshwane (CoT) and City of Ekurhuleni (CoE) as well as Sedibeng District Municipality (SDM), providing subsidised bus services to the public. These services are aimed at reducing the travelling cost burden of commuters.

#### **Introduction of rationalised bus contracts:**

The Department has signed the Intergovernmental Authorisation Agreement (IGAA) with all Contracting Authorities (Municipalities) which contain clauses amongst other things, that the Provincial Department is willing to enter into negotiated Subsidised Bus Service Contracts. The IGAA further alludes on the capacitation of the metros and districts to take over the contracts once the duration of this agreement has lapsed. The metros and districts must be able to take over when the agreement has lapsed or any earlier period before the end of the agreement. In this regard the Department had engagements with all Municipalities throughout the Bus Contracting process in the quest to introduce new subsidised





bus contracts for the Province. These new contracts which will be completed and operationalised in the financial year 2023/24, are aimed at providing more efficient and reliable subsidised bus services to commuters.

### **Electronic Monitoring of subsidised busses**

The Electronic Subsidised Bus Monitoring System has been implemented to replace the ineffective physical monitoring of subsidised bus contracts with a system that will produce 100% real time information on subsidised contracts operations. The system came into effect from 1 May 2020 with the appointment of two Supervisory Monitoring Firms (SMFs). The effectiveness of the systems resulted in it being extended to the Ekurhuleni and Sedibeng subsidised bus contracts for a period of six months during the financial year under review. The number of buses electronically monitored increased from 1 788 to 1 923, with the inclusion of the Ekurhuleni and Sedibeng subsidised buses. The electronic monitoring system has enabled the Department to effectively monitor the subsidised bus services provided to commuters and efficiently finalise the bus claims submitted monthly by the subsidised bus operators for payment from the Public Transport Operations Grant (PTOG). The Department is committed to ensuring all subsidised bus services in all regions are electronically monitored in all Municipalities. Thus, the objective is to ensure 100% of electronic monitoring of the subsidised bus services in the financial year 2023/24, thereby, improving the reliability, affordability and safety of subsidised bus services to commuters.

### **Outcome 6: Increased Data Centric Mobility in Gauteng by 2025**

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

#### **The Digital Solution for Law Enforcement in the Minibus Taxi Industry**

The Department is developing a comprehensive integrated database on public transport mobility in the Province, comprising both the supply and demand-side of public transport. This is also in the quest to digitise transport data and records, thus creating a portal of public transport operators which is credible and dependable.

The focus has mostly been on the taxi industry as a response to one of the Taxi Industry Summit resolutions. The Summit identified the lack of digitisation and/or modernisation in the public transport services administrative processes leading to poor record keeping and a generally fragmented systems that are mostly unavailable/inaccessible at customer interface. The digitised solution will be functionally integrated with other data sources to provide a seamless service for planning purposes, operating licences provisioning and general decision-making. Furthermore, the existence of this live database and system will inform budget processes for different spheres of government.

- **Integrated Fare Management**

Continuing with the quest to realise one Province, one ticket ideal to facilitate seamless and cashless travel for the citizens of Gauteng, during the financial year 2022/23, the Department developed a draft Integrated Fare Management Policy document. The purpose of the policy is to achieve the following in relation to ticketing and fare management:

1. Inter-operability between transport modes – one fare medium used for different operators, thus facilitating seamless travel.
2. Improved customer travel convenience – a single fare media with multiple solutions for loading travel rights.
3. Improved communication and data sharing – information for all modes of transport is centralised and there could be a near real time view of the status of public transport in the Province for communication, decision-making and planning.
4. Encourage use of public transport – simplification of solutions thus enhancing efficiencies and access.

5. Modalities of the central clearing house – setting up mechanisms and parameters for the central clearing house.
6. Create or propose discount systems – introduction of coordinated discount regimes for the different categories of users (concessions) and events of Provincial or National interests economically e.g., major sporting events and tourist conventions.

Furthermore, the policy refers to existing land public transport patterns, operators and user needs. It highlights integration fundamentals, identifies legislative gaps and assigns appropriate functions to the different Provincial role players for the effective implementation of this ideal of One Province, one ticket.

Extensive consultations with relevant stakeholders will ensue in the new financial year, 2023/24 towards finalising the policy for approval with the Provincial Legislature.

### Transport Management Centre (TMC)

As part of the Integrated Fare Management Programme, the Department has established an interim Transport Management Centre (TMC) at its Head Office, No. 45 Commissioner Street, Life Centre Building, Johannesburg from which commuters can access relevant transport information through a toll free number 0800111988.

The TMC is one of the elements of the Integrated Fare Management System for the Province represented by the following bouquet:

- Account Based Ticketing,
- Transport Management Centre,
- Public Transport Digital Twin,
- Public Transport Engagement Channels, and
- Telecommunications Networks.

These sub-sets will be implemented in phases.

As part of the phase one, the Transport Management Call Centre was operationalised during the financial year under review. A soft launch of the project was undertaken where the toll free number was publicised to citizens of Gauteng. Thereby encouraging all transport service users to register in the database for ease of communication on issues of interest to them and the Department. This platform also allows for commuters to be empowered with the status of the transport/mobility services afforded by the Department, Municipalities, agents of government, transport operations and other independent operatives that will impact the effective running of the transport system in the Province.

Ten youthful call centre agents have been inducted and trained to deliver on the call centre mandate. The TMC Call Centre has also facilitated Gauteng citizens access to various types of transport information. This is inclusive of, firstly the Book a Slot project aimed at alleviating the COVID-19 driver licence backlogs issues by matching candidates with available slots at DLTCs to complete the renewal of their driver licences. Secondly, attending to pothole application issues and other general issues through e-mails, calls and bulk sms's. The TMC Call Center reached 251,537 hits since the soft launch. With a growing database, the TMC Call Centre footprint is a demonstration of the need for the service and a responsibility to further open lines of communication with the citizens of Gauteng. The TMC is being positioned to become the focal point for communicating transport-related information to the media and the public, a place where agencies can coordinate their responses to transport situations and conditions. The official launch of the TMC will be undertaken in the next financial year.

**Table 2.4.4.1:**

The Table 2.4.4.1 below reflects ONLY the Planned Targets and Actual Achievements from the Originally Tabled Annual Performance Plan (APP) 2022/23 up until the date of re-tabling of the Revised APP2022/23 in Quarter 2.

### Outcomes, Outputs, Performance Indicators and Targets

Programme Name: Transport Operations									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
<b>SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES</b>									
An improved smart, affordable and accessible public transport Data Centric Mobility in Gauteng by 2025	Provincial Mini Bus Taxi (MBT) Operators Database updated annually	Percentage of Mini Bus Taxi Operators captured in the Provincial MBT database	Minibus Taxi Operator database developed	12.8% (9 425) MBT operators captured and registered in the Gauteng Integrated Public Transport Administration System (GIPTAS)	50% of 73 498 Minibus Taxi Operator captured in the Provincial MBT database	2% of 73 498 Mini Bus Taxi Operators captured in the Provincial MBT database (1 614 mini-bus operators)	48% of 73 498 Minibus Taxi Operator captured in the Provincial MBT database	The Taxi industry was embroiled in leadership battles, therefore, could not be engaged as a collective 1. The deviation indicates the planned target to be achieved during Quarters 2-4	The output indicator and targets were revised, to align to the new methodology being implemented by the Department
	Subsidised bus fleet electronically monitored	Percentage of subsidised bus fleet electronically monitored. (non-cumulative)	87% subsidised bus fleet electronically monitored were fitted with electronic monitoring system	75% of 2 390 subsidised contracted bus fleet electronically monitored	98% of 2 390 subsidised bus fleet electronically monitored	75% of 2 390 subsidised bus fleet electronically monitored	23% of 2 390 subsidised bus fleet electronically monitored	The target was revised due to not all contracted bus fleets being electronically monitored such as Ekurhuleni and Sedibeng due to delays experienced in the procurement process	
	Operationalised Account Based Ticketing (ABT) system	Number of mobility card centric accounts integrated into 1 Account Based Ticketing (ABT) system	-	0	1 mobility card centric account integrated into 1 Account Based Ticketing system	0	1 mobility card centric account integrated into 1 Account Based Ticketing system	The target was not achieved due to the rescoping of the project	The Department undertook a rescoping of the project to align with the policy process required for the Integrated Fare Management project

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2023, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year 2022/23, but only for Quarter 1 (April to June) of financial year 2022/23.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2022/23

### **Outcomes, Outputs, Performance Indicators and Targets**

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
<b>SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES</b>								
An improved smart, affordable and accessible public transport Data Centric Mobility in Gauteng by 2025	9 new subsidised bus contracts operationalised	Number of bus contracts operationalised as per the agreed routes	0	1 new subsidised bus contract operationalised as per the agreed routes	0	0	-	-
	Public transport routes subsidised	Number of routes subsidised (Non-cumulative)	-	-	3, 294 bus routes subsidised	3, 336 bus routes subsidised	+42 bus routes subsidised	Additional 42 bus routes subsidised routes due to an increase in commuter demand on routes DRT109 and IC48 contracts
	Subsidised bus fleet electronically monitored	Percentage of subsidised bus fleet electronically monitored. (Non-cumulative)	87% subsidised bus fleet electronically monitored were fitted with electronic monitoring system	75% of 2 390 subsidised contracted bus fleet electronically monitored	95% of 2 390 subsidised bus fleet electronically monitored	80% (1 923) of 2 390 subsidised bus fleet electronically monitored	15% (348) of 2 390 subsidised bus fleet electronically monitored	15% (348) of 2 390 subsidised bus fleet could not be monitored due to some operators not complying with the commitment of the required bus fleet as per the contract



Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
<b>SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES</b>								
An improved smart, affordable and accessible public transport Data Centric Mobility in Gauteng by 2025	A minimum of 30% of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators	Percentage of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators	0	A minimum of 30% of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators (taxi association)	0	0	-	-
	Provincial Mini Bus Taxi (MBT) Operators Database updated annually	Number of mini bus taxi type operators captured in the Provincial MBT database (Cumulative)	Minibus Taxi Operator database developed	12.8% (9 425) MBT operators registered in the Gauteng Integrated Public Transport Administration System (GIPTAS)	36 749 Minibus Taxi type operators captured in the Provincial MBT database	1 614 mini bus taxi type operators captured in the Provincial MBT database	35 135 mini bus taxi type operators captured in the Provincial MBT database	35 135 mini bus taxi type operators were not captured in the Provincial MBT database due to the executive leadership of SANTACO engaging in legal issues presented in court related to election outcomes
	3 Taxi Ranks developed as economic nodes	Number of Taxi ranks developed as economic public transport nodes	0	-	0	-	-	-
	Operationalised Account Based Ticketing (ABT) system	1st draft of the Gauteng Integrated Transport Fare Policy developed	-	0	1st draft of the Gauteng Integrated Transport Fare Policy developed	1st draft of the Gauteng Integrated Transport Fare Policy developed	-	-
Public transport users accessing public transport and infrastructure information through the TMC	Number of public transport users accessing public transport and infrastructure information through the TMC.	Number of public transport users accessing public transport and infrastructure information through the TMC.	-	-	250 000 public transport users accessing public transport and infrastructure information through the TMC	251 537 public transport users accessing public transport and infrastructure information through the TMC	+1 537 public transport users accessing public transport and infrastructure information through the TMC	The additional 1 537 increase of public transport users accessing public transport and infrastructure information through the TMC is due to increased interactions with citizens through bulk sms

## Strategy to Overcome Areas of Underperformance

Indicator	Proposed Intervention
Percentage of subsidised bus fleet electronically monitored. (Non-cumulative)	The Department is engaging with the operators to subcontract the outstanding required fleet to achieve the contractual committed fleet
Number of mini bus taxi type operators captured in the Provincial MBT database (Cumulative)	In the next financial year 2023/24, the taxi industry will be engaged at associations levels

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

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

### *Linking performance with budgets*

#### Programme expenditure

Transport Operation	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
Public Transport Services	2,829,300	2,258,522	570,778	3,124,505	3,124,505	572,854
Programme Support Operations	33,566	31,360	2,206	62,780	62,780	552
<b>Total</b>	<b>2,862,866</b>	<b>2,289,882</b>	<b>572,984</b>	<b>3,187,285</b>	<b>2,621,494</b>	<b>573,406</b>

This is the core Public Transport Programme and includes the allocations for the Public Transport Operations Grant (PTOG) and the North-West Star demarcation contracts. The Programme Support Operations (PSO) sub-programme is for the operational requirements of the unit.

The cause of the under-expenditure in both financial years is because of the delay in finalising the new bus contracts – a process that has received a boost in the current financial year when the Department made a concerted effort to speed up the negotiations with the affected Municipalities and Provinces that are linked to Gauteng's bus services. The process is at its tail end and should be finalised in the financial year 2023/24.



## 4.4 Programme 4: Transport Regulation

### *Purpose*

The purpose of the Programme is to regulate private and public transport by facilitating the provision of Learner and Driver License, Motor Vehicle Fitness and Motor Vehicle Registration and Licensing, registration of Operating Licences and the establishment of Transport Operating Licence Administrative Bodies (TOLABs) and the Provincial Regulatory Entity (PRE), public and freight transport services and infrastructure in partnership with National and Local government as well as private sector formations. The two Sub-programmes are Transport Administration and Licensing, and Operator License and Permits..

### *List of Sub-programmes*

- **Transport Administration and Licensing**

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

- **Operator Licence and Permits**

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

### *Institutional Outcomes:*

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

### *Outcomes, outputs, output indicators, targets and actual achievements*

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

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

### **SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENSING**

- **Compliance inspection at Registering Authorities**

In terms of the National Road Traffic Act, 1996 (NRTA), the Department is responsible for the overall administration and management of road traffic matters in the Province. The Department has transferred specific functions to appropriate agents and concluded Service Level Agreements (SLAs). The SLA seeks to regulate the relationship between the Department and its appointed agents in respect of rendering the registration and licensing services. The SLA is not only important as a regulatory framework but also as an imperative guide to operations of registration and licensing.

The Department conducted 300 compliance inspections to determine compliance with the ruling legislation, SLA and other prescriptions which includes but not limited to financial, human resource, infrastructure and operational management aspects. Compliance inspection reports were submitted to the agents which set out specific deficiencies to be resolved to ensure effective service delivery.

- **Service times reduced at the Provincial Registering Authorities (Driving Licence Testing Centres and Motor Vehicle Registration and Licensing) and TOLABS**

The Provincial Registering Authority has reduced its service time from 1hr 30mins to 40mins and 24 sec, utilising the Queue Management System (QMS) as a mechanism for reducing queueing times at Driver Licensing Testing Centers to improve service delivery and enhance customer satisfaction.

QMS was fully operational across all Centres (Mabopane, Temba and Kagiso) and challenges raised were immediately reported and call logs were registered. The QMS system was also successfully extended to the newly renovated Xavier Junction Licensing Centre in March 2023 and it is operational.

The system continued to be utilised to monitor service level standards; however, due to load shedding and system rebooting challenges, data integrity is affected. Plans are underway to provide alternative power solutions to counter technical glitches after load shedding and reconciling QMS and e-NaTIS to ensure reliable and accurate performance data in relation to customers served.

- **Online Renewal of the Motor Vehicle Licences**

Online renewal of motor vehicle license system is operational and motor vehicle owners are utilising the system which is directly managed by the Road Traffic Management Corporation (RTMC). This has improved accessibility, ease of convenience and reduction in time spent in the renewal process.

## Revenue Management

The Department, which is the biggest revenue generator of the Province continued to strengthen its revenue management systems to maximise its revenue generation. The Department increased its revenue generation from the financial year 2021/22 which achieved a R4.4 billion revenue generation to R4.5 billion in the financial year 2022/23. However, Municipal implementing partners/agents in extreme financial distress, unfavourable economic conditions, power interruption, weak e-NaTIS systems environment, continues to pose a challenge to revenue generation. Mitigation strategies to address these challenges are being developed through the finalisation of a Driver Learner Testing Center turnaround strategy which is aimed at improving services and management of these centres.

### Revenue Maximisation (Tax Revenue)

The Department successfully achieved its annual performance revenue target of R4. 4 billion with an achievement of R4.5 billion through implementing revenue generating strategies.

Description	Initial Target	Revised Target for the Year	Actual for the Year (Prelim)	Comment
Annual Performance	R4,69 billion	R4,48 billion	R4,54 billion	Target achieved
Provincial Treasury	R4,69 billion	R4,69 billion	R4,54 billion	Target not achieved

In the same context it is important to highlight revenue contributions that was made by the Department to the Provincial fiscus since the adoption of the revenue maximisation strategy in 2010. This is highlighted below:

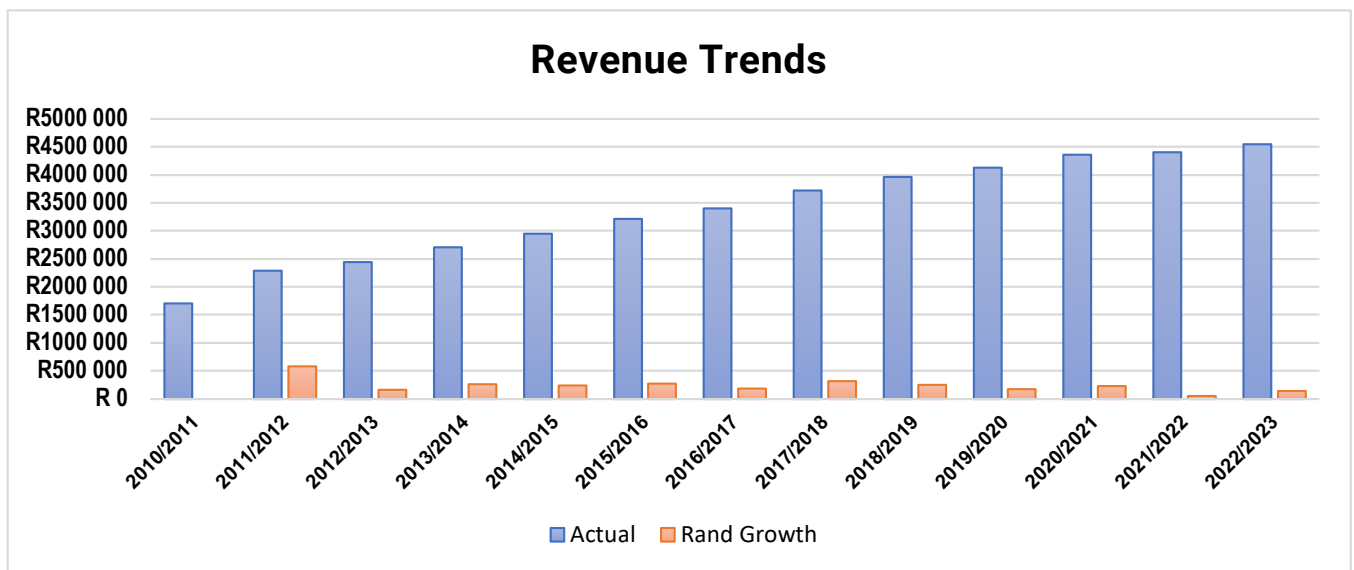




## Revenue Trends over Years

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

Graphically represented as follows:



Revenue was forecasted to be R41,7 billion while the actual collection of R43,8 billion was realised making a total surplus of over R2 billion.

**Table 2.4.4.1:**

The Table 2.4.4.1 . below reflects ONLY the Planned Targets and Actual Achievements from the Originally Tabled Annual Performance Plan (APP) 2022/23 up until the date of re-tabling of the Revised APP 2022/23 in Quarter 2.

### **Outcomes, Outputs, Performance Indicators and Targets**

Programme/Sub-programme: Transport Regulation									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
<b>SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENSING</b>									
Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025	Revenue generated from Motor Vehicle Licensing services	Rand value of revenue generated from Motor Vehicle Licensing services and Registering Authorities	R4,357 billion	R4,4 billion	R4,6 billion	R4,54 million	R64 million	Less rand value of revenue generated from Motor Vehicle Licensing services due to the National Transport Regulations extensions of licence renewals and default in payments by the Municipalities	The target was revised due to economic pressures experienced by the public and implementing agents (Municipalities)

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2023, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year 2022/23, but only for Quarter 1 (April to June) of financial year 2022/23.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2022/23.

### **Outputs, Performance Indicators and Targets**

<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/21</b>	<b>Audited Actual Performance 2021/22</b>	<b>Planned Annual Target 2022/23</b>	<b>Actual Achievement 2022/23</b>	<b>Deviation from Planned Target to Actual Achievement 2022/23</b>	<b>Reasons for Deviations</b>
<b>SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENSING</b>								
Improved service times at the integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025	Compliance inspections conducted at the Registering Authority in Gauteng	* Number of compliance inspections conducted	-	311	300	300	-	-
	Revenue generated from Motor Vehicle Licensing services	Rand value of revenue generated from Motor Vehicle Licensing services and Registering Authorities	R4,357 billion	R4,4 billion	R4,4 billion	R4,54 billion	+R68 million	The additional R68 million was due to the following: Continuous engagements with all agents on outstanding fees Implementation (part) of the biometric access to e-NaTIS to reduce/minimise fraudulent activities
	Reduced waiting time at Provincial DLTCs	Average waiting times at Provincial Registering Authorities (DLTC's and MVRAs) (Themba, Mabopane, Kagiso and Kliptown)	0	1hr 30 mins (Mabopane MVRA, Mabopane Kagiso, Kliptown and Temba DLTCs)	1hr 30 mins	40 mins	+50 mins	<ul style="list-style-type: none"> <li>The waiting times at the Provincial Registering Authorities were reduced by 50 mins due to strategies implemented such as the following:               <ul style="list-style-type: none"> <li>Optimisation and work allocation of resources (e.g., scheduling of resources through roster)</li> <li>Book a slot wherein applications come to the centre per appointment</li> </ul> </li> </ul>

## Strategy to overcome Areas of Underperformance

Indicator	Proposed Intervention
-	-

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

### SUB-PROGRAMME: OPERATOR LICENCE AND PERMITS

#### Issuance of Operating Licences

A total of 8 369 operating licences were issued. The total number of operating licenses mentioned above comprises backlog applications and current applications which are received from public transport operators daily.

**Table 2.4.4.1:**

The Table 2.4.4.1. below reflects ONLY the Planned Targets and Actual Achievements from the Originally Tabled Annual Performance Plan (APP) 2022/23 up until the date of re-tabling of the Revised APP 2022/23 in Quarter 2.

### **Outcomes, Outputs, Performance Indicators and Targets**

Programme/Sub-programme: Transport Regulation									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
<b>SUB-PROGRAMME: OPERATOR LICENSE AND PERMITS</b>									
Improved service times at the Integrated Transport Customer Service Centres (DLICs, MVRAs and VTS) by 2025	Operating licences issued to public transport operators	Number of operating licences issued	4,121 operating licences issued within 9 months - existing NLTIS	6,864 operating licences issued.	4,000	2,084 operating licences issued under the Minibus Taxi Industry mode	1,305	The was no deviation as the quarter 1 target was achieved as planned during quarter 1. The deviation indicates the planned target to be achieved during quarters 2-4	The indicator was revised to improve the usefulness during the re-tabling of the APP
						<b>611</b> operating licences issued under the non-minibus taxi modes			
						<b>Total = 2,695</b>			

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2023, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year 2022/23, but only for Quarter 1 (April to June) of financial year 2022/23.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2022/23.

### Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for Deviations
<b>SUB-PROGRAMME: OPERATOR LICENCE AND PERMITS</b>								
Improved service times at the Integrated Transport Customer Service Centres (DLICs, MVRAs and VTS) by 2025	Operating licences issued to public transport operators	Number of operating licences issued annually	4,121 operating licences issued within 9 months - existing NLTIS	6,864 operating licences issued	4,000	8,369	+4,369	The additional 4,369 operating licences issued includes operating licences issued from backlog applications
	Provincial Regulating Entity (PRE) hearings conducted	Number of Provincial Regulating Entity (PRE) hearings conducted	-	-	1	0	1	No hearings conducted as no enquiries proceeded to a hearing being convened

### Strategy to Overcome Areas of Underperformance

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



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

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

#### Linking performance with budgets

##### *Programme expenditure*

Transport Regulation	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
Transport Administration and Licensing	192,005	178,413	13,592	186,503	169,587	12,369
Operator Licence and Permits	158,460	111,216	47,244	155,365	130,095	25,768
<b>Total</b>	<b>350,465</b>	<b>289,629</b>	<b>60,836</b>	<b>341,868</b>	<b>299,682</b>	<b>38,137</b>

The functions within this programme are licensing and registration administrative functions, and the collection of motor vehicle licence revenue through Registering Authorities. The spending progressed well but was let down in the financial year 2021/22 by the delay in the filling of vacant posts. In the financial year 2022/23; however, the under-spending increased due to the transfer to the taxi trust that could not be made in time before the closure of the financial year (a rollover application has been made for that amount), the delay in filling of vacant posts as well as the moratorium for the gazetting of the operating licencing that was in place for a significant part of the financial year.

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

Name of public entity	Key outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Gautrain Management Agency	The management coordination and oversight of the Gautrain project	R 2,657,566	R 2,657,566	Refer to GMA Annual Report

### 5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2022 to 31 March 2023.

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

The table below reflects the transfer payments which were budgeted for in the period 1 April 2022 to 31 March 2023, but no transfer payments were made.

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





## 6. CONDITIONAL GRANTS

### 6.1 Conditional grants and earmarked funds paid

The table below details the conditional grants and earmarked funds paid by the Department.

#### *Public Transport Operations Grant*

<b>Department to whom the grant has been transferred</b>	Gauteng Department of Roads and Transport (GDRT)
<b>Purpose of the grant</b>	To provide supplementary funding towards public transport services provided by Provincial Department of Transport
<b>Expected outputs of the grant</b>	Number of vehicles subsidised: 2,390 Number of kilometres scheduled: 83,432,408.36 Number of routes: 3,294
<b>Actual outputs achieved</b>	Number of vehicles subsidised: 2,216 Number of kilometres operated: 59,894,798.80 Number of routes: 3,036
<b>Amount per amended DORA (R'000)</b>	R2,633,077,000
<b>Amount received (R'000)</b>	R2,633,077,000
<b>Reasons if amount as per DORA was not received</b>	Subsidised services would not be available, forcing commuters to use commercial services that are not affordable
<b>Amount spent by the Department (R'000)</b>	R2,078,109,610
<b>Reasons for the funds unspent by the entity</b>	Old fleet used by subsidised bus operators leading to high number of DNOs and breakdowns
<b>Monitoring mechanism by the transferring Department</b>	Implementation of the Electronic Monitoring System (EMS) On all contracted subsidised bus fleets

## 6.2 Conditional grants and earmarked funds received.

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

### *Provincial Roads Maintenance Grant*

<b>Department to whom the grant has been transferred</b>	Gauteng Department of Roads and Transport (GDRT)
<b>Purpose of the grant</b>	Address the roads maintenance backlog including routine, preventative and periodic maintenance of roads infrastructure
<b>Expected outputs of the grant</b>	Maintenance of Provincial roads infrastructure and achievement of planned targets
<b>Actual outputs achieved</b>	No of m <sup>2</sup> blacktop patching = 105,607.26m <sup>2</sup> No of km re-gravelled = 60,03 km Number of km gravel roads bladed = 2,421.53 km
<b>Amount per amended DORA (R'000)</b>	R680,058,000.00
<b>Amount received (R'000)</b>	R680,058,000.00
<b>Reasons if amount as per DORA was not received</b>	None
<b>Amount spent by the Department (R'000)</b>	R630,645,000.00
<b>Reasons for the funds unspent by the entity</b>	None
<b>Monitoring mechanism by the transferring Department</b>	Delay in procurement process of roads maintenance projects for RISFSA Class 3

### *Expanded Public Works Programme Infrastructure Grant (EPWP)*

<b>Department who transferred the grant</b>	National Department of Transport
<b>Purpose of the grant</b>	Job creation
<b>Expected outputs of the grant</b>	3,055
<b>Actual outputs achieved</b>	3,300
<b>Amount per amended DORA (R'000)</b>	R9,638,000.00
<b>Amount received (R'000)</b>	R9,638,000.00
<b>Reasons if amount as per DORA was not received</b>	None
<b>Amount spent by the Department/Municipality (R'000)</b>	R9,638,000.00
<b>Reasons for the funds unspent by the entity</b>	None
<b>Reasons for deviations on performance</b>	None
<b>Measures taken to improve performance</b>	None
<b>Monitoring mechanism by the transferring Department</b>	Monthly reporting and verification of jobs created



## 7. DONOR FUNDS

### 7.1 Donor Funds Received

None.

## 8. CAPITAL INVESTMENT

### 8.1 Capital investment, maintenance and asset management plan

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

The Department has an asset road network of 5,930km of roads comprising, 4,571km of paved and 1,359km of unpaved roads with 720 bridges and 449 culverts. The project for visual conditioning assessment commenced in the financial year, 2022/23 and to be completed in the financial year, 2023/24.

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

- ⇒ P39/1
- ⇒ P156/1

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

##### **Ongoing surfaced roads upgraded to be completed in financial year, 2022/23:**

None

##### **Ongoing surfaced roads upgraded to be completed in financial year 2022/23:**

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

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

- ⇒ Vaal River City Interchange
- ⇒ K31 access to Green Gate Development: Reconstruction and upgrade of the M5 Beyers Naude Road
- ⇒ Upgrading of K73 between Woodmead Drive and Allandale Road (D58) Mushroom Farm
- ⇒ K46 (P79/1): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot /N14 Phase 2.

## Road Rehabilitation

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

- ⇒ Rehabilitation of Road D483 between P6/1 (Bapsfontein) and D713 Cullinan,
- ⇒ Rehabilitation of Road P241/1 (R554) from 15.7km to 19.75km and Road D405 (R554) from 0.00 km to 8.75 km (R82);
- ⇒ Rehabilitation of D483.

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

None

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

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

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

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

None

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

As of 31 March 2023, the Department's entire asset base totalled R69, 257 billion. This asset base in the main comprises of roads, bridges, land for future road construction and various categories of movable assets.

During the current financial year, the Department invested approximately R1, 049 million on improving and rehabilitating key segments of the Provincial road network.

A total valued of R 1, 272 million of obsolete and redundant movable assets were disposed of through approved donations to non-profit organisations. All assets that are reported lost or stolen are reported in the Department's loss register and subsequently referred to the Department's Anti-Fraud and Corruption Unit for further investigation.

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

The Department conducts annual physical asset verification on all its movable assets. A total value of R492, 199 million movable assets was verified which includes vehicles, computer equipment and machinery, and furniture. The Department continues to play a pivotal role in coordinating the maintenance and updating of the Department's immovable asset register.



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

The Gauteng surfaced and gravel roads visual assessment report commenced in the financial year 2022/23 and will be completed in the next financial year, 2023/24.

### Major maintenance projects that were undertaken during the period under review.

- ⇒ Bladed - 2 421.53km of gravel roads;
- ⇒ Re-gravelled - 60.03km;
- ⇒ Patched - 105 607.26m<sup>2</sup> of potholes.

### Progress made in addressing the maintenance backlog during the period under review:

Infrastructure projects	2022/23			2021/22		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	93,458	94,548	(1 090)	16,600	5,641	5,909
Existing infrastructure assets	1,544,202	1,502,323	41,879	1,293,389	1,134,955	122,083
– Upgrades and additions	808,734	833,648	(24,914)	202,953	238,093	9,595
– Rehabilitation, renovations and refurbishments	113,255	132,287	(19,032)	277,543	248,863	(11,005)
– Maintenance and repairs	622,213	536 388	85 825	812,893	64, 999	123,493
Non-Infrastructure projects	-	-	-	-	-	-
– Current	121,093	113,315	7,778	108,558	105,768	(18,611)
– Capital	-	-	-	-	-	-
<b>Total</b>	<b>1,758,753</b>	<b>1,710,186</b>	<b>48,567</b>	<b>1,418,547</b>	<b>1,246,364</b>	<b>109,381</b>



Part  
C



# GOVERNANCE

DEPARTMENT OF ROADS AND TRANSPORT

GOVERNANCE

**HIGHLIGHTS**  
Department of  
Roads &  
Transport

**01**

100% senior management financial disclosure



**02**

Ethics and anti fraud induction with 50 Interns.



**03**

Online Induction Programme for new employees.



## 1. INTRODUCTION

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

## 2. RISK MANAGEMENT

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

## 3. FRAUD AND CORRUPTION

- The Department has an Anti-Fraud and Corruption Policy and Strategy.
- The Department conducts regular fraud risk assessments to determine the effectiveness of its Risk Management Strategy and to identify new/emerging risks.
- The Department has an Ethics Committee that oversees the overall systems of fraud related activities.
- Over and above the Ethic Committee, the Department has a Risk Management Committee that is chaired by an independent person and advises management on the overall system of risk management of which fraud and corruption related issues are discussed.
- The Audit Committee that is constituted by independent members is the advisory body for the Department on anti-fraud and corruption related issues and independently monitors the effectiveness of the system to management.
- The Department has approved the ethic Policy which incorporate whistleblowing, e-disclosures, gift and donations, and conflict of interest. Communication on the policy is ongoing through the ethics and anti-fraud and corruption awareness sessions and induction workshops.
- Allegations are reported using various mechanism i.e., by respective management, hotline, internal audit, fraud detection reviews.

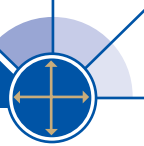
## 4. MINIMISING CONFLICT OF INTEREST

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

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

- Conducting awareness sessions on Public Service Regulations, 2016 under regulation 13b and f and it is supported by the Code of Conduct for Public Service that has a pledge at the back.
- Working with various stakeholders such as DPSA, GAS and AG to identify conflict and potential conflict from officials.





- The e-disclosure filed by SMS, MMS and officials from the Finance branch also helps to identify those who might have conflict of interests.
- To further emphasise ethics within the Department, the Ethics Officers engaged with the Communications and Media Unit to develop and issue posters and intranet posts to educate and sensitise officials on conflict of interests.
- Induction Programmes were held in partnership with HR development with the newly appointed officials and an online course is available that covers issues on ethics management.
- Ethics training was also provided during the Public Service week, conducted through the Office of the Premier.

## 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 Department implemented the code and managers ensure that all employed within the Department adhere to it. The code of conduct adherence was also included in the Department's 2023-2025 Service Delivery Improvement Plan documents.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

Following the repealing of regulations governing management of COVID-19 in terms of the Disaster Management Act, 2002, an amended Consolidated Direction on Occupational Health and Safety Measures in certain workplaces was issued by the Minister of Employment and Labour in terms of Regulations 4 (10) of the Disaster Management Regulations. The Department was required to undertake risk management to give effect to the minimum measures required by the above mentioned directive and OHS Regulations for Hazardous Biological Agents. The Department conducted the hazard identification and risk assessments in all Departmental worksites totaling to 18 HIRA reports. The Department also reviewed its Safety, Health, Environment, Risk and Quality Management (SHERQ) Committee to ensure its effectiveness.

## 7. PORTFOLIO COMMITTEES

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
05 May 2022	Questions emanating from the Budget Vote 9 for the financial year 2022/23	<b>The Department should indicate the approved rollovers per Programme and economic classification</b>	The only rollover that was requested from 2021/22 was R94,5 million for the payment of bus subsidies.  There was no application for rollover to 2022/23 as there were no transactions that qualified for rollover application.
		<b>The Department should provide a plan in place to ensure that goods and services procured from township businesses; women, youth and PWD-led SMMEs and entrepreneurs, as reaffirmed by the Premier in State of the Province Address (SOPA) 2022</b>	<ul style="list-style-type: none"> <li>• The Department remains committed to government's objectives to advance and promote empowerment of the previously disadvantaged through increased procurement towards township economy, women, youth and people with disabilities.</li> <li>• National Treasury published the draft Preferential Procurement Regulations on 10 March 2022. National Treasury has issued directive for Departments to halt current procurement until the draft regulations are finalised, except where the Department applies and obtains approval for exemption from complying with the B-BBEE Act from National Treasury. This approval can only be for specific procurement that cannot await the finalisation of the draft Preferential Procurement Regulations.</li> <li>• This impacts the Department's implementation plans towards township, women, youth and people with disabilities.</li> </ul>

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
05 May 2022		<p><b>The Department should provide plan in place to utilise the increased budget in the Transport Infrastructure Programme considering that a significant amount was surrendered to other Departmental programmes in the previous financial year.</b></p>	<p>The Department reviewed and acknowledged the key contributing factors to the historical challenges of underspending and poor achievement of targets.</p> <p><b>Infrastructure:</b> Addressing these challenges, the Department implemented the Transport Infrastructure House (TIH) few years back. At the time the TIH was introduced, the Department could not account for and monitor its portfolio of infrastructure projects. Through TIH, the Department was able to address this challenge to a great degree.</p> <p>The Department had to augment the TIH, therefore, introduced the following key interventions in February 2022:</p> <p>Introduced 3 digital platforms to address the challenges of project planning, monitoring and execution of infrastructure projects to achieve project delivery in time, at the appropriate cost and at the right quality:</p> <ul style="list-style-type: none"> <li>• <b>Digital Project Management Dashboard:</b> The Toolkit provides an overall picture of all the projects including, amongst others, their geographic location, the details of the role players involved and the status of the project.</li> <li>• <b>Project Readiness Matrix:</b> This toolkit monitors the project readiness throughout the entire project life cycle from procurement to the end. The use of the toolkit will ensure that each critical stage of the project is fully completed before the project moves to the next stage, mitigating against stoppages and interruptions during the project implementation.</li> <li>• <b>Contractors Site Construction Daily Reporting Tool:</b> This toolkit facilitates the daily updates of the project by the contractor ensuring that bottlenecks are identified early in the project and addressed, but also to enhance accurate and reliable reporting.</li> </ul>



DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
			<p>The Department had to introduce the Infrastructure Compliance Office by appointing a law firm, Malatji and Co Attorneys to oversee the implementation of the key interventions.</p> <p>With the historical capacity challenges, the Department recognised that it does not have adequate capacity to implement and monitor compliance with all the required prescripts inherent to the infrastructure delivery.</p> <p>The Compliance Office will address the issues of legacy litigations (including interdicts) on infrastructure projects; ensure compliance with contract performance conditions; early identification of risks leading to project termination and legal issues during project terminations.</p> <ul style="list-style-type: none"> <li>• <b>Public Transport Operations Grant (PTOG):</b> The bus tender was advertised during December 2021 and evaluation commenced in February 2022. The tender was however successfully interdicted by bus operators and unions after the Minister of Transport withdrew the letter of concurrence for the advertising of the tender.</li> <li>• The Department has to continue with the existing contracts but is currently engaging with legal advisors and the National Department of Transport on the way forward regarding negotiating new contracts.</li> <li>• The Department continues to make use of electronic route monitoring services to ensure compliance with contract terms.</li> </ul>
		<p><b>The Department should indicate whether the Department will also receive a grant from Infrastructure Fund that was announced by the President in State of the Nation Address (SONA) 2022.</b></p>	<ul style="list-style-type: none"> <li>• The Portfolio Committee requested that the Department share whether the Department will be receiving an allocation from the Infrastructure Fund following the announcement by President Cyril Ramaphosa during the 2022 SONA.</li> <li>• The Integrated Infrastructure Project which contains the list of approved projects that will be funded from the Infrastructure Fund which was gazetted in July 2020. There were no transport infrastructure projects in Gauteng that were in this list. The Department will therefore not be receiving an allocation from the Infrastructure Fund.</li> </ul>

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
		<p><b>The Department should provide a report on the 10 designs that were targeted in the previous financial year.</b></p>	<p>8 of the bridge projects are completed. The other 2 projects could not be completed: R59 (Sybrand Van Niekerk Freeway) pedestrian bridge and K43 (Klipspruit Valley Road).</p> <p><b>Vereeniging Region (4):</b></p> <p>Bridge no. B1138</p> <p>Bridge no. 743</p> <p>Bridge no. B3691</p> <p>Bridge no. B483.</p> <p><b>Benoni Region (4):</b></p> <p>Bridge no. C4585</p> <p>Bridge no. B843 A</p> <p>Bridge no. B843 B</p> <p>Bridge no. B4754.</p> <p>K43 (Klipspruit Valley Road) also experienced delays because of the high-water levels under the bridges which led to unsafe drilling conditions. The project experienced more than 6 months of delays. The drilling commenced eventually, and the project is planned to be completed this financial year (2022/23).</p>
		<p><b>The Department should also provide a list of 5 designs that will be completed in the current financial year.</b></p>	<p>K43 (P219) (Klipspruit Valley Road) from K142 to K122 approximately 6.24km.</p> <p>K111 (John Vorster Drive) from Nellmapius Drive to PWV5 (approximately 10.36 km).</p> <p>R59 (Sybrand Van Niekerk Freeway) pedestrian bridge construction (Ntirhisano Project).</p> <p>The K14 bridge link from Sefako Makgatho Drive across the Apies River to Rachel de Beer Road.</p> <p>R50 Delmas Road sink rehabilitation.</p>
		<p><b>The Department should provide a report on the visually assessed surfaced roads and graveled roads in the previous financial year, and also list of targeted surfaced roads in the current financial year.</b></p>	<p>The Department outsources 71% of works to contractors and 29% of road works is done by the internal team.</p> <p>The Department conducts daily assessments of the roads for surface failures, road markings, road signs, guard rails and encroachments.</p> <p>The defects identified and submitted to the Professional Engineers for ratification and contractors for rectification.</p> <p>The Department appointed a Drone service provider AAM to assist with increased surveillance to monitor road encroachment and to monitor work of contractors. A further partnership will also be established with the University of Pretoria to strengthen road surveillance and monitoring.</p>



DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
		<p><b>The Department should provide the list of uncompleted projects that have been allocated in the budget in the FY 2022/23 for further implementation.</b></p>	<ul style="list-style-type: none"> <li>• <b>Road Construction:</b> <ul style="list-style-type: none"> <li>◊ <b>K69:</b> Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54.</li> <li>◊ <b>P156:</b> Rehabilitation of Road P156/3 (R42) from P155/1 to D2563 Vanderbijlpark.</li> <li>◊ <b>P241:</b> Rehabilitation of Road P241/1 (R554) (Nirvana Drive) from 15.7km to 19.75km and Road D405 (R554) from 0.00 km to 8.75 km (R82.)</li> <li>◊ <b>P39/1</b> (R114 Road): Heavy Rehabilitation from km30 (Jukskei River) to km43 (Muldersdrift) and the upgrading of K33 (D1027) Cedar Road at K52 (P39-1) intersection.</li> </ul> </li> <li>• <b>Road design:</b> <ul style="list-style-type: none"> <li>◊ K43 (Klipspruit Valley Road) (P219) from K142 to K122 approximately 6.24km.</li> <li>◊ K111 (John Vorster Drive) from Nellmapius Drive to PWV5 (approximately 10.36 km).</li> <li>◊ R59 (Sybrand Van Niekerk Freeway) pedestrian bridge construction (Ntirhisano Project).</li> </ul> </li> </ul>
		<p><b>The Department should provide progress report on the appointment of new subsidised buses.</b></p>	<ul style="list-style-type: none"> <li>• The bus tender was advertised during December 2021 and evaluation commenced in February 2022. The tender was however successfully interdicted by PUTCO/ BIRF representatives and SABOA after the Minister of Transport withdrew the letter of concurrence for the advertising of the tender.</li> <li>• The tender has to be withdrawn and Department has to continue with the existing contracts but is currently engaging with legal advisors and the National Department of Transport on the way forward regarding negotiating new contracts.</li> <li>• In the Committee of Transport Officials (COTO) meeting on 29 April 2022, the HoD impressed upon the acting DG to fast-track the engagement with National Treasury and Auditor General as the non-finalisation of the matter will result in incurring further irregular expenditure.</li> <li>• The HoD has formally written to the acting DG in this regard.</li> </ul>
		<p><b>The Department should also indicate the budget that is ring-fenced for new subsidised buses.</b></p>	<p>The tender for new subsidised buses is withdrawn after being successfully interdicted by PUTCO/ BIRF representatives and SABOA.</p> <p>A total PTOG budget allocated for financial year 2022/23 is R2,6bn.</p> <p>This budget will now be utilised to finance the current operational subsidised bus contracts.</p>

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
		<b>The Department should clarify the discrepancy between the Budget Book and APP on the performance target on the number of taxi ranks to be developed as economic hubs in the current financial year.</b>	<p>The budget book captures the Phase 1 of the Vereeniging taxi rank temporary facility (entails repairs to the current temporary taxi rank) which will commence in the financial year 2022/23.</p> <p>The budget that will be provided will be committed on the commencement of Phase 1 of the project. For this reason, the target was not included in the 2022/23 APP, as the project will only be completed in the final phase (completion of the main taxi facility) during the financial year 2023/24.</p> <p>The Department is awaiting approval of funding for Phase 1 from Provincial Treasury, based on the business case that was submitted to Provincial Treasury during financial year 2021/22.</p>
<b>05 May 2022</b>		<b>The Department should clarify to the Committee the discrepancy that was reported in the Budget Book and APP on the number of operating licences estimated to be issued.</b>	The discrepancy occurred as the Budget Book relates to an operational budget and takes into account all transactions in the operating licensing administrations, e.g., new applications, renewals, replacements, duplicates, change of particulars, amendment of routes and transfers, while indicators in the APP focuses only on service delivery-based indicators which is, the number of new operating licences issued.
<b>22 Nov 2023</b>	<b>Committee questions on the 2nd Quarter Report for 2022/23FY</b>	<b>The Department should explain why some performance targets are to be reported in Quarter 4, and why some are reported as zero (0).</b>	<p>Performance targets to be reported in Quarter 4 refer to those targets which are annual targets. The target/deliverable for the project is planned to be delivered only in the last (4th) Quarter. Thus, due to the nature of these projects, there are no expected targets to be delivered during the quarters.</p> <p>Performance targets with 0 planned targets for the quarter refers to those projects which did not have a target planned for the quarter under review. Thus, there was no expected/planned target/deliverable for the quarter under review.</p>
<b>22 Nov 2023</b>	<b>Committee questions on the 2nd Quarter Report for 2022/23FY</b>	<b>The Department should provide progress reports on the R82 and R101</b>	<ul style="list-style-type: none"> <li>• <b>R82 Progress Report:</b> Construction of Road P1-1 (R82) (K57) from D1073 (Walkerville) to K164 (De Deur) – Approximately 11.3km and Road K164 between Road D904 and Road D905 (Approximately 4.1km). Totalling approximately 15.4km.</li> <li>• <b>K101 Progress Report:</b> Construction of Road K101 from Road D795 (Midrand) to the N1 (Brakfontein Road) approximately 5.4km.</li> </ul>



DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
22 Nov 2023	Committee questions on the 2nd Quarter report for 2022/23FY	<b>Progress Report: Construction of Road P1-1 (R82) (K57) from D1073 (Walkerville) to K164 (De Deur) – approximately 11.3km and Road K164 between Road D904 and Road D905 (Approximately 4.1km). Totalling approximately 15.4km.</b>	<ul style="list-style-type: none"> <li>Contractor is currently busy with clearing and grubbing at 55% complete.</li> <li>Site establishment is at 96% complete, contractor finalising the establishment of shared laboratory.</li> </ul> <p><b>Challenges - Encroachment of Services and Properties</b></p> <ul style="list-style-type: none"> <li>Eskom overhead poles at K57 and K164.</li> <li>Telkom overhead poles and manholes at K57.</li> <li>Randwater main pipe manhole..</li> <li>Midvaal waterpipe.</li> <li>Encroachments of properties along the K57 and K164.</li> </ul>
	Committee questions on the 2nd Quarter Report for 2022/23FY	<b>Progress Report: Construction of Road K101 from Road D795 (Midrand) to the N1 (Brakfontein Road) approximately 5.4km.</b>	<ul style="list-style-type: none"> <li>Overall progress to date: 15.6%</li> <li>Time lapsed: 23.3%</li> <li>Financial progress: 15.6% (R75 784 489.95)</li> </ul> <p><b>LOCAL LABOUR EMPLOYMENT</b></p> <p>Local community employment currently stands at 114, with 73 139 manhours to date.</p> <p>Males 63-55% (Target 45%)  Females 51-45% (Target 55%)  Disabled 0-0% (Target 2%)  Youth 56-49% (Target 55%)  Adults 58–51% (Target 43%)</p> <p>Illegal Eskom pylon in the road reserve requires relocation. The delay in relocation of the pylon is delaying construction of the road section affected. Eskom needs to relocate the pylon, but they indicate that they do not have budget.</p> <p>There is a delay in closing road K27 for the construction of the new K27/K101 interchange. The initial plan to close K27 and deviate traffic into Municipal roads failed as a result of traffic congestions on detour roads with traffic capacity.</p> <p>Informal taxi ranks within K101 road reserves require relocation or formalised to reduce the road related risks in accessing the K101 road. The informal taxi rank/binding area is located on K101/Brakfontein intersection.</p> <p>There are several telecommunication services in the road reserve to be relocated but Telkom (open serve) is not cooperating which is affecting construction progress. Open serve needs to relocate their service line at their own cost and they are refusing to do so.</p>

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
22 Nov 2023	Committee questions on the 2nd Quarter Report for 2022/23FY	Progress Report: Construction of Road K101 from Road D795 (Midrand) to the N1 (Brakfontein Road) approximately 5.4km.	<p><b>PROJECT CHALLENGES</b></p> <ul style="list-style-type: none"> <li>• Illegal Eskom pylon in the road reserve requires relocation. The delay in the relocation of the pylon is delaying construction of the road section affected. Eskom needs to relocate the pylon, but they indicate that they do not have budget.</li> <li>• There is a delay in closing Road K27 for the construction of the new K27/K101 interchange. The initial plan to close K27 and deviate traffic into Municipal roads failed as a result of traffic congestions on detour roads with traffic capacity.</li> <li>• Informal taxi rank within K101 road reserves require relocation or formalised to reduce the road related risks in accessing the K101 road. The informal taxi rank/binding area is located on K101/ Brakfontein intersection.</li> <li>• There are several telecommunication services in the road reserve to be relocated but Telkom (open serve) is not cooperating which is affecting construction progress. Open serve needs to relocate their service line at their own cost and they are refusing to do so.</li> </ul> <p><b>MITIGATION</b></p> <ul style="list-style-type: none"> <li>• Discussions are on-going with Eskom to expedite the matter. An allowance was provided for the relocation of the service. Eskom is required to commit to the terms and relocation time frames prior to the processing of payments.</li> <li>• Alternative bridge construction methods are considered to resolving the traffic congestion problem when closing the K27 road. The consultant is busy evaluating the cost implication of the alternative design to allow construction activities to proceed on the interchange.</li> <li>• Engagements between stakeholders, including City of Tshwane, City of Johannesburg and affected taxi associations in progress to locate a suitable area to relocate the taxi operation.</li> <li>• The matter of open serve was amicably resolved through the court process. Open serve is still a risk as they are not fully cooperating.</li> </ul>





DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
09 Feb 2023	<b>Committee questions on the Adjustment Appropriation Bill for 2022/23 FY</b>	<b>The Department should indicate the projects that were affected by the budget cut in the Transport Infrastructure Programme, Transport Operations Programme and Transport Regulation Programme.</b>	<p><b>Transport Operations</b></p> <p>The project that was affected was the North-West Star Bus Subsidy (paid from equitable share) that was reduced by R15 million. This is unpaid subsidy due to non-operational routes of the bus operator. Treasury approval was obtained to utilise the funds.</p> <p><b>Transport Regulation</b></p> <p>Transport Regulation is still in the start-up phase and the shifts were made from several operational budgets. There were no service delivery projects affected by the virements.</p> <p><b>Transport Infrastructure</b></p> <p>The main project affected was the routine maintenance project. The procurement of the service providers was finalised in Quarter 3 of the financial year, and it was evident that the budget would not be entirely spent by the end of the financial year.</p>
	<b>Committee questions on the Adjustment Appropriation Bill for 2022/23 FY</b>	<b>The Department to present on the implications of budget adjustment/ cuts on Transport infrastructure Programme as well as to the affected communities.</b>	<ul style="list-style-type: none"> <li>• Projects will not be implemented as planned – the number of projects will reduce.</li> <li>• Routine maintenance of the road network will be reduced – the number of Provincial road networks to be maintained, increases yearly; however, the resources will have to reduce.</li> <li>• The road network will deteriorate further, resulting in the reduced mobility, as certain areas will not be accessed.</li> <li>• Roads assist with the boost in economic activities in the areas. If roads are not maintained and new roads are not being erected there will be no or minimal traffic mobility.</li> <li>• The Department is implementing multi-year projects, therefore, budget cuts may result in stopping some of projects that are in the implementation phase. The new projects will have to be put on hold to allow for the completion of the projects that are already at implementation.</li> <li>• The quality of the works will be lowered as the project team will have to review costs to allow for accommodation of less budgets.</li> <li>• The Department is currently maintaining the road network of 5 608 km. Budget cuts will result in reduced maintenance of this road network which will mean deterioration of the road network. Deterioration of the road network will mean total collapse of the road network.</li> </ul>

DATE	SUBJECT	MATTERS RAISED	DEPARTMENT'S RESPONSE
16 Feb 2023	<b>Committee questions on the 3rd Quarter Report for 2022/23 FY</b>	<b>The Department should provide a report on the court interdicts for K69, K156 and K148 as well as invalid submission in K31.</b>	<p>Project description: Upgrading of Road K31(D374) (M5) (Beyers Naude) between Peter Road and P158-2 (N14) Doubling of road.</p> <p>Contractor: GMK Civils</p> <p>Consultant: Ilifa Africa</p> <p>Start date: 01/09/2022</p> <p>Completion date: 31/03/2024</p> <p><u>Invalid submission issue:</u></p> <ul style="list-style-type: none"> <li>• The contractor submitted a valid performance guarantee at the beginning of the project.</li> <li>• The business fora and the community disrupted the project, demanding subcontracting jobs be given to them.</li> <li>• Due to these delays, the guarantor submitted a letter to withdraw the issued performance guarantee, citing the risk of delays experienced on the project and requested to replace the performance guarantee with a retention bond.</li> <li>• The retention bond is not acceptable in the Department. An engagement with the guarantor not to withdraw the guarantee did not yield the desired results.</li> <li>• The contractor tried to source another guarantee from another Financial Service Provider (FSP).</li> <li>• The new guarantee was not compliant to the pro-forma used in the Department and the issuer was not a registered FSP.</li> <li>• The Department is in the process of resolving the guarantees issue with the contractor through legal services.</li> </ul>
	<b>Committee questions on the 3rd Quarter Report for 2022/23 FY</b>	<b>The Department should provide progress report on the finalisation of performance guarantees in the preventative maintenance projects</b>	<ul style="list-style-type: none"> <li>• The performance guarantees are in place for all preventative maintenance projects for performance and public liabilities.</li> <li>• The performance guarantees approved by the Department before works starts, i.e., at contracting stage.</li> <li>• The Department does not have any other performance guarantee challenges except for the challenges that were encountered by the contractor on the K31 project. This matter is receiving attention and intervention.</li> </ul>



## 8. SCOPA RESOLUTIONS

No SCOPA Resolutions were received during the period under review.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
Lack of supporting documentation on revenue and asset management	2021/22	<ul style="list-style-type: none"> <li>• Ensure that all transactions and documentation is safe guarded for audit purposes.</li> <li>• Continuous engagements with business units to ensure proper document management systems are in place.</li> <li>• The Department is implementing the Electronic Document Management System to ensure the storage of supporting documentation.</li> </ul>

## 10. INTERNAL CONTROL

- In accordance with the requirements of the Public Finance Management Act and best practice, the Department 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 Department was appointed and he is responsible for strategic and administration support to the Internal Audit function.
- There is an on-going process for identifying, evaluating and managing the significant risks faced by the Department in order to prioritise high risks and ensure adequate controls are designed and are tested on a regular basis for effectiveness.
- All planned internal audits were completed during the year under review.
- Administrative policies were reviewed, approved and communicated.
- Quarter audit reports were presented to the Audit Committee for independent oversight.
- Risk Management Action Plans were closely monitored for implementation.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### INTERNAL AUDIT

Gauteng Audit Services (GAS) provides internal audit services to all GPG Departments. 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 Departmental Audit Committees which exercise oversight over the activities of GAS.

The activities are as follows:

- Risk and Compliance Audit,
- Performance audit,
- Computer audit,
- Information technology risk assessment.

#### **Summary of audit work completed**

During the financial year 2021/22, Gauteng Audit Services presented the risk-based three year rolling Internal Audit Plan for the Gauteng Department of Roads and Transport to the Audit Committee, having discussed with the Accounting Officer and recommended for approval by the Audit Committee. The Internal Audit Plan was approved by the Audit Committee for implementation from 1st April 2022.

The Department's Internal Audit Unit, known as Gauteng Audit Service (GAS) is centralised and located in Gauteng Provincial Treasury. It is structured in four specialised components i.e., Risk and Compliance, Computer Audit and Performance Audit. GAS conducted 10 audit assignments for the year.

#### **Attendance of Audit Committee meetings by Audit Committee members**

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
Vishnumurthie Kista Naicker	<ul style="list-style-type: none"> <li>• Bachelor of Commerce (Accounting and Economics)</li> <li>• Higher Diploma in Taxation</li> <li>• Business Management Diploma</li> <li>• Systems Administration Diploma</li> </ul>	External	-	11 Aug 2020	Current	05
MMathebe Annah Faith Moja	<ul style="list-style-type: none"> <li>• Masters in Business Leadership</li> <li>• Advanced Treasury Management</li> <li>• Bachelor of Commerce</li> </ul>	External	-	11 August 2020	Current	05
Mduduzi Mike Sibeko	<ul style="list-style-type: none"> <li>• MDP: B-BBEE</li> <li>• Master of Business Administration</li> <li>• Postgraduate Diploma: Integrated Reporting</li> <li>• B-Tech: Internal Audit</li> <li>• National Diploma: Internal Audit</li> </ul>	External	-	01 August 2022	Current	04



## 12. AUDIT COMMITTEE REPORT

### GAUTENG PROVINCIAL GOVERNMENT (GPG)

#### Report of the Audit Committee – Cluster 04

#### Gauteng Department of Roads and Transport

We are pleased to present our report for the financial year ended 31 March 2023.

#### Audit Committee and Attendance

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

#### Non-Executive Members

Name of Member	Number of Meetings attended
Mr. Vishnumurthie Kista Naicker (Chairperson)	05
Ms. Mmathebe Annah Faith Moja	05
Mr. Mduduzi Mike Sibeko	04

#### Executive Members

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

Compulsory Attendees	Number of Meetings attended
Dr. Darion Barclay (Accounting Officer)	02
Dr. Thulani Mdadane (Accounting Officer)	03
Ms. Mampe Gololo (Chief Financial Officer)	02
Mr. Tefelo Mokete (Acting Chief Financial Officer)	01
Mr. Poobalan Govender (Acting Chief Financial Officer)	02
Ms. Delicia Kgage (Chief Risk Officer)	01
Ms. Malebo Duduzile (Acting Chief Risk Officer)	04
Mr. Kweyama Velile (Chief Audit Executive)	05

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

The Members of the Committee met with the Senior Management of the Department and Internal Audit collectively to highlight risks and address challenges facing the Department. A number of in-committee meetings were held to address internal control weaknesses and unresolved deviations within the Department.

## Audit Committee Responsibility

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

## The effectiveness of internal control

The overall assessment of the internal control environment is adequate but ineffective, based on the results of the Internal Audit's audits and follow-up reviews. The management of the Department continues to be committed to implementing the necessary corrective actions to achieve the desired improvement in the internal control environment.

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

- Corporate Governance,
- Learner's and driver's booking services/centres,
- Operating Licenses and Permits,
- Supply Chain Management,
- Management of fleet, plant, and equipment for road maintenance,
- Performance Information,
- Information Technology Controls.

## Information and Communication Technology (ICT) Governance

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

## Internal Audit

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

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

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

A Quality Assurance Review (external assessment) was performed by an external independent reviewer during the year and Internal Audit was assessed to be Generally Conformant with the International Standards for Professional Practice of Internal Auditing.

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



## Risk Management

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

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

## Performance Management

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

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

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

## Compliance with the relevant laws and regulations

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

## Forensic Investigations

During the period under review, five new cases were reported to Provincial Forensic Services. Three were at the analysis stage, one had been closed, and one had been closed at the lead stage.

The Audit Committee is concerned that the Provincial Forensics Services lack the capacity to investigate and resolve all reported cases in a timely manner, however, the commitment by the Office of the Premier to capacitate is welcomed.

## Evaluation of Annual Financial Statements

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

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

Compared to last year's qualified outcome, the Audit Committee observed an improvement in the audit results, which were unqualified this time around. Significantly contributing to this was the implementation of a number of important recommendations. The commitment and strategic leadership of the management team have been crucial to achieving this success.

## Evaluation of Annual Report

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

- Audit Committee evaluated final draft Annual Report (including performance report) the audit committee meeting held on 27th July 2023 and noted the achievement for the year under review and recommended it.

## Audit Improvement Plan

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

## One-on-One Meeting with the Accounting Officer

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

## One-on-One Meetings with the Executive Authority

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

## Conclusion

The leadership of the management team, enhancements to risk management and internal controls, and the clear improvement of financial statements place the Department on a path of sustained delivery of its core mandate. The momentum will be further strengthened by addressing the identified weaknesses.

To achieve the necessary effectiveness in governance, accountability, and clean administration, the Audit Committee advises the Department to prioritise root-cause identification and analysis, consequence management, and regular audit action plan monitoring.





A further improvement in communication between the Accounting Officer, Senior Management, the Auditor-General of South Africa, and the Internal Audit Function is encouraged and appreciated by the Audit Committee, and if it continues, it can strengthen the Province's Corporate Governance initiatives.

As the chair of the Audit Committee, I wish to extend our sincere appreciation to all stakeholders. We greatly appreciate the unwavering commitment and dedication demonstrated by the Department Head, the Management team, Internal Audit, the Provincial Treasury, and other contributing Departments. The result of their combined efforts is an unqualified audit opinion with findings. These achievements demonstrate a strong commitment to openness, accountability, and excellence. We applaud everyone's concerted effort and anticipate further improvements in the Department's governance and financial reporting.

**Mr Vishnu Naicker**

Chairperson of the Audit Committee

**Date: 10 August 2023**

### 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

According to B-BBEE compliance, the Department was verified as non-compliant.

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 Gauteng Department of Roads and Transport.

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

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

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





**Part  
D**

**DEPARTMENT OF ROADS AND TRANSPORT**

**HUMAN RESOURCE MANAGEMENT**

## HIGHLIGHTS Department of Roads & Transport

Advertised 263 posts.

Employed 72 interns.



633 employees  
participated in health  
screening.

Conducted a Harzard  
Identification and Risk  
Assessment

## 1. INTRODUCTION

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

## 2. OVERVIEW OF HUMAN RESOURCES

### Organisational Structure Review

#### *Re-aligned organisational structure.*

The Department is in the process of realigning the organisational structure as mandated by the Public Service Regulation Chapter 3 (1)(2) (a, b, and c), and the DPSA 2016 Circular on changes to the organisational structure. The organisational structure is finalised and costed. The costing of the proposed structure of the Department has been finalised and approved by the Provincial Treasury. A signed approval letter was issued to the Department.

The proposed structure has been finalised and has been submitted to the Office of the Premier oversight team. The structure is in the process of being quality assured before submission to the Department of Public Service and Administration (DPSA) for approval in the financial year, 2023/24. The Department realigned its organisational structure with its Growing Gauteng Together Smart Mobility Plan 2030.

The G-Fleet Management organisational structure and business case was signed off together with the Service Delivery Model and submitted to Provincial Treasury to commence with the process of engagements towards establishing g-Fleet Management as a separate entity.

#### *Building capacity of the Department*

The Department engaged on a strategy to capacitate itself with the required competencies to optimally deliver on its mandate. Thirty-nine key positions in the Transport Branch were advertised with 199 positions in the Roads Branch posts advertised to build the technical capacity of the Department. Eight positions in the Finance Branch and 17 in Corporate Services Branch were advertised to ensure critical financial and administrative capacity in the Department. During the financial year, 46 posts were filled in the Department.

The ongoing implementation of the realigned organisational structure and the filling of critical positions will enable the Department to ensure it has the relevant competencies and capacity to carry out its mandate and ensure good corporate governance practices to ensure sustainability and efficient service delivery to the public within a very constraint budget environment.

- **Departmental Training**

The Department trained and developed 680 employees in 47 conferences and short skills development programmes.

- **Zwartkop Academy**

The Zwartkop Training Center trained 39 employees on six technical/machinery programmes to ensure officials acquire the required technical skills to optimally implement the transport infrastructure functions.

- **Internships**

The Department has 72 interns employed in the Internship Programme during the financial year under review as part of youth development. A further 82 interns are undergoing the vetting process for appointment in the financial year 2023/24.



### ***Building Public Transport Law Enforcement capacity***

The secondment of the Public Transport Intervention Unit and the Inspectorate Unit from the Gauteng Department of Community Safety to the Gauteng Department of Roads and Transport was finalised during the financial year 2022/23, to ensure the effective regulation and law enforcement of public transport. The Unit monitors public transport modes and facilities to address issues of violence and conflict. The priority is also to crackdown on illegal operators, hotspots surveillance through Transport Inspectorates. The transfer of the Inspectorate to the Department will be completed in the next financial year 2023/24.

### ***Employee performance management***

Performance management is a monitoring tool that links the Departmental strategic objectives and priorities to an individual performance agreement and setting goals and expectations. Continuous monitoring, either formal or informal ensure a high-performance culture for both the individual and the Department. The Quality Assurance Committee for SMS members and the Departmental Moderation Committee (DMC) ensures compliance, quality assurance and consistency throughout the process and recommendation for approval.

### ***Employee wellness programmes***

- **Safety, Health, Environment, Risk and Quality Management**

Following the repealing of regulations governing management of COVID-19 in terms of the Disaster Management Act, 2002, an amended consolidated direction on Occupational Health and Safety Measures in certain workplaces was issued by the Minister of Employment and Labour in terms of Regulations 4 (10) of the Disaster Management Regulations. The Department was required to undertake a risk management to give effect to the minimum measures required by the above mentioned directive and OHS Act Regulations for Hazardous Biological Agents. The Department conducted the Hazard Identification and Risk Assessments in all Departmental worksites totaling 18 HIRA reports. The Department also reviewed its Safety, Health, Environment, Risk and Quality Management (SHERQ) Committee to ensure its effectiveness.

- **Counselling services**

An onsite counselling clinic was opened at the Head Office for all employees to utilise. One therapist is onsite every Wednesday from 8h00 to 16h00. Marketing sessions and supervisory training were conducted in five offices including Head Office, Heidelberg, Vereeniging, Krugersdorp and Benoni. A total 262 employees were reached.

Psycho-social support services were provided by the onsite counselling clinic (internal & external providers) to 187 employees.

- **Advisory services**

Nineteen management consultations and support services were provided to managers advising on employee referrals. The dominant cases referred by managers were absenteeism of colleagues.

- **Ill health recommendations**

Three colleagues terminated their employment from the public service due to ill health following recommendations from the Health Risk Manager.

- **Health promotion event**

Three health promotion events, commemorating World Aids Day, World Heart Day and Mental Health Awareness Day were commemorated, and a total 201 employees attended.

- **Health screenings**

Twenty-one health screening visits were conducted at Head Office, Regional and DLTC offices where employees were screened for non-communicable diseases (hypertension, diabetes, obesity, cholesterol) and communicable diseases (HIV and TB). A total of 633 employees were screened during these health screening events.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1 Personnel related expenditure

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

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

*Table 3.1.1 Personnel expenditure by Programme for the period 1 April 2022 and 31 March 2023*

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)	Employment (Including Periodical – and Abnormal Appointments)
Administration	397 206.00	195 902.00	0.00	0.00	49.30	367.00	534.00
Gautrain	2 657 566.00	0.00	0.00	0.00	0.00	0.00	0.00
Transport Infrastructure	2 060 408.00	276 801.00	0.00	0.00	13.40	432.00	640.50
Transport Operations	2 289 887.00	60 328.00	0.00	0.00	2.60	1 195.00	50.50
Transport Regulation	289 628.00	189 226.00	0.00	0.00	65.30	438.00	432.00
<b>Total as on Financial Systems (BAS)</b>	<b>7 694 696.00</b>	<b>722 257.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.40</b>	<b>436.00</b>	<b>1 657.00</b>





**Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023**

Salary band	Personnel Expenditure including Transfers (R'000)	% of Total Personnel Cost	Average Personnel Cost per Employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)	Number of Employees
01 Lower skilled (Levels 1-2)	17 370.00	2.50	217 125.00	703 081.00	80.00
02 Skilled (Levels 3-5)	184 804.00	26.30	304 957.00	703 081.00	606.00
03 Highly skilled production (Levels 6-8)	230 743.00	32.80	474 780.00	703 081.00	486.00
04 Highly skilled supervision (Levels 9-12)	151 998.00	21.60	783 495.00	703 081.00	194.00
05 Senior management (Levels >= 13)	58 052.00	8.30	1 382 190.00	703 081.00	42.00
10 Contract (Levels 1-2)	65.00	0.00	65 000.00	703 081.00	1.00
11 Contract (Levels 3-5)	772.00	0.10	154 400.00	703 081.00	5.00
12 Contract (Levels 6-8)	6 519.00	0.90	434 600.00	703 081.00	15.00
13 Contract (Levels 9-12)	22 847.00	3.20	671 971.00	703 081.00	34.00
14 Contract (Levels >= 13)	6 951.00	1.00	1 390 200.00	703 081.00	5.00
19 Periodical Remuneration	6 774.00	1.00	483 857.00	703 081.00	14.00
20 Abnormal Appointment	7 542.00	1.10	43 097.00	703 081.00	175.00
<b>Total</b>	<b>694 437.00</b>	<b>98.80</b>	<b>419 093.00</b>	<b>703 081.00</b>	<b>1 657.00</b>

**Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by Programme for the period 1 April 2022 and 31 March 2023**

Programme	Salaries (R'000)	Salaries as a % of Personnel Costs	Overtime (R'000)	Overtime as a % of Personnel Costs	HOA (R'000)	HOA as a % of Personnel Costs	Medical Aid (R'000)	Medical Aid as a % of Personnel Costs	Total Personnel Cost per Programme (R'000)
Administration	2 502.00	80.80	0.00	0.00	246.00	7.90	85.00	2.70	3 097.00
Administration (PR1)	15 202.00	85.60	0.00	0.00	485.00	2.70	501.00	2.80	17 753.00
Administration**Old	184 129.00	77.50	6 431.00	2.70	8 809.00	3.70	13 657.00	5.70	237 577.00
EPWP**Old	1 979.00	88.00	0.00	0.00	19.00	0.80	12.00	0.50	2 250.00
Maintenance	111 999.00	71.70	4 851.00	3.10	8 443.00	5.40	14 814.00	9.50	156 179.00
Public Transport	24 578.00	79.80	161.00	0.50	1 033.00	3.40	1 869.00	6.10	30 790.00
Road Infrastructure**Old	182 514.00	76.50	4 071.00	1.70	9 149.00	3.80	15 121.00	6.30	238 734.00
Transport Infrastructure	10 646.00	76.60	5.00	0.00	400.00	2.90	378.00	2.70	13 896.00
Transportation Mngm (PR4)	2 318.00	82.60	0.00	0.00	187.00	6.70	15.00	0.50	2 805.00
<b>Total</b>	<b>535 868.00</b>	<b>76.20</b>	<b>15 519.00</b>	<b>2.20</b>	<b>28 771.00</b>	<b>4.10</b>	<b>46 452.00</b>	<b>6.60</b>	<b>703 081.00</b>

**Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023**

Salary band	Salaries (R'000)	Salaries as a % of Personnel Costs	Overtime (R'000)	Overtime as a % of Personnel Costs	HOA (R'000)	HOA as a % of Personnel Costs	Medical Aid (R'000)	Medical Aid as a % of Personnel Costs	Total Personnel Cost per Salary Band (R'000)
01 Lower skilled (Levels 1-2)	10 807.00	61.90	964.00	5.50	1 479.00	8.50	2 208.00	12.60	17 466.00
02 Skilled (Levels 3-5)	127 822.00	68.80	7 122.00	3.80	11 245.00	6.10	20 891.00	11.30	185 656.00
03 Highly skilled production (Levels 6-8)	176 003.00	75.80	5 853.00	2.50	8 399.00	3.60	17 711.00	7.60	232 297.00
04 Highly skilled supervision (Levels 9-12)	126 975.00	81.80	1 568.00	1.00	4 216.00	2.70	4 322.00	2.80	155 288.00
05 Senior management (Levels >= 13)	48 213.00	81.80	5.00	0.00	1 862.00	3.20	676.00	1.10	58 960.00
10 Contract (Levels 1-2)	58.00	89.20	0.00	0.00	0.00	0.00	0.00	0.00	65.00
11 Contract (Levels 3-5)	703.00	91.10	0.00	0.00	0.00	0.00	0.00	0.00	772.00
12 Contract (Levels 6-8)	5 304.00	72.50	0.00	0.00	224.00	3.10	434.00	5.90	7 318.00
13 Contract (Levels 9-12)	20 106.00	83.80	7.00	0.00	1 097.00	4.60	99.00	0.40	23 982.00
14 Contract (Levels >= 13)	5 827.00	83.70	0.00	0.00	250.00	3.60	111.00	1.60	6 960.00
19 Periodical Remuneration	6 506.00	96.00	0.00	0.00	0.00	0.00	0.00	0.00	6 774.00
20 Abnormal Appointment	7 542.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	7 542.00
<b>Total</b>	<b>535 868.00</b>	<b>76.20</b>	<b>15 519.00</b>	<b>2.20</b>	<b>28 771.00</b>	<b>4.10</b>	<b>46 452.00</b>	<b>6.60</b>	<b>703 081.00</b>

## 3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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



*Table 3.2.1 Employment and vacancies by Programme as on 31 March 2023*

Programme	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
ADMINISTRATION (PR1), Permanent	24.00	21.00	12.50	0.00
ADMINISTRATION**OLD, Permanent	659.00	478.00	27.50	8.00
ADMINISTRATION, Permanent	8.00	4.00	50.00	0.00
EPWP**OLD, Permanent	2.00	2.00	0.00	0.00
MAINTENANCE, Permanent	775.00	425.00	45.20	10.00
PUBLIC TRANSPORT, Permanent	70.00	50.00	28.60	0.00
ROAD INFRASTRUCTURE**OLD, Permanent	665.00	463.00	30.40	26.00
TRANSPORT INFRASTRUCTURE, Permanent	39.00	23.00	41.00	9.00
TRANSPORTATION MNGM (PR4), Permanent	2.00	2.00	0.00	0.00
<b>Total</b>	<b>2 244.00</b>	<b>1 468.00</b>	<b>34.60</b>	<b>53.00</b>

*Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023*

Salary band	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
01 Lower Skilled (Levels 1-2), Permanent	103.00	80.00	22.30	0.00
02 Skilled (Levels 3-5), Permanent	986.00	606.00	38.50	0.00
03 Highly Skilled Production (Levels 6-8), Permanent	723.00	486.00	32.80	5.00
04 Highly Skilled Supervision (Levels 9-12), Permanent	324.00	194.00	40.10	4.00
05 Senior Management (Levels >= 13), Permanent	48.00	42.00	12.50	0.00
10 Contract (Levels 1-2), Permanent	1.00	1.00	0.00	0.00
11 Contract (Levels 3-5), Permanent	5.00	5.00	0.00	3.00
12 Contract (Levels 6-8), Permanent	15.00	15.00	0.00	12.00
13 Contract (Levels 9-12), Permanent	34.00	34.00	0.00	28.00
14 Contract (Levels >= 13), Permanent	5.00	5.00	0.00	1.00
<b>Total</b>	<b>2 244.00</b>	<b>1 468.00</b>	<b>34.60</b>	<b>53.00</b>

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
Administrative related, Permanent	225.00	162.00	28.00	7.00
All artisans in the building metal machinery etc., Permanent	5.00	5.00	0.00	0.00
Appraisers-valuers and related professionals, Permanent	2.00	0.00	100.00	0.00
Architects town and traffic planners, Permanent	1.00	1.00	0.00	1.00
Artisan project and related superintendents, Permanent	36.00	22.00	38.90	0.00
Attorneys, Permanent	2.00	2.00	0.00	0.00
Authors journalists and other writers, Permanent	4.00	1.00	75.00	0.00
Auxiliary and related workers, Permanent	57.00	32.00	43.90	0.00
Building and other property caretakers, Permanent	3.00	3.00	0.00	0.00
Bus and heavy vehicle drivers, Permanent	8.00	4.00	50.00	0.00
Cartographers and surveyors, Permanent	1.00	1.00	0.00	1.00
Cartographic surveying and related technicians, Permanent	5.00	1.00	80.00	0.00
Civil engineering technicians, Permanent	2.00	2.00	0.00	0.00
Cleaners in offices workshops hospitals etc., Permanent	103.00	84.00	18.40	0.00
Client inform clerks(switchb receipt inform clerks), Permanent	4.00	4.00	0.00	0.00
Communication and information related, Permanent	7.00	5.00	28.60	0.00
Computer system designers and analysts., Permanent	6.00	4.00	33.30	0.00
Economists, Permanent	4.00	1.00	75.00	0.00
Engineering sciences related, Permanent	26.00	13.00	50.00	4.00
Engineers and related professionals, Permanent	137.00	73.00	46.70	35.00
Finance and economics related, Permanent	18.00	14.00	22.20	0.00
Financial and related professionals, Permanent	13.00	8.00	38.50	0.00
Financial clerks and credit controllers, Permanent	52.00	43.00	17.30	0.00
Food services aids and waiters, Permanent	2.00	2.00	0.00	0.00
Head of Department/chief executive officer, Permanent	1.00	1.00	0.00	0.00
Housekeepers laundry and related workers, Permanent	1.00	0.00	100.00	0.00
Human resources & organisat developm & relate prof, Permanent	43.00	29.00	32.60	0.00
Human resources clerks, Permanent	29.00	23.00	20.70	0.00



Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Human resources related, Permanent	26.00	20.00	23.10	0.00
Identification experts, Permanent	1.00	1.00	0.00	0.00
Information technology related, Permanent	8.00	5.00	37.50	0.00
Language practitioners interpreters & other commun, Permanent	1.00	1.00	0.00	0.00
Legal related, Permanent	7.00	4.00	42.90	0.00
Library mail and related clerks, Permanent	20.00	15.00	25.00	1.00
Light vehicle drivers, Permanent	6.00	2.00	66.70	0.00
Logistical support personnel, Permanent	1.00	1.00	0.00	0.00
Material-recording and transport clerks, Permanent	16.00	10.00	37.50	0.00
Messengers porters and deliverers, Permanent	28.00	23.00	17.90	1.00
Motor vehicle drivers, Permanent	1.00	1.00	0.00	0.00
Other administrat & related clerks and organisers, Permanent	369.00	291.00	21.10	0.00
Other administrative policy and related officers, Permanent	224.00	138.00	38.40	0.00
Other information technology personnel., Permanent	23.00	18.00	21.70	0.00
Other occupations, Permanent	32.00	32.00	0.00	1.00
Photographic lithographic and related workers, Permanent	2.00	1.00	50.00	0.00
Quantity surveyors & rela prof not class elsewhere, Permanent	1.00	1.00	0.00	0.00
Risk management and security services, Permanent	3.00	3.00	0.00	0.00
Road superintendents, Permanent	7.00	3.00	57.10	0.00
Road trade workers., Permanent	9.00	8.00	11.10	0.00
Road workers, Permanent	523.00	246.00	53.00	0.00
Secretaries & other keyboard operating clerks, Permanent	63.00	39.00	38.10	1.00
Security guards, Permanent	1.00	1.00	0.00	0.00
Senior managers, Permanent	43.00	37.00	14.00	1.00
Statisticians and related professionals, Permanent	3.00	3.00	0.00	0.00
Trade labourers, Permanent	14.00	11.00	21.40	0.00
Trade related, Permanent	8.00	6.00	25.00	0.00
Water plant and related operators, Permanent	7.00	7.00	0.00	0.00
<b>Total</b>	<b>2 244.00</b>	<b>1 468.00</b>	<b>34.60</b>	<b>53.00</b>

### 3.3 Filling of SMS Posts

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

*Table 3.3.1 SMS post information as on 31 March 2023*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department - Salary Level 16	1	1	100%	0	100%
Salary Level 16					
Salary Level 15	4	4	100%	0	100%
Salary Level 14	10	7	70%	3	30%
Salary Level 13	37	34	92%	3	8%
<b>Total</b>	<b>52</b>	<b>46</b>	<b>100%</b>	<b>6</b>	<b>100%</b>

*Table 3.3.2 SMS post information as on 30 September 2022*

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 - Salary Level 16	1	1	100%	0	0%
Salary Level 16					
Salary Level 15	4	3	75%	1	25%
Salary Level 14	10	8	80%	2	20%
Salary Level 13	33	27	82%	6	18%
<b>Total</b>	<b>48</b>	<b>39</b>	<b>100%</b>	<b>9</b>	<b>100%</b>

*Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023*

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/Head of Department - Salary Level 16	0	1	0
Salary Level 16	-	-	-
Salary Level 15	1	1	0
Salary Level 14	2	0	0
Salary Level 13	3	0	3
<b>Total</b>	<b>5</b>	<b>2</b>	<b>3</b>



**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 and 31 March 2023**

Reasons for vacancies not advertised within six months
Capacity constraints

Reasons for vacancies not filled within 12 months
Capacity constraints

**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 2022 and 31 March 2023**

Reasons for vacancies not advertised within six months
-

Reasons for vacancies not filled within six months
-

### 3.4 Job Evaluation

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

**Table 3.4.1 Job evaluation by salary band for the period 1 April 2022 and 31 March 2023**

Salary Band	Number of Posts on Approved Establishment	Number of Jobs Evaluated	% of Posts Evaluated by Salary Bands	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
01 Lower Skilled (Levels 1-2)	103.00	0.00	0.00	0.00	0.00	0.00	0.00
02 Skilled (Levels 3-5)	986.00	0.00	0.00	0.00	0.00	0.00	0.00
03 Highly Skilled Production (Levels 6-8)	723.00	0.00	0.00	0.00	0.00	0.00	0.00
04 Highly Skilled Supervision (Levels 9-12)	324.00	0.00	0.00	0.00	0.00	0.00	0.00
05 Senior Management Service Band A	33.00	0.00	0.00	0.00	0.00	0.00	0.00
06 Senior Management Service Band B	9.00	0.00	0.00	0.00	0.00	0.00	0.00
07 Senior Management Service Band C	5.00	0.00	0.00	0.00	0.00	0.00	0.00
08 Senior Management Service Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Contract (Levels 1-2)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	5.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	15.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	34.00	0.00	0.00	0.00	0.00	0.00	0.00
14 Contract Band A	4.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Contract Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>2 244.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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

*Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 and 31 March 2023*

Gender	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Employees with a disability</b>	0.00	0.00	0.00	0.00	0.00

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 2022 and 31 March 2023*

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Senior officials and managers	0	0	0	0
Professionals	0	0	0	0
Technicians and associate professionals	0	0	0	0
Clerks	0	0	0	0
Service shop and market sales workers	0	0	0	0
Craft and related trade workers	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0
Labourers and related workers	0	0	0	0
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>0</b>
<b>Percentage of total employed</b>				<b>0%</b>

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 2022 and 31 March 2023*

Gender	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Employees with a disability</b>	0.00	0.00	0.00	0.00	0.00
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>					<b>0.00</b>





### 3.5 Employment Changes

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

*Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023*

Salary band	Number of Employees at Beginning of Period	Appointments	Terminations	Turnover Rate
01 Lower Skilled (Levels 1-2), Permanent	81.00	0.00	1.00	1.20
02 Skilled (Levels 3-5), Permanent	641.00	1.00	35.00	5.50
03 Highly Skilled Production (Levels 6-8), Permanent	505.00	4.00	18.00	3.60
04 Highly Skilled Supervision (Levels 9-12), Permanent	185.00	4.00	9.00	4.90
05 Senior Management Service Band A, Permanent	29.00	2.00	2.00	6.90
06 Senior Management Service Band B, Permanent	8.00	0.00	1.00	12.50
07 Senior Management Service Band C, Permanent	5.00	0.00	1.00	20.00
08 Senior Management Service Band D, Permanent	1.00	1.00	0.00	0.00
10 Contract (Levels 1-2), Permanent	0.00	1.00	0.00	0.00
11 Contract (Levels 3-5), Permanent	2.00	4.00	1.00	50.00
12 Contract (Levels 6-8), Permanent	15.00	1.00	1.00	6.70
13 Contract (Levels 9-12), Permanent	30.00	5.00	1.00	3.30
14 Contract Band A, Permanent	2.00	1.00	0.00	0.00
17 Contract Band D, Permanent	1.00	1.00	1.00	100.00
<b>Total</b>	<b>1 505.00</b>	<b>25.00</b>	<b>71.00</b>	<b>4.70</b>

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical occupation	Number of Employees at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	158.00	4.00	6.00	3.80
All artisans in the building, metal machinery, etc., Permanent	7.00	0.00	2.00	28.60
Architects, town and traffic planners, Permanent	1.00	0.00	0.00	0.00
Artisan project and related superintendents, Permanent	23.00	0.00	0.00	0.00
Attorneys, Permanent	2.00	0.00	0.00	0.00
Authors, journalists and other writers, Permanent	1.00	0.00	0.00	0.00
Auxiliary and related workers, Permanent	33.00	0.00	1.00	3.00
Building and other property caretakers, Permanent	4.00	0.00	1.00	25.00
Bus and heavy vehicle drivers, Permanent	4.00	0.00	0.00	0.00
Cartographers and surveyors, Permanent	2.00	0.00	0.00	0.00
Cartographic surveying and related technicians, Permanent	0.00	1.00	0.00	0.00
Civil engineering technicians, Permanent	2.00	0.00	0.00	0.00
Cleaners in offices, workshops, hospitals etc., Permanent	86.00	1.00	2.00	2.30
Client inform clerks (switchboard receipt inform clerks), Permanent	3.00	0.00	0.00	0.00
Communication and information related, Permanent	3.00	0.00	0.00	0.00
Computer system designers and analysts, Permanent	5.00	0.00	0.00	0.00
Economists, Permanent	1.00	0.00	0.00	0.00
Engineering sciences related, Permanent	14.00	0.00	1.00	7.10
Engineers and related professionals, Permanent	74.00	0.00	1.00	1.40
Finance and economics related, Permanent	15.00	1.00	2.00	13.30
Financial and related professionals, Permanent	8.00	0.00	1.00	12.50
Financial clerks and credit controllers, Permanent	43.00	0.00	1.00	2.30
Food services aids and waiters, Permanent	0.00	1.00	0.00	0.00
Head of Department/Chief Executive Officer, Permanent	1.00	1.00	1.00	100.00
Human resources & organisat developm & relate prof, Permanent	32.00	1.00	2.00	6.30
Human resources clerks, Permanent	17.00	5.00	0.00	0.00
Human resources related, Permanent	19.00	1.00	1.00	5.30
Identification experts, Permanent	1.00	0.00	0.00	0.00



Critical occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Information technology related, Permanent	4.00	0.00	0.00	0.00
Language practitioners, interpreters & other commun, Permanent	1.00	0.00	0.00	0.00
Legal related, Permanent	2.00	1.00	0.00	0.00
Library mail and related clerks, Permanent	14.00	1.00	0.00	0.00
light vehicle drivers, Permanent	2.00	0.00	0.00	0.00
Logistical support personnel, Permanent	1.00	0.00	0.00	0.00
Material-recording and transport clerks, Permanent	13.00	0.00	1.00	7.70
Messengers, porters and deliverers, Permanent	23.00	1.00	1.00	4.30
Motor vehicle drivers, Permanent	1.00	0.00	0.00	0.00
Other administrat & related clerks and organisers, Permanent	303.00	0.00	9.00	3.00
Other administrative policy and related officers, Permanent	145.00	0.00	6.00	4.10
Other information technology personnel, Permanent	20.00	0.00	2.00	10.00
Other occupations, Permanent	32.00	1.00	0.00	0.00
Photographic, lithographic and related workers, Permanent	1.00	0.00	0.00	0.00
Quantity surveyors & rela prof not class elsewhere, Permanent	1.00	0.00	0.00	0.00
Risk management and security services, Permanent	1.00	0.00	0.00	0.00
Road superintendents, Permanent	4.00	0.00	0.00	0.00
Road trade workers, Permanent	10.00	0.00	2.00	20.00
Road workers, Permanent	267.00	0.00	20.00	7.50
Secretaries & other keyboard operating clerks, Permanent	40.00	1.00	3.00	7.50
security guards, Permanent	1.00	0.00	0.00	0.00
Senior managers, Permanent	34.00	3.00	2.00	5.90
Statisticians and related professionals, Permanent	3.00	0.00	0.00	0.00
Trade labourers, Permanent	14.00	0.00	3.00	21.40
Trade related, Permanent	2.00	1.00	0.00	0.00
Water plant and related operators, Permanent	7.00	0.00	0.00	0.00
<b>Total</b>	<b>1 505.00</b>	<b>25.00</b>	<b>71.00</b>	<b>4.70</b>

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

**Table 3.5.3 Reasons why staff left the Department for the period 1 April 2022 and 31 March 2023**

Termination Type	Number	% of Total Resignations	% of Total Employment	Total	Total Employment
01 Death, Permanent	9.00	12.70	0.60	71.00	1 468.00
02 Resignation, Permanent	19.00	26.80	1.30	71.00	1 468.00
03 Expiry of contract, Permanent	4.00	5.60	0.30	71.00	1 468.00
06 Discharged due to ill health, Permanent	3.00	4.20	0.20	71.00	1 468.00
07 Dismissal-misconduct, Permanent	3.00	4.20	0.20	71.00	1 468.00
09 Retirement, Permanent	33.00	46.50	2.20	71.00	1 468.00
<b>Total</b>	<b>71.00</b>	<b>100.00</b>	<b>4.80</b>	<b>71.00</b>	<b>1 468.00</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023**

Occupation	Number of Employees at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to another Notch within a Salary Level	Notch Progression as a % of Employees by Occupation
Administrative related	158.00	3.00	1.90	1.00	0.60
All artisans in the building metal machinery etc.	7.00	0.00	0.00	0.00	0.00
Architects town and traffic planners	1.00	0.00	0.00	0.00	0.00
Artisan project and related superintendents	23.00	1.00	4.30	0.00	0.00
Attorneys	2.00	0.00	0.00	0.00	0.00
Authors journalists and other writers	1.00	0.00	0.00	0.00	0.00
Auxiliary and related workers	33.00	0.00	0.00	0.00	0.00
Building and other property caretakers	4.00	0.00	0.00	0.00	0.00
Bus and heavy vehicle drivers	4.00	0.00	0.00	0.00	0.00
Cartographers and surveyors	2.00	1.00	50.00	0.00	0.00
Civil engineering technicians	2.00	0.00	0.00	0.00	0.00
Cleaners in offices workshops hospitals etc.	86.00	0.00	0.00	0.00	0.00
Client inform clerks (switchboard reception inform clerks)	3.00	1.00	33.30	0.00	0.00
Communication and information related	3.00	3.00	100.00	0.00	0.00
Computer system designers and analysts.	5.00	0.00	0.00	0.00	0.00
Economists	1.00	0.00	0.00	0.00	0.00
Engineering sciences related	14.00	0.00	0.00	0.00	0.00
Engineers and related professionals	74.00	0.00	0.00	0.00	0.00
Finance and economics related	15.00	1.00	6.70	0.00	0.00



Occupation	Employees 1 April 2021	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
Financial and related professionals	8.00	0.00	0.00	0.00	0.00
Financial clerks and credit controllers	43.00	1.00	2.30	0.00	0.00
Head of Department/chief executive officer	1.00	0.00	0.00	0.00	0.00
Human resources & organisat developm & relate prof	32.00	5.00	15.60	0.00	0.00
Human resources clerks	17.00	1.00	5.90	0.00	0.00
Human resources related	19.00	1.00	5.30	0.00	0.00
Identification experts	1.00	0.00	0.00	0.00	0.00
Information technology related	4.00	2.00	50.00	0.00	0.00
Language practitioners interpreters & other commun	1.00	0.00	0.00	0.00	0.00
Legal related	2.00	0.00	0.00	0.00	0.00
Library mail and related clerks	14.00	0.00	0.00	0.00	0.00
Light vehicle drivers	2.00	0.00	0.00	0.00	0.00
Logistical support personnel	1.00	0.00	0.00	0.00	0.00
Material-recording and transport clerks	13.00	0.00	0.00	0.00	0.00
Messengers porters and deliverers	23.00	0.00	0.00	0.00	0.00
Motor vehicle drivers	1.00	0.00	0.00	0.00	0.00
Other administrat & related clerks and organisers	303.00	1.00	0.30	0.00	0.00
Other administrative policy and related officers	145.00	0.00	0.00	0.00	0.00
Other information technology personnel.	20.00	0.00	0.00	0.00	0.00
Other occupations	32.00	0.00	0.00	0.00	0.00
Photographic lithographic and related workers	1.00	0.00	0.00	0.00	0.00
Quantity surveyors & rela prof not class elsewhere	1.00	0.00	0.00	0.00	0.00
Risk management and security services	1.00	2.00	200.00	0.00	0.00
Road superintendents	4.00	1.00	25.00	0.00	0.00
Road trade workers.	10.00	0.00	0.00	0.00	0.00
Road workers	267.00	0.00	0.00	0.00	0.00
Secretaries & other keyboard operating clerks	40.00	2.00	5.00	0.00	0.00
Security guards	1.00	0.00	0.00	0.00	0.00
Senior managers	34.00	2.00	5.90	1.00	2.90
Statisticians and related professionals	3.00	0.00	0.00	0.00	0.00
Trade labourers	14.00	0.00	0.00	0.00	0.00
Trade related	2.00	0.00	0.00	0.00	0.00
Water plant and related operators	7.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1 505.00</b>	<b>28.00</b>	<b>1.90</b>	<b>2.00</b>	<b>0.10</b>

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Number of Employees at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by Salary Band	Progressions to another Notch within a Salary Level	Notch Progression as a % of Employees by Salary Band
01 Lower Skilled (Levels 1-2), Permanent	81.00	0.00	0.00	0.00	0.00
02 Skilled (Levels 3-5), Permanent	641.00	1.00	0.20	0.00	0.00
03 Highly Skilled Production (Levels 6-8), Permanent	505.00	8.00	1.60	0.00	0.00
04 Highly Skilled Supervision (Levels 9-12), Permanent	185.00	17.00	9.20	1.00	0.50
05 Senior Management (Levels >= 13), Permanent	43.00	2.00	4.70	1.00	2.30
11 Contract (Levels 3-5), Permanent	2.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8), Permanent	15.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12), Permanent	30.00	0.00	0.00	0.00	0.00
14 Contract (Levels >= 13), Permanent	3.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1,505.00</b>	<b>28.00</b>	<b>1.90</b>	<b>2.00</b>	<b>0.10</b>

### 3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational category	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
01 - Senior officials and managers	20.00	1.00	3.00	24.00	0.00	14.00	0.00	1.00	15.00	0.00	39.00
02 - Professionals	96.00	1.00	3.00	100.00	7.00	85.00	1.00	3.00	89.00	8.00	204.00
03 - Technicians and associate professionals	158.00	5.00	0.00	163.00	7.00	142.00	8.00	3.00	153.00	13.00	336.00
04 - Clerks	147.00	5.00	0.00	152.00	3.00	242.00	9.00	1.00	252.00	19.00	426.00
05 - Service shop and market sales workers	2.00	0.00	1.00	3.00	0.00	1.00	0.00	0.00	1.00	0.00	4.00
07 - Craft and related trade workers	29.00	0.00	0.00	29.00	7.00	8.00	0.00	1.00	9.00	0.00	45.00
08 - Plant and machine operators and assemblers	14.00	0.00	0.00	14.00	0.00	0.00	0.00	0.00	0.00	0.00	14.00
09 - Labourers and related workers	258.00	3.00	0.00	261.00	9.00	128.00	1.00	0.00	129.00	1.00	400.00
<b>Total</b>	<b>724.00</b>	<b>15.00</b>	<b>7.00</b>	<b>746.00</b>	<b>33.00</b>	<b>620.00</b>	<b>19.00</b>	<b>9.00</b>	<b>648.00</b>	<b>41.00</b>	<b>1 468.00</b>



**Table 3.6.1B Total number of employees with disabilities**

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
<b>Employees with disabilities</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>9</b>

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023**

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
01 Top Management, Permanent	4.00	0.00	0.00	4.00	0.00	2.00	0.00	0.00	2.00	0.00	6.00
02 Senior Management, Permanent	15.00	1.00	3.00	19.00	0.00	12.00	2.00	2.00	16.00	1.00	36.00
03 Professionally qualified and experienced specialists and mid-management, Permanent	77.00	4.00	3.00	84.00	12.00	86.00	1.00	2.00	89.00	9.00	194.00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	185.00	4.00	1.00	190.00	16.00	243.00	9.00	3.00	255.00	25.00	486.00
05 Semi-skilled and discretionary decision-making, Permanent	377.00	5.00	0.00	382.00	5.00	207.00	5.00	2.00	214.00	5.00	606.00
06 Unskilled and defined decision-making, Permanent	24.00	1.00	0.00	25.00	0.00	54.00	1.00	0.00	55.00	0.00	80.00
08 Contract (Top Management), Permanent	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
09 Contract (Senior Management), Permanent	3.00	0.00	0.00	3.00	0.00	1.00	0.00	0.00	1.00	0.00	4.00
10 Contract (Professionally qualified), Permanent	26.00	0.00	0.00	26.00	0.00	6.00	1.00	0.00	7.00	1.00	34.00
11 Contract (Skilled technical), Permanent	9.00	0.00	0.00	9.00	0.00	6.00	0.00	0.00	6.00	0.00	15.00
12 Contract (Semi-Skilled), Permanent	3.00	0.00	0.00	3.00	0.00	2.00	0.00	0.00	2.00	0.00	5.00
13 Contract (Unskilled), Permanent	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00	0.00	1.00
<b>Total</b>	<b>724.00</b>	<b>15.00</b>	<b>7.00</b>	<b>746.00</b>	<b>33.00</b>	<b>620.00</b>	<b>19.00</b>	<b>9.00</b>	<b>648.00</b>	<b>41.00</b>	<b>1 468.00</b>

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
01 Top Management, Permanent	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00	0.00	1.00
02 Senior Management, Permanent	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
03 Professionally qualified and experienced specialists and mid-management, Permanent	2.00	0.00	0.00	2.00	0.00	2.00	0.00	0.00	2.00	0.00	4.00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1.00	0.00	0.00	1.00	0.00	3.00	0.00	0.00	3.00	0.00	4.00
05 Semi-skilled and discretionary decision-making, Permanent	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
08 Contract (Top Management), Permanent	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
09 Contract (Senior Management), Permanent	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
10 Contract (Professionally qualified), Permanent	3.00	0.00	0.00	3.00	0.00	1.00	1.00	0.00	2.00	0.00	5.00
11 Contract (Skilled technical), Permanent	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
12 Contract (Semi-skilled), Permanent	2.00	0.00	0.00	2.00	0.00	2.00	0.00	0.00	2.00	0.00	4.00
13 Contract (Unskilled), Permanent	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00	0.00	1.00
<b>Total</b>	<b>14.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14.00</b>	<b>0.00</b>	<b>10.00</b>	<b>1.00</b>	<b>0.00</b>	<b>11.00</b>	<b>0.00</b>	<b>25.00</b>

Table 3.6.3B - Recruitment (Employees with disabilities)

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities											





*Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023*

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
01 Top Management, Permanent	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
02 Senior Management, Permanent	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00	0.00	1.00
03 Professionally qualified and experienced specialists and mid-management, Permanent	10.00	0.00	0.00	10.00	0.00	8.00	0.00	0.00	8.00	0.00	18.00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4.00	0.00	0.00	4.00	0.00	4.00	0.00	0.00	4.00	0.00	8.00
05 Semi-skilled and discretionary decision making, Permanent	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00	0.00	1.00
<b>Total</b>	<b>16.00</b>	<b>0.00</b>	<b>0.00</b>	<b>16.00</b>	<b>0.00</b>	<b>14.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14.00</b>	<b>0.00</b>	<b>30.00</b>

*Table 3.6.4B Promotions (Employees with disabilities)*

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
<b>Employees with disabilities</b>											

Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
01 Top Management, Permanent	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	0.00	1.00
02 Senior Management, Permanent	2.00	0.00	0.00	2.00	0.00	1.00	0.00	0.00	1.00	0.00	3.00
03 Professionally qualified and experienced specialists and mid-management, Permanent	3.00	0.00	0.00	3.00	1.00	5.00	0.00	0.00	5.00	0.00	9.00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	7.00	0.00	0.00	7.00	3.00	5.00	1.00	1.00	7.00	1.00	18.00
05 Semi-skilled and discretionary decision-making, Permanent	28.00	0.00	0.00	28.00	2.00	5.00	0.00	0.00	5.00	0.00	35.00
06 Unskilled and defined decision-making, Permanent	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
08 Contract (Top Management), Permanent	0.00	1.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
10 Contract (Professionally qualified), Permanent	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
11 Contract (Skilled technical), Permanent	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
12 Contract (Semi-skilled), Permanent	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
<b>Total</b>	<b>44.00</b>	<b>1.00</b>	<b>0.00</b>	<b>45.00</b>	<b>6.00</b>	<b>16.00</b>	<b>2.00</b>	<b>1.00</b>	<b>19.00</b>	<b>1.00</b>	<b>71.00</b>

Table 3.6.5B Terminations (Employees with disabilities)

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0.00	0.00	0.00	0.00	0.00	2.00	0.00	0.00	2.00	0.00	2.00

Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary Action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
<b>Total</b>	<b>17</b>	<b>1</b>	<b>0</b>	<b>18</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>24</b>



*Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	1			4	1			18
Professionals	3		2	2				4	11
Technicians and associate professionals	196	2			122	2		9	331
Clerks	90	3	2	6	203	2	4	10	320
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations									
<b>Total</b>	<b>301</b>	<b>6</b>	<b>4</b>	<b>8</b>	<b>320</b>	<b>5</b>	<b>4</b>	<b>23</b>	<b>680</b>
<b>Employees with disabilities</b>	<b>1</b>				<b>1</b>				<b>2</b>

### 3.7 Signing of Performance Agreements by SMS Members

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

*Table 3.7.1 Signing of performance agreements by SMS members as on 31 May 2022*

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/Head of Department	-	1	1	100%
Salary Level 16	-	-	-	-
Salary Level 15	-	5	3	60%
Salary Level 14	-	8	8	100%
Salary Level 13	-	32	27	84%
<b>Total</b>	<b>-</b>	<b>46</b>	<b>39</b>	<b>85%</b>

In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place.

**Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 March 2023**

Reasons
Deceased/Early retirement/Non-compliance

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2023**

Reasons
None

### 3.8 Performance Rewards

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

**Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
• Male	-	-	-	-	-
• Female	-	-	-	-	-
<b>Asian</b>					
• Male	-	-	-	-	-
• Female	-	-	-	-	-
<b>Coloured</b>					
• Male	-	-	-	-	-
• Female	-	-	-	-	-
<b>White</b>					
• Male	-	-	-	-	-
• Female	-	-	-	-	-
<b>Employees with a disability</b>	-	-	-	-	-
<b>Total</b>	-	-	-	-	-



*Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023*

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)	-	-	-	-	-	-
Skilled (Level 3-5)	-	-	-	-	-	-
Highly skilled production (Level 6-8)	-	-	-	-	-	-
Highly skilled supervision (Level 9-12)	-	-	-	-	-	-
Contract (Level 3-5)	-	-	-	-	-	-
Contract (Level 6-8)	-	-	-	-	-	-
Contract (Level 9-12)	-	-	-	-	-	-
Other (Level 1-12)	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

*Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2022 to 31 March 2023*

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Financial clerks and credit controllers	-	-	-	-	-
Human resources clerks	-	-	-	-	-
Messengers, porters and deliverers	-	-	-	-	-
Human resources & organisat developm & relate prof	-	-	-	-	-
All artisans in the building, metal machinery, etc.	-	-	-	-	-
Risk management and security services	-	-	-	-	-
Road trade workers	-	-	-	-	-
Photographic, Lithographic and Related Workers	-	-	-	-	-
Finance and economics related	-	-	-	-	-
Logistical support personnel	-	-	-	-	-
Other administrat & related clerks and organisers	-	-	-	-	-
Identification experts	-	-	-	-	-
Auxiliary and related workers	-	-	-	-	-
Other occupations	-	-	-	-	-
Legal related	-	-	-	-	-
Financial and related professionals	-	-	-	-	-

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Building and other property caretakers	-	-	-	-	-
Water plant and related operators	-	-	-	-	-
Architects, town and traffic planners	-	-	-	-	-
Administrative related	-	-	-	-	-
Communication and information related	-	-	-	-	-
Secretaries & other keyboard operating clerks	-	-	-	-	-
Library mail and related clerks	-	-	-	-	-
Cleaners in offices, workshops, hospitals, etc.	-	-	-	-	-
Human resources related	-	-	-	-	-
Attorneys	-	-	-	-	-
Trade/industry advisers & other related profession	-	-	-	-	-
Head of Department/Chief Executive Officer	-	-	-	-	-
Trade labourers	-	-	-	-	-
Language practitioners, interpreters, & other commun	-	-	-	-	-
Road superintendents	-	-	-	-	-
Cartographic surveying and related technicians	-	-	-	-	-
Civil engineering technicians	-	-	-	-	-
Road workers	-	-	-	-	-
Material-recording and transport clerks	-	-	-	-	-
Other administrative policy and related officers	-	-	-	-	-
Artisan project and related superintendents	-	-	-	-	-
Statisticians and related professionals	-	-	-	-	-
Bus and heavy vehicle drivers	-	-	-	-	-
Senior managers	-	-	-	-	-
Client inform clerks (switchb receipt inform clerks)	-	-	-	-	-
computer system designers and analysts	-	-	-	-	-
Authors, journalists and other writers	-	-	-	-	-
Economists	-	-	-	-	-
Engineers and related professionals	-	-	-	-	-
Cartographers and surveyors	-	-	-	-	-
Trade Related	-	-	-	-	-
Other information technology personnel	-	-	-	-	-



Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Light vehicle drivers	-	-	-	-	-
Engineering sciences related	-	-	-	-	-
Motor vehicle drivers	-	-	-	-	-
Security guards	-	-	-	-	-
Quantity surveyors & rela prof not class elsewhere	-	-	-	-	-
Information technology related	-	-	-	-	-
Food services aids and waiters	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

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	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

### 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 2022 and 31 March 2023

Salary Band	Employment at beginning of period	Percentage of total at beginning of period	Employment at end of period	Percentage of total at end of period	Change in employment	Percentage of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Highly skilled supervision (Levels 9-12)	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00
Senior management (Levels 13-16)	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00
Skilled (Levels 3-5)	1.00	100.00	1.00	100.00	0.00	0.00	1.00	1.00	0.00
<b>Total</b>	<b>1.00</b>	<b>100.00</b>	<b>1.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023**

Salary Band	Employment at beginning of period	Percentage of total at beginning of period	Employment at end of period	Percentage of total at end of period	Change in employment	Percentage of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Elementary occupations	1.00	100.00	1.00	100.00	0.00	0.00	1.00	1.00	0.00
Professionals and managers	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00
<b>Total</b>	<b>1.00</b>	<b>100.00</b>	<b>1.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>

### 3.10 Leave utilisation

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

**Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2022**

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)	Total number of employees using sick leave	Total number of days with medical certification
Contract (Levels 6-8)	16.00	0.00	1.00	0.10	16.00	24.00	718.00	0.00
Contract (Levels 9-12)	18.00	88.90	4.00	0.60	5.00	44.00	718.00	16.00
Highly skilled production (Levels 6-8)	1 767.00	76.50	229.00	31.90	8.00	2 848.00	718.00	1 351.00
Highly skilled supervision (Levels 9-12)	773.00	84.10	96.00	13.40	8.00	2 170.00	718.00	650.00
Lower skilled (Levels 1-2)	261.00	86.20	46.00	6.40	6.00	150.00	718.00	225.00
Senior management (Levels 13-16)	119.00	87.40	17.00	2.40	7.00	605.00	718.00	104.00
Skilled (Levels 3-5)	2 688.50	86.90	325.00	45.30	8.00	2 297.00	718.00	2 337.00
<b>Total</b>	<b>5 642.50</b>	<b>83.00</b>	<b>718.00</b>	<b>100.00</b>	<b>8.00</b>	<b>8 137.00</b>	<b>718.00</b>	<b>4 683.00</b>





**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022**

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)	Total number of days with medical certification	Total number of employees using disability leave
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council (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 2022 to 31 December 2022**

Salary band	Total Days Taken	Average per Employee	Number of Employees using Annual Leave
Contract (Levels 1-2)	2.00	2.00	1.00
Contract (Levels 13-16)	27.00	5.00	5.00
Contract (Levels 3-5)	11.00	2.00	5.00
Contract (Levels 6-8)	142.00	9.00	15.00
Contract (Levels 9-12)	235.00	7.00	33.00
Highly skilled production (Levels 6-8)	9 471.00	18.00	512.00
Highly skilled supervision (Levels 9-12)	4 117.00	20.00	202.00
Lower skilled (Levels 1-2)	1 136.00	14.00	81.00
Senior management (Levels 13-16)	763.00	17.00	45.00
Skilled (Levels 3-5)	12 570.76	20.00	633.00
<b>Total</b>	<b>28 474.76</b>	<b>19.00</b>	<b>1 532.00</b>

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average CAPPED LEAVE PER EMPLOYEE AS AT END OF PERIOD	Number of employees using capped leave	Total Number of capped leave available at end of period	Number of employees as at end of period
Contract (Levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	0.00	0.00	41.00	0.00	3 628.74	89.00
Highly skilled supervision (Levels 9-12)	0.00	0.00	35.00	0.00	1 491.51	43.00
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00
Senior management (Levels 13-16)	3.00	3.00	31.00	1.00	375.01	12.00
Skilled (Levels 3-5)	2.00	2.00	31.00	1.00	5 354.54	171.00
<b>Total</b>	<b>5.00</b>	<b>3.00</b>	<b>34.00</b>	<b>2.00</b>	<b>10 849.80</b>	<b>315.00</b>

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

Table 3.10.5 Leave payouts for the period 1 April 2022 and 31 March 2023

Reason	Total estimated amount (R'000)	Number of employees	Estimated average per employee (R)
Annual - discounting with resignation (work days)	667.00	18.00	37 056.00
Annual - gratuity: death/retirement/medical retirement (work days)	1 654.00	42.00	39 381.00
Capped - gratuity: death/retirement/medical retirement (work days)	1 730.00	35.00	49 429.00
<b>Total</b>	<b>4 051.00</b>		
<b>Leave Payouts (Actual) Allowance Codes – 0060, 0168, 0625, 0422, 0567, 0698, 0699, 0701</b>		<b>4 086.00</b>	<b>61.00</b>



### 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
Road workers	Condoms were distributed in all regions

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		<ul style="list-style-type: none"> <li>• 1 Deputy Director: Employee Health and Wellness</li> <li>• 1 Specialist: Employee Health and Wellness (DD level)</li> <li>• No budget was specifically allocated to the Unit</li> </ul>
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		<ul style="list-style-type: none"> <li>• Counselling and referral for both employees and immediate family members</li> <li>• Health risk assessments including HCT</li> <li>• Health promotions and education</li> <li>• Condom education and distribution</li> <li>• Hazard identification and risk assessments</li> <li>• Marketing and supervisory training</li> <li>• Commemoration of health calendar days</li> <li>• Management of substance abuse</li> <li>• Care and support/reintegration of employees after long absence/PILIR cases</li> <li>• IOD investigations</li> <li>• Financial literacy</li> </ul>
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 on the basis of 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		<ul style="list-style-type: none"> <li>• Counselling is provided by an external service provide to ensure conducive environment</li> <li>• Health education done during health screening include education on HIV management in the workplace</li> </ul>
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		<ul style="list-style-type: none"> <li>• Counselling is provided by external service provide to ensure conducive environment</li> </ul>
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		<ul style="list-style-type: none"> <li>• Health education done during health screening include education on HIV management in the workplace</li> </ul>

### 3.12 Labour Relations

*Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023*

Subject matter	Date
1. PSCBC Resolution 1 of 2022: Adoption of the declaration on the Public Service Coordinating Bargaining Council Summit on Collective Bargaining	22 June 2022
2. PSCBC Resolution 2 of 2023: Agreement on the payment of a salary adjustment in the Public Service for the financial year 2023/2024 and financial year 2024/25	31 March 2023
<b>Total number of collective agreements</b>	<b>2</b>

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 2022 and 31 March 2023*

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	2	10%
Verbal warning	0	0%
Written warning	4	20%
Final written warning	6	30%
Suspended without pay	2	10%
Fine	0	0%
Demotion	0	0%
Dismissal	5	25%
Not guilty	0	0%
Case withdrawn	1	5%
<b>Total</b>	<b>20</b>	<b>100%</b>
<b>Total number of disciplinary hearings finalised</b>		<b>2</b>

*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023*

Type of misconduct	Number	% of total
Assault	1	50%
Gross absenteeism	1	50%
<b>Total</b>	<b>2</b>	<b>100%</b>

*Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023*

Grievances	Number	% of total
Number of grievances resolved	39	97.5%
Number of grievances not resolved	1	2.5%
<b>Total number of grievances lodged</b>	<b>40</b>	



*Table 3.12.5 Disputes lodged with Councils for the period 1 April 2022 and 31 March 2023*

Disputes	Number	% of total
Number of disputes upheld	One was upheld (2 are pending)	33%
Number of disputes dismissed	0	0
<b>Total number of disputes lodged</b>	<b>3</b>	

*Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023*

<b>Total number of persons working days lost</b>	57
<b>Total costs working days lost</b>	R31 822. 50
<b>Amount recovered as a result of no work no pay (R'000)</b>	R31 822. 50

*Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023*

<b>Number of people suspended</b>	1
<b>Number of people whose suspension exceeded 30 days</b>	1
<b>Average number of days suspended</b>	72 days and counting (still suspended)
<b>Cost of suspension (R'000)</b>	R172 618, 06

### 3.13 Skills Development

Table 3.13.1 Training needs identified for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Technicians and associate professionals	Female	-	-	-	-	-
	Male	-	-	-	-	-
Clerks	Female	-	-	-	-	-
	Male	-	-	-	-	-
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub-total	Female	-	-	-	-	-
	Male	-	-	-	-	-
<b>Total</b>		-	-	-	-	-



Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training conferences	Total
Legislators, senior officials and managers	Female	0.00	0.00	0.00	5	5
	Male	0.00	0.00	4	9	13
Professionals	Female	0.00	0.00	3	1	4
	Male	0.00	0.00	5	2	7
Technicians and associate professionals	Female	0.00	0.00	95	38	133
	Male	0.00	0.00	167	31	198
Clerks	Female	0.00	0.00	207	12	219
	Male	0.00	0.00	84	17	101
Service and sales workers	Female	0.00	0.00	0.00	0.00	0.00
	Male	0.00	0.00	0.00	0.00	0.00
Skilled agriculture and fishery workers	Female	0.00	0.00	0.00	0.00	0.00
	Male	0.00	0.00	0.00	0.00	0.00
Craft and related trades workers	Female	0.00	0.00	0.00	0.00	0.00
	Male	0.00	0.00	0.00	0.00	0.00
Plant and machine operators and assemblers	Female	0.00	0.00	0.00	0.00	0.00
	Male	0.00	0.00	0.00	0.00	0.00
Elementary occupations	Female	0.00	0.00	0.00	0.00	0.00
	Male	0.00	0.00	0.00	0.00	0.00
Sub-total	Female	0.00	0.00	305	56	361
	Male	0.00	0.00	260	58	319
<b>Total</b>		<b>0.00</b>	<b>0.00</b>	<b>565</b>	<b>115</b>	<b>680</b>

### 3.14 Injury on Duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2022 and 31 March 2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	-	-
Temporary total disablement	-	-
Permanent disablement	-	-
Fatal	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 3.15 Utilisation of Consultants

*Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023*

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Counselling services	1	12 months	R800 000.00
COVID-19 compliance management	1	12 months	R447 000.00
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration workdays</b>	<b>Total contract value in Rand</b>
-	-	-	-

*Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023*

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

*Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 and 31 March 2023*

Project title	Total number of consultants that worked on project	Duration (workdays)	Donor and contract value in Rand
-	-	-	-
-	-	-	-
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration workdays</b>	<b>Total contract value in Rand</b>
-	-	-	-
-	-	-	-





*Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023*

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

### 3.16 Severance Packages

*Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2022 and 31 March 2023*

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
01 Lower Skilled (Levels 1-2)	-	-	-	-
02 Skilled (Levels 3-5)	-	-	-	-
03 Highly Skilled Production (Levels 6-8)	-	-	-	-
04 Highly Skilled Supervision (Levels 9-12)	-	-	-	-
05 Senior Management Service Band A	-	-	-	-
06 Senior Management Service Band B	-	-	-	-
07 Senior Management Service Band C	-	-	-	-
08 Senior Management Service Band D	-	-	-	-
10 Contract (Levels 1-2)	-	-	-	-
11 Contract (Levels 3-5)	-	-	-	-
12 Contract (Levels 6-8)	-	-	-	-
13 Contract (Levels 9-12)	-	-	-	-
14 Contract Band A	-	-	-	-
17 Contract Band D	-	-	-	-
<b>Total</b>	-	-	-	-



Part  
E

REGULATIONS

REQUIREMENTS

COMPLIANCE

STANDARDS

POLICIES

DEPARTMENT OF ROADS AND TRANSPORT

PMFA COMPLIANCE REPORT



## HIGHLIGHTS

Department of  
Roads &  
Transport

There is no unauthorised expenditure for  
financial year 2022/23.

# *PFMA COMPLIANCE REPORT*

The Department paid one hundred percent (100%) of service providers within thirty (30) days and ninety-two percent (92%) of those invoices were paid within fifteen (15) days as required by legislative prescripts.

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

### 1.1 Irregular expenditure

#### a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	210 439	4 360 313
Add: Irregular expenditure confirmed	2 316 982	2 476 449
Less: Irregular expenditure condoned	(2 160 020)	(6 626 323)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
<b>Closing balance</b>	<b>367 401</b>	<b>210 439</b>

#### Reconciling notes

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

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

Description <sup>1</sup>	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	210 439	-
<b>Total<sup>2</sup></b>	<b>210 439</b>	<b>-</b>

<sup>1</sup> Group similar items

<sup>2</sup> Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)



**c) Details of current and previous year irregular expenditure condoned**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned relating to bus subsidies	(2 096 830)	-
<b>Total</b>	<b>(2 096 830)</b>	<b>-</b>

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**e) Details of current and previous year irregular expenditure recovered**

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**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
None
<b>Total</b>

**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	2022/2023	2021/2022
	R'000	R'000
	-	-
	-	-
<b>Total</b>		

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

Disciplinary steps taken
None



## 1.2 Fruitless and wasteful expenditure

### a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	106 182	13 959
Add: Fruitless and wasteful expenditure relating to prior year	-	23 294
Add: Fruitless and wasteful expenditure relating to current year	2 516	68 929
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
<b>Closing balance</b>	<b>108 699</b>	<b>106 182</b>

### Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	2 516	-
<b>Total</b>	<b>2 516</b>	<b>-</b>

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

Description <sup>3</sup>	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	108 699	-
<b>Total<sup>4</sup></b>	<b>108 699</b>	<b>-</b>

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

None

<sup>3</sup> Group similar items

<sup>4</sup> Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination) and criminal conduct (investigation)

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

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
<b>Total</b>	-	-

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
<b>Total</b>	-	-

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

Disciplinary steps taken
<b>Total</b>

**1.3. Unauthorised expenditure****a) Reconciliation of unauthorised expenditure**

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off <sup>5</sup>	-	-
<b>Closing balance</b>	-	-

<sup>5</sup> This amount may only be written off against available savings





### Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 2022/23	-	-
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23	-	-
Unauthorised expenditure for the current year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Description <sup>6</sup>	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
<b>Total<sup>7</sup></b>	<b>-</b>	<b>-</b>

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

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

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<sup>6</sup> Group similar items

<sup>7</sup> Total unconfirmed unauthorised expenditure (assessment), losses (determination) and criminal conduct (investigation)

**b) Details of other material losses**

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>		
<b>Total</b>		

**c) Other material losses recovered**

Nature of losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>		
<b>Total</b>		

**d) Other material losses written off**

Nature of losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>		
<b>Total</b>		



## 1. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	3 276	6 973 782
Invoices paid <b>within</b> 30 days or agreed period	3 276	6 973 782
Invoices paid <b>after</b> 30 days or agreed period	-	-
Invoices older than 30 days or agreed period ( <b>unpaid and without dispute</b> )	-	-
Invoices older than 30 days or agreed period ( <b>unpaid and in dispute</b> )	-	-

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

## 2. SUPPLY CHAIN MANAGEMENT

### 2.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Extension of Security Services	Various	Deviation	Various	R53 365 015.59
Relocation of Graves on P2/5 Cullinan Cemetery within the road reserves	Umthokozizi Funeral Parlour t/a Dignity Funeral Parlour	Deviation	4251040910	R73 050.00
Sole service provider for the provisioning of the printing of permits and advertising in the Government Gazette as well as	Government Printing Works	Deviation	4251041224	R54 750 000.00
Annual subscription of DSTV for communication purposes.	Multichoice Africa Holdings BV	Deviation	4251045440	R2 525.00
Venue for Youth Expo	Atterbel Investment (Pty) Ltd Gallagher Convention Centre	Deviation	4251045985	R504 292.25
<b>Total</b>				<b>R108 694 882.84</b>

## 2.2 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
The specialist street lighting and traffic signal design.	WSP Group Africa (Pty) Ltd	Variation	4660013150	R32 902 773.54	0	R2 497 793.08
The construction of Road K101 from Road D795 (Midrand) to the N1 (Brakfontein Road) approximately 5.4km	Lonerock Construction (Pty) Ltd	Variation	4660013868	R525 579 26.91	0	R3 973 266.73
Construction of new K73 (1.446 km) between Montrose Road and K58 (Allandale Road), upgrading of 0.590km section of K71 (Woodmead Drive) through the intersection with new K73, upgrading of K58 (Allandale Road) (2.859 km) between Harry Galaun Drive and K71 (Pitts Avenue)	Lonerock Construction (Pty) Ltd	Variation	4660014784	R315 759 973.96	R8 646 381.26	R3 926 515.34
Project K101: The construction of Road k101 from Road D795 (Midrand) to the N1 (Brakfontein Road) approximately 5.4 km – variation order 2b) for Electrical Professional Services	Civil Concept and Inter Design Landscaping Architect JV	Variation	4660013633	R37 813 822.73	R3 600 643.67	R706 560.00



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
Project K101: The construction of road K101 from road D795 (Midrand) to the N1 (Brakfontein road) approximately 5.4 km – variation order 2c) for alternative k27/ k101 bridge design professional services	Civil Concept and Inter Design Landscaping Architect JV	Variation	4660013633	R37 813 822.73	R4 307 203.67	R1 136 200.00
Project K73: Variation Order no 3 – Relocation and tie in of Kelvin pipeline cost	Lonerock Construction (Pty) Ltd	Variation	4660014784	R315 759 973.96	R8 646 381.26	R1 872 400.00
Upgrading and rehabilitation of Road K69 from Road R104 (Bronkhorstspruit Road) to Road K54 in Mamelodi - Phase 1 (approximately 9.00km)	UMSO Construction (PTY) LTD	Variation	4660010383	R285 440 485.42	R6 855 697.36	R3 604 824.50
Upgrading and rehabilitation of Road K69 from Road R104 (Bronkhorstspruit Road) to Road K54 in Mamelodi - Phase 1 (approximately 9.00km)	UMSO Construction (Pty) Ltd	Variation	4660010383	R285 440 485.42	R10 460 521.86	R20 492 320.24

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
Request for approval of a variation order number one (vo1) for additional milling and patching quantities for the project; the rehabilitation of Provincial Road D483 between p6- 1 (Babsfontein) (km 0.0) and D713	Klus Civils	Variation	4660013160	R92 000 000.00	0	R4 484 090.84
Variation order for additional design fees in respect of a heritage Impact assessment for Benoni_Rev1	Nyeleti Consulting (Pty) Ltd	Variation	4660012155	R7 029 045.00	R962 147.85	R222 192.42
Variation order number 2 revised construction design for the new bridge construction at K101/K27 intersection	Lonerock Construction	Variation	4660013681	R525 579 226.91	R3 973 266.73	R20 041 142.59
Project K101: The construction of Road K101 from Road D795 (Midrand) to the N1 (Brakfontein Road) approximately 5.4 km – variation order 2(a) for environmental professional services	Civil Concept and Inter Design Landscaping Architect JV	Variation	4660013633	R37 813 822.73	R5 366 356.62	R1 826 702.55
PROJECT K69: Variation order 3 for consultant's redesign the realignment of the encroached road section	Calliper Consulting Engineers	Variation	4660014817	R3 682 200.00	R3 846 679.18	R1 129 300.21
<b>Total</b>				<b>R2 029 593 559.31</b>	<b>R56 665 279.46</b>	<b>R65 913 308.50</b>





Part  
F

DEPARTMENT OF ROADS AND TRANSPORT

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**FINANCIAL INFORMATION**




# FINANCIAL INFORMATION



R4, 5 billion revenue generated through implementing revenue generating strategies.




100% of service providers within thirty (30) days and 92% of those invoices were paid within fifteen (15) days as required by legislative prescripts.



The introduction of the electronic invoicing systems and implemented the Financial Automation Management System to refine its payment processes to ensure all SMMEs and township business' verified invoices are paid within fifteen (15) days.

e-Tendering introduced to improve tendering processes.



## 1. REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 9: GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

### Report on the Audit of the Financial Statements

#### Opinion

1. I have audited the financial statements of the Gauteng Department of Roads and Transport set out on pages 186 to 262, which comprise the appropriation statement, statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Roads and Transport as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999(PFMA) and the Division of Revenue Act 5 of 2022 (Dora).

#### Basis for opinion

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

#### Emphasis of matters

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

#### Material uncertainties related to contingent liabilities

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

#### Underspending of vote

8. As disclosed in the appropriation statement, the department materially underspent the budget by R763 596 000 on the following programmes:
  - programme 2 – transport infrastructure, underspending of R129 776 000
  - programme 3 – transport operations, underspending of R572 984 000
  - programme 4 – transport regulation, underspending of R60 836 000



## Other matters

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

### Unaudited supplementary schedules

10. The supplementary information set out on pages 263 to 273 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### Unaudited irregular expenditure and fruitless and wasteful expenditure (IF&W expenditure)

11. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note [23] to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Gauteng Department of Roads and Transport. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

## Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by the National Treasury and the requirements of the 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.
13. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

14. 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.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

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

17. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
<b>Transport Infrastructure</b>	56 – 77	The purpose of the programme is to provide a balanced equitable road network in the province by promoting accessibility that is sustainable, integrated and environmentally sensitive with supports economic growth and social empowerment.
<b>Transport Operations</b>	78 – 84	<p>The purpose of the programme is to provide integrated, subsidised, province-wide public transport service, and facilitate the provision of public transport services and infrastructure in partnership with National and local government as well as private sector formations.</p> <p>The programme provides policy development and planning to manage, integrate and coordinate the transport system and infrastructure in the province.</p> <p>The objective of this programme is to develop the policy framework to support a modern, integrated and intelligent transport system and public transport infrastructure.</p>

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

19. I performed procedures to test whether:

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



20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
21. I did not identify any material findings on the reported performance information for selected programmes.

#### Other matter

22. I draw attention to the matter below.

#### Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement.
24. The department plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicator not achieved	Planned target	Reported achievement
<b>Transport Infrastructure</b>		
<i>Targets achieved: 71%</i>		
<i>Budget spent: 94%</i>		
Number of square metres of surfaced roads rehabilitated	394 084.00 m <sup>2</sup>	226 985.00 m <sup>2</sup>

Reasons for the underachievement of targets are included in the annual performance report on page 67.

#### Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
26. 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.
27. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

#### Annual financial statements

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1) (b) of the PFMA. Material misstatements of Immovable capital assets, capital work in progress assets, provision for litigations, capital commitments, accrued departmental revenue, irregular expenditure and fruitless and wasteful expenditure identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

### Expenditure management

30. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by payments of settlements on contract terminations.

### Strategic planning and performance management

31. The annual performance plan did not include the targets of the programmes, as required by treasury regulation 5.2.3(d).

### Other information in the annual report

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

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

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

35. The other information I obtained prior to the date of this auditor's report is a draft of the 2022-23 annual report, and the final 2022-23 annual report is expected to be made available to me after 31 July 2023.

36. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

37. When I do receive and read the final 2022-23 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

38. 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.
39. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on compliance with legislation included in this report.
40. The accounting officer did not adequately exercise oversight responsibility over financial reporting and compliance with applicable laws and regulations which resulted to instances of non-compliance not being identified.
41. Senior management did not adequately review and monitor compliance with applicable laws and regulations which resulted to material non-compliances reported in this report.
42. Senior management did not prepare regular, accurate and complete financial information, which resulted in the material misstatements on the submitted financial statements.

Auditor General

**Johannesburg**  
**31 July 2023**



**AUDITOR - GENERAL**  
**SOUTH AFRICA**

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

#### Financial statements

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

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



## Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Programme	Page numbers
Public Finance Management Act No.1 of 1999 (PFMA)	Section 1 Section 38(1)(a)(iv); 38(1)(b);38(1)(c);38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c'); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A 6.1; 16A6.2(a) ,(b) & (e) ; 16A 6.3(a); 6.3(b); 16A 6.3(c);16A6.3(d) ; 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7; TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b) (ii);16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 116A9.2; 16A9.2(a)(ii) &(iii); 16A9.1(f). Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4
Division of Revenue Act No. 5 of 2022	DoRA 11(6)(a) DoRA 12(5) DoRA 16(1) DoRA 16(3) DoRA 16(3)(a)(i) DoRA 16(3)(a)(ii)(bb)

Public service regulation	Public service regulation 18; 18 (1) and (2); Public service regulation 25(1)(e)(i); 25(1)(e)(iii)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17 CIDB Regulation 25(7A)
PPPFA	Section 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
SITA ACT	Section 7(3)
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.3; 4.4; 4.4 (a);4.4 (c) -(d)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1;3.4 (b); 3.9
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4(a) ; 3.3.1
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction note 1 of 2021/22	Paragraph 4.1



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# ANNUAL FINANCIAL STATEMENTS FOR GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

For the year ended 31 March 2023

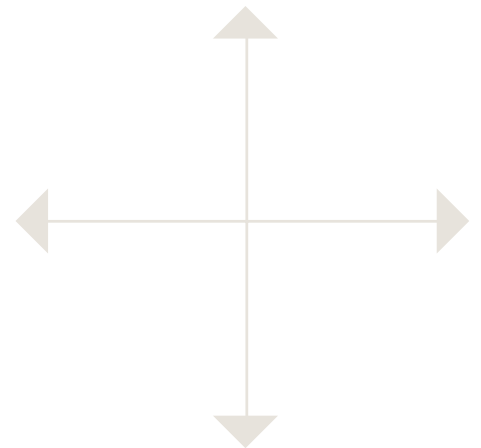


**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023**

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GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2023

Appropriation per programme										
	2022/23					2021/22				
	Adjusted Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Budget %	Final Budget R'000	Actual Expenditure R'000	
<b>Programme</b>										
1. ADMINISTRATION	428 057	-	(4 479)	423 578	396 020	27 558	93,5%	381 216	361 499	
2. TRANSPORT INFRASTRUCTURE	2 186 022	-	4 164	2 190 186	2 060 410	129 776	94,1%	1 824 973	1 681 772	
3. TRANSPORT OPERATIONS	2 862 860	-	6	2 862 866	2 289 882	572 984	80,0%	3 194 900	2 621 494	
4. TRANSPORT REGULATION	350 156	-	309	350 465	289 629	60 836	82,6%	337 819	299 682	
5. GAUTRAIN	2 657 566	-	-	2 657 566	2 657 566	-	100,0%	2 776 816	2 776 816	
<b>Subtotal</b>	<b>8 484 661</b>	<b>-</b>	<b>-</b>	<b>8 484 661</b>	<b>7 693 507</b>	<b>791 154</b>	<b>90,7%</b>	<b>8 515 724</b>	<b>7 741 263</b>	
<b>TOTAL</b>									<b>7 741 263</b>	
<b>Reconciliation with statement of financial performance</b>										
<b>ADD</b>										
Departmental receipts				4 613 705				4 471 351		
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>13 098 366</b>				<b>12 987 075</b>		
<b>ADD</b>										
Prior year unauthorised expenditure approved without funding										
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>7 693 507</b>				<b>7 741 263</b>	

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Appropriation per economic classification	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current Payments</b>	<b>1 995 683</b>	<b>(50 632)</b>	<b>(733)</b>	<b>1 944 318</b>	<b>1 760 129</b>	<b>184 189</b>	<b>90,5%</b>	<b>2 091 076</b>	<b>1 901 780</b>
<b>Compensation of employees</b>	805 263	-	-	805 263	721 271	83 992	89,6%	776 892	756 802
Salaries and wages	684 888	(1 173)	-	683 715	616 461	67 254	90,2%	666 453	649 282
Social contributions	120 375	1 173	-	121 548	104 810	16 738	86,2%	110 439	107 520
Goods and services	1 190 300	(51 081)	(733)	1 138 486	1 038 289	100 197	91,2%	1 271 526	1 102 320
<b>Administrative fees</b>	6 300	(3 202)	-	3 098	2 578	520	83,2%	5 955	5 913
Advertising	8 020	(4 957)	-	3 063	2 587	476	84,5%	8 767	8 269
Minor assets	1 150	163	-	1 313	697	616	53,1%	415	382
Audit costs: External	8 400	-	-	8 400	8 225	175	97,9%	7 469	7 379
Bursaries: Employees	1 000	(428)	-	572	66	506	11,5%	32	32
Catering: Departmental activities	2 960	(782)	-	2 178	1 725	453	79,2%	2 905	2 372
Communication (G&S)	18 692	(6 443)	-	12 249	12 249	120	99,0%	10 773	10 629
Computer services	19 743	(4 822)	-	14 921	14 920	1	100,0%	17 183	17 183
Consultants: Business and advisory services	73 200	635	-	73 835	44 587	29 248	60,4%	89 053	47 322
Infrastructure and planning services	21 338	-	(364)	20 974	18 974	2 000	90,5%	19 302	19 302
Laboratory services	500	(347)	-	153	153	-	100,0%	-	-
Legal services	47 294	2 430	-	49 724	47 655	2 069	95,8%	17 145	16 756
Contractors	701 487	(50 493)	-	650 994	621 525	29 469	95,5%	823 575	729 815
Agency and support / outsourced services	200	-	-	200	-	200	-	2 000	-

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Appropriation per economic classification <i>continued</i>	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	16 620	1 735	1 028	19 383	19 383	-	100,0%	14 297	12 297
Inventory: Clothing material and accessories	5 333	-	-	5 333	4 392	941	82,4%	2 291	2 291
Inventory: Materials and supplies	22 856	1 328	-	24 184	12 262	11 922	50,7%	15 317	15 230
Inventory: Other supplies	9 486	353	(2 018)	7 821	6 104	1 717	78,0%	8 183	7 036
Consumable supplies	5 860	162	(1 397)	4 625	3 246	1 379	70,2%	3 990	3 627
Consumable: Stationery, printing and office supplies	63 417	4 821	-	68 238	55 745	12 493	81,7%	68 748	48 140
Operating leases	43 650	(6 524)	631	37 757	36 163	1 594	95,8%	41 995	39 865
Property payments	85 228	13 148	-	98 376	98 319	57	99,9%	96 803	96 803
Transport provided: Departmental activity	500	-	-	500	93	407	18,6%	134	-
Travel and subsistence	12 949	(655)	1 060	13 354	11 966	1 388	89,6%	10 273	7 985
Training and development	5 600	-	281	5 881	4 340	1 541	73,8%	1 515	1 289
Operating payments	-	-	-	-	-	-	-	40	37
Venues and facilities	8 017	2 797	46	10 860	10 125	735	93,3%	3 338	2 366
Rental and hiring	500	-	-	500	330	170	66,0%	28	-
Interest and rent on land	120	449	-	569	569	-	100,0%	42 658	42 658
Interest (Incl. interest on unitary payments (PPP))	120	449	-	569	569	-	100,0%	42 658	42 658
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>5 447 931</b>	-	-	<b>5 447 931</b>	<b>4 856 676</b>	<b>591 255</b>	<b>89,1%</b>	<b>5 895 982</b>	<b>5 333 680</b>
Provinces and municipalities	2 310	-	-	2 310	2 062	248	89,3%	2 200	2 086
Municipalities	2 310	-	-	2 310	2 062	248	89,3%	2 200	2 086
Municipal bank accounts	2 310	-	-	2 310	2 062	248	89,3%	2 200	2 086



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Appropriation per economic classification <i>continued</i>	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	2 657 566	-	-	2 657 566	2 657 566	-	100,0%	2 776 816	2 776 816
Departmental agencies	2 657 566	-	-	2 657 566	2 657 566	-	100,0%	2 776 816	2 776 816
Public corporations and private enterprises	2 755 340	-	-	2 755 340	2 187 805	567 535	79,4%	3 026 863	2 464 765
Private enterprises	2 755 340	-	-	2 755 340	2 187 805	567 535	79,4%	3 026 863	2 464 765
Other transfers to private enterprises	2 755 340	-	-	2 755 340	2 187 805	567 535	79,4%	3 026 863	2 464 765
Non-profit institutions	2 191 5	-	-	2 191 5	-	2 191 5	-	29 600	29 600
Households	10 800	-	-	10 800	9 243	1 557	85,6%	60 503	60 413
Social benefits	6 021	527	701	7 249	5 939	1 310	81,9%	7 031	6 941
Other transfers to households	4 779	(527)	(701)	3 551	3 304	247	93,0%	53 472	53 472
<b>Payments for capital assets</b>	<b>1 041 047</b>	<b>50 566</b>	<b>364</b>	<b>1 091 977</b>	<b>1 076 264</b>	<b>15 713</b>	<b>98,6%</b>	<b>527 999</b>	<b>505 136</b>
Buildings and other fixed structures	1 015 447	49 447	364	1 065 258	1 060 484	4 774	99,6%	509 438	492 596
Buildings	11 856	-	(1 299)	10 557	10 557	-	100,0%	6 225	1 606
Other fixed structures	1 003 591	49 447	1 663	1 054 701	1 049 927	4 774	99,5%	503 213	490 990
Machinery and equipment	24 600	1 119	-	25 719	15 773	9 946	61,3%	15 453	12 540
Transport equipment	1 000	-	-	1 000	927	73	92,7%	1 496	855
Other machinery and equipment	23 600	1 119	-	24 719	14 846	9 873	60,1%	13 957	11 685
Intangible assets	1 000	-	-	1 000	7	993	0,7%	3 108	-
<b>Payments for financial assets</b>	<b>-</b>	<b>66</b>	<b>369</b>	<b>435</b>	<b>438</b>	<b>(3)</b>	<b>100,7%</b>	<b>667</b>	<b>667</b>
<b>Total</b>	<b>8 484 661</b>	<b>-</b>	<b>-</b>	<b>8 484 661</b>	<b>7 693 507</b>	<b>791 154</b>	<b>90,7%</b>	<b>8 515 724</b>	<b>7 741 263</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Programme 1: ADMINISTRATION	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programme</b>									
1. Office of the MEC	14 474	4 034	-	18 508	18 275	233	98,7%	13 195	12 154
2. Management of the Department	27 486	1 702	701	29 889	28 874	1 015	96,6%	26 924	22 823
3. Corporate Support	382 610	(5 736)	(5 180)	371 694	345 774	25 920	93,0%	337 324	323 454
4. Departmental Strategy	3 487	-	-	3 487	3 097	390	88,8%	3 773	3 068
<b>Total for Sub-programmes</b>	<b>428 057</b>	<b>-</b>	<b>(4 479)</b>	<b>423 578</b>	<b>396 020</b>	<b>27 558</b>	<b>93,5%</b>	<b>381 216</b>	<b>361 499</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>397 830</b>	<b>(28)</b>	<b>(3 566)</b>	<b>394 236</b>	<b>371 908</b>	<b>22 328</b>	<b>94,3%</b>	<b>360 196</b>	<b>348 969</b>
Compensation of employees	208 904	-	-	208 904	194 921	13 983	93,3%	194 229	185 374
Salaries and wages	178 045	(3)	-	178 042	170 286	7 756	95,6%	167 881	159 453
Social contributions	30 859	3	-	30 862	24 635	6 227	79,8%	26 348	25 921
Goods and services	188 926	(456)	(3 566)	184 904	176 559	8 345	95,5%	165 967	163 595
Administrative fees	6 050	(3 070)	-	2 980	2 578	402	86,5%	5 913	5 871
Advertising	5 120	(2 941)	-	2 179	2 178	1	100,0%	3 319	3 114
Minor assets	550	-	-	550	77	473	14,0%	148	115
Audit costs: External	8 400	-	-	8 400	8 225	175	97,9%	7 469	7 379
Bursaries: Employees	1 000	(428)	-	572	66	506	11,5%	32	32
Catering: Departmental activities	2 560	(559)	-	2 001	1 582	419	79,1%	2 687	2 361
Communication (G&S)	18 072	(6 928)	-	11 144	11 144	-	100,0%	10 116	10 116
Computer services	17 000	(4 842)	-	12 158	12 156	2	100,0%	16 384	16 384

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Programme 1: ADMINISTRATION <i>continued</i>	2022/23					2021/22			
	Adjusted Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Budget	Final Budget R'000	Actual expenditure R'000
Consultants: Business and advisory services	7 328	(1 063)	-	6 265	5 979	286	95,4%	3 858	3 858
Legal services	26 100	665	-	26 765	26 765	-	100,0%	13 265	13 265
Contractors	4 600	1 444	-	6 044	6 042	2	100,0%	4 094	4 094
Inventory: Other supplies	3 246	-	(2 018)	1 228	-	1 228	-	-	-
Consumable supplies	4 160	8	(1 548)	2 620	1 241	1 379	47,4%	2 806	2 610
Consumable: Stationery, printing and office supplies	6 505	-	-	6 505	5 777	728	88,8%	5 196	5 049
Operating leases	950	46	-	996	996	-	100,0%	1 817	1 737
Property payments	61 398	15 360	-	76 758	76 757	1	100,0%	83 107	83 107
Transport provided: Departmental activity	500	-	-	500	93	407	18,6%	134	-
Travel and subsistence	2 840	(171)	-	2 669	2 461	208	92,2%	1 187	931
Training and development	5 600	-	-	5 600	4 059	1 541	72,5%	1 515	1 289
Operating payments	-	-	-	-	-	-	-	40	37
Venues and facilities	6 447	2 023	-	8 470	8 053	417	95,1%	2 852	2 246
Rental and hiring	500	-	-	500	330	170	66,0%	28	-
Interest and rent on land	-	428	-	428	428	-	100,0%	-	-
Interest (incl. interest on unitary payments (PPP))	-	428	-	428	428	-	100,0%	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 421</b>	<b>-</b>	<b>701</b>	<b>4 122</b>	<b>4 127</b>	<b>(5)</b>	<b>100,1%</b>	<b>1 928</b>	<b>1 928</b>
Households	3 421	-	701	4 122	4 127	(5)	100,1%	1 928	1 928
Social benefits	921	527	701	2 149	2 154	(5)	100,2%	1 928	1 928
Other transfers to households	2 500	(527)	-	1 973	1 973	-	100,0%	-	-

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme 1: ADMINISTRATION</b> <i>continued</i>									
<b>Payments for capital assets</b>	<b>26 806</b>	-	<b>(1 614)</b>	<b>25 192</b>	<b>19 957</b>	<b>5 235</b>	<b>79,2%</b>	<b>19 026</b>	<b>10 536</b>
Buildings and other fixed structures	11 306	-	(1 614)	9 692	9 692	-	100,0%	5 000	1 606
Buildings	11 306	-	(1 614)	9 692	9 692	-	100,0%	5 000	1 606
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	14 500	-	-	14 500	10 258	4 242	70,7%	11 202	8 930
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	14 500	-	-	14 500	10 258	4 242	70,7%	11 202	8 930
Intangible assets	1 000	-	-	1 000	7	993	0,7%	2 824	-
<b>Payments for financial assets</b>	-	<b>28</b>	-	<b>28</b>	<b>28</b>	-	<b>100,0%</b>	<b>66</b>	<b>66</b>
<b>Total</b>	<b>428 057</b>	-	<b>(4 479)</b>	<b>423 578</b>	<b>396 020</b>	<b>27 558</b>	<b>93,5%</b>	<b>381 216</b>	<b>361 499</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 1.1: OFFICE OF THE MEC	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>14 474</b>	<b>4 034</b>	-	<b>18 508</b>	<b>18 275</b>	<b>233</b>	<b>98,7%</b>	<b>13 195</b>	<b>12 154</b>
Compensation of employees	11 318	4 034	-	15 352	15 353	(1)	100,0%	10 768	10 696
Salaries and wages	10 066	3 900	-	13 966	13 966	-	100,0%	9 550	9 550
Social contributions	1 252	134	-	1 386	1 387	(1)	100,1%	1 218	1 146
Goods and services	3 156	-	-	3 156	2 922	234	92,6%	2 427	1 458
Administrative fees	50	-	-	50	-	50	-	42	-
Advertising	-	-	-	-	-	-	-	100	-
Catering: Departmental activities	300	90	-	390	390	-	100,0%	389	63
Contractors	-	2	-	2	2	-	100,0%	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	40	8	-	48	45	3	93,8%	32	-
Consumable: Stationery, printing and office supplies	60	-	-	60	3	57	5,0%	110	1
Transport provided: Departmental activity	100	-	-	100	-	100	-	134	-
Travel and subsistence	1 106	(298)	-	808	784	24	97,0%	423	423
Training and development	-	-	-	-	-	-	-	226	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	1 500	198	-	1 698	1 698	-	100,0%	971	971
<b>Payments for financial assets</b>									
<b>Total</b>	<b>14 474</b>	<b>4 034</b>	<b>-</b>	<b>18 508</b>	<b>18 275</b>	<b>233</b>	<b>98,7%</b>	<b>13 195</b>	<b>12 154</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 1.2: MANAGEMENT OF THE DEPARTMENT	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>27 265</b>	<b>1 283</b>	-	<b>28 548</b>	<b>27 531</b>	<b>1 017</b>	<b>96,4%</b>	<b>26 338</b>	<b>22 237</b>
Compensation of employees	19 794	1 283	-	21 077	20 636	441	97,9%	18 400	14 368
Salaries and wages	17 535	1 417	-	18 952	18 951	1	100,0%	16 655	12 623
Social contributions	2 259	(134)	-	2 125	1 685	440	79,3%	1 745	1 745
Goods and services	7 471	-	-	7 471	6 895	576	92,3%	7 938	7 869
Advertising	-	-	-	-	-	-	-	100	54
Catering: Departmental activities	120	-	-	120	65	55	54,2%	4	4
Consultants: Business and advisory services	2 900	(1 825)	-	1 075	790	285	73,5%	1 737	1 737
Legal services	-	-	-	-	-	-	-	5 546	5 546
Contractors	-	-	-	-	-	-	-	-	-
Consumable supplies	10	-	-	10	4	6	40,0%	-	-
Consumable: Stationery, printing and office supplies	80	-	-	80	26	54	32,5%	24	1
Operating leases	-	-	-	-	-	-	-	-	-
Travel and subsistence	334	-	-	334	159	175	47,6%	73	73
Venues and facilities	4 027	1 825	-	5 852	5 851	1	100,0%	454	454
<b>Transfers and subsidies</b>	<b>221</b>	<b>419</b>	<b>701</b>	<b>1 341</b>	<b>1 343</b>	<b>(2)</b>	<b>100,1%</b>	<b>586</b>	<b>586</b>
Households	221	419	701	1 341	1 343	(2)	100,1%	586	586
Social benefits	221	419	701	1 341	1 343	(2)	100,1%	586	586
<b>Total</b>	<b>27 486</b>	<b>1 702</b>	<b>701</b>	<b>29 889</b>	<b>28 874</b>	<b>1 015</b>	<b>96,6%</b>	<b>26 924</b>	<b>22 823</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 1.3: CORPORATE SUPPORT	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>352 604</b>	<b>(5 345)</b>	<b>(3 566)</b>	<b>343 693</b>	<b>323 005</b>	<b>20 688</b>	<b>94,0%</b>	<b>316 890</b>	<b>311 510</b>
Compensation of employees	174 435	(5 317)	-	169 118	155 835	13 283	92,1%	161 981	157 242
Salaries and wages	147 429	(5 317)	-	142 112	134 621	7 491	94,7%	138 948	134 564
Social contributions	27 006	-	-	27 006	21 214	5 792	78,6%	23 033	22 678
Goods and services	178 169	(456)	(3 566)	174 147	166 742	7 405	95,7%	154 909	154 268
Administrative fees	6 000	(3 070)	-	2 930	2 578	352	88,0%	5 871	5 871
Advertising	5 120	(2 941)	-	2 179	2 178	1	100,0%	3 069	3 060
Minor assets	550	-	-	550	77	473	14,0%	148	115
Audit costs: External	8 400	-	-	8 400	8 225	175	97,9%	7 469	7 379
Bursaries: Employees	1 000	(428)	-	572	66	506	11,5%	32	32
Catering: Departmental activities	2 040	(649)	-	1 391	1 127	264	81,0%	2 294	2 294
Communication (G&S)	18 072	(6 928)	-	11 144	11 144	-	100,0%	10 116	10 116
Computer services	17 000	(4 842)	-	12 158	12 156	2	100,0%	16 384	16 384
Consultants: Business and advisory services	4 428	762	-	5 190	5 189	1	100,0%	2 121	2 121
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	26 100	665	-	26 765	26 765	-	100,0%	7 719	7 719
Contractors	4 600	1 442	-	6 042	6 040	2	100,0%	4 094	4 094
Inventory: Other supplies	3 246	-	(2 018)	1 228	-	1 228	-	-	-
Consumable supplies	4 110	-	(1 548)	2 562	1 192	1 370	46,5%	2 774	2 610
Consumable: Stationery, printing and office supplies	6 365	-	-	6 365	5 748	617	90,3%	5 047	5 047
Operating leases	950	46	-	996	996	-	100,0%	1 817	1 737

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 1.3: CORPORATE SUPPORT continued	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
Property payments	61 398	15 360		76 758	76 757	1	100,0%	83 107	83 107
Transport provided: Departmental activity	400			400	93	307	23,3%	-	-
Travel and subsistence	1 390	127		1 517	1 518	(1)	100,1%	669	435
Training and development	5 600			5 600	4 059	1 541	72,5%	1 289	1 289
Operating payments	-			-	-	-	-	40	37
Venues and facilities	900			900	504	396	56,0%	821	821
Rental and hiring	500			500	330	170	66,0%	28	-
Interest and rent on land	-	428	-	428	428	-	100,0%	-	-
Interest (incl. interest on unitary payments (PPP))	-	428	-	428	428	-	100,0%	-	-
Rent on land	-			-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 200</b>	<b>(419)</b>	<b>-</b>	<b>2 781</b>	<b>2 784</b>	<b>(3)</b>	<b>100,1%</b>	<b>1 342</b>	<b>1 342</b>
Households	3 200	(419)	-	2 781	2 784	(3)	100,1%	1 342	1 342
Social benefits	700	108		808	811	(3)	100,4%	1 342	1 342
Other transfers to households	2 500	(527)		1 973	1 973	-	100,0%	-	-
<b>Payments for capital assets</b>	<b>26 806</b>	<b>-</b>	<b>(1 614)</b>	<b>25 192</b>	<b>19 957</b>	<b>5 235</b>	<b>79,2%</b>	<b>19 026</b>	<b>10 536</b>
Buildings and other fixed structures	11 306	-	(1 614)	9 692	9 692	-	100,0%	5 000	1 606
Buildings	11 306		(1 614)	9 692	9 692	-	100,0%	5 000	1 606
Other fixed structures	-			-	-	-	-	-	-
Machinery and equipment	14 500			14 500	10 258	4 242	70,7%	11 202	8 930
Transport equipment	-			-	-	-	-	-	-
Other machinery and equipment	14 500			14 500	10 258	4 242	70,7%	11 202	8 930
Intangible assets	1 000			1 000	7	993	0,7%	2 824	-
<b>Payments for financial assets</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>28</b>	<b>28</b>	<b>-</b>	<b>100,0%</b>	<b>66</b>	<b>66</b>
<b>Total</b>	<b>382 610</b>	<b>(5 736)</b>	<b>(5 180)</b>	<b>371 694</b>	<b>345 774</b>	<b>25 920</b>	<b>93,0%</b>	<b>337 324</b>	<b>323 454</b>



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 1.4: DEPARTMENTAL STRATEGY	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>3 487</b>	-	-	<b>3 487</b>	<b>3 097</b>	<b>390</b>	<b>88,8%</b>	<b>3 773</b>	<b>3 068</b>
Compensation of employees	3 357	-	-	3 357	3 097	260	92,3%	3 080	3 068
Salaries and wages	3 015	(3)	-	3 012	2 748	264	91,2%	2 728	2 716
Social contributions	342	3	-	345	349	(4)	101,2%	352	352
Goods and services	130	-	-	130	-	130	-	693	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	50	-
Catering: Departmental activities	100	-	-	100	-	100	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	15	-
Travel and subsistence	10	-	-	10	-	10	-	22	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	20	-	-	20	-	20	-	606	-
Rental and hiring	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 487</b>	<b>-</b>	<b>-</b>	<b>3 487</b>	<b>3 097</b>	<b>390</b>	<b>88,8%</b>	<b>3 773</b>	<b>3 068</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Programme 2: TRANSPORT INFRASTRUCTURE	2022/23						2021/22	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Sub-programme</b>								
<b>2.1. INFRASTRUCTURE PLANNING</b>	103 417	(73)	1 654	104 998	60 698	44 300	87 743	56 687
<b>2.2. INFRASTRUCTURE DESIGN</b>	121 617	(22 521)	1 748	100 844	91 941	8 903	82 324	70 080
<b>2.3. CONSTRUCTION</b>	1 021 915	72 217	41	1 094 173	1 074 233	19 940	515 740	511 006
<b>2.4. MAINTENANCE</b>	864 666	(49 623)	224	815 267	760 633	54 634	995 709	901 837
<b>2.5. PROGRAMME SUPPORT INFRASTRUCTURE</b>	74 407	-	497	74 904	72 905	1 999	143 457	142 162
<b>Total for Sub-programmes</b>	<b>2 186 022</b>	<b>-</b>	<b>4 164</b>	<b>2 190 186</b>	<b>2 060 410</b>	<b>129 776</b>	<b>1 824 973</b>	<b>1 681 772</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>1 169 202</b>	<b>(50 566)</b>	<b>2 833</b>	<b>1 121 469</b>	<b>999 922</b>	<b>121 547</b>	<b>1 259 239</b>	<b>1 129 017</b>
Compensation of employees	325 207	-	-	325 207	276 800	48 407	295 422	291 540
Salaries and wages	271 769	-	-	271 769	233 084	38 685	246 808	245 357
Social contributions	53 438	-	-	53 438	43 716	9 722	48 614	46 183
Goods and services	843 875	(50 587)	2 833	796 121	722 981	73 140	921 466	795 126
Administrative fees	160	(42)	-	118	-	118	42	42
Advertising	2 300	(1 616)	-	684	384	300	4 869	4 869
Minor assets	600	(280)	-	320	177	143	81	81
Catering; Departmental activities	60	(1)	-	59	41	18	28	-
Communication (G&S)	20	-	-	20	-	20	6	6
Computer services	600	22	-	622	622	-	-	-
Consultants: Business and advisory services	29 700	-	-	29 700	1 698	28 002	32 274	1 510
Infrastructure and planning services	18 236	-	(364)	17 872	15 872	2 000	14 298	14 298

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Laboratory services	500	(347)	-	153	153	-	100,0%	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	15 934	3 273	-	19 207	18 935	272	98,6%	417	143
Contractors	689 901	(52 046)	-	637 855	609 340	28 515	95,5%	807 275	713 654
Fleet services (including government motor transport)	16 620	1 735	1 028	19 383	19 383	-	100,0%	12 297	12 297
Inventory: Clothing material and accessories	5 333	-	-	5 333	4 392	941	82,4%	2 291	2 291
Inventory: Materials and supplies	22 856	1 328	-	24 184	12 262	11 922	50,7%	15 230	15 230
Consumable supplies	1 700	152	151	2 003	2 003	-	100,0%	1 122	955
Consumable: Stationery, printing and office supplies	430	(178)	-	252	67	185	26,6%	542	428
Operating leases	11 500	(588)	631	11 543	11 543	-	100,0%	11 185	11 185
Property payments	18 550	(2 212)	-	16 338	16 336	2	100,0%	11 999	11 999
Travel and subsistence	8 375	-	1 060	9 435	8 733	702	92,6%	7 269	6 138
Training and development	-	-	281	281	281	-	100,0%	-	-
Venues and facilities	500	213	46	759	759	-	100,0%	154	-
Interest and rent on land	120	21	-	141	141	-	100,0%	42 351	42 351
Interest (incl. interest on unitary payments (PPP))	120	21	-	141	141	-	100,0%	42 351	42 351

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>8 629</b>	-	(701)	<b>7 928</b>	<b>6 229</b>	<b>1 699</b>	<b>78,6%</b>	<b>59 207</b>	<b>59 092</b>
Provinces and municipalities	2 310	-	-	2 310	2 062	248	89,3%	2 200	2 086
Municipalities	2 310	-	-	2 310	2 062	248	89,3%	2 200	2 086
Municipal bank accounts	2 310	-	-	2 310	2 062	248	89,3%	2 200	2 086
Households	6 319	-	(701)	5 618	4 167	1 451	74,2%	57 007	57 006
Social benefits	4 040	-	-	4 040	2 836	1 204	70,2%	3 577	3 576
Other transfers to households	2 279	-	(701)	1 578	1 331	247	84,3%	53 430	53 430
<b>Payments for capital assets</b>	<b>1 008 191</b>	<b>50 566</b>	<b>1 663</b>	<b>1 060 420</b>	<b>1 053 888</b>	<b>6 532</b>	<b>99,4%</b>	<b>506 048</b>	<b>493 184</b>
Buildings and other fixed structures	1 003 591	49 447	1 663	1 054 701	1 049 927	4 774	99,5%	503 213	490 990
Other fixed structures	1 003 591	49 447	1 663	1 054 701	1 049 927	4 774	99,5%	503 213	490 990
Machinery and equipment	4 600	1 119	-	5 719	3 961	1 758	69,3%	2 835	2 194
Transport equipment	1 000	-	-	1 000	927	73	92,7%	1 496	855
Other machinery and equipment	3 600	1 119	-	4 719	3 034	1 685	64,3%	1 339	1 339
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>369</b>	<b>369</b>	<b>371</b>	<b>(2)</b>	<b>100,5%</b>	<b>479</b>	<b>479</b>
<b>Total</b>	<b>2 186 022</b>	<b>-</b>	<b>4 164</b>	<b>2 190 186</b>	<b>2 060 410</b>	<b>129 776</b>	<b>94,1%</b>	<b>1 824 973</b>	<b>1 681 772</b>



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 2.1: INFRASTRUCTURE PLANNING	2022/23					2021/22			
	Adjusted Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Budget %	Final Budget R'000	Actual expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>101 937</b>	<b>(73)</b>	<b>1 654</b>	<b>103 518</b>	<b>59 980</b>	<b>43 538</b>	<b>57,9%</b>	<b>87 608</b>	<b>56 552</b>
Compensation of employees	50 310	-	-	50 310	37 658	12 652	74,9%	40 490	40 490
Salaries and wages	44 200	-	-	44 200	32 707	11 493	74,0%	35 459	35 459
Social contributions	6 110	-	-	6 110	4 951	1 159	81,0%	5 031	5 031
Goods and services	51 627	(73)	1 654	53 208	22 322	30 887	42,0%	47 118	16 062
Administrative fees	140	(22)	-	118	-	118	-	42	42
Advertising	300	-	-	300	-	300	-	320	320
Catering: Departmental activities	40	-	-	40	30	10	75,0%	28	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	600	22	-	622	622	-	100,0%	-	-
Consultants: Business and advisory services	29 700	-	-	29 700	1 698	28 002	5,7%	30 700	-
Infrastructure and planning services	18 236	-	(364)	17 872	15 872	2 000	88,8%	14 298	14 298
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	274	-	-	274	-	274	-	274	-
Consumable: Stationery, printing and office supplies	260	(73)	-	187	2	185	1,1%	56	6
Operating leases	500	-	631	1 131	1 132	(1)	100,1%	383	383
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 477	-	1 060	2 537	2 539	(2)	100,1%	1 013	1 013
Training and development	-	-	281	281	281	-	100,0%	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	100	-	46	146	146	-	100,0%	4	-

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 2.1: INFRASTRUCTURE PLANNING <i>continued</i>	2022/23					2021/22			
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>280</b>	-	-	<b>280</b>	<b>121</b>	<b>159</b>	<b>43,2%</b>	<b>122</b>	<b>122</b>
Households	280	-	-	280	121	159	43,2%	122	122
Social benefits	280	-	-	280	121	159	43,2%	122	122
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1 200</b>	-	-	<b>1 200</b>	<b>597</b>	<b>603</b>	<b>49,8%</b>	-	-
Machinery and equipment	1 200	-	-	1 200	597	603	49,8%	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 200	-	-	1 200	597	603	49,8%	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>103 417</b>	<b>(73)</b>	<b>1 654</b>	<b>104 998</b>	<b>60 698</b>	<b>44 300</b>	<b>57,8%</b>	<b>87 743</b>	<b>56 687</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 2.2: INFRASTRUCTURE DESIGN	2022/23					2021/22			
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>81 469</b>	<b>73</b>	-	<b>81 542</b>	<b>72 733</b>	<b>8 809</b>	<b>89,2%</b>	<b>59 340</b>	<b>57 084</b>
Compensation of employees	51 560	-	-	51 560	43 816	7 744	85,0%	45 830	44 170
Salaries and wages	44 250	-	-	44 250	37 977	6 273	85,8%	38 930	38 244
Social contributions	7 310	-	-	7 310	5 839	1 471	79,9%	6 900	5 926
Goods and services	29 909	73	-	29 982	28 917	1 065	96,4%	13 510	12 914
Contractors	28 016	-	-	28 016	26 950	1 066	96,2%	11 617	11 617
Travel and subsistence	1 893	73	-	1 966	1 967	(1)	100,1%	1 893	1 297
<b>Transfers and subsidies</b>	<b>600</b>	-	-	<b>600</b>	<b>411</b>	<b>189</b>	<b>68,5%</b>	<b>206</b>	<b>206</b>
Households	600	-	-	600	411	189	68,5%	206	206
Social benefits	600	-	-	600	411	189	68,5%	206	206
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>39 548</b>	<b>(22 594)</b>	<b>1 663</b>	<b>18 617</b>	<b>18 711</b>	<b>(94)</b>	<b>100,5%</b>	<b>22 778</b>	<b>12 790</b>
Buildings and other fixed structures	39 548	(22 594)	1 663	18 617	18 711	(94)	100,5%	22 778	12 790
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	39 548	(22 594)	1 663	18 617	18 711	(94)	100,5%	22 778	12 790
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>85</b>	<b>86</b>	<b>(1)</b>	<b>101,2%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>121 617</b>	<b>(22 521)</b>	<b>1 748</b>	<b>100 844</b>	<b>91 941</b>	<b>8 903</b>	<b>91,2%</b>	<b>82 324</b>	<b>70 080</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 2.3: CONSTRUCTION	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>57 312</b>	<b>176</b>	-	<b>57 488</b>	<b>42 949</b>	<b>14 539</b>	<b>74,7%</b>	<b>47 086</b>	<b>44 588</b>
Compensation of employees	54 303	-	-	54 303	39 763	14 540	73,2%	44 108	41 886
Salaries and wages	46 350	-	-	46 350	34 252	12 098	73,9%	36 807	36 042
Social contributions	7 953	-	-	7 953	5 511	2 442	69,3%	7 301	5 844
Goods and services	3 009	176	-	3 185	3 186	(1)	100,0%	2 978	2 702
Travel and subsistence	3 009	176	-	3 185	3 186	(1)	100,0%	2 978	2 702
<b>Transfers and subsidies</b>	<b>560</b>	-	-	<b>560</b>	<b>27</b>	<b>533</b>	<b>4,8%</b>	<b>530</b>	<b>529</b>
Households	560	-	-	560	27	533	4,8%	530	529
Social benefits	560	-	-	560	27	533	4,8%	530	529
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>964 043</b>	<b>72 041</b>	-	<b>1 036 084</b>	<b>1 031 216</b>	<b>4 868</b>	<b>99,5%</b>	<b>468 093</b>	<b>465 858</b>
Buildings and other fixed structures	964 043	72 041	-	1 036 084	1 031 216	4 868	99,5%	468 093	465 858
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	964 043	72 041	-	1 036 084	1 031 216	4 868	99,5%	468 093	465 858
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>-</b>	<b>100,0%</b>	<b>31</b>	<b>31</b>
<b>Total</b>	<b>1 021 915</b>	<b>72 217</b>	<b>41</b>	<b>1 094 173</b>	<b>1 074 233</b>	<b>19 940</b>	<b>98,2%</b>	<b>515 740</b>	<b>511 006</b>





**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 2.4: MAINTENANCE	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>858 956</b>	<b>(50 742)</b>	-	<b>808 214</b>	<b>753 981</b>	<b>54 233</b>	<b>93,3%</b>	<b>978 007</b>	<b>884 249</b>
Compensation of employees	166 421	-	-	166 421	153 349	13 072	92,1%	163 526	163 526
Salaries and wages	134 650	-	-	134 650	126 151	8 499	93,7%	134 296	134 296
Social contributions	31 771	-	-	31 771	27 198	4 573	85,6%	29 230	29 230
Goods and services	692 535	(50 742)	-	641 793	600 632	41 161	93,6%	814 481	720 723
Minor assets	300	-	-	300	157	143	52,3%	-	-
Communication (G&S)	-	-	-	-	-	-	-	6	6
Contractors	661 653	(52 046)	-	609 607	582 158	27 449	95,5%	795 657	702 036
Inventory: Clothing material and accessories	5 333	-	-	5 333	4 392	941	82,4%	2 291	2 291
Inventory: Materials and supplies	22 856	1 328	-	24 184	12 262	11 922	50,7%	15 317	15 230
Consumable supplies	500	152	-	652	652	-	100,0%	48	48
Travel and subsistence	1 893	(176)	-	1 717	1 011	706	58,9%	1 162	1 112

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 2.4: MAINTENANCE <i>continued</i>	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Transfers and subsidies</b>	<b>4 710</b>	-	-	<b>4 710</b>	<b>4 309</b>	<b>401</b>	<b>91,5%</b>	<b>4 925</b>	<b>4 811</b>
Provinces and municipalities	2 310	-	-	2 310	2 062	248	89,3%	2 200	2 086
Municipalities	2 310	-	-	2 310	2 062	248	89,3%	2 200	2 086
Municipal bank accounts	<b>2 310</b>	-	-	<b>2 310</b>	<b>2 062</b>	<b>248</b>	<b>89,3%</b>	<b>2 200</b>	<b>2 086</b>
Households	2 400	-	-	2 400	2 247	153	93,6%	2 725	2 725
Social benefits	2 400	-	-	2 400	2 247	153	93,6%	2 719	2 719
Other transfers to households	-	-	-	-	-	-	-	6	6
<b>Payments for capital assets</b>	<b>1 000</b>	<b>1 119</b>	-	<b>2 119</b>	<b>2 119</b>	-	<b>100,0%</b>	<b>12 342</b>	<b>12 342</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	12 342	12 342
Other fixed structures	-	-	-	-	-	-	-	12 342	12 342
Machinery and equipment	1 000	1 119	-	2 119	2 119	-	100,0%	-	-
Other machinery and equipment	1 000	1 119	-	2 119	2 119	-	100,0%	-	-
<b>Payments for financial assets</b>	-	-	<b>224</b>	<b>224</b>	<b>224</b>	-	<b>100,0%</b>	<b>435</b>	<b>435</b>
<b>Total</b>	<b>864 666</b>	<b>(49 623)</b>	<b>224</b>	<b>815 267</b>	<b>760 633</b>	<b>54 634</b>	<b>93,3%</b>	<b>995 709</b>	<b>901 837</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 2.5: PROGRAMME SUPPORT INFRASTRUCTURE	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>69 528</b>	<b>-</b>	<b>1 179</b>	<b>70 707</b>	<b>70 279</b>	<b>428</b>	<b>99,4%</b>	<b>87 198</b>	<b>86 544</b>
Compensation of employees	2 613	-	-	2 613	2 214	399	84,7%	1 468	1 468
Salaries and wages	2 319	-	-	2 319	1 997	322	86,1%	1 316	1 316
Social contributions	294	-	-	294	217	77	73,8%	152	152
Goods and services	66 795	(21)	1 179	67 953	67 924	29	100,0%	43 379	42 725
Administrative fees	20	(20)	-	-	-	-	-	-	-
Advertising	2 000	(1 616)	-	384	384	-	100,0%	4 549	4 549
Minor assets	300	(280)	-	20	20	-	100,0%	81	81
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	20	(1)	-	19	11	8	57,9%	-	-
Communication (G&S)	20	-	-	20	-	20	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	1 574	1 510
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	500	(347)	-	153	153	-	100,0%	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	15 660	3 273	-	18 933	18 935	(2)	100,0%	143	143
Contractors	232	-	-	232	232	-	100,0%	1	1
Fleet services (including government motor transport)	16 620	1 735	1 028	19 383	19 383	-	100,0%	12 297	12 297
Consumable supplies	1 200	-	151	1 351	1 351	-	100,0%	1 074	907
Consumable: Stationery, printing and office supplies	170	(105)	-	65	65	-	100,0%	486	422
Operating leases	11 000	(588)	-	10 412	10 411	1	100,0%	10 802	10 802
Property payments	18 550	(2 212)	-	16 338	16 336	2	100,0%	11 999	11 999
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 2.5: PROGRAMME SUPPORT INFRASTRUCTURE <i>continued</i>	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	103	(73)	-	30	30	-	100,0%	223	14
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	400	213	-	613	613	-	100,0%	150	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	120	21	-	141	141	-	100,0%	42 351	42 351
Interest (incl. interest on unitary payments (PPP))	120	21	-	141	141	-	100,0%	42 351	42 351
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 479</b>	<b>-</b>	<b>(701)</b>	<b>1 778</b>	<b>1 361</b>	<b>417</b>	<b>76,5%</b>	<b>53 424</b>	<b>53 424</b>
Households	2 479	-	(701)	1 778	1 361	417	76,5%	53 424	53 424
Social benefits	200	-	-	200	30	170	15,0%	-	-
Other transfers to households	2 279	-	(701)	1 578	1 331	247	84,3%	53 424	53 424
<b>Payments for capital assets</b>	<b>2 400</b>	<b>-</b>	<b>-</b>	<b>2 400</b>	<b>1 245</b>	<b>1 155</b>	<b>51,9%</b>	<b>2 835</b>	<b>2 194</b>
Machinery and equipment	2 400	-	-	2 400	1 245	1 155	51,9%	2 835	2 194
Transport equipment	1 000	-	-	1 000	927	73	92,7%	1 496	855
Other machinery and equipment	1 400	-	-	1 400	318	1 082	22,7%	1 339	1 339
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>19</b>	<b>20</b>	<b>(1)</b>	<b>105,3%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>74 407</b>	<b>-</b>	<b>497</b>	<b>74 904</b>	<b>72 905</b>	<b>1 999</b>	<b>97,3%</b>	<b>143 457</b>	<b>142 162</b>

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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Programme 3: TRANSPORT OPERATIONS	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 PUBLIC TRANSPORT SERVICES</b>	2 832 531	(3 237)	6	2 829 300	2 258 522	570 778	79,8%	3 122 077	2 549 223
<b>3.2 PROGRAMME SUPPORT OPERATIONS</b>	30 329	3 237	-	33 566	31 360	2 206	93,4%	72 823	72 271
<b>Total for Sub-programmes</b>	<b>2 862 860</b>	-	<b>6</b>	<b>2 862 866</b>	<b>2 289 882</b>	<b>572 984</b>	<b>80,0%</b>	<b>3 194 900</b>	<b>2 621 494</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>107 350</b>	-	-	<b>107 350</b>	<b>101 901</b>	<b>5 449</b>	<b>94,9%</b>	<b>158 292</b>	<b>147 073</b>
Compensation of employees	63 565	-	-	63 565	60 323	3 242	94,9%	88 920	88 920
Salaries and wages	58 652	(148)	-	58 504	55 710	2 794	95,2%	84 616	84 616
Social contributions	4 913	148	-	5 061	4 613	448	91,1%	4 304	4 304
Goods and services	43 785	-	-	43 785	41 578	2 207	95,0%	69 372	58 153
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	200	-	-	200	25	175	12,5%	250	231
Catering: Departmental activities	40	-	-	40	25	15	62,5%	100	4
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	34 172	2 739	-	36 911	36 910	1	100,0%	50 990	40 566
Infrastructure and planning services	3 102	-	-	3 102	3 102	-	100,0%	5 004	5 004
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	4 000	(2 204)	-	1 796	-	1 796	-	2 116	2 116
Contractors	646	-	-	646	646	-	100,0%	9 677	9 677

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	180	-	-	180	38	142	21,1%	200	-
Travel and subsistence	915	(535)	-	380	341	39	89,7%	935	529
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	530	-	-	530	491	39	92,6%	100	26
<b>Transfers and subsidies</b>	<b>2 755 510</b>	-	<b>6</b>	<b>2 755 516</b>	<b>2 187 981</b>	<b>567 535</b>	<b>79,4%</b>	<b>3 036 608</b>	<b>2 474 421</b>
Public corporations and private enterprises	2 755 340	-	-	2 755 340	2 187 805	567 535	79,4%	3 026 863	2 464 765
Private enterprises	2 755 340	-	-	2 755 340	2 187 805	567 535	79,4%	3 026 863	2 464 765
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	2 755 340	-	-	2 755 340	2 187 805	567 535	79,4%	3 026 863	2 464 765
Non-profit institutions	-	-	-	-	-	-	-	9 600	9 600
Households	170	-	6	176	176	-	100,0%	145	56
Social benefits	170	-	6	176	176	-	100,0%	145	56
<b>Total</b>	<b>2 862 860</b>	-	<b>6</b>	<b>2 862 866</b>	<b>2 289 882</b>	<b>572 984</b>	<b>80,0%</b>	<b>3 194 900</b>	<b>2 621 494</b>

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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 3.1: PUBLIC TRANSPORT SERVICES	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>77 191</b>	<b>(3 407)</b>	-	<b>73 784</b>	<b>70 541</b>	<b>3 243</b>	<b>95,6%</b>	<b>85 609</b>	<b>74 857</b>
Compensation of employees	38 432	(5 611)	-	32 821	29 578	3 243	90,1%	28 776	28 776
Salaries and wages	33 632	(5 611)	-	28 021	25 228	2 793	90,0%	24 703	24 703
Social contributions	4 800	-	-	4 800	4 350	450	90,6%	4 073	4 073
Goods and services	38 759	2 204	-	40 963	40 963	-	100,0%	56 833	46 081
Consultants: Business and advisory services	34 172	2 739	-	36 911	36 911	1	100,0%	50 990	40 566
Infrastructure and planning services	3 102	-	-	3 102	3 102	-	100,0%	5 004	5 004
Contractors	646	-	-	646	-	-	100,0%	-	-
Travel and subsidies	839	(535)	-	304	305	(1)	100,3%	839	511
<b>Transfers and subsidies</b>	<b>2 755 340</b>	<b>170</b>	<b>6</b>	<b>2 755 516</b>	<b>2 187 981</b>	<b>567 535</b>	<b>79,4%</b>	<b>3 036 468</b>	<b>2 474 366</b>
Public corporations and private enterprises	2 755 340	-	-	2 755 340	2 187 805	567 535	79,4%	3 026 863	2 464 765
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	2 755 340	-	-	2 755 340	2 187 805	567 535	79,4%	3 026 863	2 464 765
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	2 755 340	-	-	2 755 340	2 187 805	567 535	79,4%	3 026 863	2 464 765
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	170	6	176	176	-	100,0%	5	1
Social benefits	-	170	6	176	176	-	100,0%	5	1
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 832 531</b>	<b>(3 237)</b>	<b>6</b>	<b>2 829 300</b>	<b>2 258 522</b>	<b>570 778</b>	<b>79,8%</b>	<b>3 122 077</b>	<b>2 549 223</b>

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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 3.2: PROGRAMME SUPPORT OPERATIONS	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>30 159</b>	<b>3 407</b>	-	<b>33 566</b>	<b>31 360</b>	<b>2 206</b>	<b>93,4%</b>	<b>72 683</b>	<b>72 216</b>
Compensation of employees	25 133	5 611	-	30 744	30 745	(1)	100,0%	60 144	60 144
Salaries and wages	25 020	5 463	-	30 483	30 482	1	100,0%	59 913	59 913
Social contributions	113	148	-	261	263	(2)	100,8%	231	231
Goods and services	5 026	(2 204)	-	2 822	615	2 207	21,8%	12 539	12 072
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	200	-	-	200	25	175	12,5%	250	231
Catering: Departmental activities	40	-	-	40	25	15	62,5%	100	4
Legal services	4 000	(2 204)	-	1 796	-	1 796	-	2 116	2 116
Contractors	-	-	-	-	-	-	-	9 677	9 677
Consumable: Stationery, printing and of-office supplies	180	-	-	180	38	142	21,1%	200	-
Travel and subsistence	76	-	-	76	36	40	47,4%	96	18
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	530	-	-	530	491	39	92,6%	100	26
<b>Transfers and subsidies</b>	<b>170</b>	<b>(170)</b>	-	-	-	-	-	<b>140</b>	<b>55</b>
Households	170	(170)	-	-	-	-	-	140	55
Social benefits	170	(170)	-	-	-	-	-	140	55
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>30 329</b>	<b>3 237</b>	-	<b>33 566</b>	<b>31 360</b>	<b>2 206</b>	<b>93,4%</b>	<b>72 823</b>	<b>72 271</b>



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Programme 4: TRANSPORT REGULATION	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programme</b>									
<b>4.1 TRANSPORT ADMINISTRATION AND LICENCING</b>	191 742	(46)	309	192 005	178 413	13 592	92,9%	181 956	169 587
<b>4.2 OPERATOR LICENCE AND PERMITS</b>	158 414	46	-	158 460	111 216	47 244	70,2%	155 862	130 095
	<b>350 156</b>	<b>-</b>	<b>309</b>	<b>350 465</b>	<b>289 629</b>	<b>60 836</b>	<b>82,6%</b>	<b>337 819</b>	<b>299 682</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>321 301</b>	<b>(38)</b>	<b>-</b>	<b>321 263</b>	<b>286 398</b>	<b>34 865</b>	<b>89,1%</b>	<b>313 349</b>	<b>276 721</b>
Compensation of employees	207 587	-	-	207 587	189 227	18 360	91,2%	198 321	190 968
Salaries and wages	176 422	(1 022)	-	175 400	157 381	18 019	89,7%	167 148	159 856
Social contributions	31 165	1 022	-	32 187	31 846	341	98,9%	31 173	31 112
Goods and services	113 714	(38)	-	113 676	97 171	16 505	85,5%	114 721	85 446
Administrative fees	90	(90)	-	-	-	-	-	-	-
Advertising	400	(400)	-	-	-	-	-	329	55
Minor assets	-	443	-	443	443	-	100,0%	186	186
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	300	(222)	-	78	77	1	98,7%	90	7
Communication (G&S)	600	485	-	1 085	985	100	90,8%	651	507
Computer services	2 143	(2)	-	2 141	2 142	(1)	100,0%	799	799
Consultants: Business and advisory services	2 000	(1 041)	-	959	-	959	-	1 931	1 388
Legal services	1 260	696	-	1 956	1 955	1	99,9%	1 347	1 232
Contractors	6 340	109	-	6 449	5 497	952	85,2%	2 529	2 390

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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support / outsourced services	200	-	-	200	-	200	-	2 000	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	2 000	-
Inventory: Other supplies	6 240	353	-	6 593	6 104	489	92,6%	8 183	7 036
Consumable supplies	-	2	-	2	2	-	100,0%	62	62
Consumable: Stationery, printing and office supplies	56 302	4 999	-	61 301	49 863	11 438	81,3%	62 810	42 663
Operating leases	31 200	(5 982)	-	25 218	23 624	1 594	93,7%	28 993	26 943
Property payments	5 280	-	-	5 280	5 226	54	99,0%	1 697	1 697
Travel and subsistence	819	51	-	870	431	439	49,5%	882	387
Venues and facilities	540	561	-	1 101	822	279	74,7%	232	94
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	307	307
Interest (incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	307	307
Rent on land	-	-	-	-	-	-	-	-	-

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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Programme 4: TRANSPORT REGULATION <i>continued</i>	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>22 805</b>	-	(6)	<b>22 799</b>	<b>773</b>	<b>22 026</b>	<b>3,4%</b>	<b>21 423</b>	<b>21 423</b>
Non-profit institutions	21 915	-	-	21 915	-	21 915	-	20 000	20 000
Households	890	-	(6)	884	773	111	87,4%	1 423	1 423
Social benefits	890	-	(6)	884	773	111	87,4%	1 381	1 381
Other transfers to households	-	-	-	-	-	-	-	42	42
<b>Payments for capital assets</b>	<b>6 050</b>	-	<b>315</b>	<b>6 365</b>	<b>2 419</b>	<b>3 946</b>	<b>38,0%</b>	<b>2 925</b>	<b>1 416</b>
Buildings and other fixed structures	550	-	315	865	865	-	100,0%	1 225	-
Buildings	550	-	315	865	865	-	100,0%	1 225	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 500	-	-	5 500	1 554	3 946	28,3%	1 416	1 416
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	5 500	-	-	5 500	1 554	3 946	28,3%	1 416	1 416
Intangible assets	-	-	-	-	-	-	-	284	-
<b>Payments for financial assets</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>38</b>	<b>39</b>	<b>(1)</b>	<b>102,6%</b>	<b>122</b>	<b>122</b>
<b>Total</b>	<b>350 156</b>	<b>-</b>	<b>309</b>	<b>350 465</b>	<b>289 629</b>	<b>60 836</b>	<b>82,6%</b>	<b>337 819</b>	<b>299 682</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 4.1: TRANSPORT ADMINISTRATION AND LICENCING	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>186 892</b>	<b>(16)</b>	<b>-</b>	<b>186 876</b>	<b>175 341</b>	<b>11 535</b>	<b>93,8%</b>	<b>179 322</b>	<b>168 462</b>
Compensation of employees	138 337	-	-	138 337	128 399	9 938	92,8%	134 000	128 714
Salaries and wages	117 922	(1 022)	-	116 900	106 964	9 936	91,5%	113 134	107 909
Social contributions	20 415	1 022	-	21 437	21 435	2	100,0%	20 866	20 805
Goods and services	48 555	(16)	-	48 539	46 942	1 598	96,7%	45 015	39 441
Administrative fees	90	(90)	-	-	-	-	-	-	-
Advertising	200	(200)	-	-	-	-	-	109	55
Minor assets	-	443	-	443	443	-	100,0%	17	17
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	6	-	6	6	-	100,0%	-	-
Communication (G&S)	100	-	-	100	-	100	-	18	4
Computer services	2 143	(2)	-	2 141	2 142	(1)	100,0%	799	799
Contractors	4 200	(157)	-	4 043	3 092	951	76,5%	2 390	2 390
Agency and support / outsourced services	200	-	-	200	-	200	-	2 000	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	2 000	-
Inventory: Other supplies	5 740	353	-	6 093	6 093	-	100,0%	7 088	7 036
Consumable supplies	-	2	-	2	2	-	100,0%	2	2
Consumable: Stationery, printing and office supplies	400	4 999	-	5 399	5 399	-	100,0%	345	262
Operating leases	29 900	(5 982)	-	23 918	23 624	294	98,8%	27 993	26 943
Property payment	5 280	-	-	5 280	5 226	54	99,0%	1 697	1 697



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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 4.1: TRANSPORT ADMINISTRATION AND LICENCING <i>continued</i>	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	262	51	-	313	313	-	100,0%	557	236
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	40	561	-	601	602	(1)	100,2%	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	307	307
Interest (incl. interest on unitary pay-ments (PPP))	-	-	-	-	-	-	-	307	307
Rent on land	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>800</b>	<b>(46)</b>	<b>(6)</b>	<b>748</b>	<b>637</b>	<b>111</b>	<b>85,2%</b>	<b>737</b>	<b>737</b>
Households	800	(46)	(6)	748	637	111	85,2%	737	737
Social benefits	800	(46)	(6)	748	637	111	85,2%	695	695
Other transfers to households	-	-	-	-	-	-	-	42	42

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 4.1: TRANSPORT ADMINISTRATION AND LICENCING <i>continued</i>	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Payments for capital assets</b>	<b>4 050</b>	-	<b>315</b>	<b>4 365</b>	<b>2 419</b>	<b>1 946</b>	<b>55,4%</b>	<b>1 827</b>	<b>318</b>
Buildings and other fixed structures	550	-	315	865	865	-	100,0%	1 225	-
Buildings	550	-	315	865	865	-	100,0%	1 225	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 500	-	-	3 500	1 554	1 946	44,4%	318	318
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3 500	-	-	3 500	1 554	1 946	44,4%	318	318
Intangible assets	-	-	-	-	-	-	-	284	-
<b>Payments for financial assets</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>100,0%</b>	<b>70</b>	<b>70</b>
<b>Total</b>	<b>191 742</b>	<b>(46)</b>	<b>309</b>	<b>192 005</b>	<b>178 413</b>	<b>13 592</b>	<b>92,9%</b>	<b>181 956</b>	<b>169 587</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 4.2: OPERATING LICENCE AND PERMITS	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>134 409</b>	<b>(22)</b>	<b>-</b>	<b>134 387</b>	<b>111 057</b>	<b>23 330</b>	<b>82,6%</b>	<b>134 027</b>	<b>108 259</b>
Compensation of employees	69 250	-	-	69 250	60 828	8 422	87,8%	64 321	62 254
Salaries and wages	58 500	-	-	58 500	50 417	8 083	86,2%	54 014	51 947
Social contributions	10 750	-	-	10 750	10 411	339	96,8%	10 307	10 307
Goods and services	65 159	(22)	-	65 137	50 229	14 908	77,1%	69 706	46 005
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	200	(200)	-	-	-	-	-	220	-
Minor assets	-	-	-	-	-	-	-	169	169
Catering: Departmental activities	300	(228)	-	72	71	1	98,6%	90	7
Communication (G&S)	500	485	-	985	985	-	100,0%	633	503
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	2 000	(1 041)	-	959	-	959	-	1 931	1 388
Legal services	1 260	696	-	1 956	1 955	1	99,9%	1 347	1 232
Contractors	2 140	266	-	2 406	2 405	1	100,0%	139	-
Inventory: Other supplies	500	-	-	500	11	489	2,2%	1 095	-
Consumable supplies	-	-	-	-	-	-	-	60	60
Consumable: Stationery, printing and office supplies	55 902	-	-	55 902	44 464	11 438	79,5%	62 465	42 401
Operating leases	1 300	-	-	1 300	-	1 300	-	1 000	-
Travel and subsistence	557	-	-	557	118	439	21,2%	325	151
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	500	-	-	500	220	280	44,0%	232	94

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Subprogramme: 4.2: OPERATING LICENCE AND PERMITS <i>continued</i>	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
<b>Economic classification</b>	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>22 005</b>	<b>46</b>	-	<b>22 051</b>	<b>136</b>	<b>21 915</b>	<b>0,6%</b>	<b>20 686</b>	<b>20 686</b>
Non-profit institutions	21 915			21 915		21 915	-	20 000	20 000
Households	90	46	-	136	136	-	100,0%	686	686
Social benefits	90	46	-	136	136	-	100,0%	686	686
Other transfers to households				-		-	-	-	
<b>Payments for capital assets</b>	<b>2 000</b>	-	-	<b>2 000</b>	-	<b>2 000</b>	-	<b>1 098</b>	<b>1 098</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 000	-	-	2 000	-	2 000	-	1 098	1 098
Transport equipment				-		-	-		
Other machinery and equipment	2 000			2 000		2 000		1 098	1 098
<b>Payments for financial assets</b>		<b>22</b>		<b>22</b>	<b>23</b>	<b>(1)</b>	<b>104,5%</b>	<b>52</b>	<b>52</b>
<b>Total</b>	<b>158 414</b>	<b>46</b>	-	<b>158 460</b>	<b>111 216</b>	<b>47 244</b>	<b>70,2%</b>	<b>155 863</b>	<b>130 095</b>



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**APPROPRIATION STATEMENT for the year ended 31 March 2023**

Programme 5: GAUTRAIN	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub-programme</b>									
<b>5.1 GAUTRAIN RAPID LINK</b>	2 657 566	-	-	2 657 566	2 657 566	-	100,0%	2 776 816	2 776 816
<b>Total for Sub-programmes</b>	<b>2 657 566</b>	<b>-</b>	<b>-</b>	<b>2 657 566</b>	<b>2 657 566</b>	<b>-</b>	<b>100,0%</b>	<b>2 776 816</b>	<b>2 776 816</b>
<b>Economic classification</b>									
<b>Current payments</b>									
<b>Transfers and subsidies</b>	<b>2 657 566</b>	<b>-</b>	<b>-</b>	<b>2 657 566</b>	<b>2 657 566</b>	<b>-</b>	<b>100,0%</b>	<b>2 776 816</b>	<b>2 776 816</b>
Departmental agencies and accounts	2 657 566	-	-	2 657 566	2 657 566	-	100,0%	2 776 816	2 776 816
Departmental agencies	2 657 566	-	-	2 657 566	2 657 566	-	100,0%	2 776 816	2 776 816
<b>Total</b>	<b>2 657 566</b>	<b>-</b>	<b>-</b>	<b>2 657 566</b>	<b>2 657 566</b>	<b>-</b>	<b>100,0%</b>	<b>2 776 816</b>	<b>2 776 816</b>

Subprogramme: 5.1: GAUTRAIN RAPID LINK	2022/23						2021/22		
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Transfers and subsidies</b>	<b>2 657 566</b>	<b>-</b>	<b>-</b>	<b>2 657 566</b>	<b>2 657 566</b>	<b>-</b>	<b>100,0%</b>	<b>2 776 816</b>	<b>2 776 816</b>
Departmental agencies and accounts	2 657 566	-	-	2 657 566	2 657 566	-	100,0%	2 776 816	2 776 816
Departmental agencies (non-business entities)	2 657 566	-	-	2 657 566	2 657 566	-	100,0%	2 776 816	2 776 816
Higher education institutions	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 657 566</b>	<b>-</b>	<b>-</b>	<b>2 657 566</b>	<b>2 657 566</b>	<b>-</b>	<b>100,0%</b>	<b>2 776 816</b>	<b>2 776 816</b>

## GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

### NOTES TO THE APPROPRIATION STATEMENTS for the year ended 31 March 2023

- 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**  
Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-H of the Annual Financial Statements.
- 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**  
Detail of these transactions can be viewed in the note on Annual Appropriation to the Annual Financial Statements.
- 3. Detail on payments for financial assets**  
Detail of these transactions can be viewed in the note on Payments for financial assets to the Annual Financial Statements.
- 4. Explanations of material variances from Amounts Voted (after Virement):**

4.1 Per programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Programme	R'000	R'000	R'000	R'000
ADMINISTRATION	423 578	396 020	27 558	7%
TRANSPORT INFRASTRUCTURE	2 190 186	2 060 410	129 776	6%
TRANSPORT OPERATIONS	2 862 866	2 289 882	572 984	20%
TRANSPORT REGULATION	350 465	289 629	60 836	17%
GAUTRAIN	2 657 566	2 657 566	-	0%
<b>Total</b>	<b>8 484 661</b>	<b>7 693 507</b>	<b>791 154</b>	<b>9%</b>

4.2 Per economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Economic classification	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	805 263	721 271	83 992	10%
Goods and services	1 138 486	1 038 289	100 197	9%
Interest and rent on land	569	569	-	0%
<b>Transfers and subsidies</b>				
Provinces and municipalities	2 310	2 062	248	11%
Departmental agencies and accounts	2 657 566	2 657 566	-	0%
Public corporations and private enterprises	2 755 340	2 187 805	567 535	21%
Non-profit institutions	21 915	-	21 915	100%
Households	10 800	9 243	1 557	14%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	1 065 258	1 060 484	4 774	0%
Machinery and equipment	25 712	15 773	9 946	39%
Intangible assets	1 000	7	993	99%
<b>Payments for financial assets</b>	<b>435</b>	<b>438</b>	<b>(3)</b>	<b>(1%)</b>
<b>Total</b>	<b>8 484 661</b>	<b>7 693 507</b>	<b>791 154</b>	<b>90,7%</b>



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**NOTES TO THE APPROPRIATION STATEMENTS**  
*for the year ended 31 March 2023*

**Administration**

*Explanation of variance: The under spending within this programme is mainly as a result of delays in revising the organisational structure.*

**Transport infrastructure**

*Explanation of variance: The under spending within this programme is mainly as a result of delays in revising the organisational structure and delay in procurement of outsourced routine roads maintenance, delays in creation of purchase orders, poor performance by the contractor, projects interdicted, and projects terminated.*

**Transport operations**

*Explanation of variance: The under spending within this programme is mainly because of the delay in finalising the new bus tenders.*

**Transport regulation**

*Explanation of variance: The under spending within this programme is mainly as a result of delays in revising the organisational structure as well as the transfer to the Taxi Trust that could not be processed on time.*

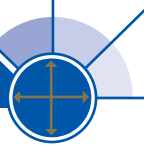
4.3 Per conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Conditional grant	R'000	R'000	R'000	R'000
Provincial Roads Maintenance Grant	680 058	630 645	49 413	7%
Public Transport Operations Grant	2 633 077	2 078 110	554 967	21%
Expanded Public Works Programme Grant	9 857	9 857	-	0%
<b>Total</b>	<b>3 420 467</b>	<b>2 718 612</b>	<b>604 380</b>	<b>18%</b>

*Explanation of variance: The underspending within this programme is mainly because of Bus subsidies – due to the delay in finalising the new bus tenders.*

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**STATEMENT OF FINANCIAL PERFORMANCE**  
*for the year ended 31 March 2023*

	Note	2022/23 R'000	2021/22 R'000
<b>REVENUE</b>			
Annual appropriation	1	8 484 661	8 515 724
Departmental revenue	2	4 613 705	4 471 351
<b>TOTAL REVENUE</b>		<b>13 098 366</b>	<b>12 987 075</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>		<b>1 760 129</b>	<b>1 901 778</b>
Compensation of employees	3	721 271	756 800
Goods and services	4	1 038 289	1 102 319
Interest and rent on land	5	569	42 659
<b>Transfers and subsidies</b>		<b>4 856 676</b>	<b>5 333 680</b>
Transfers and subsidies	7	4 856 676	5 333 680
<b>Expenditure for capital assets</b>		<b>1 076 264</b>	<b>505 138</b>
Tangible assets	8	1 076 257	505 138
Intangible assets	6	7	-
Unauthorised expenditure approved without funding			-
<b>Payments for financial assets</b>	8	438	667
<b>TOTAL EXPENDITURE</b>		<b>7 693 507</b>	<b>7 741 263</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>5 404 859</b>	<b>5 245 812</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		<b>791 154</b>	<b>774 461</b>
Annual Budget		186 774	140 179
Conditional grants		604 380	634 282
Departmental revenue and NRF Receipts	13	4 613 705	4 471 351
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>5 404 859</b>	<b>5 245 812</b>



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**STATEMENT OF FINANCIAL POSITION**

*as at 31 March 2023*

	Note	2022/23 R'000	2021/22 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>1 443 251</b>	<b>1 147 357</b>
Cash and cash equivalents	9	1 437 862	1 142 619
Receivables	11	5 389	4 738
<b>Non-current assets</b>		<b>786</b>	<b>786</b>
Receivables	11	786	786
<b>TOTAL ASSETS</b>		<b>1 444 037</b>	<b>1 148 143</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>1 442 191</b>	<b>1 146 393</b>
Voted funds to be surrendered to the Revenue Fund	12	791 154	774 461
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	648 474	368 956
Payables	14	2 563	2 976
<b>Non-Current liabilities</b>		<b>-</b>	<b>-</b>
Payables		-	-
<b>TOTAL LIABILITIES</b>		<b>1 442 191</b>	<b>1 146 393</b>
<b>NET ASSETS</b>		<b>1 846</b>	<b>1 750</b>
Recoverable revenue		1 846	1 750
<b>TOTAL</b>		<b>1 846</b>	<b>1 750</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**STATEMENT OF CHANGES IN NET ASSETS**

*for the year ended 31 March 2023*

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
<b>Recoverable revenue</b>			
Opening balance		1 750	1 819
Transfers:		<b>96</b>	<b>(69)</b>
Irrecoverable amounts written off	6.1	346	276
Debts recovered (included in departmental receipts)		-	-
Debts raised		1 130	1 045
Closing balance		(1 380)	(1 390)
<b>TOTAL</b>		<b>1 846</b>	<b>1 750</b>



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**CASH FLOW STATEMENT**  
*for the year ended 31 March 2023*

	Note	2022/23 R'000	2021/22 R'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts		<b>13 098 366</b>	<b>12 987 075</b>
Annual appropriated funds received	1.1	8 484 661	8 515 724
Statutory appropriation funds received		-	-
Departmental revenue received	2	4 613 698	4 471 346
Interest received	2.3	7	5
Net (increase)/decrease in working capital		(1 064)	(79 819)
Surrendered to Revenue Fund		(5 108 648)	(5 374 721)
Surrendered to RDP Fund/Donor		-	-
Current payments		(1 759 560)	(1 859 119)
Interest paid	5	(569)	(42 659)
Payments for financial assets		(438)	(667)
Transfers and subsidies paid		(4 856 676)	(5 333 680)
<b>Net cash flow available from operating activities</b>	<b>15</b>	<b>1 371 411</b>	<b>296 410</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Distribution/dividend received		-	-
Payments for capital assets	8	(1 076 264)	(505 138)
Proceeds from sale of capital assets		-	-
<b>Net cash flows from investing activities</b>		<b>(1 076 264)</b>	<b>(505 138)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		96	(69)
<b>Net cash flows from financing activities</b>		<b>96</b>	<b>(69)</b>
Net increase/(decrease) in cash and cash equivalents		295 243	(208 797)
Cash and cash equivalents at beginning of period		1 142 619	1 351 416
Unrealised gains and losses within cash and cash equivalents		-	-
<b>Cash and cash equivalents at end of period</b>	<b>16</b>	<b>1 437 862</b>	<b>1 142 619</b>

## GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS *for the year ended 31 March 2023*

#### **PART A: ACCOUNTING POLICIES**

##### **Summary of significant accounting policies**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

<b>1</b>	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
<b>2</b>	<b>Going concern</b> The financial statements have been prepared on a going concern basis.
<b>3</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
<b>4</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5</b>	<b>Foreign currency translation</b> Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
<b>6</b>	<b>Comparative information</b>
<b>6.1</b>	<b>Prior period comparative information</b> Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
<b>6.2</b>	<b>Current year comparison with budget</b> A comparison between the approved final budget and actual amounts for each programme and economic classification is included in the Budget statement.
<b>7</b>	<b>Revenue</b>
<b>7.1</b>	<b>Appropriated funds</b> Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund. Appropriated funds are recognised in the statement of financial performance on the date the Budget becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
<b>7.2</b>	<b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.





**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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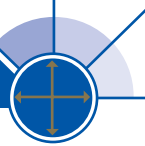
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2023*

<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p> <p>Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.</p>
<b>8.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term excluding interest.</li> </ul>
<b>9</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement cash and cash equivalents comprise cash on hand deposits held other short-term highly liquid investments and bank overdrafts.</p>

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<b>10</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments are expensed in line with the contractual agreement.</p>
<b>11</b>	<p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest where interest is charged less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
<b>12</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
<b>13</b>	<p><b>Financial assets</b></p>
<b>13.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date a department shall measure its financial assets at cost less amounts already settled or written-off except for recognised loans and receivables which are measured at cost plus accrued interest where interest is charged less amounts already settled or written-off.</p>
<b>13.2</b>	<p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset an estimation of the reduction in the recorded carrying value to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset is recorded in the notes to the financial statements.</p>
<b>14</b>	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
<b>15</b>	<p><b>Capital Assets</b></p>
<b>15.1</b>	<p><b>Immovable capital assets</b></p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
<b>15.2</b>	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>



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<b>15.3</b>	<p><b>Intangible assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>15.4</b>	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset the asset is transferred to the custodian subsequent to completion.</p>
<b>16</b>	<p><b>Provisions and Contingents</b></p>
<b>16.1</b>	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>16.2</b>	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
<b>16.3</b>	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
<b>16.4</b>	<p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
<b>17</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p> <p>Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by the Provincial Legislature without funding and is written off against the Budget in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure recorded in the notes to the financial statements comprise of:</p> <ul style="list-style-type: none"> <li>• unauthorised expenditure that was under assessment in the previous financial year;</li> <li>• unauthorised expenditure relating to previous financial year and identified in the current year; and</li> <li>• unauthorised incurred in the current year.</li> </ul>

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### NOTES TO THE ANNUAL FINANCIAL STATEMENTS *for the year ended 31 March 2023*

<b>18</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:</p> <ul style="list-style-type: none"> <li>• fruitless and wasteful expenditure that was under assessment in the previous financial year;</li> <li>• fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and</li> <li>• fruitless and wasteful expenditure incurred in the current year.</li> </ul>
<b>19</b>	<p><b>Irregular expenditure</b></p> <p>Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:</p> <ul style="list-style-type: none"> <li>• irregular expenditure that was under assessment in the previous financial year;</li> <li>• irregular expenditure relating to previous financial year and identified in the current year; and</li> <li>• irregular expenditure incurred in the current year.</li> </ul>
<b>20</b>	<p><b>Changes in accounting estimates and errors</b></p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities, and net assets for the earliest period for which retrospective restatement is practicable.</p>
<b>21</b>	<p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
<b>22</b>	<p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
<b>23</b>	<p><b>Departures from the MCS requirements</b></p> <p>The Department has complied with the provision of Modified Cash Standards.</p>
<b>24</b>	<p><b>Capitalisation reserve</b></p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
<b>25</b>	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>



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<b>26</b>	<p><b>Related party transactions</b></p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
<b>27</b>	<p><b>Inventories</b></p> <p>At the date of acquisition inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
<b>28</b>	<p><b>Public-Private Partnerships</b></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
<b>29</b>	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.</p> <p>Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.</p> <p>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>30</b>	<p><b>Transfer of functions</b></p> <p>Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
<b>31</b>	<p><b>Mergers</b></p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>

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### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 1. ANNUAL APPROPRIATION

##### 1.1 ANNUAL APPROPRIATION

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested/not received	Final Budget	Appropriation received	Funds not requested/not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	423 578	423 578	-	401 398	401 398	-
Transport Infrastructure	2 190 186	2 190 186	-	1 808 357	1 808 357	-
Transport Operations	2 862 866	2 862 866	-	3 187 285	3 187 285	-
Transport Regulation	350 465	350 465	-	341 868	341 868	-
Gautrain	2 657 566	2 457 566	-	2 776 816	2 776 816	-
<b>Total</b>	<b>8 484 661</b>	<b>8 484 661</b>	<b>-</b>	<b>8 515 724</b>	<b>8 515 724</b>	<b>-</b>

##### 1.2 CONDITIONAL GRANTS

	Note	2022/23 R'000	2021/22 R'000
<b>Total grants received</b>	34	<b>3 322 992</b>	<b>3 561 725</b>

#### 2. DEPARTMENTAL REVENUE

*Tax revenue		4 548 191	4 407 797
Sales of goods and services other than capital assets	2.1	63 596	62 958
Fines, penalties and forfeits	2.2	506	-
Interest, dividends and rent on land	2.3	7	5
Transactions in financial assets and liabilities	2.4	1 405	591
<b>Total revenue collected</b>		<b>4 613 705</b>	<b>4 471 351</b>
Less: Own revenue included in Budget		-	-
<b>Total</b>		<b>4 613 705</b>	<b>4 471 351</b>

\*The above Tax revenue is the compulsory, unrequited revenue collected by the Departments relating to Motor Vehicle Licence Tax.

##### 2.1 SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

Sales of goods and services produced by the department		63 518	62 892
Sales by market establishment		341	355
*Administrative fees		61 691	57 199
Other sales		1 486	5 338
Sales of scrap, waste and other used current goods		78	66
<b>Total</b>	2	<b>63 596</b>	<b>62 958</b>

\*Included in "Administrative fees" category is receipts received for abnormal loads licenses, Personalised number plates and permits of operators.



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	Note	2022/23 R'000	2021/22 R'000
<b>2.2 FINES, PENALTIES AND FORFEITS</b>			
Fines		506	-
<b>Total</b>	2	<b>506</b>	<b>-</b>
<b>2.3 INTEREST, DIVIDENDS AND RENT ON LAND</b>			
Interest		7	5
<b>Total</b>	2	<b>7</b>	<b>5</b>
<b>2.4 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES</b>			
Loans and advances			-
Receivables		222	463
Other Receipts including Recoverable Revenue		1 183	128
<b>Total</b>	2	<b>1 405</b>	<b>591</b>
<b>3. COMPENSATION OF EMPLOYEES</b>			
<b>3.1 ANALYSIS OF BALANCE</b>			
Basic salary		438 777	438 768
Performance award		136	3 577
Service Based		1 091	1 332
**Compensative/circumstantial		62 214	93 634
Periodic payments		5 062	1 172
Other non-pensionable allowances		109 184	110 798
<b>Total</b>		<b>616 464</b>	<b>649 281</b>

*\*\*The Compensative/Circumstantial line item reflects a substantial decrease due to reduce in overtime worked by staff as well as the various programmes which were implemented by the Department as strategic response to the Covid-19 pandemic coming to an end, these various programmes have resulted in individuals appointed by the Department on a short-term contract where any amounts due and payable were made within this category.*

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	Note	2022/23 R'000	2021/22 R'000
<b>3.2 SOCIAL CONTRIBUTIONS</b>			
<b>Employer contributions</b>			
Pension		57 570	60 462
Medical		46 916	46 516
UIF		44	9
Bargaining council		168	185
Official unions and associations		-	173
Insurance		109	174
<b>Total</b>		<b>104 807</b>	<b>107 519</b>
<b>*Total compensation of employees</b>		<b>721 271</b>	<b>756 800</b>
Average number of employees		1 501	1 596

*\*Included within the total compensation of employees are monies paid in respect of personnel appointed on an interim basis to facilitate the established of the Transport Authority for Gauteng (TAG) as a fully-fledged public entity of the Department as provided for in terms of the Gauteng Transport Authority Bill of 2019.*

*\*\*The Compensative/Circumstantial line item reflects a substantial increase due to overtime worked by staff to deal backlog such as processing of operating permits and potholes pathing created by pandemic Covid19 .In addition, payments made to individuals appointed by the Department on a short-term contract to assist in the sanitising of public transport facilities, vehicles, and commuters as part of the Department's strategic response to minimising the negative impact of the COVID-19 pandemic on the public transport sector.*





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	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
<b>4. GOODS AND SERVICES</b>			
Administrative fees		2 578	5 913
Advertising		2 587	8 269
Minor assets	4.1	697	382
Bursaries (employees)		66	32
Catering		1 726	2 372
Communication		12 128	10 629
Computer services	4.2	14 920	17 181
Consultants: Business and advisory services	4.3	44 588	47 321
Infrastructure and planning services		18 974	19 302
Laboratory services		153	-
Scientific and technological services		-	-
Legal services		47 655	16 756
*Contractors		621 526	729 814
Agency and support / outsourced services		-	-
Entertainment		-	-
Audit cost – external	4.3	8 225	7 379
Fleet services		19 384	12 298
Inventories	4.4	22 758	24 557
Consumables	4.5	58 992	51 767
Housing		-	-
Operating leases		36 163	39 866
Property payments	4.6	98 317	96 804
Rental and hiring		330	-
Transport provided as part of the departmental activities		93	-
Travel and subsistence	4.7	11 966	7 984
Venues and facilities		10 123	2 367
Training and development		4 340	1 289
Other operating expenditure	4.8	-	37
<b>Total</b>		<b>1 038 289</b>	<b>1 102 319</b>

*\*\*The contractors line item relates to payments affected by the Department in relation to the outsourced routine road maintenance and repairs undertaken by the Department during the applicable financial periods. The comparative decrease is due to the expiry of the contracts during the financial period, and the procurement process not finalised by year-end.*

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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	Note	2022/23 R'000	2021/22 R'000
<b>4.1 MINOR ASSETS</b>			
<b>Tangible capital assets</b>			
Machinery and equipment		697	382
<b>Total</b>	4	<b>697</b>	<b>382</b>
<b>4.2 COMPUTER SERVICES</b>			
External computer service providers		14 920	17 181
<b>Total</b>	4	<b>14 920</b>	<b>17 181</b>
<b>4.3 AUDIT COST – EXTERNAL</b>			
Regularity audits		7 817	7 092
Computer audits		408	287
<b>Total</b>		<b>8 225</b>	<b>7 379</b>
<b>4.4 INVENTORIES</b>			
Clothing material and accessories		4 392	2 291
Materials and supplies		12 262	15 229
Other supplies	4.4.1	6 104	7 037
<b>Total</b>	4	<b>22 758</b>	<b>24 557</b>
<b>4.4.1 OTHER SUPPLIES</b>			
*Other		6 104	7 037
<b>Total</b>	4.4	<b>6 104</b>	<b>7 037</b>
<i>*Included in other supplies is expenditure for face values.</i>			
<b>4.5 CONSUMABLES</b>			
Consumable supplies		3 245	3 625
Uniform and clothing		513	60
Household supplies		1 359	2 637
Building material and supplies		994	457
Communication accessories		-	-
IT consumables		255	243
Other consumables		124	228
*Stationery printing and office supplies		55 747	48 142
<b>Total</b>	4	<b>58 992</b>	<b>51 767</b>
<i>*The increase in the stationery, printing and office supplies is predominately relating to gazetting of the operating licenses.</i>			



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	Note	2022/23 R'000	2021/22 R'000
<b>4.6 PROPERTY PAYMENTS</b>			
Municipal services		40 889	38 933
*Other		57 428	57 871
<b>Total</b>	4	<b>98 317</b>	<b>96 804</b>

\*The line item "other" contains payments made for security services within the Department.

**4.7 TRAVEL AND SUBSISTENCE**

Local		11 192	7 971
Foreign		774	13
<b>*Total</b>	4	<b>11 966</b>	<b>7 984</b>

**4.8 OTHER OPERATING EXPENDITURE**

Resettlement costs		-	37
<b>Total</b>	4	<b>-</b>	<b>37</b>

**5. INTEREST AND RENT ON LAND**

*Interest paid		569	42 659
<b>Total</b>		<b>569</b>	<b>42 659</b>

\*The Department lost a number of Labour court cases during the financial year and had to pay interest.

**6. PAYMENTS FOR FINANCIAL ASSETS**

*Debts written off		438	667
<b>Total</b>		<b>438</b>	<b>667</b>

\*The Department considered to write off debts which were prescribed in law during the year under review.

**6.1 DEBTS WRITTEN OFF**

**Nature of debts written off**

Other debt written off		438	667
<b>Total debt written off</b>	4	<b>438</b>	<b>667</b>

**7. TRANSFERS AND SUBSIDIES**

Provinces and municipalities	46, 47	2 062	2 087
Departmental agencies and accounts	Annex 1B	2 657 566	2 776 816
Public corporations and private enterprises	Annex 1D	2 187 805	2 464 764
Non-profit institutions	Annex 1F	-	29 600
Households	Annex 1G	9 243	60 413
<b>Total</b>		<b>4 856 676</b>	<b>5 333 680</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2023*

	Note	2022/23 R'000	2021/22 R'000
<b>8. EXPENDITURE FOR CAPITAL ASSETS</b>			
<b>Tangible assets</b>		<b>1 076 257</b>	<b>505 138</b>
Buildings and other fixed structures	31	1 060 485	492 597
Machinery and equipment	29	15 772	12 541
<b>Intangible assets</b>		<b>7</b>	<b>-</b>
Software	40	7	-
<b>Total</b>		<b>1 076 264</b>	<b>505 138</b>

**8.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – CURRENT YEAR**

	Voted funds R'000	2022/23 Aid assistance R'000	Total R'000
<b>Tangible capital assets</b>	<b>1 076 257</b>	<b>-</b>	<b>1 076 257</b>
Buildings and other fixed structures	1 060 485	-	1 060 485
Machinery and equipment	15 772	-	15 772
<b>Intangible capital assets</b>	<b>7</b>	<b>-</b>	<b>7</b>
Software	7	-	7
<b>Total</b>	<b>1 076 264</b>	<b>-</b>	<b>1 076 264</b>

**8.2 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – PRIOR YEAR**

	Voted funds R'000	2021/22 Aid assistance R'000	Total R'000
<b>Tangible capital assets</b>	<b>505 138</b>	<b>-</b>	<b>505 138</b>
Buildings and other fixed structures	492 597	-	492 597
Machinery and equipment	12 541	-	12 541
<b>Total</b>	<b>505 138</b>	<b>-</b>	<b>505 138</b>

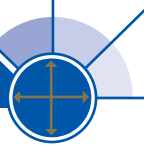
**8.3 FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS**

<b>Tangible capital assets</b>			
Buildings and other fixed structures			
Machinery and equipment		1 737	1 873
<b>Total</b>		<b>1 737</b>	<b>1 873</b>

*The finance lease expenditure relates to motor vehicles obtained from g-Fleet Management under a finance lease agreement.*

**9. CASH AND CASH EQUIVALENTS**

Consolidated Paymaster General Account	1 437 803	1 142 560
Cash on hand	59	59
<b>Total</b>	<b>1 437 862</b>	<b>1 142 619</b>



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	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
<b>10. PREPAYMENTS AND ADVANCES</b>			
Staff advances		-	-
Travel and subsistence		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

**10.1 PREPAYMENTS (EXPENSED)**

	<i>Note</i>	<b>2022/23</b>			<b>Amount as at 31 March 2023</b>	
		<b>Amount as at 1 April 2022</b>	<b>Less: Received in the current year</b>	<b>Add or Less: Other</b>	<b>Add: Current Year prepayments</b>	<b>R'000</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services		-	(7 317)	-	7 317	-
<b>Total</b>		<b>-</b>	<b>(7 317)</b>	<b>-</b>	<b>7 317</b>	<b>-</b>

	<i>Note</i>	<b>2021/22</b>			<b>Amount as at 31 March 2022</b>	
		<b>Amount as at 1 April 2021</b>	<b>Less: Received in the current year</b>	<b>Add or Less: Other</b>	<b>Add: Current Year prepayments</b>	<b>R'000</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services		3	(7 620)	-	7 617	-
<b>Total</b>		<b>3</b>	<b>(7 620)</b>	<b>-</b>	<b>7 617</b>	<b>-</b>

**10.2 ADVANCES PAID (EXPENSED)**

	<i>Note</i>	<b>2022/23</b>			<b>Amount as at 31 March 2023</b>	
		<b>Amount as at 1 April 2022</b>	<b>Less: Received in the current year</b>	<b>Add or Less: Other</b>	<b>Add: Current Year prepayments</b>	<b>R'000</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
National departments		506	(728)	-	505	283
<b>Total</b>		<b>506</b>	<b>(728)</b>	<b>-</b>	<b>505</b>	<b>283</b>

	<i>Note</i>	<b>2021/22</b>			<b>Amount as at 31 March 2022</b>	
		<b>Amount as at 1 April 2021</b>	<b>Less: Received in the current year</b>	<b>Add or Less: Other</b>	<b>Add: Current Year prepayments</b>	<b>R'000</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
National departments		1 253	(951)	-	204	506
<b>Total</b>		<b>1 253</b>	<b>(951)</b>	<b>-</b>	<b>204</b>	<b>506</b>

**11. RECEIVABLES**

	<i>Note</i>	<b>2022/23</b>			<b>2021/22</b>		
		<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Claims recoverable	11.1	1 258	-	1 258	1 867	-	1 867
Recoverable expenditure	11.2	1 592	-	1 592	342	-	342
Staff debt	11.3	2 539	-	2 539	2 529	-	2 529
Other receivables	11.4	-	786	786	-	786	786
<b>Total</b>		<b>5 389</b>	<b>786</b>	<b>6 175</b>	<b>4 738</b>	<b>786</b>	<b>5 524</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**11.1 CLAIMS RECOVERABLE**

	Note	2022/23 R'000	2021/22 R'000
National departments		126	36
Provincial departments		9	-
*Public entities		1 123	1 831
<b>Total</b>	11	<b>1 258</b>	<b>1 867</b>

*\*This balance relates to salaries paid to employees transferred to g-Fleet Management through secondment to provide support.*

**11.2 RECOVERABLE EXPENDITURE**

*Grouped major categories and list of material items*

Sal:Reversal Control: Dom		636	8
Sal:Deduction Disall Acc: CA		71	1
Deposit Account: Dom		849	290
Sal:Tax Debt: CA		1	2
Receipt Deposit Control: Dom		-	41
Sal:Gehs Refund Control Acc: CL		24	-
Sal:Medical Aid: CL		11	-
<b>Total</b>	11	<b>1 592</b>	<b>342</b>

**11.3 STAFF DEBT**

Breach of Contract Ex-employee		182	171
Employees		149	236
Ex-employees		2 015	2 011
Supplier		193	111
<b>Total</b>	11	<b>2 539</b>	<b>2 529</b>

*\*The Department charges interest on the debt of ex-employees in line with the prescribed interest rate as issued and updated by National Treasury.*

**11.4 OTHER RECEIVABLES**

*Other		786	786
<b>Total</b>	11	<b>786</b>	<b>786</b>

*\*Included in other debtors is an amount that relates to security deposit for the building leased for the Xavier Driver Licence Testing Centre (DLTC).*

**11.5 IMPAIRMENT OF RECEIVABLES**

Estimate of impairment of receivables		72	51
<b>Total</b>		<b>72</b>	<b>51</b>



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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	Note	2022/23 R'000	2021/22 R'000
<b>12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND</b>			
Opening balance		774 461	934 799
Prior period error		-	-
As restated		774 461	934 799
Transferred from statement of financial performance (as restated)		791 154	774 461
Conditional grants surrendered by the provincial department	12.1	-	-
Paid during the year		(774 461)	(934 799)
<b>Closing balance</b>		<b>791 154</b>	<b>774 461</b>
<b>12.1 RECONCILIATION ON UNSPENT CONDITIONAL GRANTS</b>			
Total conditional grants received	1.2	3 322 992	-
Total conditional grants spent		(2 718 612)	-
Unspent conditional grants to be surrendered		604 380	-
Less: Paid to the Provincial Revenue Fund by Provincial department		-	-
Approved for rollover		-	-
Not approved for rollover		-	-
<b>Due by the Provincial Revenue Fund</b>		<b>604 380</b>	-
<b>13. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND</b>			
Opening balance		368 956	337 527
Prior period error	18.1	-	-
As restated		368 956	337 527
Transfer from Statement of Financial Performance (as restated)		4 613 705	4 471 351
Paid during the year		(4 334 187)	(4 439 922)
<b>Closing balance</b>		<b>648 474</b>	<b>368 956</b>
<b>14. PAYABLES – CURRENT</b>			
Other payables	14	2 563	2 976
<b>Total</b>		<b>2 563</b>	<b>2 976</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2023*

	Note	2022/23 R'000	2021/22 R'000
<b>14.1 OTHER PAYABLES</b>			
Outstanding payments: Dom		3	986
Sal: Persal EBT Control Acc: Dom		63	-
Sal: Income Tax: CL		1 689	292
Sal: ACB Recalls: CA		2	935
Sal: Fin Institution Study Loans: CL		21	-
Sal: Pension Fund: CL		-	21
Bank Adjustment: Dom		784	210
Sal: Garnishee Order: CL		1	532
<b>Total</b>	14	<b>2 563</b>	<b>2 976</b>
<b>15. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES</b>			
Net surplus/(deficit) as per Statement of Financial Performance		5 404 859	5 245 812
Add back non-cash/cash movements not deemed operating activities		(4 033 448)	(4 949 402)
(Increase)/decrease in receivables		(651)	(46)
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables - current		(413)	(79 773)
Proceeds from sale of capital assets		-	-
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		1 076 264	505 138
Surrenders to RDP Fund/Donors		(5 108 648)	(5 374 721)
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
<b>Net cash flow generating</b>		<b>1 371 411</b>	<b>296 410</b>
<b>16. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES</b>			
Consolidated Paymaster General account		1 437 803	1 142 560
Cash on hand		59	59
<b>Total</b>		<b>1 437 862</b>	<b>1 142 619</b>





## GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
<b>17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS</b>			
<b>17.1 CONTINGENT LIABILITIES</b>			
<b>Liable to Nature</b>			
Claims against the department	Annex 2B	409 314	363 111
Intergovernmental payables	Annex 4	3 801	4 071
*Other	Annex 2B	-	-
<b>Total</b>		<b>413 115</b>	<b>367 182</b>

\*Other: The Department on behalf of the Gauteng Province has in existence a concession agreement with Bombela Consortium for the design, construction and operation of a rapid rail link between Pretoria and Johannesburg, and Johannesburg and O.R. Tambo International Airport, consisting of 80km's of rail and 10 stations. Included as part of the concession agreement are the terms and conditions under which a Patronage Guarantee is paid to the Concessionaire to ensure sustained quality services.

The amount paid is assessed on the difference between Minimum Required Total Revenue and the Actual Total Revenue as defined in the Concession Agreement after considering the actual performance of the Concessionaire during the period under review. The current year Patronage Guarantee has already been paid and it is foreseen that it will also be paid for the next 12 months. However, no reliable estimate of the amount payable can be established at this stage of the process due to the uncertainty surrounding the nature and timing of the events that contribute to the determination of the Patronage Guarantee. The management and oversight of the concession agreement for the Gautrain Rapid Rail Link Project is undertaken by the Gautrain Management Agency, a schedule 3C provincial public entity which was established in terms of the Gautrain Management Act, Act No 5 of 2006.

#### 17.2 CONTINGENT ASSETS

<b>Nature of contingent asset</b>			
Construction of Road K174 interchange (R42) with R59 (P156-2)		-	82 822
Design and review of various intersections within Allandale and Woodmead Road		97 410	97 410
Construction for the upgrade of provincial road 374 (Beyers Naude Avenue) between Peter Road and the N14		10 000	10 000
<b>Total</b>		<b>107 410</b>	<b>190 232</b>

The Department discloses contingent assets in line with the Modified Cash Standard. The currently disclosed contingent assets arise from contribution agreements signed between property developers and the Department. The contribution agreements provide for a possible asset to the Department in the form of various contributions that are relevant to the applicable project. The realisation of these various contribution will only be determined on the completion of the applicable project. The amount disclosed is the best estimate of the potential financial effect for the department: The following projects are disclosed as contingent assets during the year under review:

Road K174-The scope of work to be undertaken constitutes the investigation, survey, preliminary design, detail design, construction and monitoring of the project by a Professional Civil Engineer (ECSCA registered).

Allandale and Woodmead road- The scope of work to be undertaken constitutes the investigation, survey, preliminary design, detail design, construction and monitoring of the project by a Professional Civil Engineer (ECSCA registered).

Road 374- The scope of work to be undertaken constitutes the investigation, survey, preliminary design, detail design, construction and monitoring of the project by a Professional Civil Engineer (ECSCA registered).

#### 18. CAPITAL COMMITMENTS

<b>Current expenditure</b>		
Buildings and other fixed structures		3 132 084
<b>Total</b>		<b>3 132 084</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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	Note	2022/23 R'000	2021/22 R'000
<b>19. ACCRUALS AND PAYABLES NOT RECOGNISED</b>			
<b>19.1 ACCRUALS</b>			
<b>Listed by economic classification</b>			
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>
Goods and services	57 729	-	57 729
Interest and rent on land	-	-	-
Transfers and subsidies	113 270	-	113 270
Capital assets	89 554	-	89 554
Other	38 906	-	38 906
<b>Total</b>	<b>299 459</b>	<b>-</b>	<b>299 459</b>
<b>Listed by programme level</b>			
Administration		28 177	49 287
Transport Infrastructure		128 681	32 751
Transport Operations		97 193	129 524
Transport Regulations		50 408	40 103
<b>Total</b>		<b>299 459</b>	<b>251 665</b>
<b>19.2 PAYABLES NOT RECOGNISED</b>			
<b>Listed by economic classification</b>			
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>
Goods and services	275	-	275
Interest and rent on land	-	-	-
Transfers and subsidies	4	-	4
Capital assets	112 831	-	112 831
Other	-	-	-
<b>Total</b>	<b>113 110</b>	<b>-</b>	<b>113 110</b>
<b>Listed by programme level</b>			
Administration		351	-
*Transport Infrastructure		112 759	986
Transport Operations		-	-
Transport Regulations		-	-
<b>Total</b>		<b>113 110</b>	<b>986</b>

*\*The significant increase is mainly due to the acceleration of projects which resulted in invoices submitted after the last payment run for the financial year. These were amongst the interventions implemented by the department to curb underspending and ensure payment of service providers are made within 30 days.*

<b>Included in the above totals are the following:</b>			
Confirmed balances with other departments	Annex 5	42077	34 037
Confirmed balances with other government entities	Annex 5	38 567	58 910
<b>Total</b>		<b>80 645</b>	<b>92 947</b>



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	Note	2022/23 R'000	2021/22 R'000
<b>20. EMPLOYEE BENEFITS</b>			
*Leave entitlement		43 285	48 939
Service bonus		18 504	18 438
Performance awards		-	-
Capped leave commitments		11 442	12 942
**Other		13 524	1 017
<b>Total</b>		<b>86 755</b>	<b>81 336</b>

*\*Included herein is negative leave entitlement to the value of **R420 362.37** which occurred as a result of the pro-rata calculation of leave taken as at 31 March 2023.*

*\*\*This estimate amount is mainly relating to long service awards due to employees for serving the Department for longer than 20,30 and 40 years respectively. This includes other employee's accruals.*

**21. LEASE COMMITMENTS**

**21.1 OPERATING LEASES**

2022/23	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	17 745	1 195	18 940
Later than 1 year and not later than 5 years	-	-	31 842	304	32 146
Later than 5 years	-	-	-	-	-
<b>*Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>49 587</b>	<b>1 499</b>	<b>51 086</b>

*\*Included in the operating lease commitment is the lease agreement relating to the leased facilities at the Driving Licence Testing Centre (Xavier Junction Premises) which expires in 2025. The future minimum lease payments expected to be made for the next twelve months and not later than five years is **R17.745 million** and **R31.842 million** respectively. These figures include an annual escalation of 6%.*

2021/22	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	16 741	1 797	18 538
Later than 1 year and not later than 5 years	-	-	49 587	67	49 654
Later than 5 years	-	-	-	-	-
<b>*Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>66 328</b>	<b>1 864</b>	<b>68 192</b>

## GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000		
<b>21.2 FINANCE LEASES**</b>					
<b>2022/23</b>					
	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than 5 years	-	-	-	-	-
<b>Total lease commitments</b>	-	-	-	-	-
<b>2021/22</b>					
	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	1 295	1 295
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than 5 years	-	-	-	-	-
<b>Total lease commitments</b>	-	-	-	1 295	1 295

## 22. ACCRUED DEPARTMENTAL REVENUE

Tax revenue	1 451 991	998 034
<b>Total</b>	<b>1 451 991</b>	<b>998 034</b>

The above balance as disclosed include fraudulent transaction as reported from various collecting agents amounting to R410.3 million. Through various engagements the Road Traffic Management Corporation (RTMC) committed to include preventative controls such as:

1. Conversion of a 3G APN from dynamic to static (as this will avoid location movement of the 3G access card);
2. NATIS Biometric Login as this will allow traceability of exact individual accessing eNATIS computer equipment.
3. Locking of workstation to single MAC address; and
4. Clean – up of workstation IDs.

RTMC started installation of biometric access control system (171 computers already installed). However, this represents only about 14%. The department has concluded a contract with the Road Traffic Management Corporation to recover all fees lost due to fraudulent activities at a commission of 40% of whatever is recovered. The arrangement was supported by the Gauteng Provincial Treasury.

### 22.1 ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE

Opening balance	998 034	693 616
Less: amounts received	(4 548 191)	(4 842 534)
Less: services received in lieu of cash	-	-
Add: amounts recorded	5 026 887	5 093 078
Less: amounts written off/reversed as irrecoverable	(24 739)	-
Less: amounts transferred to receivables for recovery	-	-
Other (prior period error)	-	53 874
<b>Closing balance</b>	<b>1 451 991</b>	<b>998 034</b>



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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	Note	2022/23 R'000	2021/22 R'000
<b>22.2 ACCRUED DEPARTMENT REVENUE WRITTEN OFF</b>			
<b>Nature of losses</b>			
Accrued department revenue written off		24 739	-
<b>Total</b>		<b>24 739</b>	<b>-</b>
<b>23. IRREGULAR EXPENDITURE</b>			
<b>23.1 RECONCILIATION OF IRREGULAR EXPENDITURE</b>			
<b>Unauthorised expenditure - current year</b>		-	-
Irregular expenditure - current year		2 316 982	2 476 449
* Fruitless and wasteful expenditure - current year		2 516	92 223
<b>Total</b>		<b>2 319 498</b>	<b>2 568 672</b>

*The Department is alleged to have incurred Unauthorised and Fruitless and wasteful expenditure relating to the management of Public Transport Operation Grant Subsidies (PTOG). Such allegations and recommendations are contained in an investigation report initiated by Gauteng Provincial Treasury. During 2019/20 financial year, the Head of Department accepted the forensic report, and the alleged transgressors are being subjected to internal Departmental disciplinary processes. In the process of implementing the recommendations of the report, it became evident that there are certain areas that require guidance from Treasury. The Department has sought the guidance from both Gauteng Provincial Treasury and the Office of the Premier in relation to certain aspects of the transactions that needs clarity prior, hence it is not possible to disclose the items raised in the report as unauthorised and fruitless and wasteful expenditure.*

*\* Included in the prior year balance of Fruitless and Wasteful expenditure is **R23 million** incurred during the construction of road K46 projects as determined by the assessment report conducted by the professional engineers. This amount relates to remedial work which is required to be completed by the newly appointed contractor.*

**24. RELATED PARTY TRANSACTIONS**

**Revenue received**

Tax revenue	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*The Gauteng Department of Roads and Transport is related to its entities under the control of the MEC; g-Fleet Management and Gautrain Management Agency (GMA), below are transactions made to both entities during the financial year (2022/23): g-Fleet Management - **R31.642 million** payments made for fleet services and salaries, these transactions were at arm's length. Gautrain Management Agency (GMA) **R2.657 billion** (Total value of transfer payments made as at 31 March 2023).*

*In relation to Gauteng Transport Authority (TAG), the total expenditure incurred during the year under review is **R13.309 million**.*

*Key Management Personnel are deemed to be related parties for 2022/23 financial year a total amount of **R21.171 million** was paid as compensation to Key Management Personnel. Please refer to note 34 for a detailed breakdown of payments made in financial year 2022/23 as compensation to Key Management Personnel.*

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*for the year ended 31 March 2023*

	Note	2022/23 R'000	2021/22 R'000
<b>25. KEY MANAGEMENT PERSONNEL</b>			
Political office bearers (provide detail below)	2	2 143	2 000
Officials:			
Level 15 to 16	7	9 597	8 964
Level 14	8	9 431	11 243
<b>Total</b>		<b>21 171</b>	<b>22 207</b>

*Included in the above balance is expenditure relating to salaries paid to the staff of the Gauteng Transport Authority (TAG) during the year under review. The Details of such as expenditure are contained in the financial information of the entity.*

**26. PUBLIC PRIVATE PARTNERSHIP**

<b>Concession fee received</b>	<b>2 657 566</b>	<b>2 776 816</b>
MTEF	2 657 566	2 776 816

*The Department on behalf of the Gauteng Province has in existence a concession agreement with Bombela Consortium for the design, construction and operation of a rapid rail link between Pretoria and Johannesburg, and Johannesburg and O.R. Tambo International Airport, consisting of 80km's of rail and 10 stations. The management and oversight of the concession agreement for the Gautrain Rapid Rail Link Project is undertaken by the Gautrain Management Agency (GMA), a schedule 3C provincial public entity which was established in terms of the Gautrain Management Act, Act No 5 of 2006.*

*The Department transferred **R2,657 billion** during the financial year to ensure business continuity and service delivery. For additional information pertaining to Gautrain asset please refer to Gautrain Management Agency (GMA) Annual Report.*

**27. PROVISIONS**

Retentions	89 106	65 985
Litigations	-	-
<b>Total</b>	<b>89 106</b>	<b>65 985</b>



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**27.1 RECONCILIATION OF MOVEMENT IN PROVISIONS – CURRENT YEAR**

2022/23	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	65 985	-	-	65 985
Increase in provision	56 247	-	-	56 247
Settlement of provision	(19 416)	-	-	(19 416)
Unused amount reversed	(13 710)	-	-	(13 710)
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
<b>Closing balance</b>	<b>89 106</b>	<b>-</b>	<b>-</b>	<b>89 106</b>

**Reconciliation of movement in provisions – Prior year**

2021/22	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	15 239	-	-	15 239
Increase in provision	11 986	-	-	11 986
Settlement of provision	(4 168)	-	-	(4 168)
Unused amount reversed	77	-	-	77
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	42 851	-	-	42 851
<b>Closing balance</b>	<b>65 985</b>	<b>-</b>	<b>-</b>	<b>65 985</b>

**28. MOVABLE TANGIBLE CAPITAL ASSETS**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

2022/23	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>492 106</b>	<b>-</b>	<b>14 568</b>	<b>(7 728)</b>	<b>498 946</b>
Transport assets	359 959	-	-	-	359 959
Computer equipment	62 950	-	8 923	(6 072)	65 801
Furniture and office equipment	26 313	-	868	(769)	26 412
Other machinery and equipment	42 884	-	4 777	(887)	46 774
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>492 106</b>	<b>-</b>	<b>14 568</b>	<b>(7 728)</b>	<b>498 946</b>

**Movable Tangible Capital Assets under investigation**

	<i>Note</i>	Number R'000	Value R'000
<b>Included in the above total of the movable tangible capital assets per the asset register that are under investigation:</b>			
Machinery and equipment		<b>1 408</b>	<b>37 366</b>
<b>Total</b>		<b>1 408</b>	<b>37 366</b>

*Included in the closing balance of Movable assets is an amount of R37.366 million relating to assets were could not be traced during the intensive assets verification. A separate register with progress made to date has been kept as part of the action and consequence management. A verification report has been generated which outlined action to be taken including formal investigation for consideration and approval by the Accounting Officer.*

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*for the year ended 31 March 2023*

**28.1 MOVEMENT FOR 2021/22**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

2021/22	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>486 400</b>	<b>4 230</b>	<b>10 948</b>	<b>9 472</b>	<b>492 106</b>
Transport assets	366 743	(953)	-	5 831	359 959
Computer equipment	55 984	4 429	6 126	3 589	62 950
Furniture and office equipment	24 585	107	1 657	36	26 313
Other machinery and equipment	39 088	647	3 165	16	42 884
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>486 400</b>	<b>4 230</b>	<b>10 948</b>	<b>9 472</b>	<b>492 106</b>

**28.1.1 PRIOR PERIOD ERROR**

	Note	2021/22 R'000
<b>NATURE OF PRIOR PERIOD ERROR)</b>		<b>4 230</b>
<b>Relating to 2021/22 financial year (affecting the opening balance)</b>		<b>4 230</b>
Adjustment relating to Transport Assets		(953)
Adjustment relating to computer equipment		4 429
Adjustment relating to furniture and office equipment and other machinery and equipment		754
<b>Total prior period errors</b>		<b>4 230</b>

*The prior period error relating to:*

*Transport Assets is mainly as a result duplicated assets and those which were disposed and not removed from the Asset Register while Computer equipment, furniture and other machinery is mainly as result of those assets which were marked written-off in the asset register but were found on the floor during the asset physical verification.*





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**28.2 MINOR ASSETS**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2023**

2022/23	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	20	-	42 004	-	42 024
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	697	-	697
Disposals	-	-	-	(4 336)	-	(4 336)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>38 365</b>	<b>-</b>	<b>38 385</b>
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	133	-	133
Number of minor assets at cost	-	-	-	27 157	-	27 157
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 290</b>	<b>-</b>	<b>27 290</b>

**Minor Capital Assets under investigation**

	Number	Value R'000
<b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	4 564	6 138

*Included in the closing balance of Minor assets is an amount of **R6.138 million** relating to assets were could not be traced during the intensive assets' verification. A separate register with progress made to date has been kept as part of the action and consequence management. A verification report has been generated which outlined action to be taken including formal investigation for consideration and approval by the Accounting Officer.*

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022**

2021/22	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	21	-	41 053	-	41 074
Prior period error	-	-	-	1 142	-	1 142
Additions	-	-	-	382	-	382
Disposals	-	(1)	-	(573)	-	(574)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>42 004</b>	<b>-</b>	<b>42 024</b>
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	132	-	132
Number of minor assets at cost	-	-	-	59 641	-	59 641
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59 773</b>	<b>-</b>	<b>59 773</b>

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**28.2.1 PRIOR PERIOD ERROR**

	<i>Note</i>	<b>2021/22</b>
<b>NATURE OF PRIOR PERIOD ERROR</b>		<b>R'000</b>
<b>Relating to 2021/22 (affecting the opening balance)</b>		1 142
Adjustment to other machinery and equipment		1 142
<b>Total prior period errors</b>		<b>1 142</b>

*The prior period error relating to machinery and equipment is mainly as a result of those assets which were disposed, marked written off and or destroyed in the Asset Register but were not physically removed and these assets were found on the floor during the asset physical verification.*

**28.3 MOVABLE TANGIBLE CAPITAL ASSETS WRITTEN OFF****MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2023**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	-	-	-
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	-	-	-	-	-	-

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2022**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	-	-	-
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	-	-	-	-	-	-

**29. INTANGIBLE CAPITAL ASSETS****MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	Opening Balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>SOFTWARE</b>	43 899	7	-	-	43 906
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	43 899	7	-	-	43 906



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2023*

**29.1 MOVEMENT FOR 2021/22**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

2021/22	Opening Balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	43 899	-	-	-	43 899
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>43 899</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43 899</b>

**30. IMMOVABLE TANGIBLE CAPITAL ASSETS**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

2022/23	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>40 665 723</b>	<b>266 386</b>	<b>-</b>	<b>40 932 109</b>
Other fixed structures	40 665 723	266 386	-	40 932 109
<b>LAND AND SUBSOIL ASSETS</b>	<b>494 824</b>	<b>10 756</b>	<b>-</b>	<b>505 580</b>
Land	494 824	10 756	-	505 580
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>41 160 547</b>	<b>277 142</b>	<b>-</b>	<b>41 437 689</b>

**30.1 MOVEMENT FOR 2021/22**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

2021/22	Opening Balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>41 070 637</b>	<b>(411 940)</b>	<b>12 342</b>	<b>(5 316)</b>	<b>40 665 723</b>
Other fixed structures	41 070 637	(411 940)	12 342	(5 316)	40 665 723
<b>LAND AND SUBSOIL ASSETS</b>	<b>468 873</b>	<b>-</b>	<b>25 951</b>	<b>-</b>	<b>494 824</b>
Land	468 873	-	25 951	-	494 824
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>41 539 510</b>	<b>(411 940)</b>	<b>38 293</b>	<b>(5 316)</b>	<b>41 160 547</b>

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### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 30.1.1 PRIOR PERIOD ERROR

	Note	2021/22 R'000
<b>NATURE OF PRIOR PERIOD ERROR</b>		
Relating to 2021/22 [affecting the opening balance]		(411 940)
Conditional assessment of road infrastructure		(411 940)
Relating to 2021/22		-
<b>Total prior period errors</b>		<b>(411 940)</b>

The prior period error as disclosed is mainly the adjustment relating to prior year for the replacement costs which were obtained using professionals in the roads industry (CSIR) as part of the 5-year plan to update the Road Inventory Network (RNI). This process has now given the opportunity to the Department to respond to any information required as portfolio of evidence has been loaded on the system. The RNI is the core of the Department's RAMS and is a complete record of the provincial road network for which the Department is responsible. It is essentially a database table that holds records for all the provincial roads, broken up into links with attribute data to ensure seamless process during the inspection and or verification:

The nature of this adjustment is such that all the roads infrastructure were physically inspected, and their conditions were also assessed to ensure safety compliance and as part of planning for both maintenance and rehabilitation.

#### 30.2. IMMOVABLE TANGIBLE CAPITAL ASSETS: CAPITAL WORK-IN-PROGRESS

##### CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

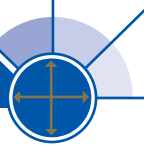
	Note <i>Annexure 7</i>	Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
Buildings and other fixed structures		1 734 961	1 049 727	(266 386)	2 518 302
<b>TOTAL</b>		<b>1 734 961</b>	<b>1 049 727</b>	<b>(266 386)</b>	<b>2 518 302</b>

##### Payables not recognised relating to Capital WIP

	Note	2022/23 R'000	2021/22 R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress		163 622	4 567
<b>TOTAL</b>		<b>163 622</b>	<b>4 567</b>

##### CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Note	Opening balance 1 April 2021 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2022 R'000
Buildings and other fixed structures		1 342 596	131 596	485 038	(224 269)	1 734 961
<b>TOTAL</b>		<b>1 342 596</b>	<b>131 596</b>	<b>485 038</b>	<b>(224 269)</b>	<b>1 734 961</b>



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### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 31. PRINCIPAL-AGENT ARRANGEMENTS

##### 31.1 DEPARTMENT ACTING AS THE PRINCIPAL

	2022/23	2021/22
	R'000	R'000
Ekurhuleni Metropolitan Municipality	373 754	330 876
Mogale City	27 574	26 026
Sedibeng Municipality	84 765	73 018
Rand west	28 207	20 094
Merafong Municipality	12 686	13 322
City of Johannesburg	376 538	313 707
City of Tshwane	281 784	232 461
South African Post Services	169 800	203 572
RTMC Online & DLTC	62 735	11 878
Gautrain	2 851	283
<b>Total</b>	<b>1 420 694</b>	<b>1 225 237</b>

The above municipalities are collecting revenue on behalf of the Department in terms of the Road Traffic Act. For the service, they render on behalf of the Department they are entitled to a range between 20% or 100% agency fee (commission) as per signed service level agreement.

If these municipalities fail to deposit net revenues collected to the Department for a period of two months, the Department will cut the supply of the face value forms for three (3) or more months. In addition, where continuous deficiencies are identified, the Department will assign management and supervisory staff to oversee the operations of this function within the defaulting municipality and should the misadministration or unacceptable performance perpetuate then the function to perform Registering and Testing Authority will be withdrawn.

In the event where the principal arrangement is terminated, the municipality is required to pay over any outstanding amounts owing, return all the computer equipment's purchased for the purposes of administering this function and lastly the Department at its own expense will remove these equipment's from the municipal premises.

\*Merafong is under administration thus surrender 100% of collected revenue to the Department.

The Department of Infrastructure Development (DID) is facilitating the projects of rehabilitation maintenance and construction of DLTCs on behalf of the Department. No agency fees were paid to DID in the current financial year.

The Gautrain Management Agency (GMA) was established to co-ordinate, manage, and play an oversight role in terms of the implementation and operational side of Gautrain Rapid Rail Link Project and they also serve as an Agent in rendering the DLTCs functions together with the Road Traffic Management Corporation (RTMC) on behalf of the Department. For additional information pertaining to transfers to GMA please refer to Note 8 and 27.

The City of Tshwane Metropolitan Municipality (CoT) is providing subsidised bus service for Mamelodi and Southern, Eastern, Northern and Pretoria CBD on behalf of the Department. No agency fees were paid to the City of Tshwane in the current financial year.

Note	2022/23	2021/22
	R'000	R'000

#### 31.2 DEPARTMENT ACTING AS THE AGENT

##### 31.2.1 REVENUE RECEIVED FOR AGENCY ACTIVITIES

	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Department is collecting Pay As You Earn (PAYE) on behalf of South African Revenue Services (SARS) as required by Income Tax Act no agency fees have been received in this regard.

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### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 32. PRIOR PERIOD ERRORS

	Note	2021/22		
		Amount before error correction	Prior period error	Restated
		R'000	R'000	R'000
<b>Assets</b>	32	944 160	53 873	998 033
Accrued Departmental Revenue		944 160	53 873	998 033
<b>Net effect</b>		<b>944 160</b>	<b>53 873</b>	<b>998 033</b>

The opening balance of accrued departmental revenue has been restated as it has erroneously excluded the new collecting Agents (Gautrain and Road Traffic Management Corporation) which were appointed by the Department during the 2021/22 financial year thus amount due and payable by these agents has been recognised accordingly.

	Note	2021/22		
		Amount before error correction	Prior period error	Restated
		R'000	R'000	R'000
<b>Liabilities</b>	27	1 199 755	25 482	1 225 237
Agent Principal Arrangement		1 199 755	25 482	1 225 237
<b>Net effect</b>		<b>1 199 755</b>	<b>25 482</b>	<b>1 225 237</b>

The opening balance of agent principal arrangement has been restated as it has erroneously excluded the new collecting Agents (Gautrain Management Agency and Road Traffic Management Corporation) which were appointed by the Department during the 2021/22 financial year thus amount paid as a collection fee by these agents has been disclosed accordingly.

	Note	2021/22		
		Amount before error correction	Prior period error	Restated
		R'000	R'000	R'000
<b>Liabilities</b>	27	2 684 158	513 911	3 198 069
Provisions		23 134	42 851	65 985
Commitments		2 661 024	471 060	3 132 084
<b>Net effect</b>		<b>2 684 158</b>	<b>513 911</b>	<b>3 198 069</b>

The opening balance of provision has been restated such that it includes monies retained per certificate for all capital projects implementing by the Department. In addition, those projects which were not disclosed were assessed and retrospectively adjusted to ensure complete disclosure of liabilities.

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*for the year ended 31 March 2023*

**33. STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF GRANT	2022/23						2021/22			
	GRANT ALLOCATION			SPENT			Division of Revenue Act	R'000	Amount spent by department	R'000
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department				
Provincial Roads Maintenance Grant	680 058	-	-	-	680 058	680 058	49 413	93%	715 362	621 653
Public Transport Operations Grant	2 730 552	-	(97 475)	-	2 633 077	2 633 077	554 967	79%	2 836 725	2 296 152
Expanded Public Works Programme	9 857	-	-	-	9 857	9 857	-	100%	9 638	9 638
<b>Total</b>	<b>3 420 467</b>	<b>-</b>	<b>(97 475)</b>	<b>-</b>	<b>3 322 992</b>	<b>3 322 992</b>	<b>604 380</b>	<b>79,5%</b>	<b>3 561 725</b>	<b>2 927 443</b>

**34. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	2022/23						2021/22			
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer	R'000
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld				
Mun B/Acc:Vehicle Licences	2 310	-	-	2 310	2 062	-	-	2 200	2 087	
<b>Total</b>	<b>2 310</b>	<b>-</b>	<b>-</b>	<b>2 310</b>	<b>2 062</b>	<b>-</b>	<b>-</b>	<b>2 200</b>	<b>2 087</b>	

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2023*

**35. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE**

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

**36. COVID 19 RESPONSE EXPENDITURE**

	<i>Note</i>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
*Compensation of employees		27 977	71 168
Goods and services		46	1 325
<b>Total</b>	<i>Annexure 11</i>	<b>28 023</b>	<b>72 493</b>

*\*The above amount disclosed in the compensation relates to payments made to military veterans to ensure safety in the schooler public transport within Gauteng province..*



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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
(UNAUDITED SUPPLEMENTARY SCHEDULE)**

*for the year ended 31 March 2023*

**ANNEXURE 1A**

**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	2022/23					2021/22						
	GRANT ALLOCATION			TRANSFER		SPENT			Division of Revenue Act	Actual Transfer		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality			Amount spent by municipality	Unspent funds
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	%	
Mun B/Acc: Vehicle Licences Mun	2 310	-	-	2 310	2 062	-	-	2 310	2 062	248	89%	2 087
<b>TOTAL</b>	<b>2 310</b>	<b>-</b>	<b>-</b>	<b>2 310</b>	<b>2 062</b>	<b>-</b>	<b>-</b>	<b>2 310</b>	<b>2 062</b>	<b>248</b>	<b>89%</b>	<b>2 087</b>

**ANNEXURE 1B**

**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL/ AGENCY/ ACCOUNT	2022/23					2021/22				
	TRANSFER ALLOCATION			TRANSFER		Total Available	Actual Transfer	% of available funds transferred	Final Budget	Actual transfer
	Adjusted Budget	Roll Overs	Adjustments	Roll Overs	Actual Transfer					
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Prov DA: Gauntrain Man Agency	2 657 566	-	-	2 657 566	2 657 566	100%	2 776 816	100%	2 776 816	
<b>TOTAL</b>	<b>2 657 566</b>	<b>-</b>	<b>-</b>	<b>2 657 566</b>	<b>2 657 566</b>	<b>100%</b>	<b>2 776 816</b>	<b>100%</b>	<b>2 776 816</b>	

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
(UNAUDITED SUPPLEMENTARY SCHEDULE)**

*for the year ended 31 March 2023*

**ANNEXURE 1C****STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	2022/23										2021/22			
	GRANT ALLOCATION					EXPENDITURE					Final Budget	Actual transfer		
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of Available funds transferred	Capital	Current	R'000	R'000				
<b>Public Corporations</b>														
<b>Subsidies</b>	2 867 915	-	-	2 867 915	2 187 805	76,3%	-	2 187 805	3 036 463	2 464 764				
Public Transport Operation Grant	2 730 550	-	-	2 730 550	2 078 110	76,1%	-	2 078 110	2 836 725	2 296 152				
Northwest Star Demarcation	137 365	-	-	137 365	109 695	79,9%	-	109 695	199 738	168 612				
<b>TOTAL</b>	<b>2 867 915</b>	<b>-</b>	<b>-</b>	<b>2 867 915</b>	<b>2 187 805</b>	<b>76,3%</b>	<b>-</b>	<b>2 187 805</b>	<b>3 036 463</b>	<b>2 464 764</b>				

**ANNEXURE 1D****STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	2022/23							2021/22						
	TRANSFER ALLOCATION				EXPENDITURE			Final Budget	Actual transfer					
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	R'000			R'000				
<b>Transfers</b>														
Gauteng Taxi Industry Trust	-	-	-	-	-	-	-	-	29 600	29 600				
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29 600</b>	<b>29 600</b>				

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**(UNAUDITED SUPPLEMENTARY SCHEDULE)**  
*for the year ended 31 March 2023*

**ANNEXURE 1E**  
**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	2020/23				2021/22		
	TRANSFER ALLOCATION			EXPENDITURE		Actual transfer	
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer		Final Budget
R'000	R'000	R'000	R'000	R'000	R'000	R'000	
<b>Transfers</b>							
H/H:Empl S/Ben:Injury on duty	2 360	-	-	2 360	277	2 342	70
H/H:Empl S/Ben:Leave gratuity	3 440	-	-	3 440	5 661	2 993	6 872
H/H: Claims Against State (Cash)	5 000	-	-	5 000	3 305	4 910	53 471
<b>TOTAL</b>	<b>10 800</b>	<b>-</b>	<b>-</b>	<b>10 800</b>	<b>9 243</b>	<b>10 245</b>	<b>60 413</b>
							<b>%</b>
							<b>% of available funds transferred</b>
							<b>12%</b>
							<b>165%</b>
							<b>66%</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**(UNAUDITED SUPPLEMENTARY SCHEDULE)**  
*for the year ended 31 March 2023*

**ANNEXURE 1F**  
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2022/23	2021/22
	R'000	R'000
<b>Made in kind</b>		
MEC Back to school	81	-
Kitso Information and Development Centre	173	-
Advanced children for success (ACFS)	281	-
Donation made to retirees employees	61	-
<b>TOTAL</b>	<b>596</b>	<b>-</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**(UNAUDITED SUPPLEMENTARY SCHEDULE)**  
*for the year ended 31 March 2023*

**ANNEXURE 2B**  
**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023**

Nature of Liability	Opening Balance 1 April 2022	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Litigations	363 111	76 322	(30 119)	-	409 314
<b>TOTAL</b>	<b>363 111</b>	<b>76 322</b>	<b>(30 119)</b>	<b>-</b>	<b>409 314</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**(UNAUDITED SUPPLEMENTARY SCHEDULE)**  
*for the year ended 31 March 2023*

**ANNEXURE 3**  
**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2022/23*	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
National Department of Justice	-	36	-	-	-	36	-	-
National Department of Rural Development and Land Reform	64	-	-	-	64	-	-	-
Department of Small Business Development	62	-	-	-	62	-	-	-
Gauteng Agriculture and Rural Development	1	-	-	-	1	-	-	-
Department E-government	8	-	-	-	8	-	-	-
	135	36	-	-	135	36	-	-
<b>Other Government Entities</b>								
g-Fleet Management	1 123	1 825	-	-	1 123	1 825	-	-
<b>Sub-Total</b>	1 123	1 825	-	-	1 123	1 825	-	-
<b>TOTAL</b>	1 258	1 861	-	-	1 258	1 861	-	-

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**(UNAUDITED SUPPLEMENTARY SCHEDULE)**  
*for the year ended 31 March 2023*

**ANNEXURE 4**  
**INTERGOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23*	
	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	Payment date	Amount R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
National Department of Justice and Constitution Development	15 252	28 324	3 801	4 071	19 053	32 395	-	-
Government Printing Works	10 750	-	-	-	10 750	-	-	-
Department of Public Service and Administration	473	764	-	-	473	764	-	-
Office of the Premier	2 999	2 483	-	-	2 999	2 483	-	-
Gauteng Department of Infrastructure	-	1 714	-	-	-	1 714	-	-
Government Employees Pension Fund	-	722	-	-	-	722	-	-
Department of Community Safety	12 603	-	-	-	12 603	-	-	-
Gauteng Agriculture and rural Development	-	30	-	-	-	30	-	-
<b>Subtotal</b>	<b>42 077</b>	<b>34 037</b>	<b>3 801</b>	<b>4 071</b>	<b>45 878</b>	<b>38 108</b>	-	-
<b>OTHER GOVERNMENT ENTITY</b>								
g-Fleet Management	1 848	2 376	-	-	1 848	2 376	-	-
Road Traffic Management Corporation (RTMC)	27 676	28 455	-	-	27 676	28 455	-	-
Driving Licence Card Account	7 391	7 165	-	-	7 391	7 165	-	-
Road Traffic Infringement Agency	837	1 383	-	-	837	1 383	-	-
Gautrain Management Agency	815	3 242	-	-	815	3 242	-	-
Johannesburg Road agency	-	16 289	-	-	-	16 289	-	-
<b>Subtotal</b>	<b>38 567</b>	<b>58 910</b>	<b>-</b>	<b>-</b>	<b>38 567</b>	<b>58 910</b>	-	-
<b>TOTAL INTERGOVERNMENTAL PAYABLES</b>	<b>80 645</b>	<b>92 947</b>	<b>3 801</b>	<b>4 071</b>	<b>84 446</b>	<b>97 018</b>	-	-

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**(UNAUDITED SUPPLEMENTARY SCHEDULE)**  
*for the year ended 31 March 2023*

**ANNEXURE 5**  
**INVENTORIES**

Inventories for the year ended 31 March 2023	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	1 061	30 929	12 904	-	44 894
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases - Cash	6 178	10 477	6 104	-	22 759
Add: Additions - Non-cash	226	5 081	-	-	5 307
(Less): Disposals	-	-	-	-	-
(Less): Issues	(6 093)	(18 633)	(5 034)	-	(29 760)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
<b>Closing balance</b>	<b>1 372</b>	<b>27 854</b>	<b>13 974</b>	<b>-</b>	<b>43 200</b>

Inventories for the year ended 31 March 2022	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	238	27 952	11 463	-	39 653
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases - Cash	4 011	13 218	7 329	-	24 558
Add: Additions - Non-cash	20	222	-	-	242
(Less): Disposals	-	-	-	-	-
(Less): Issues	(3 208)	(10 463)	(5 888)	-	(19 559)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
<b>Closing balance</b>	<b>1 061</b>	<b>30 929</b>	<b>12 904</b>	<b>-</b>	<b>44 894</b>



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT  
VOTE 9**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
(UNAUDITED SUPPLEMENTARY SCHEDULE)**

*for the year ended 31 March 2023*

**ANNEXURE 7**

**MOVEMENT IN CAPITAL WORK IN PROGRESS**

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2023**

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>1 734 961</b>	<b>1 049 727</b>	<b>(266 386)</b>	<b>2 518 302</b>
Other fixed structures	1 734 961	1 049 727	(266 386)	2 518 302
<b>TOTAL</b>	<b>1 734 961</b>	<b>1 049 727</b>	<b>(266 386)</b>	<b>2 518 302</b>

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>1 342 596</b>	<b>131 596</b>	<b>485 038</b>	<b>(224 269)</b>	<b>1 734 961</b>
Other fixed structures	1 342 596	131 596	485 038	(224 269)	1 734 961
<b>TOTAL</b>	<b>1 342 596</b>	<b>131 596</b>	<b>485 038</b>	<b>(224 269)</b>	<b>1 734 961</b>

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**(UNAUDITED SUPPLEMENTARY SCHEDULE)**  
*for the year ended 31 March 2023*

**ANNEXURE 9**  
**ADDITIONAL INFORMATION ON IMMOVABLE ASSETS**

***The detail for note 39.4 may be included in this annexure.***

Wording to suit their specific circumstances to comply with Chapter 11 on Capital Assets: Appendix A can be inserted here.

***In addition to the detail for note 39.4 the department should address the information regarding:***

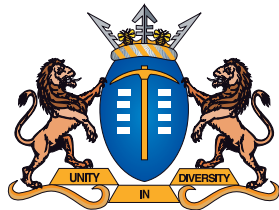
1. Surveyed but unregistered land parcels and
2. Contingent assets.



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT**  
**VOTE 9**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**(UNAUDITED SUPPLEMENTARY SCHEDULE)**  
*for the year ended 31 March 2023*

**ANNEXURE 11**  
**COVID 19 RESPONSE EXPENDITURE**  
Per quarter and in total

EXPENDITURE PER ECONOMIC CLASSIFICATION	2022/23				2021/22
	Q1	Q2	Q3	Q4	Total
	R'000	R'000	R'000	R'000	R'000
<b>Compensation of employees</b>	25	10 709	8 020	9 223	27 977
<b>Goods and services</b>	<b>46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46</b>
CNS: BUS ADV SER: ORGANISATIONAL	46	-	-	-	46
ADVERT: PROMOTIONAL ITEMS	-	-	-	-	1
DOMESTIC FURNITURE	-	-	-	-	222
CNS: BUS & ADV SER: ORGANISATIONAL	-	-	-	-	209
CONS HOUS SUP: TOILETRIES	-	-	-	-	761
CONS MAT & SUP: HARDWARE	-	-	-	-	132
<b>TOTAL COVID 19 RESPONSE EXPENDITURE</b>	<b>71</b>	<b>10 709</b>	<b>8 020</b>	<b>9 223</b>	<b>28 023</b>
					<b>72 493</b>



**GAUTENG PROVINCE**

ROADS AND TRANSPORT  
REPUBLIC OF SOUTH AFRICA



# **g-FleeT MANAGEMENT**

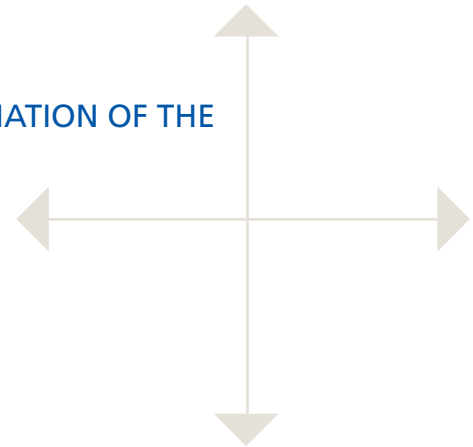
## **Annual Report**

### **2022/23 Financial Year**



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 **gFleet**  
MANAGEMENT  
Putting your fleet into business

**INFORMATION CARD**

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 **GAUTENG PROVINCE**  
Department of Transport and Public Works  
MEMBER OF GOVERNMENT SERVICES



**G-FLEET MANAGEMENT**

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# **GENERAL INFORMATION**



# GENERAL INFORMATION

# HIGHLIGHTS G-FLEET

01

The Entity owned and managed a fleet size of approximately six thousand seven hundred and thirty (6730) vehicles as of 31 March 2023



02

A total of 961 vehicles were sold during the financial year, resulting in generating a total revenue totaling R88.851 million



03

The Entity reported 18.06% reduction in average debtors' collection days



## 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](http://www.gfleet.gov.za)



## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>AARTO</b>	Administrative Adjudication of Road Traffic Offences Act
<b>AGSA</b>	Auditor-General of South Africa
<b>AIDC</b>	Automotive Industry Development Centre
<b>API</b>	Application Programming Interface
<b>BAC</b>	Bid Adjudication Committee
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BRS</b>	Business Requirements Specifications
<b>CSD</b>	Central Supplier Database
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>COO</b>	Chief Operations Officer
<b>CSIR</b>	Council for Science and Institutional Research
<b>DPSA</b>	Department of Public Service and Administration
<b>DRT</b>	Department of Roads and Transport
<b>e-Gov</b>	e-Government
<b>FML</b>	Full Maintenance Lease
<b>GDRT</b>	Gauteng Department of Roads and Transport
<b>GEYODI</b>	Gender, Youth, Disability
<b>GPT</b>	Gauteng Provincial Treasury
<b>HoD</b>	Head of Department
<b>HRA</b>	Human Resource Administration
<b>ICT</b>	Information and Communication Technology
<b>IFMS</b>	Integrated Fleet Management System
<b>OEM</b>	Original Equipment Manufacturers
<b>OoP</b>	Office of the Premier
<b>RFQ</b>	Request for Quotation
<b>SCM</b>	Supply Chain Management
<b>SHERQ</b>	Safety, Health, Environment, Risk and Quality
<b>SLA</b>	Service Level Agreement
<b>SMS</b>	Senior Management Service
<b>TMR</b>	Transformation, Modernisation and Re-industrialisation



### 3. FOREWORD BY THE CEO

MS. NOXOLO MANINJWA  
**CHIEF EXECUTIVE OFFICER**  
**g-FLEET MANAGEMENT**

## OVERVIEW OF FINANCIAL YEAR

### BACKGROUND

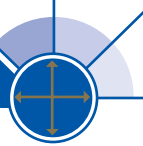
g-FleeT Management (also herein referred to as the Entity) formally known as Gauteng Government Motor Transport is the Trading Entity of the Gauteng Department of Roads and Transport (GDRT). The DRT established the trading Entity in 2004 and the Entity was re-branded as g-FleeT Management in 2007. The main aim of the Entity is to provide motor transportation services to all government departments at provincial, municipal and national levels.

g-FleeT Management operates from Bedfordview, where the Head Office is based, with offices at 45 Commissioner Street, Johannesburg Central Business District, offices in Koedoespoort, Pretoria, and a kiosk at the OR Tambo International Airport, Kempton Park. The Entity has three functional regional offices, namely, in Kwa-Zulu Natal, Eastern Cape and Western Cape. These mainly service regional and district offices of Gauteng-based National Departments' and municipalities who are key clients of g-FleeT Management.

g-FleeT Management clients are located mostly in Gauteng as national, provincial and local government departments. National Departments' regional offices in other provinces also utilise g-FleeT Management services.

Our clients are mostly permanent fleet users and are spread in other areas of the country, as follows:

- National Level Clients: 25 clients with a total of 1 131 vehicles.
- Gauteng Departments: 14 clients with a total of 3 887 vehicles.
- Limpopo Provincial Departments: 2 clients using short-term services.
- Eastern Cape Provincial Government: 1 client using short-term services.



g-FleeT Management has a strong relationship with all its clients. Although overall products and services satisfaction perception rate varied amongst clients as demonstrated by the 2022/23 client satisfaction survey report and despite the challenges that the Entity continued to face, the overall customer satisfaction rate was 81.22%.

Management has responded accordingly by ensuring that the Entity's operations strategy that was approved during the 2021/22 financial year, focused on improved client satisfaction. Some areas identified in the operations strategy consist of improving customer care, development of human capital, automation and digitisation of processes, providing a conducive work environment for our employees, improve internal control systems and corporate governance, zero tolerance for fraud and corruption, and going green to improve environmental sustainability. The implementation of the operations strategy is aimed at improving our clients' experience, perception and satisfaction with g-FleeT Management. The Entity aims to acquire more clients through actively promoting services to other government departments.

The Entity owned and managed a fleet size of approximately 6 730 vehicles as of 31 March 2023. 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 busses.

### **SERVICES OFFERED BY THE ENTITY**

The Entity is mandated to provide effective, competitive, efficient and reliable fleet services to government departments. These services are offered at a fee to all spheres of government. The Entity is required to be financially self-sustainable. The Entity provided the following services to its clients during the year under review:

- Full Maintenance Lease (FML) – The FML is a long-term vehicle lease service offered by g-FleeT Management which is comprised of a fixed rental cost over a selected period of a minimum of 12 months up to seven 7 years, depending on the type of vehicle and the functional needs of the client.
- Short-term motor rentals - is a short-term vehicle lease service offered by g-FleeT Management 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 that is offered on a 24/7 basis and this assists our clients with towing and repairs of vehicles involved in accidents and ensuring the safety of our clients.
- License and traffic fine administration which is responsible for:
  - ◇ Motor vehicle registration and licensing
  - ◇ Ensuring that every fine is re-routed to the correct offender.

### **TOP MANAGEMENT'S PERSPECTIVE OF THE ENTITY**

In complying with recommendations by the Auditor-General in the 2021/22 report, the Entity had to revise its 2020-2025 Strategic Plan and its 2022/23 Annual Performance Plan. These two plans were revised during the third quarter of the financial year 2022/23 and was approved in January 2023.

It was recommended that the output indicator for the percentage of the Entity's discretionary procurement spend directed towards township suppliers, was dropped from the Annual Performance Plan. This was due to the indicator not being well defined, specific, verifiable and the planned target did not meet the SMART criteria. In a meeting with the Gauteng Department of Economic Development (GDED), it was resolved that the indicator be removed from the APP, pending finalisation of work to be done in relation to the database.

While challenges were continuously encountered, the Entity worked very hard to improve the overall performance against targets approved in the Adjusted Annual Performance Plan for the financial year 2022/23. Out of 10 approved targets in the 2022/23 Annual Performance Plan, the Entity achieved a total of seven targets. This translates into an overall percentage achievement of 70%. Below is a summary of the Entity's performance:

## IMPROVING EFFICIENCY AND CUSTOMER SERVICE

### ACHIEVEMENTS

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

- Average age of fleet, ≤4 years** – this outcome seeks to ensure that vehicles provided by g-FleeT Management are efficient and reliable. This is necessary to ensure that the cost of maintaining vehicles is minimised. The Entity kept an average age of fleet at 4 years during the financial year under review.  
 This was due to the acquisitions of new vehicles and the de-fleeting of old vehicles which yielded a positive outcome of the Entity's fleet age. This is a positive achievement, which ensures that the Entity delivers on its mission of "Providing reliable fleet to meet client needs".
- Number of Integrated Fleet Management System (IFMS) modules developed and signed-off as per revised project plan (NOT ACHIEVED)** – the Information and Communication Technology (ICT) strategy for the next five years was developed by State Information Technology Agency (SITA) for approval in April 2021. During the period under review, the Entity only managed the Business Requirement Specification for the four IFMS modules. This was due to e-Gov reporting that there were no developers in the department to develop the modules. The resignation of the project manager from e-Gov at the end of February 2023 also delayed the project.

### MAXIMISING RETURN ON INVESTMENT (ACHIEVED)

Return on Investment indicators are very important to g-FleeT Management as the Entity does not receive equitable share or any grant allocations. The demand for vehicles by client departments have a direct impact to the revenue generation of the Entity. The Entity strives to ensure that our fleet is optimally utilised. The 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, 56%** - the Entity achieved 76.11% against a target of 56%. 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 busses, and the service offered without a driver. The vehicles under this category are available under short-term rentals and are available from a period of one day to three months, with an option to renew up to a maximum of 12 months.
- Percentage of rental days utilised for Pool vehicles, 75%** - the Entity achieved 93.01% against the target of 75%. Pool vehicle services is available from a period of one day to three months, with an option to renew 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. These vehicles were in high demand by departments providing essential services during the lockdown.



- **Percentage of vehicles auctioned as per approved list** - the Entity had a target of 80% of all approved vehicles to be sold and achieved 93% against the set target for the year under review. This is as a result of the market that has been created over time by g-Fleet Management. As vehicles age and become too expensive to maintain and repair, they must be sold out at auctions timeously to realise maximum value of the asset/vehicle. In addition, the disposal of these assets timeously reduces incurring risks.

A total of **961** vehicles were sold during the financial year, resulting in generating a total revenue totaling **R88.851 million**. This is an increase of 12% in revenue as compared to the performance of the previous financial year.

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

#### *Revenue collection – Disposal of Vehicles through Public Auctions*

No.	Auction Date	Fleet Sold (#)	Total Proceeds (R)
1	07 September 2022	375	33 165 254
2	07 December 2022	285	28 518 759
3	24 March 2023	301	27 167 333
	<b>Total</b>	<b>961</b>	<b>88 851 346</b>

#### **REVENUE COLLECTION – LEASES OF VEHICLES**

The Entity surpassed the 15% target in decreasing the average debtor days. This percentage excludes the amounts owed by client departments that submitted written payment plans.

Despite the challenges experienced by the Entity and its client departments as well as increased budget cuts by client departments, revenue generated from leases of vehicles exceeded the planned target of R899 million by R156 million, an aggregate amount of **R1.055 billion** was collected from client departments.

There was an increase of 13% in comparison to the amount of **R933 million** collected in the financial year 2021/22. The increased revenue generated from leases of vehicles is largely attributed to the strong relationships and continued support received from the various client departments as well as the implementation of the Debtors Management Policy. The Entity will continue to follow-up on all outstanding accounts in line with the approved Debtors Management Policy.

The below table provides a synopsis of the revenue collection growth in the past five years:

	2018/19	2019/20	2020/21	2021/22	2022/23
Source of Revenue	R'000	R'000	R'000	R'000	R'000
Revenue Collected from Leases of Vehicles	865,056	884,718	836,827	933,239	1,055,178
% Growth per year	10%	2.27%	-5%	11%	13%

#### **SAFEGUARDING OUR VEHICLES**

**Percentage of in-service vehicles tracked, 90%** - The purpose of installing comprehensive vehicle tracking units is to allow for g-Fleet Management owned vehicles to be tracked and traced, monitor health of the vehicles, monitor driver behaviour and ensure that the officials from various client departments and internally, are driving safely. The comprehensive tracking system is used for route optimisation, location of a vehicle at a particular point in time, monitor mileage, speed, etc. All these have a direct impact on the sustainability of the asset (vehicle) and safety efficiencies. The target for the financial year under review was 90% of in-service vehicles tracked and the Entity managed 89%.

## SUSTAINABLE DEVELOPMENT FOR FUTURE GENERATION

- **Percentage of passenger vehicles with CO2 emissions below 120g/KM, 6%** – this target is required to ensure reduction in the carbon footprint (i.e., decreasing Green-House-Gas emissions produced by road transportation as expressed in the Green Transport Strategy for South Africa (2018-2050). The Entity is striving to minimise the amount of carbon footprint transmitted by its vehicles on the environment. As such, a target of 6% was set. The Entity achieved 7.3% (424/5 771) of passenger vehicles that have CO2 emissions below 120g/km. Increased demand for vehicles with emission below 120g/km, as such 169 vehicles with emission below 120g/km were procured.

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

g-Fleet Management considers ICT as a strategic partner to its overall business strategy. This resulted in ensuring that modernisation and digitalisation becomes a critical part of the Entity's five-year strategy.

During the period under review, the Entity only managed to complete the Business Requirement Specification for the four IFMS modules. This was due to e-Gov reporting that there were no developers in the department to develop the modules. The resignation of the project manager from e-Gov at the end of February 2023 also delayed the project.

## REVITALISING THE TOWNSHIP ECONOMY

### **Contribution towards Transformation, Modernisation, and Re-industrialisation (TMR)**

The output indicator is required to speed up growth and transforming the economy in the townships to create decent work and sustainable livelihoods in townships.

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

The Gauteng Provincial Government has committed itself to a viable economic empowerment of all black people (historically disadvantaged individuals), in particular, Women, Youth and People with Disabilities through diverse but integrated socio-economic strategies. It has set its equity targets relating to B-BBEE for all provincial departments and entities in the province to be met on a monthly basis.

Total awarded to HDI companies	Total awarded to WOMEN OWNED companies	Total awarded to YOUTH OWNED companies	Total awarded to PWD OWNED companies
80	40	10	5

*Table 1.2. Provincial Equity Targets*

Furthermore, the Gauteng Provincial Government has committed to achieving 40% of provincial spend on goods and services to support the Township Economy Revitalisation (TER) programme. The Entity has committed itself to strive to meet the provincial targets as set by the Office of the Premier.





The tables below show how the Entity has performed on the equity targets between the 2021/22 and 2022/23 financial year:

Contracts awarded to enterprises owned by: Historically Disadvantaged Individuals					
2021/22			2022/23		
Total Number	Total Percentage (%)	Total Value (R)	Total Number	Total Percentage (%)	Total Value (R)
71	88	24,949,835	62	89	30,294,411

Table 1.3.: Analysis of Awards to HDIs

Contracts awarded to enterprises owned by: Women					
2021/22			2022/23		
Total Number	Total Percentage (%)	Total Value (R)	Total Number	Total Percentage (%)	Total Value (R)
33	29	1,685,629	37	42	7,325,957

Table 1.4.: Analysis of Awards to Women

Contracts awarded to enterprises owned by: Youth					
2021/22			2022/23		
Total Number	Total Percentage (%)	Total Value (R)	Total Number	Total Percentage (%)	Total Value (R)
31	31	5,233,051	20	20	4,683,813

Table 1.5.: Analysis of Awards to Youth

Contracts awarded to enterprises owned by: People with Disabilities					
2021/22			2022/23		
Total Number	Total Percentage (%)	Total Value (R)	Total Number	Total Percentage (%)	Total Value (R)
3	7	87,495	7	8	1,298,498

Table 1.6: Analysis of Awards to PWDs

Contracts awarded to enterprises owned by: Military Veterans					
2021/22			2022/23		
Total Number	Total Percentage (%)	Total Value (R)	Total Number	Total Percentage (%)	Total Value (R)
2	1	361,388	4	4	479,079

Table 1.7: Analysis of Awards to MVs

The table below outlines the provincial target currently on Township Economy Revitalisation (TER) spent for 2022/23 financial year:

Month	Total Spent on Goods, Services and Construction	Proportion Spent on Township-Based Suppliers	% TER Spent
Apr-22	937,118,10	448,707,83	48
May-22	1 086,183,38	521,933,50	48
Jun-22	911,434,89	681,603,08	75
Jul-22	1 803,052,28	588,749,10	33
Aug-22	931,565,15	611,390,45	66
Sep-22	808,801,95	611,390,45	76
Oct-22	1,701,664,74	611,390,45	36
Nov-22	867,934,12	611,390,45	70
Dec-22	1,354,284,12	707,363,80	52
Jan-23	1,312,229,60	1,015,874,79	77
Feb-23	1,163,468,87	604,850,46	52
Mar-23	1,869,849,91	1,130,393,55	60
<b>Total</b>	<b>14,747,587,11</b>	<b>8,145,037,91</b>	<b>55</b>

- 40% of the Entity's discretionary procurement spend was directed towards township suppliers (**Excluding Non-Discretionary procurement spend – e.g., transversal contracts RT3, RT15, RT46 and RT57 etc. Transactions from a tender process, all non-procurement transactions such as Municipal Accounts, Auditor-General, Claims Against State. Procurement for other provinces e.g., KZN Regional Office, East London Regional Office and Cape Town Regional Office where suppliers are appointed from that province).**

The Entity achieved 55% of township spent on goods, service and construction in support of the provincial target. The target has however been removed from the Annual Performance Plan (APP) due to the audit finding received whereby auditors were questioning the fact that the definition was unclear and the fact there was no list of townships in line with the definition that is signed-off by the Gauteng Department of Economic Development (DED).

## CLEAN ADMINISTRATION

- Unqualified opinion from Auditor-General of South Africa** – a well governed institution is built on clean administration. Thus, a clean government administration is one that puts the principles of the Constitution, 1996 into daily use. The Entity obtained a qualified audit opinion from the Auditor-General of South Africa for the 2021/22 financial year. Further to receiving the qualified audit opinion, the Entity developed an Audit Improvement Plan with interventions aimed at ensuring that the Entity receives an unqualified audit opinion for the 2022/23 financial year. The Entity has managed to implement 75% of its Audit Improvement Plan and the remaining 25% is still in progress. The AG process commenced before the end of the 2022/23 financial year. To improve the internal control shortcomings identified by internal auditors, the Entity continues to monitor the implementation of recommendations made by auditors on a monthly basis.

## MANAGING THE DEBTORS

- Percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity), 15%** – while this is necessary for clean administration, it has direct implication on financial sustainability of the Entity. A target of 15% average debtors' collection days (excluding



outstanding balances of clients that have payment arrangements with the Entity) was set. The Entity reported 18.06% reduction in average debtors' collection days. The increased reduction is due to steady engagements with client departments as per Debtors' Management Policy.

The Entity committed to improve Occupational Health and Safety (OHS) aspects through rehabilitating existing infrastructure to ensure compliance with the OHS Act. Several contractors were appointed through the Department of Infrastructure and Development (DID) to finalise and rehabilitate three buildings as well as rehabilitate other buildings currently used by g-FleeT Management staff.

Finally, an operations strategy for the Entity has been adopted and approved for implementation by the Office of Head of Department. The strategy details several programmes that must be implemented to improve efficiency in the operations of the Entity holistically. A business case has been submitted to Department of e-Government to ascertain whether they can assist with the development and implementation of the new fleet system.

## INFRASTRUCTURE PROJECTS

As part of our continuous efforts to improve employees' work environment and operations, the Entity completed the refurbishments of three buildings at Bedfordview Head Office. The following buildings were refurbished:

- The state-of-the-art Wellness Centre with a fully-fledged canteen and gym area.
- A new Panel Beating Workshop with an inspection area, preparation area, spray booth, stock room and two training rooms for apprenticeship.
- Carwash ablution facility.

The Department of Infrastructure and Development (DID) handed over the buildings to g-FleeT Management on 22 February 2023.

g-FleeT Management has started with moving employees to the refurbished buildings while finalising the plans to fully operationalise them.

## PHASE II INFRASTRUCTURE PROJECT (BEDFORDVIEW)

The Phase II of the infrastructure project relates to the construction and refurbishment of identified buildings at Head Office to address the shortage of office accommodation, security issues and enhance business operational flow.

This project involves the building of a new administration block and renovations of other buildings to align to the g-FleeT Management Operating Model/Business Operational Flow.

As part of aligning our business model, gFleeT will also upgrade the security infrastructure, like, high walls, security control room, auction offices and carports for vehicles to safeguard against weather and theft.

Gauteng Department of Infrastructure and Development, as the implementing agency, appointed a professional team (engineers, QS, architects) in June 2022 to oversee the project. g- FleeT is finalising the space planning layouts before the project can be approved by the municipality and go out on tender. It is envisaged that the tender will go out in August 2023.

## CHALLENGES FACED BY THE ENTITY

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

## TRAFFIC FINES

The Entity is currently struggling with manual re-routing of the Administrative Adjudication of Road Traffic Offences Act (AARTO) traffic fines since the Act requires the AARTO 07 to be signed by a Commissioner of Oaths. However, the Entity

still sends the fines to the clients in spreadsheet format. The Entity is in the process of acquiring a new fleet system. It is envisaged that among other things, the new system will interface with E-natis and the tracker system to enable the Entity to re-direct traffic fines with driver details online. The proxy and the representative have in the meantime registered with [www.paythat.co.za](http://www.paythat.co.za), City of Cape Town traffic fines website. The traffic fines unit will log onto the system on a weekly basis to check for any outstanding fines.

## ORGANISATIONAL AND EMPLOYEE ENVIRONMENT

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

These are functions required by the Entity, however, not incorporated in the current structure because of the “form and shape” of the Entity. In terms of the current organisational structure, the GDRT is supposed to assist and provide the following functions:

- Human Resources
- Legal Services
- Information Communications and Technology
- Anti-fraud and Corruption
- Risk Management Committee
- Supply Chain Management
- Monitoring and Evaluation.

A consultative meeting with Organised Labour and the Broader Management Team was held on 1 and 2 August 2022 and facilitated by the Office of the Premier (OoP) with a follow-up session held for the proposed structure on 8 and 9 September 2022.

The final proposed organisational structure was presented to the general staff on 9 December 2022.

The proposed structure does not provide for the logistics function as the project is still at the conceptual stage. Business Units were requested to provide inputs by 10 January 2023 with the closing date of 18 January 2023. Only four Business Units responded, and their inputs were incorporated for noting and submission to OoP for further processing. A meeting with OoP and DRT on the proposed structure analysis outcome was supposed to be held on 27 March 2023. However, the meeting was postponed to a date to be confirmed by the OoP. The organisational structure process was withdrawn by the Head of the Department or put on hold.

The Entity submitted a request for the creation of 84 posts additional to the post establishment to DRT in February 2023. The creation of the posts is intended to capacitate the Entity in the following areas: AG and Internal Auditing, Finance, ICT, SCM, Risk Management, Strategic Planning, Monitoring and Evaluation, Transformation (GEYODI), HR, operationalisation of panel beating workshop that has just been rehabilitated. The envisaged submission date for the submission of the organisational structure to Department of Public Service and Administration (DPSA) was 30 April 2023.

## FORM AND SHAPE OF THE ORGANISATION

The Entity is directly competing with the private sector, therefore, there is a need to operate in terms of the business principles like any private leasing company to remain competitive and provide good service to its clients for survival. For the Entity to be efficient and sustainable, its form, shape, structure and systems must allow for improvement on governance and accountability, sustainability (both financial and operationally); be able to attract and retain scarce skills, be able to procure and deploy resources and improve on programme management/monitoring and evaluation of its projects.



In addition, the form and shape must allow for quick turnaround times and decision-making for the Entity to take advantage of market opportunities arising from time to time. An initial meeting between the Entity, OoP, DPSA, GPT and GDRT: Corporate Services took place on 21 September 2021.

Further to the Organisational Review: A Project Steering Committee meeting was held in February 2022, the Entity had to abandon the procurement processes that were undertaken to appoint a service provider to undertake an assignment to prepare a feasibility study and a comprehensive business case on "form and shape" of the organisation to create an autonomy from GDRT for approval by the relevant authorities. This has, however, changed and is now being done internally with the assistance of OoP and DRT in line with the decision taken in the Organisational Review: Project Steering Committee meeting held in February 2022. The draft business case, together with proposed organisational structure and Change Management Strategy, recommending that the Entity be established as a government component was developed and submitted to Gauteng Provincial Treasury.

## HIGH VACANCY RATE

The vacancy rate in the 2022/23 financial year is at 31% and his broken down, as follows

Level	Approved Establishment	Filled (Including contract workers)	Vacant	Vacancy Rate
SMS (Level 13 to 16)	8	6	2	25%
Level 11 to 12	17	14	3	18%
Level 7 to 10	107	80	27	25%
Level 1 to 6	143	90	53	37%
<b>Total</b>	<b>275</b>	<b>190</b>	<b>85</b>	<b>31%</b>

The Entity has a total of 275 positions in the approved structure, with 190 filled positions and (85) vacant positions. The current vacancy rate is at 31%.

At senior management level, there are eight positions with five positions filled by Females and one by a Male. Two positions are vacant, translating to a 25% vacancy rate.

Two officials were seconded from the Department to the Entity for a period of 12 months to perform the functions of the Chief Financial Officer and Chief Risk Officer, respectively.

Thirty-three critical positions were advertised in January 2023 and February 2023. The Entity has since developed a Recruitment Project Plan to conclude all interviews by 30 September 2023.

In the period under review, the following appointment letters were issued: 19 offers were accepted, four Officials assumed their duties on 1 October 2022, six Officials assumed their duties on 1 November 2022 and three Officials assumed their duties on 1 December 2022. Three Officials assumed their duties on 1 January 2023. (The Business Analyst offer was revised to the second recommended candidate but disapproved by Head of the Department and the post is to be re-advertised, and two Officials assumed their duties on 1 March 2023. Approval was granted for the head-hunting of the Chief Operations Officer (COO) and 14 applications were received. A directive from the Member of the Executive (MEC) and HOD was issued to readvertise the post of COO. The recruitment and selection process has commenced, and it is envisaged that the first phase of the recruitment process will be finalised by June 2023 and the second phase to be finalised in December 2023 as per the legislative framework guidelines.

## FUTURE PLANS

To support the objectives of the 6th Administration in Transport and to grow the Gauteng Economy, the Entity identified key strategic priorities as outlined in the 2020-2025 Strategic Plan. These key strategic priorities are anchored around three focus areas, namely, Infrastructure, Operations, and Institutions. The focus areas are underpinned by Technology and ensure compliance with the National Green Transport Strategy. g-Fleet Management Operations Management Five-Year Strategy is therefore focusing on these areas.

As such, key areas have been identified, namely:

- Customer care management
- Automation and digitisation
- Training and development
- Conducive working environment
- Improving the state of the regional offices
- Driver behavior management.

## OVERVIEW OF THE FINANCIAL RESULTS OF THE TRADING ENTITY

### STATEMENT OF FINANCIAL PERFORMANCE

#### RECEIPTS

The results of the actual collections for 2022/23 and the comparative year are depicted in **Table 2.3.4.1** below:

*Table 2.3.4.1: Revenue collected*

Entity receipts	2022/23			2021/22		
	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	R899,300	R1,055,178	-R155,878	R -800,000	R933,239	-R133,239
Revenue from Non-Exchange Transactions – Interest from bank, accident claims and tender income	R45,000	R82,348	-R37,348	R -30,000	R32,092	-R2,092
Accident claims	R70	R88	-R18	R0	R60	-R60
Transport fees	R1,800	R1,931	-R131	R1,800	R1,704	R96
Auctions fees	R72,961	R62,082	R10,879	R70,000	R78,763	-R8,763
<b>Total</b>	<b>R1,019,131</b>	<b>R1,201,627</b>	<b>-R182,496</b>	<b>R901,800</b>	<b>R1,045,858</b>	<b>-R144,058</b>

As per the statement of financial performance, total revenue collected by the Entity increased to R1.201 billion (2021/22: R1 .045 billion). Revenue collected from the leasing of vehicles increased by 13% to R1,055 billion (2021/22: R933.239 million).

Interest earned from the positive bank account increased by 157% to R82.348 million (2021/22: R32.092 million).

The revenue collected from the auctioning of vehicles decreased by 21.17% to R62.082 million (2021/22: R78.763 million).



Table 2.3.4.2: Expenditure versus budget

Programme Name	2022/23			2021/22		
	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	3,903	3,752	151	3,329	3,174	155
Office of the COO	826	704	122	1,634	1,275	359
Office of the CFO	12,776	7,827	4,949	11,525	6,939	4,586
Financial Services	21,771	15,616	6,155	17,958	14,567	3,391
Corporate Services	59,505	37,777	21,728	89,461	73,710	15,751
Marketing and Communications	12,665	12,479	186	12,865	11,082	1,783
Fleet Maintenance Services	121,547	117,787	3,760	145,598	121,912	23,686
Transport Support Services	311,458	276,475	34,983	201,381	188,892	12,489
Permanent Fleet	270,022	258,501	11,521	287,643	319,514	-31,871
VIP & Pool Services	20,059	17,276	2,783	17,618	17,734	-116
<b>Total</b>	<b>834,532</b>	<b>748,194</b>	<b>86,338</b>	<b>789,013</b>	<b>758,800</b>	<b>30,213</b>

The total expenditure decreased by 1.4% to R748.194 million (2021/22: R758.800 million). The decrease in expenditure is due to the delays experienced by the Entity in implementing the security upgrade projects and delivery of new motor vehicles due to the international vehicle shortages. The impact of the latter is noted in the 19% decline in the acquisition of vehicles to R258.501 million (2021/22: R319.514 million).

The employee costs increased by 11% to R 93.863 million (2021/22: R 84.556 million) due to the filling of vacant positions including those of senior management.

The cost of sales increased by 4.89% to R93.075 million (2021/22: R88.729 million).

The surplus for the financial year increased by 2.68% to R 393.972 million (2021/22: R 383.693 million).

### Intervention on Budget Spending

As at 31 March 2023, as depicted in Table 2.3.4.2 above, the Entity underspent by 10%. The reported underspending was due to the following:

- The delays in the filling of advertised vacant positions, payment of salary notch increases and bonus payments.
- The delay by the Department of Roads and Transport in submitting invoices in relation to work undertaken by the Compliance Office on behalf of g-FleeT Management in relation to audit support.
- The delay by the Gauteng Department of e-Gov in finalising the appointment and installation of surveillance and automated access controls at g-FleeT Management premises.
- The application of strict cost containment measures.
- Delay in the delivery of new vehicles due to the application of the year-end cut-off processes.

Mitigating plans in relation to the challenges listed above have been explored and will be implemented during the 2023/24 financial year. In addition, the Entity continues to monitor its spending pattern and procurement plan monthly with the aim of timeously addressing any challenges pertaining to over/under spending.

### STATEMENT OF FINANCIAL POSITION

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

The carrying value of non-current assets decreased by 5% to R1.255 billion (2021/22: R 1.326 billion).

The receivables from exchange transactions decreased by 17% to R160.002 million (2021/22: R 191.703 million). The debtor's days decreased by 18.06% (the ratio indicating debt levels to revenue generated from such debtors) to 50.89 days on 31 March 2023 (31 March 2021: 62.10 days).

The Entity could convert its debt receivable into cash, and this is reflected in the increase of cash funds to R2.441 billion (2021/22: R 2.017 billion).

The Accumulated Surplus increased from R3.577 billion on 31 March 2022 to R3.971 billion on 31 March 2023. The Entity's net worth continues to grow on a yearly basis.

### CASH FLOW STATEMENT

The cash generated from operating activities increased to R594.213 million (2021/22: R 533.339 million).

Net cash flow from investing activities decreased to R170.024 million (2021 /22: R293.092 million)

### TARIFFS

The vehicles are purchased through the RT57 transversal contract administered by National Treasury and after delivery are captured onto the Fleet Information System (FIS). The Entity operates primarily under two tariff regimes being the "Old" model tariffs and Full Maintenance Lease (FML) tariffs. "Old" model tariffs have existed since 2002 and the FML tariffs were introduced in 2007.

The FML tariffs are more closely aligned to the costs that need to be recovered in respect of each vehicle leased to a client department. As such, all new vehicle leasing arrangements entered into are under FML arrangements and the "Old" model tariffs are being phased out. Most vehicles are currently leased out under the FML tariff regime.

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

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

### 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
- Vehicles that have high repair costs.

## **UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE**

The Entity incurred and reported irregular expenditure totaling R79 000 for the financial year. Irregular expenditure emanates from the extension of the East London Regional Office accommodation. The reported irregular expenditure relates to the accrual from the 2021/22 financial year which was paid during April 2022.

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

## **SUPPLY CHAIN MANAGEMENT**

All orders and acquisitions that are below the R1000 000 thresholds are administered by the Entity while tenders are awarded by the Departmental Bid Adjudication Committee (BAC) of which the Entity has a representative. The change in threshold (previously R500 000) was implemented effective 13 December 2021. All other Bid Committee functions such as Bid Specification and Bid Evaluation are carried and executed by the Entity.

In the financial year under review, there were no tenders awarded by the Head of Department relating to the Entity.

## **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 seven deviations in terms of the Public Finance Management Act or Treasury Regulations for the following services:

### **Security Services**

The Gauteng Department of Roads and Transport was affected by the court cases relating to six awards that need to be set aside by the court before the department was able again to initiate a tender process to appoint security companies. While the matter had not been finalised, Provincial Treasury granted approval for the deviation for six months (1 April–30 September 2022) on condition that the department obtains National Treasury's approval in terms of Section 3 (c) of the Act, to be exempted from applying the Preferential Procurement Policy Framework Act (PPPFA) requirements.

The department obtained such approval from National Treasury and proceeded with the appointment of security companies. Provincial Treasury also instructed the department to fast track the tender process as no further deviation for this service was going to be considered by GPT. A further deviation was requested and approved by the Accounting Officer for another six months (1 October 2022–31 March 2023).

### **Office accommodation and parking**

Rental agreement for the Durban Regional Office expired on 30 June 2021. The Entity obtained new offices from Dube Trade Port, an entity of KZN Department of Economic Development. The procurement of the offices had to be done through a deviation as this is an interdepartmental transaction and no competitive bidding could be followed. Approval was obtained from the Accounting Officer for implementation of this project.

### **Auctioneering services**

The Entity did not have a service provider for auctioneering services as the last contract ended on 31 March 2016. The Entity has since then been participating in existing contracts and is busy procuring its own service provider. During the period under review, the Entity participated in two existing contracts:

- 1) Liquidity Services – They had a contract with the Eastern Cape Department of Transport: Government Fleet Management Services (GFMS). However, the contract ended on 08 October 2022 and the extension provided did not accommodate further participation. Approval for this participation was obtained from the Acting Accounting Officer.
- 2) Customised Auctions (Pty) Ltd – has a contract with City of Johannesburg Metropolitan Municipality for a period of three years and was appointed in February 2022. The participation was only limited to a period of six months, ending 31 March 2023.

The Entity is finalising its own tender for auctioneering services which was at the final stage of the BEC level as at 31 March 2023.

### **Batch Data Cleansing**

TransUnion Auto Information Solutions is the sole provider company within Africa which has access to and has developed multiple vehicle databases with relevant and current vehicle related data. Through gathering and analysing this information in conjunction with harnessing the latest technology and applying the latest analytic capabilities, they can provide us as their client with relevant and accurate data which assists in risk management and driving profits.

The Asset Management Unit uses the books obtained from Transunion to obtain the trade and retail values to determine the residual value. However, at year-end bulk data processing called batch data cleansing. It is for this reason that a deviation request was sent to the Accounting Officer to approve the appointment of TransUnion Auto Information Solution (Pty) Ltd to provide batch data cleansing for a period of 36 months.

### **Benchmarking and tariff review**

Council for Science and Institutional Research (CSIR) was appointed to undertake an urgent benchmarking and review the process of the Entity's tariff structure. The Entity had been struggling to implement the project that had been in its procurement plan for a number of years. The Entity engaged CSIR and obtained a proposal for implementing the project which was accepted. A deviation request was sent to the Accounting Officer to obtain approval for appointment of CSIR on an urgent case bases to implement the project, as it was long overdue.

### **Concept document for Logistics Division**

Council for Science and Institutional Research (CSIR) was appointed to assist the Entity with the development of the concept document for the Logistics Division at the Entity. This was necessitated by the announcement by the Premier that gave the Department of Roads and Transport the new function of logistics services that was going to be part of the Entity. A deviation request was sent to the Accounting Officer to obtain approval for the appointment of the CSIR on an urgent case bases to implement the project

### **Operationalisation of the New Panel Beating Workshop**

Automotive Industry Development Centre (AIDC) was appointed for a period of 36 months to assist with the operationalisation of g-Fleet Management's in-house the panel beating workshop. The AIDC is a subsidiary of the Gauteng Growth and Development Agency (GGDA) which is an agency of Gauteng Department of Economic Development.

The appointment is for a period of 36 months and a deviation request was sent to the Accounting Officer to obtain approval for appointment of AIDC to implement the project



## EVENTS AFTER THE REPORTING DATE

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

## ACKNOWLEDGEMENTS/APPRECIATION

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

**Ms N. Maninjwa**

Chief Executive Officer  
g-FleeT Management

**Date: 31 July 2023**

#### 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 2023.

Yours faithfully,



**Dr. Thulani A. Mdadane (Dr)**

Accounting Officer

Gauteng Department of Roads and Transport

**Date: 31 July 2023**



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

CORE VALUES	DETAILED DESCRIPTION
INTEGRITY	<p><i>We commit to being ethical, professional, principled, fair and just in our conduct.</i></p> <p><i>We pledge to uphold sound principles of institutional management and efficient systems and processes in service delivery.</i></p> <p>We seek truth and a greater understanding of it in each situation and we do what is right.</p> <p>We are honest, show respect and live out our positive values.</p> <p>We are reliable and trustworthy, doing what we say we will</p> <p>There are no grey areas with integrity applied at all levels and in all instances, ensuring we are corrupt free.</p>
RESPONSIVENESS	<p><i>We shall be approachable, receptive and quick to respond to stakeholder needs.</i></p> <p>We take our fellow public servants seriously, listening to and hearing their voices. (Listening more and talking less).</p> <p>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?</p> <p>We engage collaboratively with each other, our stakeholders and the media, providing full information.</p> <p>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.</p>



## 6. LEGISLATIVE AND OTHER MANDATES

### Circular 1 of 1988

The mandate of g-Fleet Management evolved from the previous Government Garage function that was transferred to the province in terms of Transport Circular 1 of 1988 [following a National Cabinet decision, with effect from 1 April 1988]. The Cabinet decision included the transfer of the following functions:

- The acquisition and replacement of government and subsidised vehicles.
- The award of government motor transport and subsidised vehicles department as required.
- The maintenance of government vehicles.
- The management of the administration in respect of accidents and losses.
- The effective operation of government vehicles.
- The operator of department of technical advice.
- The receipt, storage and internal distribution of spare parts and consumables supplies.
- The regulation of motor transport for official events.
- The evaluation of economic utilisation of vehicles.
- The operation of a vehicle and information system in respect of government motor transport.

The Government Motor Transport Handbook of 2019 issued by National Department of Transport replaced the National Transport Circular No.4 of 2000. The Handbook provides guidelines on all matters relating to the utilisation of government-owned transport.

The Public Finance Management Act 1 of 1999 read together with National Treasury Regulations and National Treasury directives governs the operations of the Entity in terms of its policy and reporting framework, establishment, capital requirements, disposal of assets, the surrender of surplus funds and financial reporting. In addition, the following legislative and policy mandates are applicable:

- Cross-Border Road Transport Act, Act 4 of 1998.
- Road Traffic Act, Act 29 of 1989.
- National Environmental Management Act.
- Road Traffic Management Corporation Act, Act 20 of 1999.
- National Road Traffic Act, Act 93 of 1996.
- National Road Traffic Safety Act, Act 12 of 1972.
- Gauteng Transport Framework Revision Act, Act 8 of 2002.
- Gauteng Public Passenger Road Transport Act, Act 7 of 2001.
- Gauteng Transport Infrastructure Act, Act 8 of 2001.
- Gauteng Planning and Development Act, Act 3 of 2003.
- Provincial Road Traffic Act, Act 10 of 1997.
- Gauteng Toll-Roads Bill 2005.
- Administrative Adjudication of Road Traffic Offences Act, Act 46 of 1998.
- Gauteng Transport Framework Revision Amendment Act, 2007.
- Government Immovable Asset Management Act, Act 19 of 2007.

- Construction Industry Development Board Act, Act 38 of 2000.
- National Land Transport Strategic Framework.
- Public Administration Management Act.
- Promotion of Access to Information Act (PAIA), Act 2 of 2000.
- Promotion of Administrative Justice Act (PAJA), Act 3 of 2000.
- Public Administration Management Act, Act 11 of 2014.
- Preferential Procurement Policy Framework, Act 5 of 2000.
- Protection of Personal Information Act, Act 4 of 2013.
- Public Service Act, Act 103 of 1994.
- Public Service Regulations.
- National Green Transport Strategy.

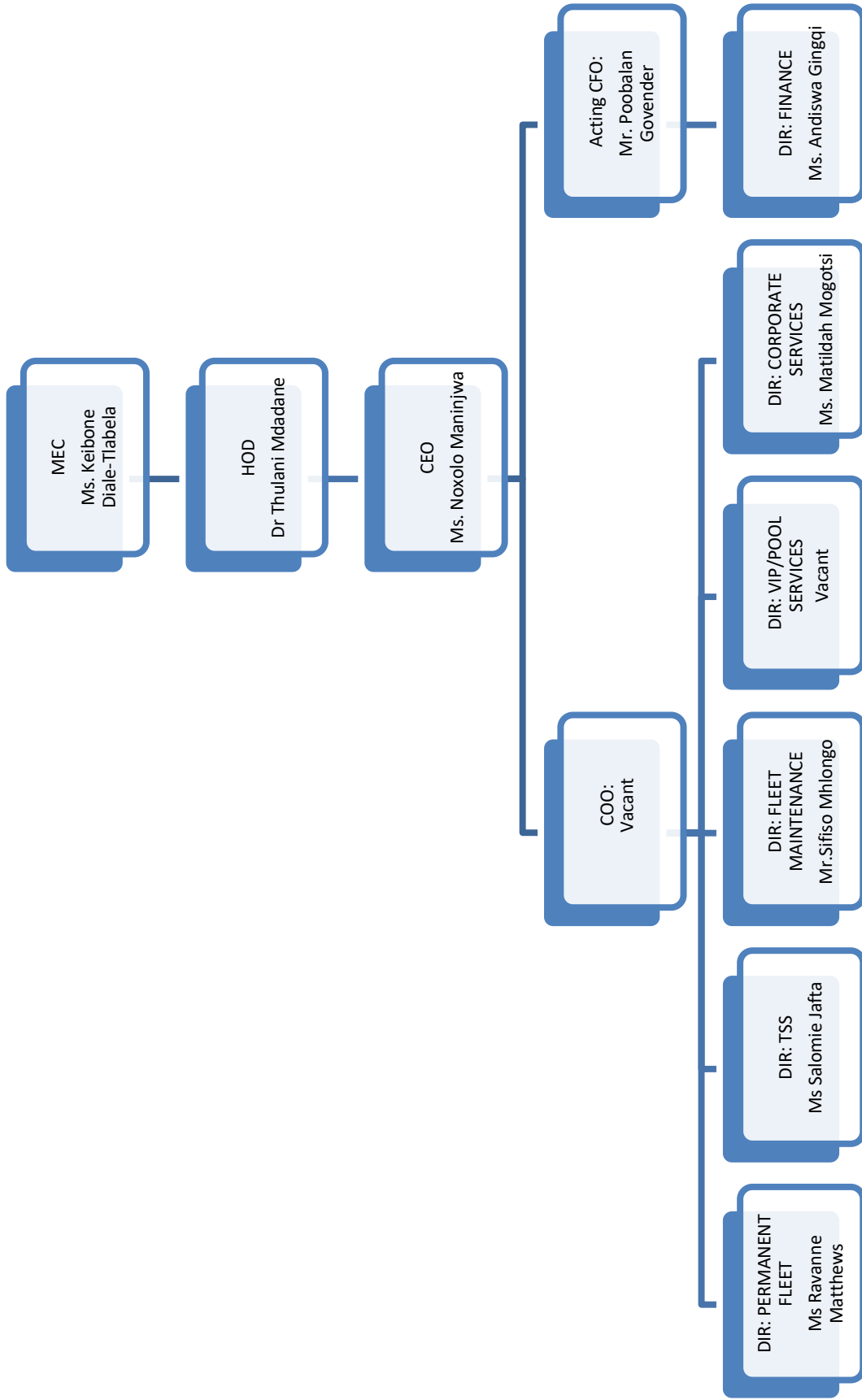
The following Provincial policy mandates are applicable:

- Provincial Policy and Legislative Mandates.
- Growing Gauteng Together 2030.





7. SMS ORGANISATIONAL STRUCTURE





Part  
B

G-FLEET MANAGEMENT

PERFORMANCE INFORMATION

# HIGHLIGHTS G-FLEET

## PERFORMANCE INFORMATION

Percentage of rental days utilised for VIP self-drive vehicles, 56% - the Entity achieved 76.11% against a target of 56%



A total of 961 vehicles were sold during the financial year, resulting in generating a total revenue totaling R88.851 million



Percentage of rental days utilised for Pool vehicles, 75% - the Entity achieved 93.01% against the target of 75%



Percentage of vehicles auctioned as per approved list - the Entity had a target of 80% of all approved vehicles to be sold and achieved 93% against the set target for the year under review



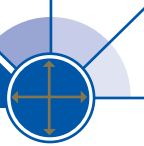
The Entity could convert its debt receivable into cash, and this is reflected in the increase of cash funds to R2.441 billion (2021/22: R 2.017 billion)



## 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 396 – 405 of the Report of the Auditor-General, published as Part E: Financial Information.



## 2. OVERVIEW OF THE ENTITY'S PERFORMANCE

### Service Delivery Environment for 2022/23

#### RT 46 CONTRACT

The RT46 contract is a transversal vehicle service and maintenance contract administered by the National Treasury of South Africa. The contract expired on 31 March 2020. A new service provider was appointed by National Treasury and started to operate effective on 1 April 2021.

RT 46 allows card payments for fuel, accident repairs and maintenance as well as tolls. It further aids in the assessment of the reasonableness of repairs and maintenance (i.e., Review of quotations received from service providers) as well as monitoring of vehicles.

The major challenge has been the turnaround times on accident and mechanical repairs and availability of reports. Since the inception of the RT46 contract, the Entity has been experiencing challenges and delays especially on accident repairs, resulting in a backlog of vehicles under accident repairs.

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

- Close monitoring (weekly meetings) for effective RT46 contract management.
- Implementation of RT46 Contract Penalty Schedule as per terms and conditions of the RT46 contract and the Service Level Agreement (SLA).
- Continuous review and realignment of vehicle repairs and maintenance processes.
- Continuous review and update of engagement mandates in line with the Entity and the client's expectations.
- Issues were also escalated to National Treasury, National Department of Transport, and HOD's Office for intervention.
- Submission requesting the HOD's approval for g-Fleet Management to request authorisation from National Treasury to allow the Entity to administratively manage accident repairs process in-house was approved.
- This was to help address the continuous challenges with accident management processes resulting in backlogs, and to also try and control Wesbank into g-Fleet Management's demands in ensuring they do understand the functionality of g-Fleet Management as the leasing company so that they can efficiently manage the turnaround time to enable g-Fleet Management to support all its clients, as well as to ensure that the Entity gets the value for money from the RT46 contract.

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

1. Turnaround time on mechanical repairs to vehicles (**Downtime Report**).
2. Turnaround time on accident repairs to vehicles (**Downtime Report**).
3. Number of vehicles serviced as per manufacturers specifications (**Projected Maintenance Reports**).
4. Percentage Spent on Township Businesses (with GEYODI and military veteran element) (**Work Distribution Report**).

The reports have since been made available, but the quality of the reports is still unsatisfactory, and reports remain a work in progress.

FNB has since been penalised for Category A – Fleet Data Integrator related to reporting.

The RT46 Contract service provider is in the process of developing and rolling out a new Fleet Management System to assist with reports, and the implementation date is 31 June 2023.

## **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 RT57 contract which expired 30 June 2022 was expected to be renewed and issued by National Treasury before the end of the extension date 31 March 2023. However, this did not materialise and led to a further extension of the contract by National Treasury with the expectation that the new contract will be released before the end of the first quarter of the 2023/24 financial year.

Despite these contract delays, it did not negatively impact the Entity's ability to place vehicle orders with the respective manufactures. The Entity did, however, experience delays with the delivery lead time from some of the manufactures due to the global shortage of microchips (semi-conductors), leather and other vehicle components. These logistical delays are evident in that only 709 vehicles were delivered of the 1 204 new vehicles ordered during the year compared to the previous year's 1 015 vehicle deliveries received. The Entity continues to have regular updates on delivery lead times with the manufactures to ensure orders are fulfilled and to manage the client department's expectations.

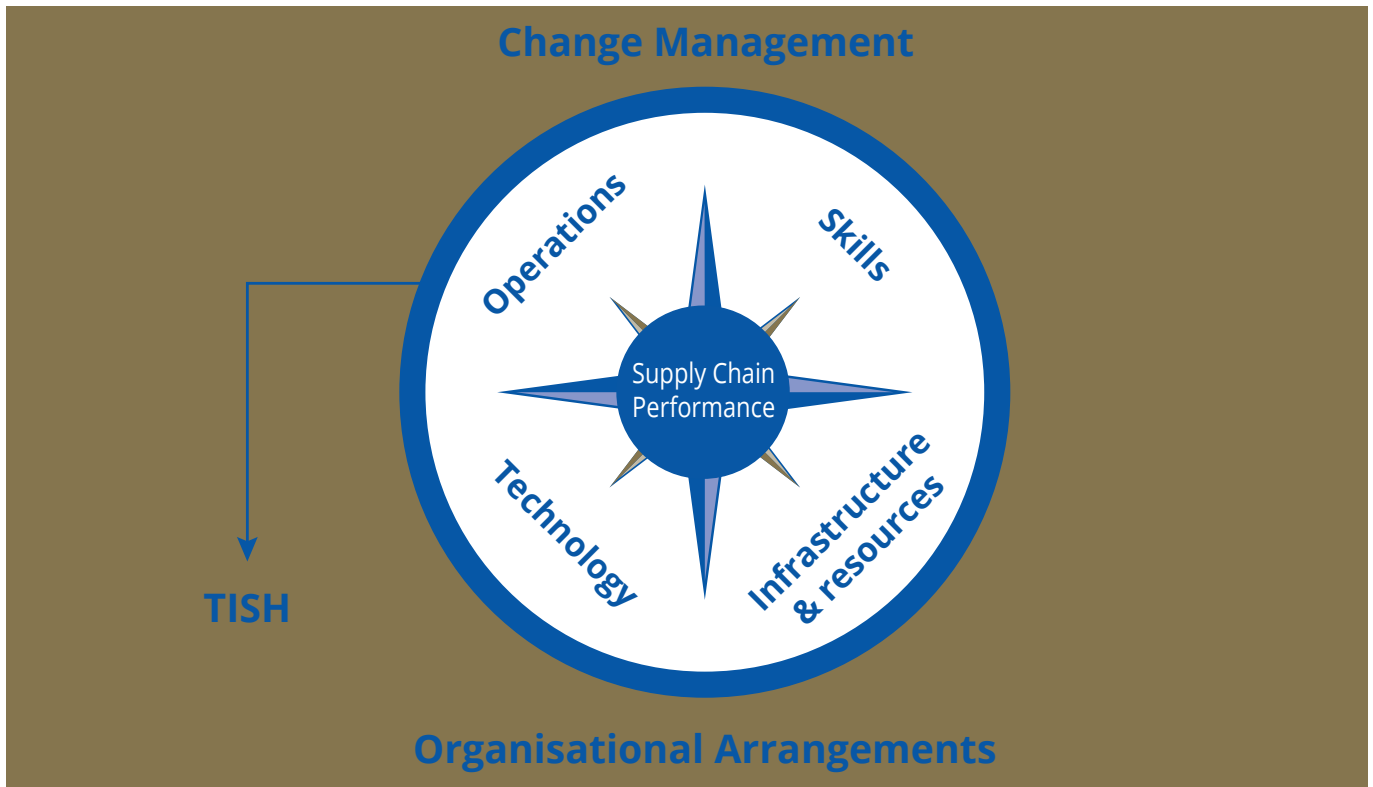
## **ELEVATED PRIORITIES – LOGISTICS FUNCTION**

The Premier seeks accelerated delivery of public services functions, which needs in practice to be delivered within a limited period (17 months to the next election). To this end, the creation of new entities was announced, a Logistics Department with the Transport Department. The logistics function was assigned to the Department with new leadership appointed in key roles to support this priority. To ensure successful implementation of this intent, it is critical that the problem is clearly defined and understood, and the desired outcomes be agreed upon by the departments and stakeholders that will be affected.

The sourcing of supplies, distribution and warehousing process in the province is fragmented and not properly coordinated through a government function. Currently, user departments individually procure and deliver to areas of need. The incremental inefficiencies in the time taken and the delivery requires a new approach, in that the delivery has taken longer than needed and at a cost over a period. Therefore, there is a need to eliminate administrative inefficiencies to reduce the turnaround time, gain from economies of scale, save cost into 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 PROCESS TO DATE**

- The Gauteng Provincial Government through the Department of Roads and Transport appointed CSIR to develop the business case on the development of the logistics function or and repurposing the g-FleeT Management to perform the logistics function, which must optimise the current logistics function and focus on increasing efficiency, reducing cost and supporting social transformation through 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 from source of goods to the end-user receiving the goods.
- The business case has been developed which describes (1) the current functioning of the health and education supply chains, (2) an appropriate role for g-FleeT Management in developing its logistics function in support of end-to-end supply chains for improved service delivery, and (3) a roadmap describing the short- and long-term interventions to develop g-FleeT Management's logistics capability to support end-to-end service delivery.



### ***Perspectives on Supply Chain Analysis***

For each of the focus areas, the following process, guided the investigation:

- Identify constraints
- Find opportunities for improvement
- Determine what is required to achieve the desired performance
- Develop recommendations.

The business case will be submitted to the provincial executive for approval. Thereafter, consultative forums of the departments will need to be established to assist the transitional arrangements of the implementation of the logistics function.

### ***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
<ul style="list-style-type: none"> <li>• Full Maintenance Lease (FML) – The FML is a long-term vehicle lease service offered by g-Fleet Management 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.</li> <li>• Short-term motor rentals – is a short-term vehicle lease service offered by g-Fleet Management which is comprised of a fixed rental cost over a selected short period (less than 12 months).</li> <li>• Chauffeur driven, which provides both driver and vehicle for hire over a short-term period.</li> <li>• Fuel card services – for payment of the fuel and toll gate fees</li> <li>• Managed maintenance – a call centre to ensure authorisation is only given for necessary maintenance that complies with manufactures standards and is in line with manufactures guidelines.</li> <li>• Telematics, for tracking and monitoring of vehicles and drivers.</li> <li>• Accident management and roadside assistance, which assists our clients with towing and repairs of vehicles.</li> <li>• License and traffic fine administration which is responsible for: <ul style="list-style-type: none"> <li>• Motor vehicle registration and licensing</li> <li>• Ensuring that every fine is re-routed to the correct offender. <ul style="list-style-type: none"> <li>◊ Motor vehicle registration and licensing</li> <li>◊ Ensuring that every fine is re-routed to the correct offender.</li> </ul> </li> </ul> </li> </ul>	g-Fleet Management customers (i.e., government departments and municipalities)	The Entity has SLAs with various client departments	The desired standard of service is in terms of the SLA between g-Fleet Management and the customer	The actual achievements on various targets are explicitly covered in the Annual Performance Plan 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 75% 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 75% satisfaction levels

## Organisational Environment

One of the unique features of the Entity is that it is required to be financially self-sustainable while not receiving any budget allocation 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 structure because of the “form and shape” of the Entity. In terms of the current organisational structure, the GDRT is supposed to assist and provide the following functions:

- Human Resources
- Legal Services
- Information Communications and Technology
- Anti-fraud and Corruption
- Risk Management Committee
- Supply Chain Management
- Monitoring and Evaluation.

A consultative meeting with Organised Labour and the Broader Management Team was held on 1 and 2 August 2022 and facilitated by the Office of the Premier (OoP) with a follow-up session held for the proposed structure on 8 and 9 September 2022.

The final proposed organisational structure was presented to the general staff on 9 December 2022.

The proposed structure does not provide for logistics function as the project is still at conceptual stage. Business Units were requested to provide inputs by 10 January 2023 with the closing date of 18 January 2023. Only four Business Units responded, and their inputs were incorporated for noting and submission to OoP for further processing. A meeting with OoP and DRT on the proposed structure analysis outcome, was supposed to be held on 27 March 2023. However, the meeting was postponed and to a date, to be confirmed by the OoP. The organisational structure process was withdrawn by the Head of the Department or put on hold.

The Entity submitted a request for the creation of 94 posts additional to the post establishment to DRT in February 2023. The creation of the posts is intended to capacitate the Entity in the following areas: AG and Internal Auditing, Finance, ICT, SCM, Risk Management, Strategic Planning, Monitoring and Evaluation, Transformation (GEYODI), HR, operationalisation of the panel beating workshop that has just been rehabilitated. The envisaged submission date for submission of the organisational structure to DPSA was 30 April 2023.

## Review of the current organisational structure

The Gauteng Department of Roads and Transport (GDRT) and the Office of the Premier (OoP) continues to support the Entity with the development of the organisational structure. The draft organogram with proposed posts and functions and the costing of the structure have been developed and submitted to GDRT, OoP and the Gauteng Provincial Treasury (GPT). The Change Management Strategy, to support the draft business case, has been developed and submitted to GPT.

## Form and Shape of the Organisation

The Entity is directly competing with the private sector, therefore, there is a need to operate in terms of the business principles like any private leasing company to remain competitive and provide good service to its clients for survival. For the Entity to be efficient and sustainable, its form, shape, structure and systems must allow for improvement on governance and accountability, sustainability (both financial and operationally); be able to attract and retain scarce skills, be able to procure and deploy resources and improve on programme management/monitoring and evaluation of its projects.

In addition, the form and shape must allow for quick turnaround times and decision-making for the Entity to take advantage of market opportunities arising from time to time. An initial meeting between the Entity, OoP, DPSA, GPT and

GDRT: Corporate Services took place on 21 September 2021.

Further to the Organisational Review, a Project Steering Committee meeting was held in February 2022, the Entity had to abandon the procurement processes that were undertaken to appoint a service provider to undertake an assignment to prepare a feasibility study and a comprehensive business case on "form and shape" of the organisation to create an autonomy from GDRT for approval by the relevant authorities. This has, however, changed and will now be done internally with the assistance of OoP and DRT in line with the decision taken in the Organisational Review: Project Steering Committee meeting held in February 2022. The feasibility study, comprehensive business case and the proposed structure that will be aligned to the Strategic Plan together with the documents required when submitting the request for establishing a new form of the Entity in line with DPSA and Provincial Treasury guidelines will be submitted to various stakeholders for consideration and approval. The draft business case, together with proposed organisational structure and Change Management Strategy, recommending that the Entity be established as a government component was developed and submitted to the Gauteng Provincial Treasury.

## HIGH VACANCY RATE

The vacancy rate in the 2022/23 financial year is at 31% and is broken down as follows:

Level	Approved Establishment	Filled (Including contract workers)	Vacant	Vacancy Rate
SMS (Level 13 to 16)	8	6	2	25%
Level 11 to 12	17	14	3	18%
Level 7 to 10	107	80	27	25%
Level 1 to 6	143	90	53	37%
<b>Total</b>	<b>275</b>	<b>190</b>	<b>85</b>	<b>31%</b>

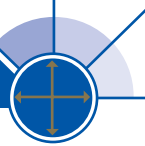
The Entity has a total of 275 positions in the approved structure, with 190 filled positions and 85 vacant positions. The current vacancy rate is at 31%.

At senior management level, there are eight positions with five positions filled by females and one by a male. Two positions are vacant, translating to a 25% vacancy rate.

Two officials were seconded from the Department to the Entity for a period of 12 months to perform the functions of the Chief Financial Officer and Chief Risk Officer, respectively.

Thirty-three critical positions were advertised in January 2023 and February 2023. The Entity has since developed a Recruitment Project Plan to conclude all interviews by 30 September 2023. In the period under review, the following offers of appointment letters were issued: 19 offers were accepted, four officials assumed their duties on 1 October 2022, six officials assumed their duties on 1 November 2022 and three officials assumed their duties on 1 December 2022. Three officials assumed their duties on 1 January 2023 (The Business Analyst offer was revised to the second recommended candidate but disapproved by Head of the Department and the post is to be re-advertised, and two officials assumed their duties on 1 March 2023. Approval was granted for the head-hunting of the Chief Operations Officer (COO) and 14 applications were received. A directive from the MEC and HOD was issued to re-advertise the post of COO.

The Recruitment and selection process has commenced and it is envisaged that the first phase of the recruitment process will be finalised by June 2023 and second phase to be finalised in December 2023 as per the legislative framework guidelines.



## **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).

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

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

### **Measures proposed in the Automotive Guidelines**

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

- The unbundling of the new motor vehicle price from the price of the service and/or maintenance plan of that motor vehicle. In other words, dealers must ensure that at the point of sale of a motor vehicle, that consumers have full disclosure of the:
  - a) purchase price of the motor vehicle; and
  - b) the purchase prices of service and maintenance plans, and other value-added products. Consumers will then have the choice of 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 is not feasible to transfer a service and/or maintenance plan to a replacement motor vehicle, the consumer must be afforded the right to cancel the service and/or maintenance plan contract and/or receive a refund for the balance of the product.
- Approved dealers that sell new motor vehicles and products of competing OEMs must ensure that they do not engage in price co-ordination. Specifically, the prices of competing motor vehicles and products must be determined by different individuals within the dealership.
- Approved dealers that sell new motor vehicles and products of competing OEMs must ensure that no commercially sensitive information (including information stored in the cloud) is provided or shared with competing OEMs.

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

### 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

#### Impact statement

- A sustainable, safe, efficient, reliable and affordable fleet management solution

### 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

#### Programme 1: OPERATIONAL MANAGEMENT SERVICES

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

The following is the sub-programmes of the structure:

- Permanent Fleet
- Finance
- Transport Support Services
- Communications.

#### Outcomes, outputs, output indicators, targets and actual achievements

- **Percentage of passenger vehicles with CO2 emissions below 120g/KM, 6%** – this target is required to ensure reduction in the carbon footprint (i.e., decreasing Green-House-Gas emissions produced by road transportation as expressed in the Green Transport Strategy for South Africa (2018-2050). The Entity is striving to minimise the impact of its core assets (vehicles) on the environment. As such, a target of 6% was set. The Entity achieved 7.3% of passenger vehicles that have CO2 emissions below 120g/km. This was due to an increased demand for vehicles with emissions below 120g/km, as such, 169 new vehicles with emissions below 120g/km were procured.
- **Average age of fleet, ≤4 years** – this outcome seeks to ensure that vehicles provided by g-Fleet Management are efficient and reliable. This is necessary to ensure that cost of maintaining vehicles is minimised. The Entity kept an average age of fleet at 4 years during the financial year under review.
- **Percentage of vehicles auctioned as per approved list** – the Entity had a target of 80% of all approved vehicles to be sold and achieved 93% against the set target for the year under review. This was due to an increase in the number of vehicles which became available for auction as recommended by the Entity's Board of Survey Committee. As vehicles age and become too expensive to maintain and repair, they must be sold off at auctions timeously to realise maximum value of the asset/vehicle.
- **Percentage of in-service vehicles tracked, 90%** – The outcome (safeguarding of the state assets by installing comprehensive vehicle tracking units) allows for vehicles to be tracked and traced. This in turn is used for route optimisation, location of a vehicle at a particular point in time, monitor mileage, speed, etc.  
All these have a direct impact on the sustainability of the asset (vehicle) and safety and efficiencies. As such, g-Fleet Management's target for the financial year was 90%. The Entity only managed 89%. The national strike and the national shutdown negatively impacted on the projected progress for installations for March 2023. The Entity will install the remaining vehicles with trackers by the end of the first quarter of the 2023/24 financial year.
- **Percentage of clients satisfied with g-Fleet Management services, 75%** – this outcome seeks to assist the Entity in ascertaining client satisfaction with the services offered by g-Fleet Management. The planned target for the 2022/23 financial year was set at 75%. Due to rating 4 and 5 which are the highest and second highest rankings of satisfaction, the Entity exceeded the planned target. A total of 81.22% of clients are satisfied with g-Fleet Management services.



**Table 2.4.4.1:**

(The table below ONLY reflects the revisions to the original APP until quarter three of the 2022/23 financial year). This output indicator is an annual target; therefore, no actual performance is reflected at the time of revision. The revision entails changing of wording in the indicator.

Programme/Sub-programme: Operational Management Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until date of re-tabling	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets
Improve client experience Improve customer satisfaction and loyalty	Percentage of client satisfaction	Percentage of client satisfaction	75.04%	–	75% of client satisfaction	0%	75%	The target was an annual target, and performance was not due at the time of re-tabling the revised APP	Wording on output indicator changed due to the suggestion by the Office of the Premier

**\*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 2022/23 APP. The APP was revised in during the third quarter of the 2022/23 financial year and was approved in January 2023..

Programme/Sub-programme: Operational Management Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Reduced carbon footprint from the Entity	Passenger vehicles below 120g/KM (environmentally friendly)	Percentage of passenger vehicles with CO2 emissions below 120g/KM	4.8%	5%	6% of passenger vehicles with CO2 emissions below 120g/KM	7.3% (424/5771) of passenger vehicles with CO2 emissions below 120g/km	+1.3%	Increased demand for vehicles below 120g/km as such, 169 new vehicles with emissions below 120g/km were procured
Improve efficiency and customer service	Average age of fleet	Average age of fleet	3.7 years	3.7 years	≤ 4 years	4 years	n/a	n/a
Maximised return on investment	Percentage of vehicles auctioned	Percentage of vehicles auctioned as per approved list	95.34%	93%	80% of vehicles auctioned as per approved list	93% of vehicles auctioned as per approved list.	+13%	There was an increase in the number of vehicles that became available for auction as recommended by the Entity's Board of Survey Committee
Safeguard state assets	Vehicles tracked	Percentage of in-service vehicles tracked	90% (5 657)	90% (5 802)	90% of in-service vehicles tracked	89% (5 089) of in-service vehicles tracked	-1%	The national strike and the national shutdown impacted negatively on the projected progress for installations during March 2023
Improve client experience Improve customer satisfaction and loyalty	Percentage of client satisfaction	Percentage of clients satisfied with g-Fleet Management services	75.04%	-	75% of clients satisfied with g-Fleet Management services	81.22% of clients satisfied with g-Fleet Management services	+6.22%	Survey results indicated that 76 respondents gave a rating of 4, which is the 2nd highest ranking of satisfaction, and 84 respondents gave a rating of 5, which is the highest ranking of satisfaction, thus leading to the Entity exceeding the planned target

**\*\*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 under performance

**Percentage of in-service vehicles tracked** – To install the remaining vehicles not fitted with trackers by the end of the first quarter of the 2023/24 financial year.

## Linking performance with budgets

### Sub-programme expenditure

Sub- programme Name	2022/2023			2021/2022		
	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	270,022	258,501	11,521	287,643	319,508	-31,865
Finance	21,771	15,616	6,155	17,958	13,997	3,961
Transport Support Services	311,458	276,475	34,983	201,381	194,571	6,810
Fleet Maintenance	121,547	117,787	3,760	145,598	145,713	-115
Communications	12,665	12,479	186	12,865	10,877	1,988
<b>Total</b>	<b>737,463</b>	<b>680,858</b>	<b>56,605</b>	<b>665,445</b>	<b>684,666</b>	<b>-19,221</b>

**Transport Support Services:** recorded an under expenditure of R34.983 million relating to the Wesbank services. The invoice for March 2023 was only paid after the FYE, hence, the shortfall. The budget for fuel had to be adjusted because of the fuel price increase.

## Programme 2: Corporate and Financial Management

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

The following are the sub-programme structures:

- VIP and Pool Services
- Finance
- ICT

### Outcomes, outputs, output indicators, targets and actual achievements

- **Percentage of rental days utilised for VIP self-drive vehicles, 56%** – the Entity achieved 76.11% against a target of 56%. This contributes to the impact of a sustainable, safe, efficient, reliable and affordable fleet management solution.
- **Percentage of rental days utilised for Pool vehicles, 75%** – the Entity achieved 93.01% against the target of 75%. This in return, maximises Entity returns and ensures financial sustainability.
- **Unqualified opinion from Auditor-General of South Africa** – The Entity obtained a qualified 2021/22 audit opinion/report from the Auditor-General. The negative opinion was due to the accounting issues experienced in relation to certain motor vehicles and findings in relation to performance information.
- **Percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity), 15%** – while this is necessary for clean administration, it has direct implication on financial sustainability of the Entity. As such, a target of 15% reduction on debts outstanding was set. The Entity's achievement for the year under review was 18.06%.
- **Number of IFMS modules developed and signed-off as per revised project plan** – the ICT strategy for the next five years was developed by State Information Technology Agency (SITA) for approval in April 2021. The planned target to have 3 IFMS modules developed and signed-off as per the revised project plan was not achieved. This was due to there being no developers in e-Gov to develop the modules. The resignation of the project manager in February 2023 further delayed the project. Four Business Requirement Specification for four IFMS modules were, however, completed and signed off.





Table 2.4.4.1:

The table below ONLY reflects the revisions to the original APP until quarter three of the financial year 2021/22. Both these indicators are annual targets; therefore, no actual performance is reflected at the time of revision. The revision entails the changing of wording in the indicators.

Programme/Sub-programme: Corporate and Financial Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until date of re-tabling	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators/ Annual Targets
Maximise return on investment	Average % of rental days utilised	Average % of rental days utilised for VIP self-drive vehicles	64.76%	72.51%	56% of rental days utilised for VIP self-drive vehicles	72.33%	+16.33%	Increased client demand	Audit recommendation
Maximise return on investment	Average % of rental days utilised	Average % of rental days utilised for Pool vehicles	95.33%	94.89%	75% of rental days utilised for Pool vehicles	88.93%	+13.93%	Increased client demand	Audit recommendations
Revitalised Township Economy	Spending on township businesses	Percentage of Entity's discretionary procurement spend directed towards township suppliers	48%	26%	30% of the Entity's discretionary procurement spend directed towards township suppliers	0	30% of the Entity's discretionary procurement spend directed towards township suppliers	The target is an annual target and performance was not due at the time the of re-tabling	The indicator was not well defined, specific, verifiable and the planned target did not meet the SMART criteria. In a meeting with GDED, it was resolved that the indicator be removed from the APP pending the finalisation of work to be done by GDED in relation to the database

Programme/Sub-programme: Corporate and Financial Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until date of re-tabling	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators/ Annual Targets
Improve efficiency and customer service	Approved ICT Strategy Projects for implementation from the ICT Strategy: Integrated Fleet Management System (IFMS) Modular Development Dashboard and digital screen solutions and technologies Tracker system with integrate telematics CCTV camera and biometrics Electronic Document and Records Management System (e-DRMS) Research Report on 4IR required skills Security information policies for the Entity	Number of Integrated Fleet Management Modules/ Processes mapped and developed in the approved strategy	ICT Strategy developed for approval in April 2021	2 IFMS modules/ processes (registration of transport officers and drivers) have been mapped by e-Gov However, development is underway Scanners procured and delivered Licences made available from DRT Business processes have been developed and deployed in the live environment	2 IFMS modules/ processes mapped and developed: Module 1: Registration of Transport Offices Module 2: Registration of Drivers	0	2 IFMS modules/ processes mapped and developed	The target is an annual target and performance was not due at the time the of re-tabling the revised APP	TID description incomplete

**\*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 APP. The APP was revised in during the third quarter of the 2022/23 financial year and was approved in January 2023.

Programme/Sub-programme: Operational Management Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
Maximise on return on investment	Percentage of rental days utilised	Percentage of rental days utilised for VIP self-drive vehicles	64.76%	72.51%	56% of rental days utilised for VIP self-drive vehicles	76.11% of rental days utilised for VIP self-drive vehicles	+20.11%	Increased client demand	
Maximise on return on investment	Percentage of rental days utilised	Percentage of rental days utilised for Pool vehicles	95.33%	94.89%	75% of rental days utilised for Pool vehicles	93.01% of rental days utilised for Pool vehicles	+18.01%	Increased client demand	
Clean Administration	Unqualified opinion from Auditor-General	Unqualified opinion from Auditor-General	Unqualified audit opinion from the Auditor-General for the 2019/20 FY with matters of emphasis	Qualified 2020/21 audit report from the Auditor-General	Unqualified opinion from Auditor-General	Qualified 2021/22 audit report from the Auditor-General	Qualified opinion	The negative audit opinion was due to the accounting issues experienced in relation to certain motor vehicles and findings to performance information	
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)	18.52% (Excluding amounts owed by clients that have submitted written payment arrangements)	12.96% (Excluding amounts owed by clients that have submitted written payment arrangements)	15% (Excluding amounts owed by clients that have submitted written payment arrangements)	18.06% (Excluding amounts owed by clients that have submitted written payment arrangements)	+3.06%	Continuous engagements with client departments as per debtors' management policy	

Programme/Sub-programme: Operational Management Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Improve efficiency and customer services	Integrated Fleet Management System (IFMS) modules developed	Number of IFMS modules developed and signed-off as per revised project plan	ICT Strategy developed for approval in April 2021	2 IFMS modules/ processes (registration of transport officers and drivers) have been mapped by e-Gov However, development is underway Scanners procured and delivered Licences made available from DRT Business processes have been developed and deployed in the live environment	3 IFMS modules developed and signed-off as per revised project plan: Access Management Tariff Calculation Asset Acquisition	Business requirement Specification for the 4 IFMS modules were completed and signed off: Access Management Tariff Calculation Asset Acquisition Fuel Card Management	3 IFMS modules were not developed as planned. However, 4 BRS's were completed and signed off	There are no developers in e-Gov to develop the modules The resignation of the project manager from e-Gov at the end of February 2023, delayed the project

**\*\*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 under performance

- **Unqualified Opinion from Auditor-General** – The Entity is currently in the process of addressing this matter as part of the Audit Improvement Plan.
- **Number of IFMS modules developed and signed-off as per revised project plan** – A meeting with HoDs' from GDRT and e-Gov was convened on 31 March 2023 to resolve the delays on the project. e-Gov to prioritise the project and appoint a project manager and developer.

### Linking performance with budgets

#### Sub-programme expenditure

Sub-programme Name	2022/2023			2021/2022		
	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	20,059	17,276	2,783	17,618	17,733	-115
Finance	21,771	15,616	6,155	17,958	13,997	3,961
ICT	9,469	6,158	3,311	9,710	4,134	5,576
<b>Total</b>	<b>51,299</b>	<b>39,050</b>	<b>12,249</b>	<b>45,286</b>	<b>35,864</b>	<b>9,422</b>

## 5. CAPITAL INVESTMENT

### 5.1 Capital investment, maintenance and asset management plan

Infrastructure projects	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	261,844	250,050	11,794	280,000	311,963	-31,963
Existing infrastructure assets						
Upgrades and additions	7,000	5,736	1,264	39,000	40,712	-1,712
Rehabilitation, renovations and refurbishments						
Maintenance and repairs	7,700	2,756	4,944	4,000	2,466	1,534
Infrastructure transfer						
Current						
Capital						
<b>Total</b>	<b>276,544</b>	<b>258,542</b>	<b>18,002</b>	<b>323,000</b>	<b>355,141</b>	<b>-32,141</b>

A significant portion of the Entity's CAPEX budget is allocated for the acquisition of new and replacement vehicles leased out to various client departments and entities.

In addition, the Entity continues to work with the Department of Infrastructure Development to ensure that g-Fleet offices are maintained and compliant to the OHS Act. The Department of Infrastructure Development serves as the Entity's implementing agent for all repairs, maintenance and upgrades to its facilities.





Part  
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**GOVERNANCE**

G-FLEET MANAGEMENT

**GOVERNANCE**



# GOVERNANCE

## HIGHLIGHTS G-FLEET

1

The Entity conducts regular risk assessments to determine effectiveness of its risk management strategy and to identify new/emerging risks.

2

The Entity has a Risk Management Committee that is chaired by an independent person and advises management on the overall system of risk management.

3

The Entity has an approved Whistleblowing Policy which is communicated ongoingly through the ethics and anti-fraud and corruption awareness sessions and induction workshops.

## 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 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 person 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.
- Despite slow progress in management of risks, the Entity has made a commitment to manage risks on a continuous basis. Also, the performance contract of senior management has incorporated risk management for accountability purpose.

## 3. FRAUD AND CORRUPTION

- The Entity has a risk Anti-fraud and Corruption Policy and Strategy.
- The Entity conducts regular fraud 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 person and advises management on the overall system of risk management of which fraud and corruption related issues are discussed
- The Audit Committee is the advisory body for the Entity on anti-fraud and corruption related issues and independently monitors the effectiveness of the system thereto management.
- The Entity has an approved Whistleblowing Policy which is communicated ongoingly through the ethics and anti-fraud and corruption awareness sessions and induction workshops.
- Allegations are reported using various mechanism i.e., by respective management, hotline, internal audit, fraud detection reviews.

## 4. MINIMISING CONFLICT OF INTEREST

Accountability is fundamental to the organisational integrity. All employees are expected to take responsibility for their actions. Disciplinary matters are resolved by a prescribed disciplinary code and procedure prescription. Labour Relation supports the introduction and implementation of disciplinary action for the bridge of the code of conduct. 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 regulation 13b and f and it is supported by the Code of Conduct for Public Service that has a pledge at the back. The Entity has also reviewed its policy on conflict of interest. It is also working with various stakeholders such as DPSA, Gauteng Audit Services (GAS) and AG to identify conflict and potential conflict of interests from officials. The e-disclosure that is filed by Senior Management Service (SMS) SHERQ, MMS and officials from the Finance branch also helps to identify those who might have conflict of interests. To further minimise it, Ethics management is working with communications to develop posters, and some intranet posts are issued to educate and sensitise officials on conflict of interests. Induction programmes are held in partnership with HR development with the newly appointed officials and an online course is available that covers issues on ethics management.

## **5. CODE OF CONDUCT**

The Public Service Commission (PSC) developed 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 managers ensure that all employed within the Entity adhere to it.

## **6. INTERNAL CONTROL UNIT**

- In accordance with the requirements of the Public Finance Management Act (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 he is responsible for strategic and administration support to the Internal Audit function.
- There is an on-going process for identifying, evaluating and managing the significant risks faced by the Entity in order to prioritise high risks and ensure adequate controls are designed and are tested on a regular basis for effectiveness.
- All planned Internal Audits were completed during the year under review.
- 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 CONTROL UNIT**

### **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
- Computer Audit

- Information Technology Risk Assessment.

### ***Specify summary of audit work done***

Fourteen Risk, Compliance, Performance and Computer audits.

During the last quarter of the 2022/23 financial year, Gauteng Audit Services presented the risk-based three-year rolling Internal Audit Plan for the Entity to the Audit Committee, having discussed with the Accounting Officer and recommended for approval by the Audit Committee. The Internal Audit Plan was approved by the Audit Committee for implementation from 1 April 2023.

## **8. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES**

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

The Occupational Health and Safety (OHS) Committee was established in the 2020/21 financial year and handed over their functions to the Safety, Health, Environment, Risk and Quality (SHERQ) Committee.

The Entity's Senior Management and a representative from organised labour also participates in the Departmental SHERQ Committee. The Terms of Reference (TOR) for the SHERQ Committee was reviewed and approved. No SHERQ Committee meetings were held during the period under review, as there is no appointed Chief Operations Officer who must coordinate the implementation of the SHERQ Committee according to the SHERQ Policy.

Addressing the OHS issues in the organisation has been a focal point, particularly through the plans of the Facilities and Security unit. Maintenance of the facilities will continue to be done on a regular basis. The Entity is being assisted by the Gauteng Department of Infrastructure Development (DID) as an implementing agent for maintenance related projects due to the lack of human resources which is a major concern, to deliver and monitor the projects to ensure OHS issues in their environment.

The Entity renovated three buildings (i.e., Wellness Centre, Panel Beating and Car Wash Ablution buildings) which were completed in November 2021. The Occupancy Certificate was received from Ekurhuleni Municipality on 13 April 2022. Final snagging was done on 11 May 2022. The buildings have been handed over and are being occupied in phases to respective Business Units which are busy with operationalising such buildings for intended purposes (e.g., wellness centre which comprises of a gym, canteen areas and some offices; panel beating building, training rooms and offices; and the car wash ablution building which will be used by officials appointed to wash vehicles). The Entity also embarked on a Space Planning project for the wellness centre and panel beating building to accommodate officials who do not have office space whilst also ensuring that the building's initial usage is realised. The specifications are being compiled for the procurement of office furniture.

The major delay that has been experienced is with the implementation of Phase 2 infrastructure upgrade projects that will contribute extensively to addressing OHS issues related to the dilapidated and old infrastructure within the Head Office premises. As assisted by the Gauteng Department of Infrastructure Development, a Professional Team (PSP) was appointed to implement the Phase 2 infrastructure upgrade projects. The building layouts are being finalised and will be signed off. A stage 3 Report is being scrutinised by Gauteng Department of Infrastructure Development to ensure that it meets the required standards of the Infrastructure Delivery Management System. When all requirements are met and all tender preparatory stages have been concluded, a Construction tender will be advertised by August 2023.

The Entity has also secured new offices at Regional Offices in KZN, Cape Town and currently finalising long-term office space at East London to address issues of OHS compliance, among others.

The Entity will continue to manage the issues and address them accordingly within the resources available and will continue to create a conducive environment for staff to contribute to the service delivery, morale and productivity of the Entity.



## 9. PORTFOLIO COMMITTEES

### Responses to the Committee's Recommendations on the Oversight Report on the Annual Report of g-Fleet Management for the 2021/22 financial year.

Question No.	Question/ Recommendation	Department Response
1	<p>On the implementation plan and progress thereof, to address emphasis of matter as raised by the Auditor-General opinion on the performance of the Department and g-Fleet Management.</p>	<p>The item reported by the Auditor-General as emphasis of matter pertained to the Entity's restatement of prior year financial statement figures. The Entity's action to adjust prior year figures emanates from the correction of reporting errors which were identified during the current financial year but have an impact on the prior financial period.</p> <p>Management had identified the capacity challenges within the Finance Unit as the main contributor to this identified weakness in the internal control environment. Inadequate capacity does not allow for adequate preparation and reviews of reconciliations and related supporting documentation. In responding to this challenge, the Entity has since employed Director: Finance; Deputy Director: Asset Management and Assistant Director: Supply Chain Management, effective, 01 November 2022.</p> <p>Although the above has brought about much needed support, the Entity has further identified other critical positions, some of which form part of the new proposed organisational structure, for urgent advertisement and filling.</p> <p>However, the Entity would like to highlight that the above-mentioned emphasis of matter paragraph is predicted to remain in the assessment of the Auditor-General for the current financial year as management is finalising its corrections in response to the prior year audit qualification.</p>
2	<p>On the investigations on irregular expenditure and the implementation of outcomes thereof. The report should also include measures that have been put in place to ensure that wasteful and fruitless expenditure is prevented in the department and g-Fleet management.</p>	<p>The Entity relied on the Department's Fraud and Corruption Unit to investigate all fraud and corruption related issues. The Department has a backlog and did not prioritise the Entity. After an assessment, the Department allocated a dedicated official to deal with g-Fleet cases. The Entity is going to work with the Department to ensure that the investigations are expedited and will implement the recommendations of the investigation report. It is anticipated that the issues of fraud and corruption will receive undivided attention.</p> <p>Currently, all fraud related cases are at a finalisation stage. The outcome of the investigations will determine the steps to be taken. If there is prima facie evidence, the report will be forwarded to the Labour Relations Unit to initiate disciplinary processes.</p> <p>The Entity can report that the fruitless and wasteful expenditure incurred during the 2021/22 financial year emanated from the continued salary payments made to an official who absconded from work. The related disciplinary and termination processes were delayed, resulting in the continued payment. Such expenditure is being recovered from the former official's pension fund.</p> <p>The Entity has strengthened all existing internal controls to prevent any incurring of fruitless and wasteful expenditure, including but not limited to the timeous payment of all suppliers thereby preventing any interest charged on overdue accounts.</p>

## Responses to the Committee's Recommendations on the First Quarter Report of g-FleeT Management for the 2022/23 Financial Year.

Question No	Question/ Recommendation	Department Response
1	That the Department should provide the Committee with a detailed report on the implementation of intervention measures in place to achieve planned HDI targets for youth, Women and PWD's in line with the new Supply Chain Management Policy.	<p>The initiation of a new Supply Chain Management Policy is a process facilitated by the Gauteng Department of Roads and Transport's SCM Unit.</p> <p>The SCM Unit within the Entity undertakes constant monitoring and evaluation of the Entity's procurement from the designated groups. The monitoring and evaluation are undertaken against the Entity's current Procurement Strategy. The core Business Units are reminded to initiate key projects outlined in terms of the Procurement Plan to enable achievement of targets.</p> <p>On 13 September 2022, the Entity had a discussion with officials from the Gauteng Department of Economic Development on the list of accredited suppliers as per the township enterprise zone in order refocus procurement spend to the identified priority townships to support the Township Economy Revitalisation programme.</p> <p>The officials from GDED indicated that the collation of such information, in conjunction with the Office of the Premier, remains in progress and should be completed before the end of November 2022.</p> <p>The Entity is also reviewing its Procurement Strategy to identify improvements that can be affected to drive the achievement of equity and TER targets. Such a review is anticipated to be completed before the end of November 2022 to also incorporate initiatives from GDED.</p>
2	That the Department should provide the Committee with a detailed report on the process of change of banking details and Central Supplier Database (CSD) amendments. The report should also include the progress report on the delayed payments by client departments as a result of the above amendments.	<p>The process of change of banking details is handled by the Gauteng Provincial Treasury (GPT) for all Gauteng government departments and their related trading entities. The process of changing banks, i.e., from FNB to Standard Bank was implemented by GPT through an open tender process and was successfully concluded with Standard Bank taking over the services from 01 April 2022.</p> <p>The Entity being a service provider to various government departments and entities, must also be registered on the National Treasury Centralised Supplier Database. Any change in banking details must be affected on the Entity's profile on the CSD to ensure successful money transfers. The amendments to the CSD and the verifications processes undertaken by National Treasury could only be initiated after 01 April 2022. The delays to amend the Entity's banking details resulted in payments made by client departments, to the value of R21 million, being rejected and some National Departments were not able to process payments even though client departments were informed about the changes to the banking details prior to 31 March 2022.</p> <p>At present, all client departments and entities are utilising the Entity's new banking details and the payments delayed in the past have been successfully received by the Entity.</p>

## Responses to the Committee's Questions on the gFleeT Management First Quarter Report for the 2022/23 Financial Year.

Question No.	Question/ Recommendation	Department Response
1	The Entity should explain why the clients were not notified on time about the new banking details of the province .	Communication was distributed to client departments on 25 February 2022 informing them of the change in bank account that was going to be effective from 1 April 2022.
2	The Entity should also indicate the CSD amendments that affected processing of payments by some National Departments.	<p>At the end of March 2022, the Gauteng province moved its bank account from FNB to Standard Bank. The Entity, under the guidance of GPT, experienced delays in adjusting the Entity's bank account status on the CSD which required numerous verification checks undertaken directly with GPT and Standard Bank. Accordingly, client departments were unable to process their monthly payments on time.</p> <p>In addition, despite correspondence being sent to all client departments and suppliers of the Entity, some of the client departments continued to use the Entity's FNB account details which resulted in the payments being returned.</p>



Question No.	Question/ Recommendation	Department Response
3	The Entity should provide the list of the National Departments that could not process payments due to the CSD amendments.	List of National Departments was provided: <ul style="list-style-type: none"> <li>• National Health</li> <li>• Government Pensions Administration Agency (GPAA)</li> <li>• National Military Veterans.</li> </ul>
4	The Entity should clarify the figures in the Office of the CEO on the actual expenditure and total variance between the "Year to date results" column and "as at 30 June 2022" column.	The figure under the "as at 30 June 2022" column for the Office of the CEO reflects the correct expenditure to date as R742,034.00. Unfortunately, due to an error and oversight emanating from the lack of capacity within the Finance Unit, the actual expenditure was not correctly transferred to the Year-to date column.

### Responses to the Committee's Questions on the Second Quarter Report of g-FleeT Management for the 2022/23 Financial Year.

Question No	Question/ Recommendation	Department Response
9	The g-FleeT Management should explain why some performance targets are to be reported on in the fourth quarter.	Some of the Entity's performance targets are to be reported on in the fourth quarter because these annual targets are envisaged to be completed within a 12-month period. However, these annual targets are monitored on a quarterly basis.
10	The g-FleeT Management should explain why the expenditure of the Entity drastically increased in the second quarter.	The Entity indicated there was a decrease in the actual expenditure which was mainly due to the following: <ul style="list-style-type: none"> <li>• The delays in filling of advertised vacant positions.</li> <li>• The slow-down in the delivery of new vehicles due to the international shortages of vehicles experienced by vehicle manufacturers.</li> <li>• Infrastructure and maintenance projects implemented by the Gauteng Department of Infrastructure Development on behalf of the Entity only commenced towards the end of the second quarter.</li> </ul>
11	The g-FleeT Management should indicate whether the Entity would request for an adjustment during the adjustment budget period.	The Entity will be requesting for an adjustment in the 2022/23 budget. The proposed adjustment is necessitated by the following: <ul style="list-style-type: none"> <li>• A R30 million reduction in the budget allocated to the purchasing of new vehicles due to the overall slow-down in the delivery of new vehicles ordered by the Entity due to the international shortages of vehicles experienced by vehicle manufacturers.</li> <li>• A R40 million reduction in the budget allocated to the component Fleet Maintenance due to the slow turnaround timeframes experienced by the Entity in the performance of the appointed RT46 service provider, i.e., Westbank with regards to the repairs and maintenance of the Entity's vehicles.</li> <li>• A R19 million increase in the budget allocated to the component Technical Support Services (Transport Support Services) due to the appointment of the new vehicle tracking service provider and the increase in the fuel prices.</li> <li>• A R3.2 million increase in the budget allocated to the Office of the Chief Financial Officer to respond to the external capacity required to address the 2021/20 audit findings within the area of Assets Management, the tariff review project and strategic review of the Logistics Management Component for the Entity.</li> </ul> A R3 million increase in budget allocated to the component Facilities and Security Management to procure and install automated surveillance and access controls within the Bedfordview premises.

## Responses to the Committee's Questions on the Third Quarter Report for the 2022/23 Financial Year.

Question No	Question / Recommendation	Department Response
7	The Entity should provide progress made on the debt recovery, including the existence period of the debt per client department	The Entity has made significant progress in implementing its Debt Recovery Policy. This is reflected in the Entity's achievement of its third quarter target of reducing the average collections days by 15% (Actual achievement 15.91%). Despite these efforts, the Entity has noted a significant risk of non/delayed payment from the Gauteng Department of Health (GDoH) who currently owes the Entity R57 million with invoices unpaid since November 2022. The Entity has already sent a formal reminder to the Head of Department for GDoH requesting urgent payment.
8	The Entity should provide plans to avoid likely over expenditure at the end of financial year.	The Entity has undertaken a 2022/23 budget revision to respond to the anticipated over/under expenditure. The budget revision is incorporated in the Revised 2022/2023 Annual Performance Plan.

## 10. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS

### Report of the Auditor-General to the Gauteng Provincial Legislature on the Financial Statements and Performance Information of the g-FleeT Management for the Year ended 31 March 2022.

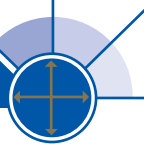
Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
1.1.1	The Standing Committee noted that the AGSA found that the Trading Entity did not recognise all items of property, plant and equipment in accordance with GRAP17. Property, plant and equipment resulting in prepaid maintenance cost incorrectly chaptalised into the motor vehicle cost. The AGSA was, therefore, unable to determine the full extent of the overstatement of motor vehicles and the understatement of prepayments as it was impractical to do so. There was a resultant impact on the repairs and maintenance for the period and on the accumulated surplus. <b>Provide the Committee with details for the Entity having a high number of vacancies in the Finance Unit resulting in the incorrect accounting treatment of prepaid maintenance.</b>	As reported to this Committee during the 2021/22 financial year, the Entity focussed on identifying and advertising critical vacant positions. Management can confirm that for Finance, the positions of Deputy Director: Asset Management and Director: Finance have been filled with the incumbent's taking office on 01 October 2022 and 01 November 2022, respectively. The Entity continues to identify and advertise additional vacant finance positions.	Ongoing





Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
1.1.2	<p>The Standing Committee noted that the AGSA made the following recommendations to the Department and therefore requests a report on the progress by 30 September 2022 on the implementation of these recommendations.</p> <p><b>All invoices relating to purchasing of vehicles for the past years need to be analysed to identify all prepaid maintenance.</b></p> <p><b>The maintenance needs to be removed from the cost price of the vehicles and depreciation re-calculated.</b></p> <p><b>Prepaid maintenance needs to be recognised and then adjusted where services were performed.</b></p>	<p>The audit finding raised by the AGSA relates to the Entity's failure to split the cost of the maintenance/service plans purchased by the Entity from actual cost of the motor vehicles. During the 2021/22 audit, the Entity was only able to correct the asset register in relation to the 2021/22 financial year as information pertaining to the prior financial years was not readily available and the exercise to correct the prior period error required detailed analysis and capacity.</p> <p>Since then, the Entity has identified that the change in business process adopted by the Entity's Fleet Acquisition Unit, i.e., to purchase maintenance and service costs for new fleet acquisitions, commenced during the 2017/18 financial year. Accordingly, management is required to go back and analyse all invoices commencing 01 April 2017. Due to the extensive nature of the exercise and the lack of adequate capacity, the Entity has sought the assistance of the Departments' Compliance Office to support the Entity in identifying and collating the relevant data for analysis and recommendation on correcting the prior year's financial statements. The work of the Compliance Office has commenced on 17 October 2022 and is busy collating the relevant data.</p>	Ongoing
1.2	<p>The Committee noted that the AGSA found that the Trading Entity did not present motor vehicles for physical verification which resulted in motor vehicles being misstated by R60,964,087</p> <p><b>Provide the committee with details for the Entity having a high vacancy rate in the finance unit which resulted in the Entity not physically inspecting all vehicles during the asset verifications.</b></p>	<p>As noted by the Auditor-General, the Entity's overall vacancy rate for the period under review was above 30% with more than 11% of the vacancies residing within the Finance component. The AGSA has further noted this as being a regression from the prior financial year. It must be noted that the analysis undertaken by the AGSA is based on the current structure which based on the review thereof, has proven to be outdated, hence, the executive directive will need to review the Entity's current structure to bring much need capacity to enable the Entity to deliver effective and efficient services to its clients.</p> <p>As reported to this Committee during the 2021/22 financial year, the Entity focussed on identifying and advertising critical vacant positions. Management can confirm that for Finance, the positions of Deputy Director: Asset Management and Director: Finance were filled with the incumbents taking office on 01 October 2022 and 01 November 2022, respectively. The Entity continues to identify and advertise additional vacant finance positions.</p>	Ongoing
1.2.2	<p>The Standing Committee noted that the AGSA made the following recommendation to the Department and therefore requests a report on progress made by 30 September 2022 in the implementation of this recommendation.</p> <p><b>Physically verifying all vehicles owned by the Entity</b></p>	<p>The audit finding raised by the AGSA relates to the auditors being unable to physical verify some vehicles recorded on the Entity's asset register. The challenge emanates from the Entity not having undertaken effective, efficient and continuous verification of all its vehicles due to its significant capacity challenges within the Asset Management Unit. In addition, the movement of vehicles both in and out of the Bedfordview premises is monitored through a manual access control system and is not automated which poses a challenge to the verification team when they are undertaking the verification process.</p> <p>Due to the extensive nature of the exercise and the lack of adequate capacity, the Entity has sought the assistance of the Department's compliance office to support the Entity in undertaking an extensive physical verification of vehicles owned by g-FleeT. The compliance officer has commenced with work effective 17 October 2022 and is busy collating the relevant data.</p>	Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
1.3	<p>The Committee noted that the AGSA found that the Trading Entity did not recognise accumulated depreciation in accordance with GRAP 17, property, plant and equipment. The depreciation calculation for motor vehicles was not in line with GRAP 17 and therefore, the AGSA was unable to determine the full extent of the misstatement of the accumulated depreciation as it was impracticable to do so.</p> <p><b>Provide the Committee with details for the Entity having a high number of vacancies in the Finance unit resulting in the occurrence of formula errors in the Asset Register as it is in excel.</b></p>	<p>As noted by the Auditor-General, the Entity's overall vacancy rate for the period under review was above 30% with more than 11% of the vacancies residing within the Finance component. The AGSA has further noted this as being a regression from the prior financial year. It must be noted that the analysis undertaken by the AGSA is based on the current structure, which, based on the review thereof, has proven to be outdated, hence the executive directive to review the Entity's current structure to bring much need capacity to enable the Entity to deliver effective and efficient services to its clients.</p> <p>As reported previously to this Committee, the overall effectiveness of the measures implemented continued to be negatively impacted by the key skills and capacity gaps experienced by the Entity during the period under review. The weaknesses related to the skills and capacity limitations identified by the Entity, continue to have a negative impact on performance. Whilst control measures were implemented, the under-capacitated Asset Management Unit requires officials to undertake multiple roles and responsibilities, often incompatible functions such as being preparer and reviewer of reconciliations, etc. Accordingly, an environment prone to errors and omissions was created as staff were overworked and exhausted.</p> <p>As reported to this Committee during the 2021/22 financial year, the Entity focussed on identifying and advertising critical vacant positions. Management can confirm that for Finance, the positions of Deputy Director: Asset Management and Director: Finance were filled with the incumbents taking office on 01 October 2022 and 01 November 2022, respectively. The Entity continues to identify and advertise additional vacant finance positions.</p>	Ongoing
1.3.2	<p>The Standing Committee noted that the AGSA made the following recommendation to the Department and therefore requests a report on progress made by 30 September 2022 in the implementation of this recommendation.</p> <p><b>Depreciation and accumulated depreciation need to be corrected for all vehicles owned by the Entity and not classified as finance leases.</b></p>	<p>The audit finding raised by the AGSA occurred due to:</p> <ol style="list-style-type: none"> <li>1. The delays in the licensing of some vehicles purchased which in terms of GRAP 17, required the Entity to commence with depreciation from a later date.</li> <li>2. The overstatement of the cost of vehicles due to the incorrect capitalisation of the cost associated with the purchase of service and maintenance plans.</li> </ol> <p>Due to the extensive nature of the exercise and the lack of adequate capacity, the Entity has sought the assistance of the Department's compliance office to support in identifying and collating the relevant data for analysis and recommendation on correcting the prior year's financial statements. The compliance office has commenced effective 17 October 2022 and is busy collating the relevant data.</p>	Ongoing



Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
2.1	<p>The Committee noted that the corresponding figures for 31 March 2021 were restated because of an error in the financial statements of the Trading Entity at and for the year ended 31 March 2022.</p> <p><b>Provide the Committee with details of the Entity's Audit Improvement Plan which was not effective, resulting in errors in the financial statements.</b></p>	<p>The 2020/21 Audit Improvement Plan was prepared in response to the 2020/21 audit outcome. The Entity was able to successfully respond to the 2 areas that resulted in the 2020/21 negative audit outcome. The Entity was also able to eliminate the compliance finding of paying suppliers within 30 days. Accordingly, in responding to the above and to ensure compliance with GRAP, the Entity was required to restate its financial statements for 31 March 2021 as the errors impacted on the prior period financial statements.</p> <p>Although some of the key elements of the Audit Improvement Plan were implemented, the negative impact of not resolving the challenges pertaining to the organisational structure and filling of key vacant positions meant that new errors identified by the AGSA, which required extensive work and capacity dating back to the prior financial periods could not be adequately addressed within the limited audit timeframes.</p>	Ongoing
3.1	<p>The Committee noted that the AGSA found that the Annual Performance Report contained material misstatements on usefulness and reliability where the source information and method of calculation for measuring the planned indicator was not clearly defined, and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions.</p> <p>Supporting evidence provided did not agree to the reported achievement.</p> <p><b>Provide the Committee with details for the lack of measurement definitions and processes which would have enabled the AGSA to obtain sufficient appropriate audit evidence that systems and processes were established to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions.</b></p> <p><b>Provide the Committee with details for the source information and supporting evidence for measuring the planned indicator not clearly defined.</b></p>	<p><u>Outcome:</u> Revitalised township Economy</p> <p><u>Output Indicator:</u> Percentage of Entity's discretionary procurement spend directed towards township suppliers.</p> <p>During the 2020/21 financial year, the auditor raised findings against this reported target, stating that it was unclear as to whether the township enterprises used by the Entity during its procurement processes were in fact townships businesses as defined. In responding to the above-mentioned audit finding, the Entity, during 2021/22 financial year obtained and used a list of townships as was identified and issued by the Gauteng Provincial Treasury (GPT) and the Gauteng Department of Economic Development (GDED) when the TER programme was first introduced to the province. The list and its origins were issued to the auditors as part of the supporting documentation.</p> <p>However, the auditors were uncomfortable with the validity, accuracy and completeness of the said list when compared to the township definition as outlined in the related Provincial Bill. In responding to the AGSA's concerns, the Entity requested, with no luck for the support of GDED to guide the AGSA in this regard. Unfortunately, due to the extreme time pressures of the audit, the AGSA concluded that the target was not well defined.</p> <p>After the audit, the Entity consulted with colleagues from GDED as the custodians on the Township Economy Revitalisation project on 13 September 2022 with the aim of resolving this finding. The GDED representative confirmed the following:</p> <ul style="list-style-type: none"> <li>• The Township Bill has been approved for implementation.</li> <li>• The definition of a township has been clarified in the Bill.</li> <li>• Both GDED, OoP and GPT are working on establishing a supplier database of township enterprise zones which will guide the province in terms of procurement and support all entities in providing clear information for audit purposes. Unfortunately, this process has not yet been finalised.</li> <li>• It was then resolved that the Entity should remove the TER target reporting from the tables during the revised APP period. The Entity will instead report the matter as part of the narrative but will only reinstate it as a formal APP reporting target once the processes as outlined above have been resolved to prevent further audit findings within this area.</li> </ul>	Yes, Done

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
4.1	<p>The Committee noted that the AGSA found that the financial statements submitted for audit were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA as material misstatements identified by the AGSA in the submitted financial statement were not adequately corrected and thus resulted in financial statements receiving a qualified audit opinion.</p> <p><b>Provide the Committee with details for the Department not to have adequately corrected material misstatements identified by AGSA in the submitted financial statements.</b></p>	<p>The audit mentioned paragraph as noted by the AGSA emanates from the fact that Entity was unable to adequately and timeously address the audit findings pertaining to incorrect capitalisation of service and maintenance costs, verification of some of the vehicles contained on the asset register and incorrect depreciation and accumulated depreciation. Supporting information/data to affect the timeous corrections were not easily available and required extensive work and capacity, dating back to prior financial periods to adequately address the audit findings raised by the AGSA.</p>	Ongoing
4.2	<p><b>Provide the Committee with details for the non-effective implementation and monitoring of Action Plans that were developed to address audit findings of the prior year, thus resulting in the occurrence of inadequate internal controls on financial and expenditure management.</b></p>	<p>The 2020/21 Audit Improvement Plan was prepared in response to the 2020/21 audit outcome. The Entity was able to successfully respond to the 2 areas that resulted in the 2020/21 negative audit outcome. The Entity was also able to eliminate the compliance finding of paying suppliers within 30 days. In responding to the above and to ensure compliance with GRAP, the Entity was required to restate its financial statement for 31 March 2021 as the errors impacted on the prior period financial statements.</p> <p>Although some of the key elements of the Audit Improvement Plan were implemented, the negative impact of not resolving the challenges pertaining to the organisational structure and filling of key vacant positions meant that new errors identified by the AGSA, and which required extensive work and capacity dating back to prior financial periods could not be adequately addressed within the limited audit timeframes.</p>	Yes, Ongoing



## Progress Report to House Resolutions for Responses on SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of g-Fleet Management for the Year Ended 31 March 2021

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
7.1	The Entity must submit a progress report detailing the effectiveness of the measures put into place to address findings on the Annual Financial Statements by 31 July 2021 and every quarter continuing up until end of June 2022.	<p>The Audit Improvement Plan was submitted.</p> <p>The overall effectiveness of the measures implemented were negatively impacted by the key skills and capacity gaps experienced by the Entity during the period under review. This was further laid bare by the negative impact of the COVID-19 pandemic as limited key officials were not available during critical stages of the financial year and during the audit process, due to having contracted the virus. Although some of the key elements of the Audit Improvement Plan were implemented as detailed below, the negative impact of not achieving the challenges pertaining to the organisational structure and filling of key vacant positions, played an overwhelming role in the regression of the overall audit outcome.</p> <p>The Entity continued to prepare its financial records and reconciliations of transactions on a monthly basis and were successful in the detection and correction of misallocations and errors during the financial year.</p> <p>The Entity continued to prepare its financial statements on a quarterly and annual basis with the aim of improving on the overall quality of its financial reports.</p> <p>The process of clearing of the old purchase orders on the system for the financial year 2020/21 was successfully completed.</p> <p>The Entity's plan to migrate its asset register to SAP was not successfully finalised with unresolved challenges relating to the final development stages of the specific ICT project.</p> <p>Limited training opportunities were available to staff due to the impact of the COVID-19 pandemic and the capacity constraints within the Entity.</p> <p>The Entity appointed a service provider to assist with the review the financial statements before submission to the Auditor-General of South Africa.</p> <p>In response to the 2020/21 audit outcome, management drafted a new Audit Improvement Plan with the aim of achieving a clean audit opinion. Once again, this plan is premised on the foundation that all critical positions within the Entity will be filled to bring about support and management to key Business Units. As of 30 June 2022, management can report that it has implemented 14 out the 22 action plans which represents an achievement rate of 68%.</p> <p>The remaining eight items have already commenced and are in progress. However, the Committee is advised that the aspect of restating corresponding amounts is expected to remain in the 2021/22 audit outcome as management has already affected adjustments in addressing the prior year audit qualification.</p>	Yes, Ongoing

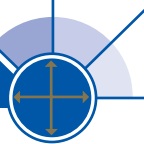
Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
7.5	The Entity must submit to the Committee its plan to investigate and reduce the irregular expenditure accumulated over the years by 31 July 2021 and on a quarterly basis, report progress continuing up until the end of June 2022.	<ul style="list-style-type: none"> <li>The Entity commissioned an investigation into irregular expenditure incurred over the years and eventually applied to condone the expenditure to the Gauteng Provincial Treasury (GPT). Management is working closely with the officials from the GPT to finalise the condonation process as a matter of urgency. The Entity has received some feedback from GPT for additional information in respect of our request. The Entity submitted the additional information.</li> </ul> <p>During March 2022, GPT responded by not condoning the Entity's request in relation to the past extensions of property rental agreements for its regional offices. The Entity is currently assessing the response with the aim of re-applying to the Committee. Such re-application has been delayed by the capacity constraints within the Entity and a lack of availability of additional information to support the re-application. The current capacity within the Entity has been fully engaged because of the current audit process. Management remains committed to address this matter as a matter of urgency.</p> <ul style="list-style-type: none"> <li>As of 31 March 2022, the Entity incurred irregular expenditure amounting to R474,000, which comes from the extension of the old, expired contract for property rental for the East London Regional Office. The extension was necessitated because of the continued procurement challenges in sourcing and finalising new office accommodation due to the limited office accommodation within East London precinct and the continued failure by potential service providers to submit reasonably acceptable quotations to the Entity's specifications. The Entity has appointed a new service provider, commencing 01 April 2022.</li> </ul>	Yes, Ongoing
7.6	The Entity must submit its plan detailing its adherence and compliance to the requirements of all applicable legislation to ensure that effective measures are implemented to ensure that contractual obligations are met by 31 July 2021 and a quarterly progress report, continuing up until end of June 2022.	The Entity, under the direction of GPT developed a Compliance Risk Register which is tracked and monitored monthly.	Yes, Ongoing



Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
7.9	The Entity must provide the Committee with a progress report detailing the effectiveness of the measures put in place to address errors in the financial statements by 31 April 2021 and a quarterly progress report continuing up until the end of June 2022.	<p>The overall effectiveness of the measures implemented was negatively impacted by the key skills and capacity gaps experienced by the Entity during the period under review. Misstatements in financial statements emanate from the weakness in the internal control environment which affect daily and monthly processing of transactions and reconciliations. The weaknesses related to the skills and capacity limitations identified by the Entity played a fundamental role in the identified misstatements within the financial statements. Whilst control measures were implemented, the limited finance officials were required to undertake multiple roles and responsibilities associated with financial management. Some of which were incompatible functions, such as being preparer and reviewer of reconciliations, etc. Accordingly, an environment prone to errors and omissions was created as staff were overworked and exhausted. In response to the above, management will continue to implement the below control measures, whilst addressing the vacancy challenges:</p> <ul style="list-style-type: none"> <li>• The Entity prepares its financial statements on quarterly and annual basis which are reviewed internally and by GPT.</li> <li>• The Entity prepares its financial records and reconciliations of transactions with a view to detect any misallocations or errors on a monthly basis.</li> </ul> <p>Critical finance positions were re-advertised on 05 December 2021 (Sunday Times), 07 December 2021 (Internal Communications) and 10 December 2021 (DPSA) in line with agreement reached between the employer and organised labour. The Project Plan outlining the processes to be followed has been prepared by Human Resource and is tracked on a weekly basis. The selection process has commenced, and the Entity will ensure that the advertised posts are filled in line with the Departmental Recruitment and Selection Policy. The Entity has been granted an extension of six months to finalise the current recruitment process.</p> <p>In addition, management will commence with the preparation of monthly financial statements which would facilitate early reviews, thereby allowing for an improvement in the quality of financial statements which is aligned to GRAP. Management is targeting the third quarter financial statements as a basis to commence with the process of preparing monthly financial statements. Unfortunately, this target has not been met due to the delays in the filling of critical vacant finance positions. A new target will be set on completion of the recruitment process. Management's new target is to commence with this process after the completion of the first quarter of the 2022/23 financial year.</p>	Yes, Ongoing
7.10	The Entity must implement the recommendations of the investigation reports by the Provincial Accountant General (PAG) and the Gauteng Audit Services (GAS), thereafter provide the Committee with a progress report detailing the status of the implementation of the recommendations by 31 July 2021 and a quarterly progress report continuing up until finalisation thereof.	<p>The Office of the Provincial Accountant General concluded that there were no duplicated payments and recommended that the following interventions for the Entity which were implemented:</p> <ul style="list-style-type: none"> <li>• That Entity must move away from utilising manual systems and must migrate to SAP and utilise the SAP asset management module for recording.</li> </ul>	Yes, Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
7.11	The Entity must provide the Committee with a progress report detailing the effectiveness of the systems in place to achieve targets relating to Programme 3: Transport Operations by 31 July 2021 and a quarterly progress report, continuing up until the end of June 2022.	The Entity only has Programme 1 and Programme 2. Programme 3 (Transport Operations) functions are executed by the Department.	Resolved
7.12	The Entity must provide the Committee with a progress report detailing the effectiveness of the action plan to address the root causes related to internal control deficiencies by 31 July 2021 and a quarterly progress report continuing up until the end of June 2022.	The Entity developed tracking and monitoring mechanism for all findings issued by AGSA and Gauteng Audit Services. The tracking and monitoring plan identified actions or interventions with the implementation date and responsible official, to address shortcomings in the internal control weaknesses raised by the auditors. Progress reports on the implementation of actions plans on audit findings are prepared on a monthly and quarterly basis. The audit findings that are tracked on a monthly basis cover many processes of the operations of the Entity as required by law and regulations. These include financial statements, internal control systems, compliance and performance information. The Entity provided progress on the implementation of action plans on audit findings for the period ending 31 May 2022.	Ongoing
7.13	The Entity must provide the Committee with a progress report detailing the status of the recruitment process to fill vacant critical position in the Finance Unit by 31 July 2021 and a quarterly report continuing up until the finalisation thereof.	The Entity commenced with the shortlisting of the following critical posts within the Finance Unit, namely, Director: Financial and Management Accounting; Deputy Director: Asset Management; Assistant Director: Revenue Management; Assistant Director: SCM and Admin Clerk: SCM. Interviews for the above-mentioned posts were conducted during June 2022 and the recommended candidates for appointment were subjected to competency tests and security vetting. Management anticipates that the recruitment process will be concluded by 31 December 2022.	Ongoing
7.14	The Entity must provide the Committee with the progress report detailing the status of the investigations related to third party claims as at 31 July 2021 and a quarterly progress report continuing up until finalisation thereof.	The Entity provided the Committee with the progress report detailing the status of the investigations relating to third party claims as at 29 June 2022.	Ongoing
7.15	The Entity must submit quarterly progress reports on the finalisation of the lawsuits reported for the period of 31 March 2020 by 31 July 2021 and a quarterly progress report continuing up until finalisation thereof.	The progress on each lawsuit was provided.	Ongoing





**House Resolutions for Responses on SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of gFleeT Management for the Year ended 31 March 2021**

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
1	That the Entity must provide the Committee with a report detailing the progress of the process of reviewing the current organisational structure by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof.	<p>Two parallel processes are still being pursued by the Entity for the development of the organisational structure. The first is the review of the current organisational structure and the second is the form and shape of the organisation.</p> <p><b>Review of the current organisational structure</b></p> <p>The Gauteng Department of Roads and Transport (GDRT) and the Office of the Premier(OoP) continues to support the Entity with the development of the organisational structure. It is envisaged that the revised 2012 organisational structure will be submitted to the Department of Public Service and Administration (DPSA) by April 2022.</p> <p><b>Form and Shape of the Organisation</b></p> <p>Further to the Organisational Review, a Project Steering Committee meeting was held in February 2022, the Entity had to abandon the procurement processes that were undertaken to appoint a service provider to undertake an assignment to prepare a feasibility study and a comprehensive business case on "form and shape" of the organisation to create an autonomy from GDRT for approval by the relevant authorities. This has, however, changed and will now be done internally with the assistance of OoP in line with the decision taken in the Organisational Review: Project Steering Committee meeting held on February 2022. The Draft Business Case, together with the proposed organisational structure and Change Management Strategy, recommending that the Entity be established as a government component was developed and submitted to the Gauteng Provincial Treasury.</p>	Ongoing
2	The Entity must provide the Committee with a report detailing the status of the project to conduct the assessment of its assets as required by policy and GRAP by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof.	Management can report that the impairment assessment which had resulted in the negative audit outcome for the 2020/21 financial year has been completed and the financial statements adjusted accordingly. The affected adjustments were sent to AGSA for early audit. During the month of March 2022, AGSA commenced with the review/audit of the information submitted. The audit remains in progress. The impairment assessment for the 2021/22 financial year on the remaining buildings was completed.	Ongoing
3	The Entity must provide the Committee with a report detailing the status of the classification of vehicles awaiting disposal as per the requirements of GRAP 17 by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof.	Management can report that the challenges pertaining to the classification of vehicles awaiting disposal which resulted in the negative audit outcome for the 2020/21 financial year has been addressed and the financial statements adjusted accordingly. The affected adjustments have been sent to AGSA for early audit. During the month of March 2022, AGSA commenced with the review/audit of the information submitted. The audit remains in progress. The assessment for the classification of vehicles awaiting disposal for the 2021/22 financial year is currently in progress.	Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
4	The Entity must submit its Audit Improvement Plan and provide the Committee with a report detailing its effectiveness by 31 January 2022 and a quarterly progress report continuing up until end of June 2022.	The Audit Improvement Plan was presented to the Committee.	Ongoing
5	The Entity must submit its plan to review performance indicators and provide the Committee with a report detailing its effectiveness by 31 January 2022 and a quarterly progress report continuing up until end of June 2022.	<p>The Technical Indicator Descriptions (TID) that were found not to be in line with the prescribed Guidelines for the Implementation of the Revised Framework for Strategic Plan and Annual Performance Plans, were revised with the assistance of the Office of the Premier as well as GDRT: Monitoring and Evaluation Unit. The Annual Performance Plan (APP) has been revised and approved accordingly.</p> <p>The 2 targets, namely: minimum of 30% of procurement budget to be allocated to township businesses and ICT Strategy developed and implemented, were amongst the targets that were reviewed with the assistance of OoP and GDRT. Monitoring and Evaluation Unit: This was done with the aim of aligning it with performance information available. The Entity obtained approval to remove the two targets/output indicators relating to maintenance from the APP.</p>	Yes, Done
6	The Entity must submit its plan to fill the position of the Deputy Director: Asset Management and Director: Finance by 31 January 2022 and provide the Committee with progress made by 31 January 2022 as well as a quarterly progress report continuing up until the finalisation thereof.	<p>The shortlisting and interviewing process for the critical vacant posts that were previously advertised was delayed due to objections raised by the organised labour on the recruitment process within the organisation. Some of the objections raised were that only online applications were allowed and accepted, time lapsed between advertisements and that organised labour were not involved in the shortlisting and interviewing of the Senior Management posts, etc.</p> <p>To resolve the matter and to ensure labour peace, an agreement was reached to re-advertise the posts allowing for manual submissions of Curriculum Vitae (CVs). Twenty-five critical posts were subsequently advertised in December 2021 and the closing date was 28 December 2021 (05 December 2021 (Sunday Times), 07 December 2021 (Internal Communications) and 10 December 2021 (DPSA). The project plan outlining the processes to be followed has been prepared by Human Resource and is being tracked on a weekly basis. The selection process has commenced and the Entity will ensure that the advertised posts are in line with Departmental Recruitment and Selection Policy.</p> <p>The interviews for the Deputy Director: Asset Management post were held on 6 June 2022 and interviews for Director: Finance were held on 13 June 2022. Due to the nature of this positions, the recommended candidates for appointment were subjected to competency tests and security vetting.</p> <p>The final submissions for the appointment of the recommended candidates for Deputy Director: Asset Management and Director: Finance are in the process of submission for approval.</p>	Resolved



Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
7	The Entity must submit its plan to rollout the Electronic e-invoicing system and provide the Committee with a report detailing its effectiveness by 31 January 2022 and a quarterly progress report continuing up until end of June 2022.	The invoice tracker aligned to the Electronic Invoicing System (EIS) has been developed and is being implemented. The related Standard Operating Procedure (SOP) review has been completed and is being implemented. As of 30 June 2022, the Entity paid 95% (i.e., 215 invoices totalling approximately R157 million) in terms of invoices paid within 30 days. 75% of the invoices were paid within 15 days as outlined in the table above. 12 invoices totalling to R1.9 million were not paid within 30 days due to late submission of GRVs, system related challenges and supplier registration challenges. Management is working on addressing these shortcomings with consequence management also being considered for unjustifiable delays.	Ongoing
8	The Entity must provide the Committee with a report detailing the status of the application to the Gauteng Provincial Treasury for condonement of the irregular expenditure amounting to R464,000 by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof.	The reported irregular expenditure emanated from the extension of the expired leased accommodation for the East London Regional Office. Such extension has also been reported as irregular expenditure in the prior years and already forms part of the irregular expenditure condonation request submitted to the GPT. The Entity will then use the feedback as a basis for submitting the new request for the R464,000. During March 2022, GPT responded by not condoning the Entity's request in relation to the past extensions of property rental agreements for its regional offices. The Entity is currently assessing the response with the aim of re-applying to the Committee. Such re-application has been delayed by the capacity constraints within the Entity and a lack of availability of additional information to support the re-application. The current capacity within the Entity has been fully engaged because of the current audit process. Management remains committed to address this matter as a matter of urgency.	Ongoing
9	The Entity must provide the Committee with a report detailing the status of the investigation into the fruitless and wasteful expenditure by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof.	On 02 December 2021, the Acting Head of Department approved the Entity's request to refer the fruitless and wasteful expenditure balance to GDRT's Anti-Fraud and Corruption Unit for investigation. Such approval was submitted to the GDRT's Anti-Fraud and Corruption Unit and is currently under investigation. Management has undertaken numerous follow-ups with the Unit and continues to await the final report.	Ongoing

Resolution No.	Subject	Response by the Department	Resolved (Yes/No)
10	The Entity must provide the Committee with a report detailing the status of the process of mapping and developing the new fleet system as well as the electronic document management system to simplify and automate processes by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof.	<p><b>Integrated Fleet Management System (IFMS)</b></p> <ul style="list-style-type: none"> <li>Weekly project progress meetings are convened between the Entity and the system development department, Gauteng Department of e-Government (e-Gov).</li> <li>A Steering Committee has been established to convene monthly comprising of key stakeholders representing the Entity, the Gauteng Department of Roads and Transport (GDRT), e-Gov and Gauteng Audit Services (GAS).</li> </ul> <p>The main purpose of the Steering Committee, among others, is to: approve the Project Initiation Documentation; authorise each development stage of the project; approve out of scope activities and evaluate the cost implications thereof; provide overall guidance and direction to the project; ensure the project remains viable and within any specified constraints; ensure risks are tracked and managed as effectively as possible; authorise project closure and sign off the project.</p> <ul style="list-style-type: none"> <li>A detailed project plan has been developed which outlines the project stages and the 17 modules and sub-modules to be developed against which progress will be tracked and monitored.</li> <li>The progress to-date is that the first module (customer care management) comprising of three submodules is earmarked to be completed by 30 June 2022. One of the three submodules (registration/access management) has been developed and is currently being tested for completeness. The business requirements mapping/documenting of the two remaining submodules (e-transact and e-forms) is 90% complete.</li> <li>The Business Requirements Specifications (BRS) for the e-transaction and e-forms (second and third sub-modules) has been completed. The development of these sub-modules is subject to the first sub-module (registration/access management) being integrated with the e-Natis API. The Entity applied to RTMC during May 2022 to gain access to the e-Natis API and is still awaiting a response from RTMC to that effect. This e-Natis API access allows for system integration between RTMC and IFMS insofar as to verify driver's /user's accessing the IFMS through the confirmation of their driver's licences. In essence, the e-Natis API access serves as know-your-customer (KYC) functionality. The Entity has escalated the delayed response from RTMC to e-Gov for assistance as the API access is a technical requirement in the development of the IFMS.</li> <li>BRS for modules 6, 7 and 8 is currently being documented for they are interdependent modules that flow from the first module (customer care management).</li> </ul> <p><b>Electronic Document Management System(e-DRMS)</b></p> <ul style="list-style-type: none"> <li>The processes have been developed and the scanners for back scanning were procured.</li> <li>The licences for operating the e-DRM system have been obtained from GDRT. The project implementation is ongoing; refresher training for specific officials who will be using the system was conducted.</li> <li>The project implementation is ongoing.</li> </ul>	Ongoing
12	The Entity must submit progress made in the implementation of its Audit Action Plans by 31 January 2022 and every quarter thereafter until all resolutions are resolved.	The Audit Improvement Plan was submitted.	Ongoing



## 11. PRIOR MODIFICATION TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	The financial year in which it first arose	Progress made in clearing/resolving the matter
Irregular Expenditure (Non-compliance with PFMA and procurement processes)	2014/15	Investigation report and memo to condone irregular expenditure has been sent to the Gauteng Provincial Treasury for consideration and approval. The Entity has put necessary internal controls to curb/eradicate irregular expenditure.
Fruitless and wasteful expenditure (Non-compliance with PFMA)	2014/15	No fruitless and wasteful expenditure was incurred by the Entity in 2018/19 and 2019/20 financial year. It is only during 2020/21 that the Entity incurred fruitless and wasteful expenditure due to interest paid on late payments. This happened during hard lockdown and the Entity has since introduced digital signatures to avoid late approval of invoices.
Contractual obligations and money owed by the Entity were not settled within 30 days (Non-compliance with PFMA)	2014/15	The Entity has achieved 97% compliance rate in terms of paying services providers with the prescribed 30 days' period in terms of the PFMA and TR. The Entity will continue to implement measures aimed at achieving 100% compliance rate. SAP has been fully implemented and the Purchases and Accounts Payable Standard Operating Procedure is being continuously implemented. Suppliers are encouraged to register on the Electronic Invoicing System which allows them to submit invoices electronically thereby fast tracking the payment process.

## 12. INTERNAL CONTROL UNIT

The Accounting Officer through monitoring and management of the Drivers of Internal Control ensures that set control objectives have the required control mechanisms and activities in place that will monitor and evaluate controls. The Accounting Officer continually assesses and evaluates internal control to ensure 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 are put in place.

## 13. AUDIT COMMITTEE REPORT

### GAUTENG PROVINCIAL GOVERNMENT (GPG)

#### Report of the Audit Committee – Cluster 04

##### g-FleeT Management Agency

We are pleased to present our report for the financial year ended 31 March 2023.

#### Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter),

Five meetings were held during the current year i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's Audit and Management Reports.

#### Non-Executive Members

Name of Member	Number of Meetings attended
Mr. Vishnumurthie Kista Naicker (Chairperson)	05
Ms. MMathebe Annah Faith Moja	05
Mr. Mduduzi Mike Sibeko	04

#### Executive Members

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

Compulsory Attendees	Number of Meetings attended
Mr. Noxolo Maninjwa (Chief Executive Officer)	04
Mr. Poobalan Govender (Acting Chief Financial Officer)	04
Mr. Thulani Mkhwanazi (Acting Chief Financial Officer)	01
Ms. Delicia Kgage (Acting Chief Risk Officer)	04
Mr. Kweyama Velile (Chief Audit Executive)	05

The Committee noted that the Accounting Officer attended four (04) scheduled Audit Committee meetings. Therefore, the Audit Committee is satisfied that the Entity adhered to the provisions of the GPG Audit Committee Charter in relation to ensuring that there is proper representation for the Accounting Officer.



The Members of the Committee met with the Senior Management of the Entity and Internal Audit collectively to highlight risks and address challenges facing the Entity. A number of in-committee meetings were held to address internal control weaknesses and unresolved deviations within the Entity.

### **Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

### **The effectiveness of internal control**

Based on the results of the audits performed by the Internal Audit and the follow up reviews conducted, the overall opinion on the internal control design was Adequate but Ineffective to ensure that the Entity objectives will be achieved.

The Entity should focus on improving the effectiveness of controls in the following areas:

- Fleet Management (VIP and Pool)
- Revenue and Debt Management
- Supply Chain Management - Procure to Pay
- IT Asset Management

Management is reminded to efficiently implement the Auditor-General's findings, as a subsequent audit revealed that not all of the AG's recommendations were implemented. The management should also prioritise the implementation of the audit's findings.

### **Information and Communication Technology (ICT) Governance**

In the new financial year, the Entity should improve the adequacy and efficiency of internal controls relating to ICT governance, business continuity, and ICT general controls.

### **Internal Audit**

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

The Internal Audit team was able to execute and substantially complete all risk-based audit assignments. The Audit Committee was satisfied that the Internal Audit plan demonstrated a direct correlation with the principal risks, had acceptable information system coverage, and achieved a good balance between the various audit types, including risk-based, required, performance, computer, and follow-up audits.

The coordination of efforts between internal audit and Auditor-General of South Africa have been enhanced further during the year in the provision of assurance services. The Audit Committee considers this a significant step toward a comprehensive combined assurance system.

During this financial year, an independent quality assurance evaluation of internal audit was conducted. The evaluations concluded that the Province's internal audit services were Generally Conformant with the International Standards for Professional Practice of Internal Auditing.

### **Risk Management**

The Audit Committee is responsible for the oversight of the risk management function. The Risk Management Committee reports to the Audit Committee on the Entity's status of risk management by the Entity. The Audit Committee has evaluated the risk register and Risk Committee reports and is comfortable with the maturity of the risk management processes, although processes and policies must be improved to address the Entity's significant risk exposures. To ensure timely implement risk mitigation strategies, management should complete the Entity's strategic register on time.

### **Performance Management**

The review of effectiveness and functionality of the performance management system (which includes analysis of management prepared quarterly performance reports and related internal audit reports) by the Audit Committee revealed a need to strengthen current performance management and reporting systems.

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

The Audit Committee reviewed the quality, accuracy, uselessness, reliability and appropriateness of quarterly and annual financial reporting and the Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Entity during the year under review and confirms that the reports were in compliance with the statutory reporting framework. The Audit Committee commends the Entity for reporting to Treasury on a monthly and quarterly basis, as required by the PFMA. The Audit Committee recommends that the Entity ensure greater compliance with As a result, the Audit Committee advised the creation and execution of an effective compliance management system to mitigate against non-compliance with law and regulation. section 40(1) of the PFMA with regard to the evaluation and monitoring of financial reports and performance information reports by management.

### **Compliance with the relevant laws and regulations**

Throughout the year, Audit Committee, Management, Internal Audit, and the Auditor-General of South Africa identified a number of instances of non-compliance with the enabling laws and regulations. As a result, the Audit Committee advised that an efficient compliance management system be developed and implemented to resolve situations of non-compliance with laws and regulations.

### **Forensic Investigations**

There were no new cases reported to Provincial Forensic Services during the year under review.

The Audit Committee is concerned with inadequate capacity in the Provincial Forensics Services in order to timely investigate and finalise all reported cases, however comfort is drawn from the commitment by the Office of the Premier to capacitate the unit.





## Evaluation of Annual Financial Statements and the Annual Performance Information

The Committee has evaluated the Annual Financial Statements (AFS) and the annual performance information for the year ended 31 March 2023 and duly recommended them for the Accounting Officer's approval prior to being submitted to the AGSA for audit. Subsequently the material misstatements corrected in the AFS were reviewed when the management report of the AGSA was discussed with the Audit Committee. The Audit Committee has discussed the external audit outcomes on the reporting on pre-determined objectives to be included in the annual report with the AGSA and the Accounting Officer.

## Audit Improvement Plan for 2020/21

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

## One-on-One Meeting with the Chief Executive Officer and the Accounting Officer

Periodically, the Audit Committee has met with the Chief Executive Officer to discuss concerns and address problematic issues impacting the control environment of the Entity.

## One-on-One Meetings with the Executive Authority

The Audit Committee was able meet with the Executive Authority for the Entity to appraise the MEC on the performance of the Entity, furthermore, quarterly reports were submitted to the MEC on the issues and challenges facing the Entity.

## Conclusion

We would like to thank the Chief Executive Officer and Head of Department for their leadership and support, as well as AGSA, Internal Audit, and Management for their commitment and achievement of the unqualified audit opinion with findings.

### Mr Vishnu Naicker

Chairperson of the Audit Committee  
Name of Department

**Date: 12 August 2023**

## 14. 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 <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?		
Developing and implementing a preferential procurement policy?		
Determining qualification criteria for the sale of state-owned enterprises?		
Developing criteria for entering into partnerships with the private sector?		
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?		





Part  
D

G-FLEET MANAGEMENT

HUMAN RESOURCE MANAGEMENT

# HUMAN RESOURCE MANAGEMENT

## HIGHLIGHTS G-FLEET

The Entity has a total of 275 positions in the approved structure, with 190 filled positions and 85 vacant positions. The current vacancy rate is at 31%

Thirty three critical posts have been advertised

The Entity is in the process of establishing g-FleeT as a government component. The Entity developed and submitted the business case and draft organogram to the Gauteng Provincial Legislature

The Entity submitted a request for the creation of 94 posts additional to the post establishment to DRT in February 2023

The Entity opened an opportunity for employees who are interested in pursuing further education and training from institutions of higher learning. Fifteen bursary applications were received

## 1. INTRODUCTION

The Entity is in the process of establishing g-FleeT as a government component. The Entity has developed and submitted its Business Case and draft organogram to the Gauteng Provincial Treasury (GPT) in June 2022. A meeting between GDRT, Office of the Premier (OoP) and the Entity was convened 26 August 2022 to discuss comments received from GPT. It was resolved that the Entity should procure the services of a specialist consulting firm. The Gauteng Department of Roads and Transport (GDRT): Legal Services Unit will assist with the drafting terms of reference for the appointment of a service provider to assist with drafting of the legal documents.

### 1.1 ORGANISATIONAL STRUCTURE AND FILLING OF CRITICAL POSITIONS

A consultative meeting with Organised Labour and the Broader Management Team was held on 1 and 2 August 2022 and facilitated by the Office of the Premier (OoP) with a follow-up session held for a proposed structure on 8 and 9 September 2022.

The final proposed organisational structure was presented to the general staff on 9 December 2022. The proposed structure does not provide for logistical function as the project is still at the conceptual stage. Business Units were requested to make inputs by 10 January 2023 with the closing date of 18 January 2023. Four Business Units responded, and their inputs were incorporated for noting and submission to OoP for further processing. A meeting with OoP and DRT on the proposed structure analysis outcome, was supposed to be held on 27 March 2023. However, the meeting was postponed to a date to be confirmed by the OoP. The Organisational structure process was put on hold by the Head of the Department to allow for the conceptualisation of the logistics function.

The Entity submitted a request for the creation of 94 posts additional to the post establishment to DRT in February 2023. The creation of the posts is intended to capacitate the Entity in the following areas: AG and Internal Auditing, Finance, ICT, SCM, Risk Management, Strategic Planning, Monitoring and Evaluation, Transformation (GEYODI), HR, operationalisation of the panel beating workshop that has just been rehabilitated.

The Entity is working with GDRT: HRA with regards to the development of job descriptions and the job evaluation processes.

The Entity has a total of 275 positions in the approved structure, with 190 filled positions and 85 vacant positions. The current vacancy rate is at 31%.

At senior management level, there are eight positions with five positions filled by women and one by man. Two positions are vacant, translating to a 25% vacancy rate. Two officials were seconded from the Department to the Entity for a period of 12 months to perform the functions of the Chief Financial Officer and Chief Risk Officer, respectively.

Thirty-three critical positions were advertised in January 2023 and February 2023. The Entity has since developed a Recruitment Project Plan to conclude all interviews by 30 September 2023.

In the period under review, the total number of offers of appointment letters issued were as follows: 19 offers were accepted, four officials assumed their duties on 1 October 2022, six officials assumed their duties on 1 November 2022 and three officials assumed their duties on 1 December 2022. Three officials assumed their duties on 1 January 2023 (Business Analyst offer was revised to the second recommended candidate but disapproved by Head of the Department and the post is to be re-advertised, and two officials assumed their duties on 1 March 2023. Approval was granted for the head-hunting of the Chief Operations Officer (COO) and 14 applications were received. A directive from the MEC and HOD was issued to re-advertise the post of COO. The Recruitment and selection process has commenced, and it is envisaged that the first phase of recruitment process will be finalised by June 2023 and second phase to be finalised in December 2023 as per the legislative framework guidelines.



## 1.2 TRAINING AND DEVELOPMENT

The Entity has for the first time opened an opportunity for employees who are interested in pursuing further education and training from institutions of higher learning. The bursary applications closed in December 2022, and further extended to 20 January 2023 due to the festive period.

An agreement was reached between the Entity and GDRT: HRD to assist in administering its bursaries.

The Bursary Committee evaluated the applications received on 30 January 2023.

Fifteen bursary applications were received, 12 bursary applications were recommended for approval and three bursary applications were not recommended for approval due to the following reasons:

- Two officials are currently on probation.
- One official did not provide proof of acceptance by the university.

This process will begin in October of every year to allow for administration and approval to take place before the beginning of each year. This will assist successful applicants to pay for their registration, tuition fees and buy books on time before the institutions open.

## 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's 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 appraisals scores.

Notch progression for the 2021/22 performance cycle will be implemented according to the 2019 Incentive Policy Framework for Employees in the Public Service after the final Departmental Moderating Committee meeting held on 14 of March 2023.

## 2. EMPLOYEE HEALTH AND WELLNESS PROGRAMME

G-FleeT completed the building of a Wellness Centre with fully equipped canteen facility and a gym area. The Wellness Centre was formally handed over to g-FleeT by the Department of Infrastructure Development on 22 February 2023.

Employees have been requested to complete a survey on the canteen menu and the feedback is consolidated to inform the tender specification which will be advertised by 30 June 2023.

The OoP has offered gym equipment and will make it available in the first quarter of the new financial year.

While in the process of operationalising the Wellness Centre, the Wellness Unit will be starting aerobics sessions at the Wellness Centre by 31 May 2023 which will be held on Mondays, Wednesdays and Thursdays, facilitated by an employee.

### 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 2022 and 31 March 2023*

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	3,906	3,461			1%	1,081
Office of the COO	1,285	1,285				642
Office of the CFO	8,472	1,875				938
Financial Services	15,804	15,148			2%	541
Corporate Services	41,221	13,025			2%	331
Marketing and Communication	12,481	11,157			1%	485
Maintenance Services	121,544	9,537			1%	415
Transport Support Services	299,934	12,092			2%	465
Permanent Services	258,338	7,758			1%	517
VIP and Pool Services	17,292	17,090			2%	388
<b>Total</b>	<b>780,277</b>	<b>92,430</b>			<b>12%</b>	<b>449</b>

*Table 3.1.2 Personnel Costs by salary band for the period 1 April 2022 and 31 March 2023*

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)	1,961	2%	18	121
Skilled (Levels 3-5)	24,376	26%	77	317
Highly skilled production (Levels 6-8)	34,034	37%	72	423
Highly skilled supervision (Levels 9-12)	23,980	26%	33	727
Senior and Top management (Levels 13-16)	8,079	9%	6	1 310
<b>Total</b>	<b>92,430</b>	<b>100%</b>	<b>206</b>	<b>449</b>





**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Office of the CEO	3,461	4%			19	0%	22	0%
Office of the COO	1,285	1%			16	0%	56	0%
Office of the CFO	1,875	2%			16	0%	46	0%
Financial Management	15,148	16%	24	0%	461	1%	830	1%
Corporate Services	13,025	14%	15	0%	469	1%	723	1%
Marketing and Communication	11,157	12%			406	0%	604	1%
Maintenance Services	9,537	10%	56	0%	286	0%	699	1%
Transport Support Services	12,092	13%	16	0%	361	0%	796	1%
Permanent Services	7,758	9%			236	0%	433	0%
VIP/POOL Services	17,091	19%	898	1%	688	1%	1,143	1%
<b>Total</b>	<b>92,430</b>	<b>100%</b>	<b>1 009</b>	<b>1%</b>	<b>2,955</b>	<b>3%</b>	<b>5,352</b>	<b>6%</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023**

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)	1,961	2%	10	0%	31	0%	21	0%
Skilled (Levels 3-5)	24,376	26%	728	1%	1,099	1%	1,937	2%
Highly skilled production (Levels 6-8)	34,034	37%	207	0%	961	1%	2,594	3%
Highly skilled supervision (Levels 9-12)	23,980	26%	63	0%	676	1%	720	1%
Senior management (Level 13-16)	8,079	9%			188	0%	81	0%
<b>Total</b>	<b>92,430</b>	<b>100%</b>	<b>1 009</b>	<b>1%</b>	<b>2,955</b>	<b>3%</b>	<b>5,352</b>	<b>6%</b>

### 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 summarise the number of posts in the establishment, the number of employees, the vacancy rate, and any added employees that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary bands
- 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 2023*

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	6	25% (2)	1
Levels 11-12	17	14	3% (3)	0
Levels 7-10	107	80	25% (27)	0
Levels 1-6	143	90	37% (53)	0
<b>Total</b>	<b>275</b>	<b>190</b>	<b>31% (85)</b>	<b>1</b>

*Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023*

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	4	50% (4)	0
Skilled (Levels 3-5)	124	82	34% (42)	0
Highly skilled production (Levels 6-8)	90	66	27% (24)	0
Highly skilled supervision (Levels 9-12)	45	32	29% (13)	0
Senior management (Levels 13-16)	8	6	25% (2)	1
<b>Total</b>	<b>275</b>	<b>190</b>	<b>31% (85)</b>	<b>1</b>



### 3.3 FILLING OF SMS POSTS

Table 3.3.1 SMS post information as on 31 March 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	1	0	0%	1	100%
Salary Level 13	6	5	83%	1	17%
<b>Total</b>	<b>8</b>	<b>6</b>	<b>75%</b>	<b>2</b>	<b>25%</b>

Table 3.3.2 SMS post information as on 30 September 2022

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	2	33%	4	67%
<b>Total</b>	<b>8</b>	<b>3</b>	<b>38%</b>	<b>5</b>	<b>62%</b>

Table 3.3.3 Advertising and filing of SMS post for the period 1 April 2022 and 31 March 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts, vacant
Director-General/Head of Department	0	0	0%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	1	0	0%	1	100%
Salary Level 13	6	5	83%	1	17%
<b>Total</b>	<b>8</b>	<b>6</b>	<b>75%</b>	<b>2</b>	<b>25%</b>

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
<p>The recruitment for one of the two vacant SMS posts was recommended through head hunting. However, the delegated authorities changed the decision to fill the vacant post through head hunting but by advertising the post through the media.</p> <p>One of the two vacant SMS posts was advertised with the closing dated 10 February 2023.</p> <p>Three of five vacant SMS posts were filled in November and December 2022.</p> <p>The recruitment process is currently underway to fill the vacant SMS posts.</p>

**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 2022 and 31 March 2023**

Reasons for vacancies not advertised within six months
None.

Reasons for vacancies not filled within six months
The posts were advertised and re-advertised due to labour matters within the organisation.

### 3.4 JOB EVALUATION

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

**Table 3.4.1 Job Evaluation by salary band for the period 1 April 2022 and 31 March 2023**

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



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

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 and 31 March 2023**

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 2022 and 31 March 2023**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
	0	0	0	0
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				
<b>Percentage of total employed</b>				<b>0%</b>

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 2022 and 31 March 2023**

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
<b>Total number of employees whose remuneration exceeded the grade determined by job evaluation</b>					<b>0</b>

### 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 2022 and 31 March 2023*

Salary band	Number of employees at beginning of period-April 2022	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%
<b>Total</b>	<b>190</b>	<b>10</b>	<b>16</b>	<b>8%</b>



**Table 3.5.2 Annual turnover rates by Critical Occupation for the period 1 April 2022 and 31 March 2023**

Critical Occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related, Permanent	12	1	1	1%
All artisans in the building metal machinery etc., Permanent	4	0	1	25%
Building and other property caretakers, Permanent	0	0	0	0%
Bus and heavy vehicle drivers, Permanent	7	0	1	14%
Cleaners in offices, workshops hospitals, etc., Permanent	3	0	0	0%
Client information clerks (switchboard/receptionist/information 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 & related professions, 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%
<b>Total</b>	<b>178</b>	<b>9</b>	<b>17</b>	<b>10%</b>

### 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 2022 and 31 March 2023**

Termination Type	Number	% of Total Resignations
Death	6	3%
Resignation	3	2%
Expiry of contract	0	0%
Dismissal – operational changes	0	0%
Dismissal – misconduct	1	1%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	4	2%
Transfer to other Public Service Departments	3	2%
Other	0	0%
<b>Total</b>	<b>17</b>	<b>9%</b>
<b>Total number of employees who left as a % of total employment</b>	<b>9%</b>	

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023**

Occupation	Employees 1 April 2022	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	103	3	3%	103	100%
Technicians and associate professionals	28	0	0%	28	100%
<b>Total</b>	<b>131</b>	<b>3</b>	<b>3%</b>	<b>131</b>	<b>100%</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023**

Salary band	Employees 1 April 2022	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)	3	0	0%	3	100%
Skilled (Levels 3-5)	89	3	3%	89	100%
Highly skilled production (Levels 6-8)	64	1	2%	64	100%
Highly skilled supervision (Levels 9-12)	32	2	6%	32	100%
Senior Management (Levels 13-16)	3	0	0%	3	100%
<b>Total</b>	<b>191</b>	<b>6</b>	<b>4%</b>	<b>191</b>	<b>100%</b>





### 3.6 EMPLOYMENT EQUITY

*Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2023*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	0	0	3	2	0	0	6
Professionals	17	1	0	0	9	2	1	2	32
Technicians and associate professionals	18	2	0	0	37	4	0	4	65
Clerks	48	1	0	4	28	2	1	3	87
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
<b>Total</b>	<b>84</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>77</b>	<b>10</b>	<b>2</b>	<b>9</b>	<b>190</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

*Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2023*

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	1	0	0	0	3	2	0	0	6
Professionally qualified and experienced specialists and mid-management	17	1	0	0	9	2	1	2	32
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	16	3	0	0	35	4	0	5	63
Semi-skilled and discretionary decision-making	50	0	0	4	30	2	1	2	89
Unskilled and defined decision-making	0	0		0	0	0	0	0	0
<b>Total</b>	<b>84</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>77</b>	<b>10</b>	<b>2</b>	<b>9</b>	<b>190</b>

Table 3.6.3 Recruitment for the period 1 April 2022 and 31 March 2023

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and mid-management	3	0	0	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	0	0	0	4	0	0	0	8
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
<b>Total</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

Table 3.6.4 Promotions for the period 1 April 2022 and 31 March 2023

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	2	0	0	0	2
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
<b>Total</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



*Table 3.6.5 Terminations for the period 1 April 2022 and 31 March 2023*

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	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	0	0	0	1	0	0	0	2
Semi-skilled and discretionary decision-making	7	0	0	0	6	0	0	1	14
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
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>17</b>
<b>Employees with Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.6.6 Disciplinary Action for the period 1 April 2022 and 31 March 2023*

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

*Table 3.6.7 Skills Development for the period 1 April 2022 and 31 March 2023*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/Head of Department	0	0	0	0
Salary Level 16	0	0	0	0
Salary Level 15	1	1	1	100%
Salary Level 14	1	0	0	0%
Salary Level 13	6	5	5	100%
<b>Total</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>100%</b>

Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2023

Reasons
None

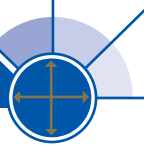
Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2023

Reasons
None

### 3.8 PERFORMANCE REWARDS

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2022 and 31 March 2023

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Asian	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
White	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



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 2022 and 31 March 2023**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 and 31 March 2023**

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Lower Skilled (Levels 1-2)	0	0	0	0	0
Skilled (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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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 2022 and 31 March 2023**

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 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 2022 and 31 March 2023*

Salary band	01 April 2022		31 March 2023		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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023*

Major Occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
	0	0%	0	0%	0	0%
	0	0%	0	0%	0	0%
<b>Total</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

### 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 2022 to 31 December 2022*

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)	24	8%	2	3%	12.00	R85,015.9
Skilled (Levels 3-5)	1 030	10%	86	23%	11.00	R10,994,377.39
Highly skilled production (Levels 6-8)	898	9%	73	22%	9.00	R11,600,078.46
Highly skilled supervision (Levels 9-12)	408	8%	32	7%	5.00	R9,234,923.3
Top and Senior management (Levels 13-16)	36	8%	3	3%	6.00	R2,149,570.47
<b>Total</b>	<b>2 396</b>	<b>8%</b>	<b>196</b>	<b>58%</b>	<b>7.00</b>	<b>R34,018,307.6</b>



**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022**

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
<b>Total</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0.00</b>

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council (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 2022 to 31 December 2022**

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	5	2	0.4
Skilled (Levels 3-5)	260	88	3.00
Highly skilled production (Levels 6-8)	284	74	4.00
Highly skilled supervision (Levels 9-12)	126	32	4.00
Senior management (Levels 13-16)	12	3	4.00
<b>Total</b>	<b>287</b>	<b>199</b>	<b>14.00</b>

**Table 3.10.4 Capped Leave for the period 1 January 2022 to 31 December 2022**

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 2022 and 31 March 2023**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2022/23 due to non-utilisation of leave for the previous cycle	R0.00	0	R0.00
Capped leave pay-outs on termination of service for 2022/23	R64,987.71	5	R12,997.54
Current leave pay-out on termination of service for 2022/23	R47,915,84	5	R9,583.16
<b>Total</b>	<b>R112,903.55</b>	<b>5</b>	<b>R22,580.70</b>

### 3.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

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

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

**Table 3.11. 2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		X	
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.		X	
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.	X		Staff members have been trained on a Zinakekele. The organisation is currently utilising the Departmental Employee Health and Wellness Unit Services for Employee Awareness Programmes in the absence of a service provider and in the process to appoint the new service provider.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.		X	





Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Employee Health and Wellness Labour Relations Unit Public Awareness HIV Policy in place.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		The officials attend health screening that is arranged for them through the Wellness Centre and the achievement is obtained through awareness programmes, participation.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X		

### 3.12 LABOUR RELATIONS

*Table 3.121 Collective agreements for the period 1 April 2022 and 31 March 2023*

Subject Matter	Date
Amended and signed Recruitment and Selection Policy between the Employer	19 August 2022

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 2022 and 31 March 2023*

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	1	0.5%
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrew	0	0
<b>Total</b>	<b>1</b>	<b>0.5%</b>

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023**

Type of misconduct (based on annexure A)	Number	% of total
Abscondment from work	0	0%
<b>Total</b>	<b>0</b>	<b>0%</b>

**Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023**

Grievances	Number	% of Total
Number of grievances resolved	2	100%
Number of grievances not resolved	0	0%
Total of grievances not lodged	0	0%

**Table 3.12.5 Disputes lodged with Councils for the period 1 April 2022 and 31 March 2023**

Grievances	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged	2	1%

**Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023**

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

**Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023**

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



### 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 2022 and 31 March 2023*

Occupational Category	Gender	Number of employees as of 1 April 2021	Training needs to be identified at the start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	13	0	0	0	0
	Male	15	0	0	0	0
Technicians and associate professionals	Female	41	0	0	0	0
	Male	21	0	0	0	0
Clerks	Female	33	0	0	0	0
	Male	64	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub-total		0	0	0	0	0
	Male	0	0	0	0	0
<b>Total</b>		<b>190</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

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	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub-total	Female	0	0	0	0	0
	Male	0	0	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 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 2022 and 31 March 2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0%
Temporary total disablement	0	0%
Permanent disablement	0	0%
Fatal	0	0%
<b>Total</b>	<b>0</b>	<b>0%</b>



### 3.15 UTILISATION OF CONSULTANT

*Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023*

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 2022 and 31 March 2023*

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 2022 and 31 March 2023*

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 2022 and 31 March 2023*

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 2022 and 31 March 2023

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





Part  
E

G-FLEET MANAGEMENT

PMFA COMPLIANCE REPORT



# HIGHLIGHTS G-FLEET

## PFMA COMPLIANCE REPORT



Compliance Report

Number of employees – 1784 (DRT) 223 (g-Fleet Management) Total = 1807

01



02



121 interns exposed to experiential training

03



121 interns exposed to experiential training

04



16 computer kiosks for staff at various regional offices

05



84 stakeholder events held, 22 Project launches in communities and 8 Roadshows

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

### 1.1 Irregular expenditure

#### a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	103,801	103,327
Add: Irregular expenditure confirmed	79	474
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
<b>Closing balance</b>	<b>103,880</b>	<b>103,801</b>

*Investigation for the irregular expenditure is currently underway and application of condonement will be submitted to Provincial Treasury upon its conclusion.*

#### Reconciling notes

Description	2022/2023	2021/2022 <sup>1</sup>
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	0	0
Irregular expenditure that relates to 2021/2022 and identified in 2022/2023	0	0
Irregular expenditure for the current year	79	474
<b>Total</b>	<b>79</b>	<b>474</b>

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

Description <sup>2</sup>	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	58	0
Irregular expenditure under investigation	474	474
<b>Total<sup>3</sup></b>	<b>532</b>	<b>474</b>

*Investigation on irregular expenditure is in progress.*

<sup>1</sup> Record amounts in the year in which it was incurred

<sup>2</sup> Group similar items

<sup>3</sup> Total unconfirmed irregular expenditure (assessment), losses (determination) and criminal conduct (investigation)



### c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*Investigation for the irregular expenditure is currently underway and application of condonement will be submitted to Provincial Treasury upon its conclusion.*

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*Investigation for the irregular expenditure is currently underway and application of condonement will be submitted to Provincial Treasury upon its conclusion.*

### e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*Investigation for the irregular expenditure is currently underway and application of condonement will be submitted to Provincial Treasury upon its conclusion.*

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*Investigation for the irregular expenditure is currently underway and application of condonement will be submitted to Provincial Treasury upon its conclusion.*

**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
<b>Total</b>

*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	2022/2023	2021/2022
	R'000	R'000
<i>Not applicable</i>		
<b>Total</b>		

*Not applicable*

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

Disciplinary steps taken
<i>None</i>

*Investigation into the irregular expenditure is currently underway and application of condonement will be submitted to Provincial Treasury upon its conclusion.*



## 1.2. Fruitless and wasteful expenditure

### a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	316	316
Add: Fruitless and wasteful expenditure confirmed	6 694	580
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	(6 694)	(580)
<b>Closing balance</b>	<b>316</b>	<b>316</b>

*Investigation for the fruitless and wasteful expenditure is currently underway.*

### Reconciling notes

Description	2022/2023	2021/2022 <sup>4</sup>
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2020/21	0	0
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	4 269	0
Fruitless and wasteful expenditure for the current year	2 425	580
<b>Total</b>	<b>6 694</b>	<b>580</b>

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

Description <sup>5</sup>	2022/2023	2021/2022
	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	316	316
<b>Total<sup>6</sup></b>	<b>316</b>	<b>316</b>

*Investigation into the fruitless and wasteful expenditure is currently underway.*

<sup>4</sup> Record amounts in the year in which it was incurred

<sup>5</sup> Group similar items

<sup>6</sup> 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	2022/2023	2021/2022
	R'000	R'000
<i>Fruitless and wasteful expenditure recovered</i>	0	16
<b>Total</b>	<b>0</b>	<b>16</b>

*Investigation into the fruitless and wasteful expenditure is currently underway.*

**d) Details of current and previous year Fruitless and Wasteful expenditure not recovered and written off**

Description	2022/2023	2021/2022
	R'000	R'000
<i>Fruitless and wasteful expenditure written off</i>	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

*Investigation into the fruitless and wasteful expenditure is currently underway.*

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

Disciplinary steps taken
None

*Investigation is still underway*

**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	2022/2023	2021/2022
	R'000	R'000
Theft		
Other material losses		
Less: Recovered		
Less: Not recovered and written off		
<b>Total</b>		

*Not applicable*



### b) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>		
Vehicles	25 198	5 813
<b>Total</b>	<b>25 198</b>	<b>5 813</b>

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	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

None

### d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

None

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1 206	690 954
Invoices paid <b>within</b> 30 days or agreed period	1 189	688 915
Invoices paid <b>after</b> 30 days or agreed period	17	2 039
Invoices older than 30 days or agreed period ( <b>unpaid and without dispute</b> )	0	0
Invoices older than 30 days or agreed period ( <b>unpaid and in dispute</b> )	0	0

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

## 3. SUPPLY CHAIN MANAGEMENT

### 3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Provision of Security Services	TOP 3 SECURITY SERVICE	Other means approved by GPT	RFQ	R1 321 172
Provision of Auctioneering Services	LIQUIDITY SERVICES	Participation in an existing contract	N/A	4% of the proceeds of the auction
Provision of Security Services	MINT MASTER SECURITY	Other means approved by GPT	RFQ	R342 376
Appointment of a service provider for provision of a 60 months lease agreement for office accommodation and parking at KZN Regional Office	DUBE TRADE PORT	Other means approved by HoD	N/A	R2 029 648
Benchmarking and review process of entity tariff structure	COUNCIL FOR SCIENTIFIC AND INSTITUTIONAL RESEARCH (CSIR)	Other means approved by HoD	N/A	R726 195
Provision of Auctioneering Services	CUSTOMIZED AUCTIONS (PTY) LTD	Participation in an existing contract	N/A	2.5% of the proceeds of the auction
Provision of Security Services	ACTION SOUND TRADING AND PROJECTS	Other means approved by HoD	RFQ	R2 197 888
Provision of Security Services	SM KHULA TRADING ENTERPRISE	Other means approved by HoD	RFQ	R458 114
Appointment of service provider to provide Batch Data Cleansing for a period of 36 months.	TRANSUNION AUTO INFORMATION SOLUTION (PTY) LTD	Sole source	N/A	R538 200
Tools and Equipment (Operationalisation of the New Panel Beating Workshop)	The Automotive Industry Development Centre (AIDC)	Other means approved by HoD	N/A	R3 536 390



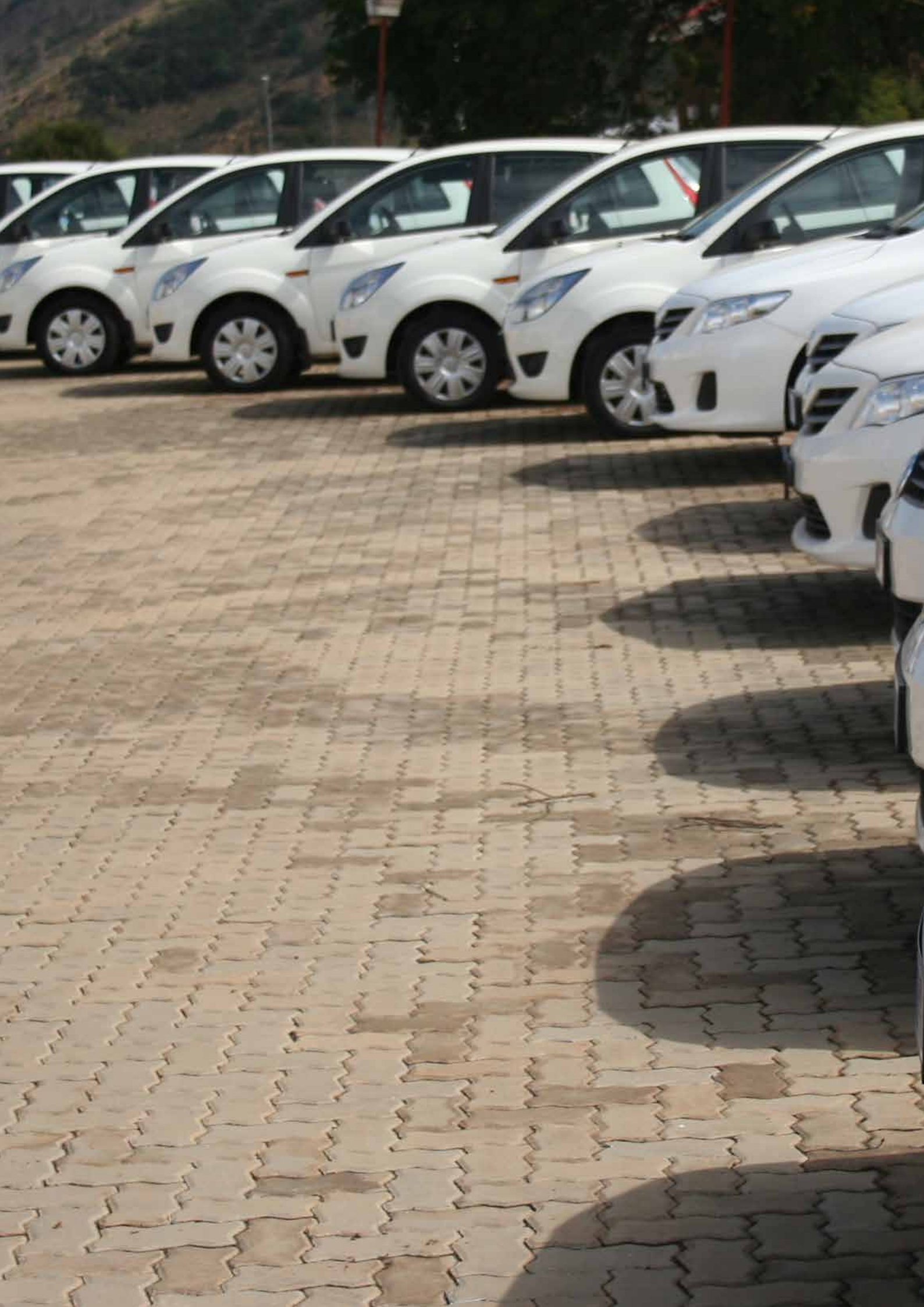


Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Provision of extra security services for auction	ACTION SOUND TRADING AND PROJECTS	Other means approved by HoD	RFQ	R289 191
To develop a concept document for Logistics Division at g-FleeT Management	COUNCIL FOR SCIENTIFIC AND INSTITUTIONAL RESEARCH (CSIR)	Other means approved by HoD	N/A	R750 000
Training of three (3) officials using Caseware	ADAPT IT	Sole source	N/A	R52 072
<b>Total</b>				<b>R10 920 074</b>

### 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 Comprehensive Vehicle Tracking Solution to g-FleeT Management for a period of Three (03) years.	TALIS FLEET (PTY) LTD	Expansion of a contract	RFQ: 02/06/2018	R50 475 000	N/A	-
Appointment of a service provider to provide security service at Bedfordview for a period of six (6) months between 01 October 2021 to 31 March 2022	NTSELE KA LINDA TRADING	Variation	RFQ	R1 943 646	N/A	R647 882
Appointment of a service provider to provide security service at Koedoespoort for a period of six (6) months between 01 October 2021 to 31 March 2022	AKANI CORPORATE SOLUTIONS	Variation	RFQ	R476 100	N/A	R158 700
Appointment of a service provider to provide security service at Ipeleng for a period of six (6) months between 01 October 2021 to 31 March 2022	BLACK EXCELLENCE FORENSICS ANS SECURITY	Variation	RFQ	R483 000	N/A	R161 000
Appointment of a service provider for provision of a 12 months lease agreement for office accommodation and parking at East London Regional Office	THODUKWA INVESTMENTS	Variation	RFQ	R741 996	N/A	R185 499

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
Appointment of a service provider to provide security service at Koedoespoort for a period of four (4) months between 01 June 2022 to 30 September 2022	TOP 3 SECURITY SERVICE	Variation	RFQ	R1 321 172	N/A	R330 293
Appointment of a service provider to provide security service at Bedfordview for a period of four (4) months between 01 June 2022 to 30 September 2022	MINT MASTER SECURITY	Variation	RFQ	R342 373	N/A	R85 593
Appointment of a service provider to provide security service at Koedoespoort for a period of five (5) months between 01 November 2022 to 31 March 2023	SM KHULA TRADING ENTERPRISE	Variation	RFQ	R458 113	N/A	R91 663
Appointment of a service provider to provide security service at Bedfordview for a period of five (5) months between 01 November 2022 to 31 March 2023	ACTION SOUND TRADING AND PROJECTS	Variation	RFQ	R2 197 888	N/A	R439 578
<b>Total</b>				<b>R58 439 288</b>		<b>R2 100 208</b>





Part  
F

G-FLEET MANAGEMENT

FINANCIAL INFORMATION

**FINANCIAL INFORMATION**

**HIGHLIGHTS  
G-FLEET**



## 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 the g-Fleet Management set out on pages 408 to 439, which comprise the statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the g-Fleet Management as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### 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 2 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2023.

#### Other matter

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



### Unaudited irregular expenditure and fruitless and wasteful expenditure (IF&W expenditure)

9. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in notes 25 and 28 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of g-Fleet Management. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.
10. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

### Responsibilities for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the 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

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

## Report on the audit of the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
16. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the trading entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
<b>Operational management services</b>	314 – 317	This programme is responsible for providing fleet management services that are effective, efficient, and client focused.
<b>Corporate and financial management</b>	318 – 323	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.

17. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the trading entity's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the trading entity's mandate and the achievement of its planned objectives
  - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner
  - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
20. I did not identify any material findings on the reported performance information of Programme 2: Corporate and finance management.
21. The material finding on the performance information of the selected programme is as follows:





### Programme 1 – Operational management services

Percentage of clients satisfied with g-Fleet services

22. An achievement of 81,22% was reported against a target of 75%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

#### Other matter

23. I draw attention to the matter below.

#### Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements. This information should be considered in the context of the material findings on the reported performance information.

### Report on compliance with legislation

25. 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.

26. 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.

27. 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.

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

#### Expenditure management

29. Resources of the trading entity were not utilised economically, as required by section 38(1)(b) & 45(b) of the PFMA.



## Other information in the annual report

30. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
31. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
32. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. The other information I obtained prior to the date of the auditor's report is a draft of the 2022-23 annual report. The final 2022-23 annual report is expected to be made available to me after 31 July 2022.
34. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.
35. When I do receive and read the final 2022-23 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

36. 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.
37. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
38. The accounting officer did not adequately exercise oversight responsibility over performance reporting and compliance with applicable laws and regulations.
39. Senior management did not adequately review and monitor compliance with applicable laws and regulations.

Auditor General

Johannesburg  
31 July 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

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

#### Financial statements

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

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



### Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A 6.1; 16A6.2(a) & (b) & (e); 16A 6.3(a) & (d); 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A 8.3; 16A8.2 (1) and (2); 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1; 16A9.1(c); 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2(a)(ii) &(iii) Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.6.1 Treasury Regulation 19.8.4
Public service regulation	Public service regulation 18; 18 (1) and (2);
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17 & 25(7A)
PPPFA	Section 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 11.2 Paragraph 12.1 and 12.2



Legislation	Sections or regulations
PPR 2022	Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
SITA ACT	SITA Act section 7(3)
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.3; 4.4(a),(c) & (d)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4(b); 3.9;
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4(a); 3.3.1
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2
NT instruction note 4 of 2015/16	Par. 4.3.2; 4.3.3
Second amendment of NTI 05 of 2020/21	Paragraph 3.4
Erratum NTI 5 of 202/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Practice note 7 of 2009/10	Paragraph 2
NT instruction note 1 of 2021/22	Paragraph 4.1.2
	Paragraph 4.1



## **GAUTENG PROVINCE**

ROADS AND TRANSPORT  
REPUBLIC OF SOUTH AFRICA



### **g-Fleet Management Annual Financial Statements**

for the year ended 31 March 2023

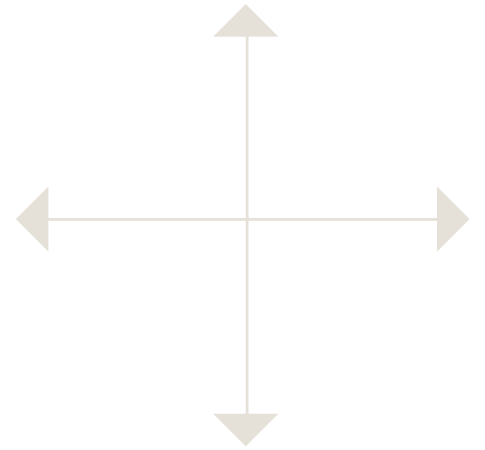




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410		STATEMENT OF CHANGES IN NET ASSETS
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418		NOTES TO THE ANNUAL FINANCIAL STATEMENTS

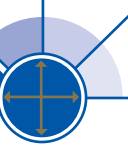


## g-Fleet Management

Annual Financial Statements for the year ended 31 March 2023

### Statement of Financial Position as at 31 March 2023

	Note(s)	2023 '000	2022 Restated* '000
<b>Assets</b>			
Current Assets			
Inventories	3	55 524	15 775
Finance lease receivables	6	55 490	40 992
Receivables from exchange transactions	7	160 002	191 703
Prepayments	8	83 068	64 258
Other Receivables	30	432	65
Cash and cash equivalents	9	2 441 351	2 017 854
		<b>2 795 867</b>	<b>2 330 647</b>
Non-Current Assets			
Property, plant and equipment	4	1 152 714	1 237 761
Intangible assets	5	853	987
Finance lease receivables	6	101 705	87 659
Rental deposit	28	6	6
		<b>1 255 278</b>	<b>1 326 413</b>
<b>Total Assets</b>		<b>4 051 145</b>	<b>3 657 060</b>
<b>Liabilities</b>			
Current Liabilities			
Finance lease obligation	10	456	8
Payables from exchange transactions	12	48 934	47 428
Other Payables	13	13 088	15 032
		<b>62 478</b>	<b>62 468</b>
Non-Current Liabilities			
Finance lease obligation	10	14 740	14 634
Long-term leave accrual	11	2 624	2 628
		<b>17 364</b>	<b>17 262</b>
<b>Total Liabilities</b>		<b>79 842</b>	<b>79 730</b>
<b>Net Assets</b>		<b>3 971 303</b>	<b>3 577 330</b>
Accumulated surplus		3 971 302	3 577 334
<b>Total Net Assets</b>		<b>3 971 302</b>	<b>3 577 334</b>



## g-Fleet Management

Annual Financial Statements for the year ended 31 March 2023

### Statement of Financial Performance for the period ended 31 March 2023

	Note(s)	2023 '000	2022 Restated* '000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Revenue from auction of vehicles	29	87 940	86 636
Revenue from leases	14	975 217	907 674
Realisation of property lease liability	16	1 200	1 200
Other income	31	3 065	1 861
Interest received	15	83 695	48 526
<b>Total revenue from exchange transactions</b>		<b>1 151 117</b>	<b>1 045 897</b>
<b>Expenditure</b>			
Employee related costs	17	(93 863)	(84 556)
Depreciation and amortisation	36	(110 675)	(112 341)
Impairment loss	4	-	(21 393)
Finance costs	32	(1 246)	(1 211)
Repairs and maintenance	34	(101 743)	(123 011)
Cost of sales	33	(93 075)	(88 729)
General expenses	18	(356 543)	(230 963)
<b>Total expenditure</b>		<b>(757 145)</b>	<b>(662 204)</b>
<b>Surplus for the period</b>		<b>393 972</b>	<b>383 693</b>

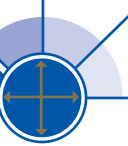
## g-Fleet Management

Annual Financial Statements for the year ended 31 March 2023

### Statement of Changes in Net Assets

	Accumulated surplus / deficit '000	Total net assets '000
<b>Balance at 01 April 2021</b>	<b>3 193 641</b>	<b>3 193 641</b>
Changes in net assets		
Surplus for the year	383 693	383 693
Total changes	383 693	383 693
Opening balance as previously reported	3 611 454	3 611 454
Adjustments		
Prior year adjustments	(34 124)	(34 124)
<b>Balance at 01 April 2022 as restated*</b>	<b>3 577 330</b>	<b>3 577 330</b>
Changes in net assets		
Surplus for the year	393 972	393 972
Total changes	393 972	393 972
<b>Balance at 31 March 2023</b>	<b>3 971 302</b>	<b>3 971 302</b>

Note(s)



## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Cash Flow Statement for the period ended 31 March 2023

	Note(s)	2023 '000	2022 Restated* '000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Revenue from Leases		988 057	847 235
Interest		82 348	32 092
Auction of vehicles		64 120	81 073
Transport fees		1 931	1 704
		<b>1 136 456</b>	<b>962 104</b>
<b>Payments</b>			
Employee costs		(95 811)	(84 556)
Suppliers		(446 432)	(344 209)
		<b>(542 243)</b>	<b>(428 765)</b>
<b>Net cash flows from operating activities</b>	19	<b>594 213</b>	<b>533 339</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(241 458)	(382 322)
Proceeds from sale of property, plant and equipment	4	-	2 524
Proceeds from sale of finance lease receivables		71 434	86 706
<b>Net cash flows from investing activities</b>		<b>(170 024)</b>	<b>(293 092)</b>
<b>Cash flows from financing activities</b>			
Payments of finance lease obligations		(692)	-
Interest repayment of finance lease		-	(1 208)
<b>Net cash flows from financing activities</b>		<b>(692)</b>	<b>(1 208)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>423 497</b>	<b>239 039</b>
Cash and cash equivalents at the beginning of the year		2 017 854	1 778 815
<b>Cash and cash equivalents at the end of the year</b>	9	<b>2 441 351</b>	<b>2 017 854</b>

## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

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#### 1. Background

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

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

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

##### 1.1 Presentation currency

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

##### 1.2 Going concern assumption

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

##### 1.3 Offsetting

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

##### 1.4 Significant judgements and sources of estimation uncertainty

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

##### Impairment testing

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

##### Provisions

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

##### Segment reporting

Significant judgement is used in identifying service and geographical segments of the g-FleeT Management.

##### Impairment of Trade and other receivables

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

##### Useful lives and residual values of property, plant and equipment (PPE)

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

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## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### Classification of leases

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

#### Contingent liabilities

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

#### Cash- and non-cash generating assets

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

#### 1.5 Property, plant and equipment

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

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

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

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

#### 1.6 Intangible assets

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

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

#### 1.7 Segment Reporting

GRAP 18.20 states that an entity shall disclose the following general information: (a) factors used to identify the entity's reportable segments, including the basis of organisation (for example, whether management has chosen to organise the entity around differences in goods and/or services, geographical areas, regulatory environments, or a combination of factors); (b) whether segments have been aggregated and the basis of the aggregation; and (c) types of goods and/or services delivered by each segment.

## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### 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 cash at banks and short-term deposits.

#### Trade and other payables

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

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

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

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

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

#### 1.9 Leases

##### **Finance leases - lessor**

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

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

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

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





## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

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#### 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

Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

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#### 1.14 Revenue from exchange transactions

##### Revenue from auction of vehicles

Revenue is measured at the price determined on auction.

##### Kilometre tariffs

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

##### Income from other services relating to leases

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

##### Transport services to government employees

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

##### Interest

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

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

##### Recoveries from clients

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

##### Income Tax

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

#### 1.15 Finance costs

Finance costs are measured using the effective interest rate method.

#### 1.16 Fruitless and wasteful expenditure

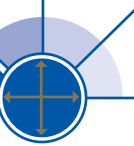
Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. Fruitless and wasteful expenditure is also disclosed in the notes to the financial statements.

#### 1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
  - (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
  - (c) any provincial legislation providing for procurement procedures in that provincial government.
-



## g-Fleet Management

Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

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#### 1.17 Irregular expenditure (continued)

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense or a assets in the period it occurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Irregular expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine in which case reasons therefore is provided in the note. Irregular expenditure is disclosed in the notes to the financial statements and removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

#### 1.18 Related parties

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

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

#### 1.19 Subsequent Events

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

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

#### 1.20 Prepayments

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

#### 1.21 Standards of GRAP approved but not required to be applied by the entity

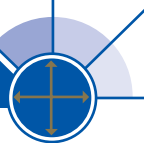
Standard/Interpretation:	Legislatures and trading entities	Effective date: Years beginning on or after	Impact:
GRAP 108	Statutory Receivables	1 April 2019	No impact

## g-Fleet Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	31 March 2023	31 March 2022
	'000	'000
<b>2. Correction of Prior Period Errors</b>		
<b>The prior period errors noted below emanate from the adjustments affected by management in response 2021/2022 audit outcome:</b>		
<b>Error 1: Commission and expenses claimed by auctioneer Thirani Auctioneers for auctions undertaken during the 2021/2022 financial year.</b>		
During the 2021/22 financial year, audit findings were raised with respect to the commission and expenses claimed by auctioneer Thirani Auctioneers for auctions.		
<b>Statement of financial performance</b>		
Increase in Cost of sales	-	3 038
Increase in Sales: scrap	-	(3 038)
	-	-
<b>Error 2: Accounting for gain or loss derived on sale of vehicles to judges undertaken during the 2021/2022 financial year.</b>		
During the 2021/22 financial year, audit findings were raised with respect to gain or loss derived on sale of vehicles to judges.		
<b>Statement of financial performance</b>		
Proceeds from sale of Judges vehicles		2 524
Sales: Scrap		(2 524)
		-
<b>Error 3: Derecognition of vehicles sold and lost in the previous years.</b>		
During the 2021/22 financial year, audit findings were raised in respect of non-derecognition motor vehicles that were sold. Vehicles sold and lost in the previous years were identified during the current year and subsequently derecognised.		
Decrease in Accumulated depreciation	-	3 272
Decrease in Motor vehicles	-	6 632
<b>Decrease in Motor vehicles</b>	<b>-</b>	<b>3 361</b>
<b>Error 4: Correction of accumulated depreciation</b>		
During the 2021-22 financial year, Impairment was incorrectly processed on motor vehicles. this resulted in the impairment of residual values, the impairment below residual value was reversed. Further, the prior years depreciation was incorrectly calculated, an adjustment has been made to correct the accumulated depreciation		
Decrease in Accumulated & impairment depreciation	-	(17 160)
Increase in Motor vehicles	-	17 160
<b>Error 5: Reversal of maintenance cost included in the motor vehicles</b>		
During the 2021-22 financial year, findings were raised in respect of maintenance prepayments included as part of the cost of the motor vehicles. The maintenance cost has been removed from the cost of the vehicles and accumulated depreciation. Prepaid expense was raised from maintenance costs reversed.		
Increase in Prepayment	-	33 427
Decrease in Motor vehicles cost	-	121 441
Decrease in Accumulated depreciation	-	(27 338)



## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023 '000	2022 Restated* '000
<b>Decrease in Motor vehicles</b>	-	<b>94 103</b>

#### Error 6: Recalculation of furniture and fixture carrying amounts resulted in differences

During the 2022/23 financial year, management discovered that the furniture and fixtures reported in the previous financial year had been understated due to calculation errors of the carrying amount in the assets register. This required the readjustment of the asset register. Work was performed in order to correct the asset registers as follows:

##### Statement of financial position: Non-current assets

Decrease Furniture and Fixtures Accumulated Depreciation	-	584
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##### Statement of financial performance

Decrease in Depreciation	-	(584)
--------------------------	---	-------

#### Error 7: Reassessment of useful life of assets fully depreciated in prior years

During the 2022/23 financial year, management discovered that the furniture and fixtures reported in the previous financial year had been understated, in prior years assets still in use had been fully depreciated however no adjustment was made to reassess these assets. Management reassessed the useful life of these assets and a resulting error has been noted. Work was performed in order to correct the asset registers as follows:

##### Statement of financial position: Non-current assets

Decrease Furniture and Fixtures Accumulated Depreciation	-	116
--	---	-----

##### Statement of financial performance

Decrease in Depreciation	-	(116)
--------------------------	---	-------

#### Error 8: Leasehold improvements incorrectly recognised as Furniture and Fittings

During the 2022/23 financial year, management discovered that Leasehold improvement costs had been incorrectly capitalised to the furniture and fittings register. This required the readjustment of the asset register in 2022 FY and in prior years. Work was performed in order to correct the asset registers as follows:

##### Statement of financial position: Non-current assets

Decrease in Furniture and Fixtures cost	-	(518)
Increase in Leasehold improvements costs	-	518
Decrease Furniture and Fixtures Accumulated Depreciation	-	213
Increase Leasehold improvements Accumulated Depreciation	-	(103)
	-	<b>110</b>

##### Statement of financial performance

Decrease in depreciation	-	(110)
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#### Error 9: Adjustment of retention costs

During the 2022/23 financial year, management discovered that the retention amount relating to the 3 new buildings had not been recorded in the correct accounting period. This required the adjustment of this error in the leasehold improvements asset register. Work was performed in order to correct the asset registers as follows:

##### Statement of financial position

Decrease in Trade Payables	-	389
Decrease in Leasehold Improvements costs	-	(389)
	-	-

## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023 '000	2022 Restated* '000
<b>Error 10: Recalculation of Leasehold improvements carrying amounts</b>		
During the 2022/23 financial year, management discovered that the Leasehold improvements reported in the previous financial years had been overstated due to calculation errors of the carrying amount in the assets register. This required the readjustment of the asset register for the period of 2022 FY and prior to 2022 FY. Work was performed in order to correct the asset registers as follows:		
<b>Statement of financial position</b>		
Increase in Leasehold improvements Accumulated Depreciation	-	(829)
<b>Statement of financial performance</b>		
Increase in Depreciation	-	829
<b>Error 11: Transaction recorded in the wrong accounting period</b>		
During the 2022/23 financial year, management discovered that a transaction recorded in the leasehold improvements asset register has been accounted for in the wrong financial period. This required the readjustment of this error in the asset register. Work was performed in order to correct the asset registers as follows:		
<b>Statement of financial position</b>		
Decrease in Leasehold improvements costs 2020/21 FY	-	(3 810)
Decrease in Trade payables 2020/21 FY	-	3 810
Increase in Leasehold improvements costs 2021/22 FY	-	3 810
Decrease in Trade payables 2021/22 FY	-	(3 810)
	-	-
<b>Error 12: Opex and furniture costs incorrectly recognised as Leasehold improvements</b>		
During the 2022/23 financial year, management discovered that OPEX costs and Furniture Costs had been incorrectly capitalised to the leasehold improvement register. This required the adjustment of the asset register in 2022 FY and in prior years. Work was performed in order to correct the asset registers as follows:		
<b>Statement of financial position</b>		
Decrease in Leasehold improvements costs	-	(1 153)
Increase in Furniture and Fixtures costs	-	783
	-	(370)
<b>Statement of financial performance</b>		
Increase in repairs and maintenance	-	370
<b>Error 13: Receivables and Revenue from exchange transactions</b>		
During 2022/23 financial year, management discovered that the receivables and revenue accounts reported in 2021/22 financial year were both understated by R 16,986 million.		
<b>Statement of financial position</b>		
Increase in Receivables	-	16 986
<b>Statement of financial performance</b>		
Increase in Revenue	-	16 986
<b>Error 14: Derecognition of payables and Write off</b>		



## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023 '000	2022 Restated* '000
<p>Payables of R2.3 million were erroneously derecognised and Bad debts of R27.8 million were written off during 2021/22 financial year:</p>		
Decrease in Trade Payables	-	2 325
Increase in Trade debtors	-	27 836
<p><b>Error 15: Derecognition of vehicles sold in the previous years</b></p> <p>During the 2021/22 financial year, audit findings were raised in respect of non-derecognition motor vehicles that were sold. Vehicles sold in the previous years were identified during the the current year and subsequently derecognised:</p>		
Decrease in inventory	-	6 765
<p><b>Error 16: Payables and receivables from exchange transactions</b></p> <p>During 19/20 financial year, an audit finding was issued that there were duplications when reversing prior year accruals that have already been paid but still reflected in the 19/20 financial year balances and a journal entry was processed to raise debts. Investigations have since proven that there were no actual payments made and it was just a wrong accounting entry.</p>		
<p><b>Statement of financial position</b></p>		
Decrease in payables	-	27 836
Decrease in debtors	-	(27 836)
	-	-



## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000
<b>3. Inventories</b>		
Vehicles held for sale	61 855	22 601
Inventories (write-downs)	(6 331)	(6 826)
	<b>55 524</b>	<b>15 775</b>
Inventories recognised as an expense during the year	93 075	88 729



**g-Fleet Management**

Annual Financial Statements for the year ended 31 March 2023

**Notes to the Annual Financial Statements**

Figures in Rand thousand

**4. Property, plant and equipment**

	31 March 2023		31 March 2022	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Cost / Valuation	Accumulated depreciation and accumulated impairment
Machinery and Tools	93	(93)	93	(93)
Furniture and fixtures	26 308	(12 950)	24 238	(11 195)
Motor vehicles	1 391 133	(408 698)	1 533 650	(468 285)
Leasehold improvements	203 387	(59 145)	199 359	(52 311)
Leased Property	14 647	(2 515)	14 647	(2 367)
Leased machinery and cellphones	15 907	(15 360)	15 018	(14 993)
<b>Total</b>	<b>1 651 475</b>	<b>(498 761)</b>	<b>1 152 714</b>	<b>(549 244)</b>

**Reconciliation of property, plant and equipment - 31 March 2023**

	Opening balance	Additions	Sold Vehicles	Disposal on finance lease arrangement	Transfers (to)/from inventory	Vehicle losses	Depreciation	Total
Furniture and fixtures	13 043	2 069	-	-	-	-	(1 754)	13 358
Motor vehicles	1 065 365	233 015	(4 867)	(56 522)	(134 640)	(18 602)	(101 314)	982 435
Leasehold improvements	147 048	4 028	-	-	-	-	(6 834)	144 242
Leased Property	12 280	-	-	-	-	-	(148)	12 132
Leased machinery and cellphones	25	890	-	-	-	-	(368)	547
	<b>1 237 761</b>	<b>240 002</b>	<b>(4 867)</b>	<b>(56 522)</b>	<b>(134 640)</b>	<b>(18 602)</b>	<b>(110 418)</b>	<b>1 152 714</b>

**g-Fleet Management**

Annual Financial Statements for the year ended 31 March 2023

**Notes to the Annual Financial Statements**

Figures in Rand thousand

**4. Property, plant and equipment (continued)****Reconciliation of property, plant and equipment - 31 March 2022**

	Opening balance	Additions	Sold Vehicles	Disposal on finance lease arrangement	Transfers (to)/from inventory	Vehicle losses	Transfers to other institutions	Depreciation	Impairment loss	Total
Furniture and fixtures	12 377	2 210	-	-	-	-	-	(1 544)	-	13 043
Motor vehicles	1 063 561	286 597	(2 611)	(129 205)	(18 578)	(5 615)	(354)	(107 152)	(21 278)	1 065 365
Leasehold improvements	107 226	43 026	-	-	-	-	-	(3 204)	-	147 048
Leased Property	12 428	-	-	-	-	-	-	(148)	-	12 280
Leased machinery and cellphones	71	-	-	-	-	-	-	(46)	-	25
	<b>1 195 663</b>	<b>331 833</b>	<b>(2 611)</b>	<b>(129 205)</b>	<b>(18 578)</b>	<b>(5 615)</b>	<b>(354)</b>	<b>(112 094)</b>	<b>(21 278)</b>	<b>1 237 761</b>

**Motor vehicles and Furniture and fittings under investigation**

Motor vehicles to the value of R 15 070 161 are under investigation. Furniture and fittings to the value of R 4 109 173 are under investigation.

**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. In relation to WIP, the entity has recognised impairment losses as follows: 2020/2021: R21 583 164 and 2014/2015: R5 270 691. The determination and extent of impairment was undertaken using an independent expert.

**g-Fleet Management**

Annual Financial Statements for the year ended 31 March 2023

**Notes to the Annual Financial Statements**

Figures in Rand thousand

**5. Intangible assets**

	31 March 2023		31 March 2022	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Cost / Valuation	Accumulated amortisation and accumulated impairment
Computer software, other	2 859	(2 006)	853	(1 750)

**Reconciliation of intangible assets - 2023**

	Opening balance	Additions	Amortisation	Total
Computer software, other	987	122	(256)	853

**Reconciliation of intangible assets - 2022**

	Opening balance	Amortisation	Total
Computer software, other	1 234	(247)	987

**6. Finance lease receivables**

<b>Gross investment in the lease due</b>			
- within one year	64 500	43 184	
- in second to fifth year inclusive	177 666	158 375	
	242 166	201 559	
less: Unearned finance revenue	(73 159)	(67 356)	
Present value of minimum lease payments receivable	169 007	134 203	
less: allowance for uncollectible minimum lease payments	(5 552)	(5 552)	
Impairment provision	(6 260)	-	

## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000
<b>6. Finance lease receivables (continued)</b>		
	<b>157 195</b>	<b>128 651</b>
<b>Present value of minimum lease payments due</b>		
- within one year	55 490	40 992
- in second to fifth year inclusive	101 705	87 659
	<b>157 195</b>	<b>128 651</b>

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 3% .

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

#### Finance lease receivables impaired

#### Reconciliation of provision for impairment of class 1 (eg Local finance lease receivables)

Opening balance	5 552	5 552
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#### 7. Receivables from exchange transactions

Trade receivables	130 088	185 987
Other receivables - Revenue from auction of vehicles	23 822	2
Other debtors - Traffic fines and accident claims	6 092	5 714
	<b>160 002</b>	<b>191 703</b>

#### Balance as at 31 March 2023

	Gross Balance	Impairment provision	Net balance
Trade Receivables	138 657	(12 203)	126 454
Other receivables - Revenue from auction of vehicles	23 822	-	23 822
Other debtors - Traffic fines and accident claims	6 092	-	6 092
Other debtors	3 634	-	3 634
	<b>172 205</b>	<b>(12 203)</b>	<b>160 002</b>

#### Balances as at 31 March 2022:

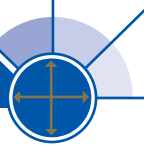
	Gross Balance	Impairment provision	Net balance
Trade Receivables	151 875	(11 607)	140 268
Other receivables - Revenue from auction of vehicles	2	-	2
Other debtors - Traffic fines and accident claims	5 714	-	5 714
Other debtors	45 719	-	45 719
	<b>203 310</b>	<b>(11 607)</b>	<b>191 703</b>

g-FleeT's fundamental objective (and mandate) is focused toward servicing all Government Departments within South Africa. As a result all receivables are due from Provincial and National Departments, including Public Entities and Municipalities respectively.

Trade and other receivables past due but not impaired

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

31 to 60 days	24 594	39 033
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## g-Fleet Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000
<b>7. Receivables from exchange transactions (continued)</b>		
61 to 90 days	19 570	10 839
91 to 120 days	15 534	859
Greater than 120 days	1 876	19 419
	<b>61 574</b>	<b>70 150</b>
Reconciliation of provision for impairment of trade and other receivables from exchange transactions		
Opening balance	(11 607)	(35 610)
Changes to the Statement of Financial Performance	(596)	24 003
	<b>(12 203)</b>	<b>(11 607)</b>
<b>8. Prepayments</b>		
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.		
Prepayments	83 068	64 258
<b>9. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	22	22
Bank balances	2 441 329	2 017 832
	<b>2 441 351</b>	<b>2 017 854</b>
9.1 Bank Accounts		
Primary bank Account - First National Bank		
<b>First National Bank Account</b>		
Bank Statement balance at the end of the year	-	1 371 284
Standard Bank		
<b>Standard Bank Account</b>		
Bank Statement balance at the end of the year	1 755 698	972
South African Reserve Bank		
<b>SARB Account</b>		
Bank Statement balance at the end of the year	685 632	645 576
<b>10. Finance lease obligation</b>		
Non-current liabilities	14 740	14 634
Current liabilities	456	8
	<b>15 196</b>	<b>14 642</b>

## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022	
	'000	Restated* '000	
<b>10. Finance lease obligation (continued)</b>			
<b>As at 31 March 2023</b>			
	Minimum lease payments	Future finance charges	Present of mini leas payme
Within One Year	1 684	(1 228)	
Within Two To Five Years	4 910	(4 794)	
Later Than Five Years	92 400	(77 776)	14
Subtotal	98 994	(83 798)	15
Less: Amount Due Within One Year	(1 684)	1 228	
	<b>97 310</b>	<b>(82 570)</b>	<b>14</b>
<b>As at 31 March 2022</b>			
	Minimum lease payments	Future finance charges	Present of mini leas payme
Within One Year	1 207	(1 199)	
Within Two To Five Years	4 800	(4 793)	
Later Than Five Years	93 600	(78 973)	14
Subtotal	99 607	(84 965)	14
Less: Amount Due Within One Year	(1 207)	1 199	
	<b>98 400</b>	<b>(83 766)</b>	<b>14</b>
<p>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.</p> <p>The average lease term is 34.6 years and the average effective borrowing rate was 8% relating to long term finance lease obligation and 10.5% relating to short term finance lease obligation.</p> <p>The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to Note 3.</p>			
<b>11. Long-term leave accrual</b>			
<p>The long-term leave accrual represents the amounts of capped leave still due to employees who have not yet resigned or retired.</p>			
Opening balance	2 628	2 967	
Movement in the Statement of Financial Performance	(4)	(339)	
	<b>2 624</b>	<b>2 628</b>	
<b>12. Payables from exchange transactions</b>			
Trade payables	48 934	47 428	
<b>13. Other payables</b>			
Salary Payable	1 897	3 590	
Debtors with credit balances	2 942	3 434	
Leave pay accrual	5 794	5 716	
Service bonus accrual	2 455	2 292	
	<b>13 088</b>	<b>15 032</b>	



## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000
<b>13. Other payables (continued)</b>		
<b>Leave pay accrual</b>		
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.		
<b>Service bonus and long service award accrual</b>		
Accruals were raised for service bonus (13th cheque) which is due within 12 months.		
<b>Debtors with credit balances</b>		
The debtors with credit balances at the end of the year have been reclassified to trade payables.		
<b>14. Revenue from Leases</b>		
Services income	-	15 775
Operating Lease	740 308	715 375
Toll Fees	5 757	4 164
Fuel and Oil	228 426	170 742
Traffic and Accident claims	467	1 029
Gain on Finance lease disposal	259	589
	<b>975 217</b>	<b>907 674</b>
<b>15. Interest received</b>		
<b>Interest revenue</b>		
Bank	82 348	32 092
Interest on finance lease receivables	1 347	16 434
	<b>83 695</b>	<b>48 526</b>
<b>16. Realisation of Property Lease Liability</b>		
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.		
<b>17. Employee related costs</b>		
Basic	64 875	56 884
Medical aid - company contributions	5 382	5 398
Pension	8 105	7 324
Workmen's Compensation Act contribution	22	21
Leave pay provision charge	273	-
Other short term costs	62	515

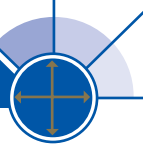
## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000
<b>17. Employee related costs (continued)</b>		
Overtime payments	1 009	706
13th Cheques	5 020	4 465
Acting allowances	310	762
Housing benefits and allowances	8 805	8 481
	<b>93 863</b>	<b>84 556</b>
<b>18. General expenses</b>		
Advertising	664	1 005
Auditors remuneration	6 565	6 520
Bank charges	-	4
Consulting and professional fees	615	329
Consumables	3 353	3 284
Debt Impairment expense	596	3 833
Entertainment	27	6
Conferences and seminars	965	-
License fees - software	1 964	1 817
Levies	2 991	3 031
Motor vehicle expenses	3	2
Fuel and oil	256 659	162 171
Postage and courier	51	33
Printing and stationery	556	420
Security	6 210	6 208
Subscriptions and membership fees	12	9
Training	52	-
Travel - local	725	141
Loss on disposal of asset	-	86
Tracking expenses	22 235	12 412
Vehicle theft and losses	25 198	5 813
Rental expenses - operating lease	2 440	2 507
License fees - vehicles	5 580	4 576
Motor vehicle expenses - (RT46 costs)	15 705	8 812
Injury on duty	13	1
Inventory write down to net realisable value	3 364	7 943
	<b>356 543</b>	<b>230 963</b>
<b>19. Cash generated from operations</b>		
Surplus	393 972	383 693
<b>Adjustments for:</b>		
Depreciation and amortisation	110 675	112 341
Loss on disposal	-	86
Transfer	-	2 571
Interest income	(1 347)	(16 434)
Sundry Payments	(1 134)	(72)
Finance costs - Finance lease	1 246	1 208
Impairment loss	-	21 393
Debt impairment expense	596	3 833
Revenue from leases adjustments	-	(13 306)
Loss on sale of vehicles	-	762
Cost of sales	93 075	93 934
Realisation of lease property	(1 200)	(1 200)
Gain on finance lease disposal	-	(589)
Inventory write-down	3 364	9 029
Vehicle Theft and losses	25 198	5 813





## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000
<b>19. Cash generated from operations (continued)</b>		
Accruals	-	33 102
<b>Changes in working capital:</b>		
Inventories	-	67 894
Receivables from exchange transactions	12 840	(9 196)
Movement in long - term leave accrual	(4)	(339)
Finance lease receivables	(23 820)	(110 983)
Prepayments	(18 810)	(24 659)
Finance lease obligation	-	(24)
Payables from exchange transactions	1 506	(27 035)
Other payables	(1 944)	1 517
	<b>594 213</b>	<b>533 339</b>

### 20. Financial instruments disclosure

#### Categories of financial instruments

#### 31 March 2023

##### Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	160 002	160 002
Cash and cash equivalents	2 441 351	2 441 351
Finance Lease receivables	157 195	157 195
	<b>2 758 548</b>	<b>2 758 548</b>

##### Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	48 934	48 934
Finance lease obligation	15 196	15 196
	<b>64 130</b>	<b>64 130</b>

#### 31 March 2022

##### Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	191 703	191 703
Cash and cash equivalents	2 017 854	2 017 854
Finance lease receivables	128 651	128 651
	<b>2 338 208</b>	<b>2 338 208</b>

##### Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	47 428	47 428
Finance lease obligation	14 642	14 642

## g-Fleet Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000

#### 20. Financial instruments disclosure (continued)

##### 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 so as to maintain 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 past due as at the reporting date but not impaired.

##### Financial assets past due - Accounts Receivable:

More than 30 days and not more than 60 days	138 637	39 033
More than 60 days and not more than 90 days	23 822	10 839
More than 90 days	5 714	20 278
	<b>168 173</b>	<b>70 150</b>

##### Maturity of financial liabilities - 31 March 2023

	Due within 1 month
Payables from exchange transactions	48 934

##### Credit risk

Credit risk consists of cash and cash equivalents and receivables. g-Fleet Management considers its 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 neither 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.

g-Fleet establishes an impairment that represents its estimate of potential losses in respect of trade receivables. Further credit risk information is provided in the notes for Receivables from exchange transactions and Finance lease receivables.

The full impact of the COVID-19 pandemic has been felt across several markets who were taken by surprise on the related economic impact in such a short period of time. For the entity, the impairment of trade debtors is likely to increase because of budget repriorization from various client departments as part of their individual responses to the impact of the pandemic.

##### 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.



## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000

#### 20. Financial instruments disclosure (continued)

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

## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000
<b>21. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Property, plant and equipment	324 717	132 878
• Infrastructure	-	4 107
	<b>324 717</b>	<b>136 985</b>

#### Total commitments

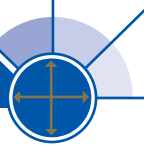
<b>Total commitments</b>		
Authorised capital expenditure	324 717	136 985

The committed expenditure will be financed by available retained surpluses, existing cash resources and funds internally generated in line with the provisions of the Medium Term Expenditure Framework (MTEF). GRAP 1 paragraph 124 Disclosure requirements on Commitments Page 3 of 3 (d)(1) does not require the disclosure of unrecognised contractual commitments but emphasizes on the order in which other disclosures need to follow.

#### Operating lease commitments

<b>Minimum lease payments due</b>		
- within one year	620	1 003
- in second to fifth year inclusive	1 666	682
	<b>2 286</b>	<b>1 685</b>

g-FleeT Management entered into two (2) years lease agreement which commenced on 01 July 2019 and terminating on 30 June 2021 for the Durban Regional Office. On expiry the lease agreement continued on month to month while the entity was still searching for new office accommodation. The entity entered into a twelve (12) months lease agreement for the East London Regional Office commencing on 1 April 2022 and terminating on 31 March 2023. The entity also entered into a five (5) years lease agreement for the Cape Town Regional Office which commenced on 1 April 2022 and terminating on 31 March 2027. The costs of the leases are straight lined over the period of the lease. The entity entered into three (3) years office photocop machines lease agreement which commenced on the 01 November 2019 and terminates on 31 October 2022.



## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000
<b>22. Contingent Liabilities</b>		
<p>The entity records contingent liabilities based on the determination of the expected outcome of an uncertain future event which is not wholly within the control of the entity. The amounts below represent the entity's best estimate of the expected cash outflows that may arise from the expected outcomes:</p>		
22.1. Litigation and motor vehicle accident claims:		
<p>As at 31 March 2023, the entity was exposed to the following litigation cases which arise during the ordinary course of business and whose outcome is dependent on formal legal proceedings and assessment thereof:</p>		
<b>Description</b>		
*Various third-party motor vehicle accident claims	3 281	706
Kgafela Construction CC – Alleged breach of contract claim	-	300
**Mbokoda Construction CC – Non-payment of account	3 484	3 484
***ABSA- non – payment of account	1 132	-
	<b>7 897</b>	<b>4 490</b>

\*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 all state drivers using g-FleeT motor vehicles.

\*\*The Mbokoda Construction CC contractual legal dispute emanated in 24 October 2012. The claim was in respect of monies owed to sub-contractors and project management fees. The entity's external 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 from Mbokoda Construction CC. As at 31 March 2023, the status quo remained the same.

\*\*\*This matter is with respect to the sub-contracting of services agreement regarding RT46 Contract entered into between ABSA and Transit Solutions, dated 24 May 2019. In 12 January 2023, ABSA 'legal representative issued a demand letter to the Entity of R1,132 in respect to the facility letter of unpaid service. The Entity's legal unit has since responded to the demand letter in bid to seek clarity of the alleged unpaid services.

### 23. 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.

Within the department, the Entity relates to Gauteng Department of Roads and Transport and its entities, namely, Gautrain Management Agency and Transport Authority due to the same control by Member of Executive Council.

All transactions with related parties 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.

g-Fleet Management is using office space belonging to Gauteng Department of Roads and Transport, which is the mother department of this Entity and no rentals are charged.

During the 2021-22 financial year, the Entity transferred a vehicle to Gauteng Department of Community safety as per PFMA section 42.

#### Vehicle details

Mercedes ML500 BE A/T SUV - GGP449G	-	381
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## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### 24. Members' emoluments

##### Executive

##### 31 March 2023

	Basic Salary	13th Cheque	Pension Contribution	Other Benefits	Total
Ms. Noxolo Maninjwa (Chief Executive Officer)	1 075	90	140	508	1 813
Mr. Poobalan Govender (Acting CFO from Sept 2021)	986	82	128	233	1 429
Ms. Andiswa Gingqi (Director: Finance from November 2022)	322	-	42	78	442
Mr PM Mabunda (Chief Director Logistics from 1 February 2023)	218	-	-	-	218
Mr. Sifiso Mhlongo (Director: Maintenance Services from December 2022)	547	48	71	255	921
Ms. Salomie Jafta - Director TSS	747	62	97	363	1 269
Ms. CM Mogotsi (Director: Corporate Service from December 2022)	258	16	33	62	369
Ms. Ravanne Mathews - Director Permanent Fleet	747	62	97	395	1 301
Mr. Douglas Scott (Acting Director: VIP and Pool Services from 01 May 2022 to 31 October 2022)	296	49	39	140	524
Ms Delicia Kgage (Chief Risk Officer)	505	62	66	248	881
Mr. Trevor Nkambule - Acting Director: VIP and Pool Services (From 9 March 2023 to 8 June 2023)	51	-	7	8	66
	<b>5 752</b>	<b>471</b>	<b>720</b>	<b>2 290</b>	<b>9 233</b>

##### 31 March 2022

	Basic Salary	13th Cheque	Pension Contribution	Other Benefits	Total
Ms. Noxolo Maninjwa	1 044	87	136	494	1 761
Mr. Poobalan Govender (Acting CFO from Sept 2021)	565	-	74	142	781
Mr. Thulani Mkwanazi (Acting Director: Finance from November 2021)	307	-	40	115	462
Mr. Matodzi Mamatsinya (Acting Director: Finance from October 2018 to October 2021)	338	56	44	138	576
Mr. Sifiso Mhlongo (Acting Director: Maintenance Services from October 2018)	385	47	50	306	788
Ms. Salomie Jafta - Director TSS	725	60	94	349	1 228
Mr. Nhlakanipho Nduli (Acting COO from January 2020)	528	-	69	283	880
Ms. Ravanne Mathews - Director Permanent Fleet	725	60	94	349	1 228
Mr. Douglas Scott (Acting Director: VIP and Pool Services from February 2021 to July 2021)	244	-	32	145	421
Ms Sherlon Seagal (Acting Director: VIP and Pool Services from August 2021 to February 2022)	314	-	41	237	592
	<b>5 175</b>	<b>310</b>	<b>674</b>	<b>2 558</b>	<b>8 717</b>



## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023 '000	2022 '000
<b>25. Fruitless and Wasteful expenditure</b>		
Fruitless and wasteful expenditure	6 694	-
<b>26. Irregular expenditure</b>		
Add: Irregular Expenditure - current year	79	474
<b>Analysis of expenditure awaiting condonation per age classification</b>		
Current year	79	474
<b>27. Contingent Asset</b>		
<p>The court case number: 95/09/2016 of fraud, theft and corruption to the value of R 16 million opened against 2 accused, one of which was a former regional manager of g-FleeT Management at Eastern Cape and Kwa Zulu Natal. The second accused is a member of public that operated with the accused in the furtherance of the crimes. The accused were arrested on the 21 February 2023 and appeared at the Durban Specialized Commercial Crimes Court.</p> <p>Both accused are currently on bail of R20 000.00 and R10 000.00 respectively.</p> <p>The investigation has been now extended to incorporate criminal charges against some identified senior officials who failed to mitigate the losses and risks when it was first brought to their attention.</p> <p>Assets forfeiture Unit has been engaged and the approach was to seek preservation order upon conviction.</p> <p>Level preservation orders against the identified individuals will be sought against their Pension Fund and assets.</p>		
<b>28. Rental deposits</b>		
<p>This relates to payments made to the landlord as deposit for office rentals at the regions.</p>		
Rental deposits	6	6
<b>29. Revenue from auction of vehicles</b>		
Revenue from auction of vehicles	87 940	86 636
<b>30. Other Receivables</b>		
<p>This balance relates to salary related suspense accounts that could not be cleared during the month of March 2023 or at year end and rental deposits from previous property lease agreements.</p>		
Other Receivables	432	65
<b>31. Other income</b>		
Revenue from Transport Income	1 931	1 704
Sundry Income	1 134	157
	<b>3 065</b>	<b>1 861</b>
<b>32. Finance costs</b>		
Finance leases	1 246	1 211

## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023 '000	2022 '000
<b>32. Members' emoluments (continued)</b>		
<b>33. Cost of sales</b>		
<b>Sale of goods</b>		
Cost of goods sold	93 075	88 729
<b>34. Repairs and maintenance</b>		
The following specific costs included in the amount of repairs and maintenance were incurred by g-FleeT Management.		
General maintenance and services	88 040	106 867
Spares and accessories	1 171	3 933
Tyres and tubes	12 532	12 211
	<b>101 743</b>	<b>123 011</b>
<b>35. Going Concern</b>		
As at 31 March 2023, 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		
<b>36. Depreciation and Amortisation</b>		
Motor vehicles	101 315	107 153
Property, plant and equipment	9 104	4 940
Intangible assets	256	248
	<b>110 675</b>	<b>112 341</b>
<b>37. Segment Reporting</b>		
The g-FleeT Management has one economic activity that generates service potential, whose results are regularly reviewed by management to make decisions about resources to be allocated and for which financial information is available. The g-FleeT Management has a single service segment as well as a geographical segment.		
<b>38. Principal-agent arrangement</b>		
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:		





## g-FleeT Management

Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023	2022
	'000	Restated* '000
Tirhani Auctioneer	-	5%
Liquidity Services (Pty) Ltd	4%	-
Customised Auction (Pty) Ltd	2,5%	-

As at 31 March 2023, no resource of the entity was under the custodianship of any of the agents. In addition, there are no cost implications for the principal should the contract of the appointed agent be cancelled.



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PR277/2023

ISBN: 978-0-621-51491-9



