GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF ROADS AND TRANSPORT

ANNUAL REPORT
2019 - 2020

Growing Gauteng Together



GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

VOTE 9

ANNUAL REPORT

2019 - 2020 FINANCIAL YEAR

PLAY YOUR PART
STOP THE SPREAD



STAY SAFE

- Avoid close contact
- Wear a mask
- Wash your hands or use a sanitizer

Always protect yourself and those around you

FOR MORE INFORMATION CONTACT:
Call the COVID-19 Hotline: 0800 029 999 | Web: www.sacoronavirus.co.zaSend 'hi' on Whatsapp to COVID-19 | Connect: 060 012 3456

Use the MPILO APP and answer questions for self screening.
(Download at App store or at Google Play Store)

GAUTENG PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

STAY SAFE
PROTECT SOUTH AFRICA

GGT2030
GROWING GAUTENG TOGETHER



TABLE OF **CONTENTS**

1.	DEPARTMENT GENERAL INFORMATION	**6**
2.	ABBREVIATIONS AND ACRONYMS	**8**

PART A | GENERAL INFORMATION

3.	FOREWORD BY THE MEMBER OF EXECUTIVE COUNCIL (MEC)	**12**
4.	REPORT OF THE ACCOUNTING OFFICER	**14**
5.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	**20**
6.	STRATEGIC OVERVIEW	**21**
6.1.	Vision	**21**
6.2.	Mission	**21**
6.3.	Values	**21**
7.	LEGISLATIVE AND OTHER MANDATES	**22**
8.	ORGANISATIONAL STRUCTURE	**23**
9.	ENTITIES REPORTING TO THE MEC	**24**

PART B | PERFORMANCE INFORMATION

1.	AUDITOR GENERAL REPORT : PREDETERMINED OBJECTIVES	**29**
2.	OVERVIEW OF DEPARTMENTAL PERFORMANCE	**30**
2.1.	Service Delivery Environment	**30**
2.2.	Service Delivery Improvement Plan (SDIP)	**33**
2.3.	Organisational Environment	**34**
2.4.	Key policy developments and legislative changes.	**36**
3.	STRATEGIC OUTCOME ORIENTED GOALS	**37**
4.	PERFORMANCE INFORMATION BY PROGRAMME	**39**
4.1.	Programme 1: Administration	**39**
4.2.	Programme 2: Transport Infrastructure	**51**
4.3.	Programme 3: Transport Operations	**65**
4.4.	Programme 4: Transport Regulation	**70**
5. .	TRANSFER PAYMENTS	**75**
5.1.	Transfer payments to public entities	**75**
6.	CONDITIONAL GRANTS	**75**
6.1.	Conditional grants and earmarked funds received	**75**
7.	CAPITAL INVESTMENT	**77**
7.1.	Capital investment, maintenance and asset management plan	**77**



TABLE OF **CONTENTS**

PART C | GOVERNANCE REPORT

1.	INTRODUCTION	**81**
2.	RISK MANAGEMENT	**81**
3.	FRAUD AND CORRUPTION	**82**
4.	MINIMISING CONFLICTS OF INTEREST	**82**
5.	CODE OF CONDUCT	**83**
6.	HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	**83**
7.	PORTFOLIO COMMITTEES	**83**
8.	STANDING COMMITTEE ON PARLIAMENTARY ACCOUNTS (SCOPA) RESOLUTIONS	**86**
9.	INTERNAL CONTROL UNITS	**93**
10.	INTERNAL AUDIT AND AUDIT COMITTEES	**94**
11.	PRIOR MODIFICATIONS TO AUDIT REPORTS	**96**
12.	AUDIT COMMITTEE REPORT	**97**

PART D | HUMAN RESOURCE MANAGEMENT

1.	INTRODUCTION	**103**
2.	OVERVIEW OF HUMAN RESOURCES	**103**
3.	HUMAN RESOURCES OVERSIGHT STATISTICS	**105**

PART E | FINANCIAL INFORMATION

1.	REPORT OF THE AUDITOR GENERAL	**141**
2.	ANNUAL FINANCIAL STATEMENTS	**146**

g-FleeT MANAGEMENT

1.	PART A: GENERAL INFORMATION	**234**
2.	PART B: PERFORMANCE INFORMATION	**257**
3.	PART C: GOVERNANCE	**271**
4.	PART D: HUMAN RESOURCE MANAGEMENT	**292**
5.	PART E: ANNUAL FINANCIAL STATEMENTS	**321**





PART A
GENERAL INFORMATION

1.
DEPARTMENT
GENERAL INFORMATION

PHYSICAL ADDRESS:	45 Commissioner Street Johannesburg 2000
POSTAL ADDRESS:	Private Bag X83 Marshalltown 2107
TELEPHONE NUMBER:	+27 11 355 7000
EMAIL ADDRESS:	CommunicationsGPDRT@gauteng.gov.za
WEBSITE ADDRESS:	www.roadsandtransport.gpg.gov.za
TWITTER:	http://twitter.com/GPDRT
FACEBOOK:	www.facebook.com/TransportGP
INSTAGRAM:	Instagram.com/GPDRT

2. ABBREVIATIONS AND **ACRONYMS**

AGSA	Auditor General of South Africa
AO	Accounting Officer
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
BRT	Bus Rapid Transit
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CIP	Compulsory Induction Programme
CLLT	Computerised Learners Licence Testing
CoJ	City of Johannesburg
CoT	City of Tshwane
CS	Corporate Services
CSIR	Council of Scientific and Industrial Research
DDG	Deputy Director General
DEA	Department of Environmental Affairs
GDID	Gauteng Department of Infrastructure Development
DLTC	Driver Learner Testing Centres
DoH	Department of Health
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EAFCU	Ethics, Anti-fraud and Corruption Unit
ECSA	Engineering Council of South Africa
e - DRMS	electronic Document Record Management Solution
EIA	Environmental Impact Assessment
e - NaTIS	electronic National Traffic Information System
EPWP	Expanded Public Works Programme
EXCO	Executive Council
ESS	Employee Self Service
FIS	Fleet Information System
GCRA	Gauteng City Region Academy

GDARD	Gauteng Department of Agriculture and Rural Development
GDE	Gauteng Department of Education
GDF	Gauteng Department of Finance
GDP	Gross Domestic Product
GDRT	Gauteng Department of Roads and Transport
GIAMA	Government Immovable Asset Management Act
GEYODI	Gender Youth and People with Disabilities
GFIP	Gauteng Freeway Improvement Plan
GPG	Gauteng Provincial Government
GTIA	Gauteng Transport Infrastructure Act
HAST	HIV, AIDS, STI and Tuberculosis
HDI	Historically Disadvantaged Individuals
HIV/AIDS	Human Immune Deficiency Virus/ Acquired Immune Deficiency Syndrome
HoD	Head of Department
HR	Human Resource
ICT	Information Communication Technology
IFM	Integrated Fare Management
IDMS	Infrastructure Delivery Management System
IGR	Inter-Governmental Relations
IPTN	Integrated Public Transport Network
IRPTN	Integrated Rapid Public Transport Network
IT	Information Technology
ITMP25	25 Year Integrated Transport Master Plan
ITP	Integrated Transport Plans
JRA	Johannesburg Roads Agency
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MMC	Member of the Mayoral Committee
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MVRA	Motor Vehicle Registration Authority
MVR&L	Motor Vehicle Registration and Licencing
NANDUWE	Nancefield Dube West Taxi Association
NDoT	National Department of Transport
NDP	National Development Plan
NLTA	National Land Transport Act
NLTIS	National Land Transport Information System

NMT	Non-Motorised Transport
NRTA	National Road Traffic Act
NYS	National Youth Services
OHS	Occupational Health and Safety Act
OLAS	Operating Licence Administration System
ORTIA	O.R. Tambo International Airport
PAJA	Promotion of Administrative Justice Act
PCF	Premier's Coordinating Forum
PDI	Previously Disadvantaged Individuals
PDLTCs	Provincial Driver Learner Testing Centres
PERSAL	Personnel Salaries
PFMA	Public Finance Management Act
PMDS	Performance Management Development System
PRASA	Passenger Rail Agency of South Africa
PRMG	Provincial Roads Management Grant
PPP	Public Private Partnership
PSC	Public Service Commission
PTOG	Public Transport Operations Grant
QSE	Qualifying Small Enterprises
RAMS	Road Asset Management System
RISFSA	Road Infrastructure Strategic Framework of South Africa
RMPTS	Road Maintenance Professional Teams
RNMS	Road Network Management System
RMTC	Road Traffic Management Corporation
SANRAL	South African National Roads Agency Limited
SCM	Supply Chain Management
SED	Socio-Economic Development
SLA	Service Level Agreement
SMF	Supervisory Monitoring Firms
SMS	Senior Management System
SRN	Strategic Road Network
SPTN	Strategic Public Transport Network
SMME	Small Medium Micro Enterprises
TDM	Transportation Demand Management
TMR	Transformation, Modernisation and Re-industrialisation
TOLABs	Transport Operating Licence Administrative Bodies
ToR	Terms of References
U- AMP	User Asset Management Plan
VTC	Vehicle Testing Centre
WATA	Witwatersrand African Taxi Owners Association





3. FOREWORD BY THE **MEC**

MR JACOB MAMABOLO | MEMBER OF THE EXECUTIVE COUNCIL

The term of the sixth administration is now in full swing albeit in a new environment that none of us could have planned for. We are now travellers in a new normal. It is now more critical than ever before that we streamline our resources and work smart in achieving our goal of delivering quality transport infrastructure to power economic growth and prosperity for the people of Gauteng.

In the global vision of this administration of Growing Gauteng Together, the Department of Roads and Transport has a central role of turning around the fortunes of the people by changing the Apartheid-type spatial formation and patterns of movement.. It is this spatial formation that continues to deny ordinary people access to opportunities and thus impedes our ability as a province to open new spaces in the economy and create employment.

Transport and its supporting infrastructure, in our view, will play a transformative role in our society only if we leverage on smart technologies, build a capable Department, recalibrate our project pipeline and thus, integrate all modes of transport to enable a seamless movement of goods and people. This concept we have termed Growing Gauteng Together through Smart Mobility. In its textbook definition, Smart Mobility integrates all modes of transport via wireless communications and applies real-time data analytics and machine learning to make transportation safer and more efficient.

> “...work smart in achieving our goal of delivering quality transport infrastructure to power economic growth and prosperity for the people of Gauteng.”

This definition underpins our key objective of repositioning our province as the internal freight and logistics hub that will not only serve the country but the entire Southern African Development Community and the African continent efficiently.

We have dedicated the year under review towards pinpointing and locating weaknesses within the Department and broadly in Municipalities. It is, for this reason, the operationalisation of the Transport Authority of Gauteng (TAG) could not be postponed. In this regard, the relevant Act is now in operation and an interim Chief Executive Officer in Jack van der Merwe has been appointed.

In conjunction with the operationalisation of the TAG, we have done a lot of leg work towards the establishment of the Transport Infrastructure House, the nerve centre and powerhouse that will help us have a single view of all our operations towards building a smarter transport system coupled with a safe and efficient infrastructure. This smart centre will enable us to have a bird's eye view on the entire transport network in the province, including various bus rapid transit systems and will render the stratified and disjointed planning process a thing of the past.

We continue making inroads in our efforts to integrate the minibus taxi industry into the mainstream of multi-modal transport network. Key to this is the modernisation and corporatisation of this industry which is still dogged by the trappings of its informalised past. We have operationalised this work with the establishment of the Gauteng Provincial Taxi Monitoring Committee (GPTMC) which is an important forum to set into motion the resolutions of the Gauteng Taxi Summit. Parallel to this work is the Commission of Inquiry into Taxi Violence, led by retired Judge Jeremiah Shongwe. The commission plays an important role in systematically rooting out violence that has become an albatross on the industry as it reconfigures itself for the future.

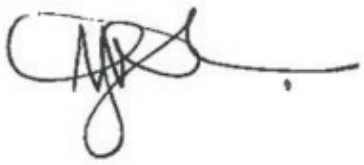
On infrastructure, we have continued supporting the Sedibeng District Municipality and the Emfuleni Local Municipality. In this regards, we have completed the upgrade of Moshoeshoe, Vilakazi, and Adams roads in Sebokeng and Evaton at an investment value of R14 million.
The initiation of the Level 5 lockdown, a first in the history of our young democracy, resulted in many of the departmental projects and services being suspended.

This pandemic required the Department to put in place extraordinary procedures to address issues of public transport and the way in which h we carried out its services to the public. A COVID-19 transport plan was developed and implemented to address the significant risks and challenges posed by the pandemic. Since the announcement of Alert Level 5 Lockdown, we have cleaned 5 0000 (Five thousand) taxi ranks, and sanitised almost 39 million commuters. Through our coordination centre, the Derek Masoek office, coordinated the distribution of disinfection and disbursement of sanitisers.

To realise these outcomes we have had to think creatively and work smart pulling together our transport plans, human resources strategies and information technology capabilities to ensure that critical and essential services were operational so that public transport was not the weakest link in the battle against the pandemic.

We have come a long way as a department in aligning our programme to the Smart Mobility strategy and a lot of work must still be done in ensuring that we urgently respond to the Growing Gauteng Together clarion call.

These achievements would have never been realised had it not been for the dedication of the entire DRT team and the senior management. I would also like to thank HOD Makhukhu Mampuru for his support and hard work.



Mr J. Mamabolo
MEC for Public Transport and Roads Infrastructure
31 October 2020



4. REPORT OF THE ACCOUNTING OFFICER

MR M MAMPURU | ACCOUNTING OFFICER

OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT:

The 6th administration recognised the pivotal role Transport plays in supporting Gauteng's Economic growth story. Thus, one of the priorities for the Department was the development of a Transport Service Delivery Plan which would focus on transforming the state of public transport to meet the expectations of the 4th industrial revolution. To this end, the Growing Gauteng Together Through Smart Mobility Plan was developed to address the Province's transport challenges and provide an integrated transport system through smart mobility. The Plan is characterised by the key focus areas of Urban Development, Infrastructure, Operations, Institutions and enabling Technology. It is understood that the Plan operates in conjunction with other Urban and Transport-orientated policies instituted at a national and municipal government level. Smart Mobility can be defined as "an effective and efficient mobility system utilising appropriate technologies" and is characterised by consistent and systematic use of innovations (ICTs) to streamline transport management. This view resonates with the objectives of the 6th administration, for it emphasises the need for efficiency, effectiveness, innovation and use of technology as key ingredients in growing a competitive economy.

The Plan is in its final stages and will be officially launched in the financial year 2020/21. The Department commenced with the implementation of components of the Growing Gauteng Together Through Smart Mobility Plan during the year under review. One of the main components was the formalization and operationalization of the Gauteng Transport Authority (GTA). The GTA Act came into operation on the 1st November 2019 and an interim board was established to lead the GTA. An interim CEO was also appointed to lead the formalization and operationalization of the Authority.

The spatial characteristics of the urban form in Gauteng dictate that significant investment is required in road infrastructure. The provision of a smart road system, therefore, continues to be a key strategic focus area of the Department to ensure sustainable urban mobility in Gauteng. One of the successes for the year under review was the 98% expenditure of the transport infrastructure budget on key projects across the province. During the financial year under review, the Department completed the P158/2 (N14) Phase 2: Rehabilitation of P158 (N14) from Brakfontein to Diepsloot which entailed the rehabilitation of 20.7kms of P158/2 (N14). P158/2.

The rehabilitated road serves as a transport corridor between the City of Tshwane, the Northern suburbs of Johannesburg and Krugersdorp and therefore, it became imperative to ensure the road continued to provide a smart road system which integrated into the surrounding nodes. The K54 upgrade which is a multi-year project is continuing and will be completed in the next financial year. The smart roads network strategy also includes the rolling out of the following road infrastructure projects over

the Medium-Term Expenditure Framework (MTEF); the rehabilitation of road D483 between P6-1 (Bapsfontein) and D713 Cullinan, road P126/1 between Ontdekkers road and P6/1 Tarlton and road P103/1 between N14 and N1.

The Sedibeng District Municipality was also provided support in the improvement of is road infrastructure with an R14 million road Infrastructure Upgrade Investment Programme. Three roads were upgraded in the Emfuleni area and its citizens are now able to travel on safe and reliable roads which support economic growth and social cohesion in and the surrounding areas.

Another important transport service infrastructure investment came to fruition during the financial year which was the opening of the Kagiso Driver Learner Testing Centre (DLTC). The DLTC was built with cutting edge technology in response to the 4th Industrial revolution and brings the department's core services of a customer-centric transport regulatory services closer to the citizens, thereby reducing the burden of travel cost and time.

Aligned and in contribution to the National and Provincial priorities of strengthening job creation, the Department exceeded its planned year target and created a total of 4, 126 job opportunities. The job creation programme is linked to the Transport Infrastructure Programme and job opportunities are created through the Expanded Public Works Programme (EPWP) and provide employment opportunities to the most vulnerable of the unemployed in the local communities. The EPWP job creation programme ensures that the EPWP employees not only gain job opportunities but also various skills in the transport construction sector that enables them to become employable in the job market.

The Department continues pursuing initiatives to achieve a modal shift to public transport. Engagement of Public Transport Operators is also part of those initiatives. The Taxi Industry was, therefore, consulted in the Taxi summit held in July 2019 which have further cemented relations between the Department and the Taxi Industry and a commitment to work towards a common goal of transforming the industry. The Summit yielded resolutions which the Department has translated into projects ranging from improvement of service levels to skills development, transformation and economic empowerment. Another firm commitment was to modernise the industry and introduce the 4th Industrial Revolution (4IR) interventions. The two main resolutions implemented were the establishment of the Gauteng Provincial Taxi Monitoring Committee (GPTMC).

The GPTMC's purpose is to monitor the implementation of resolutions agreed upon at the Provincial Taxi Summit. The GPTMC consists of members of the taxi associations and the Department. The Committee meets monthly to monitor the implementation of the taxi resolutions and has ensured progress is achieved and a good working relationship is maintained with the taxi industry.

The second resolution implemented was the setting up and commencement of the Commission of Inquiry into Taxi Violence which was led by retired Judge Shongwe. The Commission operates independently with its administrative capacity and was gazetted to be operated for six (6) months. The hearings officially commenced in the 3rd Quarter of the financial year 2019/20 and have been supported by both the Department and the taxi industry.

As the Department engages in developing its strategic vision for the next 5 years, concurrently the Department is undertaking the realignment of its organizational structure to ensure there is alignment with the strategy of the Department. The structure will seek to ensure it employs the talent, capabilities and expertise required for the Department to deliver on its strategic mandate. The realigned organisational structure will be finalised in the financial year 2020/21 and will be implemented over the MTEF.

While there have been successes, the Department and indeed the Country faced an unexpected and unparalleled crisis in the form of the Novel Coronavirus (COVID 19) world pandemic. The President introduced a National State of Disaster to address this crisis and implemented a national lockdown on the 26th March 2020. The commencement of the National State of Disaster and the Level 5 lockdown, a first in the history of our democracy, resulted in many of the departmental projects and services being suspended. Thus, many of the planned targets for the financial year could not be achieved.

> "an effective and efficient mobility system utilising appropriate technologies"

The scourge of the COVID-19 pandemic required the Department to put in place extraordinary measures to address issues of public transport and how the Department carried out its services to the public. Public transport, as mass mover of people, was a potential prime mode of transmission of the virus. Therefore, an immediate strategic plan was required to prevent the spread of the virus via public transport and save lives, especially those of the essential and critical workers who were at the

frontline of the pandemic. A COVID 19 Transport Plan was developed and implemented to address the significant risks and challenges posed by the pandemic. Together with the transport plan, Human Resources strategies and information technology capabilities were put in place to ensure that critical and essential services were operational to provide interventions to address the pandemic.

The Public Transport Disinfection and Sanitisation Programme was implemented to reduce the risk of the transmission of the COVID-19 virus through the Public Transport system. A central command centre was established at the Derek Masoek Center for the management of the COVID-19 Transport Plan and the distribution of disinfectants, sanitisers and personal protective gear to the public transport industry.

Taxis and busses were disinfected and commuters sanitised daily, together with the introduction of wearing of masks and social distancing in line with national transport regulations and directives. Five (5) Teams with coordinators from both the GDRT and Taxi Industry were allocated to the three (3) Municipal (Cities of Joburg, Tshwane, and Ekurhuleni) and two (2) District (West Rand and Sedibeng) Regions to assist with providing capacity and resources in the fight against the COVID-19 Pandemic.

The Department was successful in engaging with various donors and stakeholders, both private and public, who provided vital resources and capacity which assisted the Department in successfully implementing its COVID-19 transport projects. Further initiatives are also being planned for implementation, one of which is to assist in the testing and tracking of commuters with the Department of Health.

However, concurrently some of the Department's services, such as the Driver Licence Testing Centres, the Transport Operating Licence Administrative Bodies (TOLABs) and the Gautrain Rapid Rail Link were suspended during the level 5 lockdown in line with the national transport regulations and directives.

The impact of the pandemic will leave lasting changes to the Department and the Province. Therefore, agile strategies are being developed to ensure effective and efficient service delivery continues and new ways of carrying out its mandate are implemented.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

Departmental receipts

Departmental receipts	2019/20			2018/2019		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000					
Tax Receipts	4,025,181	4,135,192	(110,011)	3,811,724	3,961,563	(149,839)
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences	4,025,181	4,135,192	(110,011)	3,811,724	3,961,563	(149,839)
Sale of goods and services other than capital assets	83,991	60,682	23,309	79,537	58,464	21,073
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	67	13	54	63	14	49
Sale of capital assets						
Financial transactions in assets and liabilities	1,676	327	1,349	1,587	22,187	(20,600)
Total	4,110,915	4,196,214	(85,299)	3,892,911	4,042,228	(149,317)

The Department is the main contributor towards its revenue generated in the Province, making up a contribution of more than 60 per cent of the entire provincial collection. This revenue is primarily generated through tax receipts arising from motor vehicle registration and licencing fees. In generating this revenue, the Department is also liable for direct charges, which includes amounts that are deducted from collected revenue to reimburse the primary collectors/agents of that revenue on behalf of the Department. The other departmental revenue items are minor in comparison. The motor vehicle licencing is by far the most productive source of revenue for the Department.

The increases in the revenue collections from the previous financial years were R 3.3 billion in 2015/16, R3.5 billion in 2016/17 and R 3.7 billion in 2017/18. The revenue is expected to increase further over the MTEF from R 4.1 billion in 2019/20 to R 4.6 billion in 2021/22 due to expected increases in vehicles on the road, annual increases in tariffs combined with efficient revenue collection. In concluding the estimates, the following factors were considered, namely:

- 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; and
- Trends in the motor industry in the country.

The second contributor to revenue generation is sales of goods and services other than capital assets which consist of the sale of tender documents. The growth in revenue from this source over the years was due to the high sales of documents to the prospective tenderers. The Department had several infrastructure projects out on tender during that period.

The interest, dividends and rent on land mainly consist of items such as interest on staff debts, 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 item owing to its uncertain nature.

Programme Expenditure

Programme Name	2019/20			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
1.Administration	383,279	334,097	49,182	332,154	285,736	46,418
2.Transport Infrastructure	2,240,490	2,159,347	81,143	2,825,907	2,740,989	84,918
3.Transport Operations	2,689,995	2,226,733	463,262	2,537,507	2,311,691	225,816
4.Transport Regulation	332,942	289,325	43,617	294,077	291,626	2,451
5. Gautrain	2,153,315	2,153,314	-	1,945,268	1,945,268	-
Total	7,800,020	7,162,816	637,204	7,934,913	7,575,310	359,603

The table above indicates the services of the Department are categorised under the Programmes, which are fully aligned to the uniform budget and Programme structure for the transport sector. The Department continuously aims to spend the total allocated budget to ensure the delivery of quality service.

Programme 1: Administration:

This Programme is responsible for the administrative functions of the Department. The spending as at the 31 March 2020 is less than what was anticipated in comparison of the projected expenditure. The moratorium on the filling of non-core vacant posts and the implementation of the cost containment measures has played a vital role in arriving at the recorded underspending within this Programme.

Programme 2: Transport infrastructure:

This Programme is the main core function of the Department, the underspending was mainly as a result of the non-filling of project management and core engineering posts.

Programme 3: Transport Operations:

The underspending within this Programme was mainly as a result of the cancellation of the subsidised bus operations in Sedibeng and Mamelo-

di, as well as the operations of North West Star that is not operating at optimal levels. There is also the issue of the DNOs (Did Not Operate) penalties levied against the operators which increased the under-spending.

Programme 4: Transport Regulation:

The underspending within this Programme was due to the non-filling of core transport regulation and monitoring posts.

Programme 5: Gautrain:

All transfers to Gautrain were made in line with the 2019/20 financial year payment schedule.

Virements/roll-overs

There were no roll-overs for the 2019/20 financial year.

All year-end shifts and virements have been submitted to the Gauteng Provincial Treasury. The request for the year-end and virements was to clear over/under expenditure within the Programmes after the Sub Programmes.

Unauthorised expenditure

The Department has effectively monitored and controlled its spending patterns to ensure the prevention of unauthorised expenditure. There was no unauthorised expenditure for the 2019/20 financial year.

Future plans of the Department

The Department has developed a Project Management Office (PMO) which is aimed at improving the project management of major infrastructure projects of the Department and ensure efficient service delivery. The PMO will be operationalised in the financial year 2020/21 and will be capacitated with the technical expertise required for infrastructure project management.

Public-Private Partnerships

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

Discontinued activities/activities to be discontinued

None

New or proposed activities

None

Supply Chain Management (SMC)

More than 99% of the Department's procurement plan requires procurement through the competitive tender process. The tender process has been plagued with challenges resulting in only four (4) tender awards. Some of these challenges and resolutions are:

No.	Challenges	Resolutions
1	The administration of the probity audit process and outcomes.	The function of the probity audit services has been decentralised to the Department as from April 2020. The Department has implemented new measures to improve the performance management of the probity audit services.
2	The application and interpretation of sections of the Preferential Procurement Regulations 2017 and the SA Constitution.	The matters of the legislative interpretation are receiving attention through the support of Senior Council opinions which will be followed by changes to internal policies.
3	Legal engagement/opinions required due to the public adjudication of tenders.	The matters are ongoing per case.
4	Internal deficiencies in planning from the implementing business units and constraints on SCM capacity.	The Department has commissioned an organizational structure review from which it intends to address the internal deficiencies.

The Department did not participate in any unsolicited bid proposals for the financial year under review. The incurrence of irregular expenditure relating to bus subsidy contracts continues to pose a challenge. The Department has commenced with a competitive tender process to address the matter of appointing service providers on new bus contracts.

Gifts and Donations received in kind from non-related parties

Statement of Gifts, Donations and Sponsorships Received.

Name of Organisation	Nature of Gift, Donation or Sponsorship	2019 / 20	2018 / 19
		R'000	R'000
Received in kind			
Old Mutual Limited	Old Mutual Hamper (diary, pen, mug, small fan, cooler bag and lunch)	-	1
Gauteng Provincial Legislature	Picnic pack	-	2
Clinex	Hand sanitizer (116 x 500ml, 35 x 20 litres, 135 x 5 litres and 54 x 25 litres) and 3, 000 gloves	300	-
Subtotal		300	3
TOTAL		**300**	**3**

Exemptions and deviations received from the National Treasury

None

Other

None

Events after the reporting date

The international Corona Virus (COVID-19) pandemic has been an unprecedented and unforeseen event which has impacted negatively on the social and economic welfare of all countries worldwide.

The declaration of a state of disaster by President of the Republic of South Africa ushered in an array of legislative measures, amongst them being a national period of lockdown commencing 27th March 2020. Such date of commenced coincided with the last 4 days of the Department's 2019/2020 financial year-end. The economic impact of the national lockdown has been extremely severe on all business activities which has translated in the loss of many jobs. The Department continued to provide essential services during this period of national lockdown. In support of all essential services, i.e. law enforcement, health care, banking and other designated services the Department identified the strategic need to respond to the pandemic by focussing on preventing the loss of lives both within the Department and that of the users of public transport within the Province. As guided by research, with most people within the province using public transport, the probability of an alarming increase in the spread of COVID-19 through the aid of public transport is extremely high and dangerous for the people of Gauteng.

The Department's financial responsibility to support its strategic pandemic response plan resulted in parts of the 2020/2021 budget being reprioritised towards COVID-19 priorities. Also, the Department acted as a conduit in the receiving of COVID-19 personal protective equipment (PPE) for use within the public transport environment for the protection of public transport commuters. For the 2019/2020 financial year, the Department received approximately R300, 000 worth of PPE from different donors for the benefit of the public transport operators.

Acknowledgement/s or Appreciation

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

Approval and sign off



Mr. M. Mampuru
Accounting Officer
Department of Roads and Transport
Date: 31 October 2020

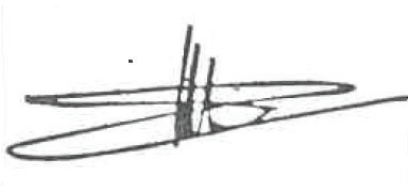
5. STATEMENT OF **RESPONSIBILITY**

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2020.

Yours faithfully



Mr. M. Mampuru
Accounting Officer
Department of Roads and Transport
31 October 2020

6. STRATEGIC OVERVIEW

6.1 Vision

A modern integrated, efficient and sustainable transport and road infrastructure system in Gauteng.

6.2 Mission

To facilitate and provide an integrated transport system that:

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

6.3 Values

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

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

7. LEGISLATIVE AND OTHER **MANDATES**

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

National Policy and Legislative Mandates

Legislation	Act / Policy
Administrative Adjudication of Road Traffic Offences Act	Act 46 of 1998
Advertising on Roads and Ribbon Development Act	Act 21 of 1940
Construction Industry Development Board Act	Act 38 or 2000
Cross-Border Road Transport Act	Act 4 of 1998
Deeds Registration Act	Act 47 of 1937
Division of Revenue Act (DORA)	Act 1 of 2010
Environmental Conservation Act	Act 73 of 1989
Government Immovable 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
Public Finance Management Act	Act 1 of 1999

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
Provincial Road Traffic Act	Act 10 of 1997

8. ORGANISATIONAL **STRUCTURE**



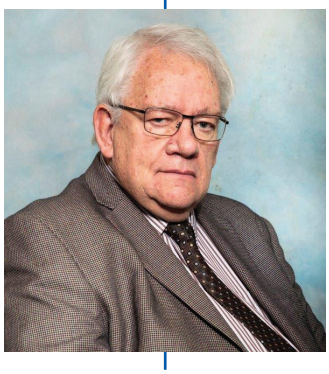
MEC
Mr J. Mamabolo



HOD
Mr M. Mampuru



CEO (GMA)
Mr W. Dachs



INTERIM CEO (TAG)
Mr J. Van Der Merwe



ACTING DDG
TRANSPORT
Mr F. Masuku



ACTING DDG
ROAD INFRASTCUTURE
Mr V. Phala



DDG
CORPORATE SERVICES
Ms M. Harker



CFO
FINANCE
Mr S. Zondo



CEO
g-FleeT
Ms N. Maninjwa

9. ENTITIES REPORTING TO THE MEC

Gautrain Management Agency

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Gautrain Management Agency	Gautrain Management Agency (GMA) has been established in terms of the GMA Act and listed under Schedule 3 (c) of the Public Finance Management Act (PFMA) as a Provincial Public Entity. National Policy and Legislative Mandates: • Public Finance Management Act No. 1 of 1999. • Environmental Conservation Act No. 73 of 1989. • National Railway Safety Regulator Act No. 16 of 2002. • National Treasury Regulations. • Division of Revenue Act. • Consumer Protection Act No. 68 of 2008. Provincial Policy and Legislative Mandate • Gauteng White Paper on Transport Policy. • Gauteng Transport Framework Revision Act No. 8 of 2002. • Gauteng Legislation on Development Planning. • Gautrain Management Agency Amendment Act No. 6 of 2008. • Provincial Growth and Development Strategy (PGDS). • Gauteng Spatial Development Perspective.	The GMA receives its MTEF funds through the Department' vote.	The main objective of the GMA is to manage, coordinate and oversee the Gautrain Rapid Rail Link Project.

STRATEGIC PERFORMANCE OVERVIEW

2019/2020 Financial Year

The Sixth Administration of the Gauteng Provincial Government (GPG) set out an ambitious programme known as "Growing Gauteng Together: Our Roadmap to 2030" This programme is very relevant to public transport and Gautrain as it focuses on the economy, jobs and Infrastructure, integrated human settlements and building a capable, ethical and developmental state. In the Financial Year ending 31 March 2020, the Gautrain Management Agency (GMA) and Gautrain were part of this strategy in terms of growing the economy through smart investments in transport, as well as restructuring the urban form around transport nodes and using technology as an enabler of better and more efficient transport systems.

To give effect to these strategic Provincial initiatives and to continue in its mandated role related to the current Gautrain Concession, the strategy of the GMA is to continue managing, coordinating and overseeing the operation and maintenance of the Gautrain Project and to plan and implement the extension of the System to accommodate future demand and new services as identified in the ITMP25 for Gauteng.

The GMA Board completed the second year of its term and continued to provide governance 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 GMA Board is committed to ensuring that the Gautrain operates sustainably, with a clear commitment to governance and in support of the Provincial Government's economic and social imperatives.

The GMA made good progress in the 209/20 Financial Year in several areas. In terms of oversight of the Concessionaire, the GMA ensured high levels of operational efficiency. The train service operations achieved an average availability of 99.66% and punctuality of 98.11% over the review period. This was backed by good personal and property safety and security within the System. Low levels of fare evasion were also maintained. Safety and security targets for passengers and the System were met and all incidents that occurred during the reporting period have been mitigated through the security enhancement plans developed by the Concessionaire. The GMA and the Concessionaire conducted rail reserve inspections to identify external factors that might impact on the protection of the railway alignment, given the ongoing cable theft experienced in various industries and sectors across the country. Fare evasion was well below the required level and never exceeded 0.04% in any month in the year under review.

The assurance of asset management systems by the Concessionaire was boosted by the completion of a System asset audit by independent auditors.

The planning of network extensions continued with the route alignment for Phase 1 of the extensions, while engagements were pursued with the National Treasury and National Department of Transport on the approval of the feasibility study completed in 2016.

Through to the end of the fourth quarter of the 2019/20 Financial Year, there had been good progress in terms of increasing passenger numbers and up to the end of February 2020, the total year to date patronage was 3,3% higher than the previous year. However, in March 2020, the daily passenger numbers started declining rapidly as the public responded to developments around the Covid-19 pandemic. In the case of the General Passenger Service (GPS), the decline compared to March 2019 was 28.2% while the Airport Service (APS) showed a decline of 49.0% due to the impact on air travel. Overall some 460,550 fewer passenger trips were recorded in March 2020 compared to March 2019. Bus passenger trips followed a similar trend. This meant that the annual target for train passengers could not be met. Combined with continued slow growth in the economy and jobs in Gauteng, these factors resulted in an overall drop in train passengers of 7.56% from the previous Financial Year and a 6.48% increase in bus passengers.

	Rail			Bus
Service Type	Airport Passenger	General Passenger	Total	Bus Total
FY 18/19	1 456 967	12 515 515	13 966 482	3 982 971
FY 19/20	1 341 304	12 588 612	13 929 916	4 255 503
% Change	-7,56%	0,58%	0,26%	6,84%

TABLE1: PASSENGER TRIPS PER FINANCIAL YEAR ON THE AIRPORT SERVICE, THE GENERAL PASSENGER SERVICE AND THE BUSES

The GMA continued to engage with the Concessionaire to implement a strategy to attract passengers to use the Gautrain services known as Operation Shift. This strategy is a combination of improved service offerings and marketing and it started bearing fruit in throughout the 2019/20 Financial Year up until the significant negative effect of Covid 19 on Public Transport in general reversed the growth trajectory of the Gautrain passenger demand.

Numerous communication and marketing initiatives targeted at potential and current users of the Gautrain were undertaken and will increase as part of the endeavour to attract passengers.

Socio-Economic Development (SED) targets were met and exceeded as the Gautrain continued to contribute positively to the Gauteng economy. SED deliverables directly demonstrate the benefits of the Gautrain in terms of shareholding by black persons and black women, procurement, sub-contracting and employment equity elements. From a GMA expenditure perspective, the target for expenditure through Emerging Micro Enterprises (EMEs) and Broad-Based Black Economic Entities (BBBEEs) were met and exceeded, while expenditure through women-owned entities and Qualifying Small Enterprises (QSEs) were narrowly missed yet reflected a significant improvement on achieving expenditure targets in previous years.

The GMA's Social Investment Programme (SIP) contributed to the achievement of social development objectives in education and community care, disbursing almost R8 million to beneficiaries, including NGOs and academic institutions.

The GMA also reached levels of maturity with a low turnover of staff and good performance in terms of its mandates under the GMA Act. In terms of human capital (HC), the GMA Board approved a new organisational structure that better reflects its increased mandate. The GMA currently has 99 filled positions out of 110 available posts.

Policies and frameworks were developed and implemented, including the continued roll-out of the Enterprise-Wide Risk Management System.

At Marlboro, Sandton, Centurion and Hatfield Stations, the Gautrain has midibus operations which continue to be supported by commuters, with an increase of 60% patronage year-on-year. These services are provided by local taxi associations and expand the use of the Gautrain in a way that benefits both public transport users and the taxi associations. Contracts for services at Rhodesfield and Rosebank Stations were in preparation at the end of the Financial Year and services are expected to commence soon. Partnerships with commercial companies have yielded benefits, such as dedicated shuttle bus services operated by these third parties, thereby expanding the reach of the Gautrain.

The GMA continued to commit significant resources to plan and implement extensions and expansions to the current Gautrain network, especially insofar as these related to increasing capacity in key areas impacting on passenger demand. The key project for the acquisition of train, depot and signalling assets met various milestones and will continue. Alternative strategies to supplement rail service capacity are being explored. The roll-out of the changes to the automated fare collection system to accept debit and credit cards at the various fare gates was successful and well received by users of the System.

The Concessionaire continued with the replacement of the current bus fleet in terms of its contractual obligations and, in so doing, provided a significant stimulus to the local bus manufacturing industry.

Information and Communications Technology (ICT) strategic initiatives planned for the 2019/20 Financial Year were completed. The ICT Unit continued to support the GMA to function in a seamless, secure and reliable manner while allowing for organisational knowledge to be preserved and shared. The adoption of cloud technologies has proved invaluable during the national lockdown caused by the COVID-19 pandemic. The GMA was able to transition from an office-based workforce to a fully functional remote workforce with minimal effort or impact for the Agency.

Knowledge Management (KM) activities linked to the strategic goals of the Agency have been on track. These included mainly the implementation of the records management policy and the KM strategy and the provision of document control services to support the business in its management of the Concession Agreement.

The full 2019/20 GMA Integrated Annual report is available to the public and stakeholders.

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

The Annual Report for g-FleeT Management is included on **page 232** of this report.



PART B
PERFORMANCE INFORMATION

1.
AUDITOR GENERAL'S REPORT **PREDETERMINED OBJECTIVES**

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

Refer to **page 141 - 144** of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

Transport Infrastructure

The Gauteng Government utilises its transport network as a catalyst to drive the socio-economic development of the Province. Therefore, the Gauteng Department of Roads and Transport (GDRT) is responsible for improving the provincial road infrastructure through the construction of new roads and improving its maintenance of existing roads. GDRT has positioned itself towards achieving its goal of a strategic economic transport infrastructure that stimulates socio-economic growth. It maintains a provincial road network consisting of 5, 638km of roads (4, 248.44km surfaced and 1, 389.10km gravel roads).

It has executed the following projects towards providing a safe and reliable road infrastructure and network for the ease of mobility for people and goods in Gauteng:

Road infrastructure rehabilitation

The Provincial road network remains an integral asset of the Department and the maintenance of its high-quality standard remains a key focal area. In response to this, the launch of the R114 road rehabilitation project in Muldersdrift, Johannesburg was undertaken during the financial year under review. This is an eighteen months' project with a total project cost of R 157 million and entails the rehabilitation of the current road and the realignment and reconstruction of the intersection to Cedar road. The rehabilitation of the road is in line with the Department's commitment to providing high-quality road infrastructure that promotes economic growth and social cohesion.

The Department also commenced with the heavy rehabilitation of the P39/1 from Diepsloot to Muldersdrift, road P156/3 (R42) from P155/1 to D2563 in Vanderbijlpark and road P241/1 (R554). These projects were originally projected to be completed in the financial year 2021/22, are now being envisaged to be completed in the financial year, 2022/23 due to the impact of the COVID-19 pandemic.

Further rehabilitation projects were also prioritized to be undertaken over the next 5 years to ensure the improvement and expansion of the road network. These include the rehabilitation of road D483 between P6/1 (Bapsfontein) and D713 Cullinan, road P126/1 between Ontdekkers road and P6/1 Tarlton and road P103/1 between N14 and N1.

Evaton and Sebokeng road infrastructure upgrade

In August 2019, the Department launched a R14 Million road upgrading project in Evaton and Sebokeng in the Sedibeng District Municipality. The Department identified Moshoeshoe Vilakazi Streets and Adams road for resurfacing upgrades due to road deterioration. These rehabilitation upgrades were completed in December 2019 and have provided a safer and reliable road network for the citizens of Emfuleni.

Provincial Road Maintenance

The Department successfully executed its Transport Infrastructure Maintenance Programme which yielded the following achievements: 579, 800.00m2 of the provincial surfaced roads were rehabilitated ensuring improved socio-economic accessibility, road quality and travel safety of residents traversing these roads. It has also contributed to enhancing accessibility to economic hubs, supporting the tourism industry, increased accessibility to markets and provided employment opportunities to local communities.

The Department performed its routine road maintenance functions to preserve the status of existing roads infrastructure in the various regions where the following projects were executed:

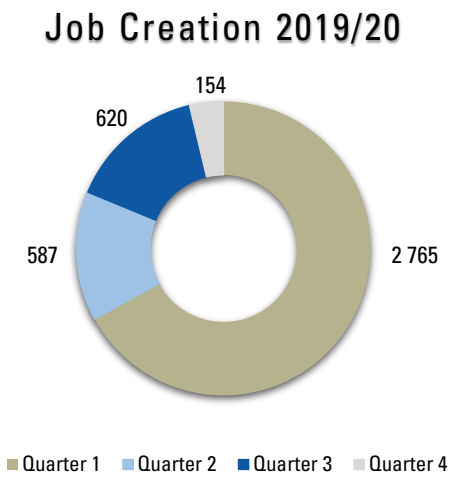
- 132, 507.72m² roads resealed;
- 78, 57km roads re-gravelled;
- 85, 552.92 m² of potholes patched; and
- 1, 994.56km gravel road bladed.

The above-mentioned projects were completed in the Benoni, Bronkhorstspruit, Krugersdorp, Pretoria and Vereeniging regions to improve the provincial road network.

Job opportunities/training Programmes

The Department's progress on the creation of job opportunities has improved through the number of infrastructure projects implemented across the Province. All job opportunities created through the Expanded Public Works Programme (EPWP) are created through the Transport Infrastructure Programme. The GDRT created a total of 4, 126 job opportunities exceeding its planned target for the financial year 2019/20. The Department's EPWP Programme not only provides employment opportunities to the most vulnerable of the unemployed in the province, but it also ensures that they gain various skills in the transport construction sector which enables them to become employable in the job market.

The graph below indicates the job creation statistics per quarter.



Improving travel safety on Moloto Road for Gauteng citizens

Moloto road has been a site for many road accidents over the years. The Department identified the upgrade of this road as a priority and handed over the rehabilitation and maintenance of Moloto Road to SANRAL on 15th November 2019. The event was led by the National Ministry of Transport and attended by National Department of Transport, Government Departments and Agencies, Public Members, Taxi Industry and the Media. A further initiative was introduced in January 2020 by the Gauteng MEC for Public Transport and Road Infrastructure, together with Mpumalanga Public Works, Roads and Transport MEC, with the unveiling of the new fleet of busses to service communities along Moloto Road. These initiatives seek to improve commuters travelling time and safety on this road.

Public Transport Services

- **Taxi Operations re-open in Soweto**

  The Department re-opened the taxi operations in Soweto, following the signing of a peace deal between the Nancefield Dube West Taxi Association (NANDUWE) and Witwatersrand Taxi Association (WATA). The taxi ranks and routes were closed in Soweto during the previous financial year, 2028/19, due to taxi operations violence. The peace deal agreement was entered into by the two associations at the signing ceremony held at the Hector Pietersen Memorial on 11th June 2019. This paved the way for a cease in hostilities and continued engagements with the Department to resolve issues of conflict.

- **Opening of the new Kagiso Driver Learner Testing Center (DLTC)**

  The new R19 million Kagiso DLTC officially opened its doors for services to the public in April 2019. This project is part of the Department's strategy to bring its customer-centric services closer to the public thereby, reducing citizens travel cost and time. The DLTC is equipped with cutting edge technology that responds to the 4th Industrial revolution as a smart building designed to serve its clients without sole dependency on the electricity grid. The Department has also ensured it recruited and employed staff from the local areas to reduce travel cost and time for officials.

- **Women in Transport and Construction Summit**

  On 5th September 2019, the Department hosted a Women in Transport Infrastructure Roundtable as a platform for women to raise challenges facing the industry and proposed new ways of growing the sector. The Summit themed "25 years on, what is the role of women in construction" was attended by approximately 250 delegates, representing various transport and construction industries. The Department committed to holding regular interactions with women who participate in the transport industry and its infrastructure in a quest to transform the sector. One of the resolutions taken was to host a seminar with Widows in the Taxi industry, which the Department committed to undertake during the October Transport Month.

- **Transport Service Delivery Facilities Visits**

  The Department conducted site inspections on the following key transport infrastructure facilities identified in the State of the Province Address (SOPA) as transport nodes which requires urgent attention from the Gauteng Provincial Government.

  - » Bophelong Taxi Rank,
  - » Mabopane Intermodal,
  - » Bree and Noord Taxi rank,
  - » Marabastad and Bloed Taxi rank, and
  - » Germiston Taxi Rank.

  After these site visits, the Department is developing a Taxi Rank economic nodes model to upgrade identified taxi ranks into taxi economic hub nodes over the next five years.

- **Vaal Top Six Engagement**

  The Department engaged with representatives from the taxi industry in the Vaal region to resolve matters affecting the taxi industry in the Sebokeng and Evaton areas. The engagement was held in Masoheng Industrial offices in Sebokeng on 22nd October 2019.

- **Provincial Taxi Summit**

  The Department convened a Provincial Taxi Summit in July 2019 with the purpose to:

  - » Assess the extent of implementation of previous resolutions raised at both the inaugural July 2016 Taxi Indaba and Summit;
  - » Reaffirm the commitment to growing and supporting the Mini-bus Taxi Industry; and
  - » Deliberate on strategies to implement previous resolutions and modernise public transport system.

  The Summit was a success with over 400 delegates from the two major taxi associations, Gauteng National Taxi Alliance (GNTA) and the South African National Taxi Council (SANTCO, Gauteng Province) in attendance. Resolutions were adopted as well as a declaration signed by the Premier and Chairpersons of both Association. One of the resolutions was the establishment of a Taxi Commission which was initiated by the Department during the financial year under review and chaired by retired Judge Shongwe.

- **Technology and Innovation conference**

  The Technology and Innovation Conference was held at the University of Pretoria on 16th October 2019. The conference was attended by technology experts and innovators from the public and private sector as well as academia. The focus was to engage in developments, share ideas around transport digital and technological innovation in the country.

- **Public Transport and Infrastructure response to COVID19**

  Since the announcement of the first COVID-19 positive tested South African patient, the Department compiled a COVID-19 Corporate Business Continuity Plan to combat the envisaged spread of the virus across the Public Transport System in the Province. This Plan focused on assisting with implementing effective measures to ensure departmental productivity, adopt robust and flexible arrangements which would help ensure that the impact of disruptions caused by the Novel Coronavirus (COVID-19) would be minimised.

  The Business Continuity Plan identified various tools such as a checklist of some of the key risks to the continuity of the Department's business activities during the outbreak of COVID-19 and of preparatory actions that could be taken to respond to the pandemic. The plan ensured continued service delivery within the current context of this global pandemic. A Command Centre was set up at Derek Masoek to assist in developing and implementing interventions to procure materials and disinfect taxis, taxi ranks and busses which were in operation and to sanitise passengers.

  On the 24th March 2020, the President of the Republic of South Africa announced the Country was entering a State of Disaster Management and going into lockdown level 5 to curb the spread of the Corona Virus. The Department continued to provide essential and critical services and implemented the Transport Disinfection and Sanitisation Programme in the public transport sector with various stakeholders to curb the spread of the virus in the public transport system and prevent the loss of lives. Engagements with public transport industries, stakeholders and donors continued to source and procure critical materials, and resources, implement systems and processes and engage volunteers to curb the spread of the virus through public transport modes.

  A Public Transport Coordination Committee was set up with all public transport role players to manage the Public Transport Disinfection and Sanitisation Programme and to proactively address identified challenges. Regional coordination centres in the Cities of Joburg, Tshwane and Ekurhuleni and the District Municipalities of West Rand and Sedibeng were established to coordinate and manage the Transport Distribution, Disinfection and Sanitisation projects.

  Disinfectants, sanitisers and Personal Protective Gears (PPEs) were sourced and distributed to operational taxi and bus operators for the daily disinfection of the taxis and busses, cleaning of taxi ranks and sanitization of commuters. The Department, together with the Department of Community Safety as monitored the adherence to national legislation and directives on public transport loading capacity, social distancing and wearing of masks.

  Focused on combating the spread of Coronavirus, the Department implemented the following critical measures during the level 5 lockdown period in respect of its Infrastructure Programme in line with the various State of Disaster national legislations:

  a. All construction projects were stopped whereas Projects Managers were on standby,
  b. All Consultants, Professional Service Providers for planning, designing and supervision of projects worked remotely,
  c. Road safety being an essential service, the departmental maintenance teams and contractors continued to monitor

the Provincial network to monitor and respond to activities such as sinkholes and potholes patching during the lockdown period, and

d. The departmental standby team worked together with provincial traffic police to clear the debris when accidents occurred on the roads network.

Following COVID-19 regulations on movement of goods and services, the Minister declared processing of Abnormal Vehicle Permits for transportations of certain categories of goods and services as essentials. In response, the Department's Abnormal Vehicle Permit office restructured its operations to ensure business continuity. Operations continued in compliance with COVID-19 regulations.

The Department's Transport Disinfection and Sanitization Programme will continue as long as the Province, Country and the World battles the COVID-19 pandemic to help save the lives of the citizens of Gauteng by providing a safe public transport system, contribute to the socio-economic recovery of the Province and continue to adopt agile systems and processes as the country adapts to the new normal.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN (SDIP)

The Department completed a Service Delivery Improvement Plan. The tables below highlight the service delivery plan and the achievements to date.

Key service 1: 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
Number of permits converted into operating Licences.	Public transport operators	181	1,500	65

Key service 2: 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 licenses.	Vehicle owners and titleholders through the Ras.	R 4,131,776	R 4,6 million	R 4,131,776

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 Plan Committee and the Transport Technical Working Committee (TTWC) to address transportation 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 traffic data.

Service delivery information

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

Organisational Structure Review

The Gauteng Department of Roads and Transport embarked on an organisational restructuring process intending to align its Organisational Structure to its new five-year strategy. This will enable the Department to acquire the key competencies and capabilities to firstly, contribute to the priorities of the National and Provincial Government, secondly, to deliver on its mandate and finally to ensure effective and efficient service delivery to the people of Gauteng.

The restructuring process is informed by the Public Service Regulation 2016 as prescribed and the manifesto of the new administration/ government. The restructuring process commenced in the financial year 2019 and is envisaged to be completed by the end of the financial year 2020/21.

The Department's restructuring process will focus on the following critical areas: the Organisational Operational Model complemented by its Service Delivery Model to optimise the improvement of operational effectiveness and efficiencies. The work-study review will inform updated job profiles and grades which will contribute to a peaceful working space between employer and organised labour and respond to the call from the National Government on an efficient and capable public service. This will be completed in the financial year 2021.

The restructuring advocacy process will be facilitated by a change management plan which will incorporate elements of roadshows, smart platform communications, departmental engagements with labour and relevant stakeholders to support a smooth transition. The critical elements of engagements, reorganised structure, service delivery model, business processes will be completed by the end of 2021. Once the approval from the Minister of Public Service on the restructured organisational organogram is received, the filling of identified, critical posts will be undertaken.

Aligned to the reorganised structure is the reengineering of the business process by 2023 which will expedite the Department's integration of an e-services platform for administrative functions and front-line services functions by 2025.

COVID-19 Compliant Workplace Readiness and Workforce Re-Integration Solutions

The Department remained committed to the recognition that every person has the right to a safe and healthy working environment. COVID-19 required the Department to provide and maintain a COVID-19 working environment which is safe and without risk to health and safety of employees, clients and visitors. In an endeavour to ensure a healthy and safe working environment, the Department continuously monitored the implementation of Safety, Health, Environment, Risk and Quality (SHERQ) which is an integrated management system of Occupational Health and Safety, Environmental Management, Risk Management and Quality Management. It was meant to strengthen ownership and accountability, improve transparency, improve measurement of Programme achievement, strengthen resource mobilization, improve implementation and enhance performance.

The Department identified hazards and risks which could adversely affect the health and safety of its employees. Therefore, it implemented control measures in place to mitigate and eliminate identified risks, provided information, training on SHERQ management issues and Personal Protective Equipment (PPE) to employees. Standard Operating Procedures (SOP's) were developed to conduct COVID-19 screening, testing and medical surveillance, occupational hygiene surveys and audits.

2.3.1 Department of Roads and Transport Programme Structure

The Department Programme Structure is defined by National Treasury. The Programme structure encompasses four (4) Programmes together with its respective Sub Programmes. The table below describes the Programme Structure.

Programme	Sub-Programme
Administration	Office of the MEC Management of the Department Corporate Support Departmental Strategy
Transport Infrastructure	Infrastructure Planning Infrastructure Design Construction Maintenance Programme Support Infrastructure
Transport Operation	Public Transport Services Programme Support Operations
Transport Regulation	Transport Administration and Licencing Operator License and Permits

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.

Gauteng Transport Authority Act

The purpose of the Act is to provide for the establishment of the Gauteng Transport Authority which will facilitate integrated planning and co-ordination of public transport in the province. The Premier of Gauteng brought the Gauteng Transport Authority Act, 2019 (Act No. 2 of 2019) into operation on the 1 November 2019.

Gauteng Provincial Road Traffic Amendment Act

The purpose of the Act is to empower the MEC to prescribe certain requirements for the operators of tow trucks (breakdown vehicles) concerning the towing of other vehicles on public roads. The Premier of Gauteng brought the Gauteng Provincial Road Traffic Amendment Act, 2019 (Act No. 1 of 2019) into operation on the 1 November 2019.

Regulations drafted

- **Gauteng Regulations Relating to Advertisements on or Visible from Provincial Roads**

  The objective of the Regulations is to define the procedures to be followed in dealing with advertising on or visible from provincial roads. The Department is liaising with various Municipacilities to resolve relevant issues identified between the Province and Municipalities on the draft Regulations.

- **Gauteng Provincial Tow Truck Regulations**

  The objective of the Regulations is to regulate the operations of Tow Truck services, currently operating in an unregulated manner. The Department had consultations with the Towing industry on the draft Regulations and is awaiting inputs from the industry.

Regulations reviewed

- **Regulations on the adjustment of the Motor Vehicle Licence fees**

  In line with the Treasury Regulations and Section 25 of the Gauteng Road Traffic Act, the Motor Vehicles License Fees must be increased annually. The pre-certified Gauteng Provincial Road Traffic Amendment Regulations, 2001 were certified by the State Law Advisor and subsequently approved by the Gauteng Provincial Legislature.

3. STRATEGIC OUTCOME ORIENTED GOALS

The Department has the following Outcome Orientated Goals to drive its strategic vision.

Strategic Outcome Oriented Goal 1	A modern integrated public transport system that provides customer-centric transport services.
Goal Statement	To provide a public transport system that meets the commuter expectation of accessibility, reliability, safety, affordability and sustainability.
Justification	To enhance the competitiveness of the Global City Region
Links	NDP, PGDS, Gauteng 2055 vision
Sub-outcome	Integrated and regulated public transport and freight service
Key Priorities	Establishing the Gauteng Transport Authority • Province-wide integrated ticketing • Integrated passenger information and communication • Integration with the commuter rail corridor modernisation project of PRASA • Restructuring of subsidised road-based public transport • The corporatisation of the taxi industry • Access to major freight nodes • Regulation and enforcement of public transport and freight

Strategic Outcome Oriented Goal 2	Strategic economic transport infrastructure that stimulates socio-economic growth.
Goal Statement	A sustainable, well maintained, balanced road infrastructure that contributes to increased socio-economic growth and accessibility for communities.
Justification	To promote economic growth, development and land use
Links	Spatial Development plan, Provincial Infrastructure Master Plan, Municipal IDPs
Sub-outcomes	Optimum utilisation of existing and new transport infrastructure
Key Priorities	• Travel demand management, less congestion and shorter travel time • Non-motorised transport providing pedestrian paths and cycleways • Continued provincial-wide mobility • Effective management of existing transport infrastructure • Intelligent transport system – use of technology to enhance travel management

Strategic Outcome Oriented Goal 3	A modern, accountable and development-oriented Department.
Goal Statement	A customer-centric organisation that is service-oriented, accountable to stakeholders, compliant with regulatory frame-works and competent socially conscious human capital
Justification	An effective governance and management environment that ensures accountability to stakeholders
Links	PFMA, PSA, BCA, SDA, LRA, PAJA, PAIA, Chapter 9 Institutions
Sub-outcome	An organisation complying with all its financial, administrative and regulatory responsibilities
Key Priorities	• Institutionalise good governance systems • Enhance the performance management systems to deliver effective services • Automation of business process towards efficiencies • Establishment of a Departmental training and developmental centre (Zwartkop) • Develop a knowledge portal that ensures the sustainability of institutional memory • Establish a comprehensive human resource management system • Enhance the contract management system • Creating an external and internal regulatory environment

4. PERFORMANCE INFORMATION BY PROGRAMME

This section outlines the progress by the Department in the achievement of the Strategic Objectives as outlined in the Annual Performance Plan 2019/20.

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

List of Sub Programmes

- Office of the MEC
- Management of the Department
- Corporate Support
- Departmental Strategy

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic Objective 1:

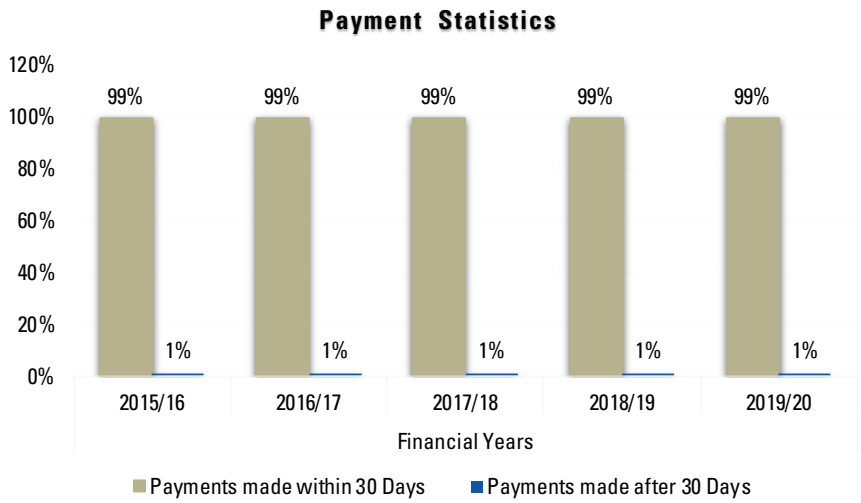
To achieve good governance and accountability in the management of state resources.

To demonstrate good stewardship of the resources entrusted to the Department, the following activities were executed:

- **Payment statistics for the past five years**

  The Department's endeavour to ensure absolute compliance with laws and to build public confidence has ensured a continuous improvement in the payment cycle over the past five financial years. This is critical in ensuring efficiency in the delivery of projects and sustainability of SMMEs in line with the Transformation Modernisation and Re-industrialisation (TMR) strategy of the Province. In the financial year 2019/20, the Department paid 99% of authentic claims within the prescribed 30 days' period. This is an indication of the Department's commitment to fast-track service delivery to the citizens of Gauteng.

Below is a graphical presentation and analysis of payments made within 30 days and payments made outside 30 days:



	Financial Years				
	2015/16	2016/17	2017/18	2018/19	2019/20
Payments made within 30 Days	99%	99%	99%	99%	99%
Payments made after 30 Days	1%	1%	1%	1%	1%

- **Open tender**

  The following tenders were awarded in line with the open tender policy of the provincial Government:

Tender Number	Description
DRT30/11/2017	Construction Phase: P156/3: Rehabilitation of Road P156/3 from P155/1 to D2563 (Sedibeng) (10 months)
DRT03/05/2018	P241-1: Rehabilitation from D405 (R554) Lenasia to Swartkoppies Ave Alberton
DRT07/06/2018	The provision of supervision and monitoring services for public passenger transport contracts
DRT15/07/2019	The review and realignment of the organisational structure for the Department of Roads and Transport

STRATEGIC OBJECTIVES

Programme Name: Administration							
Strategic objectives indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Finance							
Provincial Indicators							
Clean audit report	0	0	0	1 clean audit report 2018/19.	0		The Department received an unqualified audit opinion due to the extension of bus subsidy contracts which resulted in non-compliance.
*Material under-spending of the budget	Tolera-ble under expenditure of 1% (R111, 350, 000.00) of the allocated budget.	4% un-der-spending (R292, 407. 000) of the total allocated budget of R7, 082 340, 000	5% under-spending (R359, 078, 248.41) spending of the allocated budget to date.	Tolerable under-expen-diture of 3% (R234, 000, 600.00) of the adjusted appropriation.	Actual under-expen-diture of 8% (R637, 694, 343.24) of the adjusted appropriation.	5%	The underspending as a result of high underspending incurred within the bus subsidies and the under-spending was due to the non-operational bus contracts (Sedibeng, Boksburg and North-West Star) operations that were drastically reduced during the financial year due to operator's reduced bus capacity, as well as the DNOs that were levied against all operators.

*** The planned target was adjusted to 3% R234,000,600.00 of the adjusted appropriation. The final figures reported above are based on the adjusted appropriation.**

- **Strategy to overcome areas of underperformance**

Indicator	Proposed Intervention
Clean audit report.	The Department is in the process of introducing new subsidised bus contracts to address efficiencies in the Public Transport Operations.
Material under-spending of the budget.	The total remaining funds (R637,694,343.24) will be surrendered to the Provincial Revenue Fund (PRF).

- **Changes to planned targets**

  None

Strategic Objective 2:

To capacitate the organisation with the required competencies.

To enable the Department to deliver on its mandate, the following activities were executed:

Human Capital Development

To develop and capacitate departmental employees with identified skills in various training Programmes, 1, 393 employees were trained. The various f training conducted related to occupational, health and safety, ethics management, transport, roads and administration capacity building.

Revised Gauteng Provincial Government Policy on the Performance Management and Development Systems (PMDS)

The Gauteng Provincial Government approved the new policy on the Performance Management and Development System (PMDS) for Employees on salary level 1-12 on the 8 March 2019 and requested Departments to ensure the implementation of the policy with effect from 1 April 2019.

To ensure the implementation of the policy the Department, conducted awareness sessions for GDRT and g-Fleet employees on levels 1-12 includlng coordinators. To strengthen the awareness sessions and assist with the understanding and application of the new policy, formal training by the National School of Government was conducted. The formal training was aimed at clarifying the roles and responsibility within the Department with the focus on the following:

- Improve individual performance;
- Promote accountability;
- Ensure transparency;
- Emphasize and support developmental areas; and
- Identify performance gaps.

The new PMDS policy was implemented with the new procedures and documentation across all employee levels.

Employee and Organisational Wellness

- **Occupational Health and Safety (OHS)**

  The Department appointed some employees as Safety, Health and Environment (SHE) representatives in line with OHS requirements. Eighty-two (82) employees were trained in Hazard Identification Risk Assessment (HIRA), Accident investigation, Fire fighting, First Aid, Emergency preparedness, Occupational Health and Safety training for Supervisors, ISO 9001: 2015 Quality Management System, ISO 14001: 2015 Environmental Management System and ISO 45001 Occupational Health and Safety.

Facilities Management

- **Maintenance/ Renovation of Departmental buildings**

  To ensure compliance to OHS (Occupational Health and Safety) and building legislation, the Department is continuing with the maintenance work at Departmental Regional Offices, TOLABs and DLTCs. The maintenance included the electrical, plumbing, and refurbishment of the buildings. To restore the facilities to satisfactory conditions, the Department conducted maintenance in the following regional offices:

  - » Heidelberg Regional Office;
  - » Vereeniging Regional Office;
  - » Krugersdorp Regional Office;
  - » Kliptown DLTC;
  - » Kagiso DLTC
  - » Mabopane DLTC;
  - » Temba DLTC;
  - » Tshwane TOLAB
  - » Benoni Regional Office; and
  - » Bronkhorstspruit Regional Office.

- **Relocation of offices to new premises**
  The following regional offices were relocated to improve service delivery:

  - » Randfontein TOLAB was moved to Kagiso DLTC; and
  - » 11 Diagonal Street (TOLAB) to 45 Commissioner Street Building.

User Asset Management Plan

The User Asset Management Plan (U-AMP) is developed in compliance with the Government Immovable Asset Management Act (GIAMA) 2007. U-AMP ensures the effective, efficient immovable asset management planning and coordination of the user immovable assets with the service delivery objectives of the Department. The U-AMP 2020/21 final draft was completed and submitted to Gauteng Provincial Treasury and Gauteng Department of Infrastructure Development (GDID).

Preparation of 2021/22 U-AMP has commenced with information gathering, analysis and compilation in consultation with the finalised reports from the consultants and GDID.

STRATEGIC OBJECTIVES

Programme Name: Administration							
Strategic objectives indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Corporate Services							
Provincial Indicators							
Approved Departmental HRD Implementation Plan submitted to DPSA Annually.	Approved Departmental HRD Implementation Plan submitted to DPSA.	Approved Departmental HRD Implementation Plan to DPSA Annually.	Approved HRD Implementation Plan submitted to DPSA.	Approved Departmental HRD Implementation Plan submitted to DPSA Annually.	Approved Departmental HRD Implementation Plan submitted to DPSA Annually	-	-
Job Access Strategic Framework Implementation Plan submitted to DPSA Annually.	Job Access Strategic Framework Implementation Plan submitted to DPSA.	Approved Job Access Strategic Framework Implementation Plan submitted to DPSA Annually.	0	Job Access Strategic Framework Implementation Plan submitted to DPSA Annually.	Job Access Strategic Framework Implementation Plan submitted to DPSA Annually.	-	-
GEYODI Equality Strategic Framework Implementation Plan submitted to DPSA Annually.	Gender Equality Strategic Framework Implementation Plan submitted to DPSA.	Approved Gender Equality Strategic Framework Implementation Plan submitted to DPSA Annually.	0	Gender Equality Strategic Framework Implementation Plan submitted to DPSA Annually.	Gender Equality Strategic Framework Implementation Plan submitted to DPSA Annually.	-	-
Approved Annual Human Resource Planning Implementation Report submitted to DPSA Annually.	Approved Annual Human Resource Planning Implementation Report submitted to DPSA.	Approved Annual Human Resource Planning Implementation Report submitted to DPSA Annually.	Approved Human Resources Plan and Implementation report were submitted to DPSA.	Approved Annual Human Resource Planning Implementation Report submitted to DPSA Annually.	Approved Annual Human Resource Planning Implementation Report submitted to DPSA Annually.	-	-

PERFORMANCE INDICATORS

Programme / Sub-Programme: Administration							
Performance Indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Corporate Support							
Provincial Indicators							
Number of employees in designated categories that have undergone compulsory training Programme.	804	958	2, 552	800	1, 393	+ 593	The Department in collaboration with National School of Government (NSG) made an undertaking to facilitate additional training session s for interns focusing on Government systems and processes.
Number of interns and learners	95	95	121	50	92	+ 42	Additional interns particularly from TVET colleges were enrolled in the Department's internship programme in response to government youth development agenda.

- **Strategy to overcome areas of underperformance**

Indicator	Proposed Intervention
-	-

- **Changes to planned targets**
  None

Strategic Objective 3:

To achieve an 80% Customer satisfaction level by 2019

To transform and modernise the Department, The following initiatives were executed regarding Information Communication Technology (ICT):

- **Modernization and Digitisation of Information and Communication Technology (ICT)**
  The Department is utilising ICT as a catalyst for the delivery of government services as derived from the DPSA's Corporate Governance ICT Policy Framework. A platform for accessing online government services to employees and citizens has been created and the landscape highlighted transparency in the Departmental tendering processes. In the financial year 2019/20, ICT focused on the introduction of e-Submission across the Department, digitisation of documents, automation of RLS01, the Queue Management System (QMS) and Short Messaging System (SMS) for frontline services. The following automation projects are outlined below.

- **Electronic Document and Records Management (e-DRMS)**
  To promote a paperless environment, the Department has prioritised the automation of the Electronic Document and Records Management System for the financial year 2019/20. A total number of 85 processes were developed, tested and completed. The system is fully functional and accessible on the "live" environment.

- **Automation of RLS01,**
  The RLS01 process was mapped and the development was completed. The system will be operational in the financial year 2020/21.

- **Short Messaging Services (SMS)**
  The short messaging services through bulk sending SMS functionality were successfully developed and deployed in Maponya, Xavier, Kliptown, Mabopane, Randfontein and Temba Driver, Learner Testing Centers (DLTCs). This service allows customers to receive SMS informing them of the renewal of their Driver and Motor vehicle licences

To promote and create public awareness of departmental projects to the communities, the Department has initiated the following projects:

- **Integrated events management Programme**
  To promote the Department and create awareness of service delivery milestones achieved, the following public awareness and media events were executed;

- **Events**
  - » N14 Site Inspection,
  - » Kagiso DLTC official opening,
  - » R28 Ribbon Cutting,
  - » Tambo Springs Freight and Logistics Hub launch,
  - » Mandela Day Campaign,
  - » Taxi Industry Summit,
  - » Road Rehabilitation projects in Sedibeng District Municipality,
  - » Mamelodi Sod-turning,
  - » October Transport Month Campaign,
  - » Consultation meeting with the Sedibeng district Taxi Industry - Taxido Intermodal Facility Architectural Designs,
  - » Road Safety Law enforcement activations (Grasmere Plaza; N4 Plaza; Pumlani Plaza; N12 Interchange),
  - » Back to School Campaign in Ekurhuleni, and
  - » Monitoring activities of adherence to preventive measures to curb the spread of COVID-19 in public transport.

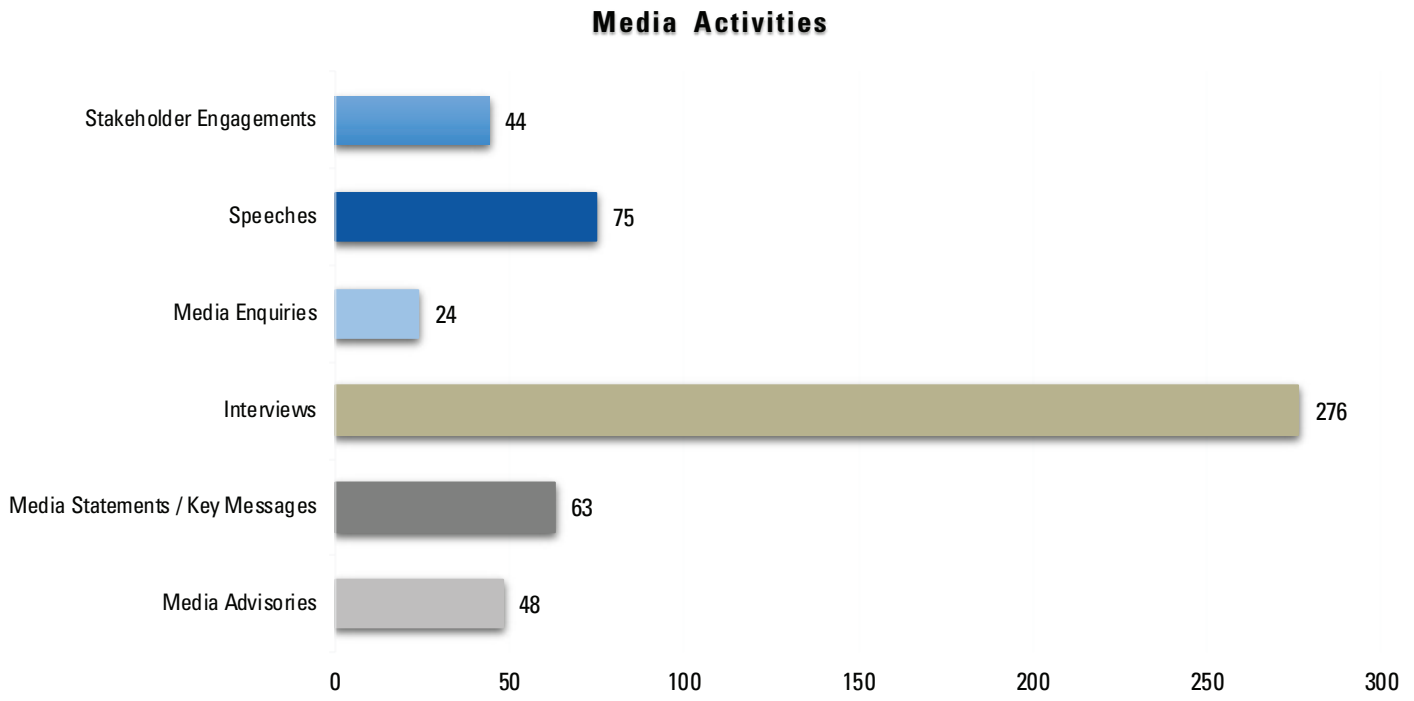
- **Exhibitions**
  - » Service Delivery Blitz Activation in Gugulethu (Springs),
  - » Rand Easter Show Expo (Nasrec),
  - » Lesedi Youth Expo in Ratanda,
  - » Registration Authority (RA) activations (Mabopane DLTC; Krugersdorp DLTC; Vanderbijlpark DLTC; Langlaagte DLTC; Wadeville DLTC; Malboro DLTC),

- » National Science Week,
- » 3rd Annual Entrepreneurial Summit and Expo,
- » Bikers and Cyclist Workshop Exhibitions, and
- » Gauteng October Transport Month Smart Mobility Expo

- **Seminars**
  - » Taxi Industry Summits
  - » Built Industry Innovation Seminar,
  - » Public Transport Knowledge Seminar Workshop,
  - » Freight Seminar, and
  - » Road Safety Seminar.
  - » Bikers/Cyclist Workshop/Seminar

Media Liason

The following media liaison activities were undertaken by the Department during the financial year under review:



Social media has assisted the Department to contribute to the building of the Gauteng Provincial Government's brand, it enables a platform of sharing of information with regards to services and opportunities. The platform allows the departmental clients to share, retweet and re-pin content.

The benefits of social media during the State of Disaster National Lockdown included the following:

- Receive customer feedback;
- Increase reach and respond to enquiries;
- Reduce advertising costs; and
- Develop and enhance GPG's brand.

To ensure robust public relations, the Department undertook the following initiatives:

Stakeholder Management

- Social facilitation

  Social facilitation is the process of consulting or communicating with all the affected stakeholders when the Department implements any infrastructure projects. The process ensures that proper consultation is conducted with the affected stakeholders and facilitates the recruitment process of community beneficiaries by ensuring equal access to skills development, job and economic opportunities. This ensures the delivery of infrastructure projects with minimum disruptions and strengthens democratic and good governance in all our infrastructural delivery processes.

The Department conducted social facilitation with the local communities for the following projects:

- N14 phase,
- P39/1,
- K46,
- K54, and
- K69.

Road Safety Campaign

The Department conducted road safety campaigns during 2019 festive season at inter-provincial corridors. The launch was held at Grasmere Toll Plaza, City of Johannesburg, on the 13 December 2019. The campaign was in partnership with the following stakeholders:

- Gauteng Department of Community Safety,
- Road Traffic Management Corporation,
- Municipalities, and
- Taxi Industry.

The objectives of the Road Safety Campaigns amongst others included:

- Heightening awareness about the rules of the road to both road users, motorists and pedestrians alike,
- Upholding the rule of law by changing both driver and pedestrian behaviour on our roads, and
- Exercise a zero-tolerance on negligent and reckless driving.

Programme Name: Administration							
Performance Indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Corporate Services							
Provincial Indicators							
Fully automated identified business processes and records management by 2019	Mapping and System Design, Systems Development completed (15%) 3 processes viz. Queue Management System, Document tracking for HR and Short Messaging System.	Mapping, System Design, Systems Development 1 (45%) completed. 1. Electronic Document and Records Management Phase 1. 2.Wayleave (5%)	25 e-DRMS scanning processes developed	Mapping, System Design, Systems Development completed 1. Electronic Document and Records Management System (Phase 3) Implemented	e-DRMS business process developed and completed. A total number of 85 processes have been tested and are in the live environment.	-	-
			Test and go live for queue management (1 site completed -Kagiso DLTC).	2. Queue Management System (Phase 3) implemented in three (3) sites.	Three (3) processes mapped and signed. Screen Designs completed and signed. Development for queue Management (3 sites) has been completed: namely Kliptown, Mabopane MVRA and Tshwane TOLAB.	15%	Test and go live not conducted due to the following system technical challenges: • System time closure, • Service counter login, • Availability of administrative screen, and • Delays in the procurement of ICT equipment.
			-	3. e-Submission automated	Mapping for e-Submission completed. Design for e-Submission completed. Development for e-Submission completed.	20%	Test and Go live was not conducted due to the early lockdown of the service provider (Vodacom) before the National lockdown.
			Developing Short Messaging Service completed on four sites - (gFleeT: VIP and Pool, Permanent Section Customer Management Services; and Revenue and e-Natis.)	4. Short Messaging System (phase 2) implemented in 6 sites	Mapping for Short Messaging System in 6 Sites. Designs for Short Messaging System for 6 Sites completed. Development of the short messaging system for 6 sites completed; Namely Maponya, Xavier, Kliptown, Mabopane, Randfontein and Temba.	20%	

- **Strategy to overcome areas of underperformance**

Indicator	Proposed Intervention
Fully automated identified business processes and records management by 2019. • Queue Management System (Phase 3) implemented in three (3) sites, • e-Submission automated, and • Short Messaging System (Phase 2) implemented in six (6) sites,	• Systems challenges – The Department will address system challenges encountered; conduct the test and go live in the financial year 2020/21, and • Unavailability of the service provider – The Department will request the service provider to finalise the test and go live during the 1st quarter of the financial year 2020/21.

- **Changes to planned targets**

  None

Linking performance with budgets

Programme expenditure

Administration	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
Office of the MEC	14,068	13,348	720	9,690	7,755	1,935
Management of the Department	35,532	29,915	5,617	18,509	15,830	2,679
Corporate Support	330,131	287,814	42,317	300,620	259,247	41,373
Departmental Strategy	3,548	3,020	528	3,335	2,904	431
Total	**383,279**	**334,097**	**49,182**	**332,154**	**285,736**	**46,418**

The Sub-Programmes within this Programme are administrative; therefore, the allocations are funded from the equitable share portion of the departmental allocation. The underspending was as a result of Administration, SMS and other Occupational Specific Dispensation (OSD) posts that need to be filled and therefore, spending is negatively affected. Furthermore, cost containment measures were also applied to reduce spending pattern within operation expenditure.

4.2 Programme 2: Transport Infrastructure

Purpose

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

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

List of Sub Programmes

- Infrastructure Planning
- Infrastructure Design
- Construction
- Maintenance

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic Objective 1:

To integrate province-wide transport sector planning and multi-modalism that supports decisive spatial transformation.

To promote the Transport planning of current and future transport infrastructure and systems towards an integrated and seamless transport network, the Department has executed the following projects:

Sub-Programme: Infrastructure Planning

Gauteng Household Travel Survey (GHTS)

The 2019 Gauteng Household Travel Survey (GHTS) is the third in the series of provincial surveys commissioned by the Department. It serves as one of the mechanisms to inform transport planning initiatives related to improving transport infrastructure, promoting mobility and public transport access to enhance participation of Gauteng residents. The survey is an update of the previous 2014 GHTS which was coordinated by the Province and entailed consolidation of individual survey datasets from Metropolitans and District Municipalities.

A total of 83% of completion was achieved during the execution of the field surveys. The project experienced delays in accessing gated households in the Johannesburg region which resulted in 70% of the sample coverage for Johannesburg. The remaining field surveys could not proceed due to the COVID-19 lockdown. The Draft Household Travel Survey Report was completed.

Route Determinations

Route Determination focus on refining and amending routes for the Province to ensure that they are aligned to the Gauteng Spatial Development Framework. The Department has identified 28 routes currently in process and 29 routes over the Medium-Term Expenditure Framework (MTEF) which will be amended to include support for road freight hubs. These routes will provide future support to land use development, especially the establishment of mega settlements, namely; the Aerotropolis and Freight Hubs.

The progress for the following projects are outlined below:

- Project A (K14 at K177; K203 at K177; K16 between K169 and PWV19; PWV6 at N4) is at 100%,
- Projects B (K106 at K175; K109 at K68; K163 between N17 and K136; K175 with quarter link to K173 & K179) is at 95%,
- Project C (K156 Extension Westwards; K176 Extension Westwards; K178 Extension Westwards and K213 Extension Southwards) is at 100%,
- Project D (K9 between K156 and K11; PWV 16 between K211 and K5; PWV8 between K13 and PWV1) is at 94%,
- Project E (K17 between K24 and K26; K24, West of K76; K26 between K76 and K17, K76 at and North-West of K197) is at 95%,
- Project F (K96 between K197 and K76; K102 between K140 and PWV1); K140 extension West of K102; (K211 between P89/1 and K228) is at 100%,
- Project G (K228, West of K76; PWV12A with the extension West of K5 to the provincial border) is at 89% and
- Project H (K83 extension Eastwards; K77 realignment of K77) is at 100%.

Integrated Transport Service Centre Detailed Design for Gauteng Province

The Department embarked on a project to develop a Master Plan for Integrated Transport Service Centres (DLTC's, TOLABS, and VTS's) in the 2017/18 financial year to address challenges in the planning, construction and management of these transport service centres.

Phase 1 of the project generated a Master Plan for Integrated Transport Service Centres (ITSCs). ITSC includes the facilities that combine one or more of the following functions: Driver Licencing and Testing Centres (DLTCs), Motor Vehicle Registration Authorities (MVRAs), Transport Operating Licencing Administrative Boards (TOLABs) and Vehicle Testing Stations (VTS). The Master Plan recommended designs and functional principles for the ITSCs.

A Phase 2 report was completed indicating the findings and recommendations of the feasibility study in support of the design and establishment of a comprehensive Integrated Transport Customer Service Centre.

Phase 3 of the project which commenced in the financial year 2019/20 entails carrying out detailed designs at the pilot site which is inclusive of the architectural concept design. A prototype 3D model architectural design of the facility has been developed for the allocated site.

Integrated Transport Plan (ITP) Support/ Evaluation

An Integrated Transport Plan (ITP) is a legal requirement for all planning authorities as stipulated in Chapter 4, Section 36 of the National Land Transport Act (NLTA). The ITP is the primary transport planning document that outlines all the transport projects that are required to accomplish the mandate of a Municipality and it also forms an integral component of the Integrated Development Plan (IDP). The objective of implementing an Integrated Transport Plan is to create a balance between spatial land-use decisions and transportation planning.

Every 5 years, the Metropolitan and District Municipalities are obliged to prepare and submit Comprehensive Integrated Transport Plans (CITP) for Metros and District Integrated Transport Plans (DITP). The Department assisted the West Rand and Sedibeng District Municipalities with the compilation of their DITPs.

The West Rand District Municipality DITP is complete and a closeout report has been submitted. The Sedibeng District Municipality's Draft DITP and LITPs are complete and to be presented to the Section 80 Committee and the Executive Council for approval.

Feasibility for BRT Integration between Ekurhuleni and City of Johannesburg

The recent study on "Conceptual Investigation into the Potential Scope for BRT Integration Across Municipalities in Gauteng" commissioned by the Gauteng Department of Roads and Transport indicates that physical integration is feasible between Ekurhuleni Metro and City of Johannesburg (Tembisa – Ivory Park – Vosloorus – Johannesburg), Ekurhuleni's BRT service and Johannesburg's planned North East Quadrant provide an immediate opportunity for the Province to facilitate a mutually beneficial strategic plan for service integration between the two cities. The primary objective of the project was to develop a preliminary investigation to establish the viability of an inter-municipal BRT service between Ekurhuleni and Johannesburg.

A viability assessment of a BRT integration between the two cities was completed. A Draft Service Design (physical and operational integration, institutional integration and funding options and intelligent transport systems integration) has been finalised. Consultations with the Municipalities (Ekurhuleni and Johannesburg) and agencies (SANRAL and Gautrain Management Agency) have commenced.

GLI-X- Indicator Implementation Pilot and project

The Gauteng Province, its Cities, Transnet, the National Department of Transport, Academia, other government departments and the private sector collaboratively constructed the Freight Green Logistics indicator (GLI-X) system which seeks to improve the movement of freight in the Gauteng Province. This indicator system forms part of a broader set of projects which are stipulated in the Joint Declaration of Intent which was signed by the Gauteng Provincial Government and the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety in February 2016 to improve freight mobility in the Province.

The Department continues with its cooperation with the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, GESI and NEXUS on the Green Logistics Indicator System (GLI-X) Project. The GLI-X Team continued to engage with the KwaZulu-Natal Department of Transport, the eThekwini Transport Authority and Transnet on exploring the application of GLI-X. The engagement was aimed at formalising a working agreement for the execution of a feasibility study on digital applications for the optimisation of freight and logistics.

Priorities Freight Hubs

- **Tambo Springs**

  In support of the Tambo Springs Logistics Gateway, the Department is set to invest more than R6.5 billion rand in road infrastructure to be constructed in the City of Ekurhuleni over the next 5 years. The planned road network linking the R 2.5 billion Tambo Springs Freight and Logistics Hub directly to the N3 and other locations via a new link road and interchange will commence construction in the financial year 2021/22. Thus, a study on the surrounding road network was undertaken which indicated the existing and future roads which require re-alignment, design, Environmental Impact Assessments (EIA), Water Use Licence Application (WULA) and widening and construction at different phases of the logistics gateway development. The Designs for K148/N3 interchange which is the primary link to Tambo Springs Logistics Gateway were completed. The tender for construction was advertised.

Sub-Programme: Infrastructure Design

To ensure safety standards are maintained by improving safety and support strategic economic development, the Department has initiated the following road designs:

Road Designs completed in the financial year 2019/20

The Department has completed the following design which commenced in the financial year 2016/17 and completed in the financial year 2019/20.

- **K122 (Eldorado Park) from Klip Valley Road (Walter Sisulu Square) to P1/1 (R82)**
  The K122 is located between the Golden Highway (P73/1) and R82 (K57). It also forms an important link between Walter Sisulu Square, Eldorado Park, Naturena and Eikenhof areas. The road will be a single carriageway which will reduce traffic congestions and travel time to the major roads around the area. The designs for K122 were completed.

- **K16 between Watloo and Mamelodi**
  K16 is an East-West route between Watloo and Mamelodi in Tshwane. This road supports the proposed Pyramid Freight and Logistics Hub, as well as generating economic development and socio-economic inclusion in the region. The road links Eersterus and Watloo in the Pretoria CBD. K16 was designed as a dual carriageway with provision for walkways, cycle lanes and public transport. The designs for K16 were completed.

STRATEGIC OBJECTIVES

Programme Name: Transport Infrastructure							
Strategic objectives indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Sub Programme: Infrastructure Planning							
Provincial Indicator							
Gauteng Household Travel Survey completed	-	-	-	1 Gauteng Household Travel survey completed.	0	1	The project experienced delays in accessing gated households in the Johannesburg region which resulted in 70% of the sample coverage for Johannesburg. The remaining field surveys could not proceed due to the COVID-19 lockdown. Therefore, the Draft Household Travel Survey Report was completed.

PERFORMANCE INDICATORS

Programme / Sub-Programme: Transport Infrastructure							
Performance Indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Sub Programme: Design							
Provincial Indicator							
Number of designs completed	10 Designs Completed	9	0	11 Designs Completed	0	11	The designs could not be completed due to delays in the appointment of the probity auditors and probity audit processes.
Sub Programme: Infrastructure Planning							
Master Plan for Transport Services Centres in Gauteng Province completed	-	Master Plan for Integrated Transport Customer Services Centres in Gauteng completed.	Feasibility study on the establishment of an integrated Transport Services Centre (DLTC, TOLAB) at a selected priority area has been completed.	Design of the TSC architectural prototype completed.	Design of the TSC architectural prototype completed.	-	-
Number of kilometres of surfaced roads visually assessed as per the applicable TMH manual	-	4,408km	0	4,571km	0	4,571km	The assessment of surfaced and gravel roads were not completed as a result of the cancellation of the tender due to non-responsiveness of bidders.
Number of kilometres of gravelled road visually assessed as per the TMH manual	-	1,377km	0	1,359km	0	1,359km	

- **Strategy To Overcome Areas of Underperformance**

Indicator	Proposed Intervention
Gauteng Household Travel survey completed.	The Department will finalise the Gauteng Household Travel Survey Report after consultation with Municipalities in the financial year 2020/21.
Several designs completed.	The Department is focusing on decentralisation of the probity audit function with Provincial Treasury to mitigate challenges experienced.
Number of kilometres of surfaced roads visually assessed as per the applicable TMH manual.	The tender was advertised on 7 February 2020 and the closed on the 10 March 2020.
Number of kilometres of gravelled roads visually assessed as per the TMH manual.	

- **Changes to planned targets**

  None

Strategic Objective 2:

To provide a modernised road infrastructure that promotes socio-economic development.

To provide modernised road infrastructure and improve safety in the road network, the Department has executed the following:

Sub-Programme: Construction

Surfaced Roads Upgraded

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

Multiyear projects completing in financial year completing 2021/22

Road Description	Corridor	Progress
K54: Mamelodi (Tsamaya Road) to R104 Pretoria Bronkhorstspruit Road.	Northern corridor	The project is at 72% complete.

Multiyear projects completing in financial year completing 2022/23

Road Description	Corridor	Progress
Upgrading of Road K148: Intersection with N3.	Eastern corridor	The project will be re-advertised in the financial year 2020/21.
K69 (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54).	Northern corridor	The project is at 21% complete.
Vaal River City Interchange.	Southern corridor	Tender advert closed on the 13th of December 2019 and is at the evaluation stage.
K46 (P79 / 1): Upgrading from a single to a dual carriageway of Road K46 (P79 / 1) William Nicol from PWV5 to Diepsloot /N14 Phase 2.	Central corridor	The project was re-advertised in February 2020 and closed 27 March 2020.
K31 access to Green Gate Development: Reconstruction and upgrade of the M5 Beyers Naude Road.		The project will be re-advertised in the financial year 2020/21.
Upgrading of K73 between Woodmead Drive and Allandale Road (D58) Mushroom farm.	Central and Eastern corridors	

Multiyear projects completing in the financial years 2023-2025

Road Description	Corridor	Progress
K60 Waterfall City: Construction of new link between R55 Woodmead Drive and Allandale Road.	Eastern corridor	The project will be advertised in the financial year 2020/21.
K15 Phase 3: Upgrading of K15 Adcock Road between K102 Main Street Dobsonville to Wild Chestnut Street Protea Glen.	Central corridor	The tender was not awarded due to an internal investigation.
Upgrade of K101 from D795 Olifantsfontein to N1 Brakfontein.	Northern corridor	The project will be advertised in the financial year 2020/21.
K14 between Cullinan and Rayton Road (D483)		
R82 phase 3 (between D1073 (Walkerville) and (De Deur).	Southern corridor	

PERFORMANCE INDICATORS

Programme / Sub-Programme: Transport Infrastructure							
Performance Indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
SUB PROGRAMME: CONSTRUCTION							
Job creation							
National Indicator							
Number of construction jobs created through the implementation of EPWP principles	191	207	76	250	62	188	1. Delays in the appointment of probity auditors for specifications, tender adverts and evaluation of tenders for infrastructure projects. 2. Tender advertisement cancellation for the following projects: • K46 - due to bidders not complying to PPPFA regulation stipulated in the tender advertisement, • K31 -due to the differences in the advertisement published and the advertisement in the tender document, 3. Late approval of tender advertisement for: • K101, K174, K148 - due to delays in the probity audit processes, and • R82, K73 - late appointment of probity auditors.

- **Strategy To Overcome Areas of Underperformance**

Indicator	Proposed Intervention
Number of construction and NMT jobs created through the implementation of EPWP principles.	The outstanding jobs will be created in the financial year 2020/21 as per the awarding of the projects indicated below: • K46 – The tender was re-advertised and the project will be awarded in the financial year 2020/21, • K31 – The tender will be re-advertised in the financial year 2020/21, and • K101, R82 and K73 - The projects will be advertised in the financial year 2020/21, and • K174 and K148 - The projects were advertised and the bid evaluation process has commenced. The projects are anticipated to be awarded in the financial year 2020/21.

- **Changes to planned targets**

  None

Strategic Objective 3:

To preserve the status of the existing road to its original state

To maintain and improve safety in the road network, the Department has executed the following projects:

Sub-Programme: Maintenance

Surfaced Roads Upgraded

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

Provincial Road Maintenance Grant (PRMG) expenditure

The Department was allocated **R 767, 506 million** to execute the Provincial Roads Maintenance Programme (PRMG) in the financial year 2019/20. The annual PRMG expenditure totalled **R 767, 355 million** which equates to **99,98%**. Various functions and activities performed during the financial year include gravel roads maintenance, rehabilitation, pothole patching, resealing, roads markings, sinkholes repairs, routine road maintenance.

Routine and Periodic Assessment of the Provincial Road Network

The Department resealed **132, 507.72m²**, re-gravelled **78.57kms** of gravel roads, patched **85, 552.92m²** of potholes and bladed **1, 994.56kms** of gravel roads. Streetlights and drainage structures were repaired, as well as grass cutting and tree felling across the Province.

Routine Maintenance

The Provincial network comprises of **5, 638.54kms** of roads (**4, 248.44kms** surfaced and **1, 389.10kms** gravel roads), **2, 938kms** maintained by outsourced routine maintenance and **2, 700kms** a maintained by the in-house departmental team. The Department is currently busy with the rehabilitation of the sinkholes of P6/2 (Snake road) R23 next to N12 Snake road interchange in Benoni and P36/1 Delmas/ Pretoria road (R50) next to Bapsfontein as well as (M57) P122/1 next to Saint Georges Hotel. The remedial work is anticipated to be completed in the financial year 2020/21.

Periodic Road Maintenance

Roads Maintenance unit was supported by the material term contracts with the provision of the following activities: supply of roads signs, the supply of diluted emulsions, the supply of bitumen products, the supply of concrete material, the supply of guard rails, vegetation, herbicides control, manholes supply and fencing.

Multi-year projects (2019 – 2022)

Completing in 2019/20

Central Corridor

- P158/2 (N14) Phase 2: Rehabilitation of P158 (N14) from Brakfontein to Diepsloot. The project entailed the rehabilitation of 20.7kms of P158/2 (N14). P158/2 serves as a transport corridor between the City of Tshwane, the Northern suburbs of Johannesburg and Krugersdorp. The road commences in Brakfontein Interchange to Diepsloot which forms part of the Central corridor. The implementation of the project has improved the road life cycle by a further 15 years, created job opportunities, provided skills training and development for the community and uplifted the small emerging contractors on the project. The rehabilitation of P158/2 was completed.

Multiyear projects completing in financial year completing 2020/21

The Department has commenced with the implementation of the following multi-year road rehabilitation projects:

Road Description	Corridor	Progress
P175/1: Rehabilitation from Vanderbijlpark to Potchefstroom - Phase 2.	Southern corridor	The project is at 74% complete.
P39/1 Heavy Rehabilitation from Diepsloot to Mulders-drift.	Central corridor	The project is at 42 % complete.

Multiyear projects completing in financial year completing 2021/22

The Department has commenced with the implementation of the following multi-year road rehabilitation projects:

Road Description	Corridor	Progress
Rehabilitation of Roads P241/1 (R554) from 15.7km to 19.75km and road D405 (R554) from 0.00 km to 8.75km (R82).	Central corridor	The contract was awarded to the service provider and the contractor is busy with site establishment.
P156/3 (R42) from P155/1 to D2563 Vanderbijlpark.	Southern corridor	The site was handed over and the contractor is busy with site establishment.
Rehabilitation of P122/1 from P36/1 (R10) (Solomon Mahlangu Drive Olifantsfontien).	Northern corridor	The tender is on hold pending a forensic investigation by Provincial Treasury.
K175: Rehabilitation of the Road from N4/2 to D670 (8.1km).		The tender is on hold pending forensic investigation by Provincial Treasury.
Rehabilitation of road D483 between P6-1 (Bapsfontein) and D713 Cullinan.		Tender advert closed on 23 of January 2020 and DRT is at the evaluation stage.
Rehabilitation of road P126/1 between Ontdekkers road and P6/1 Tarlton.	Western Corridor	The project will be advertised in financial 2020/21.
Rehabilitation of road P103/1 between N14 and N1.	Western and Central Corridors	The project will be advertised in the financial year 2020/21.

Sub-Programme: Traffic Engineering

To provide safe, rapid, efficient, convenient, and environmentally compatible movement of people, goods, and services, the Department has initiated the following traffic engineering projects:

- **Weighbridges**

  The Overload Management (Control) function gives effect to provisions of the National Road Traffic Act (NRTA). The Act regulates vehicle weight and vehicle axle mass, to protect people and roads infrastructure from negative effects of vehicle overloading. Regulations associated with this Act provides for method and maintenance of weight measuring instruments (Weighbridges), to enable legal prosecution of overload transgression. The provisions require that weighbridge infrastructure and scales be maintained and calibrated to certain minimum standards, to be rendered legal.

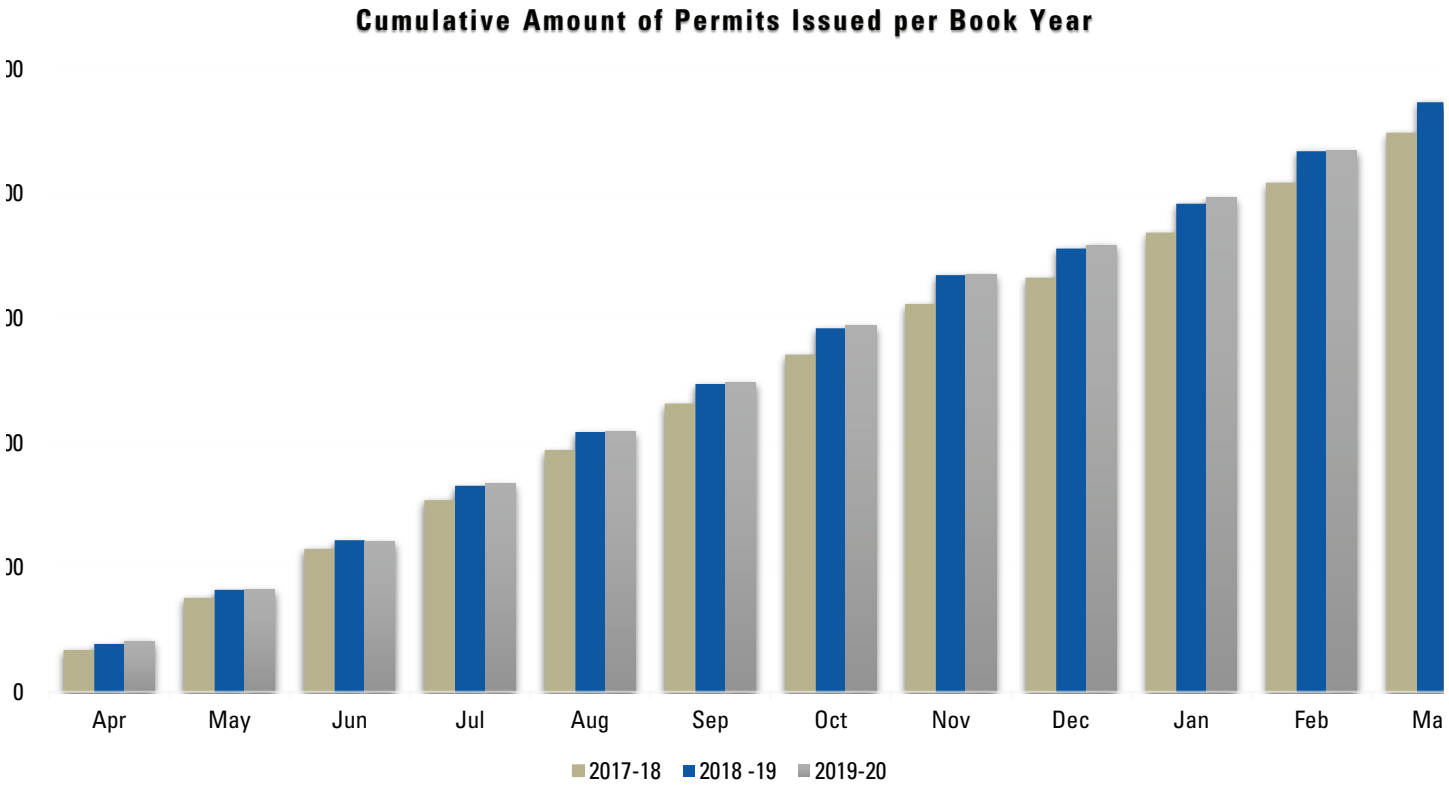
  The objective of this function is to ensure the annual maintenance of weighing facilities and infrastructure in line with prosecution guidelines, to enable successful protection of persons, road infrastructure and prosecution. The Department has calibrated 4 weighbridges during the financial year 2019/20.

- **Abnormal Loads**

  The National Road Traffic Act (Act 93 of 1996) (NRTA) and its associated regulations prescribe certain limitations on the dimensions and axle masses that a vehicle using a public road must comply with. The overarching purpose of this legal instrument is to ensure safe and efficient use of roads and protection of roads infrastructure.

- The objective of the Gauteng Province's Abnormal Vehicle Permit Office is to establish and implement operational systems and procedures, which gives effect to Section 81 of the National Road Traffic Act, 1996 (Act 93 of 1996). The office is delegated to, subject to certain conditions and upon payment of certain fees or charges, determine and authorize in writing, either generally or specifically, the operation on a public road, of a vehicle which does not comply with the provisions of this Act or the conveyance on a public road of passengers, or any load otherwise than by the provisions of this Act.

- On an annual basis, the Abnormal Vehicle Permit Office processes an average of 20, 000 permits. In the financial year under review, it has processed 23, 349 permits.



STRATEGIC OBJECTIVES

Programme Name: Transport Infrastructure							
Strategic objectives indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Sub Programme: Maintenance							
Percentage of surfaced roads in poor and very poor condition	-	-	0	<10%	0	<10%	The assessment of surfaced roads was not completed as a result of the cancellation of the tender due to non-responsiveness of all bidders.

PERFORMANCE INDICATORS

Programme / Sub-Programme: Transport Infrastructure							
Performance Indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Sub Programme: Maintenance							
Surfaced Roads Rehabilitated							
National Indicator							
Number of m2 of surfaced roads rehabilitated	465,400 m²	396,610.00 m²	643,687.23 m²	306,360.00 m²	579,800.00 m²	+273,440 m²	More m² of surfaced roads rehabilitated due to an under-estimation of the m² to be surfaced by the Consulting Engineers (Boganala). The actual area surfaced was recalculated by the Department.
Surfaced roads resealed							
Number of m2 of surfaced roads resealed.	384,249.14 m²	610,894.11 m²	351,775.62 m²	96,000.00 m²	132,507.72 m²	+36, 507.72 m²	Various sections of identified roads deteriorated rapidly due to exceeded roads lifespan such as P66/1, P1/3, P95/1, P16/1, P241/1, P28/1, P42/1, K175, P122/1, P62/1, P126/1 and K69 were resealed.

Programme / Sub-Programme: Transport Infrastructure							
Performance Indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Re-gravel roads							
National Indicators							
Number of kilometres of gravel roads re-gravelled	117.24 km	158.15 km	137.79 km	76.01 km	78.57 km	+2.56 km	Poor condition of the road D1681 resulted in additional kilometres being re-gravelled.
Blacktop patching							
Number of m² of blacktop patching	169,157.67 m²	178,189.62 m²	182,724.34 m²	66,000.00 m²	85,552.92 m²	+19,552.92 m²	Roads deterioration resulted in additional m^2 of blacktop patching completed for the following identified roads: P126/1, D2762, P28/1, P123/1, D2159, P61/3, P88/1 and P24/1.
Roads bladed							
Number of kilometres of gravel roads bladed	2,117.3 km	2,314.96 km	2,075.09 km	1,309.69 km	1,994.56 km	+684.87 km	Gravel roads were damaged due to the heavy vehicles, ultimately, roads were not drivable and unsafe, resulting in more blading to the following roads: D734, D1884, D1133, D1313, D781, D1333, D327, D187, D734, D1884 and D1133.
Job Creation							
Number of Maintenance jobs created through the implementation of EPWP	5,893	3,561	3,842 +	3,450 +	3,884 +	+434	The additional number of workers required to complete the additional road maintenance work to ensure road safety issues.
			33 (Rehab) = 3,875	Rehab (450) = 3,900	Rehab (180) = 4,064	270	Delays in awarding of the following projects P156/3 and P241/1 due to delays in the appointment of probity auditors for Bid Specifications and Bid Evaluation. Further delays experienced due to the late issuing of work permit by the Department of Labour to commence works.
Traffic Engineering							
National Indicator							
Number of weighbridges calibrated to SABS standard	4	4	4	4	4	-	-
Provincial Indicator							
Number of abnormal load permits issued	22,169	24,308	23,707	24,000	23,349	651	Movement of non-essential goods and services were prohibited as per national lockdown directive. This resulted in a decline in the number of applications received.

- **Strategy To Overcome Areas of Underperformance**

Indicator	Proposed Intervention
Percentage of surfaced roads in poor and very poor condition.	The tender was advertised on 7 February 2020 and the evaluation stage has commenced. The project will be executed in the financial year 2020/21.
Number of jobs created through the implementation of EPWP principles (Rehab).	The Department has received the required permits for P156 and P241. The outstanding jobs will be created in the financial year 2020/21.
Number of abnormal load permits issued.	Normal issuance of permits will be reviewed upon the lifting of the lockdown.

- **Changes to planned targets**

  None

Linking performance with budgets

Programme expenditure

Transport Infrastructure	2019 / 20			2018 / 2019		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000					
Infrastructure Planning	63,329	58,064	5,265	58,213	58,072	141
Infrastructure Design	154,781	111,765	43,016	176,765	176,717	48
Construction	560,835	536,202	24,633	880,782	825,607	55,175
Maintenance	1,429,828	1,427,135	2,693	1,618,080	1,592,264	25,816
Programme Support Infrastructure	31,717	26,181	5,536	92,067	88,329	3,738
Total	**2,240,490**	**2,159,347**	**81,143**	**2,825,907**	**2, 740, 989**	**84,918**

The allocation for this Programme includes the PRMG and Provincial earmarked infrastructure allocations. These two allocations form the core of this Programme and the Department.

Infrastructure Planning

The unit is responsible for the infrastructure planning, which includes the route determinations, modelling centre and the freight databank, as well as integrated province-wide transport sector planning and multi-modalism that supports decisive spatial transformation. All new projects are within the Estimates of Capital Expenditure (ECE) and spending will continue to be realised in the financial year 2020/21.

Infrastructure Design

The unit is responsible for the design projects for the road infrastructure projects as well as securing the land required for those projects. The issues related to landowners not accepting offers and having tax issues have negatively impacted the expenditure for the financial year 2019/20.

Construction

The unit is responsible for the construction of roads within the Province. The underspending was as a result of service providers not appointed as planned due to unanticipated challenges during the tender process, construction of road did not proceed due to land grabbing.

Maintenance

The unit is responsible for the maintenance of roads within the Province and implements this within the PRMG as well as additional resources from the equitable share allocations. The contracts within this unit are for major outsourced maintenance Programmes. The expenditure increased from R 742 in the financial year 2018/19 to R 767 in the financial year 2019/20.

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. The objective of this Programme is to develop the policy framework to support a modern, integrated and intelligent transport system and public transport infrastructure. The Programme consists of the following Sub-Programmes:

List of Sub Programmes

- Public Transport Services

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic Objective 1:

To provide a subsidised transport service that supports the movement of people through an efficient transport network that is safe, reliable and accessible.

To provide efficient public transport that is safe, reliable and accessible to the public, the Department has executed the following projects:

Sub-Programme: Public Transport Services

Public Transport Operations Grant (PTOG)

- **Bus Subsidies**

  The Department manages 27 bus subsidy contracts that have been 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 27 contracts are funded by Public Transport Operations Grant (PTOG) and 2 ceded contracts from North-West Province are funded by the Gauteng Province. These contracts are operated in the 3 metros, namely: the City of Johannesburg, City of Tshwane and City of Ekurhuleni as well as Sedibeng District Municipality. The number of operational contracts has been reduced to from 32 to 27 subsidised contracts (three Atteridgeville and North-West Star contracts operated with shortage contractual bus fleet) due to discontinued operations as from July 2019.

  All bus subsidy contracts are monitored by external service providers referred to as Supervisory Monitoring Firms (SMFs) as required by the Division of Revenue Act (DoRA) to ensure contract compliance by operators. SMFs are also appointed to monitor and conduct technical inspection onboard, multi-point route and terminus.

Sub-Programme: Support Operations

Bus Subsidy Monitoring

The Division of Revenue Act (DORA) requires that all bus contracts be monitored to ensure that the bus subsidy contract complies with applicable legislation. The contracts are manually monitored by both internal personnel and external Supervisory Monitoring Firms (SMFs). The Department has received approval from Provincial Treasury to advertise the tender for SMFs. Currently, all contracts are monitored by departmental internal monitors. The Department will implement electronic monitoring in the financial year 2020/21.

Public Transport Transformation

- Building Public Transport Cooperatives and Business Entities

  The Department continues to engage the Taxi Industry to register as co-operatives or business entities. The registration of the taxi industry will assist associations to pursue other business interests.

  The Department is assisting the associations in Alexandra to establish an Automotive Hub that will link the taxi operations to BRT Phase 1C operations. The financial model was concluded and the working capital was solicited with funding institutions that will be serviced by the Taxi Industry.

  The Taxi Industry has created 2 (1-Stop) shops for spares and other automotive industry essentials in Tshwane West and Ivory Park.

- **Transport Training Academy**

  The Department is in the process of establishing a training academy. A Memorandum Of Understanding (MOU) was signed with the Taxi Industry and Armscor related to commuter safety and driver training. The training will be aimed at improving commuter perceptions and experience.

Sub-Programme: Public Transport Integration And Special Projects

- **Smarter Mobility Summit**

  The summit was aimed at achieving smarter and electric mobility for the creation of better connected and sustainable societies. The Smarter Mobility Africa initiative was supported by leaders from government and business constituting of the Motor Industry,

Research Institutions and Media houses. The initiative highlighted a need to accelerate the transition to electric vehicles and fully embracing smart mobility or risk being left behind on global trends.

The Smarter Mobility Africa initiative created a platform for ideas to be shared on different innovations and technologies reflecting on the maturity and the trajectory of research and development. The Original Equipment Manufacturers (OEMs) exhibited their latest technologies in electric vehicles including cars that had not been officially launched into the market.

- **Integrated Fare Management**
  - » **Transport Management Centre (TMC)**

    The Transport Management Centre (TMC) is the central point for communicating transport-related information to the media and motoring public. It is also a platform for agencies to coordinate responses to transport situations and conditions. The objective of the Transport Management Centre is to reduce transportation difficulties by either controlling the circulation of all modes of transport or by focusing on specific modes such as public transport.

    The Department identified 45 Commissioner Street, (17th Floor), Johannesburg as a suitable location to host the interim TMC. The preliminary design and the business case was completed.

STRATEGIC OBJECTIVES

Programme Name: Transport Operations							
Strategic objectives indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achieve-ment 2018/19**	**Planned Target 2019/20**	**Actual Achieve-ment 2019/20**	**Deviation from planned target to Actual Achieve-ment for 2019/20**	**Comment on deviations**
Sub Programme: Public Transport Services							
Provincial Indicators							
Number of business and operation-al plans developed by 2018.	-	-	0	Finalisation and awarding of 11 bus contracts based on operational plans and associated independent monitoring contracts.	0	11	Negotiations with Municipalities in respect of the Inter-Governmental Authorisation Agreement took longer than expected. The Model tender docu-ment is still awaiting approval from the National Transport Minister before advertising of the tender can commence. The business and operational plans were not finalised.
Public Transport Integration & Special Projects							
Integrated Fare Management System operationalised by 2019	Back office architecture completed	Development of the Transport information website completed. The website for the Gautrain has been launched. All bank-issued cards can be used on the Gautrain network including BRT cards. Transport Management Centre Plans finalised.	0	Integrated Fare Manage-ment Back office. Transport Management Centre Operations.	0	2	Delays in the identification of the suitable site for the TMC.

PERFORMANCE INDICATORS

Programme / Sub-Programme: Transport Operations							
Performance Indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on deviations
Sub Programme: Public Transport Services							
National Indicators							
Number of routes subsidised.	3 476	3 369	3,349 (Average)	3,259 (Non-cumulative)	3 032	227	The outstanding figures of routes, kilometres and trips could not be achieved due to the ABS contract (D28, D29 and D30) which is a subsidiary company to North – West Star has not been operational as from July 2019.
Number of kilometres subsidised.	95 134 951	87 023 387	79 665 112	100 127 643	76 128 776,13	23 998 866,87	
Number of trips subsidised.	1 792 002	1 630 325	1 498 429	1 865 176	1 547 451	317,725	
Number of provincial regulating entity hearings conducted in terms of Section 59 & 79 of the NLTA 2009	54	26	6	4	5	1	The PRE- is obliged to finalise all received cases in term of regulations 8 of the National Land Transport Regulations of 2009.
Public Transport Integration & Special Projects							
Provincial Indicator							
Number of intermodal facilities completed.	0	0	0	Vereeniging Intermodal facility practical completion	0	1	The taxi industry requested modification of designs which resulted in extended Stakeholder consultation and the delays in the finalisation of designs for the re-scoped intermodal facility.
Number of bicycles distributed through the Shovakalula Project	3 000	0	6 000	0	-	-	-

- **Strategy To Overcome Areas of Underperformance**

Indicator	Proposed Intervention
Number of business and operational plans developed by 2018.	The awarding of 11 bus contracts will be finalised in the financial year 2020/21.
Integrated Fare Management System operationalised by 2019.	The Department will finalise the interim TMC building or renovation, including its operations in the next financial year 2020/21.
Number of routes subsidised.	Continuous engagements with operators and the introduction of the new bus contracts as a long- term solution.
Number of kilometres subsidised.	
Number of trips subsidised.	
Number of intermodal facilities completed.	A re-scoped design and business case to be finalised for submission to Provincial Treasury for project funding allocation in the financial year 2020/21.

- **Changes to planned targets**

  None

Linking performance with budgets

Programme expenditure

Transport Operation	2019 / 20			2018 / 2019		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000					
Public Transport Services	2, 682, 707	2, 224, 203	458, 504	2, 533, 725	2, 309, 086	224, 639
Programme Support Operations	7, 288	2, 530	4, 758	3, 782	2, 605	1, 177
Total	**2, 689, 995**	**2, 226, 733**	**463, 262**	**2, 537, 507**	**2, 31,1 691**	**225, 816**

The PTOG and the North-West Star demarcation contracts and IPTN infrastructure projects form the major allocations within this Programme. The Grant is not fully spent mainly as a result of penalties imposed no bus operators due to trips that Did Not Operate (DNO's) for the financial year 2019/20.

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 licencing, registration of operating licenses and the establishment of 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 Licencing, and Operator License and Permits.

- Transport Administration and Licencing
- Operator License and Permits

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic Objective 1:

To modernise the regulatory services that is accessible, reliable and customer centred.

To provide accessible and reliable services to the public, the Department has executed the following projects:

ESTABLISHMENT OF NEW REGISTERING AUTHORITIES/ DLTC'S/TOLABs

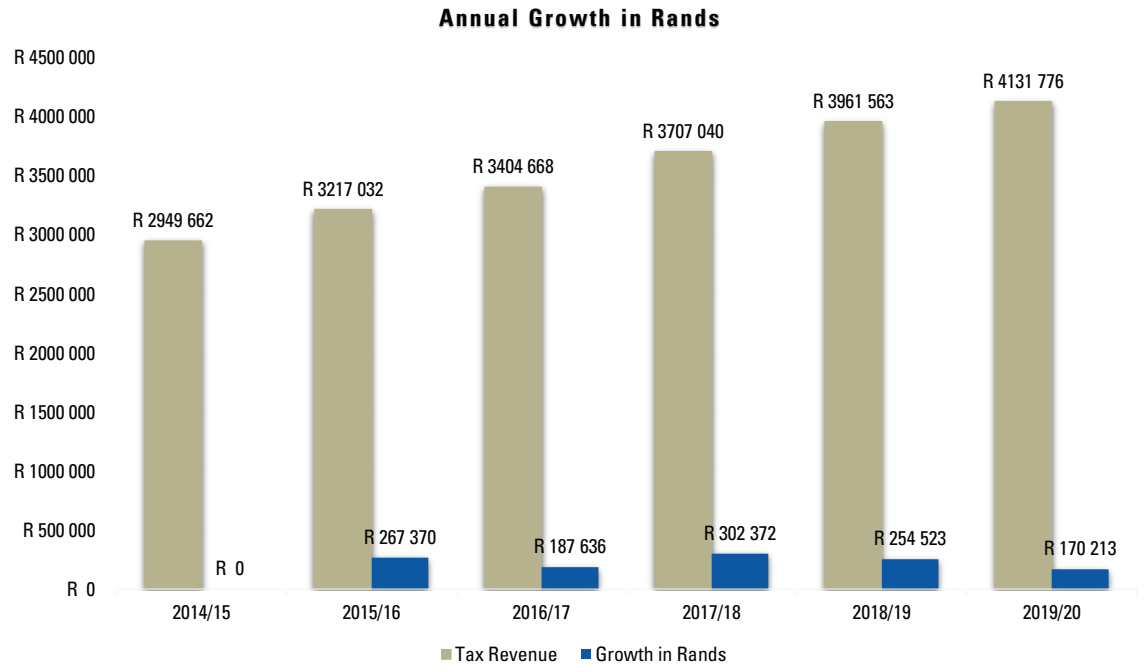
Sebokeng Transport Operating License Administrative Bodies (TOLABs)

A new TOLAB Centre is planned for construction in Sebokeng Township located in the Southern Corridor. The objective of this initiative is to improve access to transport and licence services for the community of Sebokeng and surrounding areas. The procurement process to appoint contractor has commenced and the tender for the construction of the Sebokeng DLTC/TOLAB was advertised in March 2020.

Revenue Management

The Departmental revenue is generated through tax receipts which comprise of motor vehicle registration and licencing fees. Motor Vehicle License Tax revenues have grown from R 2, 95 billion in 2014/2015 to R 4,13 billion in 2019/2020. A total of R 4,131 billion has been collected during the period under review representing a growth of R 170 million from financial years 2018/19 to 2019/20.

Below is the trend analysis for revenue growth.



Description	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	6 Year Total
Tax Revenue	R 2,949,662	R 3,217,032	R 3,404,668	R 3,707,040	R 3,961,563	R 4,131,776	R 21,371,741
Annual Growth in Rands	R 0	R 267,370	R 187,636	R 302,372	R 254,523	R 170,213	R 1,182,114
% Growth	**0%**	**9%**	**6%**	**9%**	**7%**	**4%**	**40%**

PERFORMANCE INDICATORS

Programme / Sub-Programme: Transport Regulation							
Performance Indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Transport Administration and Licencing							
National Indicator							
Number of compliance inspections conducted	250	206	135	140	129	11	The outstanding compliance inspections could not be completed as some centres in COJ closed earlier due to COVID-19 and received a proposal from the City of Tshwane to scale down and suspend services due to the COVID-19 situation.

- **Strategy To Overcome Areas of Underperformance**

Indicator	Proposed Intervention
Number of compliance inspections conducted.	Safety measures put in place to protect staff and at the centres to curb the spread of COVID-19.

- **Changes to planned targets**

  None

Strategic Objective 2:

To regulate public transport services and Public Transport Operators to achieve safe and reliable transport services.

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

Sub-Programme: Operator Licence And Permits

Operating Licences

To regulate the public transport service in the province, a total of 15, 475 permits/operating licences were issued and a total of 65 permits were converted to operating licences.

PERFORMANCE INDICATORS

Programme / Sub-Programme: Transport Regulation							
Performance Indicator	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations**
Sub Programme: Operator Licence and Permits							
Provincial Indicator							
Sub Programme: Operator Licence and Permits							
Number of permits/ operating license issued by 2019	10,248	12,273	12,898	8,000	15,475	+7,475	Additional applications for Mini-bus operating licences renewals received due to a Provincial Notice issued in November/December 2019 stating that as from the 6 January 2020, operators who fail to submit applications for renewal within 30 days before expiry will be requested to apply for new operating licences.
Number of permits converted to operating licenses by 2019	2,603	798	181	1,000	65	935	The submission of permit conversion applications is solely dependent on operators. The pace at which these are submitted is very slow. The Department has been continuously engaging with public transport operators to submit conversion applications as required by law.
Registration and Monitoring							
Number of audited monitored routes completed by 2019	570	374	187	400	177	223	The Department has liaised with the e-hailing services to monitor the routes. However, some operators are no longer part of the e-hailing service; hence 177 operators could not be monitored.
Number of Non-Mini Bus Taxi modes registered by 2019	2,094	3,586	3,605	1,500	2,573	+1,073	More taxi modes registered due to the approval of ranking facilities by the Municipalities for new applications of Non-Minibus Taxis.

- **Strategy To Overcome Areas of Underperformance**

Indicator	Proposed Intervention
Number of permits converted to operating licences by 2019.	The Department will continue engagements with public transport operators to convert their existing public transport permits to operating licences.
Number of audited monitored routes completed by 2019.	The Department will continue to engage with e-hailing service companies to provide a list of Partner Drivers operating to enable the monitoring of routes.

- **Changes to planned targets**

  None

Linking performance with budgets

Programme expenditure

Transport Operation	2019 / 20			2018 / 2019		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000					
Transport Administration and Licencing	186,087	162,749	23,338	161,774	160,369	1,405
Operator Licence and Permits	146,855	126,576	20,279	132,303	131,257	1,046
Total	**332,942**	**289,325**	**43,617**	**294,077**	**291,626**	**2,451**

The budget for the TOLAB and DLTC infrastructure projects is located within this Programme, together with the allocations for licencing and registration functions. The audited outcome within this Programme is at R 300 million in the financial years 2017/18 to R 292 million in 2018/19.

5. TRANSFER PAYMENTS

5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Gautrain Management Agency	The management coordination and oversight of the Gautrain project.	2,153,314	2,153,314	Refer to GMA Annual Report

6. CONDITIONAL GRANTS

6.1. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The table below describes each of the conditional grants and earmarked funds received for the period 1 April 2019 to 31 March 2020.

Public Transport Operations Grant

Department/ Municipality to whom the grant has been transferred	Gauteng Department of Roads and Transport (GDRT)
Purpose of the grant	Provision of public transport services in terms of contracts which are operated on schedules and are kilometre based.
Expected outputs of the grant	Number of kilometres: 100,127,643 Number of Trips: 1,865,176 Number of Routes: 3,259
Actual outputs achieved	Kilometres: 76,128,776.13 Trips: 1,547,451.00 Routes: 3,032
Amount per amended DORA (R'000)	R 2,436 074
Amount transferred (R'000)	R 2,436,074
Reasons if amount as per DORA not transferred	None
Amount spent by the Department/Municipality (R'000)	R 2,014,534
Reasons for the funds unspent by the entity	• Non-operational subsidised contracts • A high number of Did Not Operate (DNO) trips
Monitoring mechanism by the transferring Department	Submission of monthly expenditure reports by the distributing Department (GDRT)

Provincial Roads Maintenance Grant

Department / Municipality to whom the grant has been transferred	Gauteng Department of Roads and Transport (GDRT)
Purpose of the grant	Routine, Preventative and periodic maintenance of roads infrastructure
Expected outputs of the grant	Maintenance of provincial roads infrastructure and achievement of planned targets
Actual outputs achieved	Number of m^2 roads resealed = 132,507.72 and no of m^2 rehabilitated = 579,800m^2 Number of km re-gravelled = 78.57 km Number of m^2 blacktop potholes patched = 85,552.92m^2 Number of km gravel roads bladed = 1,994.56km
Amount per amended DORA	R 767,506
Amount transferred (R'000)	R 767,506
Reasons if amount as per DORA not transferred	None
Amount spent by the Department/ municipality (R'000)	R 767,354
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring Department	Quarterly reports

Expanded Public Works Programme Infrastructure Grant (EPWP)

Department/ Municipality to whom the grant has been transferred	Gauteng Department of Roads and Transport (GDRT)
Purpose of the grant	Job creation
Expected outputs of the grant	3,900
Actual outputs achieved	4,064
Amount per amended DORA	R 6,386
Amount transferred (R'000)	R 6,386
Reasons if amount as per DORA not transferred	None
Amount spent by the Department/ municipality (R'000)	R 6,386
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring Department	Quarterly reports and monthly Management Information System (MIS) reporting system

7. CAPITAL INVESTMENT

7.1. 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, 638 roads per km comprising of 4, 200km of paved roads and 1, 438 km unpaved roads with 676 bridges and 428 culverts.

- **Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year**
  Rehabilitation of P158 (N14) from Brakfontein to Diepsloot - project completed on the 30 July 2019.

- **Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed.**
  - » Sebokeng TOLAB – expected completion in 2021/22 financial year,
  - » Sebokeng DLTC – expected completion in 2021/22 financial year, and
  - » Vereeniging Intermodal facilities – expected completion in 2021/22 financial year.

- **Ongoing surfaced roads upgraded to be completed in the financial year 2020/21:**
  None

- **Ongoing surfaced roads upgraded to be completed in the financial year 2021/22:**
  - » K54: Mamelodi (Tsamaya Road) to R104 Pretoria Bronkhorstspruit Road,
  - » K69 (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54), and
  - » K46 (P79 - 1): Upgrading from a single to a dual carriageway of Road K46 (P79 - 1) William Nicol from PWV5 to Diepsloot /N14 Phase 2.

- **Ongoing surfaced roads upgraded to be completed in the financial year 2022/23:**
  - » Upgrading of K73 between Woodmead Drive and Allandale Road (D58) Mushroom farm,
  - » K31 access to Green Gate Development: Reconstruction and upgrade of the M5 Beyers Naude Road,
  - » Upgrading of Road K148: Intersection with N3,
  - » Vaal River City Interchange,
  - » Upgrade of K101 from D795 Olifantsfontein to N1 Brakfontein, and
  - » K15 Phase 3: Upgrading of K15 Adcock Road between K102 Main Street Dobsonville to Wild Chestnut Street Protea Glen.

Road Rehabilitation

- **Ongoing roads rehabilitated to be completed in the financial year 2020/21:**
  - » P175/1: Rehabilitation from Vanderbijlpark to Potchefstroom Phase 2, and
  - » P39/1 Heavy Rehabilitation from Diepsloot to Muldersdrift.

- **Ongoing roads rehabilitated to be completed in the financial year 2021/22:**
  - » 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),
  - » P156/3 (R42) from P155/1 to D2563 Vanderbijlpark,
  - » K175 Rehabilitation of the Road from K175 (N4/2) to D670 (8.1km),
  - » Rehabilitation of road D483 between P6-1 (Bapsfontein) and D713 Cullinan, and
  - » Rehabilitation of road P73 and Strengthening of road P73 (R553) between Ennerdale and Eldorado Park.

- **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:
  - » Preventative roads maintenance,
  - » Re-active roads maintenance, and
  - » Routine roads maintenance.

- **Developments relating to the above that are expected to impact on the department's current expenditure.**
  Rehabilitation, reseal and pothole patching-gravelling and blading of gravel roads will impact on more than 65% the department's current budget.

- **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 2020, the Department's entire asset base totalled R41, 874 billion. The asset base in the main comprises of roads, bridges, land for future road construction and various categories of movable assets totalling R569, 653 million.

  During the current financial year, the Department invested approximately R494, 661 million on improving and rehabilitating key segments of the provincial road network. A total number 11 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 are 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 number of 28, 778 movable assets were verified which includes vehicles, computer equipment and machinery and furniture. The asset management directorate continues to play a pivotal role in coordinating the maintenance and updating of the Department's immovable asset register. Also, as part of the regular maintenance and updating of the road asset management system, the Department through the assistance of the Council of Scientific Research (CSIR) conducts visual, conditional and safety assessments for the provincial road network. The results thereof form the basis for future road infrastructure upgrades, rehabilitation and maintenance and the continued maintenance 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.**
  - » Paved network – 65 % fair, 25% poor and 10% good

- **Major maintenance projects that have been undertaken during the period under review.**
  None

- **Progress made in addressing the maintenance backlog during the period under review.**

Infrastructure Projects	2019 / 20			2018 / 2019		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000					
New and replacement assets	11,050	12,435	(1,385)	36,868	121,089	(14,890)
Existing infrastructure assets	1,876,151	1,708,674	167,477	2,254,464	2,170,449	69,457
- Upgrades and additions	388,757	314,233	74,524	423,887	257,309	88,449
- Rehabilitation, renovations and refurbishments	222,793	217,578	5,215	534,699	656,406	(18,667)
- Maintenance and repairs	1,264,601	1,176,863	87,738	1,295,878	1,256,734	(55,098)
Non- Infrastructure				-	-	-
- Current	-	121,716	(121,716)	142,408	87,635	54,773
- Capital				-	-	-
Total	1,887,201	1,842,825	44,376	2,433,740	2,379,173	54,567





PART C
GOVERNANCE

1. INTRODUCTION

The Department remains committed to maintaining the highest standards of governance which is fundamental to the management of public finances and resources. Clients and stakeholders need assurance that the Department has good governance structures in place to effectively, efficiently and economically utilise State resources which are funded by the taxpayer. Thus, this section outlines the good governance structures which were implemented during the financial year under review.

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 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 the management of risks, the Department has committed to manage risks continuously. 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 fraud risks.
- The Department has an Ethics Committee where fraud and corruption issues are monitored and reported
- The Audit Committee is the advisory body for the Department on anti-fraud and corruption where fraud-related issues and independently monitors the effectiveness of the system thereto.
- The Department has an approved whistleblowing policy which is communicated ongoing through ethics and anti-fraud and corruption awareness sessions and induction workshops.
- Allegations are reported using various mechanism i.e by respective management, hotline, internal audit, fraud detection reviews.

4. MINIMISING **CONFLICT OF INTEREST**

Accountability is fundamental to 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 support the introduction and implementation of disciplinary action for the bridge of code of conduct. Application of a disciplinary measure is an integral component of effective fraud and corruption deterrent strategy within the Department.

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

Conducting awareness sessions on Public Service Regulations, 2016 under regulation 13b and f and it is supported by the Code of conduct for Public service that has a pledge at the back. The Department has also reviewed its policy on conflict of interest. It is also working with various stakeholders such as DPSA, GAS and AG to identify conflict and potential conflict from officials. The disclosure that is filed by SMS, MMS and officials from the Finance Branch also help to identify those who might have a conflict of interests. To further minimize conflict of interest, Communications develops posters and upload information to the intranet to educate and sensitise officials. Induction programmes are held in partnership with HR development with the newly appointed officials and an online course is available that covers a lot of issues on ethics management.

5. CODE OF CONDUCT

The Public Service Commission (PSC) developed a code of conduct for the public servants to promote the high standard of professional ethics. The ethical principles contained in the Code apply to GDRT employees. The Department implemented the code and managers ensure that all employed within the Department adheres to it.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department provided OHS training programme to a total number of 365 employees with specific focus on Hazard Identification and Risk Assessment (HIRA), firefighting, emergency preparedness, first aid, accident investigation and occupational health and safety for supervisors. This programme was implemented to prepare the Department in dealing with safety of employees and management of disasters. A policy on Safety, Health, Environment, Risk and Quality Management (SHERQ) was reviewed. The worldwide spread of COVID-19 resulted in South African government declaring a National State of Disaster and subsequent lockdown in March 2020. Prevalence of this virus resulted in disruption of service delivery in GDRT. A steering committee was established in line with DPSA directions and developed a response plan to mitigate the impact of COVID-19 in the Department.

7. PORTFOLIO COMMITTEES

- **The dates of the meeting**

  The Department regularly engaged with the Portfolio Committee where it tabled various reports and presentations at the various meetings which were scheduled as follows:

- Portfolio Committee Meeting - Friday, 12th July 2019 – Vereeniging Community Hall: Presentations on Budget Vote 9 for 2019/20 FY and Fourth Quarterly Performance Report 2018/19 FY
- Portfolio Committee Oversight Visit to K46 William Nicol Project – Friday, 19th July 2019
- Portfolio Committee Meeting – Friday, 19th July 2019: Presentation of Responses to Committee Questions on the Budget Vote 9 for 2019/20 FY and Fourth Quarterly Report 2018/19 FY
- Portfolio Committee Workshop – Friday, 02 August 2019: Presentation to the Committee on the State of Transport in the Gauteng Province
- Portfolio Committee Meeting – Tuesday, 10th September 2019: Presentation on the First Quarterly Report 2019/20 FY and Focused Intervention Study (FIS) on the Capacity on Senior Management and Technical Skills of the Department and g-FleeT Management
- Oversight Visit at the g-FleeT Precinct – Tuesday, 10th September 2019
- Portfolio Committee Strategic Planning Session – 22nd October 2019: Presentation on Key Strategic Projects for Implementation as per the Department and Entities Strategic Plans for 2019/2024
- Portfolio Committee Workshop – Thursday, 07 November 2019: Political Economy of Transport in the Province
- Portfolio Committee Meeting – Thursday, 14 November 2019: Presentation on Responses to Committee Questions on the Annual Report 2018/19 FY and Second Quarterly Report for 2019/20 FY
- Portfolio Committee Meeting – 21 November 2019: Engagement on Committee Questions on the Annual Report 2018/19 FY and Presentation on the Second Quarterly Report 2019/20 FY
- Portfolio Committee Meeting – Wednesday, 27 November 2019: Engagement on the Revised and Approved Responses to Committee Questions on the Annual Report 2018/19 FY and Second Quarterly Report 2019/20 FY Follow up Questions – Bus Commuter Complaints and Mechanism to respond these complaints, Progress Report on Queue Management System Implementation and theft of equipment in the other centres, and presentation on the Departmental Communication Strategy
- Portfolio Committee Oversight Visit to Koedoespoort Regional Office – Friday, 14th February 2020: State and functionality of the centre
- Portfolio Committee Oversight Visit to Department's Infrastructure Projects – 18th February 2020: K54 Road Construction Project and K69 Solomon Mahlangu Road Upgrade Project in Mamelodi
- Portfolio Committee Meeting – 3rd March 2020: Presentations on Responses to the 3rd Quarterly Report 2019/20 FY, Responses to House Resolutions and FIS on Lack of Capacity on Senior Management and Technical Skills of the Department and g-FleeT Management
- Portfolio Committee Meeting – 13th March 2020: Engagement on the Oversight Visit Findings to various Department's projects & House Resolutions passed in 2019

- **Matters raised by the Portfolio Committee and how has the Department addressed these matters**

(Refer to next page)

Matters Raised	Dept's Response
The Department should provide the state of readiness report in realising the set service delivery mandates in the financial year under review.	The Department continues to improve its planning processes including the alignment of budget allocation with targets. Systems of internal control to achieve the desired target are in place. However, the challenges around implementation continue to hamper the Department's progress of achieving the desired outcome. The Department has developed and is implementing intervention plans on some of the performance targets.
The Department should provide a detail report on the budget cut in the Transport Infrastructure programme, explaining the likely impact of this on the service delivery measures.	Department presented a detailed response to the Committee. The Department confirmed that the service delivery measures and targets that have been tabled together with this reduced budget are aligned, i.e. the targets are aligned to the available resources. That means that the Department will therefore be able to deliver on the service delivery measures as set out because they have been adjusted to match the allocated resources.
The Department should explain as to why the investment in constructing new roads is low.	The Department experienced delays in the open tender process for several high-value construction projects, which then meant that Treasury could not allocate budget as there was no clear state of readiness.
The Department should present their contribution towards providing road infrastructure in the non-provincial roads, particularly local government roads in all corridors.	The Department contributed R32,523,520.00 to Emfuleni Local Municipality as approved by EXCO. The work done included pothole patching and rubble removal.
The Department should provide a progress report on the appointments of new bus contractors	Department presented a report on progress to date, challenges experienced and plans devised for a longer-term sustainable solution to the Subsidised Bus contracts which will see better service for commuters and a sustainable Bus Transport industry.
Provide a report on the allocations to Municipalities on the maintenance of road infrastructure and list of projects	A Budget of R42 million is allocated for the reseal of Vilakazi and Adams streets and rehabilitation of Moshoeshoe street
The entity should update the Committee on the Gautrain extension study in relation to the Gauteng Household Travel study that will be completed in the current financial year.	The Gauteng Rapid Rail Integrated Network (GRRiN) feasibility study was completed in 2017 and submitted to the national treasury. The demand modelling was updated in 2018 to consider various fare options. As and when additional information is completed the model can be updated. This would include the Gauteng Household Travel study.
The entity should consider subsidising passengers instead of the operational system	International experience has shown that subsidising the passenger rather than the mode of public transport can only be considered if the level of the integrated public transport system of a metropolitan area has reached a high level of maturity. If this level of maturity has not been achieved there are very negative unintended consequences. For example, if the MetroRail passengers were to receive the subsidy amount that is paid to Metrorail, which is more than twice the ticket price, the majority will abandon the MetroRail service and use the mini-bus taxis
The Department should provide factors that influenced the adjustments in all programmes	A detailed report was presented to the Committee.
The Department should list the underperformed project with its allocated budget and expenditure at the end of the financial year in the Transport Infrastructure programme	The Department tabled a detailed report in a tabular form which depicted the underperformed projects with allocated budget and expenditure.
The Department should indicate the requested rollovers on each project, and this should be done with the transport infrastructure budget in the current financial year 2019/20	The Department confirms that no rollovers have been requested in the 2019/20 financial year.
The Department should explain as to why the Mamelodi and Meyerton contracts were cancelled due to insufficient funds whereas this programme recorded an under expenditure	At the beginning of the financial year, all subsidised bus contracts are allocated annual budget according to the original budget baseline as determined by the National Treasury and the National Department of Transport. Mamelodi and Meyerton contracts were also allocated budget in a similar way. These contracts were put out to tender however, the bid prices were triple the allocated budget for that specific year. The Department approached Provincial Treasury to augment the subsidy shortfall, but unfortunately, Provincial Treasury could not assist due to the tight fiscus space. The recorded under expenditure emanate from accumulated penalties and trips that were not operated (DNOs) by subsidised bus operators. Non-performance has been attributed to old bus fleet breakdowns, maintenance short-comings and the inability of the operators to recapitalise based on the current short-term contracts.
Provide a detailed report on measures in place to curb the continuous underspending of the Administration Programme allocated budget within the tolerable underspending of 3% in the next financial year	The Department submitted a detailed response in this regard.
Provide a detailed report on the measures in place to improve the performance of the Transport Infrastructure Programme.	The Department's decline in the performance of Transport Infrastructure was due to the current procurement system which is lengthy and extremely onerous and requires the appropriate levels of skills and competence to ensure successful implementation. Most projects were at the tendering stage and Gauteng Provincial Treasury could not allocate budget since the projects were not ready for implementation. However, the Department anticipates implementing the projects in the next financial year.

Progress made on the Filling of Senior Management positions namely, HOD and DDG Transport Branch as well as COO and CFO in g-Fleet Management.	The planned recruitment and selection process was halted to allow the finalisation of organisational structure review to be concluded. The Head of Department post is managed by the Office of the Premier. The post was advertised in July 2019 and Department will await communication and confirmation of appointment from the Office of the Premier once the process has been completed. Due to moratorium placed by the Gauteng Department of Roads and Transport in 2019, the Entity could not proceed with the recruitment process for the COO post that was advertised during the first quarter the 2019/20 financial year. However, the Entity has submitted a new request for approval for the advertising, shortlisting and interviews of critical and funded posts to the Department.
Progress made on the implementation of Queue Management System in the Tshwane TOLAB, Mabopane MVR and Kliptown DLTC	The Queue Management System has been developed. We are now in the process of procuring the following hardware: 19inch Touch screen, Smart Computer, Audio and Video cable to connect to a television and smart computer, Printer for tickets and paper roll, Audio mixer, Wall mounted speakers, Television with mounting brackets. This equipment is to be delivered and configured by 31 March 2020.
Measures put in place to ensure planned targets under the Transport Operations programme are achieved timeously and within the allocated budget	There is the monitoring of bus subsidy contracts and the Department has also introduced the electronic monitoring system which will assist the physical monitoring to achieve the planned targets.
Developments regarding the appointment of SMFs for subsidised bus contracts.	The Department is in the process of finalising the appointment of the SMFs. The tender process has been completed and the DAC recommendations for the appointment of the service provider has been submitted for approval and appointment will be done immediately thereafter.

8. SCOPA RESOLUTIONS

- (Refer to next page)

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
RFI [October 2019]	Request for Detailed Reports.	Request to submit the detailed plans indicating steps to ensure compliance with PFMA and the Achievement of Clean Audit in the 6th Term of the Legislature and the 6th Gauteng Provincial Administration	The Department (Main Vote), g-FleeT Management and Gautrain Management Agency submitted their detailed reports and plans to ensure compliance with PFMA and the Achievement of Clean Audit in the 6th Term of the Legislature and the 6th Gauteng Provincial Administration.	Yes.
1. a	SCOPA Preliminary Questions Emanating from Report on the Auditor-General's Report on the Financial Statements and Performance Information of the Department of Roads and Transport for the Year Ended 31 March 2019 (DRT)	Provide the breakdown of the list of lawsuits referred to in the audit reporting (as at 31 March 2019); including age analysis thereof.	Detailed report submitted to SCOPA as requested.	Yes.
1. b		Provide a progress report in the finalisation of lawsuits and their outcomes. Where appropriate, the settlement amounts must be provided.	Detailed report submitted to SCOPA as requested.	No.
1.c		Provide a breakdown of the list of new lawsuits of the 30th September 2019 and a progress report on their finalisation.	Detailed list and report submitted to SCOPA as requested	No.
1.d		Provide an explanation if in allocating the liability emanating from the lawsuits did the Department take the necessary steps to apply Treasury Regulation 12.2.1? If yes, the department must state the cases where this was applied and a summary/detailed outcome thereof? If no, the department must provide detailed for not applying the Regulation.	In terms of third-party claims emanating from state vehicle accidents, an internal investigation is conducted for each matter which is usually accompanied by an opinion from Legal Services. The purpose of the investigation and legal opinion is to ascertain whether the state vehicle driver forfeits state cover or not in line with the condition as stipulated in paragraph 12.2.1(g). Furthermore, the Entity bills the client departments for all third-party claims emanating from accidents involving the use of state vehicles in their custody. Client departments are encouraged to have their internal processes to recover from officials if through their acts or omissions forfeited state cover. Enclosed as Annexure G is a schedule of third-party claims allocated to various client departments.	Yes.
1.e		Provide reasons why provisions were not made in the financial statements of the department for possible liabilities that may arise from the lawsuits against the department.	Detailed report submitted to SCOPA as requested.	Yes.
1.f		Provide corrective measures in place to minimize lawsuits in the future to mitigate the damages.	Due to the fact that most of the lawsuits in GPDRT relate to road maintenance issues, the Department has appointed outsourced routine maintenance contractors and all litigations though submitted to the Department, the service providers are liable for such claims as per contract. The Department has transferred the risk to the service providers.	Yes.
1.g		Provide legal costs involved in defending the Department against the claim.	See Annexure E – total legal costs expanded by GPDRT for periods 1 April 2018 to 31 March 2019 and 1 April 2019 to 30 September 2019 – if required the actual BAS printout for individual matters and their associated legal costs settled can be obtained from the Finance Unit.	Yes.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
2. a	SCOPA Preliminary Questions Emanating from Report on the Auditor-General's Report on the Financial Statements and Performance Information of the Department of Roads and Transport for the Year Ended 31 March 2019 (DRT)	Provide details of the Department materially underspending the budget by R359 603 000 on the following programmes: administration, transport infrastructure, transport operations and transport regulations, as disclosed in the appropriation statement.	· Detailed report submitted to SCOPA as requested.	Yes.
2. b		What remedial action will be taken against the Accounting Officer for the underspending of the budget?	The Accounting Officer during the 2018/19 financial year resigned in March 2019. The Accounting Officer who will be permanently appointed in the Department will be contractually required to effectively manage the Department's budget.	Yes.
2.c		Provide details of the impact of the underspending of R359,603,000 on service delivery, and corrective steps the department intends to take.	Detailed report submitted to SCOPA as requested.	Yes.
3.a		Provide details of contracts (including supplier name, service description and contract value) which were extended or modified without the approval of a properly delegated official, as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2.	Detailed report submitted to SCOPA as requested.	Yes.
3.b		Provide details of remedial action the Department intends to take on the extension or modifying of the contract without the approval of a properly delegated official, as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2.	Detailed report submitted to SCOPA as requested.	Yes.
4		Provide the Committee with the breakdown of all irregular expenditure amounting R4 471 314 000 incurred due to legacy contracts from prior years	A detailed breakdown provided to SCOPA as requested.	Yes.
5		Why did management not adequately implement preventive and detective controls to prevent irregular expenditure	The Department's root causes for reporting irregular expenditure emanates from its legacy obligations associated with past irregular contracts. The Dept. has not incurred irregular expenditure on procurement relating to the financial year under review. The Departments focused approach around the prevention, detection and correction of any forms of non-compliance with laws and regulations has strengthened its prospects of obtaining a clean audit by eliminating any form of irregular expenditure. The following are some of the measures implemented: • The adoption and implementation of a Department Anti-Fraud and Corruption policy and related procedures, • The adoption and implementation of strict SCM policies and procedures • The vetting of suppliers and SCM officials • The continuous training and development of SCM officials, • The use of probity auditors to scrutinize the tender process. Even though there have been notable improvements, that Department continuously monitoring progress around compliance with laws and regulations with the focus on improving and adjusting the internal control environment.	Yes.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
6	SCOPA Preliminary Questions Emanating from Report on the Auditor-General's Report on the Financial Statements and Performance Information of the Department of Roads and Transport for the Year Ended 31 March 2019 (DRT)	What investigations have been undertaken regarding irregular expenditure reported in the 2018/2019 financial year and what disciplinary measures have been/will be taken against those responsible for irregular expenditure?	As detailed in the above response to question 5, the Department has not incurred any new irregular expenditure for the 2018/2019 financial year. The Department's root causes for reporting irregular expenditure emanates from its legacy obligations associated with past irregular contracts.	Yes.
7. a		Provide details for management not to have adequately reviewed and monitored compliance with all applicable laws and regulations.	The reported non-compliance emanated from a lapse in effective communication between the Department's bus subsidy and supply chain management units. The extension of the bus subsidy contracts was undertaken by the bus subsidy unit and ultimately approved by the Head of Department with the proviso that concurrence with the Gauteng Provincial Treasury should be sort on the approval of the extension. The latter communication was only presented to the Department's Supply Chain Management unit after the extension had only taken effect which triggered the non-compliance which required the prior approval of the extension from GPT. The Department has resolved to improve on its internal communication strategies and ensure the effective and timeous consultation and communication of key decision-making processes.	Yes.
8		Provide details of the various investigations into the allegations of possible unethical behaviour, misuse of assets and matters of procurement and contract management including: a. The allegation b. The financial value of the irregularity c. The designation of the accused d. The status of the investigation e. The action taken, including recovering losses incurred, because of the investigations f. The report of the investigation if the investigation has been concluded g. Provide a breakdown of the list of new investigations into allegations of possible unethical behaviour, misuse of assets and matters of procurement and contract management as of the 30th September 2019 and a progress report on their finalisation.	A detailed breakdown provided to SCOPA as requested.	No.
9.a		What actions have the Department taken, in partnership with the Department of e-Government to find solutions to information technology controls deficiencies to resolve operating systems problems?	The Department has always been compliant to all GPG Operating System requirements. The department is compliant to Operating System requirements as per GPG standards.	Yes.
9.b		Why was there lack of Business Impact Assessment (BIA)?	Given that Business Continuity Management is a program that requires sufficient staffing who are specialists in the discipline, the Department does not have competent officials to roll-out the program. This resulted in the Department not having identified their BIA.	No.
9.c		Why was there an inadequate Business Recovery Plan (BRP)?	Given that Business Continuity Management is a program that requires sufficient staffing who are specialists in the discipline, the Department does not have competent officials to roll-out the program. This resulted in the Department not having identified their BRP.	No.
9.d		To mitigate high risk to the Department, provide the Committee with a progress report on the implementation of the disaster recovery plan.	All ICT applications/systems have been migrated to SITA. All departmental applications have been fully migrated to SITA.	Yes.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
10	SCOPA Preliminary Questions Emanating from Report on the Auditor-General's Report on the Financial Statements and Performance Information of the Department of Roads and Transport for the Year Ended 31 March 2019 (DRT)	Provide an updated report on progress made in the implementation of the 2017/18 SCOPA resolutions.	Detailed report submitted to SCOPA as requested.	Yes.
11		Provide a detailed explanation in cases where there are recurring findings as per the 2018/19 report by the Auditor General compared to previous financial years, also indicate steps you will take to address these recurrences.	Provide a detailed explanation in cases where there are recurring findings as per the 2018/19 report by the Auditor General compared to previous financial years, also indicate steps you will take to address these recurrences	Yes.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
1	SCOPA Resolutions emanating from Scopa Oversight Report on the Report of the Auditor-General of South Africa (AGSA) on the Financial Statements and Performance Information to the Gauteng Provincial Legislature on Vote No. 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2019	The Department must provide the Committee with a progress report detailing the status of the plan of overhauling the methods of processing lawsuits every quarter and up until finalisation thereof.	Detailed report submitted to SCOPA as requested.	No.
2		The Department must provide the Committee with a progress report detailing the effectiveness of the Outsourced Routine Maintenance Services to maintain the provincial roads daily in order to minimise lawsuits every quarter and continuing until the end of June 2020.	Detailed report submitted to SCOPA as requested.	Yes.
3		The Department must provide the Committee with a progress report detailing the status of issues pertaining to a national policy change or overall funding shortfall which have been addressed at the level of the National Department of Transport, and the report must be provided every quarter and continuing until the end of June 2020.	The Department of Transport initiated a process to develop a Public Transport Policy for South Africa in January 2017 and a consultancy firm called "Future of Transport Transformation Planning Engineering and Management" was appointed to carry out the work. Currently, all subsidised bus contracts are paid based on the Division of Revenue Act (DORA) published annually. The Department of Transport circulated a draft policy document in November 2019 asking for public comments and workshop with Provinces is expected to be held in 2020. The current draft policy highlights the following: The draft subsidy policy concludes that it will cost a lot more relative to the status quo. However, an argument is made that society and the economy are already paying much more for the inefficient and ineffective public transport system. In essence, society and the economy are subsidising the current inefficiencies. The subsidy policy, therefore, aims to reduce the total cost of transport to society and the economy. Overall, implementing the policy should result in society and the economy paying less for transport.	No.
4		That the Department must provide the Committee with a progress report detailing the status of the reviewing of the organisational structure every quarter and continuing until finalisation thereof.	Detailed report submitted to SCOPA as requested.	No.
5		The Department must provide the Committee with a progress report detailing the status of the Open Tender" Process every quarter and continuing until finalisation thereof.	Progress report submitted to SCOPA as requested.	No.
6		The Department must develop a checklist for all legislation applicable as a mechanism to use in order to monitor compliance and provide the Committee with a progress report detailing the effectiveness of the checklist every quarter and continuing until the end of June 2020.	The Department has various checklists for different stages and types of procurement. Also, the Department has SOP within the SCM business unit. The effect of this can be gauged with the reduction of audit queries over the financial years. GPT also provides support and compliance reviews quarterly.	Yes.
7		The Department must provide the Committee with a progress report detailing the status of the tenders for the bus subsidy contracts every quarter and continuing up until finalization thereof.	Detailed progress report submitted to SCOPA as requested.	No.
8		The Department must provide the Committee with the quarterly progress report detailing the status of investigations and within 30 days of finalisation thereof.	Detailed progress report submitted to SCOPA as requested.	No.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
9	SCOPA Resolutions emanating from Scopa Oversight Report on the Report of the Auditor-General of South Africa (AGSA) on the Financial Statements and Performance Information to the Gauteng Provincial Legislature on Vote No. 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2019	That the Department must provide training to existing IT staff to be able to roll-out the Business Continuity Management program and provide the Committee with a progress report detailing the status of the roll-out of the training every quarter and continuing up until completion thereof.	The Department has decided to outsource the development of the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP), due to a lack of expertise in the Department. However, this could not be implemented in the current financial year due to financial constraints. This has been prioritised for the next financial year 2020-21 and budget allocation has been secured. Furthermore, it will be aligned to the review of the Departmental Service Delivery Model, organisational structure and the 2020-2025 strategic plan of the 6th Administration. The IT training programme will commence after the approval of the BCP and the DSP.	No.
10		The Department must develop and implement the Business Continuity Plan (BCP) and Disaster Recovery plan and provide the Committee with a progress report detailing the status of the approval every quarter and continuing up until the finalisation thereof.	The Department has decided to outsource the development of the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP), due to a lack of expertise in the Department. However, this could not be implemented in the current financial year due to financial constraints. This has been prioritised for the next financial year 2020-21 and budget allocation has been secured. Furthermore, it will be aligned to the review of the Departmental Service Delivery Model, organisational structure and the 2020-2025 strategic plan of the 6th Administration. The IT training programme will commence after the approval of the BCP and the DSP.	No.
12 November 2019	SCOPA PUBLIC HEARING: SCOPA Preliminary Questions	SCOPA Preliminary Questions Emanating from Report on the Auditor-General's Report on the Financial Statements and Performance Information of the Department of Roads and Transport for the Year Ended 31 March 2019 (DRT)	Department appeared before SCOPA and presented responses to all the Preliminary Questions posed by the Committee.	Yes.
SCOPA FIS	Focus Intervention Study (FIS) Questionnaire for the Department of Roads and Transport, g-FleeT Management and Gautrain Management Agency	The MEC is requested to provide the following information to SCOPA as it relates to the unauthorized expenditure, irregular expenditure as well as fruitless and wasteful Expenditure: 1. Provide the Department's (and its entities where applicable) detailed trend analysis of the findings by the Auditor General of South Africa (AGSA) on the listed expenditure management areas. The trend analysis must be based on the audit outcomes of the period of the 5th Term, i.e. the 5 Financial Years of 2014/15 to 2018/19. 2. Provide a list of what has been established as the root causes for such findings. 3. Provide details of measures the department (and entities) has taken in that period (2014/15 to 2018/19) to address such root causes. Also indicate the impact of each intervention over the period. 4. Provide the list of the findings which are recurring as per the 2018/19 audit, and proposed intervention plan the department (and entities) has adopted in the current financial year (2019/20) to address recurrences.	The Department and its entities submitted detailed reports in line with the FIS Questionnaire requirements.	Yes.

9. INTERNAL CONTROL UNIT

- In accordance with the requirements of the PFMA, 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 the 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 to prioritise high risk and ensure adequate controls are designed and are tested on regular basis for effectiveness.
- All planned internal audits were completed during the year under review.
- Administrative policies were reviewed, approved and communicated.
- Quarter audit reports were presented to the audit committee for independent oversight.
- Risk management action plans were closely monitored for implementation.

10.
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 by 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; and
- Computer Audit.
- Information Technology Risk Assessment.

Specify summary of audit work done

- Thirteen (13) Risk, Compliance, Performance and Computer audits.
  During the last quarter of the 2019/2020 financial year, 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 2020

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

Name	Qualifications	Internal or external member	If an internal, position in the department	Date appointed	Date resigned	No of meetings attended
Stanley Ngobeni	• Africa's Directors Programme • Master of Business Administration • Master of Commerce in International and Domestic Taxation • B. Accounting Science (Hons) • B. Com- Accounting • Higher Diploma in Computer Auditing • Registered Government Auditor (SA) • Professional Accountant (SA) • Professional Internal Auditor (SA)	External	-	01 March 2019	Current	4
George Higgins	• Chartered Accountant (SA) • B. Com (Hons) • B. Com • Higher Diploma in Auditing • Registered Auditor	External	-	01 September 2016	Current	5
Given Sibiya	• Chartered Accountant (SA) • B. Com • B. Acc • Postgraduate Diploma in Accountancy • Certificate in the Theory and Practice of Auditing • ABASA Executive leadership development programme	External	-	01 March 2019	Current	4

11.
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
N/A	N/A	N/A

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 2020.

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 (AGSA) Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings attended
Mr. Stanley Ngobeni (Chairperson)	04 (Appointed 01 March 2018)
Mr. Vishnu Naicker (Chairperson)	01 (Appointed 11 August 2020)
Mr. George Higgins	05 (Appointed 01 September 2016)
Ms. Given Sibiya	04 (Appointed 01 March 2018-term expired)
Ms. Mmathebe Moja	01 (Appointed 11 August 2020)

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. Makhukhu Mampuru (Accounting Officer)	04
Mr. Sanele Zondo (Chief Financial Officer)	03
Mr. Lesibana Fosu (Acting Chief Financial Officer)	01
Ms. Delicia Kgage (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	05

The Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter.

The members of the audit committee held meetings with the accounting officer, senior management of the Department, internal audit function and the Auditor-General of South Africa (AGSA) collectively and individually, on matters related to governance, internal control and risk in the Department, throughout the reporting period. The Chairperson also held a meeting with the honourable member of the executive committee MEC Mr. J Mamabolo to report on governance, internal control, risk, performance and financial information and other relevant matters concerning the Department.

Events after the reporting date

The Covid19 pandemic impacted on the audit committee's operations after the financial year-end of 31 March 2020. Social distancing, lockdown regulations together with the amended legislative timeframes for annual report submission impacted the operations of the audit committee, internal audit and external audit on the timeframes when annual financial statements and annual performance information would be prepared by the departments, desk reviewed by the Office of the Provincial Accountant-General and audited by the AGSA.

The audit committee welcomed initiatives by the Department, internal audit, external audit and audit committee members assisted by Gauteng Provincial Treasury to go digital to continue with the compilation of the annual report, desk reviews, audit processes and oversight responsibilities.

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 audit committee acknowledges management's efforts to strengthen internal controls in the Department. From the various reports of the internal auditors, management and audit reports of the Auditor General of South Africa, it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to financial reporting, asset management, reporting on pre-determined objectives and compliance with laws and regulations and in some cases resulted on repeat findings.

In some instances, the system on internal control for the period under review was found to be adequate but ineffective and there is room for improvement in so far as addressing internal audit findings timeously and implementation of consequence management. Some of the issues/concerns raised by Internal Audit during the year were raised by the AGSA, The Audit Committee is of the view that management should continue strengthening the internal control environment with the development and implementation of systems across the internal control universe. Management should also improve its financial reporting controls to ensure that risks of material misstatement to the financial statements are minimised.

Information and Communication Technology (ICT) Governance

The Department made some progress in implementing the recommendations from 2018/19. The Audit Committee notes the Auditor-General and Internal Audit report around ICT governance, business continuity duplicate user accounts on the e-NaTIS application. The Department has been instructed to ensure that significant attention is allocated to resolving these deficiencies 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.

The Internal Audit team managed to execute and complete substantial original approved risk-based audit projects within the allocated budget hours and time-frames. The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits. The coordination of efforts between internal audit and AGSA have been enhanced further during the year in the provision of assurance services. The Committee believes this is an important step towards a fully effective combined assurance system.

It was noted that 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

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee is of the opinion that the department's risk management maturity state has advanced to an intermediary level with further identified aspects of its risk management strategy still to be implemented. Management should continue to take full responsibility for the entire Enterprise Risk Management Process and

continue to support the Chief Risk Officer to even further enhance the performance of the Department. The Audit Committee would like to see the continued improvement in the maturity of risk management.

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 Audit Committee revealed a need to strengthen 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

A number of non-compliance with the enabling laws and regulations were noted by the Audit Committee, Management, Internal Audit and AGSA during the year. As result, the Audit Committee recommended the development and implementation of an effective compliance management system with an objective of addressing the issues of non-compliance with laws and regulations.

Forensic Investigations

Investigations into alleged financial irregularities, financial misconduct and fraud were completed during the year under review. Certain investigations are still in the process of finalisation. Various measures were recommended including taking action against the identified officials and this was in the process of finalisation. The recommendations are at various stages of implementation.

Evaluation of Annual Financial Statements

The Audit Committee undertook the following activities related to Annual Financial Statements:

- Audit Committee reviewed the draft annual financial statements prepared by the Department before the submission of the annual financial statements to the external auditors for audit the audit committee meeting held on 19 June 2020 and recommended them for audit.
- Audit Committee reviewed the draft annual financial statements prepared by the Department before the submission of the annual financial statements to the external auditors for audit the audit committee meeting held on 19 June 2020 and recommended them for audit.
- Reviewed and discussed the following matters relating to the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer:
    - » Significant financial reporting judgements and estimates contained in the annual financial statements.
    - » Clarity and completeness of disclosures and whether disclosures made have been set properly in context.
    - » Quality and acceptability of, and any changes in, accounting policies and practices.
    - » Compliance with the Modified Cash Standard and the PFMA requirements.
    - » Significant adjustments and/or unadjusted differences resulting from the audit.
    - » Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted.
    - » Reasons for budget variations
    - » Reasons for major year-on-year fluctuations.
    - » Asset valuations and revaluations.
    - » Calculation and levels of general and specific provisions.
    - » The basis for the going concern assumption, including any financial sustainability risks and issues.

- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee notes the finding regarding the material adjustment related to the treatment of Irregular Expenditure and Fruitless and Wasteful Expenditure to the annual financial statements and accepts that the disclosure is appropriate.

The Audit Committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

Evaluation of the Annual Report

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

- Audit Committee evaluated the final draft Annual Report (including performance report) the audit committee meeting held on 16th October 2020 and noted the achievement for the year under review and recommended it.

Audit Improvement Plan for 2018/19

The Audit Committee reviewed and monitored the implementation of prior year audit findings on quarterly basis . It is the view of the Audit Committee that there is a room for improvement in this regard in so far as timeous implementation and resolving findings by the external auditors as well as addressing the root-causes relating to the weakness identified by the external auditors. The Audit Improvement plan for 2019/2020 will be monitored from on a quarterly basis from Q2.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to address unresolved issues.

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 Audit Committee strongly recommends that the department should prioritise root-cause identification and analysis, implementation of consequence management, and regular monitoring of the audit action plans for both internal and external audit in order to achieve the required effectiveness in governance, accountability and clean administration.

Furthermore, The Audit Committee is encouraged and appreciates an improvement in the communication between the Accounting Officer, Senior Management, the AGSA and the Internal Audit which if continued can strengthen the Corporate Governance initiatives within the Department.



.....

Mr Vishnu Naicker

Chairperson of the Audit Committee

Johannesburg

16 October 2020





PART D
HUMAN RESOURCE **MANAGEMENT**

1. INTRODUCTION

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

2. OVERVIEW OF **HUMAN RESOURCES**

Organisational Structure Review

In the new administration 2020/2025, the Gauteng Department of Roads and Transport will embark on an organisational restructuring process to align the Structure to the organisational five-year strategy. This will enable the Department to acquire the key competencies and capabilities firstly to contribute to the priorities of the National and Provincial Government, secondly, to deliver on its mandate and finally to ensure effective and efficient service delivery to the people of Gauteng.

The restructuring process is informed by the Public Service Regulation 2016 as prescribed and the manifesto of the new administration. . The restructuring process commenced in the financial year 2019 and is envisaged to be completed by the end of the financial year 2020/2021.

The Department's restructuring process will focus on the following critical areas: the Organisational Operational Model, complemented by the Service Delivery Model to optimise operational effectiveness and efficiencies. The work-study review will update job profiles and grades which will contribute to labour peace between employer and organised labour and respond to the call from the National Government for an efficient and capable public service. This will be completed in the financial year 2020/21.

The restructuring advocacy process will be facilitated by a change management plan which will incorporate elements of roadshows, smart platform communications, Departmental engagements with labour and relevant stakeholders to support a smooth transition. The critical elements of engagements reorganised structure, Service Delivery Model, business processes will be completed by the end of 2020/21. Once the approval from the Minister of Public Service on the restructured organisational organogram is received, the filling of identified, critical posts will be undertaken.

Aligned to the reorganised structure is the re-engineering of the business process by 2023 which will expedite the Department's integration of an e-services platform for administrative functions and front-line services functions by 2025.

COVID-19 Compliant Workplace Readiness and Workforce Re-Integration Solutions

The Department recognizes that every person has the right to a safe and healthy working environment. In an endeavour to ensure a healthy and safe working environment, the Department continuously monitored the implementation of Safety, Health, Environment, Risk and Quality (SHERQ) which is an integrated management system of Occupational Health and Safety, Environmental Management, Risk Management and Quality

Management. Its sole purpose is to strengthen ownership, accountability, improve transparency and measurement of Programme achievement, strengthen resource mobilization, improve implementation and enhance performance.

COVID -19 required the Department to provide and maintain a working environment that is safe and without risk to health and safety of employees, clients and visitors. The Department identified hazards and risks which could adversely affect the health and safety of its employees. Therefore, it put control measures in place to mitigate and eliminate identified risks, provided information, training on SHERQ management issues and the issuance of Personal Protective Equipment (PPE) to employees. Standard Operating Procedures (SOP's) were developed to conduct COVID-19 screening, testing and medical surveillance, occupational hygiene surveys and audits.

Revised Gauteng Provincial Government Policy on the Performance Management and Development Systems (PMDS)

The Gauteng Provincial Government approved the new policy on Performance Management and Development System for Employees on salary level 1-12 on the 8th March 2019 and requested Departments to ensure the implementation of the policy with effect from1 April 2019.

To ensure the implementation of the policy, the Department conducted awareness sessions for GDRT and g-FleeT employees on levels 1-12, includlng coordinators. To strengthen the awareness sessions and assist with the understanding and application of the new policy, formal training by the National School of Government was conducted. The training was aimed at clarifying the roles and responsibilities of the Department with the focus on the following:

- Improve individual performance;
- Promote accountability;
- Ensure transparency;
- Emphasize and support developmental areas; and
- Identify performance gaps.

The new PMDS policy was implemented with the new procedures and documentation across all employee levels.

Human Capital Development

To develop and capacitate Departmental employees with identified skills in various training programmes, **1, 393** employees were trained. The various training conducted related to Occupational, Health and Safety, Ethics Management, Transport, Roads and Administration Capacity Building.

Employee and Organisational Wellness:

- **Occupational Health and Safety (OHS)**

  The Department has appointed some employees as Safety, Health and Environment (SHE) representatives in line with OHS requirements. The following training was the said officials were offered an opportunity to be trained in Hazard Identification Risk Assessment (HIRA), Accident investigation, Fire fighting, First Aid, Emergency preparedness, Occupational Health and Safety training for Supervisors, ISO 9001: 2015 Quality Management System, ISO 14001: 2015 Environmental Management System and ISO 45001 Occupational Health and Safety.

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

    The Department co-ordinated the following SHERQ training:
    - » g-FleeT Bedfordview office;
    - » Randfontein TOLAB;
    - » Koedoespoort Laboratory; and
    - » Temba DLTC.

  - **SHERQ Audits and Inspections**

    The Department has conducted SHERQ audit and site inspections in the following offices:
    - » g-FleeT (Ipeleng and Koedoespoort Offices)
    - » Mabopane DLTC
    - » Temba DLTC
    - » Randfontein TOLAB
    - » Koedoespoort Laboratory section
    - » Koedoespoort Calibration plant section

  - **GAS AUDIT**

    The GAS audit was conducted and the following departmental sites were sampled for inspection:
    - » Heidelberg Regional Office
    - » Vereeniging Regional Office
    - » Randfontein TOLAB
    - » Kliptown DLTC
    - » Xavier DLTC
    - » Derek Masoek

- **Financial Wellness Management**

  A total number of forty-one (41) DRT employees were trained on Financial Wellness by the National Credit Regulator (NCR), the Credit Ombudsman and Ombudsman for the Medical Aid Scheme. Financial literacy workshops were also conducted in two (2) regions, Vereeniging and Krugersdorp.

- **Health screening conducted**

  The Department has conducted health screenings to assist employees with access to basic health care in the following regions:

  - » Xavier; DLTC
  - » Head Office; Regional office
  - » Vereeniging; Regional office
  - » g-FleeT Bedfordview office
  - » Diagonal Street
  - » Heidelburg Regional office
  - » Benoni and Regional office
  - » Bronkhorspruit Region office

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

TABLE 3.1.1 PERSONNEL EXPENDITURE BY PROGRAMME FOR THE PERIOD 1 APRIL2019 AND 31 MARCH 2020

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)
Administration	334,184.00	181 ,839.00	0.00	0.00	54.40%	427,00
Gautrain	2,153,314.00	0.00	0.00	0.00	0.00%	0.00
Transport Infrastructure	2,159,347.00	279,580.00	0.00	0.00	12.90%	344,00
Transport Operations	2,226,733.00	26,654.00	0.00	0.00	1.20%	485,00
Transport Regulation	289,315.00	185,799.00	0.00	0.00	64.20%	340,00
Total as on Financial Systems (BAS)	**7,162,893.00**	**673,872.00**	**0.00**	**0.00**	**9.40%**	**366,00**

TABLE 3.1.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary Band	Personnel Expenditure (R'000)	% of Total Personnel Cost	No. of Employees	Average Personnel Cost Per Employee (R'000)
Lower skilled (Levels 1-2)	36,092.00	5.20%	204	176,922.00
Skilled (Levels 3-5)	166,770.00	24.10%	642	256,766.00
Highly skilled production (Levels 6-8)	225,708.00	32.60%	543	415,669.00
Highly skilled supervision (Levels 9-12)	156,589.00	22.90%	211	751,607.00
Senior management (Levels 13-16)	56,527.00	8.20%	42	1,345,881.00
Contract (Levels 3-5)	406.00	0.10%	1	406.00
Contract (Levels 6-8)	5,912.00	0.90%	15	394,133.00
Contract (Levels 9-12)	11,070.00	1.60%	17	651,176.00
Contract (Levels >= 13)	1,672.00	0.20%	2	836,000.00
Periodical Remuneration	8,279.00	1.20%	29	285,483.00
Abnormal Appointment	9,945.00	1.40%	134	74,216.00
Total	**680,972.00**	**98.40**	**1 840.00**	**370,093.00**

TABLE 3.1.3 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total Personnel Cost per Salary Band (R'000)
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs	
Administration	199,100.00	250.60%	738.00	0.30%	9,048.00	13.90%	12,150.00	10.20%	245,836.00
Transport Infrastructure	322,267.00	315.70%	438.00	0.20%	18,755.00	15.40%	27,556.00	19.80%	418,833.00
Transport Operations	21,152.00	79.60%	0.00	0.00%	755.00	2.80%	1,564.00	5.90%	26,587.00
Transport Regulation	751.00	72.10%	0.00	0.00%	187.00	18.00%	15.00	1.40%	1,041.00
TOTAL	**543,269.00**	**78.50%**	**1,176.00**	**0.20%**	**28,743.00**	**4.20%**	**41,284.00**	**6.00%**	**692,297.00**

TABLE 3.1.4 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total Personnel Cost per Salary Band (R'000)
	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)	25,090.00	68.00%	28.00	0.10%	3,717.00	10.10%	4,244.00	11.50%	36 783,00
Skilled (Levels 3-5)	123,274.00	72.90%	411.00	0.20%	10,529.00	6.20%	16,442.00	9.70%	169 054,00
Highly skilled production (Levels 6-8)	178,664.00	78.60%	549.00	0.20%	8,286.00	3.60%	15,221.00	6.70%	227 178,00
Highly skilled supervision (Levels 9-12)	133,740.00	81.80%	188.00	10.00%	4,393.00	2.70%	4,263.00	2.60%	163 493,00
Senior management (Levels 13-16)	48,098.00	83.40%	0.00	0.00%	1,283.00	2.20%	699.00	1.20%	57 670,00
Contract (Levels 3-5)	362.00	89.20%	0.00	0.00%	0.00	0.00%	0.00	0.00%	406,00
Contract (Levels 6-8)	4,738.00	76.50%	0.00	0.00%	187.00	3.00%	269.00	4.60%	6 195,00
Contract (Levels 9-12)	9,833.00	85.50%	0.00	0.00%	289.00	2.50%	58.00	0.50%	11 497,00
Contract (Levels >= 13)	1,347.00	78.00%	0.00	0.00%	60.00	3.50%	87.00	5.00%	1,726.00
Periodical Remuneration	8,279.00	99.20%	0.00	0.00%	0.00	0.00%	0.00	0.00%	8,349.00
Abnormal Appointment	9,945.00	100.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	9,945.00
Total	**543,269.00**	**78.50%**	**1,176.00**	**0.20%**	**28,743.00**	**4.20%**	**41,284.00**	**6.00%**	**692,297.00**

3.2 Employment and Vacancies

TABLE 3.2.1 EMPLOYMENT AND VACANCIES BY PROGRAMME AS ON 31 MARCH 2020

Programme	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	537,00	412,00	23,00	0,00
02 Skilled (Levels 3-5), Permanent	563,00	464,00	18,00	0,00
03 Highly Skilled Production (Levels 6-8), Permanent	754,00	573,00	24,00	16,00
04 Highly Skilled Supervision (Levels 9-12), Permanent	304,00	185,00	39,00	17,00
05 Senior Management (Levels >= 13), Permanent	49,00	40,00	18,00	0,00
11 Contract (Levels 3-5), Permanent	0,00	0,00	0,00	0,00
12 Contract (Levels 6-8), Permanent	16,00	16,00	0,00	16,00
13 Contract (Levels 9-12), Permanent	17,00	17,00	0,00	17,00
14 Contract (Levels >= 13), Permanent	0,00	0,00	0,00	0,00
Total	2 240,00	1 674,00	25,00	33,00

TABLE 3.2.2 EMPLOYMENT AND VACANCIES BY SALARY BAND AS ON 31 MARCH 2020

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), Permanent	537,00	412,00	23,00	0,00
Skilled (Levels 3-5), Permanent	563,00	464,00	18,00	0,00
Highly skilled production (Levels 6-8), Permanent	770,00	573,00	26,00	16,00
Highly skilled supervision (Levels 9-12), Permanent	321,00	185,00	42,00	17,00
Senior management (Levels 13-16), Permanent	49,00	40,00	18,00	0,00
Total	2 240,00	1674,00	25,00	33,00

TABLE 3.2.3 EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS AS ON 31 MARCH 2020

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	17.00	11.00	35.30	0.00
All Artisans In The Building Metal Machinery Etc., Permanent	2.00	2.00	0.00	0.00
Artisan Project And Related Superintendents, Permanent	6.00	0.00	100.00	0.00
Building And Other Property Caretakers, Permanent	1.00	1.00	0.00	0.00
Bus And Heavy Vehicle Drivers, Permanent	1.00	1.00	0.00	0.00
Cleaners In Offices Workshops Hospitals Etc., Permanent	5.00	3.00	40.00	0.00
Client Inform Clerks (Switchb Recept Inform Clerks), Permanent	2.00	1.00	50.00	0.00
Communication And Information Related, Permanent	3.00	3.00	0.00	0.00
Computer Programmers., Permanent	2.00	1.00	50.00	0.00
Computer System Designers And Analysts., Permanent	5.00	0.00	100.00	0.00
Finance And Economics Related, Permanent	5.00	3.00	40.00	0.00
Financial And Related Professionals, Permanent	4.00	4.00	0.00	0.00
Financial Clerks And Credit Controllers, Permanent	8.00	8.00	0.00	0.00
Human Resources & Organisat Developm & Relate Prof, Permanent	4.00	3.00	25.00	0.00
Human Resources Clerks, Permanent	5.00	5.00	0.00	0.00
Human Resources Related, Permanent	12.00	8.00	33.30	0.00
Information Technology Related, Permanent	1.00	1.00	0.00	0.00
Legal Related, Permanent	3.00	0.00	100.00	0.00
Library Mail And Related Clerks, Permanent	4.00	3.00	25.00	0.00
Light Vehicle Drivers, Permanent	22.00	12.00	45.50	0.00
Material-Recording And Transport Clerks, Permanent	1.00	1.00	0.00	0.00
Messengers Porters And Deliverers, Permanent	3.00	2.00	33.30	0.00
Motor Vehicle Drivers, Permanent	1.00	1.00	0.00	0.00
Other Administrative & Related Clerks And Organisers, Permanent	104.00	83.00	20.20	0.00
Other Administrative Policy And Related Officers, Permanent	18.00	13.00	27.80	0.00
Other Occupations, Permanent	2.00	2.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks, Permanent	12.00	10.00	16.70	0.00
Senior Managers, Permanent	8.00	3.00	62.50	0.00
Trade Labourers, Permanent	14.00	14.00	0.00	0.00
Total	**275.00**	**199.00**	**27.60**	**0.00**

3.3 Filling of SMS Posts

TABLE 3.3.1 SMS POST INFORMATION AS ON 31 MARCH 2020

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 Depart-ment	1	0	0	1	100
Salary Level 16 (MEC)	1	1	100	0	0
Salary Level 15	4	2	50	2	50
Salary Level 14	10	7	70	3	30
Salary Level 13	33	30	91	3	9
Total	49	40	82	9	18

TABLE 3.3.2 SMS POST INFORMATION AS ON 30 SEPTEMBER 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts, vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16 (MEC)	1	1	100	0	0
Salary Level 15	4	3	75	1	25
Salary Level 14	9	7	78	2	22
Salary Level 13	3	28	90	3	10
Total	48	40	87	6	13

TABLE 3.3.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	0	0
Salary Level 16 (MEC)	1	1	100	0	100
Salary Level 15	4	2	100	2	100
Salary Level 14	10	7	70	3	30
Salary Level 13	33	30	91	3	9
Total	49	40	82	9	18

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 2019 AND 31 MARCH 2020

Reasons for vacancies not advertised within six months
The Department is currently in the process of restructuring and realigning its organisational structure

Reasons for vacancies not filled within six months
The Department is currently in the process of restructuring and realigning its Organisational structure. Once the structure is finalized, all critical posts will be filled through the recruitment process.

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 2019 AND 31 MARCH 2020

Reasons for vacancies not advertised within six months
The Department is currently in the process of restructuring and realigning its Organisational structure. Once the structure is finalized, all critical posts will be filled through the recruitment process.

Reasons for vacancies not advertised within six months
The Department is currently in the process of restructuring and realigning its Organisational structure. Once the structure is finalized, all critical posts will be filled through the recruitment process.

3.4 Job Evaluation

TABLE 3.4.1 JOB EVALUATION BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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)	537,00	0,00	0,00	0,00	0,00	0,00	0,00
Skilled (Levels 3-5)	563,00	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled production (Levels 6-8)	770,00	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled supervision (Levels 9-12)	321,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band A	33,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band B	10,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band C	4,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band D	2,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	**2 240,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

TABLE 3.4.2 PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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
Total	0,00	0,00	0,00	0,00	0,00

Employees with a disability	**0.00**	**0.00**	**0.00**	**0.00**	**0,00**

TABLE 3.4.3 EMPLOYEES WITH SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION BY OCCUPATION FOR THE PERIOD 1 APRIL 2018 AND 31 MARCH 2019

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0.00	0.00	0.00	0.00
Total number of employees whose salaries exceeded the level determined by job evaluation				**0.00**
Percentage of total employed				**0.00**

TABLE 3.4.4 PROFILE OF EMPLOYEES WHO HAVE SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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
Total	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

Employees with a disability					0,00

Notes

Total number of Employees whose salaries exceeded the grades determine by job evaluation	0,00

3.5 Employment Changes

TABLE 3.5.1 ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary band	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2), Permanent	205.00	0.00	3.00	1.50
Skilled (Levels 3-5), Permanent	677.00	7.00	38.00	5.60
Highly skilled production (Levels 6-8), Permanent	562.00	12.00	22.00	3.90
Highly skilled supervision (Levels 9-12), Permanent	215.00	5.00	8.00	3.70
Senior Management Service Band A, Permanent	32.00	0.00	0.00	0.00
Senior Management Service Band B, Permanent	7.00	0.00	1.00	14.30
Senior Management Service Band C, Permanent	3.00	0.00	0.00	0.00
Senior Management Service Band D, Permanent	1.00	0.00	1.00	100.00
Contract (Levels 3-5) Permanent	2.00	2.00	3.00	150.00
Contract (Levels 6-8) Permanent	16.00	4.00	5.00	31.30
Contract (Levels 9-12) Permanent	13.00	8.00	4.00	30.80
Total	**1,733.00**	**40.00**	**85.00**	**4.90**

TABLE 3.5.2 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Critical occupation	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	168.00	10.00	6.00	3.60
All Artisans In The Building Metal Machinery Etc. Permanent	11.00	0.00	1.00	9.10
Artisan Project And Related Superintendents Permanent	21.00	5.00	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	38.00	0.00	0.00	0.00
Building And Other Property Caretakers Permanent	4.00	0.00	0.00	0.00
Bus And Heavy Vehicle Drivers Permanent	7.00	0.00	1.00	14.30
Cartographers And Surveyors Permanent	2.00	0.00	0.00	0.00
Cartographic Surveying And Related Technicians Permanent	1.00	0.00	0.00	0.00
Civil Engineering Technicians Permanent	2.00	0.00	0.00	0.00
Cleaners In Offices Workshops Hospitals Etc. Permanent	88.00	1.00	1.00	1.10
Client Inform Clerks(Switchb Recept Inform Clerks) Permanent	5.00	1.00	2.00	40.00
Communication And Information Related Permanent	3.00	0.00	0.00	0.00
Computer System Designers And Analysts. Permanent	6.00	0.00	0.00	0.00
Economists Permanent	2.00	0.00	1.00	50.00
Engineering Sciences Related Permanent	25.00	0.00	2.00	8.00
Engineers And Related Professionals Permanent	60.00	2.00	5.00	8.30
Finance And Economics Related Permanent	18.00	0.00	1.00	5.60
Financial And Related Professionals Permanent	9.00	0.00	0.00	0.00
Financial Clerks And Credit Controllers Permanent	45.00	7.00	1.00	2.20
General Legal Administration & Rel. Professionals Permanent	2.00	0.00	0.00	0.00
Head Of Department/Chief Executive Officer Permanent	36.00	1.00	1.00	2.80
Human Resources & Organisat Developm & Relate Prof Permanent	18.00	1.00	0.00	0.00
Human Resources Clerks Permanent	17.00	1.00	0.00	0.00
Human Resources Related Permanent	1.00	0.00	0.00	0.00
Identification Experts Permanent	4.00	0.00	0.00	0.00

Critical occupation	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Information Technology Related Permanent	1.00	0.00	0.00	0.00
Language Practitioners Interpreters & Other Commun Permanent	5.00	0.00	1.00	20.00
Legal Related Permanent	14.00	2.00	2.00	14.30
Library Mail And Related Clerks Permanent	5.00	0.00	1.00	20.00
Light Vehicle Drivers Permanent	2.00	0.00	0.00	0.00
Logistical Support Personnel Permanent	16.00	0.00	1.00	6.30
Material-Recording And Transport Clerks Permanent	25.00	0.00	2.00	8.00
Messengers Porters And Deliverers Permanent	3.00	0.00	0.00	0.00
Motor Vehicle Drivers Permanent	325.00	2.00	11.00	3.40
Other Administrat & Related Clerks And Organisers Permanent	163.00	4.00	6.00	3.70
Other Administrative Policy And Related Officers Permanent	21.00	0.00	1.00	4.80
Other Information Technology Personnel. Permanent	57.00	0.00	6.00	10.50
Other Occupations Permanent	1.00	0.00	0.00	0.00
Photographic Lithographic And Related Workers Permanent	1.00	0.00	0.00	0.00
Printing And Related Machine Operators Permanent	1.00	0.00	0.00	0.00
Quantity Surveyors & Rela Prof Not Class Elsewhere Permanent	8.00	0.00	0.00	0.00
Road Superintendents Permanent	11.00	0.00	0.00	0.00
Road Trade Workers. Permanent	362.00	0.00	24.00	6.60
Road Workers Permanent	49.00	1.00	4.00	8.20
Secretaries & Other Keyboard Operating Clerks Permanent	1.00	0.00	0.00	0.00
Security Guards Permanent	29.00	2.00	1.00	3.40
Senior Managers Permanent	3.00	0.00	0.00	0.00
Statisticians And Related Professionals Permanent	18.00	0.00	1.00	5.60
Trade Labourers Permanent	5.00	0.00	1.00	20.00
Trade Related Permanent	2.00	0.00	0.00	0.00
Water Plant And Related Operators Permanent	9.00	0.00	1.00	11.10
Total	1,733.00	40.00	85.00	4.90

TABLE 3.5.3 REASONS WHY STAFF LEFT THE DEPARTMENT FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Termination Type	Number	% of Total Resignations
Death	16.00	18.60
Resignation	28.00	32.56
Expiry of contract	13.00	15.12
Dismissal, misconduct,– operational changes	5.00	5.81
Discharged due to ill-health	2.00	2.33
Retirement	21.00	24.42
Transfer to other Public Service Departments	1.00	1.16
Other	0.00	0.00
Total	**86.00**	**4.9%**
Total number of employees who left as a % of total employment	**4.9%**	

TABLE 3.5.4 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Occupation	Employees 1 April 2019	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	168.00	0.00	0.00	136.00	80.95%
All Artisans In The Building Metal Machinery Etc.	11.00	0.00	0.00	2.00	18.18%
Artisan Project And Related Superintendents	21.00	0.00	0.00	16.00	76.20
Attorneys	2.00	0.00	0.00	1.00	50.00
Authors Journalists And Other Writers	1.00	0.00	0.00	1.00	100.00
Auxiliary And Related Workers	38.00	0.00	0.00	36.00	94.70
Building And Other Property Caretakers	4.00	0.00	0.00	4.00	100.00
Bus And Heavy Vehicle Drivers	7.00	0.00	0.00	2.00	28.60
Cartographers And Surveyors	2.00	0.00	0.00	2.00	100.00
Cartographic Surveying And Related Technicians	1.00	0.00	0.00	1.00	100.00
Civil Engineering Technicians	2.00	0.00	0.00	1.00	50.00
Cleaners In Offices Workshops Hospitals Etc.	88.00	0.00	0.00	83.00	94.30
Client Inform Clerks(Switchb Recept Inform Clerks)	5.00	0.00	0.00	4.00	80.00
Communication And Information Related	3.00	0.00	0.00	3.00	100.00
Computer System Designers And Analysts.	6.00	0.00	0.00	6.00	100.00
Economists	2.00	0.00	0.00	2.00	100.00
Engineering Sciences Related	25.00	0.00	0.00	10.00	40.00
Engineers And Related Professionals	60.00	0.00	0.00	25.00	41.70
Finance And Economics Related	18.00	0.00	0.00	15.00	83.30
Financial And Related Professionals	9.00	0.00	0.00	8.00	88.90
Financial Clerks And Credit Controllers	45.00	0.00	0.00	29.00	64.40
General Legal Administration & Rel. Professionals	2.00	0.00	0.00	0.00	0.00
Human Resources & Organisat Developm & Relate Prof	36.00	0.00	0.00	31.00	86.10
Human Resources Clerks	18.00	0.00	0.00	13.00	72.20
Human Resources Related	17.00	0.00	0.00	14.00	82.40
Identification Experts	1.00	0.00	0.00	0.00	0.00
Language Practitioners Interpreters & Other Commun	1.00	0.00	0.00	0.00	0.00
Information Technology Related	4.00	0.00	0.00	3.00	75.00
Legal Related	5.00	0.00	0.00	3.00	60.00
Library Mail And Related Clerks	14.00	0.00	0.00	13.00	92.90
Light Vehicle Drivers	5.00	0.00	0.00	4.00	80.00
Logistical Support Personnel	2.00	0.00	0.00	2.00	100.00
Material-Recording And Transport Clerks	16.00	0.00	0.00	10.00	62.50

Messengers Porters And Deliverers	25.00	0.00	0.00	22.00	88.00
Motor Vehicle Drivers	3.00	0.00	0.00	2.00	66.70
Other Administrative & Related Clerks And Organisers	325.00	0.00	0.00	251.00	77.20
Other Administrative Policy And Related Officers	163.00	3.00	1.80	120.00	73.60
Other Occupations	57.00	0.00	0.00	46.00	80.70
Other Information Technology Personnel.	21.00	0.00	0.00	20.00	95.20
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	1.00	100.00
Risk Management And Security Services	1.00	0.00	0.00	1.00	100.00
Road Superintendents	8.00	0.00	0.00	8.00	100.00
Road Trade Workers.	11.00	0.00	0.00	11.00	100.00
Road Workers	362.00	0.00	0.00	331.00	91.40
Secretaries & Other Keyboard Operating Clerks	49.00	0.00	0.00	39.00	79.60
Security Guards	1.00	0.00	0.00	1.00	100.00
Senior Managers	29.00	0.00	0.00	17.00	58.60
Statisticians And Related Professionals	3.00	0.00	0.00	3.00	100.00
Trade Labourers	18.00	0.00	0.00	15.00	83.30
Trade Related	5.00	0.00	0.00	4.00	80.00
Total	1,722.00	3.00	1.80	1,372.00	79.67%

TABLE 3.5.5 PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary Band	Employees 1 April 2019	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), Permanent	205.00	0.00	0.00	199.00	97.10%
Skilled (Levels 3-5), Permanent	677.00	0.00	0.00	565.00	83.50%
Highly skilled production (Levels 6-8), Permanent	562.00	3.00	0.50	426.00	75.80
Highly skilled supervision (Levels 9-12), Permanent	215.00	0.00	0.00	154.00	71.60
Senior management (Levels 13-16), Permanent	43.00	0.00	0.00	28.00	65.10
Contract (Levels 3-5), Permanent	2.00	0.00	0.00	0.00	0.00
Contract (Levels 6-8), Permanent	16.00	0.00	0.00	4.00	25.00
Contract (Levels 9-12), Permanent	13.00	0.00	0.00	4.00	30.80
Total	**1,733.00**	**3.00**	**0.20**	**1,380.00**	**79.60**

TABLE 3.6.1 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS ON 31 MARCH 2020

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	15	1	2	0	12	1	1	0	32
Professionals, Permanent	96	1	3	10	89	0	3	7	209
Technicians and associate professionals, Permanent	169	6	0	9	163	8	4	14	373
Clerks, Permanent	162	5	0	3	253	9	2	24	458
Service and sales workers, Permanent	1	0	1	0	0	0	0	0	2
Craft and related trades workers, Permanent	33	0	0	16	10	0	1	0	60
Plant and machine operators and assemblers, Permanent	21	0	0	0	0	0	0	0	21
Elementary occupations, Permanent	369	3	0	12	134	1	0	3	522
Total	866	16	6	50	661	19	11	48	1677
Employees with disabilities	4	1	0	1	2	0	0	0	8

TABLE 3.6.2 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS ON 31 MARCH 2020

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	3	0	0	0	0	1	0	0	4
Senior Management, Permanent	18	1	2	0	14	2	2	0	39
Professionally qualified and experienced specialists and mid-management, Permanent	92	5	3	20	94	1	3	10	229
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	213	4	1	21	275	9	4	31	558
Semi-skilled and discretionary decision making, Permanent	434	5	0	9	182	5	2	6	643
Unskilled and defined decision making, Permanent	106	1	0	0	96	1	0	1	1
Total	866	16	6	50	661	19	11	48	1677

TABLE 3.6.3 RECRUITMENT FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	2	1	0	0	2	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	0	0	0	8	0	0	0	12
Semi-skilled and discretionary decision making, Permanent	4	0	0	0	3	0	0	0	7
Contract (Senior Management), Permanent	2	0	0	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	6	1	0	0	1	0	0	0	8
Contract (Skilled technical), Permanent	1	0	1	0	2	0	0	0	4
Contract (Semi-skilled), Permanent	1	0	0	0	1	0	0	0	2
Total	20	2	1	0	17	0	0	0	40
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 3.6.4 PROMOTIONS FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

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	12	0	2	0	11	1	1	1	28
Professionally qualified and experienced specialists and mid-management	59	2	2	12	73	0	2	4	154
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	177	4	1	11	203	7	3	23	429
Semi-skilled and discretionary decision making	382	5	0	8	158	5	1	6	565
Unskilled and defined decision making	104	1	0	0	93	1	0	0	199
Contract (Professionally qualified), Permanent	2	0	0	0	1	0	0	1	4
Contract (Skilled technical), Permanent	2	0	0	0	2	0	0	0	4
Total	738	12	5	31	541	14	7	562	35
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 3.6.5 TERMINATIONS FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	1	0	0	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	4	0	0	3	1	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	2	12	0	0	2	22
Semi-skilled and discretionary decision making	32	0	0	3	3	0	0	0	38
Unskilled and defined decision making	3	0	0	0	0	0	0	0	3
Contract (Professionally qualified), Permanent	2	2	0	0	0	0	0	0	4
Contract (Skilled technical), Permanent	0	0	2	0	3	0	0	0	5
Contract (Semi-skilled), Permanent	1	0	0	0	2	0	0	0	3
Total	**49**	**2**	**3**	**8**	**21**	**0**	**0**	**2**	**85**
Employees with Disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

TABLE 3.6.5 TERMINATIONS FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	7	0	0	0	1	0	0	0	**8**

TABLE 3.6.7 SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	0	0	3	6	0	1	1	**16**
Professionals	3	0	0	0	0	2	0	0	**5**
Technicians and associate professionals	337	0	2	18	411	13	1	16	**798**
Clerks	39	0	0	1	52	13	0	0	**105**
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	37	1	0	0	22	0	0	0	**60**
Total	**421**	**1**	**2**	**22**	**491**	**28**	**2**	**17**	**984**
Employees with disabilities	**4**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**7**

3.7 Signing of Performance Agreements by SMS Members

TABLE 3.7.1 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS ON 31 MAY 2018 (ZANELE AND URSHLA)??

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed perfor-mance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	Acting HOD	0	0%
Salary Level 16	1			
Salary Level 15	5	3	2	98%
Salary Level 14	8	7	7	100%
Salary Level 13	33	35	34	98%
Total	**48**	**46**	**43**	**94%**

TABLE 3.7.2 REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MARCH 2020

Reasons
1 – Incapacity Leave 2 – Non-compliance

TABLE 3.7.3 DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS ON 31 MARCH 2020

Reasons
None (discrepancy with supervisor on the role of responsibilities)

3.8 Performance Rewards

TABLE 3.8.1 PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficia-ries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	526,00	659,00	79,80	3 868,14	7 354,00
African, Male	741,00	862,00	86,00	4 669,44	6 302,00
Asian, Female	5,00	11,00	45,50	58,18	11 635,00
Asian, Male	4,00	6,00	66,70	61,96	15 490,00
Coloured, Female	8,00	19,00	42,10	59,79	7 474,00
Coloured, Male	11,00	15,00	73,30	82,97	7 543,00
White, Female	31,00	48,00	64,60	267,17	8 618,00
White, Male	42,00	49,00	85,70	409,80	9 757,00
Employees with a disability	7,00	8,00	87,50	55,33	7 904,00
Total	**1 375,00**	**1 677,00**	**82,00**	**9 532,79**	**6 933,00**

TABLE 3.8.2 PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

Salary Band	Beneficiary Profile			Cost	
	Number of beneficia-ries	Number of employees	% of total within Sala-ry bands	Cost (R'000)	Average cost per employee
01 Lower Skilled (Levels 1-2)	199,00	204,00	97,50	702,39	3 530,00
02 Skilled (Levels 3-5)	561,00	642,00	87,40	3 039,62	5 418,00
03 Highly Skilled Production (Levels 6-8)	449,00	543,00	82,70	3 881,91	8 646,00
04 Highly Skilled Supervision (Levels 9-12)	157,00	211,00	74,40	1 838,08	11 708,00
11 Contract (Levels 3-5)	1,00	1,00	100,00	6,67	6 670,00
12 Contract (Levels 6-8)	5,00	15,00	33,30	39,66	7 931,00
13 Contract (Levels 9-12)	3,00	17,00	17,60	24,46	8 154,00
Total	**1 375,00**	**1 633,00**	**84,20**	**9 532,79**	**6 933,00**

TABLE 3.8.3 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average The average cost per employee
Financial Clerks And Credit Controllers	25,00	46,00	54,30	188,17	7 527,00
Human Resources Clerks	11,00	18,00	61,10	93,53	8 503,00
Messengers Porters And Deliverers	22,00	23,00	95,70	110,12	5 005,00
Human Resources & Organisat Developm & Relate Prof	28,00	36,00	77,80	278,48	9 946,00
All Artisans In The Building Metal Machinery Etc.	11,00	10,00	110,00	104,54	9 504,00
Risk Management And Security Services	1,00	1,00	100,00	13,26	13 265,00
Road Trade Workers.	11,00	11,00	100,00	78,04	7 095,00
Photographic Lithographic And Related Workers	0,00	1,00	0,00	0,00	0,00
Finance And Economics Related	12,00	17,00	70,60	130,79	10 899,00
Logistical Support Personnel	1,00	2,00	50,00	10,39	10 388,00
Other Administrat & Related Clerks And Organisers	225,00	314,00	71,70	1 533,39	6 815,00
Identification Experts	0,00	1,00	0,00	0,00	0,00
Auxiliary And Related Workers	38,00	38,00	100,00	217,02	5 711,00
Other Occupations	51,00	51,00	100,00	282,10	5 531,00
Legal Related	4,00	3,00	133,30	40,12	10 030,00
Financial And Related Professionals	9,00	9,00	100,00	89,32	9 925,00
Building And Other Property Caretakers	3,00	4,00	75,00	14,35	4 783,00
Water Plant And Related Operators	8,00	8,00	100,00	53,41	6 677,00
Architects Town And Traffic Planners	0,00	1,00	0,00	0,00	0,00
Administrative Related	121,00	171,00	70,80	1 119,78	9 254,00
Communication And Information Related	3,00	3,00	100,00	31,31	10 437,00
Secretaries & Other Keyboard Operating Clerks	36,00	46,00	78,30	272,25	7 563,00
Cleaners In Offices Workshops Hospitals Etc.	83,00	89,00	93,30	301,56	3 633,00
Library Mail And Related Clerks	11,00	14,00	78,60	77,29	7 026,00
Human Resources Related	14,00	18,00	77,80	169,41	12 101,00
Attorneys	2,00	2,00	100,00	43,84	21 918,00
Trade/Industry Advisers & Other Related Profession	0,00	2,00	0,00	0,00	0,00
Trade Labourers	17,00	17,00	100,00	81,34	4 785,00
Road Superintendents	8,00	8,00	100,00	77,48	9 685,00
Language Practitioners Interpreters & Other Commun	0,00	1,00	0,00	0,00	0,00
General Legal Administration & Rel. Professionals	1,00	1,00	100,00	13,36	13 357,00
Cartographic Surveying And Related Technicians	1,00	1,00	100,00	8,99	8 986,00
Civil Engineering Technicians	1,00	2,00	50,00	15,63	15 625,00
Road Workers	349,00	339,00	102,90	1 573,89	4 510,00
Material-Recording And Transport Clerks	14,00	15,00	93,30	112,15	8 011,00
Other Administrative Policy And Related Officers	131,00	159,00	82,40	1 197,36	9 140,00
Artisan Project And Related Superintendents	21,00	26,00	80,80	176,55	8 407,00
Statisticians And Related Professionals	2,00	3,00	66,70	19,00	9 500,00

Bus And Heavy Vehicle Drivers	6,00	6,00	100,00	29,33	4 889,00
Senior Managers	0,00	31,00	0,00	0,00	0,00
Client Inform Clerks(Switchb Recept Inform Clerks)	2,00	4,00	50,00	10,21	5 107,00
Computer System Designers And Analysts.	6,00	6,00	100,00	59,21	9 868,00
Authors Journalists And Other Writers	0,00	1,00	0,00	0,00	0,00
Economists	1,00	1,00	100,00	10,39	10 388,00
Engineers And Related Professionals	38,00	65,00	58,50	401,05	10 554,00
Cartographers And Surveyors	0,00	2,00	0,00	0,00	0,00
Trade Related	3,00	4,00	75,00	35,05	11 683,00
Other Information Technology Personnel.	21,00	20,00	105,00	193,94	9 235,00
Light Vehicle Drivers	5,00	4,00	125,00	29,30	5 860,00
Engineering Sciences Related	11,00	13,00	84,60	176,97	16 088,00
Motor Vehicle Drivers	3,00	3,00	100,00	19,77	6 591,00
Security Guards	1,00	1,00	100,00	4,78	4 783,00
Quantity Surveyors & Rela Prof Not Class Elsewhere	1,00	1,00	100,00	13,07	13 069,00
Information Technology Related	2,00	4,00	50,00	21,49	10 744,00
Total	**1 375,00**	**1 677,00**	**82,00**	**9 532,79**	**6 933,00**

TABLE 3.8.4 PERFORMANCE-RELATED REWARDS (CASH BONUS), BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2020

Salary Band	Beneficiary Profile			Cost			Total cost as a % of the total personnel expenditure
	Number of beneficia-ries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	0,00	35,00	0,00	0,00	0,00	0,00	0,00
Band B	0,00	7,00	0,00	0,00	0,00	0,00	0,00
Band C	0,00	3,00	0,00	0,00	0,00	0,00	0,00
Band D	0,00	1,00	0,00	0,00	0,00	0,00	0,00
Total	**0,00**	**46,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**

3.9 Foreign Workers

TABLE 3.9.1 FOREIGN WORKERS BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary Band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled production (Levels 6-8)	2,00	50,00	2,00	50,00	0,00	0,00
Highly skilled supervision (Levels 9-12)	1,00	25,00	1,00	25,00	0,00	0,00
Senior management (Levels 13-16)	1,00	25,00	1,00	25,00	0,00	0,00
Total	**4,00**	**100,00**	**4,00**	**100,00**	**0,00**	**0,00**

TABLE 3.9.2 FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Major Occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Elementary occupations	1,00	25,00	1,00	25,00	0,00	0,00
Professionals and managers	3,00	75,00	3,00	75,00	0,00	0,00
Total	**4,00**	**100,00**	**4,00**	**100,00**	**0,00**	**0,00**

3.10 Leave utilisation

TABLE 3.10.1 SICK LEAVE FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER 2019

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 skilled (Levels 1-2)	1 066,50	83,60	147,00	14,30	7,00	**575,00**
Skilled (Levels 3-5)	3 133,00	85,20	386,00	37,50	8,00	**2 657,00**
Highly skilled production (Levels 6-8)	2 752,00	74,90	345,00	33,50	8,00	**4 082,00**
Highly skilled supervision (Levels 9-12)	1 013,00	79,10	126,00	12,20	8,00	**2 759,00**
Senior management (Levels 13-16)	180,00	78,30	22,00	2,10	8,00	**817,00**
Contract (Levels 6-8)	3,00	66,70	2,00	0,20	2,00	**4,00**
Contract (Levels 9-12)	3,00	0,00	2,00	0,20	2,00	**9,00**
Total	**8 150,50**	**80,50**	**1 030,00**	**100,00**	**8,00**	**10 904,00**

TABLE 3.10.2 DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER 2019

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)	19	100	1	0	19	7
Skilled (Levels 3-5)	309	100	7	1	44	217
Highly skilled production (Levels 6-8)	143	100	6	1	24	227
Highly skilled supervision (Levels 9-12)	262	100	1	0	262	440
Senior management (Levels 13-16)	286	100	2	5	143	1274
Total	**1019**	**100**	**17**	**1**	**60**	**2165**

TABLE 3.10.3 ANNUAL LEAVE FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER 2019

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	4 106,92	206,00	20,00
Skilled (Levels 3-5)	14 257,00	689,00	21,00
Highly skilled production (Levels 6-8)	10 881,00	567,00	19,00
Highly skilled supervision (Levels 9-12)	4 532,00	219,00	21,00
Senior management (Levels 13-16)	935,00	44,00	21,00
Contract (Levels 3-5)	18,00	2,00	9,00
Contract (Levels 6-8)	184,00	17,00	11,00
Contract (Levels 9-12)	83,00	14,00	6,00
Contract (Levels 13-16)	14,00	3,00	5,00
Total	**35 010,92**	**1761**	**20,00**

TABLE 3.10.4 CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER 2019

Salary band	Total days of capped leave taken	Number of Employees using capped leave	The average number of days taken per employee	Average capped leave per employee as on 31 March 2020
Lower skilled (Levels 1-2)	0,00	0,00	0,00	0,00
Skilled (Levels 3-5)	23,00	11,00	2,00	34,00
Highly skilled production (Levels 6-8)	5,00	4,00	1,00	48,00
Highly skilled supervision (Levels 9-12)	22,00	3,00	7,00	39,00
Senior management (Levels 13-16)	0,00	0,00	0,00	37,00
Contract (Levels 3-5)	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	0,00	0,00	0,00	0,00
Contract (Levels 13-16)	0,00	0,00	0,00	0,0
Total	**50,00**	**18,00**	**3,00**	**38,00**

TABLE 3.10.5 LEAVE PAY-OUTS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2018/190 due to non-utilisation of leave for the previous cycle	0,00	0,00	0,00
Capped leave pay-outs on termination of service for 2017/18	3 098,00	35,00	88 ,00
Current leave pay-out on termination of service for 2017/18	2 182,00	69,00	31, 00
Total	**5 280,00**	**104,00**	**50,00**

3.11 HIV/AIDS & Health Promotion Programmes

TABLE 3.11.1 STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

Units / Categories of Employees Identified to be at High Risk of Contracting HIV & Related Diseases (if any)	Key Steps Taken to Reduce the Risk
Road Workers	Medical surveillance is conducted periodically

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		Mr Glad Taunyane
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		6 employees The Gauteng Department of Health provides funding for external HIV/AIDS programme and other departmental partners eg. Government Employee Medical Scheme (GEMS) provides HIV/AIDS testing, screening and counselling for employees
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		Safety, Health, Environment and Quality Management, Health and Productivity Management, HIV/AIDS, STI and TB Management, Wellness Management
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		Ms Dolly Letsholo- Derdepoort R/O Mr Elias Chuene- Benoni R/O Mr Jacob Nxumalo-Krugersdorp R/O Mr Johannes Radebe- Derdepoort R/O Ms Julia Khubeka Ms Michelle Nkosi- Heidelburg R/O Mr Tinyiko Shibambu- Krugersdorp R/O Ms Johanna Masia- Koedoespoort R/O Ms Violet Marumo- Zwartkop Training Center
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		Policy on HIV, AIDS, STI & TB was reviewed in this financial year
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		Employees have access to external and internal counselling services and no employee is forced to disclose their status. Health promotion campaign includes discussion on stigma and discrimination
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Voluntary Counselling and Testing was done in 9 worksites
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion Programme? If so, list these measures/indicators.	X		The Department conducts behaviour Risk Management survey once in 3 years

3.12 Labour Relations

TABLE 3.12.1 COLLECTIVE AGREEMENTS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Subject matter	Date
None	

Notes

Total number of Collective agreements	None

TABLE 3.12.2 MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Outcomes of disciplinary hearings	Number	% of the total
Correctional counselling		
Verbal warning		
Written warning	1	20%
Final written warning		
Suspended without pay		
Fine		
Demotion		
Dismissal	3	60%
Not guilty		
Cases withdrawn	1	20%
Total	**5**	**100%**

Notes

Total number of Disciplinary hearings finalised	**0**

TABLE 3.12.3 TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Type of misconduct	Number	% of the total
None		

TABLE 3.12.4 GRIEVANCES LOGGED FOR THE PERIOD 1 APRIL 2017 AND 31 MARCH 2018

Grievances	Number	% of Total
Number of grievances resolved	17	1
Number of grievances not resolved	3	0
Total number of grievances lodged	20	-

TABLE 3.12.5 DISPUTES LODGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Disputes	Number	% of Total
Number of disputes upheld	1	0
Number of disputes dismissed	0	0
Total number of disputes lodged	9	-

TABLE 3.12.6 STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	Not applicable

TABLE 3.12.7 PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2017 AND 31 MARCH 2018

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	Not applicable
Cost of suspension(R'000)	Not applicable

3.13 Skills development

TABLE 3.13.1 TRAINING NEEDS IDENTIFIED FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female		0	96		96
	Male		0	65		65
Professionals	Female		0	199		186
	Male		0	130		120
Technicians and associate professionals	Female		0	640		640
	Male		0	560		560
Clerks	Female		0	316		316
	Male		0	267		267
Service and sales workers	Female			19		19
	Male			18		18
Skilled agriculture and fishery workers	Female			0		0
	Male			0		0
Craft and related trades workers	Female			0		0
	Male			0		0
Plant and machine operators and assemblers	Female			0		0
	Male			0		0
Elementary occupations	Female		0	100		100
	Male		0	582		582
Sub Total	Female		0	1370		1370
	Male		0	1622		1622
Total			**0**	**2992**		**2992**

TABLE 3.13.2 TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female		0	8	0	8
	Male		0	8	0	8
Professionals	Female		0	2	0	2
	Male		0	3	0	3
Technicians and associate professionals	Female		0	441	0	441
	Male		0	357	0	357
Clerks	Female		0	65	0	65
	Male		0	40	0	40
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		0	8	0	8
	Male		0	8	0	8
Sub Total	Female		0	2	0	2
	Male		0	3	0	3
Total			**0**	**441**	**0**	**441**

3.14 Injury on duty

TABLE 3.14.1 INJURY ON DUTY FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Nature of injury on duty	Number	% of total
Required basic medical attention only	21	1.21
Temporary Total Disablement	0	0.00
Permanent Disablement	0	0.00
Fatal	0	0.00
Total	**21**	**1.21**

3.15 Utilisation of Consultants

TABLE 3.15.1 REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Project title	Total number of consultants that worked on project	Duration (work-days)	Contract value in Rand
Pro-Active Health Solutions (Assessment of Incapacity leave and Ill Health Retirement applications and related issues)	1	264	229,893.00
Sebetsa Staffing Solutions (Personnel Suitability Checks/ Vetting)	1	264	28,998.00
South African Qualifications Authority (Verification of employees' qualifications)	1	264	10,790.00
Total number of projects	**Total individual consultants**	**Total duration Workdays**	**Total contract value in Rand**
3	3	792	269,681.00

TABLE 3.15.2 ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIS)

FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Information from the confirmed 3 SPs?-	-	-	-

TABLE 3.15.3 REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Project title	Total Number of consultants that worked on the project	Duration (Work-days)	Donor and contract value in Rand
-	-	-	-

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

TABLE 3.15.4 ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIS)

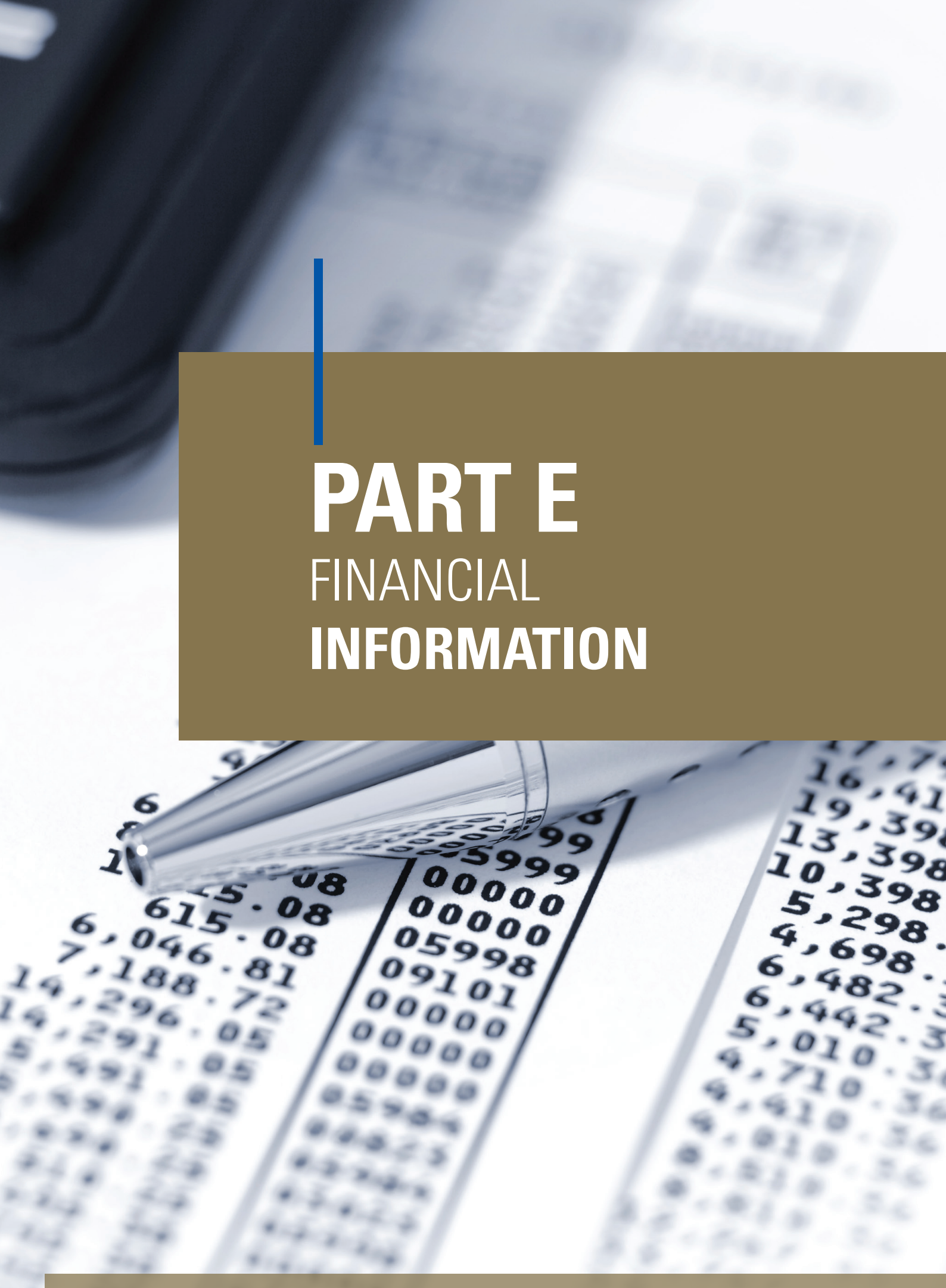
FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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

3.16 Severance Packages

TABLE 3.16.1 GRANTING OF EMPLOYEE-INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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)	0,00	0,00	0,00	0,00
Skilled Levels 3-5)	0,00	0,00	0,00	0,00
Highly skilled production (Levels 6-8)	0,00	0,00	0,00	0,00
Highly skilled supervision (Levels 9-12)	0,00	0,00	0,00	0,00
Senior management (Levels 13-16)	0,00	0,00	0,00	0,00
Total	**0,00**	**0,00**	**0,00**	**0,00**



PART E
FINANCIAL **INFORMATION**



GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS

FOR GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

FOR THE YEAR ENDED 31 MARCH 2020

TABLE OF **CONTENTS**

REPORT OF THE AUDITOR GENERAL **141**

ANNUAL FINACIALSTATEMENTS **146**

1. REPORT OF THE AUDITOR GENERAL

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Gauteng Department of Roads and Transport set out on pages 146 to 220, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the 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 2020, 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 of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (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 auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the department in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the 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 codes.

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 cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Underspending of vote

8. As disclosed in the appropriation statement, the department materially underspent the budget by R637 203 000 on the following programmes:

- programme 1
  administration, underspending of R49 182 000
- programme 2
  transport infrastructure, underspending of R81 142 000
- programme 3
  transport operations, underspending of R463 262 000
- programme 4
  transport regulations, underspending of R43 617 000.

Significant subsequent events

9. I draw attention to note 29 to the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of covid-19 on the department's future prospects, performance and cash flows. Management also de-

scribes how they plan to deal with these events and circumstances.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by the National Treasury and the requirements of the PFMA and Dora, 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.

11. 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.

Auditor-general's responsibilities for the audit of the financial statements

12. 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.

13. 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

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 3 – transport operations	65 - 69

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

18. The material findings in respect of the usefulness and reliability of the selected programme are as follows:

PROGRAMME 3 – TRANSPORT OPERATIONS

Various indicators

19. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of three of the eight indicators relating to this programme. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

Indicator description	Reported achievement
Number of routes subsidised	3 032
Number of kilometres subsidised	76 128 776,13
Number of trips subsidised	1 547 451

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on page 39 to 74 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets. This information should be considered in the context of the material finding on the reliability of the reported performance information in paragraph 19 of this report.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

23. The material findings on compliance with specific matters in key legislation are as follows:

Conditional grants

24. The performance of the programmes funded by the public transport operations grant was not evaluated, as required by section 11(6)(a) of the Dora.

Annual financial statements, performance report and annual report

25. The financial statements submitted for auditing were not prepared in accordance with the MCS and supported by full and proper records, as required by section 40(1) (a) and (b) of the PFMA. Material misstatements of irregular and fruitless and wasteful expenditure identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.

Strategic planning and performance management

26. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery, as required by public service regulation 25(1)(e)(i) and (iii).

OTHER INFORMATION

27. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.

28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained during the audit or otherwise appears to be materially misstated.

30. The other information I obtained prior to the date of the auditor's report is a draft of the 2019-20 annual report. The final 2019-20 annual report is expected to be made available to me after 31 October 2020. If, based on the work I have performed on the other information that I have obtained prior the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

31. When I do receive and read the final 2019-20 annual report, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

33. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with legislation. The department did not have sufficient monitoring and reviewing controls to ensure that financial and performance reports submitted for auditing were accurate and complete and that action plans developed were adequately and timeously implemented.

34. Management did not adequately review and monitor compliance with applicable laws and regulations.

OTHER REPORTS

35. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

36. Various investigations were initiated by the department into allegations of possible unethical behaviour and allegations of procurement and contract management irregularities. These investigations were at various stages of completion at the date of this auditor's report.

Auditor - General

Johannesburg
31 October 2020

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. 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 the selected programme and on the department's compliance with respect to the selected subject matters.

Financial statements

2. 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 by the accounting officer

    - conclude on the appropriateness of the accounting officer's 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 related to events or conditions that may cast significant doubt on the Gauteng Department of Roads and Transport 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 the 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 continuing as a going concern

    - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. 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.

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

2. ANNUAL FINANCIAL STATEMENTS

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Table of Contents

Appropriation Statement	*3*
Notes to the Appropriation Statement	*31*
Statement of Financial Performance	*33*
Statement of Financial Position	*34*
Statement of Changes in Net Assets	*35*
Cash Flow Statement	*36*
Notes to the Annual Financial Statements (including Accounting policies)	*37*
Annexures	*76*

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appropriation per programme									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
ADMINISTRATION	383,279	-	-	383,279	334,097	49,182	87.2%	332,154	285,736
TRANSPORT INFRASTRUCTURE	2,240,823	-	(333)	2,240,490	2,159,348	81,142	96.4%	2,825,907	2,740,989
TRANSPORT OPERATIONS	2,689,995	-	-	2,689,995	2,226,733	463,262	82.8%	2,537,507	2,311,691
TRANSPORT REGULATION	332,609	-	333	332,942	289,325	43,617	86.9%	294,077	291,626
GAUTRAIN	2,153,314	-	-	2,153,314	2,153,314	-	100.0%	1,945,268	1,945,268
Subtotal	**7,800,020**	**-**	**-**	**7,800,020**	**7,162,817**	**637,203**	**91.8%**	**7,934,913**	**7,575,310**
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				4,196,215				4,042,228	
Actual amounts per statement of financial performance (total revenue)				**11,996,235**				**11,977,141**	
ADD									
Prior year unauthorised expenditure approved without funding				-				-	
Actual amounts per statement of financial performance (total expenditure)					**7,162,817**				**7,575,310**

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation per economic classification									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**2,401,583**	**(6,656)**	**-**	**2,394,927**	**2,275,411**	**119,516**	**95.0%**	**2,352,019**	**2,276,520**
Compensation of employees	750,285	-	-	750,285	673,426	76,859	89.8%	702,514	653,722
Salaries and wages	632,545	(111)	-	632,434	573,264	59,170	90.6%	589,264	558,599
Social contributions	117,740	111	-	117,851	100,162	17,689	85.0%	113,250	95,123
Goods and services	1,651,098	(6,656)	-	1,644,442	1,601,968	42,474	97.4%	1,634,767	1,608,146
Administrative fees	2,160	1,841	-	4,001	3,912	89	97.8%	2,476	2,389
Advertising	9,561	(5,569)	-	3,992	3,245	747	81.3%	6,399	5,725
Minor assets	655	(269)	-	386	327	59	84.7%	1,483	1,477
Audit costs: External	6,500	1,205	-	7,705	7,706	(1)	100.0%	6,249	6,251
Bursaries: Employees	2,200	(76)	-	2,124	99	2,025	4.7%	2,100	1,409
Catering: Departmental activities	3,205	(91)	-	3,114	1,736	1,378	55.7%	2,988	1,996
Communication	11,642	670	-	12,312	8,775	3,537	71.3%	6,907	6,573
Computer services	16,595	11,919	-	28,514	27,717	797	97.2%	23,500	18,041
Consultants: Business and advisory services	57,650	(3,877)	-	53,773	38,128	15,645	70.9%	27,110	24,714
Infrastructure and planning services	33,408	(4,423)	-	28,985	26,985	2,000	93.1%	25,811	25,801
Laboratory services	200	60	-	260	262	(2)	100.8%	1,943	1,979
Legal services	15,210	3,966	-	19,176	14,832	4,344	77.3%	18,494	18,448
Contractors	1,217,402	19,811	-	1,237,213	1,248,622	(11,409)	100.9%	1,266,701	1,259,268
Agency and support / outsourced services	150	-	-	150	150	-	100.0%	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	9,769	718	-	10,487	8,988	1,499	85.7%	8,563	7,595

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	2,016	-	2,016	2,016	-	100.0%	2,387	2,387
Inventory: Fuel, oil and gas	2,200	(2,200)	-	-	-	-	-	-	-
Inventory: Materials and supplies	40,850	(22,037)	-	18,813	18,815	(2)	100.0%	27,757	27,749
Inventory: Other supplies	6,904	(28)	-	6,876	6,356	520	92.4%	15,897	15,659
Consumable supplies	1,483	232	-	1,715	1,677	34	97.8%	2,783	2,277
Consumable: Stationery, printing and office supplies	84,345	(6,147)	-	78,198	66,510	11,676	85.1%	76,635	76,177
Operating leases	24,656	1,997	-	26,653	25,265	1,388	94.8%	24,444	24,008
Property payments	68,260	(2,032)	-	66,228	60,594	5,634	91.5%	56,627	56,621
Transport provided: Departmental activity	320	-	-	320	163	157	50.9%	360	29
Travel and subsistence	15,570	(208)	-	15,362	13,472	1,890	87.7%	15,014	12,604
Training and development	16,900	(6,606)	-	10,294	10,096	198	98.1%	8,600	6,416
Operating payments	-	-	-	-	-	-	-	9	8
Venues and facilities	3,303	2,472	-	5,775	5,520	255	95.6%	3,530	2,545
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	200	-	-	200	17	183	8.5%	14,738	14,652
Interest	200	-	-	200	17	183	8.5%	14,738	14,652
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**4,781,062**	**(2,119)**	**-**	**4,778,943**	**4,330,252**	**448,681**	**90.6%**	**4,461,844**	**4,236,476**
Provinces and municipalities	2,300	(361)	-	1,939	1,939	-	100.0%	1,899	1,900
Municipalities	2,300	(361)	-	1,939	1,939	-	100.0%	1,899	1,900
Municipal bank accounts	2,300	(361)	-	1,939	1,939	-	100.0%	1,899	1,900
Departmental agencies and accounts	2,153,314	-	-	2,153,314	2,153,314	-	100.0%	1,945,268	1,945,268
Departmental agencies and accounts	2,153,314	-	-	2,153,314	2,153,314	-	100.0%	1,945,268	1,945,268
Higher education institutions	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	2,615,700	-	-	2,615,700	2,167,575	448,125	82.9%	2,463,790	2,239,153
Private enterprises	2,615,700	-	-	2,615,700	2,167,575	448,125	82.9%	2,463,790	2,239,153

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Other transfers to private enterprises	2,615,700	-	-	2,615,700	2,167,575	448,125	82.9%	2,463,790	2,239,153
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	9,748	(1,758)	-	7,990	7,424	566	92.9%	50,887	50,155
Social benefits	6,579	174	-	6,753	6,745	8	99.9%	5,785	5,053
Other transfers to households	3,169	(1,932)	-	1,237	679	558	54.9%	45,102	45,102
Payments for capital assets	**617,375**	**8,759**	**-**	**626,134**	**557,138**	**68,996**	**89.0%**	**1,120,928**	**1,062,229**
Buildings and other fixed structures	596,865	4,690	-	601,555	544,246	57,309	90.5%	1,084,943	1,034,803
Buildings	2,916	300	-	3,216	2,716	500	84.5%	5,874	5,873
Other fixed structures	593,949	4,390	-	598,339	541,530	56,809	90.5%	1,079,069	1,028,930
Machinery and equipment	18,950	(722)	-	18,228	7,601	10,627	41.7%	18,921	14,662
Transport equipment	2,260	(344)	-	1,916	900	1,016	47.0%	2,817	963
Other machinery and equipment	16,690	(378)	-	16,312	6,701	9,611	41.1%	16,104	13,699
Intangible assets	1,560	4,791	-	6,351	5,291	1,060	83.3%	17,064	12,764
Payments for financial assets	**-**	**16**	**-**	**16**	**16**	**-**	**100.0%**	**122**	**85**
Total	**7,800,020**	**-**	**-**	**7,800,020**	**7,162,187**	**637,203**	**91.8%**	**7,934,913**	**7,575,310**

APPROPRIATION STATEMENT

for the year ended 31 March 2020

PROGRAMME 1: ADMINISTRATION									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1.1.Office of the MEC	13,419	649	-	14,068	13,348	720	94.9%	9,690	7,755
1.2.Management of the Department	34,698	834	-	35,532	29,915	5,617	84.2%	18,509	15,830
1.3.Corporate Support	331,614	(1,483)	-	330,131	287,814	42,317	87.2%	300,620	259,247
1.4.Departmental Strategy	3,548	-	-	3,548	3,020	528	85.1%	3,335	2,904
Total for sub programmes	**383,279**	**-**	**-**	**383,279**	**334,097**	**49,182**	**87.2%**	**332,154**	**285,736**
Economic classification									
Current payments	**367,867**	**-**	**-**	**367,867**	**326,069**	**41,798**	**88.6%**	**318,654**	**278,305**
Compensation of employees	202,514	-	-	202,514	181,413	21,101	89.6%	188,460	168,460
Salaries and wages	172,424	144	-	172,568	157,705	14,863	91.4%	160,560	146,398
Social contributions	30,090	(144)	-	29,946	23,708	6,238	79.2%	27,900	22,062
Goods and services	165,293	-	-	165,293	144,660	20,643	87.5%	130,134	109,845
Administrative fees	1,935	2,006	-	3,941	3,912	29	99.3%	2,286	2,255
Advertising	4,670	(3,102)	-	1,568	1,465	113	92.8%	5,301	4,792
Minor assets	200	(48)	-	152	170	(8)	111.8%	372	371
Audit costs: External	6,500	1,205	-	7,705	7,706	(1)	100.0%	6,249	6,251
Bursaries: Employees	2,200	(76)	-	2,124	99	2,025	4.7%	2,100	1,409
Catering: Departmental activities	2,905	-	-	2,905	1,616	1,289	55.6%	2,712	1,888
Communication	11,080	-	-	11,080	7,543	3,537	68.1%	6,428	6,040
Computer services	15,795	11,919	-	27,714	27,717	(3)	100.0%	21,700	16,241
Consultants: Business and advisory services	18,650	(4,377)	-	14,273	7,356	6,917	51.5%	3,340	945

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Legal services	6,700	(819)	-	5,881	4,174	1,707	71.0%	5,449	5,447
Contractors	3,240	160	-	3,400	3,401	(1)	100.0%	2,450	1,199
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	3,070	2,364	-	5,434	5,434	-	100.0%	4,159	3,320
Inventory: Materials and supplies	-	-	-	-	-	-	-	1,740	-
Inventory: Other supplies	-	-	-	-	-	-	-	52	-
Consumable supplies	825	233	-	1,058	1,045	13	98.8%	1,300	1,065
Consumable: Stationery, printing and office supplies	8,494	(4,915)	-	3,579	3,042	537	85.0%	2,443	2,261
Operating leases	3,566	981	-	4,547	4,548	(1)	100.0%	3,715	3,281
Property payments	50,700	-	-	50,700	47,800	2,900	94.3%	42,900	42,893
Transport provided: Departmental activity	320	-	-	320	163	157	50.9%	360	29
Travel and subsistence	4,690	(1,342)	-	3,348	2,347	1,001	70.1%	3,555	1,704
Training and development	16,900	(6,606)	-	10,294	10,096	198	98.1%	8,600	6,416
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	2,853	2,417	-	5,270	5,026	244	95.4%	2,923	2,038
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	60	-	-	60	6	54	10.0%	60	-
Interest	60	-	-	60	6	54	10.0%	60	-
Transfers and subsidies	**2,482**	**-**	**-**	**2,482**	**2,254**	**228**	**90.8%**	**610**	**217**
Households	2,482	-	-	2,482	2,254	228	90.9%	610	217
Social benefits	550	1,932	-	2,482	2,254	228	90.9%	610	217
Other transfers to households	1,932	(1,932)	-	-	-	-	-	-	-
Payments for capital assets	**12,930**	**-**	**-**	**12,930**	**5,774**	**7,156**	**44.5%**	**12,840**	**7,193**
Machinery and equipment	12,370	-	-	12,370	5,274	7,096	42.5%	9,040	7,193
Transport equipment	500	(371)	-	129	-	129	-	340	105
Other machinery and equipment	11,870	371	-	12,241	5,274	6,967	43.0%	8,700	7,088
Intangible assets	560	-	-	560	500	60	89.3%	3,800	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50**	**21**
Total	**383,279**	**-**	**-**	**383,279**	**334,097**	**49,182**	**87.2%**	**332,154**	**285,736**

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Sub programme: 1.1: Office of the MEC									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**11,287**	**761**	**-**	**12,048**	**11,327**	**721**	**94.0%**	**9,690**	**7,755**
Compensation of employees	7,922	761	-	8,683	8,684	(1)	100.0%	6,100	5,610
Goods and services	3,365	-	-	3,365	2,643	722	78.5%	3,590	2,145
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**1,932**	**88**	**-**	**2,020**	**2,021**	**(1)**	**100.0%**	**-**	**-**
Households	1,932	88	-	2,020	2,021	(1)	100.0%	-	-
Payments for capital assets	**200**	**(200)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	200	(200)	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**13,419**	**649**	**-**	**14,068**	**13,348**	**720**	**94.9%**	**9,690**	**7,755**

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Sub programme: 1.2: Management of the Department									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**34,628**	**463**	**-**	**35,091**	**29,463**	**5,628**	**84.0%**	**18,409**	**15,795**
Compensation of employees	15,600	463	-	16,063	16,063	-	100.0%	15,390	12,884
Goods and services	19,028	-	-	19,028	13,400	5,628	70.4%	3,019	2,911
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**70**	**-**	**-**	**70**	**69**	**1**	**98.6%**	**60**	**35**
Households	70	-	-	70	69	1	98.6%	60	35
Payments for capital assets	**-**	**371**	**-**	**371**	**383**	**-**	**103.2%**	**40**	**-**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	371	-	371	383	-	103.2%	40	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**34,698**	**834**	**-**	**35,532**	**29,915**	**5,617**	**84.2%**	**18,509**	**15,830**

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Sub programme: 1.3: Corporate Support									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**318,404**	**(1,224)**	**-**	**317,180**	**282,259**	**34,921**	**89.0%**	**287,220**	**251,851**
Compensation of employees	175,744	(1,224)	-	174,520	153,647	20,873	88.0%	163,835	147,092
Goods and services	142,600	-	-	142,600	128,606	13,994	90.1%	123,325	104,759
Interest and rent on land	60	-	-	60	6	54	10.0%	60	-
Transfers and subsidies	**480**	**(88)**	**-**	**392**	**164**	**228**	**41.8%**	**550**	**182**
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Households	480	(88)	-	392	164	228	41.8%	550	182
Payments for capital assets	**12,730**	**(171)**	**-**	**12,559**	**5,391**	**7,168**	**42.9%**	**12,800**	**7,193**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	12,170	(171)	-	11,999	4,891	7,108	40.8%	9,000	7,193
Intangible assets	560	-	-	560	500	60	89.3%	3,800	
Payments for financial assets	**-**	**-**	**-**	**-**		**-**	**-**	**50**	**21**
Total	**331,614**	**(1,483)**	**-**	**330,131**	**287,814**	**42,317**	**87.2%**	**300,620**	**259,247**

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Sub programme: 1.4: Departmental Strategy									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**3,548**	**-**	**-**	**3,548**	**3,020**	**528**	**85.1%**	**3,335**	**2,904**
Compensation of employees	3,248	-	-	3,248	3,019	229	92.9%	3,135	2,874
Goods and services	300	-	-	300	1	299	0.3%	200	30
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments for capital assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	**3,548**	**-**	**-**	**3,548**	**3,020**	**528**	**85.1%**	**3,335**	**2,904**

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 2: TRANSPORT INFRASTRUCTURE									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
2.1.Infrastructure Planning	67,258	(3,929)	-	63,329	58,064	5,265	91.7%	58,213	58,072
2.2.Infrastructure Design	157,150	(2,369)	-	154,781	111,765	43,016	72.2%	176,765	176,717
2.3.Construction	561,490	(655)	-	560,835	536,202	24,633	95.6%	880,782	825,607
2.4.Maintenance	1,421,678	8,150	-	1,429,828	1,427,135	2,693	99.8%	1,618,080	1,592,264
2.5.Programme Support Infrastructure	33,247	(1,197)	(333)	31,717	26,182	5,535	82.5%	92,067	88,329
Total for sub programmes	**2,240,823**	**-**	**(333)**	**2,240,490**	**2,159,348**	**81,142**	**96.4%**	**2,825,907**	**2,740,989**
Economic classification									
Current payments	**1,634,358**	**(6,656)**	**-**	**1,627,702**	**1,605,578**	**22,125**	**98.6%**	**1,684,316**	**1,651,388**
Compensation of employees	310,800	-	-	310,800	279,580	31,220	90.0%	313,085	284,808
Salaries and wages	260,300	-	-	260,300	235,954	24,346	90.6%	257,652	241,518
Social contributions	50,500	-	-	50,500	43,626	6,874	86.4%	55,433	43,290
Goods and services	1,323,508	(6,656)	-	1,316,852	1,325,987	(9,135)	100.7%	1,356,578	1,351,928
Administrative fees	165	(165)	-	-	-	-	-	135	134
Advertising	4,098	(2,351)	-	1,747	1,747	-	100.0%	843	842
Minor assets	385	(337)	-	48	48	-	100.0%	1,071	1,094
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	150	(91)	-	59	59	-	100.0%	126	93
Communication	12	(2)	-	10	10	-	100.0%	10	9
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	500	-	500	500	-	100.0%	-	-

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Infrastructure and planning services	33,408	(4,423)	-	28,985	26,985	2,000	93.1%	25,811	25,801
Laboratory services	200	60	-	260	262	(2)	100.8%	1,943	1,979
Legal services	5,060	5,267	-	10,327	10,327	-	100.0%	12,715	12,679
Contractors	1,211,590	19,855	-	1,231,445	1,243,127	(11,682)	100.9%	1,262,921	1,256,739
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Fleet services	2,625	(1,660)	-	965	966	(1)	100.1%	1,626	1,623
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	2,016	-	2,016	2,016	-	100.0%	2,387	2,387
Inventory: Fuel, oil and gas	2,200	(2,200)	-	-	-	-	-	-	-
Inventory: Materials and supplies	40,850	(22,037)	-	18,813	18,815	(2)	100.0%	26,014	27,749
Consumable supplies	610	15	-	625	626	(1)	100.2%	1,273	1,206
Consumable: Stationery, printing and office supplies	1,255	(415)	-	840	840	-	100.0%	1,053	997
Operating leases	1,140	295	-	1,435	1,433	2	99.9%	1,359	1,359
Property payments	11,000	(2,032)	-	8,968	8,542	426	95.2%	7,755	7,756
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	8,700	1,038	-	9,738	9,613	125	98.7%	9,477	9,453
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	9	8
Venues and facilities	60	11	-	71	71	-	100.0%	50	20
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	50	-	-	50	11	39	22.0%	14,653	14,652
Interest	50	-	-	50	11	39	22.0%	14,653	14,652
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**8,606**	**(2,119)**	**(333)**	**6,154**	**5,882**	**272**	**95.6%**	**51,186**	**51,140**
Provinces and municipalities	2,300	(361)	-	1,939	1,939	-	100.0%	1,899	1,900
Municipalities	2,300	(361)	-	1,939	1,939	-	100.0%	1,899	1,900
Municipal bank accounts	2,300	(361)	-	1,939	1,939	-	100.0%	1,899	1,900
Non-profit institutions	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Households	6,306	(1,758)	(333)	4,215	3,943	272	93.5%	49,287	49,240
Social benefits	5,069	(1,758)	(30)	3,281	3,264	17	99.5%	4,185	4,138
Other transfers to households	1,237	-	(303)	934	679	255	72.7%	45,102	45,102
Payments for capital assets	**597,859**	**8,759**	**-**	**606,618**	**547,872**	**58,746**	**90.3%**	**1,090,344**	**1,038,400**
Buildings and other fixed structures	592,399	4,690	-	597,089	541,530	55,559	90.7%	1,069,409	1,019,270
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	592,399	4,690	-	597,089	541,530	55,559	90.7%	1,069,409	1,019,270
Machinery and equipment	5,460	(722)	-	4,738	1,551	3,187	32.7%	8,171	6,366
Transport equipment	800	-	-	800	157	643	19.6%	1,335	27
Other machinery and equipment	4,660	(722)	-	3,938	1,394	2,544	35.4%	6,836	6,339
Intangible assets	-	4,791	-	4,791	4,791	-	100.0%	12,764	12,764
Payments for financial assets	**-**	**16**	**-**	**16**	**16**	**-**	**100.0%**	**61**	**61**
Total	**2,240,823**	**-**	**(333)**	**2,240,490**	**2,159,348**	**81,142**	**96.4%**	**2,825,907**	**2,740,989**

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Sub programme: 2.1.Infrastructure Planning									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**67,118**	**(3,929)**	**-**	**63,189**	**57,925**	**5,264**	**91.7%**	**58,058**	**57,955**
Compensation of employees	31,900	-	-	31,900	28,635	3,265	89.8%	30,259	30,259
Goods and services	35,218	(3,929)	-	31,289	29,290	1,999	93.6%	27,799	27,696
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**140**	**-**	**-**	**140**	**139**	**1**	**99.3%**	**110**	**107**
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	140	-	-	140	139	1	99.3%	110	107
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45**	**10**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	45	10
Intangible assets									
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**67,258**	**(3,929)**	**-**	**63,329**	**58,064**	**5,265**	**91.7%**	**58,213**	**58,072**

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Sub programme: 2.2.Infrastructure Design

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**69,700**	**(3,008)**	**-**	**66,692**	**62,116**	**4,576**	**93.1%**	**59,749**	**59,746**
Compensation of employees	48,900	-	-	48,900	44,409	4,491	90.8%	46,147	46,147
Goods and services	20,800	(3,008)	-	17,792	17,707	85	99.5%	13,602	13,599
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**241**	**639**	**-**	**880**	**880**	**-**	**100.0%**	**120**	**79**
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	241	639	-	880	880	-	100.0%	120	79
Payments for capital assets	**87,209**	**-**	**-**	**87,209**	**48,769**	**38,440**	**55.9%**	**116,896**	**116,892**
Buildings and other fixed structures	87,209	-	-	87,209	48,769	38,440	55.9%	116,896	116,892
Machinery and equipment	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets									
Total	**157,150**	**(2,369)**	**-**	**154,781**	**111,765**	**43,016**	**72.2%**	**176,765**	**176,717**

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Sub programme: 2.3. Construction

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**55,300**	**(16)**	**-**	**55,284**	**47,777**	**7,507**	**86.4%**	**52,170**	**47,131**
Compensation of employees	50,800	-	-	50,800	43,332	7,468	85.3%	44,284	42,459
Goods and services	4,500	(16)	-	4,484	4,445	39	99.1%	7,886	4,672
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**1,000**	**(639)**	**-**	**361**	**354**	**7**	**98.1%**	**160**	**159**
Households	1,000	(639)	-	361	354	7	98.1%	160	159
Payments for capital assets	**505,190**	**-**	**-**	**505,190**	**488,071**	**17,119**	**96.6%**	**828,452**	**778,317**
Buildings and other fixed structures	505,190	-	-	505,190	488,071	17,119	96.6%	828,452	778,317
Machinery and equipment	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets									
Total	**561,490**	**(655)**	**-**	**560,835**	**536,202**	**24,633**	**95.6%**	**880,782**	**825,607**

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Sub programme: 2.4. Maintenance									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**1,414,220**	**1,494**	**-**	**1,415,714**	**1,413,030**	**2,684**	**99.8%**	**1,470,008**	**1,444,198**
Compensation of employees	177,000	-	-	177,000	162,634	14,366	91.9%	189,800	165,204
Goods and services	1,237,220	1,494	-	1,238,714	1,250,396	(11,682)	100.9%	1,280,208	1,278,994
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**5,958**	**(2,119)**	**-**	**3,839**	**3,830**	**9**	**99.8%**	**5,694**	**5,693**
Provinces and municipalities	2,300	(361)	-	1,939	1,939	-	100.0%	1,899	1,900
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Households	3,658	(1,758)	-	1,900	1,891	9	99.5%	3,795	3,793
Payments for capital assets	**1,500**	**8,759**	**-**	**10,259**	**10,259**	**-**	**100.0%**	**142,333**	**142,328**
Buildings and other fixed structures	-	4,690	-	4,690	4,690	-	100.0%	124,061	124,061
Machinery and equipment	1,500	(722)	-	778	778	-	100.0%	5,508	5,503
Intangible assets	-	4,791	-	4,791	4,791	-	100.0%	12,764	12,764
Payments for financial assets	**-**	**16**	**-**	**16**	**16**	**-**	**100.0%**	**45**	**45**
Total	**1,421,678**	**8,150**	**-**	**1,429,828**	**1,427,135**	**2,693**	**99.8%**	**1,618,080**	**1,592,264**

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Sub Programme 2.5.Programme Support Infrastructure									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**28,020**	**(1,197)**	**-**	**26,823**	**24,730**	**2,093**	**92.2%**	**44,331**	**42,358**
Compensation of employees	2,200	-	-	2,200	570	1,630	25.9%	2,595	739
Goods and services	25,770	(1,197)	-	24,573	24,149	424	98.3%	27,083	26,967
Interest and rent on land	50	-	-	50	11	39	22.0%	14,653	14,652
Transfers and subsidies	**1,267**	**-**	**(333)**	**934**	**679**	**255**	**72.7%**	**45,102**	**45,102**
Households	1,267	-	(333)	934	679	255	72.7%	45,102	45,102
Payments for capital assets	**3,960**	**-**	**-**	**3,960**	**773**	**3,187**	**19.5%**	**2,618**	**853**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3,960	-	-	3,960	773	3,187	19.5%	2,618	853
Intangible assets	-	-	-	-	-	-	-	-	
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16**	**16**
Total	**33,247**	**(1,197)**	**(333)**	**31,717**	**26,182**	**5,535**	**82.5%**	**92,067**	**88,329**

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 3: TRANSPORT OPERATIONS									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
3.1.Public Transport Services	2,682,707	-	-	2,682,707	2,224,203	458,504	82.9%	2,533,725	2,309,086
3.2.Programme Support Operations	7,288	-	-	7,288	2,530	4,758	34.7%	3,782	2,605
Total for sub programmes	**2,689,995**	**-**	**-**	**2,689,995**	**2,226,733**	**463,262**	**82.8%**	**2,537,507**	**2,311,691**
Economic classification									
Current payments	**72,835**	**-**	**-**	**72,835**	**59,094**	**13,741**	**81.1%**	**63,802**	**62,772**
Compensation of employees	27,975	-	-	27,975	26,653	1,322	95.3%	27,563	27,048
Salaries and wages	23,825	-	-	23,825	22,679	1,146	95.2%	23,448	23,081
Social contributions	4,150	-	-	4,150	3,974	176	95.8%	4,115	3,967
Goods and services	44,860	-	-	44,860	32,441	12,419	72.3%	36,239	35,724
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	340	-	-	340	43	297	12.6%	65	50
Minor assets	10	-	-	10	5	5	50.0%	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	50	-	-	50	3	47	6.0%	50	5
Consultants: Business and advisory services	39,000	-	-	39,000	30,272	8,728	77.6%	23,770	23,769
Legal services	2,500	-	-	2,500	-	2,500	-	-	-
Fleet services	800	-	-	800	230	570	28.8%	295	296
Inventory: Other supplies	-	-	-	-	-	-	-	9,749	9,749
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	440	(203)	-	237	72	165	30.4%	185	2

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Operating leases	820	107	-	927	928	(1)	100.1%	975	973
Travel and subsistence	840	96	-	936	839	97	89.6%	800	592
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	60	-	-	60	49	11	81.7%	350	288
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**2,615,830**	**-**	**-**	**2,615,830**	**2,167,639**	**448,191**	**82.9%**	**2,463,965**	**2,239,208**
Public corporations and private enterprises	2,615,700	-	-	2,615,700	2,167,575	448,125	82.9%	2,463,790	2,239,153
Public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	2,615,700	-	-	2,615,700	2,167,575	448,125	82.9%	2,463,790	2,239,153
Other transfers to private enterprises	2,615,700	-	-	2,615,700	2,167,575	448,125	82.9%	2,463,790	2,239,153
Households	130	-	-	130	64	66	49.2%	175	55
Social benefits	130	-	-	130	64	66	49.2%	175	55
Payments for capital assets	**1,330**	**-**	**-**	**1,330**	**-**	**1,330**	**-**	**9,740**	**9,711**
Buildings and other fixed structures	1,250	-	-	1,250	-	1,250	-	9,660	9,660
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	1,250	-	-	1,250	-	1,250	-	9,660	9,660
Machinery and equipment	80	-	-	80	-	80	-	80	51
Transport equipment	80	-	-	80	-	80	-	80	51
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**2,689,995**	**-**	**-**	**2,689,995**	**2,226,733**	**463,262**	**82.8%**	**2,537,507**	**2,311,691**

APPROPRIATION STATEMENT

for the year ended 31 March 2020

3.1.Public Transport Services

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**65,657**	**-**	**-**	**65,657**	**56,577**	**9,080**	**86.2%**	**60,220**	**60,218**
Compensation of employees	25,867	-	-	25,867	25,612	255	99.0%	26,121	26,121
Goods and services	39,790	-	-	39,790	30,965	8,825	77.8%	34,099	34,097
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**2,615,800**	**-**	**-**	**2,615,800**	**2,167,626**	**448,174**	**82.9%**	**2,463,845**	**2,239,208**
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2,615,700	-	-	2,615,700	2,167,575	448,125	82.9%	2,463,790	2,239,153
Households	100	-	-	100	51	49	51.0%	55	55
Payments for capital assets	**1,250**	**-**	**-**	**1,250**	**-**	**1,250**	**-**	**9,660**	**9,660**
Buildings and other fixed structures	1,250	-	-	1,250	-	1,250	-	9,660	9,660
Machinery and equipment	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**2,682,707**	**-**	**-**	**2,682,707**	**2,224,203**	**458,504**	**82.9%**	**2,533,725**	**2,309,086**

APPROPRIATION STATEMENT
for the year ended 31 March 2020

3.2. Programme Support Operations

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**7,178**	**-**	**-**	**7,178**	**2,517**	**4,661**	**35.1%**	**3,582**	**2,554**
Compensation of employees	2,108	-	-	2,108	1,041	1,067	49.4%	1,442	927
Goods and services	5,070	-	-	5,070	1,476	3,594	29.1%	2,140	1,627
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**30**	**-**	**-**	**30**	**13**	**17**	**43.3%**	**120**	**-**
Households	30	-	-	30	13	17	43.3%	120	-
Payments for capital assets	**80**	**-**	**-**	**80**	**-**	**80**	**-**	**80**	**51**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	80	-	-	80	-	80	-	80	51
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**7,288**	**-**	**-**	**7,288**	**2,530**	**4,758**	**34.7%**	**3,782**	**2,605**

APPROPRIATION STATEMENT

for the year ended 31 March 2020

PROGRAMME 4: TRANSPORT REGULATIONS									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
4.1.Transport Administration and Licencing	185,716	38	333	186,087	162,749	23,338	87.5%	161,774	160,369
4.2.Operator Licence And Permits	146,893	(38)	-	146,855	126,576	20,279	86.2%	132,303	131,257
Total for sub programmes	**332,609**	**-**	**333**	**332,942**	**289,325**	**43,617**	**86.9%**	**294,077**	**291,626**
Economic classification									
Current payments	**326,523**	**-**	**-**	**326,523**	**284,670**	**41,853**	**87.2%**	**285,247**	**284,055**
Compensation of employees	208,996	-	-	208,996	185,780	23,216	88.9%	173,406	173,406
Salaries and wages	175,996	(255)	-	175,741	156,926	18,815	89.3%	147,604	147,602
Social contributions	33,000	255	-	33,255	28,854	4,401	86.8%	25,802	25,804
Goods and services	117,437	-	-	117,437	98,890	18,547	84.2%	111,816	110,649
Administrative fees	60	-	-	60	-	60	-	55	-
Advertising	453	(116)	-	337	-	337	-	190	41
Minor assets	60	116	-	176	140	72	59.1%	40	12
Catering: Departmental activities	100	-	-	100	58	42	58.0%	100	10
Communication	550	672	-	1,222	1,222	-	100.0%	469	524
Computer services	800	-	-	800	-	800	-	1,800	1,800
Legal services	950	(482)	-	468	331	137	70.7%	330	322
Contractors	2,572	(204)	-	2,368	2,094	274	88.4%	1,330	1,330
Agency and support / outsourced services	150	-	-	150	150	-	100.0%	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	3,274	14	-	3,288	2,358	930	71.7%	2,483	2,356
Inventory: Materials and supplies	-	-	-	-	-	-	-	3	-

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Inventory: Other supplies	6,904	(28)	-	6,876	6,356	520	92.4%	6,096	5,910
Consumable supplies	48	(16)	-	32	6	26	18.8%	210	6
Consumable: Stationery, printing and office supplies	74,156	(614)	-	73,542	62,556	10,986	85.1%	72,954	72,917
Operating leases	19,130	614	-	19,744	18,356	1,388	93.0%	18,395	18,395
Property payments	6,560	-	-	6,560	4,252	2,308	64.8%	5,972	5,972
Travel and subsistence	1,340	-	-	1,340	673	667	50.2%	1,182	855
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	330	44	-	374	374	-	100.0%	207	199
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	90	-	-	90	-	90	-	25	-
Interest	90	-	-	90	-	90	-	25	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**830**	**-**	**333**	**1,163**	**1,163**	**-**	**100.0%**	**815**	**643**
Households	830	-	333	1,163	1,163	-	100.0%	815	643
Social benefits	830	-	30	860	1,163	(303)	135.2%	815	643
Other transfers to households	-	-	303	303	-	303	-	-	-
Payments for capital assets	**5,256**	**-**	**-**	**5,256**	**3,492**	**1,764**	**66.4%**	**8,004**	**6,925**
Buildings and other fixed structures	3,216	-	-	3,216	2,716	500	84.5%	5,874	5,873
Buildings	2,916	300	-	3,216	2,716	500	84.5%	5,874	5,873
Other fixed structures	300	(300)	-	-	-	-	-	-	-
Machinery and equipment	1,040	-	-	1,040	776	264	74.6%	1,630	1,052
Transport equipment	880	27	-	907	743	164	81.9%	1,062	780
Other machinery and equipment	160	(27)	-	133	33	100	24.8%	568	272
Intangible assets	1,000	-	-	1,000	-	1,000	-	500	-
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**3**
Total	**332,609**	**-**	**333**	**332,942**	**289,325**	**43,617**	**86.9%**	**294,077**	**291,626**

APPROPRIATION STATEMENT

for the year ended 31 March 2020

4.1 Transport Administration and Licencing

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**180,340**	**-**	**-**	**180,340**	**158,595**	**21,745**	**87.9%**	**156,867**	**156,275**
Compensation of employees	139,216	-	-	139,216	124,933	14,283	89.7%	118,634	118,634
Goods and services	41,124	-	-	41,124	33,662	7,462	81.9%	38,233	37,641
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**760**	**38**	**333**	**1,131**	**1,131**	**-**	**100.0%**	**445**	**443**
Households	760	38	333	1,131	1,131	-	100.0%	445	443
Payments for capital assets	**4,616**	**-**	**-**	**4,616**	**3,023**	**1,593**	**65.5%**	**4,453**	**3,649**
Buildings and other fixed structures	2,916	-	-	2,916	2,565	351	88.0%	2,953	2,953
Machinery and equipment	700	-	-	700	458	242	65.4%	1,000	696
Intangible assets	1,000	-	-	1,000	-	1,000	-	500	
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9**	**2**
Total	**185,716**	**38**	**333**	**186,087**	**162,749**	**23,338**	**87.5%**	**161,774**	**160,369**

APPROPRIATION STATEMENT
for the year ended 31 March 2020

4.2.Operator Licence And Permits

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**146,183**	**-**	**-**	**146,183**	**126,075**	**20,108**	**86.2%**	**128,380**	**127,780**
Compensation of employees	69,780	-	-	69,780	60,847	8,933	87.2%	54,772	54,772
Goods and services	76,313	-	-	76,313	65,228	11,085	85.5%	73,583	73,008
Interest and rent on land	90	-	-	90	-	90	-	25	-
Transfers and subsidies	**70**	**(38)**	**-**	**32**	**32**	**-**	**100.0%**	**370**	**200**
Households	70	(38)	-	32	32	-	100.0%	370	200
Payments for capital assets	**640**	**-**	**-**	**640**	**469**	**171**	**73.3%**	**3,551**	**3,276**
Buildings and other fixed structures	300	-	-	300	151	149	50.3%	2,921	2,920
Machinery and equipment	340	-	-	340	318	22	93.5%	630	356
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets				**-**		**-**	**-**	**2**	**1**
Total	**146,893**	**(38)**	**-**	**146,855**	**126,576**	**20,279**	**86.2%**	**132,303**	**131,257**

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 5: GAUTRAIN									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
5.1.GAUTRAIN RAPID LINK	2,153,314	-	-	2,153,314	2,153,314	-	100.0%	1,945,268	1,945,268
Total for sub programmes	**2,153,314**	**-**	**-**	**2,153,314**	**2,153,314**	**-**	**100.0%**	**1,945,268**	**1,945,268**
Economic classification									
Transfers and subsidies	**2,153,314**	**-**	**-**	**2,153,314**	**2,153,314**	**-**	**100.0%**	**1,945,268**	**1,945,268**
Departmental agencies and accounts	2,153,314	-	-	2,153,314	2,153,314	-	100.0%	1,945,268	1,945,268
Total	**2,153,314**	**-**	**-**	**2,153,314**	**2,153,314**	**-**	**100.0%**	**1,945,268**	**1,945,268**

5.1.Subprogramme GAUTRAIN RAPID LINK									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	**2,153,314**	**-**	**-**	**2,153,314**	**2,153,314**	**-**	**100.0%**	**1,945,268**	**1,945,268**
Departmental agencies and accounts	2,153,314	-	-	2,153,314	2,153,314	-	100.0%	1,945,268	1,945,268
Total	**2,153,314**	**-**	**-**	**2,153,314**	**2,153,314**	**-**	**100.0%**	**1,945,268**	**1,945,268**

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2020

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, disclosure notes and Annexure 1 (A-F) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note 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 Appropriation	Actual Expenditure	VarianceR'000	Variance as a % of Final Appropriation
Administration	383,279	334,097	49,182	13%
Transport Infrastructure	2,240,490	2,159,348	81,142	4%
Transport Operations	2,689,995	2,226,733	463,262	17%
Transport Regulation	332,942	289,325	43,617	13%
Gautrain	2,153,314	2,153,314	-	0%

4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payments				
Compensation of employees	750,285	673,426	76,859	10%
Goods and services	1,644,442	1,601,968	42,474	3%
Interest and rent on land	200	17	183	92%
Transfers and subsidies				
Provinces and municipalities	1,939	1,939	-	0%
Departmental agencies and accounts	2,153,314	2,153,314	-	0%
Public corporations and private enterprises	2,615,700	2,167,575	448,125	17%
Households	7,990	7,424	566	7%
Payments for capital assets				
Buildings and other fixed structures	601,555	544,246	57,309	10%
Machinery and equipment	18,228	7,601	10,627	58%
Intangible assets	6,351	5,291	1,060	17%
Payments for financial assets	16	16	-	0%

The Department incurred total under spending of R637,203 million for the 2019/20 financial year. The breakdown of the under spending per programme is as follows:

1. Administration-R49.182 million

The recorded underspending within this programme was mainly driven by the Department's delays in filling vacant positions on the current organisational structure.

2. Transport Infrastructure-R81.142 million

The underspending within this programme was mainly due to:

- *Delays within the Departments project planning and procurement processes.*
- *Delays in the filling of vacant positions on the current organisational structure.*

3. Transport Operations-R 463.262 million

The underspending within this programme occurred mainly due to the prolonged financial challenges within the subsidised bus industry leading bus operators not operating within the required operating time table, resulting in DNOs (Did Not Operate). A bus operator's failure to operate as required results in the Department levying financial penalties against the applicable bus operator.

4. Transport Regulations-R43.617 million

The underspending within this programme was mainly due to:

- *The reduced number of office supplies purchased for the Department's frontline service delivery points such as Driver Licence Testing Centre's (DLTC's);*
- *Delays in the filling of vacant positions on the current organisational structure.*

4.3 Per conditional grant

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Public Transport Operation Grant	2,436,074	2,014,534	421,540	17%
Provincial Roads Maintenance Grant	767,506	767,354	152	0%
EPWP Integrated Grant for Prov	6,386	6,386	-	0%

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	1	7 800 020	7 934 913
Departmental revenue	2	4 196 215	4 042 228
TOTAL REVENUE		**11 996 235**	**11 977 141**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	673 426	653 722
Goods and services	4	1 601 968	1 608 146
Interest and rent on land	5	17	14 652
Total current expenditure		**2 275 411**	**2 276 520**
Transfers and subsidies			
Transfers and subsidies	7	4 330 252	4 236 476
Total transfers and subsidies		**4 330 252**	**4 236 476**
Expenditure for capital assets			
Tangible assets	8	551 847	1 049 465
Intangible assets	8	5 291	12 764
Total expenditure for capital assets		**557 138**	**1 062 229**
Payments for financial assets	6	16	85
TOTAL EXPENDITURE		**7 162 817**	**7 575 310**
SURPLUS/(DEFICIT) FOR THE YEAR		**4 833 418**	**4 401 831**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		637 203	359 603
Annual appropriation		215 511	143 669
Conditional grants		421 692	215 934
Departmental revenue and NRF Receipts	13	4 196 215	4 042 228
SURPLUS/(DEFICIT) FOR THE YEAR		**4 833 418**	**4 401 831**

STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Current assets		**1 023 374**	**704 184**
Cash and cash equivalents	*9*	1 020 049	701 549
Receivables	*11*	3 325	2 635
Non-current assets		**786**	**786**
Receivables	*11*	786	786
TOTAL ASSETS		**1 024 160**	**704 970**
LIABILITIES			
Current liabilities		**1 022 444**	**703 423**
Voted funds to be surrendered to the Revenue Fund	*12*	637 203	359 603
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	*13*	384 681	343 453
Payables	*14*	560	367
TOTAL LIABILITIES		**1 022 444**	**703 423**
NET ASSETS		**1 716**	**1 547**
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		1 716	1 547
TOTAL		**1 716**	**1 547**

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2020

	Note	2019/20	2018/19
		R'000	R'000
Recoverable revenue			
Opening balance		1 547	1 515
Transfers:		**169**	**32**
Irrecoverable amounts written off		(3)	(10)
Debts revised		-	-
Debts recovered (included in departmental receipts)		(145)	(632)
Debts raised		317	674
Closing balance		**1 716**	**1 547**
TOTAL		**1 716**	**1 547**

CASH FLOW STATEMENT

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**11 996 235**	**11 977 141**
Annual appropriated funds received	*1.1*	7 800 020	7 934 913
Statutory appropriated funds received		-	-
Departmental revenue received	*2*	4 196 202	4 042 214
Interest received	*2.2*	13	14
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		(497)	(460)
Surrendered to Revenue Fund		(4 514 590)	(4 319 297)
Surrendered to RDP Fund/Donor		-	-
Current payments		(2 275 394)	(2 261 868)
Interest paid	*5*	(17)	(14 652)
Payments for financial assets		(16)	(85)
Transfers and subsidies paid		(4 330 252)	(4 236 476)
Net cash flow available from operating activities	*15*	**875 469**	**1 144 303**
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	*8*	(557 138)	(1 062 229)
Proceeds from sale of capital assets		-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables		-	-
Net cash flows from investing activities		**(557 138)**	**(1 062 229)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		169	32
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		**169**	**32**
Net increase/(decrease) in cash and cash equivalents		318 500	82 106
Cash and cash equivalents at beginning of period		701 549	619 443
Unrealised gains and losses within cash and cash equivalents			-
Cash and cash equivalents at end of period	*16*	**1 020 049**	**701 549**

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	**Basis of preparation** The financial statements have been prepared in accordance with the Modified Cash Standard.
2	**Going concern** The financial statements have been prepared on a going concern basis. The international Corona Virus (COVID-19) pandemic has been an unprecedented and unforeseen event which has impacted negatively on the social and economic welfare of all countries world-wide. The declaration of a state of disaster by President of the Republic of South Africa ushered in an array of legislative measures, amongst them being a national period of lockdown commencing 27th March 2020. The Department continued to provide essential services during this period of national lockdown. In support of all essential services, i.e. law enforcement, health care, banking and other designated services the Department identified the strategic need to respond to the pandemic by focussing on preventing the loss of lives both within the Department and that of the users of public transport within the Province. The Department's financial response to support its strategic pandemic response plan resulted in parts of the 2020/2021 budget being reprioritised towards COVID-19 priorities. The service delivery impact is such that projects completion and initiation will be adversely affected and as such they will be delays for both project initiation and completion date.
3	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	**Foreign currency translation** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	**Comparative information**
6.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	**Revenue**
7.1	**Appropriated funds** Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective.Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	**Departmental revenue** Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	**Accrued departmental revenue** Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment.The expense is classified as a capital

	expense if the total consideration paid is more than the capitalisation threshold.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
10	**Prepayments and advances** 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.
11	**Loans and receivables** Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.Write-offs are made according to the department's write-off policy.
12	**Financial assets**
12.1	**Financial assets (not covered elsewhere)** A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

	At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
12.2	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
13	**Payables** Payables recognised in the statement of financial position are recognised at cost.
14	**Capital Assets**
14.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
14.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
14.3	**Intangible assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

14.4	**Project Costs: Work-in-progress** Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
15	**Provisions and Contingents**
15.1	**Provisions** Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
15.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
15.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
15.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
16	**Unauthorised expenditure** Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
17	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or

	transferred to receivables or written off. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
18	**Irregular expenditure** Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
19	**Changes in accounting estimates and errors** Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error.In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
20	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements.The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
21	**Principal-Agent arrangements** The department is party to a principal-agent arrangement for municipalities which collect revenue in terms of the Road Traffic Act on its behalf. In terms of the arrangement the department is the principal and is responsible to pay agency fee (commission) as per signed service level agreement. 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.
22	**Departures from the MCS requirements** The Department has complied with the provision of Modified Cash Standard.
25	**Capitalisation reserve** The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed, and the related funds are received.
26	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	**Related party transactions**

	Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
28	**Inventories** At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
29	**Public-Private Partnerships** Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.
31	**Transfers of functions** Transfers 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. Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for Provincial Departments:

	2019/20			2018/19		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	
Administration	383 279	383 279	-	332 154	332 154	-
Transport Infrastructure	2 240 490	2 240 490	-	2 825 907	2 825 907	-
Transport Operations	2 689 995	2 689 995	-	2 537 507	2 537 507	-
Transport Regulation	332 942	332 942	-	294 077	294 077	-
Gautrain	2 153 314	2 153 314	-	1 945 268	1 945 268	-
Total	**7 800 020**	**7 800 020**	**-**	**7 934 913**	**7 934 913**	**-**

1.2. Conditional grants

	Note	2019/20	2018/19
		R'000	R'000
Total grants received	*34*	3 209 966	3 043 023

2. Departmental revenue

Tax revenue		4 135 192	3 961 563
Sales of goods and services other than capital assets	*2.1*	60 683	58 464
Interest, dividends and rent on land	*2.2*	13	14
Transactions in financial assets and liabilities	*2.3*	327	22 187
Total revenue collected		**4 196 215**	**4 042 228**
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		**4 196 215**	**4 042 228**

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	**60 656**	**58 462**
Sales by market establishment	429	367
Administrative fees	54 984	52 804
Other sales	5 243	5 291
Sales of scrap, waste and other used current goods	27	2
Total	**60 683**	**58 464**

2.2 Interest, dividends and rent on land

	Note	2019/20	2018/19
	2	R'000	R'000
Interest		13	14
Total		**13**	**14**

2.3 Transactions in financial assets and liabilities

Receivables	217	693
Stale cheques written back	2	-
Other Receipts including Recoverable Revenue	108	21 494
Total	**327**	**22 187**

3. Compensation of employees

3.1 Salaries and Wages

Basic salary	451 901	439 076
Performance award	9 631	10 238
Service Based	535	1 498
Compensative/circumstantial	15 983	19 896
Periodic payments	8 530	4 019
Other non-pensionable allowances	86 685	83 873
Total	**573 265**	**558 600**

3.2 Social contributions

Employer contributions

Pension	58 668	56 643
Medical	41 327	38 322
Bargaining council	166	157
Total	**100 161**	**95 122**
Total compensation of employees	**673 426**	**653 722**
Average number of employees	1 746	1 795

4. Goods and services

	Note	2019/20 R'000	2018/19 R'000
Administrative fees		3 913	2 389
Advertising		3 245	5 725
Minor assets	*4.1*	328	1 477
Bursaries (employees)		99	1 409
Catering		1 736	1 996
Communication		8 776	6 573
Computer services	*4.2*	27 718	18 041
Consultants: Business and advisory services		38 127	24 714
Infrastructure and planning services		26 985	25 801
Laboratory services		262	1 979
Legal services		14 831	18 448
*Contractors		1 248 622	1 259 268
Agency and support / outsourced services		150	-
Audit cost – external	*4.3*	7 706	6 251
Fleet services		8 987	7 595
Inventory	*4.4*	27 187	45 795
Consumables	*4.5*	68 187	78 454
Operating leases		25 265	24 008
Property payments	*4.6*	60 594	56 621
Transport provided as part of the departmental activities		163	29
Travel and subsistence	*4.7*	13 474	12 604
Venues and facilities		5 517	2 545
Training and development		10 096	6 416
Other operating expenditure	*4.8*	-	8
Total		**1 601 968**	**1 608 146**

**The related item relates to routine road repairs maintenance undertaken by the Department during the applicable financial periods.*

4.1 Minor assets

	2019/20	2018/19
Tangible assets	**328**	**1 477**
Machinery and equipment	328	1 477
Total	**328**	**1 477**

4.2 Computer services

SITA computer services	1 982	-
*External computer service providers	25 736	18 041
Total	**27 718**	**18 041**

The increase in expenditure during the year under review is mainly relating to annual Microsoft Licence fees for 2020/21 amounting to **R7.4 million paid in line with the contractual agreement.*

4.3 Audit cost – External

Regularity audits	7 337	5 933
Computer audits	369	318
Total	**7 706**	**6 251**

4.4 Inventory

	Note	2019/20	2018/19
	4	R'000	R'000
Clothing material and accessories		2 015	2 387
Materials and supplies		18 816	27 749
*Other supplies	4.4.1	6 356	15 659
Total		**27 187**	**45 795**

**The related expenditure is for the purchasing for "Face Value" forms from Government Printing Works for the printing of vehicle licences and permits.*

4.4.1 Other supplies

Other	6 356	15 659
Total	**6 356**	**15 659**

4.5 Consumables

Consumable supplies	1 677	2 277
Uniform and clothing	179	-
Household supplies	857	1 419
Building material and supplies	387	498
IT consumables	190	113
Other consumables	64	247
Stationery, printing and office supplies	66 510	76 177
Total	**68 187**	**78 454**

4.6 Property payments

Municipal services	29 137	28 332
*Other	31 457	28 289
Total	**60 594**	**56 621**

**The related expenditure is in relation to payments made for security services within the Department.*

4.7 Travel and subsistence

Local	13 452	12 354
Foreign	22	250
Total	**13 474**	**12 604**

4.8 Other operating expenditure

Resettlement costs	-	8
Total	**-**	**8**

5. Interest and rent on land

Interest paid	17	14 652
Total	**17**	**14 652**

6. Payments for financial assets

	Note	2019/20 R'000	2018/19 R'000
Debts written off	6.1	16	85
Total		**16**	**85**

6.1 Debts written off

Ex-Employees	16	85
Total	**16**	**85**

7. Transfers and subsidies

	Note		
Provinces and municipalities	36	1 939	1 900
Departmental agencies and accounts	Annexure 1B	2 153 314	1 945 268
Public corporations and private enterprises	Annexure 1C	2 167 572	2 239 153
Households	Annexure 1E	7 427	50 155
Total		**4 330 252**	**4 236 476**

8. Expenditure for capital assets

Tangible assets		**551 847**	**1 049 465**
Buildings and other fixed structures	32	544 247	1 034 803
Machinery and equipment	30	7 600	14 662
Intangible assets		**5 291**	**12 764**
Software	31	5 291	12 764
Total		**557 138**	**1 062 229**

8.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	**551 847**	**-**	**551 847**
Buildings and other fixed structures	544 247	-	**544 247**
Machinery and equipment	7 600	-	**7 600**
Intangible assets	**5 291**	**-**	**5 291**
Software	5 291	-	5 291
Total	**557 138**	**-**	**557 138**

8.2 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	**1 049 465**	-	**1 049 465**
Buildings and other fixed structures	1 034 803	-	**1 034 803**
Machinery and equipment	14 662	-	**14 662**
Intangible assets	**12 764**	-	**12 764**
Software	12 764	-	**12 764**
Total	**1 062 229**	-	**1 062 229**

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2019/20	2018/19
		R'000	R'000
Tangible assets			
Machinery and equipment		2 330	2 453
Total		**2 330**	2 453

9. Unauthorised expenditure

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

*The Department is alleged to have incurred Unauthorised expenditure amounting to **R100 million** and **R130 million** in 2015/16 and 2016/17 financial year respectively relating to the management of Public Transport Operation Grant-Bus Subsidies. Such allegations and recommendations are contained in an investigation report initiated by the Gauteng Provincial Treasury. During 2019/20 financial year the Head of Department accepted the forensic report and the implicated personnel have been put on special leave to enable the Department to implement the findings of the report. In the process of implementing the recommendations of the report, it became evident that there are certain findings which require clarification from the Forensic Auditors to ensure appropriate implementation of the report.*

As the Department is not disregarding to the report but clarification still needs to be sought from the forensic auditors, it will be impractical to list the items raised in the report as unauthorised expenditure. The Department will be engaging with the investigators as part of implementing the report and the assessment of progress on the implementation of the report will be performed in the following year's audit. Any confirmed unauthorised expenditure emanating from this process will be addressed appropriately in the forthcoming financial years in line with the requirements of the Modified Cash Standard.

10. Cash and cash equivalents

Consolidated Paymaster General Account	1 019 990	701 470
Cash on hand	59	79
Total	**1 020 049**	**701 549**

11. Prepayments and advances

11.1 Prepayments (Expensed)

	Note	Amount as at 1 April 2019	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
*Goods and services		27	(27)	-	7 443	7 443
Total		**27**	**(27)**	**-**	**7 443**	**7 443**

**This balance is mainly relating to payments made to Microsoft for annual licence fees.*

	Note	Amount as at 1 April 2018	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Goods and services		3 311	(3 311)	-	27	27
Total		**3 311**	**(3 311)**	**-**	**27**	**27**

11.2 Advance (Expensed)

	Note	Amount as at 1 April 2019	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
*National departments		-	-	-	1 253	1 253
Total		**-**	**-**	**-**	**1 253**	**1 253**

**This balance is mainly relating to payments made to National School of Government to conduct trainings to employees of the Department.*

12 Receivables

		2019/20			2018/19		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	Note						
Claims recoverable	*11.1*	448	-	448	14	-	14
Recoverable expenditure	*11.2*	193	-	193	369	-	369
Staff debt	*11.3*	2 684	-	2 684	2 252	-	2 252
Other receivables	*11.4*	-	786	786	-	786	786
Total		**3 325**	**786**	**4 111**	**2 635**	**786**	**3 421**

12.1 Claims recoverable

	Note	2019/20	2018/19
	11 and Annex 3	R'000	R'000
Provincial departments		-	14
Public entities		448	-
Total		**448**	**14**

12.2 Recoverable expenditure (disallowance accounts)

Sal:Reversal Control:CA	-	114
Deposit Account:Dom	180	181
Receipt Deposit Control:Dom	-	72
Sal:Tax Debt:CA	13	1
Pension Recoverable Acc	-	1
Total	**193**	**369**

12.3 Staff debt

Breach of Contract Ex-Employees	286	266
Employees	193	170
*Ex-Employees	2 104	1 725
Supplier	101	91
Total	**2 684**	**2 252**

** The Department charge interest on ex-employees in line with the prescribed interest rate as issued and updated by National Treasury.*

12.4 Other receivables

	Note	2019/20	2018/19
		R'000	R'000
*Other		786	786
Total		**786**	**786**

** Included in other debtors is amount that relates to security deposit for the building leased for the Xavier DLTC.*

12.5 Impairment of receivables

Estimate of impairment of receivables	134	164
Total	**134**	**164**

13 Voted funds to be surrendered to the Revenue Fund

	Note	2019/20 R'000	2018/19 R'000
Opening balance		359 603	295 380
Prior period error		-	-
As restated		359 603	295 380
Transfer from statement of financial performance (as restated)		637 203	359 603
Paid during the year		(359 603)	(295 380)
Closing balance		**637 203**	**359,603**

14 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

Opening balance		343 453	325 142
Prior period error		-	-
As restated		343 453	325 142
Transfer from Statement of Financial Performance (as restated)		4 196 215	4 042 228
Paid during the year		(4 154 987)	(4 023 917)
Closing balance		**384 681**	**343,453**

15 Payables – current

Other payables	*14.1*	560	367
Total		**560**	**367**

15.1 Other payables

Sal:ACB Recalls:CA	-	97
Sal:Pension Fund:CL	-	1
Sal:Income Tax:CL	344	123
Oustanding Payments:Dom	-	25
Bank Adjustment Acc:Dom	164	119
Cancel Cheque/Re-Issue (Pers)	-	2
EBT Rejection Acc:Dom	40	-
Sal:Reversal Control:ACC	6	-
Sal:Garnishee Order:CL	6	-
Total	**560**	**367**

16 Net cash flow available from operating activities

	Note	2019/20	2018/19
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		4 833 418	4 401 831
Add back non-cash/cash movements not deemed operating activities		(3 957 949)	(3 257 528)
(Increase)/decrease in receivables		(690)	595
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		193	(1 055)
Proceeds from sale of capital assets			-
Proceeds from sale of investments			-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		557 138	1 062 229
Surrenders to Revenue Fund		(4 514 590)	(4 319 297)
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		**875 469**	**1 144 303**

16.1 Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	1 019 990	701 470
*Cash on hand	59	79
Total	**1 020 049**	**701 549**

**The decrease is mainly due to closure of petty cash bank accounts in other regional offices within the Departments, these accounts were no longer required or necessary due to realignment of processes.*

17 Contingent liabilities and contingent assets

17.1 Contingent liabilities

	Note	2019/20 R'000	2018/19 R'000
Liable to Nature			
Claims against the department	*Annex 2A*	296 067	656 180
Intergovernmental payables (unconfirmed balances)	*Annex 4*	4,419	606
*Other	*Annex 2A*	-	-
Total		**300,486**	**656 786**

**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. It is foreseen that a Patronage Guarantee will 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

	Note	2019/20 R'000	2018/19 R'000
Nature of contingent asset			
Construction of Road K174 interchange (R42) with R59 (P156-2)		82 822	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)		10 000	10 000
Total		**190 232**	**190 232**

The Department discloses contingent assets in line with the Modified Cash Standard. The currently disclosed contingent assets arise from contribution agreements signed between a property developer 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 following projects are disclosed as contingent assets during the year under review.

The amount disclosed is the best estimate of the potential financial effect for the department:
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 (ECSA 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 (ECSA 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 (ECSA registered).

18 Commitments

	Note	2019/20 R'000	2018/19 R'000
Capital expenditure			
Building and other fixed structures		1 011 082	1 235 829
Total		**1 011 082**	**1 235 829**

*Annual improvements on Modified Cash Standard (MCS) as amended requires only the disclosure of commitments on capital expenditure. These changes have significantly reduced the overall value of commitment by approximately **R2 billion** which amongst other includes bus subsidy and road maintenance contracts.*

19 Accruals and payables not recognised

19.1 Accruals

			2019/20 R'000	2018/19 R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	13,086	-	13,086	**22 590**
Interest and rent on land	-	-	-	**-**
Transfers and subsidies	24	-	24	**10 756**
Capital assets	35,908	-	35,908	**43 653**
Other	34,430	-	34,430	**38 352**
Total	**83,448**	**-**	**83,448**	**115 351**
Listed by programme level				
Administration			7,654	19 705
Transport Infrastructure			35,979	44 677
Transport Operations			-	8 336
Transport Regulations			39,815	42 633
Total			**83,448**	**115 351**

19.2 Payables not recognised

			2019/20	2018/19
			R'000	R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services				
	1,234	-	1,234	**266**
Interest and rent on land				
	-	-	-	**-**
Transfers and subsidies				
	-	-	-	**-**
Capital assets				
	21,669	-	21,669	**-**
Other				
	-	-	-	**31**
Total	**22,903**	**-**	**22,903**	**297**

Listed by programme level		
Administration	1,159	162
Transport Infrastructure	21,744	104
Transport Operations	-	-
Transport Regulations	-	31
Total	**22,903**	**297**

	Note	**2019/20**	**2018/19**
Included in the above totals are the following:		**R'000**	**R'000**
Confirmed balances with other departments	*Annex 4*	682	1 467
Confirmed balances with other government entities	*Annex 4*	36,328	40 078
Total		**37,010**	**41 545**

20 Employee benefits

	Note	**2019/20**	**2018/19**
		R'000	**R'000**
*Leave entitlement		39 642	34 977
Service bonus		19 623	19 044
Performance awards		5 993	10 802
Capped leave		19,000	21 078
**Other		981	885
Total		**85 239**	**86 786**

Included herein is negative leave entitlement to the value of **R 298,026.46 which occurred as a result of the pro-rata calculation of leave taken as at 31 March 2020.*

***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.*

21 Lease commitments

21.1 Operating leases

2019/20	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	-	-	6,024	8 705	14,729
Later than 1 year and not later than 5 years	-	-	-	4 351	4 351
Later than five years	-	-	-	-	-
Total lease commitments	-	-	**6,024**	**13 056**	**19,080**

2018/19	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	-	-	6 057	11 498	17 555
Later than 1 year and not later than 5 years	-	-	688	8 466	9 154
Later than five years	-	-	-	-	-
Total lease commitments	-	-	**6 745**	**19 964**	**26 709**

21.2 Finance leases **

2019/20	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	-	-	-	2 416	2 416
Later than 1 year and not later than 5 years	-	-	-	985	985
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	**3 401**	**3 401**

2018/19	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	-	-	-	4 121	4 121
Later than 1 year and not later than 5 years	-	-	-	2 189	2 189
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	**6 310**	**6 310**

22 Accrued departmental revenue

	Note	2019/20	2018/19
		R'000	R'000
Tax revenue		535 528	519 285
Total		**535 528**	**519 285**

22.1 Analysis of accrued departmental revenue

Opening balance	519 285	427 387
Less:amounts received	(4 135 192)	(3 961 563)
Add:amounts recorded	4,172,572	4 071 422
Less:amounts written-off/reversed as irrecoverable	(21 137)	(17 961)
Closing balance	**535 528**	**519 285**

22.2 Accrued department revenue written off

Nature of losses

**Writing off interest in relation to outstanding road traffic act fees	21 137	17 961
Total	**21 137**	**17 961**

***In terms of the signed service level agreements (SLA), the Department levies interest revenue collected on behalf of the Department by the approved agencies in relation to Motor Vehicle Licence and Registration but which has not yet been paid over to the Department at financial year end. During each of the applicable financial years, the Department performs an assessment on the recoverability of interest levied which results in the relevant approval for write off.*

23 Irregular expenditure

23.1 Reconciliation of irregular expenditure

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		4 471 314	2 212 198
Prior period error		-	-
As restated		4 471 314	2 212 198
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		2,167,575	2 259 116
Closing balance		**6,638,889**	**4 471 314**
Analysis of awaiting condonation per age classification			
Current year		2,167,575	2 259 116
Prior years		4 471 314	2 212 198
Total		**6,638,889**	**4 471 314**

23.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2019/20
		R'000
Extension of Bus subsidy contracts devolved from the National Department of Transport (NDoT).	The Department has referred this expenditure to the Provincial Treasury for review and condonation.	2 167 575
Total		**2 167 575**

23.3 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	2019/20
		R'000
		-
Total		**-**

*In addition to above irregular expenditure, the Department is alleged to have incurred irregular expenditure amounting to **R210 968 000** relating to the construction of road K46 (P79/1) between PWV5 and N14 (P158/2) (Diepsloot)–Phase 2 as well on management of Public Transport Operation Grant (PTOG)- Bus subsidies. Such allegations and recommendations are contained in an investigation reports initiated by the Gauteng Provincial Treasury. During 2019/20 financial year the Head of Department accepted the forensic reports and the implicated personnel have been put on special leave to enable the Department to implement the findings of the report. In the process of implementing the recommendations of the report, it became evident that there are certain findings which require clarification from the Forensic Auditors to ensure appropriate implementation of the reports.*

As the Department is not disregarding to the reports but clarification still needs to be sought from the forensic auditors, it will be impractical to list the items raised in the reports as fruitless and wasteful expenditure. The Department will be engaging with the investigators as part of implementing the reports and the assessment of progress on the implementation of the reports will be performed in the following year's audit. Any confirmed irregular expenditure emanating from this process will be addressed appropriately in the forthcoming financial years in line with the requirements of the Modified Cash Standard.

24 Fruitless and wasteful expenditure

24.1 Reconciliation of fruitless and wasteful expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		59 226	-
Prior period error		-	-
As restated		-	-
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		272	59 226
Less: Amounts recoverable		-	-
Less: Amounts written off		-	-
Closing balance		**59,498**	**59 226**

24.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
Interest paid on late payments	Under Investigation	6
Court Order	Under Investigation	266
Total		**272**

*In addition to above fruitless and wasteful expenditure, the Department is alleged to have incurred fruitless expenditure amounting to **R166 949 000** relating to the construction of road K46 (P79/1) between PWV5 and N14 (P158/2) (Diepsloot) – Phase 2 as well on management of Public Transport Operation Grant (PTOG)- Bus subsidies. Such allegations and recommendations are contained in an investigation reports initiated by the Gauteng Provincial Treasury. During 2019/20 financial year the Head of Department accepted the forensic reports and the implicated personnel have been put on special leave to enable the Department to implement the findings of the report. In the process of implementing the recommendations of the report, it became evident that there are certain findings which require clarification from the Forensic Auditors to ensure appropriate implementation of the reports.*

As the Department is not disregarding to the reports but clarification still needs to be sought from the forensic auditors, it will be impractical to list the items raised in the reports as fruitless and wasteful expenditure. The Department will be engaging with the investigators as part of implementing the reports and the assessment of progress on the implementation of the reports will be performed in the following year's audit. Any confirmed fruitless and wasteful expenditure emanating from this process will be addressed appropriately in the forthcoming financial years in line with the requirements of the Modified Cash Standard.

25 Related party transactions

Revenue received	Note	2019/20 R'000	2018/19 R'000
Tax revenue		-	-
Total		-	-

*The Gauteng Department of Roads and Transport is related to its two (2) 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 (2019/20): g-Fleet Management **R 21.673** and **R 1.883 million** respectively which are payments made for fleet services and salaries, these transactions were at arm's length. Gautrain Management Agency (GMA) **R 2.153 billion** (Total value of transfer payments made during the year).*

In addition, two Gauteng Provincial Departments namely Department of Health and Department of Infrastructure Development were requested to procure Covid-19 Personnel Protective Equipment and sanitizers on behalf of the Department.

*Key Management Personnel are deemed to be related parties, for 2019/20 financial year a total amount of **R 16.590 million** was paid as compensation to Key Management Personnel. Please refer to note 26 for a detailed breakdown of payments made in 2019/20 financial year as compensation to Key Management Personnel.*

26 Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers (provide detail below)	2	1 789	1 978
Officials:			
Level 15 to 16	3	5 067	7 383
Level 14 (incl CFO if at a lower level)	7	9 734	10 389
Family members of key management personnel		-	-
Total		**16 590**	**19 750**

The key management personnel identified by the Department are those persons having the authority and responsibility for planning, directing and controlling the activities of the department and can exercise significant influence and the power to participate in the financial and operating policy decision of the Department. During the year under review (2019/20), the Gauteng Premier duly appointed an official from outside the Department's organisational structure to perform the function of Acting Accounting Officer until August 2020.

27 Public Private Partnership

	Note	2019/20 R'000	2018/19 R'000
Concession fee received		**2 153 314**	**1 945 268**
MTEF		2 153 314	1 945 268

The Department on behalf of the Gauteng Province has in existence a concession agreement with Bombela Consortium for the design, construction and operation of a rapid rail link between Pretoria and Johannesburg, and Johannesburg and O.R. Tambo International Airport, consisting of 80km's of rail and 10 stations. The management and oversight of the concession agreement for the Gautrain Rapid Rail Link Project is undertaken by the Gautrain Management Agency, a schedule 3C provincial public entity which was established in terms of the Gautrain Management Act, Act No 5 of 2006.

*During 2019/20 financial year, The Department transferred **R2.153 billion** to ensure business continuity and service delivery. For additional information pertaining to Gautrain asset please refer to GMA Annual Financial Statements.*

28 Provisions

		2019/20	2018/19
		R'000	R'000
Retention	28.1	29 423	37 942
Total		**29 423**	**37 942**

28.1 Reconciliation of movement in provisions – 2019/20

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	37 942	-	-	37 942
Increase in provision	10 762	-	-	10 762
Settlement of provision	(22 641)	-	-	(22 641)
Unused amount reversed	3 360	-	-	3 360
Closing balance	**29 423**	-	-	**29 423**

Reconciliation of movement in provisions – 2018/19

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	21 254	-	-	21 254
Increase in provision	25 122	-	-	25 122
Settlement of provision	(11 215)	-	-	(11 215)
Unused amount reversed	2 781	-	-	2 781
Closing balance	**37 942**	-	-	**37 942**

29 Non-adjusting events after reporting date

	2019/20
Nature of event	R'000
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	-
Total	**-**

The international Corona Virus (COVID-19) pandemic has been an unprecedented and unforeseen event which has impacted negatively on the social and economic welfare of all countries world-wide.

The declaration of a state of disaster by President of the Republic of South Africa ushered in an array of legislative measures, amongst them being a national period of lockdown commencing 27th March 2020. Such date of commenced coincided with the last 4 days of the Department's 2019/2020 financial year end. The economic impact of the national lockdown has been extremely severe on all business activities which has translated in the loss of many jobs. The Department continued to provide essential services during this period of national lockdown. In support of all essential services, i.e. law enforcement, health care, banking and other designated services the Department identified the strategic need to respond to the pandemic by focussing on preventing the loss of lives both within the Department and that of the users of public transport within the Province. As guided by research, with most people within the province using public transport, the probability of an alarming increase in the spread of COVID-19 through the aid of public transport is extremely high and dangerous for the people of Gauteng.

*The Department's financial response to support its strategic pandemic response plan resulted in parts of the 2020/2021 budget being reprioritised towards COVID-19 priorities. In addition, the Department acted as a conduit in the receiving of COVID-19 personal protective equipment (PPE) for use within the public transport environment for the protection of public transport commuters. For the 2019/2020 financial year, the Department received approximately **R300 000** worth of PPE from different donors for the benefit of the public transport operators.*

30 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**481,105**	**265**	**5,114**	**(24)**	**486,460**
Transport assets	368,547	15	-	-	368,562
Computer equipment	51,194	11	3,184	(14)	54,375
Furniture and office equipment	24,337	5	243	-	24,585
Other machinery and equipment	37,027	234	1,687	(10)	38,938
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**481,105**	**265**	**5,114**	**(24)**	**486,460**

Movable Tangible Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	1 679	36 767

*Included in the asset register are year-end unverified assets totalling **R36.767 million.** The COVID-19 pandemic had negatively impacted the Department's final stages of its annual verification process. The unverified items have been clearly identified as not yet verified within the asset register and are being followed up on through internal investigation processes in order identify the need for any adjustments to the asset register. These adjustments if necessary will be undertaken during the 2020/2021 financial year in line with the requirements of the Modified Cash Standard.*

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**7,600**	**-**	**(2,330)**	**(156)**	**5,114**
Transport assets	900	-	(900)	-	-
Computer equipment	3,212	-	-	(28)	3,184
Furniture and office equipment	243	-	-	-	243
Other machinery and equipment	3,245	-	(1,430)	(128)	1,687
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**7,600**	**-**	**(2,330)**	**(156)**	**5,114**

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**-**	**24**	**24**	**-**
Transport assets	-	-	-	-
Computer equipment	-	14	14	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	10	10	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**-**	**24**	**24**	**-**

30.3 Movement for 2018/19

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**471 218**	**48**	**11 694**	**(1 855)**	**481,105**
Transport assets	370 048	-	-	(1 501)	368,547
Computer equipment	47 559	(23)	4 012	(354)	51,194
Furniture and office equipment	23 727	9	601	-	24,337
Other machinery and equipment	29 884	62	7 081	-	37,027
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**471,218**	**48**	**11 694**	**(1 855)**	**481,105**

30.2.1 Prior period error

	Note	2018/19
		R'000
Nature of prior period error		
Relating to 2018/19		**48**
Addition was erroneously overstated		48
Total prior period errors		**48**

30.3 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	21	-	40 116	-	40 137
Value adjustments	-	-	-	161	-	161
Additions	-	-	-	328	-	328
Disposals	-	-	-	(12)	-	(12)
TOTAL MINOR ASSETS	**-**	**21**	**-**	**40 593**	**-**	**40 614**

	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	-	8	-	29 828	-	29 836
TOTAL NUMBER OF MINOR ASSETS	**-**	**8**	**-**	**29 961**	**-**	**29 969**

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	7 339	9 628

*Included in the asset register are year-end unverified minor assets totalling **R9.628 million.** The COVID-19 pandemic had negatively impacted the Department's final stages of its annual verification process. The unverified items have been clearly identified as not yet verified within the asset register and are being followed up on through internal investigation processes in order identify the need for any adjustments to the asset register. These adjustments if necessary will be undertaken during the 2020/2021 financial year in line with the requirements of the Modified Cash Standard.*

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	21	-	38 729	-	**38 750**
Prior period error	-	-	-	(4)	-	**(4)**
Additions	-	-	-	1 578	-	**1 578**
Disposals	-	-	-	(187)	-	(187)
TOTAL MINOR ASSETS	**-**	**21**	**-**	**40 116**	**-**	**40 137**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	7	-	7
Number of minor assets at cost	-	8	-	29 532	-	29 540
TOTAL NUMBER OF MINOR ASSETS	**-**	**8**	**-**	**29 539**	**-**	**29 547**

30.4.1 Prior period error

	Note	2018/19 R'000
Nature of prior period error		
Relating to 2018/19 *[affecting the opening balance]*		**(4)**
Addition was erroneously overstated		(4)
Relating to 2018/19		**-**
Total prior period errors		**(4)**

30.3 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	**-**	**-**	**-**	**-**	**-**	**-**

31 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	25 793	-	18,055	-	43,848
TOTAL INTANGIBLE CAPITAL ASSETS	**25 793**	**-**	**18,055**	**-**	**43,848**

31.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	5,291	12,764	-	-	18,055
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	**5,291**	**12,764**	**-**	**-**	**18,055**

31.2 Movement for 2018/19

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	25 793	-	-	-	25 793
TOTAL INTANGIBLE CAPITAL ASSETS	**25 793**	-	-	-	**25 793**

32 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**40,421,969**	**-**	**497,174**	**-**	**40,919,143**
Other fixed structures	40,421,969	-	497,174	-	40,919,143
LAND AND SUBSOIL ASSETS	**350 629**	**-**	**35 268**	**-**	**385 897**
Land	350 629	-	35 268	-	385 897
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**40,772,598**	**-**	**532,442**	**-**	**41,305,040**

32.2 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	**508 979**	**425 652**	**(437,457)**	**-**	**497,174**
Other fixed structures	508 979	425 652	(437,457)	-	497,174
LAND AND SUBSOIL ASSETS	**35 268**	**-**	**-**	**-**	**35 268**
Land	35 268	-	-	-	35 268
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	**544 247**	**425 652**	**(437,457)**	**-**	**532,442**

Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-
Other fixed structures	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-

32.3 Movement for 2018/19

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**39 521 626**	**(203)**	**902 099**	**(1 553)**	**40,421,969**
Other fixed structures	39 521 626	(203)	902 099	(1 553)	40,421,969
LAND AND SUBSOIL ASSETS	**254 297**	**-**	**96 332**	**-**	**350 629**
Land	254 297	-	96 332	-	350 629
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**39 775 923**	**(203)**	**998 431**	**(1 553)**	**40,772,598**

Prior period error

	Note	2018/19
		R'000
Nature of prior period error		
Relating to 20WW/XX *[affecting the opening balance]*		**(203)**
Bridge repair capitalised in 2018/19		(203)
Relating to 2018/19		-
Total prior period errors		**(203)**

The prior period error relates to maintenance and repair of bridge on road number P186/1 (N12) which was erroneously capitalised.

32.4 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	Note	Opening balance 1 April 2020	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2020
	Annexure 7	R'000	R'000	R'000	R'000
Buildings and other fixed structures		1,679,125	508,979	(497,174)	1,690,930
Intangible assets		11,513	5,291	(16,804)	-
TOTAL		**1,690,638**	**514,270**	**(513,978)**	**1,690,930**

	Number of projects		2019/20
Age analysis on ongoing projects	**Planned, Construction not started**	**Planned, Construction started**	**Total R'000**
0 to 1 Year	16	1	59,754
1 to 3 Years	36	10	501,405
3 to 5 Years	79	7	1,129,771
Longer than 5 Years	-	-	-
Total	**131**	**18**	**1,690,930**

Payables not recognised relating to Capital WIP	*Note*	2019/20 R'000	2018/19 R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress		9 642	14 022
Total		**9 642**	**14 022**

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

	Note	Opening balance 1 April 2019	Prior period error	Current Year WIP	Ready for use (Assets to the AR)) / Contracts terminated	Closing balance 31 March 2019
	Annexure 7	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures		1,631,751	11,002	938 471	(902 099)	1,679,125
Intangible assets		17 973	(19,224)	12 764	-	11,513
TOTAL		**1,649,724**	**(8,222)**	**951 235**	**(902 099)**	**1,690,638**

	Number of projects		2018/19
Age analysis on ongoing projects	**Planned, Construction not started**	**Planned, Construction started**	**Total R'000**
0 to 1 Year	16	2	213 388
1 to 3 Years	36	15	784,937
3 to 5 Years	75	7	692,313
Longer than 5 Years	-	-	-
Total	**127**	**24**	**1,690,638**

32.5 Immovable assets written off

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
Assets written off	-	-	-	-
TOTAL IMMOVABLE ASSETS WRITTEN OFF	-	-	-	-

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
Assets written off	-	-	-	-
TOTAL IMMOVABLE ASSETS WRITTEN OFF	-	-	-	-

32.6 S42 Immovable assets

Assets to be transferred in terms of S42 of the PFMA – 2019/20

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**4**	**128 997**
Other fixed structures	4	128 997
TOTAL	**4**	**128 997**

The above building infrastructure assets is mainly relating to completed Driving Licence Testing Centres which are subjected to be transferred to the Department of Infrastructure Development during 2020/21 financial year as the custodian of all building infrastructure within the Gauteng Province.

Assets to be transferred in terms of S42 of the PFMA – 2018/19

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**4**	**150 340**
Non-residential buildings	4	150 340
Other fixed structures	-	-
LAND AND SUBSOIL ASSETS	**-**	**-**
Land	-	-
TOTAL	**4**	**150 340**

Principal-agent arrangements

33.1 Department acting as the principal

	2019/20	2018/19
	R'000	R'000
Ekurhuleni Metropolitan Municipality	345 685	346 074
Mogale City	29 011	29 454
Sedibeng Municipality	75 231	73 418
City of Johannesburg	307 142	297 064
Tshwane Metropolitan Municipality	191 867	193 862
South African Post Services	173 651	159 220
*Merafong District Municipality	-	12 515
Randwest	21 694	24 453
Total	**1 144 281**	**1 136 060**

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.

#In or around February 2018 Westonaria and Randfontein Municipality respectively were merged into Randwest Municipality hence the variance between the current and prior year agency fees paid.

**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. 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.*

33.2 Department acting as the agent

33.2.1 Revenue received for agency activities

	2019/20 R'000	2018/19 R'000
	-	
Total	-	-

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.

34 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2018/19	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public Transport Operation Grant	2 436 074	-	-	-	2 436 074	2 436 074	2 014 534	421 540	83%	2 294 011	2 078 324
Provincial Roads Maintenance Grant	767 506	-	-	-	767 506	767 506	767 354	152	100%	742 522	742 275
EPWP Integrated Grant for Prov	6 386	-	-	-	6 386	6 386	6 386	-	100%	6 490	6 490
	3 209 966	**-**	**-**	**-**	**3 209 966**	**3 209 966**	**2 788 277**	**421 692**		**3 043 023**	**2 827 089**

35 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	2019/20							2018/19	
	GRANT ALLOCATION				TRANSFER				
NAME OF MUNICIPALITY	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%		
City of Tshwane	2 300	-	-	2 300	1 939			2 500	1 900
TOTAL	**2 300**	**-**	**-**	**2 300**	**1 939**	**-**	**-**	**2 500**	**1 900**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
(UNAUDITED SUPPLEMENTARY SCHEDULE)
for the year ended 31 March 2020

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
NAME OF MUNICIPALITY	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Reallocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
City of Tshwane	2 300	-	-	2 300	1 939							2 500	1 900
TOTAL	**2 300**	**-**	**-**	**2 300**	**1 939**	**-**	**-**	**-**	**-**	**-**	**-**	**2 500**	**1 900**

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
(UNAUDITED SUPPLEMENTARY SCHEDULE)
for the year ended 31 March 2020

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2018/19
DEPARTMENTAL AGENCY/ ACCOUNT	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Prov DA:Gauntrain Man Agency	2 153 314			2 153 314	2 153 314	100%	1 945 268
TOTAL	**2 153 314**	**-**	**-**	**2 153 314**	**2 153 314**		**1 945 268**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
(UNAUDITED SUPPLEMENTARY SCHEDULE)
for the year ended 31 March 2020

ANNEXURE 1C
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Subsidies	**2 615 700**	**-**	**-**	**2 615 700**	**2 167 572**	**82,9%**		**2 167 572**	**2 463 790**
Public Transport Operation Grant	2 436 074	-	-	2 436 074	2 014 534	**82,7%**		2 014 534	2 294 011
Northwest Star Demarcation	179 626	-	-	179 626	153 038	**85,2%**		153 038	169 779
TOTAL	**2 615 700**	**-**	**-**	**2 615 700**	**2 167 572**	**82,9%**	**-**	**2 167 572**	**2 463 790**

ANNEXURE 1D
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
H/H:Empl S/Ben:Injury on duty	2 953	-	-	2 953	193	7%	870
H/H:Empl S/Ben:Leave gratuity	3 804	-	-	3 804	4 777	126%	3 460
H/H:Claims Against State (Cash)	1 237	-	-	1 237	679	55%	3 200
H/H Empl s/Ben:PST Retirtmt Benefit	1 754	-	-	1 754	1 778	101%	60
TOTAL	**9 748**	**-**	**-**	**9 748**	**7 427**		**7 590**

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

(UNAUDITED SUPPLEMENTARY SCHEDULE)

for the year ended 31 March 2020

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Received in kind			
Old Mutual Limited	Old Mutual Hamper (diary, pen, mug, small fan, cooler bag and lunch)	-	1
Gauteng Provincial Legislature	Picnic pack	-	2
Clinex	Hand Sanitisers (116 x 500ml,35 x 20 litres, 135 x 5 litres and 54 x 25 litres) and 3 000 gloves.	300	-
Subtotal		**300**	**3**
TOTAL		**300**	**3**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
(UNAUDITED SUPPLEMENTARY SCHEDULE)
for the year ended 31 March 2020

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation	2019/20 R'000	2018/19 R'000
Made in kind		
Sponsorship for the UATP/I Transport conference and exhibition made to Intelligent Transport Society South Africa	-	750
Donation of Computer equipments (58) and office furniture (8) to Growing Champion, Masomelezane Foundation,	-	
Nkateko ya Ntsako Home Base Care, St Thomas Anglican Church and Regatammogo Sports Development	-	532
St Joseph Church (fans, Acqua cooler and office containers (3x12m and 3x6m)	22	-
TOTAL	**22**	**1 282**

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

(UNAUDITED SUPPLEMENTARY SCHEDULE)

for the year ended 31 March 2020

ANNEXURE 2A

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2020 R'000
Claims against the department	656 180	106 186	(466 299)	-	296 067
TOTAL	**656 180**	**106 186**	**(466 299)**	**-**	**296 067**

*The amount totalling **R466.2 million** disclosed in this annexure as liabilities cancelled, reduced or paid is not a reflection of the actual amount paid by the Department in terms of any court settlement. This balance reflects the impact of the full claim that was initially lodged against the Department in relation to any claim which has either been settled or dismissed by the relevant courts or prescribed in terms of law.*

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
(UNAUDITED SUPPLEMENTARY SCHEDULE)
for the year ended 31 March 2020

ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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
Department								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Other Government Entities								
g-FleeT Management	448	-	-	-	448	-		
	448	-	-	-	448	-		
TOTAL	448	-	-	-	448	-		

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
(UNAUDITED SUPPLEMENTARY SCHEDULE)
for the year ended 31 March 2020

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
National Department of Justice and Constitution Development	-	914	4 419	606	4 419	1 520	-	-
Government Printing Works	-	1	-	-	-	1	-	-
Department of Public Service and Administration	682	552	-	-	682	552	-	-
TOTAL	**682**	**1 467**	**4 419**	**606**	**5,101**	**2 073**	**-**	**-**
OTHER GOVERNMENT ENTITY								
Current								
g-FleeT Management	1 896	1 751	-	-	1 896	1 751	-	-
Road Traffic Management Corporation (RTMC)	24 716	28 461	-	-	24 716	28 461	-	-
Driving Licence Card Account	7 563	8 626	-	-	7 563	8 626	-	-
Road Traffic Infringement Agency	2,153	1 240	-	-	2,153	1 240	-	-
TOTAL	**36,328**	**40 078**	**-**	**-**	**36,328**	**40 078**	**-**	**-**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
(UNAUDITED SUPPLEMENTARY SCHEDULE)
for the year ended 31 March 2020

ANNEXURE 5
INVENTORIES

Inventories for the year ended 31 March 2020	Clothing Material and Accessories	Materials and Supplies	Other supplies (Face value)	Insert major category of inventory	TOTAL
	R'000	R'000	R'000	R'000	R'000
Opening balance	2,087	35,453	36	-	37,576
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases – Cash	2,015	6,356	18,815	-	27,186
(Less): Issues	(3,907)	(12,146)	(5,644)	-	(21,697)
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	**195**	**29,663**	**13,207**	**-**	**43,065**

Annual improvements on Modified Cash Standard (MCS) as amended requires the disclosure of inventory per major category. The cost of inventories is assigned by using the weighted average cost basis.

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

(UNAUDITED SUPPLEMENTARY SCHEDULE)

for the year ended 31 March 2020

Inventories for the year ended 31 March 2019	Clothing Material and Accessories R'000	Materials and Supplies R'000	Other supplies (Face value) R'000	Insert major category of inventory R'000	TOTAL R'000
Opening balance	2,830	25,164	448	-	28,442
Add/(Less):Adjustments to prior year balances	-	-	-	-	-
Add:Additions/Purchases – Cash	2,388	37,498	5,910	-	45,795
(Less): Issues	(3,130)	(27,822)	(6,322)	-	(37,274)
Add/(Less): Received current, not paid					
(Paid current year, received prior year)	-	613	-	-	613
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	**2,087**	**35,453**	**36**	**-**	**37,576**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
(UNAUDITED SUPPLEMENTARY SCHEDULE)
for the year ended 31 March 2020

ANNEXURE 6
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**1,679,125**	**508,979**	**(497,174)**	**1,690,930**
Other fixed structures	1,679,125	508,979	(497,174)	1,690,930
SOFTWARE	**11,513**	**5,291**	**(16,804)**	**-**
Software	11,513	5,291	(16,804)	-
TOTAL	**1,690,638**	**514,270**	**(513,978)**	**1,690,930**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**1 631 751**	**11,002**	**938 471**	**(902 099)**	**1,679,125**
Other fixed structures	1 631 751	11,002	938 471	(902 099)	1,679,125
SOFTWARE	**17 973**	**(19,224)**	**12 764**	**-**	**11,513**
Software	17 973	(19,224)	12 764	-	11,513
TOTAL	**1,649,724**	**(8,222)**	**951 235**	**(902 099)**	**1,690,638**

GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

g-FleeT MANAGEMENT

"Making your fleet our business"

g-FleeT MANAGEMENT

ANNUAL REPORT

2019 - 2020 FINANCIAL YEAR

Compiled by Department: Monitoring and Evaluation

TABLE OF **CONTENTS**

1.	DEPARTMENT GENERAL INFORMATION	**235**
2.	ABBREVIATIONS AND ACRONYMS	**236**

PART A | GENERAL INFORMATION

3.	OVERVIEW OF THE CHIEF EXECUTIVE OFFICER	**237**
4.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	**252**
5.	STRATEGIC OVERVIEW	**253**
6.	LEGISLATIVE AND OTHER MANDATES	**255**
7.	ORGANISATIONAL STRUCTURE	**256**

PART B | PERFORMANCE INFORMATION

1.	AUDITOR GENERAL REPORT : PREDETERMINED OBJECTIVES	**258**
2.	OVERVIEW OF THE ENTITY'S PERFORMANCE	**259**
3.	STRATEGIC OUTCOME ORIENTED GOALS	**261**
4.	PERFORMANCE INFORMATION BY PROGRAMME	**262**
	PROGRAMME 1: OPERATIONAL MANAGEMENT SERVICE	**262**
	PROGRAMME 2: CORPORATE AND FINANCIAL MANAGEMENT SERVICE	**264**
5.	CAPITAL INVESTMENT	**270**

PART C | GOVERNANCE

1.	INTRODUCTION	**272**
2.	RISK MANAGEMENT FRAUD AND CORRUPTION	**272**
3.	MINIMISING CONFLICTS OF INTEREST	**272**
4.	CODE OF CONDUCT	**272**
5.	HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	**272**
6.	PORTFOLIO COMMITTEES	**273**
7.	STANDING COMMITTEE ON PARLIAMENTARY ACCOUNTS (SCOPA) RESOLUTION	**281**
8.	PRIOR MODIFICATIONS TO AUDIT REPORT	**286**
9.	INTERNAL CONTROL UNITS	**287**
10.	AUDIT COMMITTEE REPORT	**288**

PART D | HUMAN RESOURCE MANAGEMENT

1.	INTRODUCTION	**293**
2.	HUMAN RESOURCES OVERSIGHT STATISTICS	**294**

PART E | FINANCIAL INFORMATION

1.	REPORT OF THE AUDITOR GENERAL	**324**
2.	ANNUAL FINANCIAL STATEMENTS	**328**



PART A
GENERAL INFORMATION

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
EMAIL ADDRESS:	CommunicationsGPDRT@gauteng.gov.za
WEBSITE ADDRESS:	www.gfleet.gov.za

2. ABBREVIATIONS AND **ACRONYMS**

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



3. OVERVIEW OF THE CHIEF EXECUTIVE OFFICER

MS NOXOLO MANINJWA | CHIEF EXECUTIVE OFFICER

OVERVIEW OF THE FINANCIAL YEAR:

g-FleeT Management is the Trading Entity of the Gauteng Department of Roads and Transport (GDRT). The main aim of the Entity is to provide motor transportation services to all government departments at provincial, municipal, and national levels.

g-FleeT operates from Bedfordview, where the Head Office is based, with offices at 45 Commissioner Street, Johannesburg Central Business District, offices in Koedoespoort, Pretoria, and a kiosk at the OR Tambo International Airport, Kempton Park. The Entity has three (03) functional regional offices namely in Kwa-Zulu Natal, Eastern Cape, Western Cape. These mainly service regional and district offices of Gauteng-based National Departments and Municipalities who are key clients of g-FleeT.

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 by law 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 which is comprised of a fixed rental cost over a selected period of a minimum of twelve (12) months up to seven (7) years, depending on the type of vehicle and the functional needs of the client.
- Short-term motor rentals - is a short-term vehicle lease service offered by g-FleeT which is comprised of a fixed rental cost over a selected short period (less than 12 months).
- Chauffeur driven, which provides both driver and vehicle for hire over a short-term period.
- Fuel card services - for payment of the fuel and toll gate fees
- Managed maintenance – a call centre to ensure authorization is only given for necessary maintenance that complies with manufactures standards and is in line with manufactures guidelines.
- elematics, for tracking and monitoring of vehicles and drivers
- Accident management and roadside assistance, which assists our clients with towing and repairs of vehicles.
- License and traffic fine administration which is responsible for:
  - Motor vehicle registration and licensing
  - Ensuring that every fine is re-routed to the correct offender.

The Entity owned and manages a fleet of six thousand three hundred and nineteen (6,319) vehicles as at 31 March 2020.

The 2019/20 financial year has been another positive year for g-FleeT Management Trading Entity. The Entity continued to implement various strategies and policies to ensure that it is financially viable and sustainable. The Entity achieved its fourth consecutive unqualified audit opinion from

the Auditor General of South Africa (AGSA). This was achieved due to concerted efforts by both staff and management in ensuring that the Entity improves on governance, financial management matters as well as guidance and oversight performed by the various committees that the Entity accounts too.

With regards to the overall performance of the Entity against targets set out in the approved 2019/20 Annual Performance Plan, the Entity achieved eleven (11) targets which translate to 73.3% performance rate.

The Entity aims to be sustainable and ensure profitable growth in revenue by implementing initiatives aimed at attracting and retaining customers. The overall revenue growth across all sources increased by an average of 6.37% in 2019/20 to the value amounting to R1.100 billion.

TOP MANAGEMENT'S PERSPECTIVE OF THE ENTITY

The Entity has made great strides in improving internal controls and governance. The Entity has continued to render customer-centric fleet management services and also ensured that it remains financially sustainable. Notwithstanding the challenges, the leadership and officials are committed to the vision of the Entity to "Keep Government Service Delivery on the Move".

ACHIEVEMENTS

INDICATORS TO IMPROVE EFFICIENCY AND CUSTOMER SERVICE

The Entity identified the following four indicators that seek to ensure that the Entity is sustainable. These indicators further assist the Entity in measuring the quality of services provided, turnaround times, and quality of vehicles provided by the Entity.
Measuring efficiency enables g-FleeT Management to make the best possible use of the Entity's resources.

AVERAGE AGE OF FLEET

- This indicator seeks to ensure that vehicles provided by g-FleeT Management are efficient and reliable. The Entity continued to procure vehicles at discounted prices through the National Treasury RT57 Contract. Average age of fleet, ≤4 years. Despite delays in the finalization of the RT57 contract, the Entity kept the average age of fleet at less than 4 years during the financial year under review. This was due to the fine balance between the intake of new vehicles and the withdrawal of redundant vehicles. This is a positive achievement, which ensures that the Entity delivers on its mission of "Providing reliable fleet to meet client needs".

AVERAGE TURNAROUND TIMES FOR MECHANICAL REPAIRS

- This indicator seeks to improve turnaround times on mechanical repairs managing downtime on vehicles under repair. This will in turn improve efficiency and improve customer service. The Entity planned a turnaround time of 15 days during the period under review and achieved an average of 11 days against a target of 15 days. This was due to close monitoring of the mechanical process and using internship candidates to fill in the gaps.

IMPLEMENTATION OF ICT STRATEGY/PLAN

- This indicator seeks to improve internal business processes to progress efficiency and reduce turnaround times while enhancing transparency. The Entity developed and approved the 2014-2019 ICT Strategy together with the implementation plan for the 5 years. The 2019/20 ICT implementation plan included the rollout of the Customer Relationship Management system (CRM and the procurement of the Key Management System. The ICT plan was implemented; however, the complete CRM module will be part of the overall new FIS project for all business unit's operations. The Key Management System was procured and installed. The VIP and Pool cabinet was installed and training provided. The cabinets for the maintenance unit will be procured in 20/21 financial year.

IMPLEMENTATION OF THE SUSTAINABILITY MODEL

- This indicator seeks to ensure the sustainability to the Entity. The completion of phase 2 of the implementation of the sustainability model (Driver 5) was achieved as planned. The Project Initiation Plans for Phase 2 Infrastructure projects and the Panel beating workshop, Wellness Centre, and Car wash were approved.

INDICATORS TO MAXIMISE RETURN ON INVESTMENT

Return on Investment indicators are very important to g-FleeT Management as the Entity does not receive equitable share or any grant allocations. Vehicle utilization by client departments is therefore directly related to revenue generation. Ensuring maximized utilization of vehicles will increase return on investment which will contribute to strengthening the stability, growth, and sustainability of the Entity.

AVERAGE NUMBER OF BUSINESS DAYS FROM DELIVERY OF VEHICLES TO G-FLEET TO ACTIVE VEHICLE CONTRACT WITH CLIENT (LEASE VEHICLES ONLY FROM PERMANENT UNIT)

This indicator optimizes billing on purchased vehicles by ensuring that

vehicles are allocated to clients within a reasonable timeframe. The Entity achieved an average of 19 days against a target of 20 days in activating the vehicle contract from the delivery. This in return ensures that vehicles are not lying idle within the yard while not incurring any revenue.

AVERAGE PERCENTAGE OF RENTAL DAYS UTILIZED FOR VIP SELF-DRIVE VEHICLES

This indicator seeks to ensure that the Entity's assets are optimally utilized to generate revenue. The Entity achieved 53.94% against the planned target of 50%. This contributes to the impact of a sustainable, safe, efficient, reliable, and affordable fleet management solution.

AVERAGE PERCENTAGE OF RENTAL DAYS UTILIZED FOR POOL VEHICLES

This indicator too seeks to ensure that the Entity's assets are utilized optimally to generate revenue. 81,84% has been achieved by the Entity against the planned target of 69%. This in return maximises entity returns and ensures financial sustainability.

ANNUAL TARIFF STRUCTURE SUBMITTED TO PROVINCIAL TREASURY FOR APPROVAL

This indicator is to ensure the Entity is sustainable through correct pricing. The Entity submitted the annual tariff structure for the 2020/21 financial year to Provincial Treasury for approval as planned during the period under review.

REDUCTION OF DEBTORS DAYS

The efforts put by the Entity, particularly finance officials and senior management in making sure that debtors management policy is fully implemented and adhered to, resulted in the reduction of average debtors' days by 70.36% excluding departments that submitted the payment plan. This outstanding performance surpassed the set annual target of 20%.

2018/19 AUDIT OPINION

An audit report from the Auditor-General of South Africa is a key indicator that enables the Entity to measure the effectiveness of its governance systems and the progress made regarding the objective of turning the Entity around and improving its performance. In this regard, the Entity achieved an unqualified audit opinion for the 2018/19 financial year. This is the fourth year in a row that the Entity is achieving an unqualified audit opinion.

> "The entity surpassed the annual target of 80% for vehicles sold through public auction."

AUCTION

As part of the strategy to effectively manage assets of the Entity and guided by the Asset Management Policy, obsolete vehicles were disposed of through a public auction. The Entity surpassed the annual target of 80% for vehicles sold through an auction. A total of 1791 vehicles (including Judge's vehicles) were sold and an increased revenue of R 38 918 000 was generated during the year under review. This is an increase of 34.58% in revenue as compared to the performance of the previous financial year. The success of the auction process can be attributed to an increased turnout from buyers and the quality and reasonable prices of vehicles on auction.

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

Revenue collection – Disposal of Vehicles through Public Auctions

No.	Auction Date	Fleet Sold (#)	Total Proceeds (R)
1	26th and 27th June 2019	484	R 37 719 464.71
2	25th and 26th September 2019	435	R 36 015 225.38
3	04th and 05th December 2019 – Live Auction	503	R 45 845 200.07
4	10th December 2019 – Online Auction	359	R 27 871 688.15
5	02nd May 2019, 15th May 2019, 21st June 2019, 19th July 2019, 27th July 2019, 08th August 2019, 10th October 2019,12th November 2019, 12th February 2020, 13th February 2020	10 (Judges Vehicles)	R 3 970 796.73
	Total	**1 791**	**R 151 422 375.00**

Table 1. Revenue Collection – Disposal of Vehicles

REVENUE COLLECTION – LEASES

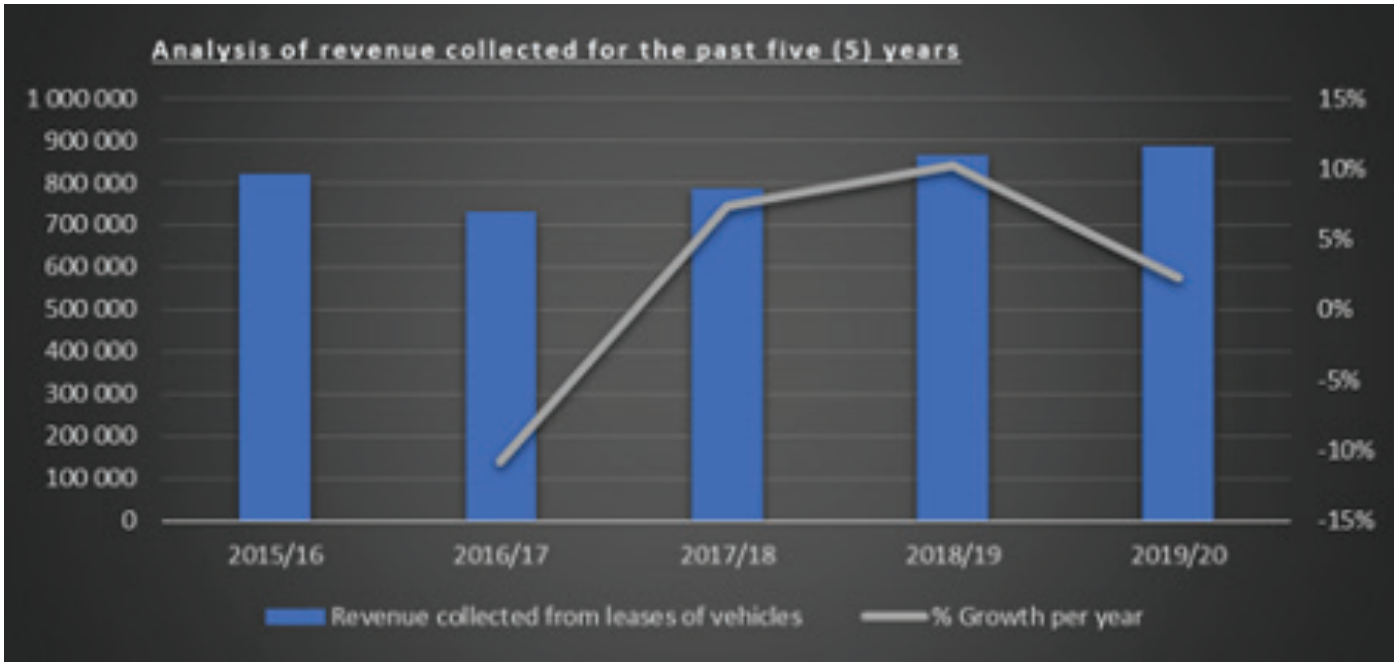
The implementation of the Debtors Management Policy continues to yield the desired results for the Entity in terms of revenue collection from client departments in relation to the lease of vehicles. The Entity surpassed the 20% target in decreasing the average debtor days. This percentage excludes the amounts owed by client departments that submitted written payment plans.

During the financial year under review, an aggregate amount of R884 million was actively collected from client departments. The increase constitutes 2.27% in comparison to the amount of R865 million collected in the 2018/19 financial year. The Entity will continue to follow up on all outstanding accounts in line with the approved Debtors Management Policy.

The below table and graphic presentation provide a synopsis of the revenue collection growth in the past five (5) years:

	2015/16	2016/17	2017/18	2018/19	2019/20
Source of Revenue	**R'000**				
Revenue Collected from Leases of vehicles	**819,042**	**730,993**	**784,370**	**865,056**	**884,718**
% Growth per year	**29%**	**-11%**	**7%**	**10%**	**2,27%**

Table 1.1. Revenue Collection Growth over the past 5 years



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

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

The Gauteng Provincial Government has committed itself to a viable economic empowerment of all black people (historically disadvantaged individuals), in particular, Women, Youth, and People with Disabilities through diverse but integrated socio-economic strategies. It has set its Equity Targets relating to B-BBEE for all provincial departments and entities in the province to be met on monthly basis.

The table below outlines the provincial target currently:

Total awarded to HDI companies	Total awarded to WOMEN OWNED companies	Total awarded to YOUTH OWNED companies	Total awarded to PWD OWNED companies
80	30	10	2

Table 1.2. Provincial Equity Targets

Furthermore, the Gauteng Provincial Government has committed to achieving 30% of provincial spend on goods and services to support the Township Economy Revitalization (TER) programme, however reporting on this is currently done by Provincial Treasury, Provincial Supply Chain Management. The Entity has committed itself to strive to meet the provincial targets as set by the Office of the Premier.

In addition, the Entity has developed a Sourcing Strategy for the 2019/20 financial year to show its commitment to meeting the targets and also to enable the Entity to monitor the targets on regular basis.

The tables below show the improvement the Entity has achieved in the 2019/20 financial year compared to the 2018/19 year:

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: HISTORICALLY DISADVANTAGED INDIVIDUALS					
2018/19			2019/20		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER (#)	TOTAL PERCENT-AGE (%)	TOTAL VALUE (R)
154	63	215,284,488.62	143	83	81,267,899

Table 1.3.: Analysis of Awards to HDI's

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: WOMEN					
2018/19			2019/20		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER (#)	TOTAL PERCENT-AGE (%)	TOTAL VALUE (R)
153	32	117,471,371.36	105	48	32,547,877

Table 1.4.: Analysis of Awards to Women

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: YOUTH					
2018/19			2019/20		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER (#)	TOTAL PERCENT-AGE (%)	TOTAL VALUE (R)
13	9	23,443,610.51	43	22	2,885,320

Table 1.5.: Analysis of Awards to Youth

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: PEOPLE WITH DISABILITIES					
2018/19			2019/20		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)	TOTAL NUMBER (#)	TOTAL PERCENT-AGE (%)	TOTAL VALUE (R)
1	0	13,758.48	4	2	211,592

Table 1.6: Analysis of Awards to PWD's

The table below outlines the provincial target currently on Township Economy Revitalization (TER) spent for 2019/20 financial year:

Month	Total Spent on Goods, Services and Construction	Proportion Spent on Township Based Suppliers	% TER Spent
	R	R	
April 2019	1,315,444.85	196,294.00	15
May 2019	1,560,763.24	403,130.60	26
June 2019	1,581,758.84	704,724.60	45
July 2019	1,658,063.50	468,665.01	28
August 2019	1,274,905.49	405,479.98	32
September 2019	824,282.06	251,249.91	30
October 2019	977,398.28	355,975.91	36
November 2019	1,065,071.23	390,365.17	37
December 2019	935,657.38	104,640.76	11
January 2020	1,883,736.46	747,294.76	40
February 2020	943,565.33	571,467.67	61
March 2020	1,808,930.94	413,514.38	23
TOTAL	15,829,577.60	5,012,802.75	32

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.

AVERAGE TURNAROUND TIME FOR ACCIDENT REPAIRS

This indicator seeks to improve turnaround times accident repairs managing downtime on vehicles under repair. This will in turn improve efficiency and improve customer service. The Entity planned a turnaround time of 30 days during the period under review, and could only manage an average of 44.25 days. This was due to vehicles awaiting parts on backorder, and the high number of updates (unforeseen damage) on repairs contribute to lengthy turnaround time as well as challenges experienced under the RT 46 contract. The Entity is continuously engaging the service provider to minimize turnaround time.

TRAFFIC FINES

In relation to the management of traffic fines, the Entity continues to experience challenges in the Western Cape Province. Due to unpaid fines, caused by the challenge of re-routing of fines to client departments, the Entity gets blocked on e-Natis and is unable to renew vehicle licenses. In the financial year under review, the Entity attended court proceedings in different municipalities to negotiate, cancel, or re-route the traffic fines. Alternative options are being explored to address the re-routing of fines.

The Administrative Adjudication of Road Traffic Offences bill (AARTO) has been approved and the Road Traffic Infringement Agency (RTIA) is awaiting the proclamation date by the President to implement the ARRTO Act. RTIA will assist in multiple online re-routing of traffic fines where the information is provided by the Transport Officer (proxy).

VEHICLE TRACKING

Safeguarding the Entity's assets is critical in order to ensure that it is sustainable in the medium to long-term. The Entity's vehicles are supplied to clients with the tracking and monitoring services, excluding the exempted vehicles as per request from client departments. In the financial year under review, the Entity did not achieve the annual target of tracking 93% of in-service vehicles. The Entity only achieved 87%, this was due to the delay in awarding of the Comprehensive Vehicle Tracking System tender and the finalization of the service level agreement with the appointed service provider.

The old contract on the comprehensive tracking solution expired on 31st March 2019. The Entity anticipated that the new tender (service provider) to be awarded (appointed) by the 1st April 2019 but the tender was cancelled. The new tender was awarded in July 2019, and the service level agreement was only finalized in December 2019. Therefore, the rollout and implementation of the new tracking system only started in February 2020 against the forecast of July 2019.

REVITALISING TOWNSHIP ECONOMY

The indicator is required to speed up growth and transforming the economy in the townships to create decent work and sustainable livelihoods in townships.

PERCENTAGE OF MAINTENANCE EXPENDITURE ON GAUTENG TOWNSHIP BUSINESSES (AUTOMOTIVE)

- This indicator seeks to contribute to modernization of townships and to support township businesses. The Entity only achieved an average of 3,8% against the planned target of 5% during the period under review. This was because the Entity does not have a direct influence on the allocation of business by the RT 46 service provider.

> "The indicator seeks to contribute to modernization of townships and to support township businesses."

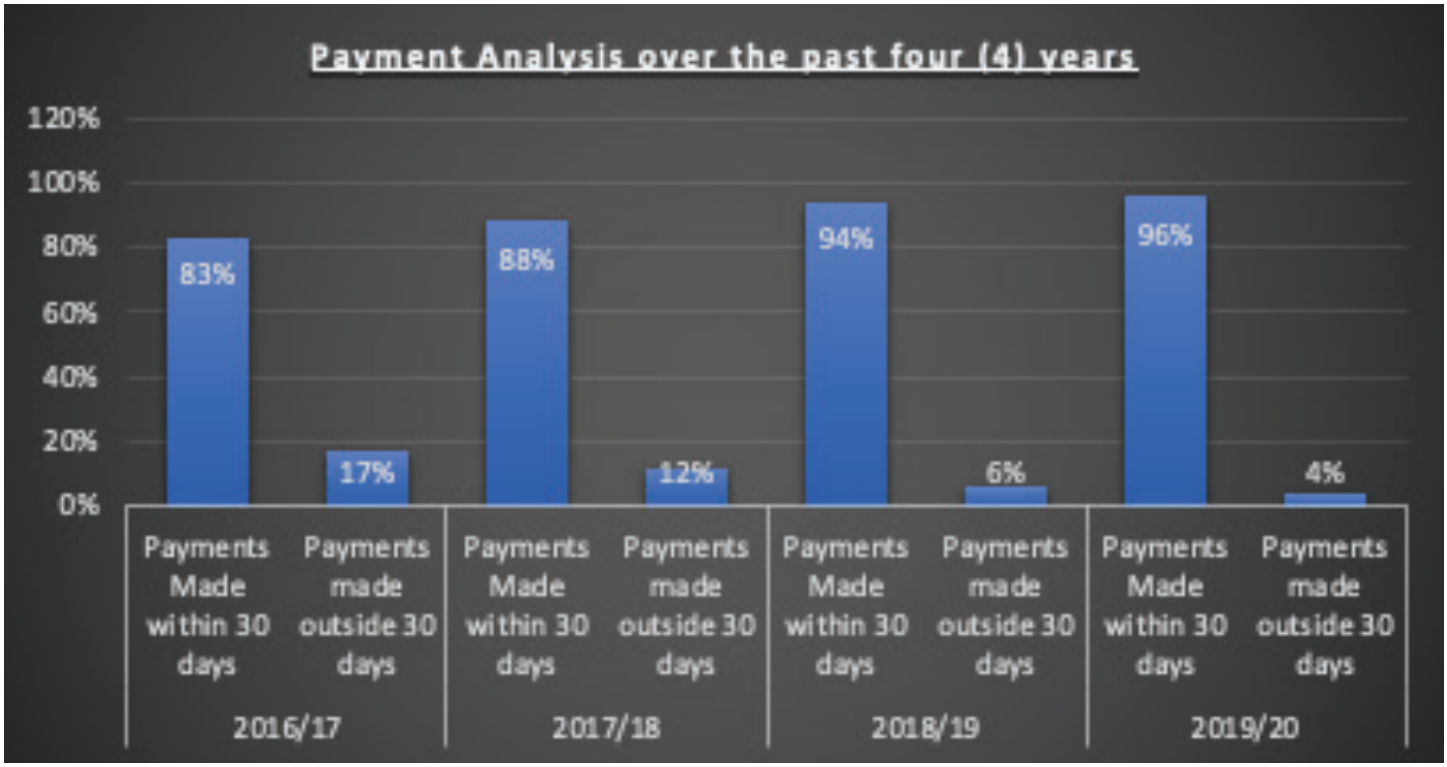
30 DAY PAYMENTS

To ensure compliance with regulations, the Entity continued with its endeavours to pay suppliers within the legislated timeframes. For the year under review, the Entity recorded a 96% performance on the percentage of payments of undisputed invoices made within 30 days from receipt of invoice. falling short of reaching the annual target of 100% by 4%. Delays in the late issuing and activation of vendor numbers for 3rd party claims and late certification of payments prevented the Entity from reaching the set target. Although there has been an improvement in terms of paying undisputed invoices within 30 days from receipt of invoice (2018/19 – 94%:2019/20 – 96%), the Entity will continue to engage the relevant parties in a bid to comply with Treasury regulation 8.2.3.

Furthermore, the Entity is embarking on a process to have all its suppliers to register on the electronic invoicing system and rolling out automation payments for contracted suppliers.

FIINANCIAL YEARS							
2016/17		2017/18		2018/19		TOTAL PERCENTAGE (%) TOTAL VALUE (R)	
Payments Made within 30 days	Payments made out-side 30 days	Payments Made within 30 days	Payments made outside 30 days	Payments Made within 30 days	Payments made outside 30 days	Payments Made within 30 days	Payments made outside 30 days
83%	17%	88%	12%	94%	6%	96%	4%

The following table depicts the analysis and performance of the Entity in terms of achieving absolute compliance in paying service providers within 30 days in the past four (4) years.



The Entity will continue to implement internal controls and innovative mechanisms to enhance the procure to pay cycle.

ORGANISATIONAL AND EMPLOYEE ENVIRONMENT

Due to a moratorium placed by the Gauteng Department of Roads and Transport in 2019, the Entity could not proceed with the recruitment process for the posts that were already advertised.

The vacancy rate in the 2019/2020 financial year is at 28% broken down as follows:

LEVEL	APPROVED ESTABLISHMENT	FILLED (INCLUDING CONTRACT WORKERS)	VACANT	VACANCY RATE
SMS (Level 13 to 16)	8	3	5	63%
Level 9 to 12	45	30	15	33%
Level 6 to 8	90	63	27	30%
Level 3 to 5	124	99	25	20%
Level 1 to 2	8	3	5	63%
TOTAL	275	198	77	28%

The Organisational structure reveals the following capacitation and service delivery risks:

- Insufficient capacity of mechanical engineers, ICT technical staff, and artisans.
- Not aligned to the customer-centric model for efficient service delivery.
- Dependency on GDRT.
- Outdated technology not supporting proposed service delivery models.

A service provider has been appointed by the Department of Roads and Transport to review and re-align the organizational structure for the Department of Roads and Transport and g-FleeT Management. Upon finalizing the proposed structure the Department will submit the proposed structure to the DPSA through the Office of the Premier for concurrence.

THE SUSTAINABILITY MODEL

During the period under review, the Entity continued to implement the identified projects of the approved Sustainability Model.

The CRM system was developed and installed – the business process was shared with e-GOV, the system was developed and a demonstration was conducted. However, additional requirements for other business units in collaboration with the Call Centre have been identified. These include the Workshop, Facilities, Permanent Fleet, and VIP and Pool business units.

The Key Management System was procured and installed for the VIP unit as planned for the 2019/20 financial year. The KMS for the Asset Management, Fleet Maintenance, and TSS will be procured during the 2020/21 financial year.

The Entity continued to work with the Gauteng Department of Infrastructure Development on the Phase 2 Infrastructure Projects and the rehabilitation of the Panel Beating workshop, Wellness Centre, and the Car Wash during the period under review. The tender to renovate the three buildings has been issued, evaluated and awaiting presentation to the BAC. The Project Initiation Plans for the Phase 2 infrastructure projects have been approved.

RESPONSE TO COVID-19

The President of the country, Honorable Cyril Ramaphosa on 23 March 2020 announced a countrywide lockdown in response to the COVID-19 pandemic, part of the lockdown is that only certain categories of businesses can remain open.

During the final days of the year-end, departments providing essential services were prioritized and were given preference to petrol card

distribution as well as lease of vehicles. The following services were provided: Petrol Card Collection, Limited Chauffeur Driven Services, and VIP/Pool Call Centre

In addition, the following services were provided by our service providers during the lockdown, towing, tyre fitment, glass fitment, and call centre will continue to operate with limited services. Our vehicle tracking partner was providing emergency services 24 hours a day throughout the period. All managers and key staff members were always on standby and working remotely.

g-Fleet Management placed hand sanitizers at key points in all our sites to encourage customers, suppliers, visitors, and employees to constantly clean their hands. Further to this, surgical face masks were provided to staff members dealing with the public. Communication through posters on Notice Boards and e-mails is continuing. The visitor's register was also implemented. All COVID-19 related guidelines were developed with GDRT.

FUTURE PLANS

To support the objectives of the 6th administration in Transport and to grow the Gauteng Economy, the Entity identified key strategic priorities as outlined in the 2020-2025 strategic plan. These key strategic priorities are anchored around three focus areas namely, Infrastructure, Operations, and Institutions. The focus areas are underpinned by Technology and ensure compliance with the National Green Transport Strategy. g-FleeT Operations Management five-year strategy is therefore focusing on these areas. COVID-19 and junk status record provides an opportunity for the Entity to radically transform its business operations and environment. In addition, g-FleeT Management will strive to clearly distinguish itself from its peers by offering value-added services to its customers.
As such key areas, have been identified namely:

- Customer care management which is the centre of its operations,
- Automation & digitization,
- Training & development,
- Conducive working environment,
- Improving the state of the regional offices,
- Driver behaviour management,

There is a need to develop a high-performance culture to maintain excellence in operations. Human Capital Development includes aligning organizational structure strategy, training, and development of employees to ensure levels of high performance. The Entity through the Department of Roads and Transport has started the process of reviewing the organizational structure. The project is envisaged to be completed before the end of the 2020/21 financial year.

Systems are the core of the Entity's operational strategy. It is only through the aggressive adoption of new technologies that the Entity will move from one spectrum to the other. Systems include automation, digitization, and internal controls. In addition to efficient operations, value-added services such as the provision of relief vehicles and data for management information are crucial to improving customer experiences.

The high number of traffic fines and accidents thereof (that are very costly to g-FleeT Management) requires a focused approach to driver behaviour. As such, in the next five years, there is going to be a huge focus on this. In order to improve working conditions, it necessary to provide adequate infrastructure for a conducive working environment and ensure contribution to the creation of a friendly environment that is not harmful to the citizens of South Africa. The project of rehabilitating the Wellness Centre, Panel beating workshop, and the Car Wash will commence during the 2020/21 financial year. Phase 2 Infrastructure projects will also be implemented during the 2020/21 financial year.

The long-term strategy requires that g-FleeT Management cement and strengthen regional footprint. An efficient model of managing regions will be developed and implemented (i.e. that aligns cost, revenue, simplicity, accessibility, and efficiencies).

OVERVIEW OF THE FINANCIAL RESULTS OF THE TRADING ENTITY

STATEMENT OF FINANCIAL PERFORMANCE

RECEIPTS

The results of the actual collections for 2019/20 and the comparative year are depicted in Table 2.3.4.1 below:

Table 3.1: Revenue collected

	2019/20			2018/19		
ENTRY RECEIPTS	BUDGET	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COL-LECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COL-LECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from Exchange Transactions – Leasing of vehicles	850 000	884 718	(34 718)	836 000	865 056	(29 056)
Revenue from Non-Exchange Transactions – Interest from bank, accident claims, and tender income.	72 000	62 679	9 321	42 000	56 085	(14 085)
Transport Fees	1 700	2 012	(312)	1 500	1 8 99	(399)
Auction Fees	70 000	151 438	(81 438)	63 945	112 539	(48 594)
TOTAL	993 700	1 100 847	(107 147)	943 445	1 035 579	(92 134)

As per the statement of financial performance, total revenue from services rendered by the Entity increased to R 1,075 billion (2018/19: R 1.015 billion). Revenue from the leasing of vehicles increased by 1.93% to R 851.342 million (2018/19: R 835.245 million). This can be attributed to the continued support displayed by client departments and administrators of the billing system (Fleet Information System)

The interest earned from the positive bank account increased by 11.81% to R 62.389 million (2018/19: R 55.798 million). The increase is due to higher balances in funds held with the financial institution and the investment account opened with the South African Reserve Bank which offers a higher return.

The revenue from the auctioning of vehicles increased by 34.58% to R 151.438 million (2018/19: R 112.541million). The increase is attributed to the increase in the auction intervals and the number of vehicles sold, conditions of the vehicles auctioned, and a better turnout for the auctions held during the financial year under review.

Table 3.2: Expenditure versus budget

	2019/20			2018/19		
PROGRAMME NAME	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL	(OVER)/ UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the CEO	3 657	3 623	34	3 371	3 213	158
Office of the COO	427	694	(223)	444	445	(1)
Office of the CFO	9 086	7 434	1 652	8 891	6 647	2 244
Financial Services	16 894	15 180	1 714	15 923	13 917	2 007
Corporate Services	45 520	35 483	10 036	60 352	33 453	26 899
Marketing and Communications	11 886	10 862	1 024	12 257	10 329	1 928
Fleet Maintenance Services	166 012	120 563	45 449	156 009	138 328	17 681
Transport Support Services	251 233	231 909	19 325	236 786	230 517	6 268
Permanent Fleet	263 565	265 983	(2 418)	429 080	462 153	(33 073)
VIP & Pool Services	21 421	18 419	3 003	21 508	18 329	3 179
Total	789 746	710 149	79 597	944 620	917 330	27 290

The total expenditure decreased by 22.59% to R 710.149 million (2018/19: R917.330 million). The decrease in expenditure is due to a significant decrease in capital expenditure (acquisition of vehicles), repairs, and maintenance expenditure.

The acquisition of vehicles decreased by 43.20% to R258.233 million (2018/19: R454.663 million). The drastic decrease can be attributed to administrative issues that were encountered in terms of the RT57 contract which led to it being issued.

The employee costs increased by 3.88% to R 87.911 million (2018/19: R 84.628 million). This increase is due to a general salary increase and a high number of interns appointed during the 2019/20 financial.

The cost of sales increased by 55.80% to R204.694 million (2018/19: R131.386 million). This can be attributed to more vehicles of high value sold than the previous financial year.

The surplus for the financial year increased by 11.06% to R 296.801 million (2018/19: R 267.241 million). The increase is the result of an increase in total revenue from exchange transactions by 5.83% as opposed to 3.96% increase in total expenditure.

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 8.09% to R 1.341 billion (2018/19: R 1.459 billion). The acquisition of motor vehicles went down due to the RT57 contract being issued late.

The receivables from exchange transactions decreased by 26.34% to R 169.261 million (2018/19: R 229.785 million). The debtor's days decreased by 52.86% (the ratio indicating debt levels to revenue generated from such debtors) is 47.93 days on 31 March 2020 (31 March 2019: 101 days).

The Entity could convert its debt receivable into cash and this is reflected in the increase of cash funds to R 1.498 billion (2018/19: R 1.053 billion).

The Accumulated Surplus increased from R 2 .685 billion on 31 March 2019 to R 2.976 billion on 31 March 2020.

CASH FLOW STATEMENT

The cash generated from operating activities increased to R 1.100 billion (2018/19: R 1.035 million). This is mainly due to an increase in debt collection from client departments, interest earned, and proceeds from auction.

The cash spent on investing activities was at levels of R 32.726 million lower than the previous financial year. This is mainly due to a decrease in vehicle purchases. The acquisition of property, plant, and equipment decreased to R 259.111 million (31 March 2019: R 451.381 million).

TARIFFS

The vehicles are purchased through the RT57 transversal contract administered by National Treasury and after delivery are captured onto the Fleet Information System (FIS). The Entity operates primarily under two (2) tariff regimes being the "Old" model tariffs and Full Maintenance Lease (FML) tariffs. "Old" model tariffs have existed since 2002 and the FML tariffs were introduced in 2007.

The FML tariffs are more closely aligned to the costs that need to be recovered in respect of each vehicle leased to a client department. As such, all new vehicle leasing arrangements entered into are under FML arrangements and the "old" model tariffs are being phased out. Most vehicles are currently leased out under the FML tariff regime.

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

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

The tariffs have been reviewed in the current financial period, the tariff structure was submitted to Provincial Treasury for approval.

FREE SERVICES

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

SALES OF CAPITAL ASSETS

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

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

UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

No new irregular expenditure was incurred in the financial year under review, other than irregular contracts reported in the prior years. Irregular expenditure relates to the expiry of contracts relating to the leasing of property for the four (4) Regional Offices (Cape Town, Durban, East London, and Bloemfontein).

Cases of fruitless and wasteful expenditure from previous financial years were written off in line with the recommendations from the investigation report and no transactions of fruitless and wasteful expenditure were reported during the financial year under review.

SUPPLY CHAIN MANAGEMENT

All orders and acquisitions that are below the R500 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. 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 BAC relating to the Entity.

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

The Entity received gifts such as calendars, notebooks, pens, mugs, etc. All these gifts are signed and fully declared in the Entity's register for gifts and donations. The Entity also received test drives from different vehicle manufacturers.

EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY

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

1. Security.
2. Vehicle tracking.

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 and HOD who have vested a great deal in assisting g-FleeT Management during these challenging times. I would also like to thank g-FleeT Management and staff for their committed dedication and hard work in striving to achieve the mandate of the Entity.



Ms. N. Maninjwa
Chief Executive Officer
g-FleeT Management
31 October 2020

4.
STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE **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 and the relevant frameworks and guidelines issued by the National Treasury.

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 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 2020.

Yours faithfully,



Accounting Officer
Gauteng Department of Roads and Transport
31 October 2020

5. STRATEGIC OVERVIEW

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 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.
A detailed description of what each core value encapsulates is outlined on the next page.

VALUES	DETAILED DESCRIPTION
COMPETENCE	**We commit to being competent and excellent at all times.** **We undertake to deliver services with passion, excitement, and enthusiasm.** Our people can do the tasks they are appointed to do, live our values, and always strive for excellence. We all deliver on our outcomes and targets with quality, on budget, and in time. We demonstrate an understanding of and work together to achieve our role in our Constitutional and electoral mandate.
ACCOUNTABILITY	**We pledge to be answerable to our stakeholders in the execution of our mandate and service delivery activities.** **We commit to deliver a service that meets our stakeholders' expectations.** We have a clear understanding of our objectives, roles, delegations, and responsibilities. We are committed to delivering agreed outputs on time. We hold each other accountable and know we can trust to do and we say we will. As individuals, we take responsibility and ownership for our outcomes and accept the consequences of failure to do so.
INTEGRITY	**We commit to being ethical, professional, principled, fair, and just in our conduct.** **We pledge to uphold sound principles of institutional management and efficient systems and processes in service delivery.** We seek truth and a greater understanding of it in each situation and we do the right things. We are honest, show respect, and live out our positive values. We are reliable and trustworthy, doing what we say we will There are no grey areas with integrity applying at all levels in all instances ensuring we are corrupt free.
RESPONSIVENESS	**We shall be approachable, receptive, and quick to respond to stakeholder needs.** We take our fellow public servants seriously, listening to and hearing their voices. (listening a lot and talking less) We respond with action timeously, always asking is this the right response, where we could be potentially wrong, and how we can do it better? We engage collaboratively with each other, our stakeholders, and the media providing full information. Our focus is the past, present, and future public service citizens, and responding as their government for the best results for the people we serve. They tell us how well we respond.

6. LEGISLATIVE AND **OTHER MANDATES**

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.

Regulation 19 issued in terms of the Public Finance Management Act of 1999 governs the operations of the organisation 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 mandates are applicable:

- Cross-Border Road Transport Act, Act 4 of 1998.
- Road Traffic Act, Act 29 of 1989.
- Public Finance Management Act, Act 1 of 1999.
- 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.

Policy & Other Mandates

The following policy mandates are applicable:

- White Paper on National Transport Policy.
- National Land Transport Strategic Framework.
- Provincial Policy and Legislative Mandates
- Gauteng White Paper on Transport Policy.
- Gauteng Transport Legislative Framework.
- Gauteng Legislation on Development Planning.

7. ORGANISATIONAL **STRUCTURE**



CEO
Ms. Noxolo Maninjwa



ACTING COO
Mr. Nhlakanipho Nduli



ACTING CFO
Mr. Mbasa Ngumla



DIR
PERMANENT FLEET

Ms. Ravanne Matthews



DIR
TSS

Ms. Salomie Jafta



ACTING DIR
FLEET MAINENANCE

Mr. Sifiso Mhlongo



ACTING DIR
VIP POOL SERVICES

Mr Douglas Scott

DIR
CORPORATE SERVICES

Vacant



ACTING DIR
FINANCE

Mr. Matodzi Mamatsinya

PART B
PERFORMANCE INFORMATION



1.
AUDITOR GENERAL'S REPORT
PREDETERMINED OBJECTIVES

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

Refer to **page 324 - 326** of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF THE ENTITY'S PERFORMANCE

Service Delivery Environment for 2019/20

This section deals with external factors that have had an impact on the ability of the Entity to deliver on its commitments during the financial year.

RT 46 CONTRACT

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. The National Treasury has extended the contract by 12 months (i.e. April 2020 to March 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 turnaround times on accident repairs. Much time and effort are spent on resolving operational matters with service providers. These include scheduling services, quality of repairs, and evaluation of quotations. Intervention during the year included continuous engagement with the RT46 service provider to resolve the issues throughout the year.

Other challenges included that the contract expired on 31 March 2020 while preparing for the new service provider by National Treasury was not been concluded. The National Treasury, therefore, requested the current service provider to extend the services by one year (i.e. 01 April 2020 to 30 March 2021). This process was concluded very late in March 2020 and negatively impacted the Entity's ability to timeously distribute the fuel cards to client Departments. This was further compounded by the lockdown from 27th March 2020. The Entity, therefore, prioritized all Departments and Municipalities offering essential services during the COVID-19 stage five.

Finally, the change of bankers from Standard Bank to ABSA bank by RT 46 service provider came with its challenges. Specific challenges arising from this include:

- The migration process was not very smooth and had delays.
- Delays meant not enough ABSA approved merchants to conduct repairs resulting in extended turnaround times on repairs.
- Loss of information during the migration process.
- Not enough time was allocated for the migration of data.
- Misdirected authorization and claim requests.
- No clear delegation of responsibility at the bank when there are shift changes, or when a person in charge went on leave.
- Vehicles were sent to non-existent merchants.
- The client was sent to merchants who are not in the same vicinity.
- Transit Solution could not provide the required monthly report.
- There were delays in towing services.
- There were delays in repairs inspections.
- Delays in issuing of petrol cards and when they arrived, it had incorrect information.
- Utilisation reports not forthcoming.
- Reverting to manual petrol card application when ABSA took over
- Order processes not allowing for tracking and tracking of the petrol cards as was the case with Standard Bank.
- ABSA queries directed to the Call Centre and not to Key Account Managers as was the case with Standard Bank.
- Delays in resolving queries.
- Limited bouquet of services provided by ABSA.

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. It also provides departments access to considerable discounts as well as public-sector vehicles with special specifications. Even though the RT57 contract was only finalized in September 2019, the Entity purchased a total number of 695 vehicles on the transversal contract during the period under review.

The Under-serviced debt owed to the Entity by its client departments
The efforts put by the Entity, particularly finance officials and senior management in making sure that debtors management policy is fully implemented and adhered to, resulted in the reduction of average debtors' days by 52.86% excluding departments that submitted the payment plan. This outstanding performance surpassed the set annual target of 20%.
Organisational Environment for 2019/20.

This section deals with internal factors that have had an impact on the ability of the Entity to deliver on its commitments during the financial year under review.

Improve Audit Outcome: The process of implementing the Sustainability Plan and the Information and Communication Technology Strategy to improve the performance and internal control systems of the Entity is still is ongoing.

Protect Movable Assets through Vehicle Tracking: The Entity concluded a contract in December 2019 with the service provider for a comprehensive vehicle tracking solution for a period of three (3) years. The tracking device will perform GPS (Global Positioning System), technology for locating the vehicle registration number and location in a map, driver identification, driver profiling, braking, speed offences, excessive idling, and over-revving. Furthermore, the new devices will assist in managing weaknesses identified within the driver tag process. This will help the Entity to better track its vehicles and manage driver behaviour.

Vacancy rate: The Entity continues to experience challenges with its vacancy rate. The vacancy rate is currently sitting at 28%. The Entity has seven (07) contract workers under their employ, reducing the vacancy rate to 25%. The process of obtaining approval for the Service Delivery Model, Business Case and Organisational Structure that was developed during 2017, was overtaken by a new process by DRT (of reviewing and realigning the organisational structure) during the year under review. This process is envisaged to run for six (06) months from February to August 2020. Upon finalization, the Department will submit the proposed structure to the Department of Public Service and Administration (DPSA) through the Office of the Premier for concurrence.

The process of filling critical and funded posts that was started during the last month of the 19/20 financial year has been put on hold due to the moratorium placed by DRT in 2019.

3. STRATEGIC OUTCOME ORIENTED GOALS

The following Strategic Priorities/Goals represent the 2014-2019 Strategic Plan and 2019/20 Annual Performance Plan, to facilitate the Turnaround Strategy and achievement of the Entity's MTEF goals:

Strategic Goal 1 (Summary)	**Provide fleet management services that are effective, efficient and client-focused**
Goal Statement	Provide reliable fleet and quality services to meet our client's needs in an effective and efficient manner.
Justification	This goal will ensure that services offered to clients meet expectations and that public funds are utilised to provide a service to support the mandates of client departments.

Strategic Goal 2 (Summary)	**Sustainable and well-governed organisation**
Goal Statement	Ensure a well-run organisation by designing and maintaining effective systems and processes that will result in optimal use of the Entity.
Justification	This goal will ensure that financial processes, systems, and controls will be implemented and monitored by staff with the requisite expertise.

4. PERFORMANCE INFORMATION BY PROGRAMME

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-programme structure:

- Permanent Fleet
- Finance

Strategic Objective 1.

Provide clients with reliable and cost-effective fleet.

		PROGRAMME NAME: OPERATIONAL MANAGEMENT SERVICES						
Strategic objectives	**Performance Indicator**	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations (reason)**
Provide clients with reliable and cost-effective fleet.	Average age of fleet	3.4 Years	3.4 Years	3.6 Years	≤ 4 Years	3,5 Years	+0,5	The fine balance between the intake of new vehicles and the withdrawal of redundant vehicles had a positive effect on the fleet age.
	Percentage of vehicles auctioned	New Indicator	New Indicator	91%	80%	91%	+11%	High popularity level of the Entity's auction for selling vehicles that are in good condition and reasonable prices.
	Percentage of vehicles compliant to scheduled maintenance	89.75%	46.25%	n/a	n/a	n/a	n/a	n/a

***Performance indicator was reported on an operational level from the 2018/19 financial year.**

LINKING PERFORMANCE WITH BUDGETS

Programme Expenditure

	2019/20			2018/19		
Sub- Programme Name	**Final**	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**
Permanent Fleet	263,565	265,983	(2,418)	429,080	462,153	(33,073)
Finance	16,894	15,180	1,714	15,923	13,917	2,006
Total	280,459	281,163	(704)	445,003	476,070	(31,067)

Strategic objective 2: To provide quality and value-added client services by monitoring vehicle location and maintaining turn-around times for accident and mechanical repairs.

The following is the sub-programme structure:

- Transport Support Services
- Fleet Maintenance

			PROGRAMME NAME: OPERATIONAL MANAGEMENT SERVICES					
Strategic objectives	**Performance Indicator**	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations (reason)**
To provide quality and value-added client service by monitoring vehicle location and maintaining turn-around times for accident and mechanical repairs.	Percentage of in-service vehicles tracked	92% (6399)	93.6% (6230)	93.1% (6655)	93% (5517)	87% (5158)	-6%	The rollout and implementation of the new tracking tender only started in February 2020.
	Average turnaround time for accident repairs	18 days	23.5 days	37.5 days	30 days	44.25 Days	14.25 days	Vehicles awaiting parts on backorder, and a high number of updates (unforeseen damage) on repairs contribute to lengthy turnaround time.
	Average turnaround time for mechanical repairs	18 days	23.5 days	37.5 days	15 days	11 Days	+ 4 Days	Close monitoring of the of the mechanical repairs process, and improved staff capacity (interns)
	Percentage of client satisfaction levels for all g-FleeT's client departments	89%	N/A	74%	N/A	N/A	N/A	N/A

Strategy to overcome areas of underperformance:

Vehicle Tracking: The old contract on the comprehensive tracking solution expired on 31 March 2019, g-FleeT anticipated that the new tender (service provider) to be awarded (appointed) by 1 April 2019 but the tender was cancelled. The new tender was awarded in July 2019 and the contract was concluded in December 2019, therefore the rollout and implementation of the new tracking system only started in February 2020.

The Entity will work with the service provider and ensure that the targets set for the new contract will be achieved. The new comprehensive tracking solution will be provided over a three (3) year period.

Turnaround time for Accident repairs: RT46 service provider is working closely with the merchants to monitor and manage the turnaround times on backorder, and the Entity is encouraging strip and quote on major accident repairs for proper assessment before repairs. This approach seems to be yielding some improvement.

Changes to planned targets and objectives: None.

LINKING PERFORMANCE WITH BUDGETS

Programme expenditure

	2019/20			2018/19		
Sub- Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Transport Support Services	251,233	231,908	19,325	236,786	230,517	6,269
Fleet Maintenance	166,012	120,563	45,449	156,009	138,328	17,681
Total	**417,245**	**352,471**	**64,774**	**392,795**	**368,845**	**23,950**

Fleet Maintenance: The reason for under expenditure is due to the increased withdrawal, and disposal of vehicles that has reached their economic/replacement life circle as per g-FleeT's replacement plan i.e. strategic objective annual target with the standard lease parameters of 3 years/100 000 km (client contract parameters). Old model vehicles with high mileage contribute to the high maintenance costs of vehicles, and their replacement cuts down the overall fleet maintenance costs.

The successful auctioning of withdrawn vehicles during the year under review also justifies the under expenditure of maintenance.

Transport Support Services: recorded an under expenditure of R19,325 million relating to vehicle tracking services. The new comprehensive vehicle tracking tender was concluded in July 2019 and the contract was concluded in December 2019. The delays in the installation of the tracking devices under the new contract resulted in an under expenditure.

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:

- Permanent Fleet
- VIP and Pool Services
- Finance
- ICT
- Corporate Services

Strategic objective1: Optimise return on investment. Optimal use of the Entity's assets in the delivery of services that are cost-effective and yield return to ensure sustainability.

		PROGRAMME NAME: OPERATIONS AND FINANCE						
Strategic objectives	**Performance Indicator**	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations (reason)**
Optimise return on investment.	Average number of business days from delivery of vehicle to g-FleeT to active vehicle contract with client (lease vehicles only from Permanent unit)	23 business days	23 business days	18 business days	20 business days	17 business days	+3 days	A focused and determined team effort resulted in the achievement of the target.
	Average percentage of rental days utilised for VIP self-drive vehicles	66.35% (VIP and Pool fleet)	64.84%	42.36%	Average rental utilisation of 50%	53.94%	+3.94	Elevated demand from clients
	Average percentage of rental days utilised for Pool vehicles	66.35% (VIP and Pool fleet)	91.14%	85.14%	Average rental utilisation of 69%	81.84%	+12.84	Elevated demand from clients
	Annual Tariff Structure submitted to Provincial Treasury for approval	Reviewed tariff structure has been submitted to NT for approval.	Memo has been submitted to Treasury.	Approved tariff structure implemented for the 2018/19 financial year. Reviewed annual tariff structure for 2019/20 submitted to Provincial Treasury for approval.	Annual Tariff Structure for 2020/21 submitted to Provincial Treasury for approval	Annual Tariff Structure for 2020/21 was submitted to Provincial Treasury for approval.	N/A	N/A

		PROGRAMME NAME: OPERATIONS AND FINANCE						
Strategic objectives	**Performance Indicator**	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations (reason)**
Optimise return on investment.	Implementation of sustainability model	Sustainability model has been developed and approved.	33% of phase 1 implemented. (partially achieved).	Not Achieved. Phase 2 implementation of Sustainability Model. **ICT** • CRM System module developed. • Market Research FIS was completed. • EDRMS quotation signed off. • Microsoft 365 was implemented. • PABX implemented. **Human Resources** • Memorandum of understanding (MOU) between g-FleeT and the National School Government signed. • Senior Management Change Management training. • Occupational Health and Safety Management training. Driver 2: Digital technology and analytics **CRM system rollout:** • Market research for FIS was completed. • eDRMS quotation signed. • Microsoft 365 was implemented. • PABX implemented.	Completion of Implementation of phase 2 of the Sustainability Model: Driver 2: Digital, Technology, and Analytics CRM System rollout and Procurement of Key Management System	**Driver 2:** Digital, Technology, and Analytics: CRM system developed and installed. (Business processes were shared with e-GOV, the system was developed, system demo conducted, system implemented and training conducted. Procured and installed for VIP and Pool business unit.	n/a	n/a
					Driver 5: Approved Project Initiation Plans for Phase2 Infrastructure Projects, Panel Beating, Wellness Centre, and Car Wash.	Approved Project Initiation plans approved for Phase 2 Infrastructure Projects, Panel Beating, Wellness Centre, and Car Wash.	n/a	n/a

		PROGRAMME NAME: OPERATIONS AND FINANCE						
Strategic objectives	**Performance Indicator**	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations (reason)**
Optimise return on investment.				**Drive 4:** Customer • Client satisfaction survey report issued. • Four Transport Forums were completed. • Awareness session for cyberspace security. **Driver 5:** Capital allocation plan approved.				
	Percentage decrease in average debtor days	22% (119 days)	Decreases by 2% (117 days)	13.09%	20% (Excluding amounts owed by clients that have submitted written payment arrangements)	70.36%	+50.36%	Constant implementation of debtors' management policy and involvement of senior management

Strategy to overcome areas of underperformance:

Implementation of the sustainability model: The Entity will be procuring a new Fleet system that will incorporate a full version of the CRM system. The planned procurement of the fleet system will begin in the 2020/21 financial year. Continuous improvement to be included as part of the value chain.

Changes to planned targets and objectives: None.

Linking performance with budgets

Programme expenditure

Finance: The under-spending can be attributed to delays in appointing a service provider in assisting the Entity with tariff reviews.

	2019/20			2018/19		
Sub- Programme Name	**Final Appropri-ation**	**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	21,421	18,419	3,002	21,508	18,329	3,179
Finance	16,894	15,180	1,714	15,923	13,917	2,006
Total	**38,315**	**33,599**	**4,716**	**37,431**	**32,246**	**5,185**

STRATEGIC OBJECTIVE 2:

Engender organizational and culture change To build and maintain a healthy organization with effective operations.

PROGRAMME NAME: OPERATIONS AND FINANCE								
Strategic objectives	**Performance Indicator**	**Actual Achievement 2016/17**	**Actual Achievement 2017/18**	**Actual Achievement 2018/19**	**Planned Target 2019/20**	**Actual Achievement 2019/20**	**Deviation from planned target to Actual Achievement for 2019/20**	**Comment on deviations (reason)**
Engender organisational and culture change	Percentage of undisputed invoices paid within 30 days from receipt of invoice.	83%	81% (1591 invoices paid within 30 days)	94%	100%	96%	-4%	1.Late issuing and activation of vendor numbers for 3rd party claims 2. Late certification of payments
	Audit Report from Auditor General	Unqualified opinion	Unqualified audit opinion for 16/17 FY	Unqualified opinion with findings 2017/18	Unqualified audit report from Auditor General for 2018/19	Unqualified opinion with findings 2018/19	Not applicable	Not applicable
	Implementation of ICT Strategy/ Plan	ICT strategy approved by HOD (100%)	50% of Phase 1 implemented	Phase 2 Implementation of ICT Strategy: FIS Market research was completed. PABX implemented. Microsoft 365 implemented.	2019/20 ICT Plan Implemented. Customer Relationship Management System (CRM) and Procurement of Key Management System.	Driver 2: Digital, Technology, and Analytics: CRM system developed and installed. (Business processes were shared with e-GOV, system was developed, system demo conducted, system implemented and training conducted. Procured and installed for VIP and Pool business unit.	n/a	n/a
	Percentage of maintenance expenditure on Gauteng township businesses (automotive)	2%	5% (R6 286 398.55)	4% (R 827 718.36)	5%	3.8%	-1.2%	Township businesses are not prioritized, and the early disposal of vehicles that are out of warranty also has an impact.
	Employee satisfaction rate/ percentage	-50%	n/a	n/a	n/a	n/a	n/a	n/a
	Percentage of employee PMDS assessments completed.	92%	n/a	n/a	n/a	n/a	n/a	n/a
	Review, approval, and implementation of organizational structure	Draft structure for consultation developed and submitted on 12/02/2016.	n/a	n/a	n/a	n/a	n/a	n/a
	Implementation of the apprenticeship programme.	Apprenticeship plan approved.	n/a	n/a	n/a	n/a	n/a	n/a

Strategy to overcome areas of underperformance

Payments of invoices: Although there has been an improvement in terms of paying undisputed invoices within 30 days from receipt of invoice (2018/19 - 94%:2019/20- 96%), the Entity will continue to engage the relevant parties in a bid to comply with Treasury regulation 8.2.3.

Furthermore, the Entity is embarking on a process to have all its suppliers to register on the electronic Invoicing system and rolling out the automation of payments for contracted suppliers.

Maintenance Expenditure: The engagement mandate was reviewed to ensure Township businesses are prioritized, and non-warrantable repairs/ items were identified in line with the engagement mandate to improve on township business spent.

Changes to planned targets and objectives

Linking performance with budgets

Programme expenditure

	2019/20			2018/19		
Sub- Programme Name	Final Appropri-ation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expen-diture
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Services	45,520	35,483	10,037	60,352	33,453	26,899
Total	45,520	35,483	10,037	60,352	33,453	26,899

5. CAPITAL INVESTMENT

5.1 CAPITAL INVESTMENT, MAINTENANCE, AND ASSET MANAGEMENT PLAN.

	2019/20			2018/19		
Infrastructure projects	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	258,598	258,916	-318	424930	456772	-31842
Existing infrastructure assets				0	0	0
Upgrades and additions	6,949	6,954	-5	14520	3702	10818
Rehabilitation, renovations, and refurbishments						
Maintenance and repairs	50	32	18			
Infrastructure transfer						
Current						
Capital						
Total	265,597	265,902	-305	439,450	460,474	-21,024



PART C
GOVERNANCE

1. INTRODUCTION.

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

2. RISK MANAGEMENT, FRAUD, AND CORRUPTION

Risk Management is an essential function in ensuring that the Entity employs effective and efficient means in managing risks that can hinder the achievement of its objectives. Strategic as well as operational risk assessments were conducted, and mitigating factors were identified for implementation. Emerging risks are continuously identified as per changes in the environment, legislation as well as strategies considering both internal and external factors. Risk registers are living documents, they are amended at any time to best suit the circumstances the Entity faces that could hinder the achievement of its objectives. Risk assessments are also used to formulate risk-based audit plans which are approved by the Audit Committee.

The Risk Management Committee is regulated by the approved Risk Management Committee charter. The committee is chaired by the Chief Executive Officer. The plans to appoint an independent chairperson are underway as per best practice. The performance and progress of the risk management are monitored and reported at the Risk Management Committee on a quarterly basis. The committee provides the risk-mitigating factors and monitors the movement of risk ratings with the view of improving the control environment. The Risk Management Committee considers the progress of implementation of recommendations on audit findings, performance report, Occupational Health and Safety report, Information and Communication Technology report, risk report, and other matters relating to risks.

The Entity subscribes to the zero-tolerance stance against Fraud and Corruption. In a bid to ensure that the Fraud and Corruption activities are eliminated, the Entity works in partnership with the Gauteng Department of Roads and Transport and Gauteng Provincial Treasury. The Fraud Prevention Plan has been approved and the implementation of the action plans is monitored on a quarterly basis.

Progress made in addressing the identified risks
Below are the Entity's top risks, that were identified by management throughout the financial year:

- Ineffective management of outsourced services
- Delays in awarding the tenders
- nability to respond to disaster
- Compromised Implementation of the long-term strategy
- Ineffective control over the movement of assets
- Poor revenue collection

The Entity has implemented most of its action plans relating to the management of outsourced services and the collection of revenue. Few action plans still need to be completed for the risk relating to awarding tenders, The Entity experienced challenges in addressing risks associated with the implementation of its long-term strategy, responding to a disaster, as well as overall management of its assets. Some of the reasons for delays in implementing the mitigating strategies include lack of skills, high vacancy rate, outdated structure, and legal challenges for phase 2 projects. Several risks have been carried into the new financial year's strategic risk register with improved mitigating strategies.

The Entity through DRT has started the process of reviewing and realigning the organizational structure. This project is envisaged to be completed before the 2020/21 financial year. Critical posts to be advertised and filled by end of the 2020/21 financial year.

The rehabilitation of the three buildings (Panel Beating Workshop, Wellness Centre, and Car Wash) will commence during the 2020/21 financial year and the Phase 2 projects will commence once the legal challenges have been resolved.

3. MINIMISING CONFLICT OF INTEREST

The Entity, through the internal control systems monitored by the Office of the MEC, ensures that all Senior and Middle Management members declare their interest on an annual basis in line with the requirements of the Public Service Commission.

Furthermore, employees on levels 1 to 12 are encouraged to request permission to perform work outside their normal remunerative work. In relation to the Supply Chain Management processes, directors of all companies submitting quotations to provide goods or services are required to complete SBD 4 Declaration forms.

The internal audit section from Gauteng Audit Services conducts a data analysis review bi-annually to evaluate whether legislative requirements and/or prescripts are adhered to. The scope of this Audit initiative includes 'the identification of officials in the service of the Department who are also listed as directors/shareholders in a company trading with Gauteng Provincial Government (GPG) departments or entities.

4. CODE OF CONDUCT

The Entity utilises the Department of Public Service and Administration Code of Conduct. Cases of misconduct are escalated to the Gauteng Department of Roads and Transport for investigation and recommendations from the investigations are implemented by management.

5. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

The Entity is in the process of re-establishing the Occupational Health and Safety (OHS) Committee. The focus during the financial year under review has been to get the senior management and members of the OHS Committee trained in the various areas of specializations in alignment with the act.

Addressing the OHS issues in the organization has been a focal point particularly through the plans of the Facilities and Securities Unit. The Facilities and Securities Unit continued to implement the recommendations from the OHS audit report approved in March 2017. The major delay that has been experienced is with the Phase 2 Infrastructure projects that will contribute extensively in addressing OHS issues related to the dilapidated and old infrastructure within the Head Office premises. The Entity is in the process of getting assistance from the Department of

Infrastructure Development (DID) to maintain the buildings of the Entity.

Continuous monitoring and maintenance of the facilities will continue to be done. The major concern is the support from the staff in ensuring that once OHS issues in their environment have been addressed and rectified, they ensure the upkeep and respect for the property.

The organization 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 in the Entity.

6. PORTFOLIO COMMITTEES

Questions Emanating from the 1st Quarter Report for 2019/20

Reference No	Question / Recommendation	Department Response
01	The Entity should provide progress on payment arrangements by the client Departments.	The Entity continued and will continue to monitor the enforceable payment plan with the Gauteng Department of Health every month. To date, the Gauteng Department of Health has paid all current charges in the current financial year and further paid R19.645 million as a second instalment of the payment plan. The Gauteng Department of Infrastructure Development and National Prosecuting Authority have both settled their respective year-end debts of R14,593,963.37 and R5,429,928.21. These two client departments, when they were unable to honour their contractual obligations towards the end of the 2018/19 financial year due to financial constraints, requested to settle the outstanding balances in the first quarter of the 2019/20 financial year and they have since honoured their respective settlement agreements. Overall the Entity, as of 31 August 2019, has collected a total of R354.252 million which is consistent with a monthly target of collecting an average of R72 million. With these collections, the Entity managed to reduce the overall debt book from R214.937 million at the beginning of the year to R145.080 million at the end of August 2019.

Questions Emanating from the 2nd Quarter Report for 2019/20

Reference No	Question / Recommendation	Department Response
01	The Entity should give progress on the filling of the COO and CFO posts.	Due to the moratorium placed by the Gauteng Department of Roads and Transport in 2019, the Entity could not proceed with the recruitment process for the COO post that was advertised during the first quarter of the 2019/20 financial year. However, the Entity has submitted a new request for approval for the advertising, shortlisting, and interviews of critical and funded posts to the Department.

Questions Emanating from the 3rd Quarter Report for 2019/20

Reference No	Question / Recommendation	Department Response
01	The Entity should give progress on the clients that have submitted written payment arrangements.	During March 2018, the Gauteng Department of Infrastructure Development submitted a written payment arrangement of about R7 million which was settled in April 2018. In April 2018, the Gauteng Department of Health (GDoH) submitted a written payment commitment for an outstanding balance of R111 million as of 31 March 2018. The commitment was structured as follows: The settlement of the opening balance of R111 million: 1st Instalment: May 2018 – R25 million 2nd instalment: May 2019 – R25 million 3rd and final instalment: May 2020 – R61 million Progress of the submitted written payment commitment as of 31st December 2019: 1st payment – R21,581,496.89 – May 2018 2nd payment – R3,588,806.16 – May 2018 3rd payment – R1,877,414.49 – December 2018 4th payment – R19,645,269.93 – August 2019 The Entity is anticipating that GDoH will pay the last instalment of R64.389 million by end of May 2020. In addition to the arrangement of the R111 million owed as of 31 March 2018, GDoH committed to pay current monthly invoices within 30 days from date receipt. The outstanding amount for current monthly invoices as of 31 December 2019 was R27.012 million. This is the commitment they have been adhering to. The GDoH owes the Entity a total sum of R91,401,404.68 as of 31 December 2019. The outstanding balance's age analysis is as follows: Current: R13.325 million; 30 days: R13.687 million and 180 days and more: R64.389 million. Lastly, in January 2019, the National Prosecuting Authority of South Africa also submitted a written payment arrangement of three outstanding invoices (October 2018, November 2018, and December 2018) which were eventually settled in April 2019. The Entity considers all settlement proposals or plans on an individual basis, and such plans are monitored on monthly basis.
02	The Entity should provide progress on the recruitment process to fill the vacant positions.	Due to the moratorium placed by the Gauteng Department of Roads and Transport in 2019, the Entity could not proceed with the recruitment process for the posts that the Entity had already advertised and interviews conducted for some posts. However, the Entity has submitted a new request for approval for the advertising, shortlisting, and interviews of critical and funded posts to the Department. The GDRT has appointed a service provider to review the organisational structure of the Department and g-FleeT for a period of six (06) months from mid-February 2020 to August 2020 and the process of realignment has commenced.
03	The Entity should also provide a summary of each disciplinary case and progress so far.	The Committee to note that all g-FleeT disciplinary cases are handled by the Department of Roads and Transport (GDRT). There are currently (08) disciplinary cases. Six (06) cases are handled by the Entity and two (02) cases are handled by GDRT.

The table below provides progress so far:

Outstanding Cases	Number of Cases	Progress to Date
Misconduct Cases	6	Case 1. The investigation report is on route for signatures.
		Case 2. An investigation officer has been appointed and the process is still ongoing.
		Case 3. An investigation officer has been appointed and the process is still ongoing.
		Case 4. The charge sheet and the investigation report has been received and on route for signatures.
		Case 5. The charge sheet has been signed and issued to the official. The official will be appearing before the hearing upon confirmation date by the presiding officer.
		Case 6. An investigation officer has been appointed and the process is still ongoing.
Outstanding Cases	**Number of Cases**	**Progress to Date**
g-FleeT cases investigated by GDRT	2	With regards to the two cases investigated by GDRT, the hearing for the first case is scheduled to sit on 28 February 2020 and the matter is in court for the second case, and a notice of set down will be on 03 April 2020
Total	**8**	

Questions Emanating from the 4TH Quarter Report for 2019/20

Reference No	Question / Recommendation	Department Response
01	The Entity should provide a detailed report on the under expenditure recorded at the end of the financial year.	The total adjusted budget for the 2019/20 financial year was R789,746 million and the Entity spent R710,149 million (90%) as of 31 March 2020. The Entity has underspent the allocated budget by a total of R79,597 million. Reasons for under expenditure: The under expenditure for the 2019/20 financial year is attributed to underspending on Compensation of Employees and Goods and Services. Compensation of Employees The budget for Compensation of Employees was based on the filled and funded vacant posts. The funded vacant posts were in relation to critical positions that were anticipated to be filled during the 2019/20 financial year. However, a moratorium was issued by the Gauteng Department of Roads and Transport during the year to halt all recruitment processes, this resulted in under expenditure of R5,110 million within the Compensation of Employees category. The GDRT appointed a service provider in January 2020 to review and re-align the organisational structure. This exercise was expected to be completed by 30 March 2020, however, due to the COVID-19 delays, the proposed organisational structure is anticipated to be submitted to the Department of Public Service and Administration by 30 September 2020 for concurrence. Goods and Services An amount of R1,200,000 was budgeted within the office of the CFO for the review and benchmarking of the Entity's tariffs however could not be concluded in the 2019/20 financial year due to a protracted tender process. The project has been rolled over to the 2020/21 financial year. The Departmental Bid Adjudication Committee (BAC) approved the Terms of Reference and Tender Specification during February 2020 The under expenditure of approximately R10 million within Corporate Services relates to savings emanating from the Cost Containment Measures in relation to the hiring of venues and facilities, research for the fleet management system, workshops, and training. Maintenance Services recorded an under expenditure of R45,449 million relating to repairs and maintenance of the fleet. This under expenditure is attributed to the average age of the fleet. The average age of the fleet for the 2019/20 financial year was less than four years, consequently, the repair and maintenance costs per vehicle were lessened. Transport Support Services recorded an under expenditure of R19,325 million relating to vehicle tracking services. The new comprehensive vehicle tracking tender was concluded in July 2019 and the contract was concluded in December 2019. The installation of the tracking devices resulted in expenditure.
02	The Department should provide a detailed report on the payment arrangements with the owing client departments.	Progress report on active payment arrangements with the owing client departments as of 31 March 2020. Gauteng Department of Health In April 2018, the Gauteng Department of Health (GDoH) submitted a written payment commitment for an outstanding balance of R111 million as of 31 March 2018. The commitment was structured as follows: • 1st instalment: May 2018 – R25 million • 2nd instalment: May 2019 – R25 million • 3rd and final instalment: May 2020 – R61 million In addition to the arrangement of R111 million owed as of 31 March 2018, The GDoH committed to pay the current monthly invoices within 30 days from the date of receipt. The GDoH owes the Entity an amount of R78,603,225.01 as of 31 March 2020. The COCID-19 pandemic has been identified as a risk that is likely to negatively impact the revenue collection prospects of the Entity, however, the Entity is still expecting the last tranche payment of R64,389 million from the GDoH in line with the submitted payment plan. The Department of International Relations and Cooperation On the 3rd March 2020, the Entity received an additional settlement agreement from the Department of International Relations and Cooperation (DIRCO) to settle the amount of R2,907,810.40 on or before 31 March 2020. The said amount was duly paid in March 2020, leading to the upliftment of the temporary suspension on fuel cards. The Entity considers all settlement proposals or plans on an individual basis, and such plans are monitored monthly.

Reference No	Question / Recommendation	Department Response
03	The Entity should also provide progress reports on the concerns raised by the committee on the site visit in the Durban Regional office.	Organizational Structure The GDRT appointed service provider in January 2020 to review and re-align the organisational structure. This process will ensure that the organisational structure is aligned to the 2021-2025 Strategic Plan. The Regional Offices are very strategic for the Entity to meet customer needs, maintain their customers, and grow its business. One of the Entity's current strengths is the footprint it has in other provinces. The new Service Delivery Model and Business Case will also ensure that the Regional Offices are strengthened and ICT is optimally utilised. Furthermore, in improving the state of the Regional Offices, the following key activities will be implemented by the Entity: • Automate online bookings (online); • Automate chauffeur driver scheduling; • Improve reporting (by business unit and by region); • Quarterly face-to-face meetings with management; • Monthly meetings (Microsoft teams) and • Supervisor/lead worker in each region. • Automation and digitisation - systems are the core of the Entity's operational strategy. It is only through the aggressive adoption of new technologies that the Entity will move from one spectrum to the other. Systems include automation, digitization, and internal controls. • Training and development – developing a high-performance culture to maintain excellence in operations. Human Capital Development includes aligning organisational structure strategy, training, and development of employees to ensure levels of high performance. Staffing issues The Entity, including the Head Office and Regional Offices, has currently a twenty-five percent (25%) vacancy rate. Due to a moratorium issued GDRT in 2019, the Entity was unable to fill the vacant posts. A request to the Member of the Executive Council for GDRT has since been made by the Entity to fill the critical vacant posts. The Entity is in the process of consulting Labour regarding the filling of the proposed critical posts. In addition, from time to time temporary arrangements wherein officials from the Head Office are deployed to Regional Offices when the regional officials are on leave and the officials are also afforded opportunity to attend training programmes as and when identified. Cleaning services Concerning cleaning services, a service provider has been appointed and already on site. Employee Self Service (ESS) Regarding access to the Employee Self Service (ESS) System, the ESS module was installed for all provincial offices and provincial officials were trained on how to utilise ESS. However, from time to time access problems are experienced by offices especially outside the Gauteng Province.

Responses to House Resolutions on the Annual Report of g-FleeT Management for the 2018/19 Financial Year.

Reference No	Question / Recommendation	Department Response
01	Measures in place to ensure service delivery targets are achieved as planned in g-FleeT Management.	The Entity will continue to conduct monthly reviews on performance information to ensure annual performance targets are attained at year-end. Furthermore, oversight is provided by the Gauteng Department of Roads and Transport (GDRT) through the Monitoring and Evaluation unit. The Entity has submitted a new request for approval for the advertising, shortlisting, and interviews of critical and funded posts to the Department. This will ensure that projects are implemented on time and the review processes are not compromised. The Entity led by GDRT is currently in a process of reviewing the organisational structure. This process is envisaged to be finalised in August 2020.
02	Measures in place to ensure that the Department will be able to curb underspending of its allocated budget in line with planned service delivery targets.	Due to unforeseen circumstances, the Entity had to reduce its allocated budget by R109.053 million. The Entity acquires its vehicles through the RT57 transversal contract which is administered by National Treasury. The issuing of this contract was delayed as it was only awarded in October 2019. Due to the unavailability of this contract, the Entity could not purchase vehicles and had to reduce the budget for the acquisition of vehicles by R94.553 million. The allocated budget for compensation of employees had initially accounted for the critical posts that were advertised in April 2019. However, a moratorium on these posts was issued which resulted in the reduction of the budget by about R14 million. Spending patterns are monitored on monthly basis and with the above-mentioned adjustments, the Entity does not foresee any material underspending of the revised allocated budget.
08	The Department should provide the Committee with the progress made in the implementation plan, and progress thereof, to address Emphasis of Matter as reflected by the Auditor-General audit opinion. Emphasis of Matters Paragraph 7, P320 – Material Impairment read with Note 8, p348 Receivables from exchange transactions balance were significantly impaired. The impairment provision of receivables amounted to R57 063 000 (2018: R51 221 000), which represents 20% (2018: 17%) of the total balance.	The Entity is implementing the Debtors Management policy progressively and on a monthly basis. The overall debt has marginally reduced to R208,223,630 as of 31 December 2019. This is a slight reduction from the reported figure of R214,937,115 at the end of the last financial year. To date, the Entity has billed and collected R650.796 million and R657.510 million respectively. These two figures demonstrate that the debt collection challenges are not with the current charges but the opening balances. Gauteng Department of Health (GDoH) owes a total amount of R91.401 million which constitutes 43.90% of the overall debt book. GDoH has submitted a payment plan requesting to pay the opening balance of the debt over twenty-four months, whilst paying the current charges within thirty days. The compliance with this payment plan is monitored on monthly basis. Furthermore, the Entity has sent letters of demand to the following client departments: • Department of International Relations and Cooperation, • uMgungundlovu District Municipality, and • South African National Defence Force • Failure by these client departments to settle their outstanding balances will lead to the temporary suspension of petrol cards. A total amount of R47,023,656.26 has been identified for write off, this amount is part of the R57,063,000 that was reported as "Impairment provision of receivables in 2018/19 financial year, the approval for the write-offs is expected to be finalised by end of March 2020, to ensure the accounts receivable balance is not overstated.

Responses to the Committee's Questions on the Annual Report for the 2018/19 Financial Year

Reference No	Question / Recommendation	Department Response
10	The Entity should highlight the cause of the 8% over expenditure in the Permanent Fleet.	The cause of the 8% over expenditure in the Permanent Fleet was as a result of late deliveries of new vehicles that were ordered in the prior year but delivered in the year under review.
11	The Entity should explain the challenges that prompted the AG to conclude on the limited/no assurance in the Senior Management and some assurance in the Accounting Officer.	Below are the challenges that prompted AGSA to conclude on the limited/no assurance in the senior management and some assurance in the Accounting Officer.
12	The Entity should provide details of an irregular expenditure amounting to R3 533 000, and further explanation as to why expired contracts were used and whether new contracts have been appointed.	Below is the breakdown of the irregular expenditure incurred in the 2018/19 financial year and reasons thereof.
13	The Entity should also explain why the Accounting Officer wrote off the fruitless and wasteful expenditure without an investigation.	The audited opening balance of the fruitless and wasteful expenditure for the 2018/19 financial year was R19.077 million which is the accumulated balance from the 2010/11 financial year. Due to the staff turnover in g-FleeT Management particularly within the finance section, records including supplementary lead schedules to support financial statements were not always kept at the central repository or in line with the National Archives and Records Service Act. In that respect, a total amount of fruitless and wasteful expenditure of R16.902 million did not have detailed supporting documents to determine who was responsible in law, for the incurred fruitless and wasteful expenditure, other than the summary on the face of the Annual Report. As a result of limitations in terms of the available financial record in a form of fruitless and wasteful registers, the Entity could only furnish the investigators with records amounting to R2.175 million. Based on the internal analysis of the fruitless and wasteful expenditure incurred from the 2010/11 financial year, in the main, it was related to "Interest charged on overdue accounts". Similarly, the financial records amounting to R2.175 million furnished for investigation purposes were mainly related to interest charged on overdue accounts by Standard Bank. Therefore, the root causes of the transactions relating to the remaining balance of R16.902 million were identical and the unavailability of the financial records meant that the Entity could not find the liable person in law. It was for this reason the entire fruitless and wasteful expenditure balance was recommended for write off and duly approved by the Accounting Officer. In the 2018/19 financial year, no fruitless and wasteful expenditure was incurred by the Entity, this is further attestation that management of the Entity has put the necessary internal controls to avoid instances of fruitless and wasteful expenditure whilst optimizing the procure to pay cycle.

Challenges that prompted AGSA to conclude on the limited/no assurance in the senior management and some assurance in the Accounting Officer:

No	Challenge	Root Causes	Progress
1	Material misstatement on the submitted financial statements	The audit process revealed deficiencies in the reviewing process on Commitments and Property, Plant, and Equipment. The Entity acknowledged these deficiencies and has prepared a plan to ensure there is no reoccurrence of material misstatements. The objective is to improve the internal control environment with the express aim of attaining a clean administration.	The Entity has developed action plans to address auditing findings. These action plans are monitored on monthly basis.
2	Material misstatements on the annual performance report.	Whilst, there is a noticeable improvement in the audit of predetermined objectives in that Programme 1, (Operational management service) was for the first time unqualified, the Entity acknowledges there is a lot of work and interventions required to improve the overall performance. The material findings were on the following two key performance indicators: **Annual Tariff structure submitted to Treasury for approval** Inconsistences between the key performance indicator and target **Percentage of maintenance expenditure on Gauteng Township Businesses (Automotive)** The performance indicator to determine or report on "Percentage of maintenance expenditure on Gauteng Township Business (Automotive)" is dependent on the reports from the RT 46 service provider, during the year under review the Entity and AGSA could not obtain sufficient audit evidence on the achievement of 4%. The Entity has since implemented punitive measures in a form of non-payment (administrative fees) for instances where a portfolio of evidence in a form of reports could not be furnished.	The Annual Performance Plan for 2019/20 will be revised during November 2019, to ensure consistency between the planned indicator and target. The RT46 Service Provider has conducted a merchant audit to clean up Township Business Merchants and outlined the criteria in classifying township businesses.
3	Material findings on compliance with laws and regulations.	**Expenditure Management** The Entity incurred irregular expenditure amounting to R3,553,000 due to the extension of expired contracts for security services, office accommodation, and cleaning. The auditors were not happy with the process followed to write off fruitless and wasteful expenditure incurred by the Entity.	The Entity has concluded procurement processes for new office accommodation for KZN, Cape Town, and Eastern Cape Regional Offices. No fruitless and wasteful expenditure incurred by the Entity during the 2018/19 financial year.

Resolution No.	Subject	Response by the department	Resolved (Yes/No)
4.1.1.2	That the MEC provides the Committee with a progress report detailing the effectiveness of measures put in place to curb the recurrence of errors in the financial statements within 30 days after adoption hereof and thereafter every quarter continuing up until the end of June 2018.	All critical positions within the organisation were identified and a submission requesting to advertise critical posts has been approved by the Member of the Executive Council. The posts will be advertised and filled by end of quarter 4 by the Entity. All approved Standard Operating Procedures are being implemented and monitored monthly. With effective from November 2017, the Entity has introduced the process of compiling monthly financial statements as part of month-end procedures.	Ongoing
4.2.1.2	That the department provides the committee with a progress report detailing the effectiveness of measures put in place to address weaknesses in predetermined objectives, within 30 days after adoption and thereafter every quarter continuing up until the end of June 2018	There have been numerous engagements with the appointed service provider aimed at improving the quality of the portfolio of evidence (POE) for achieved performance information, this includes both formal and informal communications. Information for Q1 and Q2 has been given to Internal Audit and Auditor-General SA as part of planned interim audits. The interim audits were planned to start in mid-February 2018 and the internal audit team started auditing the performance information in January 2018. Feedback from these institutions will give an independent assessment that will assist the Entity in identifying areas that still require attention.	Ongoing
4.3.1.2	That the Entity develops and implements an action plan to address audit findings as well as adequately review the financial statements to ensure accuracy and completeness of reported information and provide the Committee with a progress report detailing the effectiveness of the action plans within 30 days after adoption hereof and thereafter every quarter continuing up until the end of June 2018.	Both Q1 and Q2 financial statements were reviewed by Gauteng Provincial Treasury. Through engagements, the Gauteng Provincial Treasury has also agreed to extend its reviewing process to monthly interim financials effective from January 2018. GRAP training is attended on an annual basis to enhance technical skills and understanding of applicable standards and is planned to take place in March 2018 through the Gauteng Provincial Treasury.	Yes
4.3.2.1.2	That the CEO intensify performance and consequence management processes to eliminate findings on irregular expenditure and provides the committee with a progress report detailing the effectiveness of measure put in place to address challenges relating to irregular expenditure within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2018.	The Departmental Ethics, Anti-Fraud, and Corruption unit is currently investigating all instances of irregular expenditure incurred until 30 September 2017. Corrective action will be taken upon the finalisation of the investigation process. The Standard Operating Procedure for Purchases and Accounts payable has been fully implemented. As part of a continuous skills development process, the members of middle management within the Entity were subjected to Bid Committee training during November 2017.	Yes
4.3.2.2.2	That the Accounting Officer implement consequence management to recover funds from the implicated officials as well as to eliminate findings on fruitless and wasteful expenditure and provides the Committee with a progress report detailing the effectiveness of measures put in place to address these challenges within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2018.	The Departmental Ethics, Anti-Fraud and Corruption unit is currently investigating all instances of fruitless and wasteful expenditure incurred until 30 September 2017. Corrective action will be taken upon the finalisation of the investigation process.	Yes
4.3.2.3.2	That the MEC intensify performance and consequence management processes to eliminate findings on non-compliance with key legislation and provides the committee with a progress report detailing the effectiveness of measures put in place to address challenges related to payment of service providers within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2018.	SAP has been fully implemented and the Purchase and Accounts Payable Standard Operating Procedure is being continuously implemented. With effect from Q2, the Entity paid all their service providers within 30 days after receiving their invoices.	Yes. Ongoing
4.3.2.3.2	That the MEC hold the CEO accountable for timely implementation of action plans and honouring commitments and provides the committee with a progress report detailing the effectiveness of measures put in place in addressing payment of service providers within 30 days of adoption hereof and thereafter every quarter up until the end of June 2018.	SAP has been fully implemented and the Purchase and Accounts Payable Standard Operating Procedure is being continuously implemented. With effect from Q2, the Entity paid all their service providers within 30 days after receiving their invoices.	Yes. Ongoing

Resolution No.	Subject	Response by the department	Resolved (Yes/No)
4.4.1.1	That the MEC provides the Committee with a progress report detailing the effectiveness of measures put in place to address poor leadership in the Department within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2018.	Management team meets every week to report on progress in terms of their key performance areas. These meetings are designed to strengthen stewardship and accountability. Such forums also provide the Executive with a bird's eye view of the state of affairs on both financial and performance management.	Ongoing
4.5.1.1	That the department provides the committee with a progress report detailing the status of the investigations within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2018.	Investigations around lost vehicles are on-going and have not yet concluded.	Yes
6.1	The Entity must implement its Debtors Management policy fully and provide the Committee with a progress report detailing the effectiveness of the policy every quarter and continuing until the end of June 2020.	The Entity is implementing the Debtors Management Policy on monthly basis. The overall debt book is R190.979 million as of 31 March 2020. The projected billing for March 2020 is an estimate based on February 2020 invoices, the final run for March 2020 will be on the 13th of April 2020. The indicative figures suggest that the overall debtor's book will be R23.958 million less in contrast to the R214.937 million reported on the same period in 2018/19 financial year. To date, the Entity has billed and collected R859.921 million and R864.440 million respectively. These two figures demonstrate that the debt collection challenges are not with the current charges but are with the opening balances. The Gauteng Department of Health (GDoH) owes the Entity a total amount of R91.401 million which constitutes 41% of the overall debt book. GDoH has submitted a payment plan requesting to pay the opening balance of the debt over a period on twenty-four (24) months, whilst paying the current charges within thirty (30) days. The compliance with this payment plan is monitored on monthly basis. The abovementioned 24 months is expiring on the 31st May 2020, therefore this account is expected to be up to date. Following the letters of demand sent to the Department of International Relation and Cooperation and uMgungundlovu District Municipality in the third quarter, the Entity received payments of R2.908 million and R7.711 million from the two client departments, respectively. South African National Defence Force has not paid but has formally written to the Entity requesting supporting documents for the outstanding claims. The Entity is working closely with the client department in an attempt to furnish the requested information, however, the account remains suspended. The amount of R40,447,006.93 had been referred to the Accounting Officer to write off as irrecoverable. This amount is part of the R57,063,000 that was reported as "Impairment for provision of receivables" in the 2018/19 financial year. The Entity awaits the approval from the Accounting Officer in this regard. As much as these debts are likely to be written off, to ensure the debtor's book is not overstated, the Entity will continue to pursue client departments to pay their outstanding balances.	Yes

Resolution No.	Subject	Response by the department	Resolved (Yes/ No)
6.2	The Entity must implement adequate processes to review the annual performance plan and annual performance report and provide the Committee with a progress report detailing the effectiveness of the processes to review the annual performance plan and annual performance report every quarter and continuing until the end of June 2020.	**The Process to review the annual performance plan & annual performance report** **i)** The Entity conducts reviews of its Annual Performance Plans (APP) with its Senior Management Team (SMT) during the APP drafting and finalising process. **ii)** Further oversight is provided by the Gauteng Department of Roads and Transport(GDRT) as APPs are submitted to the Head of Department and the Member of the Executive Council for approval. **iii)** The Office of the Premier and the Department of Planning, Monitoring and Evaluation also conduct reviews of the APP and their feedback is incorporated into the final APP. These processes help to ensure that there is alignment to the provincial and departmental priorities. **iv)** The Quarterly Performance Report is firstly reviewed by the various directorates to verify the reported performance against supporting documentation. **v)** The second level of the reviews is undertaken by SMT to validate performance reports. **vi)** The third level is the validation of reported performance against the supporting Portfolio of Evidence undertaken by the Offices of the Chief Financial Officer, Office of the Chief Operations Officer and Office of the Chief Executive Officer to ensure effective reviews of the Quarterly Performance Report prior submission to the Office of Head of Department for approval. **vii)** The Entity is provided with oversight from the GDRT as per requirements from the National Monitoring and Evaluation Frameworks and this oversight is conducted on a quarterly and annual basis. **viii)** The GDRT analyzes quarterly performance and provides required advice on performance planning (i.e. Strategic Plan and Annual Performance Plan) and monitoring (Quarterly and Annual Reports). **ix)** The Internal audit review on the performance of the Entity against the pre-determined objectives is conducted. In addition, the internal auditors have provided reviews and assurance on the Draft APP for the 2020/21 financial year and Draft 2021-2025 Strategic Plan. **x)** Recommendations on reviews by internal auditors on performance information have been implemented in the 2019/2020 financial year quarterly reviews. **xi)** Recommendations on reviews by internal auditors, Office of the Premier and DRT's Monitoring and Evaluation Unit have been implemented in the Draft 2021-2021 Strategic and Draft APP for the 2020/2021 financial year. **xii)** The result, therefore, is that more and more errors are determined and corrected through these internal structures.	Yes (Ongoing)
6.3	The Entity must develop and implement processes to verify the completeness and accuracy of the reported performance information and provide the Committee with a progress report detailing the effectiveness of measures put in place to verify the completeness and accuracy of the reported performance information every quarter and continuing until the end of June 2020.	The Entity has developed and is implementing the following processes to ensure the completeness and accuracy of the reported performance information: **1.** The various directorates themselves verify the reported information against supporting documentation. **2.** The review is undertaken by SMT where reported information is reviewed and **3.** The Office of the Chief Financial Officer and Office of the Chief Executive Officer conducts the validation of performance reported against supporting documentation. **4.** The GDRT also provides oversight on a quarterly and annual basis. In addition, all senior managers are currently reviewing the annual Portfolio of Evidence for all Key Performance Indicators. This information will be incorporated as part of the Annual Performance Report.	Yes (Ongoing)
6.4	The Entity must provide the Committee with a progress report detailing the status of the request to the Department of Roads and Transport, Monitoring and Evaluation Directorate to play an oversight and advisory role in the development of Strategic and Annual Performance Plans every quarter and up until the end of June 2020.	The Entity is provided with oversight from the GDRT as per requirements from the National Monitoring and Evaluation Frameworks and this oversight is conducted on a quarterly and annual basis. The GDRT analyzes quarterly performance and provides required advice on performance planning (i.e. Strategic Plan and Annual Performance Plan) and monitoring (Quarterly and Annual Reports).	Yes (Ongoing)

Resolution No.	Subject	Response by the department	Resolved (Yes/ No)
6.5	The Entity must implement a document management system to safeguard and allow for speedy retrieval of information when required and provide the Committee with a progress report every quarter and continuing up until the end of June 2020.	The request for deviation done by the Gauteng Department of Roads and Transport's Chief Information Officer was declined by the Gauteng Provincial Treasury(GPT) for the eDRMS Project. The project was scaled down, presented to the Departmental Bid Acquisition Committee(BAC) on 25 February 2020 and approval was granted by BAC on 28 February 2020. The department is in the process of contracting with the service provider. It is anticipated that the project will be completed and the e-DRMS will be fully functional by end of March 2021.	No (Ongoing)
6.6	The Entity must implement adequate controls to identify and report on fruitless and wasteful expenditure, intensify performance and consequence management processes to mitigate instances of findings on fruitless and wasteful expenditure and provide the Committee with a detailed report detailing the effectiveness of the controls every quarter and continuing up until the end of June 2020	The Entity is pleased to report to the Committee that no fruitless and wasteful expenditure has been incurred and reported in 2019/20 financial year. This is a consolidation of the internal controls and systems put in place by management in the past two (02) financial years to completely eradicate wastage within the Entity and restore sound financial management.	Yes
6.7	The Entity must implement appropriate controls around SCM to ensure compliance with relevant legislation and to prevent irregular expenditure and provide the Committee with a progress report detailing the effectiveness of measures put in place every quarter and continuing until the end of June 2020.	Intensive efforts and internal controls are being implemented by the Entity in a quest to promote good governance and compliance with the laws and regulations, however, there are legacy issues that are being systematically addressed to ensure that the Entity does not relapse in the future. Detailed analysis and progress report included in an Annexure.	No (Ongoing)
6.8	The Entity must provide the Committee with a progress report detailing the status of the review of the organisational structure every quarter continuing up until finalisation thereof.	The GDRT appointed an external service provider early in 2020 to review and realignment organizational structure for both GPDRT and g-FleeT. The department has indicated that the process will take at least twelve (12) months to complete and not eight (08) months as initially anticipated.	No (Ongoing)

Resolution No.	Subject	Response by the department	Resolved (Yes/No)
6.9	The Entity must provide the Committee with a progress report detailing the effectiveness of the various levels of oversight measures instituted to address leadership, financial and performance management challenges every quarter and continuing up until the end of June 2020.	**Financial Reporting** **(i)** With regards to financial reporting, monthly reconciliation procedures are done on monthly basis in line with the approved Standard Operating Procedures. **(ii)** The first, second and quarterly Interim Financial Statements were prepared, reviewed and submitted to Gauteng Provincial Treasury and Audit Committee. **(iii)** The Gauteng Provincial Treasury still assists with the reviewing process of the Financial Statements before final submission. **(iv)** The Revenue Analysis has been performed from 01 April 2019 to 31 December 2019 to ensure that the reported figures on both revenue and account receivables are free from material misstatements. The Entity is currently in a process of finalising the last quarter analytics. **(v)** The total fleet of operational vehicles at g-FleeT Management is 6,289. 5,548 (88%) of the total fleet of vehicles has been physically verified and confirmed by client departments with corroborating Portfolio of Evidence as of 19 March 2020. Due to the COVID-19 pandemic and lockdown, as declared by the President, the Entity could not finalise the physical verification of 741 vehicles, as an alternative procedure signed confirmation letters will be solicited from various client departments to ensure all vehicles are properly accounted for in the asset register. **(vi)** The Entity has prepared action plans for all areas of concern that were raised by the Auditor General of South Africa last financial year. Furthermore, the Entity has developed a checklist that will guide and assist in the preparation and reviewing of Financial Statements, with a special focus on the following key disclosures: **1.** Property, Plant and Equipment (GRAP 17); **2.** Financial Instruments (GRAP 104); and **3.** Leases (GRAP 13). **(vii)** A refresher training on GRAP was undertaken in February 2020 by the two officials responsible for the preparation and reviewing of Financial Statements. **Performance Management** In relation to the audit finding on the "Tariff structure indicator not consistent with the related target". The Entity has revised the Annual Performance Plan for the 2019/20 financial year to ensure that there is congruence between the Key Performance Indicator and Target. They both read "Annual Tariff structure for 2020/21 submitted to Provincial Treasury for approval" The first, second and third quarterly performance reports and Portfolio of Evidence were submitted to the GDRT. Numerous meetings were held with the RT46 service provider to perform a data clean up especially on township merchants to ensure that credible information is provided on a monthly and quarterly basis. **Compliance with laws and regulations** The Entity is continuing on a positive trajectory in terms of ensuring compliance with laws and regulations: - **1.** No fruitless and wasteful expenditure has been incurred and reported in the 2019/20 financial year. **2.** The Entity is constantly improving on paying service providers within the prescribed 30 days and the compliance rate for the fourth quarter (Q4) is 98%. **3.** The amount of irregular expenditure incurred is sitting at R11,721,000 million, as at 26 March 2020. Through the procurement process, new Landlords have been appointed for office accommodation in the KwaZulu-Natal and Cape Town Regional Offices and the Comprehensive Vehicle Tracking Tender was awarded in July 2019 and the contract was concluded on 20 December 2019.	No (Ongoing)

8. 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	All irregular expenditure transactions are being investigated. The 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.
Contractual obligations and money owed by the Entity were not settled within 30 days (Non-compliance with PFMA)	2014/15	The Entity has achieved 96% compliance rate in terms of paying services providers with the prescribed 30 days' period in terms of the PFMA and TR, this signifies a 2% increase from 2018/19 financial year. 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.

9. INTERNAL CONTROL UNIT

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

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

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

10. 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 2020.

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 (AGSA) Audit and Management Reports.

Non-Executive Members

Name of member	Number of meetings attended
Mr. Stanley Ngobeni (Chairperson)	04 (Appointed 01 March 2018)
Mr. Vishnu Naicker (Chairperson)	01 (Appointed 11 August 2020)
Mr. George Higgins	05 (Appointed 01 September 2016)
Ms. Given Sibiya	04 (Appointed 01 March 2018} Term expired
Ms. Mmathebe Moja	01 (Appointed 11 August 2020)

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)	05
Mr Mbasa A. Ngumla (Acting Chief Financial Officer)	05
Mr Solomon Kodisang (Former Chief Risk Officer)	02
MsDelicia Kgage (Acting Chief Risk Officer)	02
Mr. Kweyama Velile (Chief Audit Executive)	05

The Audit Committee is satisfied that the Entity adhered to the provisions of the GPG Audit Committee Charter.

The members of the audit committee held meetings with the accounting officer, senior management of the department or public entity, internal audit function and the Auditor-General of South Africa (AGSA) collectively and individually, on matters related to governance, internal control and risk in the department, throughout the reporting period. The Chairperson also held a meeting with the honourable member of the executive committee Mr J Mamabolo to report on governance, internal control, risk, performance and financial information and other relevant matters concerning 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. 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.

Events after the reporting date

The Covid19 pandemic impacted on the audit committee's operations after the financial year-end of 31 March 2020. Social distancing, lockdown regulations together with the amended legislative timeframes for annual report submission impacted the operations of the audit committee, internal audit and external audit on the timeframes when annual financial statements and annual performance information would be prepared by the departments, desk reviewed by the Office of the Provincial Accountant-General and audited by the AGSA.

The audit committee welcomed initiatives by the trading entity, internal audit, external audit and audit committee members assisted by Gauteng Provincial Treasury to go digital to continue with the compilation of the annual report, desk reviews, audit processes and oversight responsibilities.

Events after the reporting date

The Covid19 pandemic impacted on the audit committee's operations after the financial year-end of 31 March 2020. Social distancing, lockdown regulations together with the amended legislative timeframes for annual report submission impacted the operations of the audit committee, internal audit and external audit on the timeframes when annual financial statements and annual performance information would be prepared by the departments, desk reviewed by the Office of the Provincial Accountant-General and audited by the AGSA.

The audit committee welcomed initiatives by the trading entity, internal audit, external audit and audit committee members assisted by Gauteng Provincial Treasury to go digital to continue with the compilation of the annual report, desk reviews, audit processes and oversight responsibilities.

The effectiveness of internal control

The audit committee acknowledges management's efforts to strengthen internal controls in the Department. From the various reports of the internal auditors, management and audit reports of the Auditor General of South Africa, it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to financial reporting, asset management, reporting on pre-determined objectives and compliance with laws and regulations and in some cases resulted on repeat findings.

In some instances, the system on internal control for the period under review was found to be adequate but ineffective and their's room for improvement in so far as addressing internal audit findings timeously and implementation of consequence management. Some of the issues/concerns raised by Internal Audit during the year were raised by the AGSA, The Audit Committee is of the view that management should continue strengthening the internal control environment with the development and implementation of systems across the internal control universe. Management should also improve its financial reporting controls to ensure that risks of material misstatement to the financial statements are minimised.

Information and Communication Technology (ICT) Governance

The entity made some progress in implementing the recommendations from 2018/19.

The Audit Committee notes the Auditor- General and Internal Audit reports around ICT governance and business continuity. The Department has been instructed to ensure that significant attention is allocated to resolving these deficiencies in the next financial year. The implementation of an effective fleet system should enable better management and more effective use of the fleet.

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.

The Internal Audit team managed to execute and complete substantial original approved risk-based audit projects within the allocated budget hours and time-frames. The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits.

The coordination of efforts between internal audit and AGSA has been enhanced further during the year in the provision of assurance services. The Committee believes this is an important step towards a fully effective combined assurance system.

It was noted that 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 responsible for the oversight of the risk management function. The risk management committee reports to the audit committee on the entity's management of risk. The committee has reviewed the risk register and the reports from the risk committee and is generally satisfied with the maturity level of the risk management process, however, improvements to processes and policies to address the key risk exposures to the Department is still required.

Management should continue to take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to even further enhance the performance of the Entity including the appointment of an independent Risk Management Committee Chairperson. The Audit Committee would like to see the continued improvement in the maturity of risk management.

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 Audit Committee revealed a need to strengthen current performance management and reporting system.

The Audit Committee notes that the AGSA has raised a finding on the usefulness of a Key performance indicator and has requested that management together with the AGSA find a sustainable solution in terms of the wording and evidence required to support the KPIs.

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 complied with the statutory reporting framework. The Audit Committee would like to commend the Entity for reporting monthly and quarterly to Treasury as is required by the PFMA. The Audit Committee recommends that the Entity should ensure better compliance 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

A number of non-compliance with the enabling laws and regulations were noted by the Audit Committee, Management, Internal Audit and AGSA during the year. As result, the Audit Committee recommended the development and implementation of an effective compliance management system with an objective of addressing the issues of non-compliance with laws and regulations.

Forensic Investigations

Investigations into alleged financial irregularities, financial misconduct and fraud were completed during the year under review. Certain investigations are still in the process of finalisation. Various measures were recommended including taking action against the identified officials and this was in the process of finalisation. The recommendations are at various stages of implementation.

Evaluation of Annual Financial Statements

The Audit Committee undertook the following activities related to Annual Financial Statements:

- Audit Committee reviewed the draft annual financial statements prepared by the Entity before the submission of the annual financial statements to the external auditors for audit the audit committee meeting held on 19 June 2020 and recommended them for audit.

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA, the Accounting Officer and the CEO;
    - » Significant financial reporting judgements and estimates contained in the annual financial statements.
    - » Clarity and completeness of disclosures and whether disclosures made have been set properly in context.
    - » Quality and acceptability of, and any changes in, accounting policies and practices.
    - » Compliance with Standards of GRAP and the PFMA requirements.
    - » Significant adjustments and/or unadjusted differences resulting from the audit.
    - » Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted.
    - » Reasons for budget variations
    - » Reasons for major year-on-year fluctuations.
    - » Asset valuations and revaluations.
    - » Calculation and levels of general and specific provisions.
    - » Write-offs and reserve transfers.
    - » The basis for the going concern assumption, including any financial sustainability risks and issues.

- Reviewed the Audit Report of the AGSA;

- Reviewed the AGSA's Management Report and Management's response thereto.

The Audit Committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

Evaluation of the Annual Report

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

Audit Committee evaluated the final draft Annual Report (including performance report) the audit committee meeting held on 15 October 2020 and noted the achievement for the year under review and recommend it.

Audit Improvement Plan for 2018/19

The Audit Committee reviewed and monitored the implementation of prior year audit findings on a quarterly basis. It is the view of the Audit Committee that there is a room for improvement in this regard in so far as timeous implementation and resolving findings by the external auditors as well as addressing the root-causes relating to the weakness identified by the external auditors. The Audit Improvement plan for 2019/2020 I will be monitored from on a quarterly basis.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Entity to address unresolved issues.

One-on-One Meeting with the Accounting Officer of the department

The Audit Committee has met with the Accounting Officer for the department to address unresolved issues.

One-on-One Meetings with the Executive Authority

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

Conclusion

The Audit Committee strongly recommends that the Entity should prioritise root-cause identification and analysis, implementation of consequence management, and regular monitoring of the audit action plans for both internal and external audit to achieve the required effectiveness in governance, accountability and clean administration.

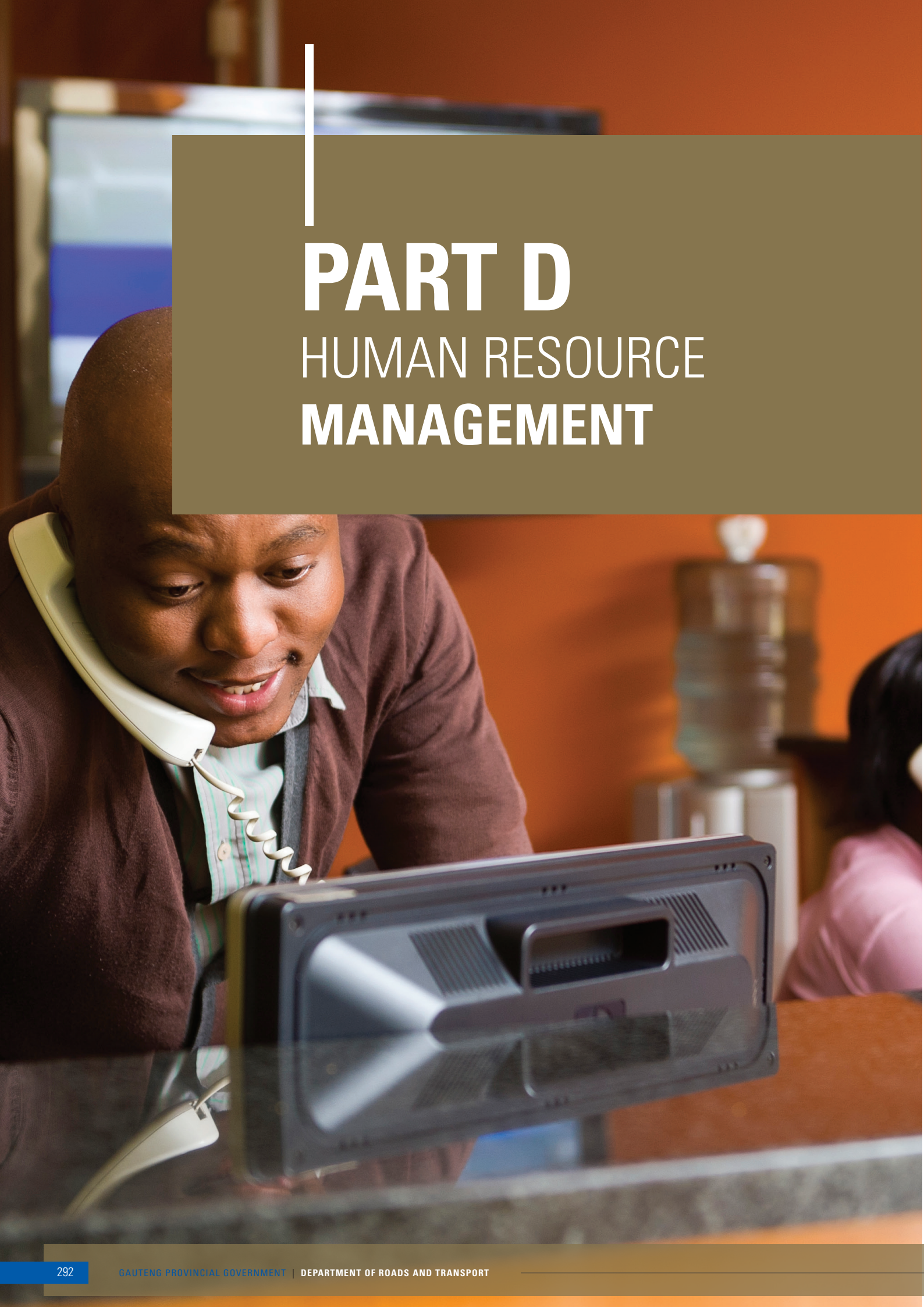
Furthermore, The Audit Committee is encouraged and appreciates an improvement in the communication between the Accounting Officer, the Chief Executive Officer, Senior Management, the AGSA and the Internal Audit which if continued can strengthen the Corporate Governance initiatives within the Entity.



.....

Mr Vishnu Naicker
Chairperson of the Audit Committee
Johannesburg

16 October 2020



PART D
HUMAN RESOURCE **MANAGEMENT**

1. INTRODUCTION

The Entity has been focusing on ensuring that the work environment is safe and conducive for employees to perform their duties effectively and efficiently. The Entity continued to utilise the organogram approved in 2014. The process of approving the proposed Service Delivery Model, Business Case and the proposed Organisational Structure that was updated in February 2017 is not yet concluded. Due to the moratorium placed by the Department of Roads and Transport in 2019, the Entity could not continue with the recruitment process for the already advertised posts.

A service provider has been appointed by the Department of Roads and Transport to review and re-align the organisational structures of the Department and the Entity. This process is envisaged to be completed before the end of the 2020/21 financial year. Upon finalisation of the structure, the Department will submit the proposed structure to the DPSA through the Office of the Premier. During the financial year under review, the Entity had 210 officials under its employ. The Entity's vacancy rate has increased because of resignations and officials going on pension. The Entity ensured that all courses attended by officials are Sector Education and Training Authority accredited. The Entity's focus was to train as many officials in line with the approved 2019/2020 Training Plan.

The Training Plan is based on the agreed training requirements between staff members and the supervisors in line with the Performance Management System. This approach aims to ensure that trained officials positively contribute to the productivity of the various directorates within the Entity and further gives the staff members an advantage for growth in their chosen area of expertise. The improvement for compliance with Performance Management and Development Systems is encouraging; the new changes to the format have been welcomed by most staff. Continued training on the policies and procedures of the Entity and the Department have taken place throughout the financial year.

Employee Health and Wellness Program

The fostering of good labour relations and having staff that are well-informed and nurtured by the organisation has been a priority for the Wellness and Labour Relations unit. Our staff, the entity's capital resources' wellbeing is high on the agenda and through several activities that have been rolled out to address pertinent areas of concern regarding staff's holistic health, work environment and a good balance between their personal and work life.

The entity continues to provide staff with a platform to be heard and to reach out for assistance through the Employee Assistant Program (EAP). There have been roadshows that keep staff informed on their responsibilities to the entity and the responsibilities of the entity to them. Topics such as Pension, Injury on Duty, Occupational Health and Safety, Employee Assistance, and Labour Matters are addressed at the roadshows. Health Screenings have also assisted in giving staff updated information on health matters varying form HIV/AIDs, Cancer, Alcoholism and Mental health etc.

Careways continues to be the EAP service provider used by the Gauteng Provincial Departments and through them, we have been able to refer several staff members that require assistance in several areas. Careways, a 24-hour service, provides staff and their immediate family members with confidential support and advice on health and personal issues. As Human Resources, we will continue to put our staff in the forefront of our plans and uphold the policies of the entity in collaboration with our staff to increase productivity and boost the morale as we strive for success in all areas of our organisation.

2.
HUMAN RESOURCE OVERSIGHT STATISTICS

2.1. 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 2.1.1 PERSONNEL EXPENDITURE BY THE PROGRAMME FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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	3 623	3 117	0	0	0%	1 039
Office of the COO	694	684	0	0	0%	684
Office of the CFO	7 434	1 387	0	0	0%	694
Financial services	15 180	14 524	0	0	2%	309
Corporate Services	35 483	11 461	631	0	2%	287
Marketing and Communication	10 862	10 382	0	0	1%	371
Maintenance Services	120 563	9 597	0	0	1%	291
Transport Support Services	231 909	12 158	0	0	2%	329
Permanent Service	265 983	7 212	0	0	1%	380
VIP and Pool Services	18 419	18 147	0	0	3%	330
Total	**710 150**	**88 669**	**631**	**0**	**12%**	**4 712**

TABLE 2.1.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	5 094	6%	57	89
Skilled (level 3-5)	23 784	27%	94	253
Highly skilled production (levels 6-8)	30 372	34%	76	400
Highly skilled supervision (levels 9-12)	22 747	26%	33	689
Senior and Top management (levels 13-16)	6 672	7%	5	1 334
Total	**88 669**	**100%**	**265**	**335**

TABLE 2.1.3 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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	3 117	4%	0	0%	17	0%	22	0%
Office of the COO	684.00	1%	0	0%	0	0%	60	0%
Office of the CFO	1 387	1%	0	0%	43	0%	82	0%
Financial Management	14 524	16%	6	0%	416	0%	717	1%
Corporate Services	11 461	13%	0	0%	430	1%	574	1%
Marketing & Communication	10 382	11%	0	0%	246	0%	425	0%
Maintenance Services	9 597	11%	0	0%	285	0%	616	1%
Transport Support Services	12 158	14%	62	0%	352	1%	743	1%
Permanent Service	7 212	8%	0	0%	218	0%	365	0%
VIP/POOL Services	18 147	21%	1 243	2%	775	1%	1 024	1%
TOTAL	88 669	100%	1 311	2%	2 782	3%	4 628	5%

TABLE 2.1.4 SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	5 094	6%	33	0%	33	0%	18	0%
Skilled (level 3-5)	23 784	27%	964	1%	1 252	1%	1 832	2%
Highly skilled production (levels 6-8)	30 372	34%	282	0%	813	1%	2 093	2%
Highly skilled supervision (levels 9-12	22 747	26%	32	0%	561	1%	594	1%
Senior management (level 13-16)	6 672	7%	0	0%	123	0%	91	0%
Total	**88 669**	**100%**	**1 311**	**1%**	**2 782**	**3%**	**4 628**	**5%**

2.2. EMPLOYMENT AND **VACANCIES**

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

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

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

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

TABLE 2.2.1 EMPLOYMENT AND VACANCIES BY THE PROGRAMME AS ON 31 MARCH 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
SMS (13 to 16)	8	3	2%	0
Level 11 to 12	17	13	1%	2
Level 7 to 10	107	76	11%	6
Level 1 to 6	143	106	14%	0
TOTAL	**275**	**198**	**28%**	**8**

TABLE 2.2.2 EMPLOYMENT AND VACANCIES BY SALARY BAND AS ON 31 MARCH 2020

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%
TOTAL	**8**	**3**	**37%**	**5**	**63%**

2.3 FILLING OF **SMS POSTS**

TABLE 2.3.1 SMS POST INFORMATION AS ON 31 MARCH 2020

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%
TOTAL	8	3	37%	5	63%

TABLE 2.3.2 SMS POST INFORMATION AS ON 30 SEPTEMBER 2019

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	3	50%	3	50%
TOTAL	8	4	50%	4	50%

TABLE 2.3.3 ADVERTISING AND FILING OF SMS POST FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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	3	50%	3	50%
TOTAL	8	4	50%	4	50%

TABLE 2.3.4 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 2019 AND 31 MARCH 2020

Reasons for vacancies not advertised within six months
The posts for Director Fleet Maintenance and Director Finance was advertised on the 24th March 2019. The moratorium for the filling of vacant posts was implemented in October 2019.
The Department has appointed a service provider to review and re-align the organizational structure. The process of realignment has commenced. The project is envisaged to be completed before the end of the 2020/21 financial year. Upon finalizing the proposed structure the Department will submit the proposed structure to the DPSA Through the Office of the Premier. The Department to document all engagements and agreements with the Office of the Premier.

TABLE 2.3.5 DISCIPLINARY STEPS TAKEN FOR NOT COMPLYING WITH THE PRESCRIBED TIMEFRAMES FOR FILLING SMS POSTS WITHIN 12 MONTHS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Reasons for vacancies not advertised within six months
None.
Reasons for vacancies not filled within six months
The posts for Director Fleet Maintenance and Director Finance was advertised on the 24th March 2019. The moratorium for the filling of vacant posts was implemented in October 2019.
The Department has appointed a service provider to review and re-align the organizational structure. The process of realignment has commenced. The project is envisaged to be completed before the end of the 2020/21 financial year. Upon finalizing the proposed structure the Department will submit the proposed structure to the DPSA Through the Office of the Premier. The Department to document all engagements and agreements with the Office of the Premier.

2.4 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 2.4.1 JOB EVALUATION BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary band	Number of posts on approved establish-ment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	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%
	275	0	0%	0	0%	0	0%

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

TABLE 2.4.2 PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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
Total	0,00	0,00	0,00	0,00	0,00

Employees with a disability	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 2.4.3 EMPLOYEES WITH SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION BY OCCUPATION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

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

TABLE 2.4.4 PROFILE OF EMPLOYEES WHO HAVE SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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

Notes

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

2.5 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 2.5.1 ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary band	Number of employees at beginning of period April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	3	0	0	0%
Skilled (Levels3-5)	107	0	3	3%
Highly skilled production (Levels 6-8)	65	0	1	2%
Highly skilled supervision (Levels 9-12)	31	0	1	3%
Senior Management Service Bands A	4	0	1	25%
Senior Management Service Bands B	0	0	0	0%
Senior Management Service Bands C	0	0	0	0%
Senior Management Service Bands D	0	0	0	0%
Total	210	0	6	3%

TABLE 2.5.2 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Critical occupation	Number of employees at beginning of period-1 April 2019	Appointments and trans-fers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	11	0	0	0%
All artisans in the building metal machinery etc., Permanent	7	0	1	14%
Building and other property caretakers, Permanent	1	0	0	0%
Bus and heavy vehicle drivers, Permanent	1	0	0	0%
Cleaners in offices workshops hospitals etc., Permanent	4	0	0	0%
Client inform clerks (switchboard/receptionist informs clerks), Permanent	2	0	0	0%
Computer programmers., Permanent	1	0	0	0%
Finance and economics related, Permanent	3	0	1	33%
Financial and related professionals, Permanent	2	0	0	0%
Financial clerks and credit controllers, Permanent	3	0	0	0%
Head of department/chief executive officer, Permanent	1	0	0	0%
Human resources & organisational development & relate prof, Permanent	2	0	0	0%
Human resources clerks, Permanent	4	0	0	0%
Human resources related, Permanent	8	0	0	0%
Information technology related, Permanent	1	0	0	0%
Library mail and related clerks, Permanent	2	0	0	0%
Light vehicle drivers, Permanent	14	0	2	14%
Material-recording and transport clerks, Permanent	1	0	0	0%
Messengers porters and deliverers, Permanent	2	0	0	0%
Motor vehicle drivers, Permanent	1	0	0	0%
Other administration & related clerks and organisers, Permanent	53	0	1	2%
Other administrative policy and related officers, Permanent	1	0	0	0%
Other occupations, Permanent	5	0	0	0%
Secretaries & other keyboard operating clerks, Permanent	2	0	0	0%
Senior managers, Permanent	4	0	1	25%
Trade labourers, Permanent	14	0	0	0%
Total	149	0	6	4%

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 2.5.3 REASONS WHY STAFF LEFT THE DEPARTMENT FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Termination Type	Number	% of Total Resignations
Death	1	0,5%
Resignation	2	1%
Expiry of contract	0	0%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	2	1%
Transfer to other Public Service Departments	1	0,5%
Other	0	0%
Total	6	3%
Total number of employees who left as a % of total employment	6	3%

TABLE 2.5.4 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary Band	Employees 1 April 2019	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
Clerks	0	0	0	0	0%
Technicians and associate professionals	0	0	0	0	0%
TOTAL	0	0	0	0	0%

TABLE 2.5.5 PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary Band	Employees 1 April 2019	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	2	0	0	2	100%
Skilled (Levels3-5)	101	0	0	101	100%
Highly skilled production (Levels 6-8)	72	0	0	67	93%
Highly skilled supervision (Levels 9-12)	31	0	0	30	97%
Senior Management (Level 13-16)	4	0	0	3	75%
Total	210	0	0	203	97%

2.6. EMPLOYMENT EQUITY

TABLE 2.6.1 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS AT 31 MARCH 2020

Occupational Category	Male				Female				Total
	African	Co-loured	Indian	White	African	Co-loured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	1	2	0	0	3
Professionals	17	1	0	0	8	1	1	2	30
Technicians and associate professionals	17	2	1	0	34	4	0	5	63
Clerks	59	0	0	4	32	2	1	4	102
Service and sales workers	0	0		0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0		0	0	0	0	0	0
Craft and related trades workers	0	0		0	0	0	0	0	0
Plant and machine operators and assemblers	0	0		0	0	0	0	0	0
Elementary occupations	0	0		0	0	0	0	0	0
Total	93	3	1	4	75	9	2	11	198
Employees with disabilities	2	0	0	0	1	0	0	0	3

TABLE 2.6.2 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS ON 31 MARCH 2020

Occupational Band	Male				Female				Total
	African	Co-loured	Indian	White	African	Co-loured	Indian	White	
Top Management	0	0		0	0	0	0	0	0
Senior Management	0	0	0	0	1	2	0	0	3
Professionally qualified and experienced specialists and mid-management	17	1	0	0	8	1	1	2	30
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	17	2	1	0	34	4	0	5	63
Semi-skilled and discretionary decision making	59	0	0	4	32	2	1	4	102
Unskilled and defined decision making	0	0		0	0	0	0	0	0
Total	93	3	1	4	75	9	2	11	198

TABLE 2.6.3 RECRUITMENT FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Occupational Band	Male				Female				Total
	African	Co-loured	Indian	White	African	Co-loured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 2.6.4 PROMOTIONS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Occupational Band	Male				Female				Total
	African	Co-loured	Indian	White	African	Co-loured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 2.6.5 TERMINATIONS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Occupational Band	Male				Female				Total
	African	Co-loured	Indian	White	African	Co-loured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0		0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making	2	0	0	1	0	0	0	0	3
Contract (Top Management), Permanent	0	0	0	0	0	0	0	0	0
Contract (Senior Management), Permanent	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	0
Total	4	0	0	1	1	0	0	0	6
Employees with Disabilities	0	0	0	0	0	0	0	0	0

TABLE 2.6.6 DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Disciplinary action	Male				Female				Total
	African	Co-loured	Indian	White	African	Co-loured	Indian	White	
Suspension without pay	0	0	0	0	0	0	0	0	0
Dismissal	0	0	0	0	0	0	0	0	0

TABLE 2.6.7 SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Occupational Category	Male				Female				Total
	Afri-can	Co-loured	Indian	White	Afri-can	Co-loured	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 profes-sionals	14	2	1	0	13	4	0	0	34
Clerks	13	0	0	4	19	2	1	0	39
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	27	2	1	4	32	6	1	0	73
Employees with disabilities	0	0	0	0	0	0	0	0	0

2.7. SIGNING OF PERFORMANCE AGREEMENTS - SMS MEMBERS

TABLE 2.7.1 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS ON 31 MARCH 2020

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	2	2	33%
Total	8	3	3	38%

TABLE 2.7.2 REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MARCH 2020

Reasons
None

TABLE 2.7.3 DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS ON 31 MARCH 2020

Reasons
None

2.8 PERFORMANCE REWARDS

TABLE 2.8.1 PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	163	172	95%	R 237,885.50	R1,459.00
Male	92	97	95%	R124,885.50	R1,357.00
Female	71	75	95%	R113,000.00	R1,591.50
Asian	2	3	67%	R 9000.00	R 4500.00
Male	1	1	100%	R4500.00	R4,500.00
Female	1	2	50%	R4500.00	R4,500.00
Coloured	9	12	75%	R 118,238.50	R13,137.60
Male	2	3	67%	R8500.00	R4,250.00
Female	7	9	78%	R 109,738.50	R15,676.90
White	10	16	63%	R 117,554.00	R11,755.40
Male	3	5	60%	R16,000.00	R5,333.00
Female	7	11	64%	R101,554.00	R14,507.70
TOTAL	184	202	91%	R389,130.00	R4.500.00
Employees with disabilities	2	2	100%	R7 900.00	R3,950.00

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 2.8.2 PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE, FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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	Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	2	3	67%	R 7000.00	35 000	2%
Skilled (level 3-5)	95	102	93%	R 117,554.00	1237	2%
Highly skilled production (level 6-8)	60	67	90%	R 129, 331.50	2156	2%
Highly skilled supervision (level 9-12)	27	30	90%	R 118,238.50	4379	2%
Total	184	202	91%	R 372,124.00	11271	2%

TABLE 2.8.3 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Cost (R'000)	Average cost per employee
Lower Skilled (Levels 1-2)	2	3	67%	R 7000.00	35 000
Skilled (level 3-5)	95	102	93%	R 117,554.00	1237
Highly skilled production (level 6-8)	60	67	90%	R 129, 331.50	2156
Highly skilled supervision (level 9-12)	27	30	90%	R 118,238.50	4379
Total	184	202	91%	R 372,124.00	11271

Notes

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

TABLE 2.8 4 PERFORMANCE-RELATED REWARDS (CASH BONUS), BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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	Cost (R'000)	Average cost per employee	
Band A	0	1	0%	R0.00	R0.00	0%
Band B	0	0	0%	R0.00	R0.00	0%
Band C	3	3	2%	R46,774.75	R15,591.58	2%
Band D	0	0	0%	R0.00	R0.00	0%
Total	3	4	1,5%	R46,774.75	R15.591.58	2%

2.9. FOREIGN WORKERS

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

TABLE 2.9.1 FOREIGN WORKERS BY SALARY BAND FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary Band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower Skilled	0	0%	0	0%	0	0%
Highly skilled production (Lev. 6-8)	0	0%	0	0%	0	0%
Highly skilled supervision (Lev. 9-12)	0	0%	0	0%	0	0%
Contract (Levels 9-12)	0	0%	0	0%	0	0%
Contract (Levels 13-16)	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%

TABLE 2.9.2 FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Salary Band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
	0	0%	0	0%	0	0%
	0	0%	0	0%	0	0%
Total	0	0%	0	0%	0	0%

2.10 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 2.10.1 SICK LEAVE FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER 2019

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 skilled (Levels 1-2)	12	5%	2	1%	6	R422
Skilled (Levels 3-5)	175	67%	37	18%	5	R15,540
Highly skilled production (Levels 6-8)	240	55%	44	21%	5	R8,820
Highly skilled supervision (Levels 9-12)	47	49%	19	9%	2	R3,780
Top and Senior management (Levels 13-16)	17	23%	3	1%	6	R422
Total	444	199%	105	50%	4	R28,984

TABLE 2.10.2 DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER 2019

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	R0.00
Skilled (Levels 3-5)	103	0%	1	1%	1	R43,260
Highly skilled production (Levels 6-8)	0	0%	0	0%	0	R0.00
Highly skilled supervision (Levels 9-12)	0	0%	0	0%	0	R0.00
Senior management (Levels 13-16)	0	0%	0	0%	0	R0.00
Total	1	0%	1	1%	1	R43,260

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

TABLE 2.10.3 ANNUAL LEAVE FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER 2019

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	33	3	11
Skilled Levels 3-5)	1300	107	12
Highly skilled production (Levels 6-8)	890	65	14
Highly skilled supervision (Levels 9-12)	655	31	21
Senior management (Levels 13-16)	89	4	22
Total	2967	210	14

TABLE 2.10.4 CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER 2019

Salary band	Total days of capped leave taken	Number of Employees using capped leave	The average number of days taken per employee	Average capped leave per employee as on 31 March 2020
Lower skilled (Levels 1-2)	0	0	0	
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

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

TABLE 2.10.5 LEAVE PAY-OUTS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2018/190 due to non-utilisation of leave for the previous cycle	R0.00	0	R0.00
Capped leave pay-outs on termination of service for 2019/20	R64,375.72	2	R32,187.86
Current leave pay-out on termination of service for 2019/20	R90,267.54	3	R30,089.18
Total	R154,643.26	5	R30,928.65

2.11.
HIV/AIDS & HEALTH PROMOTION PROGRAMMES

TABLE 2.11.1 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 2.11. 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		Two officials from HR Business unit are involved in the task and budget is available.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of this Programme.	X		The Employee Assistance Programme depends on managers to refer through wellness office to service provider for formal referrals.
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	
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		TB Screening and voluntary HIV (VCT) ongoing.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion Programme? If so, list these measures/ indicators.	X		Through the distribution of condoms and the facilitation of wellness awareness events.

2.12 LABOUR RELATIONS

TABLE 2.12.1 COLLECTIVE AGREEMENTS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Subject matter	Date
None	0
Total number of Collective agreements	None

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

TABLE 2.12.2 MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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

TABLE 2.12.3 TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Type of misconduct (based on annexure A)	Number	% of the total
Abscondment from work	0	0%
Total	**0**	**0%**

TABLE 2.12.4 GRIEVANCES LOGGED FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Grievances	Number	% of Total
Number of grievances resolved	0	0%
Number of grievances not resolved	1	1%
Total number of grievances lodged	1	1%

TABLE 2.12.5 DISPUTES LODGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Disputes	Number	% of Total
Number of disputes upheld	1	1%
Number of disputes dismissed	0	0%
Total number of disputes lodged	3	1%

TABLE 2.12.6 STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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

TABLE 2.12.7 PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	R0.00

2.13 SKILLS DEVELOPMENT

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

TABLE 2.13.1 TRAINING NEEDS IDENTIFIED FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learner-ships	Skills Pro-grammes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	0	4	0	4
	Male	0	0	0	0	0
Professionals	Female	14	0	6	0	6
	Male	18	0	4	0	4
Technicians and associate professionals	Female	43	0	8	0	8
	Male	22	0	12	0	12
Clerks	Female	40	0	11	0	11
	Male	70	0	15	0	15
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
Total		210	0	60	0	60

TABLE 2.13.2 TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within 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	14	0	0	0	0
	Male	18	0	0	0	0
Technicians and associate professionals	Female	43	0	5	0	5
	Male	22	0	3	0	3
Clerks	Female	40	0	7	0	7
	Male	70	0	4	0	4
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
Total		210	0	19	0	19

2.14. INJURY ON DUTY

The following tables provide basic information for injury on duty.

TABLE 2.14.1 INJURY ON DUTY FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	2	100%

2.15. UTILISATION OF **CONSULTANTS**

The following tables provide basic information for injury on duty.

TABLE 2.15.1 REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Project title	Total number of consultants that worked on project	Dura-tion (work-days)	Contract value in Rand
	0	0	0,00

TABLE 2.15.2 ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIS)

FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Project title	Percentage ownership by HDI groups	Percent-age man-agement by HDI groups	Number of consultants from HDI groups that work on the project
	0	0	0,00

TABLE 2.15.3 REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

Project title	Total Number of consul-tants that worked on the project	Duration (Work-days)	Donor and contract value in Rand
	0	0	0,00

Total number of projects	Total individu-al consultants	Total duration Workdays	Total contract value in Rand
	0	0	0,00

TABLE 2.15.4 ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIS)

FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

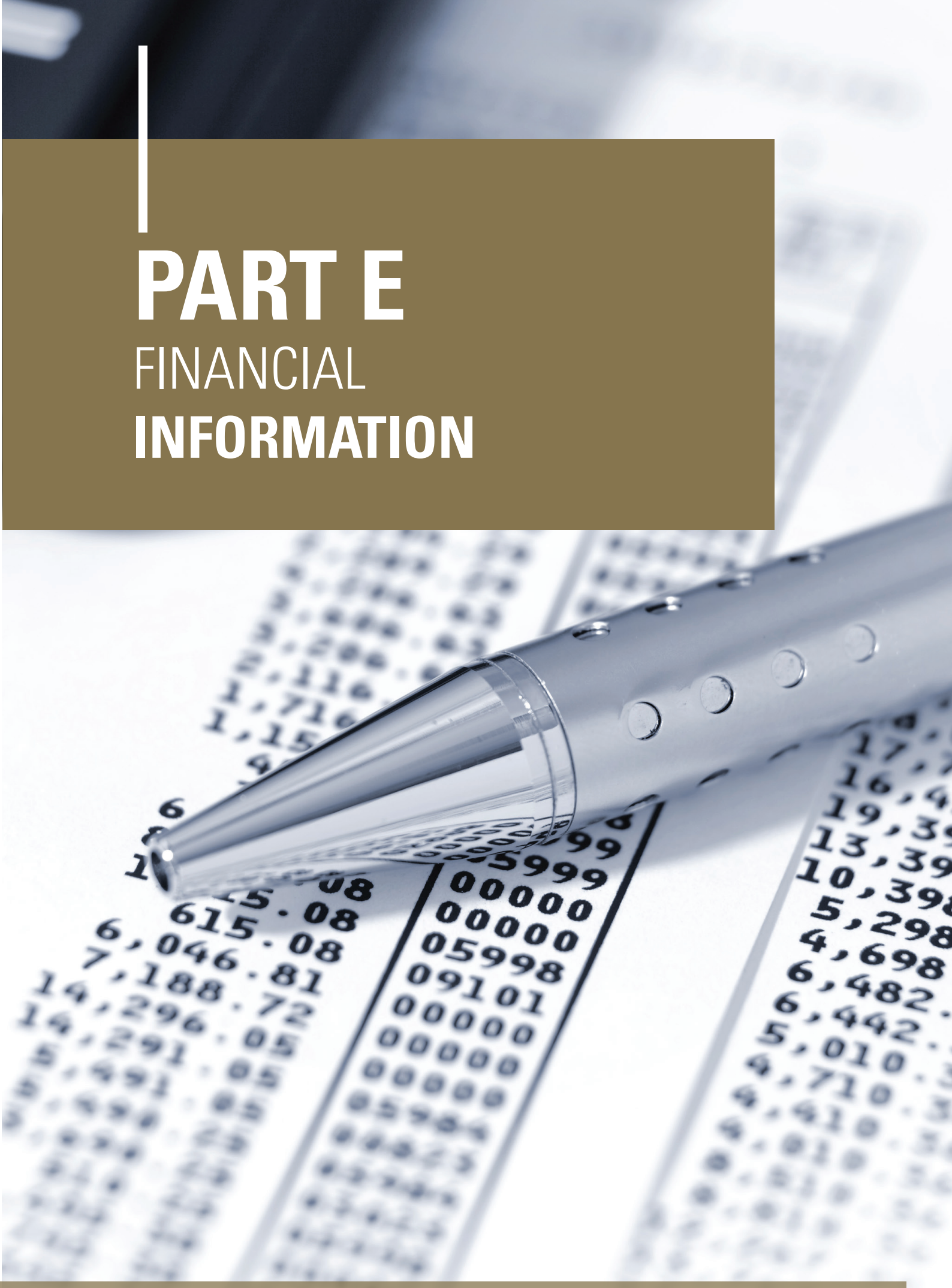
Project title	Percentage ownership by HDI groups	Percent-age man-agement by HDI groups	Number of consultants from HDI groups that work on the project
	0	0	0,00

2.16. SEVERANCE PACKAGES

TABLE 2.16.1 GRANTING EMPLOYEE-INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2019 AND 31 MARCH 2020

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

PART E
FINANCIAL **INFORMATION**



GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

g-FleeT MANAGEMENT

"Making your fleet our business"

ANNUAL FINANCIAL STATEMENTS

FOR g-FleeT Management

FOR THE YEAR ENDED 31 MARCH 2020

TABLE OF **CONTENTS**

REPORT OF THE AUDITOR GENERAL **324**

ANNUAL FINANCIAL STATEMENTS **328**

1. REPORT OF THE AUDITOR GENERAL

Opinion

1. I have audited the financial statements of g-FleeT Management, set out on pages 328 to 365, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion the financial statements present fairly, in all material respects, the financial position of g-FleeT Management as at 31 March 2020, 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 of South Africa, 1999 (Act No. 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 auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the trading entity in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes), as well as the 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 codes.
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.

Restatement of corresponding figures

7. As disclosed in note 3 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of errors in the financial statements of the trading entity at, and for the year ended 31 March 2020.

Fruitless and wasteful expenditure

8. As disclosed in note 28 to the financial statements, the trading entity incurred fruitless and wasteful expenditure of R27 886 000, of this amount, R27 836 462 is in the process of being investigated.

Significant subsequent events

9. I draw attention to note 27 to the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of covid-19 on the trading entity's future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances.

Responsibilities of the accounting officer for the financial statements

10. 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.

11. 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.

Auditor-general's responsibilities for the audit of the financial statements

12. 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.
13. 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

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the trading entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the trading entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the trading entity for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2 – corporate and financial management	264 - 269

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. The material findings in respect of the usefulness and reliability of the selected programme are as follows:

PROGRAMME 2: CORPORATE AND FINANCIAL MANAGEMENT

Percentage of maintenance expenditure on Gauteng township businesses

19. 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. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievement of 3.8 per cent reported against the target 5 per cent in the annual performance report.

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages 262 - 269 to or information on the achievement of planned targets for the year and explanations provided for the under- and overachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 17 of this report.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2: corporate and financial management. As management subsequently corrected only some of the misstatements, I raised a material finding on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the trading entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather

evidence to express assurance.

24. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(a) of the PFMA. Material misstatements of payables from exchange transactions, receivables from exchange transactions, depreciation and disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

26. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R16 035 000 as disclosed in note 29 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The trading entity deviated on expired contracts in contravention of treasury regulation 16A6.1.
27. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Procurement and contract management

28. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.

Other information

29. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information 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.
32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the performance report and the findings on compliance with legislation included in this report.
34. The accounting officer did not take effective steps to implement effective oversight regarding the adequate systems of internal control for financial reporting, performance information reporting and the monitoring of compliance with laws and regulations.
35. The action plans developed to address the internal and external audit findings were not implemented fully as there were instances of repeat findings identified.
36. Senior management did not always implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
37. The accounting officer did not always ensure that controls over reconciliations and daily and monthly processing of transactions were implemented effectively for financial and performance reporting.
38. The accounting officer did not adequately review and monitor compliance with applicable laws and regulations.

Auditor - General

Johannesburg
30 September 2020

AUDITOR-GENERAL
SOUTH AFRICA

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. 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 the selected programme and on the department's compliance with respect to the selected subject matters.

Financial statements

2. 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 by the accounting officer

    - conclude on the appropriateness of the accounting officer's 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 related to events or conditions that may cast significant doubt on the Gauteng Department of Roads and Transport 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 the 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 continuing as a going concern

    - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. 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.

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

2. ANNUAL FINANCIAL STATEMENTS

g-FleeT Management

Formerly Government Garage
Trading as g-FleeT Management
Annual Financial Statements for the year ended 31 March 2020

Index

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

	Page
Statement of Financial Position as at 31 March 2020	2
Statement of Financial Performance for the period ended 31 March 2020	3
Statement of Changes in Net Assets	4
Cash Flow Statement for the period ended 31 March 2020	5
Accounting Policies	6 - 16
Notes to the Annual Financial Statements	17 - 38

Statement of Financial Position as at 31 March 2020

	Note(s)	2020 R '000	2019 *Restated R'000
Assets			
Current Assets			
Inventories	4	33 347	21 758
Finance lease receivables	7	6 692	12 753
Receivables from exchange transactions	8	197 097	229 785
Prepayments	9	1 941	1 195
Other Receivables	32	148	102
Cash and cash equivalents	10	1 497 680	1 053 092
		1 736 905	**1 318 685**
Non-Current Assets			
Property, plant and equipment	5	1 341 155	1 459 145
Intangible assets	6	1 507	1 755
Finance lease receivables	7	14 497	20 549
Rental deposit	30	6	91
		1 357 165	**1 481 540**
Total Assets		**3 094 070**	**2 800 225**
Liabilities			
Current Liabilities			
Finance lease obligation	11	64	296
Payables from exchange transactions	13	90 910	89 360
Other Payables	14	9 564	8 075
		100 538	**97 731**
Non-Current Liabilities			
Finance lease obligation	11	14 641	14 673
Long-term leave accrual	12	3 009	3 068
		17 650	**17 741**
Total Liabilities		**118 188**	**115 472**
Net Assets		**2 975 882**	**2 684 753**
Accumulated surplus		2 975 883	2 684 751

Statement of Financial Performance for the period ended 31 March 2020

	Note(s)	2020 R '000	2019 *Restated R'000
Revenue			
Revenue from exchange transactions			
Revenue from auction of vehicles	31	151 438	112 541
Revenue from leases	15	851 342	835 245
Realisation of property lease liability	18	1 200	1 200
Bad debts recovered	16	-	293
Other income	33	2 107	2 000
Interest received	17	68 934	63 811
Total revenue from exchange transactions		**1 075 021**	**1 015 090**
Expenditure			
Employee related costs	19	(90 113)	(84 458)
Depreciation and amortisation	38	(129 704)	(140 971)
Finance costs	34	(1 220)	(1 263)
Repairs and maintenance	36	(102 432)	(132 106)
Cost of sales	35	(201 725)	(131 726)
General expenses	20	(258 693)	(245 764)
Total expenditure		**(783 887)**	**(736 288)**
Surplus for the year		**291 134**	**278 802**

Statement of Changes in Net Assets

	Accumulated surplus R '000	Total net assets R '000
Balance at 01 April 2018	**2 405 949**	**2 405 949**
Changes in net assets		
Surplus for the year	278 802	278 802
Total changes	278 802	278 802
Restated* Balance at 01 April 2019	**2 684 749**	**2 684 749**
Changes in net assets		
Surplus for the year	291 134	291 134
Total changes	291 134	291 134
Balance at 31 March 2020	**2 975 883**	**2 975 883**

Note(s)

Cash Flow Statement for the period ended 31 March 2020

	Note(s)	2020 R '000	2019 *Restated R'000
Cash flows from operating activities			
Receipts			
Revenue from leases		884 718	865 056
Interest income		62 389	55 798
Revenue from auction of vehicles		151 438	111 931
Income from transport fees		2 012	1 899
		1 100 557	1 034 684
Payments			
Employee costs		(89 163)	(84 844)
Operating Expenditure and repairs and maintanance		(312 217)	(343 212)
		(401 380)	(428 056)
Net cash flows from operating activities	21	**699 177**	**606 628**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(259 111)	(451 381)
Cash flows from financing activities			
Capital repayment of finance lease obligation		(264)	(542)
Interest repayment of finance lease obligations		(1 220)	(1 263)
Net cash flows from financing activities		**(1 484)**	**(1 805)**
Net increase/(decrease) in cash and cash equivalents		**444 588**	**158 125**
Cash and cash equivalents at the beginning of the year		1 053 092	894 967
Cash and cash equivalents at the end of the year	10	**1 497 680**	**1 053 092**

Accounting Policies

1. Background

g-FleeT is a provincial Trading Entity, which reports to the Accounting Officer of the Gauteng Department of Roads and Transport, 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. The Entity has not applied any transitional provisions during the current period.

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 figures are rounded to the nearest thousand.

1.2 Going concern assumption

Management is not aware of any matters or circumstances arising since the end of the financial year that were otherwise not dealt with in the Financial Statements, which significantly affect the financial position of the Entity or the results of its operations. These Financial Statements have been prepared based on the expectation that the Entity will continue to operate as a going concern for at least the next 12 months.

1.3 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

Estimates

The preparation of financial information requires the use of estimates and assumptions about future conditions.The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management has made the following accounting estimates and assumptions, 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 recognised when the entity has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.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.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Segment reporting (GRAP 18)

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)

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. 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.

Significant judgements

In the process of applying the accounting policies of the Entity, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

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 that all the entity's assets are cash generating. The entity is required to sustain itself financially and all assets are employed in generating enough profit and cash flow to remain self-sustained.

Accounting Policies

1.5 Property, plant and equipment

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

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

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

Initial recognition and measurement

Property, plant and equipment is initially measured at cost on its acquisition date.

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

Subsequent measurement

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the expenditure will flow to the Entity and the cost or fair value of the subsequent expenditure can be reliably measured.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Depreciation commences when the asset is available for use. The residual value, useful life and depreciation method for each asset are reviewed at the end of each reporting period. If expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Item	Depreciation method	Average useful life
Machinery and tools	Straight line	5 Years
Furniture and office equipment	Straight line	5 - 25 years
Motor vehicles	Straight line	
• Motor vehicles- passenger		7 years
• Motor vehicles - commercial		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

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Assets capitalised under finance lease are depreciated over their expected useful lives on the same basis as property, plant and equipment controlled by the Entity or where shorter, the term of the relevant lease if there is no reasonable certainty that the Entity will obtain ownership by the end of the lease term.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gains or losses arising from derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

Accounting Policies

1.6 Intangible assets

Initial recognition and measurement

Identifiable non-monetary assets without physical substance are classified and recognised as intangible assets.

Intangible assets are initially recognised at cost. The cost of intangible assets is the purchase price of the computer software purchased and any installation costs incurred.

Subsequent measurement

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. Amortisation commences when the intangible asset is available for use. The estimated useful life, residual values and amortisation method are reviewed at the end of the financial year. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate.

Derecognition

Intangible assets are derecognised when the computer software is replaced or no longer used. The gain or loss arising on the disposal or retirement of an intangible asset is recognised in the Statement of Financial Performance.

1.7 Segment Reporting

A segment is an activity of the g-FleeT Management that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity as well as in assessing its performance and for which separate financial information is available. The g-FleeT Management shall report separately information about each segment that has been identified.

Accounting Policies

1.8 Financial instruments

A financial asset is any asset that is a cash or contractual right to receive cash or other financial asset. A financial liability is a contractual obligation to deliver cash or another financial asset to another Entity.

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

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.

Initial recognition and measurement

Financial instruments are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are recognised when the Entity becomes a party to the contract.

Subsequent measurement

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. Trade and other receivables are assessed for indicators of impairment at each reporting date. Trade and other receivables are impaired where objective evidence of impairment exists, either individually or collectively for receivables that are not individually significant. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

If in the subsequent year the amount of the estimated impairment loss increases or decreases the previously recognised impairment provision will be increased or reduced.

Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at amortised cost using the effective interest rate method. 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.

Derecognition

The Entity derecognises financial assets, where applicable, a part of a financial asset or part of a group of similar financial assets when:
- the contractual right to the cash flows from the financial asset expire, are settled or waived;
- the Entity transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
- the Entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Derecognition thus occurs when trade and other receivables are settled by the client, and when cash balances are withdrawn from the bank or disbursed.

The Entity derecognises financial liabilities when the obligation under the liability is discharged or cancelled or expires. Derecognition thus occurs when the liability has been paid.

Accounting Policies

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

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

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

Finance leases - lessor

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

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

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

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

Finance leases - lessee

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

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

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The Entity does not include lease rental escalation clauses in the agreements. Revenue for operating leases is disclosed under revenue from exchange transactions in the Statement of Financial Performance. Costs, including depreciation, incurred in earning the lease revenue are recognised as an expense. Revenue related to fleet management services is recognised as the service is rendered.

1.10 Inventories

Inventory comprises of items of property, plant and equipment that was previously held for rental. Inventories are recognised at the carrying amount of the item of property, plant and equipment when management decide to sell it.

Accounting Policies

1.10 Inventories (continued)

Inventory write downs to net realisable value and all losses of inventories are recognised as an expense in the period the write down or the loss occurs. Reversals of write downs of inventories arising from an increase in net realisable are recognised as a reduction in the inventories recognised as an expense in the period the reversal occurs.

When inventories are sold the carrying amount is recognised as an expense in the period the related revenue is recognised.

1.11 Impairment of cash-generating assets

Cash-generating assets are those assets held by the Entity with the primary objective of generating a commercial return. 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 reversal of the loss is recognised as part of the surplus or deficit in the Statement of Financial Position.

1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Short-term employee benefits

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

Short-term employee benefits includes:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the Entity during a reporting period, the Entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. 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.

Accounting Policies

1.12 Employee benefits (continued)

The Entity recognises the expected cost of bonus, incentive and performance related payments when the Entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the Entity has no realistic alternative but to make the payments.

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.

Revenue from non-exchange transactions refers to transactions where the Entity received revenue from another Entity without directly giving approximately equal value in exchange. The Entity receives conditional grants from a client in order to fund the purchase of vehicles for its officials. The grants received are recognised as cash and a corresponding liability. These grants are conditional upon the purchase of these vehicles, and are recognised as revenue once the vehicles are purchased. The grants are measured at the fair value of the consideration received.

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.14 Revenue from exchange transactions

Revenue comprises the fair value received of the consideration received or receivable for the sale of goods and services in the ordinary course of the Entity's activities.

The entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and when specific criteria have been met for each of the Entity's activities as described below.

Revenue from auction of vehicles

All revenue from the sale of goods arises from the sale of vehicles previously leased to clients. All vehicles are sold via auction. Revenue from the sale of vehicles is recognised once the appointed auctioneers have provided evidence that the vehicle was sold on auction, and provided the price at which the vehicle was auctioned. 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.

Accounting Policies

1.14 Revenue from exchange transactions (continued)

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 "

Value Added Tax (VAT)

g-FleeT Management is currently not registered as a VAT vendor.

1.15 Finance costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

1.16 Comparative figures

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are reclassified. Prior period comparative amounts have also been restated for all prior period errors. The nature, amounts and reasons for the restatements and reclassifications are disclosed.

1.17 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.

1.18 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.

Accounting Policies

1.18 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.

1.19 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.

1.20 Events after the reporting date

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

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

All adjusting events are taken into account in the financial statements as the necessary adjustments are made to the financial statements. All non-adjusting events are disclosed in the notes to the financial statements.

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	Expected Impact:
GRAP 18	Segment Reporting	1 April 2019	Unlikely there will be a material impact
GRAP 32	Service Concession Arrangements: Grantor	1 April 2019	Unlikely there will be a material impact
GRAP 107	Mergers	1 April 2019	Unlikely there will be a material impact
GRAP 106	Transfer of Functions Between Entities Not Under Common Control	1 April 2019	Unlikely there will be a material impact
GRAP 105	Transfer of Functions Between Entities Under Common Control	1 April 2019	Unlikely there will be a material impact
GRAP 108	Statutory Receivables	1 April 2019	Unlikely there will be a material impact

Accounting Policies

1.21 Standards of GRAP approved but not required to be applied by the entity (continued)

GRAP 109	Accounting by Principals and Agents	1 April 2019	Unlikely there will be a material impact
GRAP 110	Living and Non-living Resources	1 April 2020	Unlikely there will be a material impact

2. Change in Estimate

During the period under review the estimated useful lives of 329 Motor Vehicles were increased from 7 years to 8 years for the passenger vehicles (232) and from 11 years to 12 years for commercial vehicles (97).

Depreciation expense for the year	Depreciation on original estimate	Depreciation on revised estimate	Impact of change in estimate
Motor Vehicles - Passenger	1 603	802	(802)
Motor Vehicles - Commercial	351	175	(175)
	1 954	**977**	**(977)**

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

3. Correction of Prior Period Error

The following prior period errors were identified during the year

Error 1: A vehicle was captured twice in the asset register in the prior year 2018/2019 financial year period in the Property, Plant and Equipment Register

Incorrect processing of Property, plant and equipment journal entries

During 2019/20, audit findings were raised with respect to the accounting for motor vehicles. Work was performed in order to correct the fixed asset register, but some errors were made when recording motor vehicles into motor vehicle register and in presenting the Property, plant and equipment note.

Statement of financial position: Non-current assets		
Decrease in Accumulated Depreciation	-	340
Decrease in Property, Plant and Equipment	-	(359)
	-	**(19)**
Statement of financial performance		
Increase in Cost of Sales	-	20

Error 2: Irregular expenditure amount relating to prior year was incorrect captured in the current year.

Incorrect processing of Property, plant and equipment journal entries

During 2019/20, audit findings were raised with respect to irregular expenditure. Irregular expenditure amount relating to prior year was incorrect captured in the current year. The impact of correcting the error is as follows:

Irregular Expenditure Disclosure Note		
Increase Opening balance	-	838
Decrease Irregular Expenditure - current year	-	(838)
	-	**-**

Error 3: During 2019/20, audit findings were raised with respect to prior year trade payables that were understated in respect of trade payables which the balance included transactions relating to prior years.

During 2019/20, audit findings were raised with respect to prior year trade payables that were understated in respect of trade payables which the balance included transactions relating to prior years.

Statement of financial position: Non-current assets		
Increase in Retained Earnings	-	11 731
Decrease in Trade payables	-	(11 731)
	-	**-**

Error 4: During 2019/20, audit findings were raised with respect to prior year trade debtors that were understated in respect of an official that were involved in accidents and the resolution was that the amount should be recovered from the official.

Incorrect processing of trade payables journal entries

During 2019/20, audit findings were raised with respect to prior year trade debtors that were understated in respect of an official that were involved in accidents and the resolution was that the amount should be recovered from the official.

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000
Statement of financial position: Non-current assets		
Increase in Trade Debtors	-	170
Decrease in Retained Earnings	-	(170)
	-	**-**

4. Inventories

Vehicles held for sale	35 361	22 984
	35 361	22 984
Inventories (write-downs)	(2 014)	(1 226)
	33 347	**21 758**
Carrying value of inventories carried at fair value less costs to sell	318	856
Inventories recognised as an expense during the year	201 725	131 726
Any write-down of inventories recognised as an expense	1 671	-

Notes to the Annual Financial Statements

Figures in Rand thousand

5. Property, plant and equipment

	31 March 2020			31 March 2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Machinery and Tools	93	(93)	-	93	(63)	30
Furniture and fixtures	21 884	(8 797)	13 087	20 779	(7 225)	13 554
Motor vehicles	1 565 239	(372 615)	1 192 624	1 705 020	(392 109)	1 312 911
Leasehold improvements	146 380	(23 638)	122 742	140 301	(20 555)	119 746
Leased Property	14 647	(2 071)	12 576	14 647	(1 923)	12 724
Leased machinery and cellphones	14 985	(14 859)	126	14 289	(14 109)	180
Total	**1 763 228**	**(422 073)**	**1 341 155**	**1 895 129**	**(435 984)**	**1 459 145**

Reconciliation of property, plant and equipment - 31 March 2020

	Opening balance	Additions	Disposal on finance lease arrangement	Transfers (to)/from inventory	Vehicle losses	Depreciation	Total
Machinery and Tools	30	-	-	-	-	(30)	-
Furniture and fixtures	13 554	1 106	-	-	-	(1 573)	13 087
Motor vehicles	1 312 911	226 525	(2 019)	(217 671)	(2 562)	(124 560)	1 192 624
Leasehold improvements	119 746	6 080	-	-	-	(3 084)	122 742
Leased Property	12 724	-	-	-	-	(148)	12 576
Leased machinery and cellphones	180	52	-	-	-	(106)	126
	1 459 145	**233 763**	**(2 019)**	**(217 671)**	**(2 562)**	**(129 501)**	**1 341 155**

Notes to the Annual Financial Statements

Figures in Rand thousand

5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2019

	Opening balance	Additions	Disposal on finance lease arrangement	Transfers (to)/from inventory	Vehicle losses	Depreciation	Total
Machinery and Tools	30	-	-	-	-	-	30
Furniture and fixtures	13 440	1 408	-	-	-	(1 294)	13 554
Motor vehicles	1 141 838	439 519	(8 434)	(120 840)	(2 816)	(136 356)	1 312 911
Leasehold improvements	118 047	4 096	-	-	-	(2 397)	119 746
Leased Property	12 872	-	-	-	-	(148)	12 724
Leased machinery and cellphones	608	111	-	-	-	(539)	180
	1 286 835	**445 134**	**(8 434)**	**(120 840)**	**(2 816)**	**(140 734)**	**1 459 145**

Pledged as security

The entity does not have any assets held as security, surety or pledge.

Assets under construction -WIP

The total accumulated expense recognised for assets under construction relates to buildings.

Construction of assets with a carrying value of R 72 857 111 (2019: R 66 777 426) was halted, except for minor deliveries made in 2020, as result of legal claims instituted against the entity. In 2015 an impairment of R 5 270 691 was recognised, subsequently no further impairment has been recognised as there are no indicators of a possible impairment. Construction of assets consists of Furniture and Fixtures amounting to R 3 060 287.41 and Leasehold improvement (Building) amounting to R 69 796 823.59.
The reason why the construction of the building is taking long is that the supplier has taken g-FleeT Management to court over disputed unpaid invoices during October 2012 year and the matter has been at the court since.

Notes to the Annual Financial Statements

Figures in Rand thousand

6. Intangible assets

	31 March 2020			31 March 2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 737	(1 230)	1 507	2 737	(982)	1 755

Reconciliation of intangible assets - 31 March 2020

	Opening balance	Amortisation	Total
Computer software	1 755	(248)	1 507

Reconciliation of intangible assets - 31 March 2019

	Opening balance	Amortisation	Total
Computer software	1 973	(218)	1 755

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

7. Finance lease receivables

Gross investment in the lease due		
- within one year	14 972	25 928
- in second to fifth year inclusive	26 153	33 841
	41 125	59 769
less: Unearned finance revenue	(14 384)	(20 916)
Present value of minimum lease payments receivable	26 741	38 853
less: allowance for uncollectible minimum lease payments	(5 552)	(5 552)
	21 189	**33 301**
Present value of minimum lease payments due		
- within one year	6 692	12 752
- in second to fifth year inclusive	14 497	20 549
	21 189	**33 301**

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

The average lease terms are 4.5 years and the average effective lending rate was 3%.

None of the finance lease receivables have been pledged as security for liabilities or contingent liabilities.

Finance lease receivables impaired

Reconciliation of provision for impairment of class		
Opening balance	5 552	5 552

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

8. Receivables from exchange transactions

Trade receivables	192 846	187 042
Other receivables - Revenue from auction of vehicles	2	41 532
Other debtors - Traffic fines and accident claims	4 249	1 211
	197 097	**229 785**

Balance as at 31 March 2020	Gross Balance	Impairment provision	Net balance
Trade Receivables	181 457	(16 615)	164 842
Other debtors - Traffic fines and accident claims	19 708	(15 459)	4 249
Other debtors	28 006	-	28 006
	229 171	**(32 074)**	**197 097**

Balances as at 31 March 2019:	Gross Balance	Impairment provision	Net balance
Trade Receivables	228 647	(41 604)	187 043
Other receivables - Revenue from auction of vehicles	41 532	-	41 532
Other debtors - Traffic fines and accident claims	16 669	(15 459)	1 210
	286 848	**(57 063)**	**229 785**

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	19 780	41 143
61 to 90 days	8 262	5 149
91 to 120 days	9 549	6 336
Greater than 120 days	69 138	125 585
	106 729	**178 213**

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

Opening balance	(41 604)	(35 763)
Changes to the Statement of Financial Performance	24 989	(5 841)
	(16 615)	**(41 604)**

9. Prepayments

During the current period the entity made prepayments to Gauteng Department of Roads and Transport relating to registration of vehicles and renewal of vehicle licenses, and to Sanral for e-toll costs.

Prepayments	1 941	1 195

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	22	4
Bank balances	1 497 658	1 053 088
	1 497 680	**1 053 092**

8.1 Bank Accounts

Primary bank Account - First National Bank

First National Bank Account		
Bank Statement balance at the end of the year	899 269	644 452

South African Reserve Bank

SARB Account		
Bank Statement balance at the end of the year	598 390	408 635

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

11. Finance lease obligation

Non-current liabilities	14 641	14 673
Current liabilities	64	296
	14 705	**14 969**

As at 31 March 2020	Minimum lease payments	Future finance charges	Present value of minimum lease payments
Within One Year	1 266	(1 202)	64
Within Two To Five Years	4 804	(4 794)	10
Later Than Five Years	96 000	(81 369)	14 631
Subtotal	102 070	(87 365)	14 705
Less: Amount Due Within One Year	(1 266)	1 202	(64)
	100 804	**(86 163)**	**14 641**

As at 31 March 2019	Minimum lease payments	Future finance charges	Present value of minimum lease payments
Within One Year	1 513	(1 217)	296
Within Two To Five Years	4 837	(4 796)	41
Later Than Five Years	97 200	(82 568)	14 632
Subtotal	103 550	(88 581)	14 969
Less: Amount Due Within One Year	(1 513)	1 217	(296)
	102 037	**(87 364)**	**14 673**

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

The average lease term is 34.6 years and the average effective borrowing rate was 8% relating to long term finance lease obligation. The average effective borrowing rate was 10.5% relating to short term finance lease obligation.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to Note 3

12. Long-term leave accrual

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

Opening balance	3 068	2 594
Changes to the Statement of Financial Performance	(59)	474
	3 009	**3 068**

13. Payables from exchange transactions

Trade payables	90 910	89 360

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

14. Other payables

Salary Payable	34	-
Performance bonus accrual	813	928
Debtors with credit balances	2 826	2 380
Leave pay accrual	3 598	2 538
Service bonus and long service award accrual	2 293	2 229
	9 564	**8 075**

Performance bonus accrual
Accruals were raised for performance bonusses that are due within the next 12 months.

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

Service bonus and long service award accrual
Accruals were raised for service bonus (13th cheque) and long service award which are due within the next 12 months.

Debtors with credit balances
The debtors with credit balances at the end of the year have been reclassified to trade payables.

15. Revenue from Leases

Services income	10 844	11 267
Operating Lease	675 036	639 802
Toll Fees	3 175	5 129
Fuel and Oil	158 959	170 809
Traffic and Accident claims	3 328	1 479
Gain on Finance lease disposal	-	6 759
	851 342	**835 245**

16. Debt Impairment (Reversal)

Bad debts recovered	-	293

17. Interest received

Interest revenue		
Bank	62 389	55 798
Interest on finance lease receivables	6 545	8 013
	68 934	**63 811**

	2020 R '000	2019 *Restated R'000

18. Realisation of Property Lease Liability

Realisation of Property Lease Liability	1 200	1 200

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

The lease agreement further stipulates that the rental fees as paid by g-FleeT, that is in respect of the Entity's Head Office (situated at No. 16 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.

19. Employee related costs

Basic Salary	63 581	60 526
Performance Bonus	1 190	1 172
Medical aid - company contributions	4 628	4 393
Pension	7 120	7 026
Workmen's Compensation Act contribution	20	19
Leave pay accrual	1 275	355
Other short term costs	314	(590)
Overtime payments	1 311	1 353
13th Cheques	4 527	4 372
Acting allowances	891	923
Housing benefits and allowances	5 256	4 909
	90 113	**84 458**

Average number of employees	265	280

Other employee related costs consists of expenditure relating to compensation due to injury on duty and other miscellaneous compensation that may have occurred in the year.

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000
20. General expenses		
Advertising	533	526
Auditors remuneration	4 968	5 289
Bank charges	5	9
Consulting and professional fees	275	435
Consumables	2 863	2 180
Debt Impairment expense	-	5 841
Entertainment	30	373
Conferences and seminars	497	1 115
License fees - software	316	462
Levies	3 578	371
Motor vehicle expenses	4	7
Fuel and oil	182 588	171 989
Postage and courier	140	113
Printing and stationery	1 029	515
Security	4 031	4 586
Subscriptions and membership fees	12	12
Transport and relocation costs	49	-
Training	649	1 513
Travel - local	998	886
Tracking expenses	17 484	18 804
Vehicle theft and losses	5 247	2 816
Rental expenses - operating lease	3 357	3 791
License fees - vehicles	5 835	4 546
Motor vehicle expenses - (RT46 costs)	22 522	18 721
Other expenses	12	2
Inventory write down to net realisable value	1 671	862
	258 693	**245 764**
21. Cash generated from operations		
Surplus	291 134	278 802
Adjustments for:		
Depreciation and amortisation	129 704	140 971
Interest income	(6 545)	(8 013)
Finance costs - Finance lease	918	1 263
Debt impairment reversal	-	293
Loss on sale of vehicles	53 235	18 845
Cost of sales	201 725	131 726
Realisation of lease property	(1 200)	(1 200)
Gain on finance lease disposal	-	(6 759)
Inventory write-down to NRV	1 671	862
Vehicle Theft and losses	5 143	3 048
Changes in working capital:		
Inventories	(11 589)	16 311
Receivables from exchange transactions	32 688	17 123
Prepayments	(746)	1 895
Payables from exchange transactions	1 550	16 945
Other payables	1 489	(5 484)
	699 177	**606 628**

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

22. Financial instruments disclosure

Categories of financial instruments

31 March 2020

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	197 097	197 097
Traffic fines and accident claims	4 249	4 249
Cash and cash equivalents	1 497 680	1 497 680
	1 699 026	**1 699 026**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	90 910	90 910

31 March 2019

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	229 785	229 785
Traffic fines and accident claims	1 211	1 211
Cash and cash equivalents	1 053 092	1 053 092
	1 284 088	**1 284 088**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	89 360	89 360

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.

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

. Revenue from Leases (continued)

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	19 780	41 143
More than 60 days and not more than 90 days	8 262	5 149
More than 90 days	78 688	131 921
	106 730	**178 213**

Maturity of financial liabilities - 31 March 2020	Due within 1 month
Payables from exchange transactions	90 910

Credit risk

Credit risk consists of cash and cash equivalents and receivables. g-Fleet Management considers it's credit risk minimised as the entity only hold cash with major banks with high quality credit standing and Trade and other receivables comprise of a Government customer base. Government debt is considered recoverable. All debtors that are 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 is yet to be determined, and a number of markets have been taken by surprise on the related economic impact in such a short period of time, the impairment of trade debtors is likely to increase as a result of budget repriorization from various client departments, Gauteng Department of Health being the hardest hit and owing the largest sum.

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.

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000
23. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Open orders for vehicles	128 780	127 826
• Infrastructure	2 940	882
	131 720	**128 708**
Authorised operational expenditure		
Already contracted for but not provided for		
• Open orders for goods and services	4 602	8 682
Total commitments		
Total commitments		
Authorised capital expenditure	131 720	128 708
Authorised operational expenditure	4 602	8 682
	136 322	**137 390**

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).

Operating lease commitments

Minimum lease payments due		
- within one year	672	-
- in second to fifth year inclusive	284	-
	956	**-**

g-FleeT Management entered into two years lease agreement which commenced on 01 July 2019 and terminates on 30 June 2021 and provide for an escalation of rental of 9% per annum. Further additional office space was acquired from the 01 October 2019 and terminates on 30 September 2021.The costs of the lease is straight lined over the period of the lease.g-FleeT Management entered into two years office photo-copy machines lease agreement which commenced on the 01 November 2019 and terminates on 30 September 2021.

	2020 R '000	2019 *Restated R'000

24. Contingent Liabilities

Litigation:

Three service providers have instituted legal claims against g-FleeT seeking damages. .

Accident claims relate to the claims that have been instituted against g-FleeT in court, for damages caused to third-party vehicles by State drivers using g-FleeT vehicles. The accident claims instituted against g-FleeT in respect of these claims amounts to R 2,148,468 (2019: R 2,440,000). These accident claims are considered to be contingent liabilities.

The amounts below represent the Entity's best estimate of the expected cash outflows that will arise from these legal cases and accident claims.

Contingent liabilities consists of:		
Service provider 2 - Application for: 1 Lien on Property, 2. Interdict to proceed with affected construction on g-FleeT's site and 3. Payments of various claims, by the relevant sub-contractors.	4 000	4 000
Service provider 4 - Claim for undue suspension of services.	1 880	1 880
Service provider 3 - Claim for breach of contract	300	300
Third-party accident claims	2 149	2 440
	8 329	**8 620**

25. 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.
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.

Notes to the Annual Financial Statements

Figures in Rand thousand

26. Member's emoluments

Executive

31 March 2020

	Basic Salary	13th Cheque	Pension paid or receivable	Other Benefits	Total
Mr Armstrong Ngumla - Acting CFO from 05/09/2017	786	65	102	172	1 125
Mr. Matodzi Mamatsinya - Acting Director (From 01 October 2018)	494	55	64	195	808
Mr. Sifiso Mhlongo- Acting Director(From 01 October 2018)	475	47	62	287	871
Ms. Sherlon Segal - Acting Director: VIP and Pool Services (From 01 May 2019 until 31 October 2019)	257	-	33	185	475
Ms. Andile Ngcobo - Director Corporate Services (Until 16 January 2020)	545	48	71	247	911
Ms. Salomie Jafta - Director TSS	704	59	92	319	1 174
Mr. N Nduli - Acting COO (From 1 January 2020)	184	-	24	98	306
Ms. Ravanne Mathews - Director Permanent Fleet	704	59	92	319	1 174
Mr. Douglas Scott - Acting Director: VIP and Pool Services (From 01 December 2019)	195	-	25	105	325
Ms Noxolo Maninjwa - CEO	1 028	86	134	466	1 714
	5 372	**419**	**699**	**2 393**	**8 883**

31 March 2019

	Basic Salary	13th Cheque	Pension paid or receivable	Other Benefits	Total
Mr. Armstrong Ngumla - Acting CFO 05/09/2017	736	61	96	186	1 079
Mr. Matodzi Mamatsinya - Acting Director Financial Services (From 01 October 2018)	314	-	41	146	501
Mr. Sifiso Mhlongo - Acting Director Maintanance Services (From 01 October 2018)	273	-	35	187	495
Ms. Andile Ngcobo - Director Corporate Service	621	52	81	287	1 041
Ms. Salomi Jafta - Director TSS	699	58	91	316	1 164
Ms. Ravanne Mathews - Director Permanent Fleet	659	55	86	299	1 099
Ms. Noxolo Maninjwa - Acting CEO from 01/10/2015	978	81	127	449	1 635
Mr Mongoeng Mathabathe - Director VIP Service (Until 31 July 2019)	198	21	26	156	401
	4 478	**328**	**583**	**2 026**	**7 415**

Notes to the Annual Financial Statements

Figures in Rand thousand

27. Events after the reporting date

The scourge of the Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-COV-2) has brought many challenges which resulted in the President of the Republic declaring the national state of disaster on the 15th of March 2020. On the 23rd of March 2020, the President of the country, Honorable Cyril Ramaphosa announced a countrywide lockdown in response to the COVID-19 pandemic, part of the lockdown was that only certain categories of business can remain open. g-FleeT Management as a self-sustaining Entity pay for all its operational expenses through income generated from leasing of vehicles to government departments and municipalities. The COVID-19 pandemic and related lockdown has had a negative financial impact on the revenue of the Entity which is anticipated to decline by a cumulative value of R120 million in 2020/21 financial year.This implies the impairment of trade debtors is likely to increase as a result of budget reprioritization from various client departments, Gauteng Department of Health being the hardest hit and owing the largest sum. Due to the COVID-19 pandemic, the Entity has also embarked on a process of adjusting the approved Five (5) Year Strategic Plan.

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

28. Fruitless and wasteful expenditure

Opening balance	-	19 077
Add: Fruitless and Wasteful Expenditure - current year	27 886	-
Transferred to receivables	(42)	(19 077)
	27 844	**-**

R41,600 relates to money spent on office accommodation for East London regional office, but the Entity never realized value for money due to misrepresentation by the service provider. The matter has been referred to SAPS and Departmental Legal Services. Recovery processes are in progress and the service prover was reported at CSD,

R7,847.13 relates to a salary paid to an official that was discharged from service. Recovery processes are in progress, and

R27.836 million relates to suspected duplicate payments to various car manufactures, the full investigation will be undertaken during 2020/21 financial year to determined correct processes to deal with these matter.

29. Irregular expenditure

Opening balance	86 828	82 437
Add: Irregular Expenditure - current year	16 035	4 391
	102 863	**86 828**

Analysis of expenditure awaiting condonation per age classification

Current year	16 035	4 391
Prior years	86 828	82 437
	102 863	**86 828**

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Expired property lease contract	Irregular expenditure has been confirmed, investigations are currently underway to determine the liable person in law.	777
Expired tracking contract	Irregular expenditure has been confirmed, investigations are currently underway to determine the liable person in law.	14 309
Non-compliance of SCM processes - Security services	This expenditure was identified during audit. Investigations will be undertaken to determine the liable person in law.	821
Non-compliance of SCM processes (3 quotations) - Cabinet systems	This expenditure was identified during audit. Investigations will be undertaken to determine the liable person in law.	74
Non-compliance of SCM processes - Property lease	This expenditure was identified during audit. Investigations will be undertaken to determine the liable person in law.	42
Non-compliance of SCM processes - Materials and supplies	This expenditure was identified during audit. Investigations will be undertaken to determine the liable person in law.	12
		16 035

30. Rental deposit

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

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

30. Rental deposit (continued)

Rental deposits	6	91

31. Revenue from auction of vehicles

Proceeds received	151 438	71 009
Proceeds receivable	-	41 532
	151 438	**112 541**

32. Other Receivables

This balance relates to salary related suspense accounts that could not be cleared during the month of March 2020 or at year end and rental deposits from previous property lease agreements.

Other Receivables	148	102

33. Other income

Revenue from Transport Income	2 012	1 899
Sundry Income	95	81
Tender income	-	20
	2 107	**2 000**

34. Finance costs

Finance leases	1 220	1 263

35. Cost of sales

Sale of goods		
Cost of goods sold	201 725	131 726

36. Repairs and maintanance

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

General maintanance and services	83 051	105 372
Spares and accessories	8 721	12 682
Tyres and tubes	10 660	14 052
	102 432	**132 106**

37. Going Concern

The full impact of the COVID-19 pandemic is yet to be determined, and a number of markets have been taken by surprise on the related economic impact in such a short period of time. Despite the scourge of COVID-19, as at 31st March 2020 Management of the Entity has every reason to believe g-FleeT Management will continue to operate in the foreseeable future.

This assumption is based on the below assessment: -

Notes to the Annual Financial Statements

	2020 R '000	2019 *Restated R'000

37. Repairs and maintanance (continued)

1. The allocated budget for 2020/21 financial year for the sum of R933.612 million was approved on the 5th March 2020,

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

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

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

38. Depreciation and Amortisation

Motor vehicles	124 560	136 376
Property,plant and equipment	4 940	4 378
Intangible assets	248	218
	129 748	**140 972**

39. Segment Reporting

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.

NOTES

NOTES

NOTES

Gauteng Department of Roads and Transport
45 Commissioner Street
Life Centre Building
Marshalltown

Private Bag X83, Marshalltown, 2107

Tel: 011 355 7332
Fax: 011 355 7305

Email: GPRoads.Transport@gauteng.gov.za
www.gauteng.gov.za

PR390/2020
ISBN: 978-0-621-48982-8

