

GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

Vote 9 Annual Report 2021/22 Financial Year

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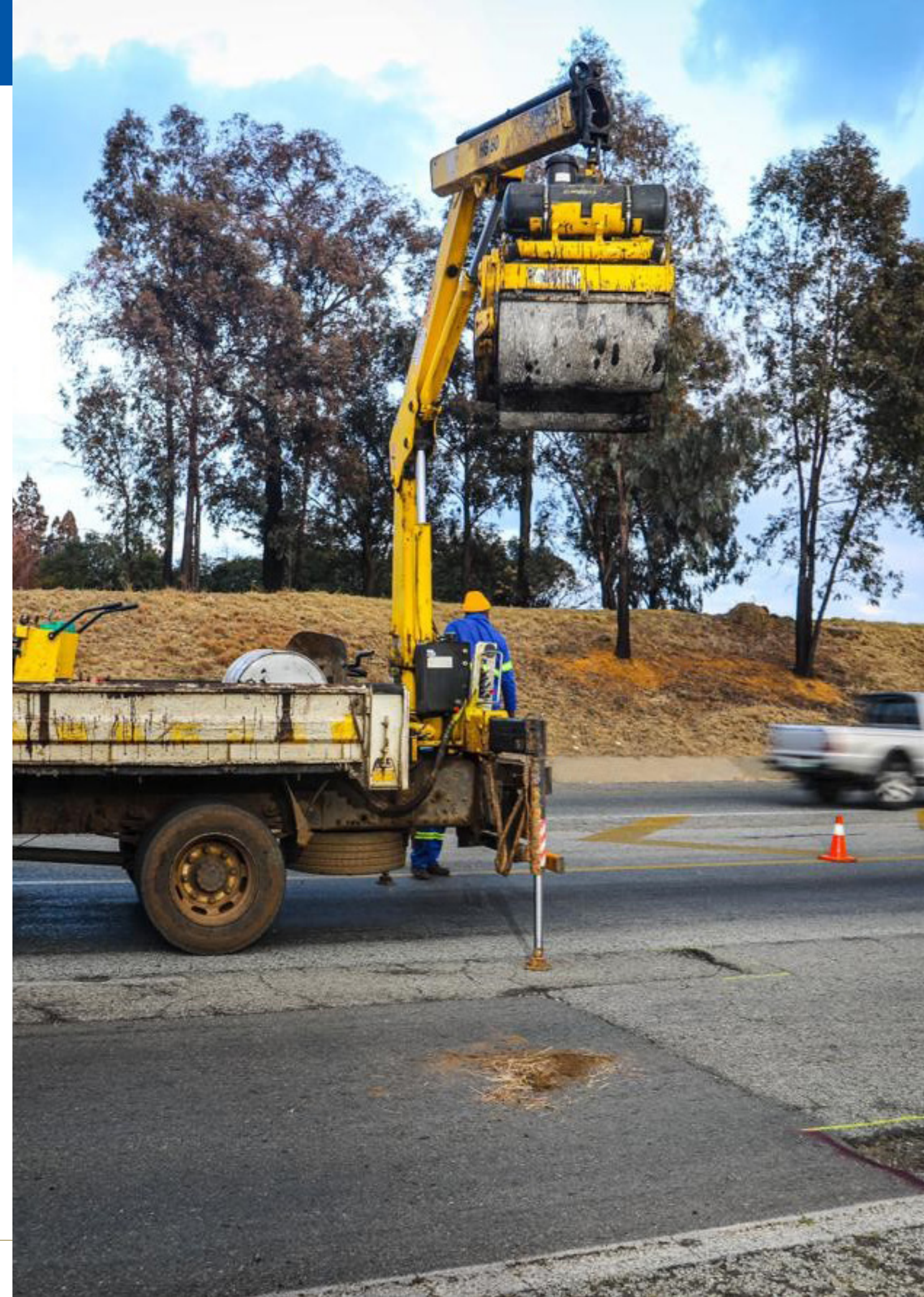
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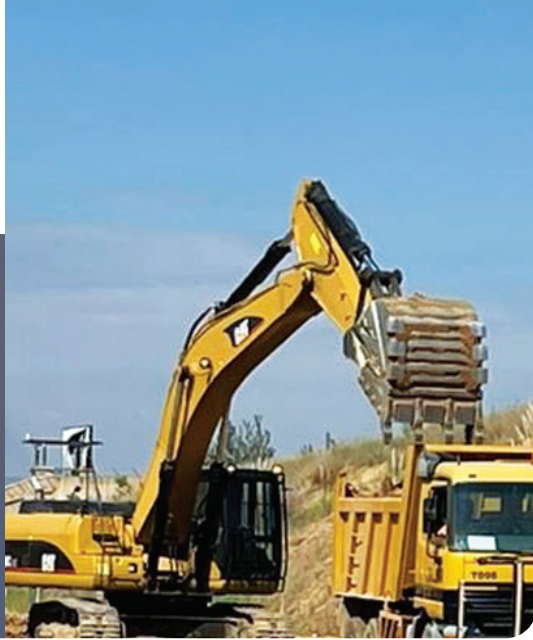


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PART A: GENERAL INFORMATION



HIGHLIGHTS

DEPARTMENT OF ROADS
AND TRANSPORT

1
356,637 Learner
licence applications
received

2
10 road
safety
campaigns
held

3
EPWP job
opportunities
created –
Total - 3,358
1,929 youth and
1,587 women

4
242,023
Learner
licences
issued

5
5,638km of
provincial road
network
maintained



1. DEPARTMENT GENERAL INFORMATION

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|--------------------------|--|
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| INSTAGRAM: | www.instagram.com/GPGDRT |



2. LIST OF ABBREVIATIONS/ACRONYMS

| | |
|----------------|---|
| AGSA | Auditor-General South Africa |
| BAS | Basic Accounting System |
| B-BBEE | Broad-Based Black Economic Empowerment |
| BRT | Bus Rapid Transit |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CIDB | Construction Industry Development Board |
| CLLT | Computerised Learners Licence Testing |
| CoJ | City of Johannesburg |
| CoT | City of Tshwane |
| CSIR | Council for Scientific and Industrial Research |
| CSSL | Committee for Scrutiny on Subordinate Legislation |
| DDG | Deputy Director General |
| GDID | Gauteng Department of Infrastructure Development |
| DLTC | Driver Learner Testing Center |
| DoH | Department of Health |
| DoRA | Division of Revenue Act |
| DPSA | Department of Public Service and Administration |
| EAFUCU | Ethics, Anti-fraud and Corruption Unit |
| e-DRMS | electronic Document Record Management Solution |
| e-NaTIS | electronic National Traffic Information System |
| EMV | Europay Master card and Visa |



| | |
|-----------------|--|
| EPWP | Expanded Public Works Programme |
| GGDRT | Gauteng Department of Roads and Transport |
| GGT2030 | Growing Gauteng Together 2030 |
| GEYODI | Gender, Youth and People with Disabilities |
| GIAMA | Government Immovable Asset Management Act |
| GIFA | Gauteng Infrastructure Finance Agency |
| GIPTAS | Gauteng Integrated Public Transport Administration System |
| GLIX | Green Logistics Indicator System |
| GMA | Gautrain Management Agency |
| GPG | Gauteng Provincial Government |
| GTA | Gauteng Transport Authority |
| GTFS | General Transit Feed Specification |
| HDI | Historically Disadvantaged Individuals |
| HIV/AIDS | Human Immune Deficiency Virus/ Acquired Immune Deficiency Syndrome |
| HoD | Head of Department |
| HRD | Human Resource Development |
| I-AMP | Infrastructure Asset Management Plan |
| ICT | Information and Communication Technology |
| ICTM | Information Communication Technology Management |
| IDMS | Infrastructure Delivery Management System |
| IPMP | Infrastructure Programme Management Plan |
| IT | Information Technology |
| ITMP25 | 25-Year Integrated Transport Master Plan |



| | |
|---------------|--|
| ITSC | Integrated Transport Services Centres |
| MEC | Member of Executive Council |
| MFDS | Midi bus Feeder and Distribution Services |
| MoA | Memorandum of Agreement |
| MoU | Memorandum of Understanding |
| MTEF | Medium-Term Expenditure Framework |
| MTSF | Medium-Term Strategic Framework |
| MVRA | Motor Vehicle Registration Authority |
| NDOT | National Department of Transport |
| NLTA | National Land Transport Act |
| NLTIS | National Land Transport Information System |
| OHS | Occupational Health and Safety Act |
| ORTIA | O.R. Tambo International Airport |
| PFMA | Public Finance Management Act |
| PLTF | Provincial Land Transport Framework |
| PMDS | Performance Management Development System |
| PPP | Public Private Partnership |
| PRE | Provincial Regulatory Entity |
| PRMG | Provincial Roads Management Grant |
| PSP | Professional Service Provider |
| PTC-19 | Public Transport COVID-19 |
| PTOG | Public Transport Operations Grant |
| PwD | People with Disabilities |



| | |
|---------------|--|
| RTMC | Road Traffic Management Corporation |
| SAP | Systems Applications and Products in Data Processing |
| SANRAL | South African National Roads Agency Limited |
| SCM | Supply Chain Management |
| SED | Socio-Economic Development |
| SMF | Supervisory Monitoring Firms |
| SMS | Senior Management Service |
| SMME | Small Medium Micro Enterprises |
| TAG | Transport Authority of Gauteng |
| TOLABs | Transport Operating Licence Administrative Bodies |
| TMH | Technical Manual for Highways |
| VTC | Vehicle Testing Centre |





3. FOREWORD BY THE MEC

MR JACOB MAMABOLO MEMBER OF THE EXECUTIVE COUNCIL (MEC)

The financial year under review has been critical in the Department of Roads and Transport's efforts as the catalyst towards the country's economic recovery following the devastating effects of the COVID-19 lockdowns and the consequent low levels of economic activities. The pandemic and the conditions it imposed on the Gauteng economy necessitated that we adopt an approach that is not business as usual.

In the 2022/23 period, we have started making significant progress in reconfiguring our institutional arrangements, one of the key pillars of our "Growing Gauteng Together Through Smart Mobility" plan – our own contribution to the sixth administration's Growing Gauteng Together Vision 2030.

We have finalized the appointment of the Board of the Transport Authority of Gauteng (TAG), a critical institution in coordinating and integrating our public transport system so that it is efficient, reliable, safe, and affordable. The board is now in the process of recruiting the right skills to support its mandate. The TAG is set to deliver the Provincial Land Transport Framework, a planning framework that will guide the province and municipalities on Transport elements as required by the National Land Transport Act (NLTA). The TAG will also begin the updating of the Integrated Transport Master Plan (ITMP25) and creating projects that will assist in fulfilling its mandate of integrating Transport in Gauteng.

We have also come a long way since the 2019 Taxi Summit made its resolution, and the year under review has seen the Department hasten the implementation of the recommendations ensued from the Commission of Inquiry into Taxi Violence. With the Gauteng Provincial Legislature having passed the regulations establishing the Public Transport Arbitration Office, work is underway to ensure that this important office plays its role. This office will deal with public transport-related disputes and conflicts.

Internally, we have made very significant strides in bringing about stability in our leadership. All Deputy Director General posts have been filled, with Dr Darion Barclay being appointed as the new Head of Department. Dr Barclay has brought with him a new vigour and has been the powerhouse behind the organisational design process that will ensure that the GDRT has the right skills to drive smart mobility.



Internally, the Transport Infrastructure House (TIH) is proving to be the very forum we needed to unblock the project delivery pipeline and ensure that transport infrastructure is delivered efficiently and cost effectively. We have also bolstered the work of the TIH through the appointment of the Transport Infrastructure Compliance office, dedicated to ensuring that projects are delivered at the right quality and that committed funds are spent effectively. The Compliance office is also tasked with ensuring that our service providers deliver according to contractual obligations and that those who fail to do so are dealt with swiftly without wasting taxpayer's funds.

During the period under review, the TIH has done remarkable work in ensuring that Public Private Partnership projects are cleared through all critical stages so that they are ready to go to construction. Due to progress made in the TIH, we have unlocked the delivery of the following projects: Vaal River City, in Vereeniging, K101 (the Old Pretoria /Johannesburg Road) Phase 1, the K46 (William Nicol) Phase 2, and the K73 (Allandale Road) amongst others.

In the period under review, the GDRT has continued with supporting local municipalities on their maintenance backlogs through Smart Mobility Weekends, our intergovernmental relations in action programme. Through this programme, we have assisted municipalities across the city region as part of giving relief to road users, especially following the disruptions imposed by the COVID-19 lockdowns.

In conclusion, I would like to thank the GDRT staff and the Head of Department, Dr Darion Barclay, for their incessant hard work and support.

Mr J Mamabolo

MEC: Department of Roads and Transport

Date: 31 July 2022



4. REPORT OF THE ACCOUNTING OFFICER

DR DARION BARCLAY
ACCOUNTING OFFICER

Overview of Department's operations

The financial year, 2021/22 continued to be a challenging year as the COVID-19 pandemic progressed into its second year. Economies of the world continued to be negatively impacted by the ongoing devastation brought by the socio-economic effects of the pandemic.

In response to the challenge, the President, Mr Cyril Ramaphosa introduced the Economic Recovery Plan which ushered the country towards recovery from the negative effects of the pandemic.

As the province remains the economic centre, it was vital its road infrastructure, an asset spanning 5 638kms of network, continued to be upgraded and maintained to support the smart mobility of people and goods. This also meant ensuring commuters' safety whilst affordable transport was a constant priority as commuters' transport modes and frequency began to increase. Thus, to achieve these imperatives, the introduction of smart mobility technologies, improved services and strengthened good governance to support socio-economic sustainability became the ethos for the Department.

The Department's 2021/22 Annual Report provides a snapshot of its navigation towards a smart, modernised, integrated, safe and accessible transport network as articulated in its Smart Mobility Plan 2030. The progress made in the previous financial year amid the scourge of COVID-19 was built upon during the financial year, 2021/22. It is, therefore, with pleasure that the Department presents its 2021/22 Annual Report which outlines progress towards achieving set goals in the revised Annual Performance Plan for 2021/22. It also articulates the significant contribution to the Sixth Administration's Growing Gauteng Together 2030 (GGT2030) Plan.

The GGT2030 Plan articulates the path towards a 'Gauteng of our Dreams' – "The Gauteng we want by 2030" and identifies key goals to be achieved. Amongst the priorities is an efficient, reliable, safe and affordable public transport covering every part of the province. The Smart Mobility Plan 2030 is the Departmental response to the GGT2030 Plan and the Department has continued with the implementation of the 2030 Plan during the financial year and its achievements are presented below.



Transport Authority of Gauteng

The Transport Authority has been established with a functional board whose mandate is to lead the strategic direction of the entity. It has commenced with the development of several strategic transport planning documents which include the Provincial Land Transport Framework (PLTF) and the Review of the 25-Year Integrated Transport Master Plan (ITMP25). These strategic plans are expected to be completed in the next financial years and, thereafter, the Authority is expected to implement various strategies towards the attainment of smart mobility in the province. Currently, the Transport Authority of Gauteng (TAG) has embarked on a recruitment drive to fill key strategic positions to enable delivery of its mandate.

Restructured Urban Form – Smart Roads System

The Gauteng Provincial Government's (GPG's) vision of Growing Gauteng Together 2030 (GGT2030) through the delivery of world-class road infrastructure which promotes economic growth, social cohesion and inclusivity remains the priority of the Department. It recognises that smart road infrastructure as the dominant mode of transport in Gauteng, is integral to the efficient movement of people and goods. The Provincial Road Network also connects with other road networks of other provinces to move people and goods and ensuring continued socio-economic activity. Thus, the focus has been on improving the road infrastructure to facilitate the smart, convenient and efficient movement of people and goods. This is in line with the province's Economic Recovery Plan which also recognises that the country's future lies in a smart road infrastructure network. The financial year 2021/22, was a time for implementing multi-year ongoing road construction projects to achieve this aim. The following road upgrades continued during the financial year:

- **K69 (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54** – The upgraded road will increase capacity, safety and accessibility for existing and future developments.
- **K46 (P79): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot/N14 Phase 2** - The road will provide a link between Diepsloot and Johannesburg. It will also act as access for developments along the Central Corridor (Lanseria, Fourways, Hartbeespoort Dam and Sandton) and improve accessibility to surrounding areas (Diepsloot, Fourways and Randburg).

Significant progress continued on various multi-year road maintenance rehabilitation projects, whilst with new projects were being unveiled to improve the provincial road infrastructure.

- **K54: Mamelodi (Tsamaya Road) to R104 Pretoria Bronkhorstspuit Road** - This road will be an important link between Mamelodi, Moloto Road and the N4.
- **Rehabilitation of Roads P241/1 (R554) from 15.7km to 19.75km and road D405 (R554) from 0.00km to 8.75km (R82)**. The rehabilitated road will improve accessibility as it serves as one of two main link roads between Johannesburg and Lenasia.
- **P156/3 (R42) from P155/1 to D2563 Vanderbijlpark**. The project involves the rehabilitation of 5.8km of road P156/3 with the aim of enhancing the current economic activities in Vereeniging and Vanderbijlpark.

- **P39/1 Heavy Rehabilitation from Diepsloot to Muldersdrift.** The rehabilitation of road P39/1 will increase structural capacity and safety on the road through the reconstruction of the gravel shoulders.
- **Rehabilitation of Road D483 between P6/1 (Bapsfontein) and D713 Cullinan** - entails the rehabilitation of a single carriageway with gravel shoulders, located between P6/1 (Bapsfontein) and D713 (Cullinan).

Due to various challenges including inclement weather, poor contractor performance, community stoppages and road reserve encroachments, some projects could not be completed as planned. The Department envisages launching the completed projects with communities during the financial year, 2022/23.

Smart Mobility Weekends Campaign: Intergovernmental Relations in Action

A key programme of the Department during the financial year has been the #SmartMobilityWeekends campaign. It is dedicated to address maintenance backlogs ensuing from the COVID-19 lockdowns which adversely affected the Department's Road Maintenance Programme. It was critical to address these backlogs as a means of contributing and supporting the economic recovery of the province. The lowering of the lockdown levels meant more people travelling thereby, increasing socio-economic activities.

The #SmartMobilityWeekends initiative was truly an intergovernmental service delivery collaboration, with the Department coordinating and promoting partnerships with municipalities. The focus was on existing road maintenance activities and the promotion of traffic safety on provincial and municipal roads, taxi ranks and Driving Learner Testing Centers (DLTCs).

As part of the #SmartMobilityWeekend Programme, the Department undertook the rehabilitation of Road P24 in the Magalies Central Business District. The road is a major East-West route in the Gauteng and North-West Provinces, linking the OR Tambo International Airport with Rustenburg via Johannesburg and Magaliesburg. The rehabilitation commenced in June and was launched in October 2021 as part of October Transport Month activities.

Supporting District Municipality Road Infrastructure Rehabilitation

In February 2021, the Department assisted the Sedibeng District Municipality with the Emfuleni Road Upgrade Programme focused on rehabilitation of its roads' infrastructure. Aligned to the Smart Mobility Plan 2030 priorities, the objective was the delivery of an improved, quality state of road infrastructure and contributed to the Emfuleni Local Municipality's economic growth. The projects continued into the financial year, 2021/22 in the following townships, namely: (1) Three Rivers; (2) Vereeniging; (3) Vanderbiljpark and Bophelong; (4) Sharpeville, Boipatong and Tshepiso; and (5) Sebokeng. A total of 23 streets were rehabilitated at a cost of R168,969 million. The rehabilitation projects were successfully completed and handed over to the Emfuleni Local Municipality.

Developing Future Road Construction Entrepreneurs

To ensure a safe and reliable road network, competent road construction companies are required as part of a competitive infrastructure market. This enables the Department to source contractors for its road network construction and maintenance. Thus, the Department, in its commitment and contribution to address the high levels of unemployment in the province and create job opportunities, has continued to support Small Medium Micro Enterprises (SMME) contractors, in particular, with upgrading their Construction Industry Development Board (CIDB) levels. In the financial year, 2020/21 36 learner contractors were appointed as part of Contractor Development Programme with five Consultant Engineers as mentors and supervisors. Twenty contractors were youth-led/owned whilst 11 were women managed/owned. The programme completed in June 2021 with contractors successfully upgrading their CIDB levels to level 4, thus, making them competitive entrepreneurs who could tender for applicable projects in the Department and beyond. An upscaled Contractor Development Programme will commence in the financial year, 2023/24 to further contribute to the Economic Recovery Plan of the province.

Public Transport COVID-19 Programme

As the scourge of COVID-19 pandemic continued into its second year, it remained imperative for the Public Transport COVID-19 (PTC-19) Programme to be successfully executed throughout the five Provincial Corridors (Ekurhuleni, Johannesburg, Tshwane, West Rand District Municipality (WRDM) and Sedibeng) during the various national alert level lockdowns. Keeping commuters safe on the various public transport modes called for decisive adherence to the National Transport Regulations issued to manage the pandemic. The National Department of Transport (NDoT) agreed to allocate 5% of the Public Transport Operations Grant (PTOG) for Personal Protective Equipment (PPE) covering all public transport vehicles. This welcomed augmentation of the PTC-19 Programme through the PTOG, meant that the programme was efficiently funded to achieve its objectives. The sanitisation programme of minibus taxis and busses was sustained with the support of both the taxi and bus industries. A NO Mask-NO Ride policy, sanitising of commuters and social distancing were enforced by queue and rank marshals with compliance assessments undertaken by Departmental officials and industry stakeholders. To further ensure the safety of learners on their way to and from school, the C19 Learner Transport Vehicles and Learners' Compliance Programme were successfully implemented. The Department also facilitated and supported the vaccination drive by introducing pop-up vaccination sites at all Departmental public transport events.

Job creation

The economic downturn due to the COVID-19 pandemic has seen the highest increase in unemployment rate to 35.3%. To address this issue, the Department implemented various infrastructure projects through the Expanded Public Works Programme (EPWP) and created job opportunities for the most vulnerable of Gauteng citizens in local communities. A total of 3 358 job opportunities were created giving economic relief to many households. This included 1 929 youth and 1 587 women.

Further, to sustain job opportunities provided during the previous year, the Department continued its COVID-19 Public Transport Cadet Programme in financial year, 2021/22 with 552 Military Veterans (MV) employed.

Forty-eight youth brigades were recruited for the COVID-19 Compliance Programme within the Department. A further 72 interns were employed on 2-year Internship Programme thereby contributing to youth employment initiatives.

Restructured road-based subsidised Public Transport System - Public Transport Transformation

Minimum of 30% of individual subsidised bus contracts to previously disadvantaged operators

The Gauteng Household Travel Survey of 2019 revealed that commuter trips were generally dominated by the use of bus services, which recorded a substantial 54% for work purposes. To improve satisfaction levels of the subsidised commuter bus service in the province, mainly plagued by challenges of reliability and breakdowns of buses, a new subsidised bus tender was advertised for subsidised bus contracts. Amongst the conditions of these contracts was that a minimum of 30% of individual subsidised bus contracts' monetary value be allocated to previously disadvantaged public transport operators (i.e., taxi and small bus operators, women and youth). This is by far one of the biggest empowerment initiatives in the public transport sector ever witnessed in the province, in particular, and South Africa in general. The fleet operated will be electronically monitored within the Transport Management Centre. However, a court hearing held on 17-18 March 2022 halted the project, with judgement on the matter reserved. Based on the outcome of the court judgment, the project will continue into the next financial year.

Empowerment of Previously Disadvantaged Public Transport Operators

A major contribution towards empowerment of previously disadvantaged public transport operators initiative in the Public Transport Subsidy Programme was achieved during the financial year. The new Meyerton Bus Contract, a joint venture contract, commenced operations in May 2021. The joint venture operations are between Gauteng Coaches (49%), Meyerton Taxi Association (30%) and the Triponza Bus Company (21%). The contract includes the Meyerton Taxi Association having a 30% contract value allocation. This is a first of its kind, with both the bus and taxi industries jointly providing a more efficient, subsidised service to the community. The contract ensured services resumed in the Meyerton community in the Sedibeng Municipality after it was stopped in 2017 due to the surrendering of its contract by the previously contracted operator.

Modernisation of Public Transport Systems and Infrastructure

The policy blueprint of the Department is to build strong institutions and create data-centric mobility through the modernisation of transport systems and infrastructure. Thus, automation and real time digitisation of Departmental services and processes are a key priority. The Department developed the following online digital systems with the objective of ensuring strong institutional digitisation and data-centric transport systems within the province.

1. **Gauteng Integrated Public Transport Administration System (GIPTAS).** The system will be a repository of information required to execute the mandate of registration and licencing of public transport modes and operators.
2. **Online Renewal of the Motor Vehicle Licences System.** The Road Traffic Management Corporation (RTMC) launched the online system providing greater efficiencies and ease of convenience for citizens to transact online in renewing motor vehicle licences.
3. **Pothole Management System Application.** The Application (App) was created as a tool for management of turnaround times in attending and patching identified potholes on provincial roads. The system has been launched and system users have been trained.
4. **Contractor's Site Construction Daily Reporting Tool.** The reporting tool launched a Maintenance and Construction Digital Platform to better manage and respond to challenges experienced in the reporting of activities completed by service providers or Departmental teams. The application which is live and in use, encourages real time data capturing and reporting, thereby, improving the business intelligence of project implementation and delivery to the public.
5. Improved service through modernisation and automation of the provincial and municipal licencing services.

Transport Registration and Licencing Backlog Mitigation Strategy

To address the backlog resulting in the National Transport Regulations extension on driver licences renewal, the Department introduced various strategies to assist the public in renewing their driver licences before the cut-off date.

New DLTCs to address backlog

The Gautrain Management Agency (GMA) and Road Traffic Management Corporation (RTMC) were registered as Registering Authorities. The GMA has developed the first of its pilot Driver Learner Testing Center (DLTC) sites on the path to establishing DLTCs in its stations and create a new way of managing these sites. The first was opened in its Midrand Station. The RTMC opened two Grade F DLTCs, one in Eco Park (Centurion) and the second in Midrand. These centres provide renewal of driver licences eligible for 12 months. The rollout of DLTCs to other sites in the next financial, 2022/23 adds to the potential of creating much-needed job opportunities, providing a more efficient service and creating commercial opportunities for exploitation by GMA.

Driver licences backlog project

To address the driver licences renewal backlog due to the COVID-19 lockdown, transport regulations were issued which provided extensions for the renewal of driver licences. The Department also introduced overtime work at six of its provincial DLTCs, resulting in extended working hours. The extended working hours introduced are from 06h00 to 18h00 during the week and 08h00 to 12h00 on weekends.

Addressing the backlog on applications for operating licences

On 10 December 2021, the Department issued a notice on the immediate suspension of new applications on operating licences. The suspension excludes new applications for contracted services. This was one of initiatives the Department implemented to manage and address the increasing backlog on applications.

The Department further embarked on an overtime process to reduce the increasing backlog on applications submitted. The last phase of the project is envisaged to be concluded at the end of August 2022.

These initiatives have assisted the public in renewing their driver licences and public transport operator licences with ease and at their convenience. This has also enabled the Department to collect much needed revenue for the province.



Revenue Maximisation

Despite the challenges experienced with the COVID-19 pandemic impacting negatively the Driver Learner Licencing Testing Centres and Registering Authorities during the financial year, 2020/21 the Department successfully achieved its revenue target of R4.4 billion through implementing revenue generating strategies. This makes the Department the highest revenue contributor to the Gauteng Provincial Government.

The continued growth in revenue collection reflects the effectiveness and efficiencies of the Department's Revenue Maximisation Strategy. The strategy will continue to ensure alignment and contribution to Medium-Term Strategic Framework (MTSF) priorities and the Province's Growing Gauteng Together 2030 (GGT2030) Plan.

Payment of Suppliers

Due to the sluggish economy, the critical priority for the Department was ensuring efficiency in the delivery of projects and sustainability of Small Medium and Micro Enterprises (SMMEs) in line with GGT2030 priorities. As part of its contribution to the economic recovery of the province, the Department paid 100% of service providers within the 30 days and 92% of those invoices were paid within 15 days as required by legislative prescripts. The objective remains to continue building the public's confidence in the Department and fast tracking of service delivery.

Aligned to the Smart Mobility Plan 2030's Key Pillar of building a strong institution, the Department introduced the electronic invoicing systems and implemented the Financial Automation Management System to refine its payment processes to ensure SMMEs and township business' verified invoices are paid within 15 days. Further efficiencies will be achieved with the introduction of mandatory electronic invoicing in the financial year, 2022/23.

Ensuring Good Governance

Good corporate governance remains the cornerstone of the Department's service delivery efforts. Good governance ensures effective and efficient utilisation of resources in delivering quality services and supports the sustainable development priority of the Growing Gauteng Together plan. Thus, the Department has achieved the following towards ensuring good corporate governance during the financial year:

- The Department achieved a 100% compliance with its Senior Management on e-financial disclosure.
- Financial disclosure for middle management positions (levels 9-11) is ongoing and will be completed in the financial year, 2022/23 with an anticipated 100% disclosure at these levels.

Challenges Navigated

The financial year, 2021/22 however, was not without its challenges. The Department experienced severe external pressures which negatively impacted on its transport infrastructure projects implementation. Projects experienced delays due to community unrest and work stoppages. Social facilitation programmes were upscaled with communities/stakeholders to address issues and concerns. Increased stakeholder engagements on projects have also been implemented to ensure an integrated approach to project delivery.

During the financial year, several projects were halted due to court interdicts on open tender projects resulting in projects not being awarded. This has resulted in a number of projects not being implemented and impacting negatively on the condition of these roads, thereby, leading to delays in unlocking the socio-economic potential of upgraded roads. Encroachment on road reserves and limited support from municipalities on relocating illegal dwellers also resulted in projects not realising their delivery date.

Construction companies on the other hand also experienced cash flow challenges due to the negative impact of the COVID-19 pandemic on the economy. This resulted in contractors not being able to complete projects on time, even with timeous payments made by the Department for completed works.

COVID-19 continued to have a severe effect on public transport services. The alert lockdown levels and the various COVID-19 infection waves resulted in lower ridership, particularly on subsidised public transport.

The Gautrain Rapid Rail Link, like all other rail systems in the world, continued to grapple with reduced passenger demands due to COVID-19. While good recovery in passenger revenue was achieved during the financial year as the alert levels were reduced, the patronage guarantee - "government's ongoing financial contribution to the project" - continues to be higher than budgeted for. The Gautrain Management Agency continues to implement plans to manage lower levels of ridership and regain pre-COVID-19 levels.

The COVID-19 negative impact on the issuance of driver licences continued from the previous financial year, 2020/21. Lockdown levels affected the ability of vehicle owners and driving license holders to renew their driver licence cards. Various mitigation strategies as outlined in the report were implemented to address and manage the backlogs which comprised of firstly, the extension of operating hours of various DLTCs, including during weekends. Secondly, the driving licence cards, which expired between March 2020 up to and including August 2021, were deemed to be valid and their validity period was extended by the Minister of Transport, ending 05 May 2022.

As a result of COVID-19, new public transport operating licence applications were temporarily suspended in order to process and finalise those already submitted. The suspension will be lifted in August 2022.

The Department experienced a number of mini-bus taxi disputes, some of which were cross-border disputes. To ensure sustainable solutions, the Department formulated draft amendments to the Gauteng Public Transport Regulatory Entity Regulations, 2011, extending the Member of Executive Council's (MEC's) powers to appoint the arbitrator as an alternative dispute resolution mechanism. The draft regulations were approved in principle by the Committee for Scrutiny on Subordinate Legislation (CSSL).

The Department was also a casualty of the July 2021 riots as the Kliptown Driver Learner Testing Center (DLTC) was vandalised. Thus, licensing services to the surrounding communities were halted. The refurbishment of the Center was fast tracked to ensure services resume in the next financial year.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

Departmental receipts

| Departmental receipts | 2021/22 | | | 2020/21 | | |
|--|------------------|-------------------------|-------------------------|------------------|-------------------------|-------------------------|
| | Estimate | Actual amount collected | (Over)/under collection | Estimate | Actual amount collected | (Over)/under collection |
| R'000 | | | | | | |
| Tax receipts | 4,480,127 | 4,407,797 | 72,330 | 3,977,523 | 4,357,924 | (380,401) |
| Casino taxes | | | | | | |
| Horse racing taxes | | | | | | |
| Liquor licences | | | | | | |
| Motor vehicle licences | 4,480,127 | 4,407,797 | 72,330 | 3,977,523 | 4,357,924 | (380,401) |
| Sale of goods and services other than capital assets | 93,485 | 62,959 | 30,526 | 88,611 | 48,402 | 40,209 |
| Transfers received | | | | | | |
| Fines penalties and forfeits | | | | | | |
| Interest dividends and rent on land | 75 | 5 | 70 | 71 | 8 | 63 |
| Sale of capital assets | | | | | | |
| Financial transactions in assets and liabilities | 1,865 | 590 | 1,275 | 1,768 | 251 | 1,517 |
| Total | 4,575,552 | 4,471,351 | 104,201 | 4,067,973 | 4,406,585 | (338,612) |



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

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

The revenue increased from R4 billion in the financial year, 2018/19 to R4.6 billion in the financial year, 2020/21. This increase is attributed to increase in vehicles on the road, the Department's efforts to unblock bottlenecks on licence renewals such as the Book a Slot Campaign and the Queue Management System that was launched at a number of DLTCs to reduce service delivery turnaround times. The effects of the COVID-19 pandemic are that the revenue has declined significantly, hence, there was a less than 1% increase in revenue collection from financial years, 2018/19 to 2021/22. The revenue collecting centers are now fully operational since the lowering of lockdown regulations, therefore collection of revenues is gradually increasing through implementing traditional strategies of rigorous follow-ups to enforce municipalities (agents) to surrender the revenues collected.

The Department has collected (98% of its target set for the financial year, 2021/22. Challenges impacting the Department's ability to collect full amounts are a combination of non-or-slow payment of invoices by several municipalities rendering services on behalf of the Department and the fact that the validity of the Motor Vehicle License (MVL) and the renewal period were extended from March 2020 to August 2020. In addition, another factor was the non-implementation of the Road Traffic Act (RTA) fee increment which was postponed to the next financial year. The Provincial Legislature has approved the request for the Department to extend the implementation of 2021 RTA fees to April 2022, leaving some municipalities struggling.

Over the 2021 Medium-Term Revenue Framework (MTRF) period, revenue is estimated to increase from R4.8 billion in 2022/23 to R5.2 billion in the financial year, 2024/25.

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

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

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

Programme expenditure

| Programme name | 2021/22 | | | 2020/21 | | |
|-----------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final appropriation | Actual expenditure | (Over)/under expenditure | Final appropriation | Actual expenditure | (Over)/under expenditure |
| | R'000 | | | | | |
| 1. Administration | 381,216 | 361,499 | 19,717 | 334,933 | 314,878 | 20,055 |
| 2. Transport Infrastructure | 1,824,973 | 1,681,772 | 143,201 | 2,182,619 | 1,790,721 | 391,898 |
| 3. Transport Operations | 3,194,900 | 2,621,494 | 573,406 | 2,854,953 | 2,083,940 | 771,013 |
| 4. Transport Regulation | 337,819 | 299,682 | 38,137 | 324,733 | 251,765 | 72,968 |
| 5. Gautrain | 2,776,816 | 2,776,816 | - | 2,680,758 | 2,680,758 | - |
| Total | 8,515,724 | 7,741,263 | 774,461 | 8,377,996 | 7,122,062 | 1,255,934 |

The table above indicates services of the Department categorised under 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 delivery of quality services.

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

Programme 1: Administration: This is the administrative hub of the Department and provides support to core programmes. The underspending was due to the delay in the filling of posts as the organisational structure process was not finalised during the year as well as savings realised on other items in line with cost containment. The Department will continue supporting the core programmes while committed to managing expenditure in line with national and provincial cost containment measures.

Programme 2: Transport infrastructure: This is one of the core programmes of the Department and is funded through both the equitable share and two of the conditional grants: the Provincial Road Maintenance Grant (PRMG) and the Expanded Public Works Programme (EPWP) Incentive Grant. The main cause of the underspending within this programme was the delay in the appointment of new road maintenance contractors, which also adversely affected infrastructure delivery throughout the provincial road network.

Programme 3: Transport Operations: This programme is responsible for the managing integrated land transport contracts to provide mobility to commuters as well as co-ordinate and facilitate transport safety and compliance in all modes with related legislation, regulations and policies. The bus subsidies (both PTOG and NW Star) allocations make up the majority of the budget within this programme, and regrettably accounted for the underspending within the programme because of the delays in finalising new bus tenders, the DNOs (Did Not Operate) and the decrease of services by operators due to lower than usual travel usage by commuters.

Programme 4: Transport Regulation: The major deliverable of this programme is the monitoring and controlling of the registration and licencing of all motor vehicles and the rendering of services regarding the administration of applications in terms of applicable legislation. The underspending within this programme was due to the delay in the filling of posts because the organisational structure process was not finalised during the year, as well as the lower-than expected spending on the gazetting budget due to delays at Government Printing Works (GPW).

Programme 5: Gautrain: The budget was fully transferred to Gautrain in line with the financial year, 2021/22 payment schedule.

Rollovers: R94,5 million

The rollover of R94.5 million was allocated to ensure that the second set of the March 2021 claims that were only received after the last payment run for the 2020/21 financial year, was closed, were settled accordingly with financial resources from the financial year, 2020/21.



Unauthorised expenditure

The Department has effectively monitored and controlled its spending patterns to ensure prevention of unauthorised expenditure. There is no unauthorised expenditure for financial year, 2021/22.

- **Public Private Partnerships**

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

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

None

- **New or proposed key activities**

- ◇ **The Supply Chain Management Unit Turnaround Strategy**

The scope of services rendered by the Transport Infrastructure House (TIH), introduced last year, was expanded to include turn-around interventions in Supply Chain Management (SCM), which included reprioritisation of projects to be fast tracked, innovative interventions to accelerate bid evaluations such as introducing the bubble concepts and extended overtime, training and retraining of officials.

- ◇ **Revitalisation of the Koedoespoort Laboratory**

The Department is working to revitalise the use of Koedoespoort Laboratory and has teamed up with the University of Pretoria on this project. The full functioning laboratory will enable the Department to conduct its own research on materials to be used on site, to conduct its own research during feasibility studies and be able to facilitate the compilation of properly researched bill of quantities during bid specifications and monitoring thereof.

- ◇ **Automation of Inventory Management**

Koedoespoort, an inventory management hub of the Department has been managed manually. In financial year 2021/22, the Department initiated a project of migrating inventory management to System Application and Product (SAP). This project is at the advanced stages of completion. The greater benefit of this automation is that inventory procurement, safekeeping, issuing and reporting will be one integrated process and will eliminate much of the challenges around pilferage on inventory.

- ◇ **Migration of Immovable Asset Management to SAP**

The Department used to manage safekeeping and reporting of movable and immovable assets on Barcode Asset Audit System (BAUD). This application has since been discontinued when the company discontinued its operations during financial year, 2020/21. The Department has since commenced the process of migrating the management of movable and immovable assets to SAP.

- ◇ **The Infrastructure Compliance Office**

Department acknowledges the need to address challenges of capacity in core units impacting infrastructure such as the Legal, Supply Chain Management, Risk and Infrastructure units. These challenges, however, cannot be addressed overnight because of different variables impacting the process. Concurrently, the Department must address the issue of service delivery, especially around infrastructure which is predominantly impacted by legal issues. It is against this backdrop that the Department had to introduce the Infrastructure Compliance Office to fast track and unlock the many bottlenecks that require legal intervention.

- **Supply Chain Management**

- ◇ **List all unsolicited bid proposals concluded for the year under review**

There were no unsolicited bids concluded during the year under review.

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

Processes and systems in place are adequate to prevent irregular expenditure. That is evidenced by the reduction in irregular expenditure that the Department recorded at the end of the financial year.

◇ Challenges experienced in SCM and how they were resolved.

| # | Challenges | Resolutions |
|----|---|---|
| 1. | Vacancies at management level | The Chief Financial Officer was appointed during May 2021. |
| 2. | Capacity constraints in Supply Chain Management unit | Critical positions were advertised and are in the process of being filled. |
| 3. | Prolonged turnaround times of procurement processes | Turn around interventions were introduced addressing prolonged procurement processes. |
| 4. | Control deficiencies in supply chain management processes | Turn around interventions were introduced to address control deficiencies. |

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

No gifts or donations were received for the financial year under review.

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

Security Contracts – The contract for security services that was awarded several years ago was subjected to legal battles through the courts, and as a result, the normal procurement process for security services was affected. Approval was sought and obtained from Provincial Treasury to procure the services by way of deviation.

- **Events after the reporting date**

None

- **Other**

None

Acknowledgement/s or Appreciation

I wish to put on record and convey my sincere thanks and appreciation to the transport fraternity for their continued support and engagement with the Department during the second challenging year of the COVID-19 pandemic. The success we have achieved is entirely due to the integrated approach and dedicated commitment from all our stakeholders towards the common aim of saving lives and supporting the provincial economic recovery efforts.

My gratitude also extends to the valuable Departmental staff for their tireless commitment and dedication to working during difficult and testing times.

We also look forward to a new year with increased vigour of building the vision of a world class transport network and systems for citizens of Gauteng.

Approval and sign off.



Dr. D. Barclay

Accounting Officer

Department of Roads and Transport

Date: 31 July 2022

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

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

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

The Annual Report is complete, accurate and is free of 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 relevant frameworks and guidelines issued by the National Treasury.

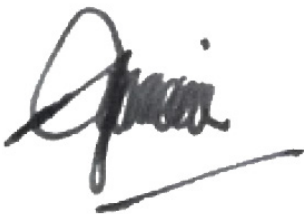
The Accounting Officer is responsible for the preparation of the annual financial statements and for judgements made in this information.

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 operations, performance information, human resources information and the financial affairs of the Department for the financial year ended 31 March 2022.

Yours faithfully



Dr. D. Barclay

Accounting Officer

Department of Roads and Transport

Date: 31 July 2022

6. STRATEGIC OVERVIEW

Vision

Growing Gauteng Together through Smart Mobility 2030

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.

Values

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

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

7. LEGISLATIVE AND OTHER MANDATES

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

National Policy and Legislative Mandates

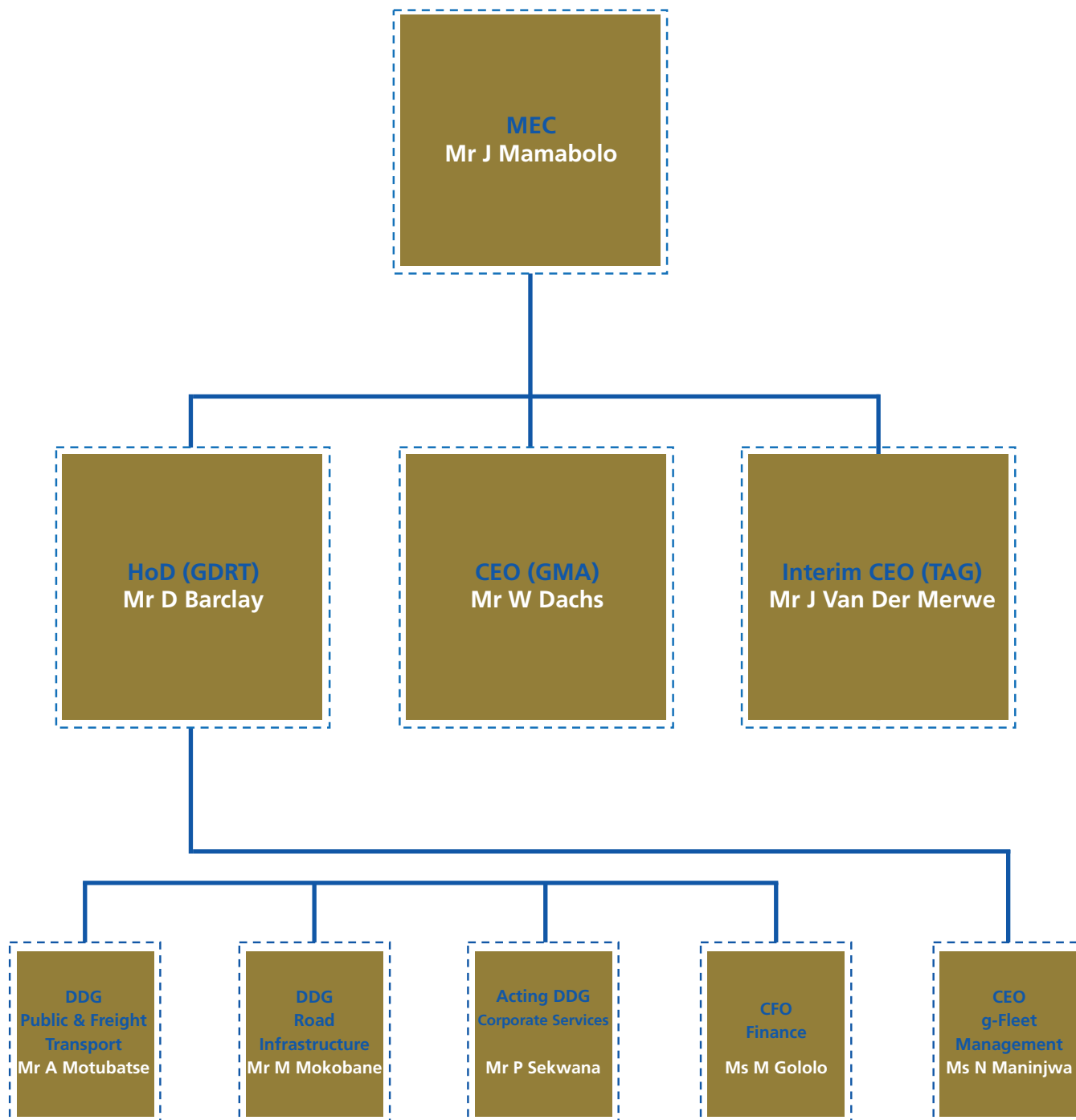
| Legislation | Act/Policy |
|--|------------------------------|
| Administrative Adjudication of Road Traffic Offences Act | Act 46 of 1998 |
| Advertising on Roads and Ribbon Development Act | Act 21 of 1940 |
| Construction Industry Development Board Act | Act 38 of 2000 |
| Cross-Border Road Transport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

Provincial Policy and Legislative Mandates

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



8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

Gautrain Management Agency (GMA)

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

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

SUMMARY OF THE INTEGRATED ANNUAL REPORT

FINANCIAL YEAR 2021/22

The Gautrain Management Agency's strategy is aligned to the Gauteng Medium-Term Strategic Framework as well as the Growing Gauteng Together 2030 plan. The Gautrain strategy is also a key component of the smart mobility objectives of the Gauteng Department of Transport and Road Infrastructure as captured in the "Growing Gauteng Together Through Smart Mobility 2030" strategy. To contribute to the smart mobility objective, the GMA is focused on enhancing service excellence through innovation on the existing system and by leveraging the benefits of the planned Gauteng Rapid Rail Network extensions. The Gautrain is part of the greater vision of the province which focuses on restructuring urban areas through smart investments in transport and creating an effective and efficient mobility system with the use of appropriate technologies. The GMA Board completed the first year of its term and continued to provide governance oversight to the Agency. The GMA continued to move towards an outcome-based approach in terms of application of King IV principles. The GMA Board is committed to ensuring that the Gautrain operates in a sustainable manner with clear commitment to governance and in support of the Provincial Government's economic and social imperatives.

The GMA Board completed the first year of its term and provided governance and oversight to the Agency. The GMA also continued to move towards an outcome-based approach in terms of the application of the King IV principles.

The GMA made good progress across several areas in the financial year, 2021/22 especially in terms of oversight of the Concessionaire where the GMA ensured high levels of operational efficiency.

The overall system performance in the financial year, was of an exceptionally high standard, with only a few system failures that resulted in the penalties imposed. The train service operations achieved an average availability of 99.48% and 98.73% punctuality over the review period. The train service operation maintained a high level on aggregated monthly performance. The fare evasion rate applicable during this period remained below the 4% norm. The average fare evasion rate stood at 0.01% in financial year, 2021/22 which is in line with the fare evasion rate recorded in financial year, 2020/21.

In terms of passenger safety, several measures were put in place to comply with the regulations for the continued operations during and after the implemented lockdown levels. As per the amended National Railway Safety Regulator Act (Act 16 of 2002), several directives were passed by the Department of Transport regarding actions to manage COVID-19-related matters in railway operations. COVID-19 risk assessments, in accordance with the Department of Employment and Labour (DoEL) guidelines and draft National Health Regulations, continued to be reviewed to ensure compliance.

Since the start of the reporting financial year, there has been a significant increase in passenger trips in comparison to the previous financial year. This can be attributed to changes in COVID-19 restrictions in the country.

Table 1: Passenger trips on the airport service, the general passenger service and the buses.

| Service Type | Airport Passenger | General Passenger | Total |
|------------------------|-------------------|-------------------|-----------|
| Financial Year 2020/21 | 204,434 | 2,448,726 | 2,653,160 |
| Financial Year 2021/22 | 455,658 | 3,920,793 | 4,336,451 |
| % change | 118.00% | 60.12% | 64.58% |

The GMA continued to engage with the Concessionaire to implement Operation Shift - a strategy to attract passengers to use the Gautrain services and increase ridership. This is done to reverse the growth trajectory of the Gautrain passenger demand. Numerous communication and marketing initiatives were implemented to target potential and current users of the Gautrain with the endeavour to attract passengers onto the system.

The planning of network extensions continued with the route alignment for Phase 1 of the extensions. The Route Alignment Study for Phase 1 was completed, and the preliminary route alignment report was submitted to the Office of the MEC. Engagements with the National Treasury and National Department of Transport on the approval of the feasibility study were pursued.



The GMA has continued with the process to prepare for the post-2026 Gautrain period, once the current concession ends in March 2026; to ensure that the Gautrain operations remain uninterrupted post the current Concession Agreement. The preparatory work involves the development of a detailed feasibility study which is in accordance with Treasury Regulation 16.

There has been an increase in the number of routes based on passenger demand for transport and to promote growth on existing Midi-bus Feeder and Distribution Services (MFDS) routes. The performance of MFDS routes exceeded projected demand and management expectations and GMA continues to ensure that there is enough capacity to carry passengers and that the minibus taxi industry provides required standard of service. This community partnership with the taxi industry has been streamlined to enable the rollout of additional routes and facilitate integration with other public transport services.

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 (B-BBEEs) were met and exceeded.

The GMA continued to embed an Enterprise-Wide Risk Management System within the Agency. This has marked a continuous improvement in the maturity of the risk management system, with a clear allocation of responsibilities across the GMA Board and Committees, management and employees. Policies and frameworks were developed and implemented, including the continued rollout of the Enterprise-Wide Risk Management System; the development of an Operational Tolerance Dashboard and monitoring and reporting thereof and the improvement in the risk maturity of the Agency from 86% to 88%.

Information and Communications Technology (ICT) strategic initiatives planned for the financial year 2021/22 were completed. The 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.

Knowledge Management (KM) activities linked to the strategic outcomes of the Agency continued to be on track.

The Gautrain Management Agency complete 2021/22 Annual Report is available.

g-FleeT Management

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

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

The Annual Report for g-FleeT Management is included on page 266 of this report.

PART B: PERFORMANCE INFORMATION



HIGHLIGHTS

DEPARTMENT OF ROADS
AND TRANSPORT





1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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 170 to 176 of the Report of the Auditor-General, published as Part E: Financial Information.



2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Intergovernmental relations supporting Road Infrastructure Rehabilitation

As part of the significant progress made in the implementation of the Department's Smart Mobility Plan 2030, the Department commenced with assisting the Sedibeng District Municipality with the Emfuleni Road Upgrade Programme in February 2021. The aim was on the delivery of an improved, quality state of road infrastructure and contribute to the Emfuleni Local Municipality economic growth. The road rehabilitation projects continued into the financial year, 2021/22 in five Townships as outlined below:

- **Three Rivers Townships** – Gen Hertzog, Blackwood/Klipriver and Maribou;
- **Vereeniging Township** – Houtkop, Bobby Locke, Amm and Kwertal Streets;
- **Vanderbijlpark Township** - Frikkie Meyer, Delfos and Qamata Streets;
- **Sharpville Township** – K55, Mareka, X1 Road B, X1 Road C & X3, Road A; and
- **Sebokeng Township** – Moshoeshoe, Pилanesberg, Lombard Mbatha, Bonatla, Road 7 and Evaton Streets.

A total of 23 streets were rehabilitated at a cost of R168.969 million. The rehabilitation projects were successfully completed and handed over to the Emfuleni Local Municipality.

Road Maintenance Smart Mobility Weekends Campaign

Smart Mobility Weekend Campaigns were launched in April 2021 aimed at improving the overall conditions of the province's road network and municipal roads in collaboration with the three Cities of Johannesburg, Tshwane, Ekurhuleni and the two District Municipalities of Sedibeng and West Rand. The campaigns undertaken jointly with municipalities, sought to build partnerships to seamlessly attend to the important task of enhancing road maintenance of provincial and local networks. This is in line with the Gauteng Provincial Government's vision of Growing Gauteng Together (GGT2030) through the delivery of a world-class road infrastructure that promotes economic growth, social cohesion and inclusivity.

The rehabilitation projects aimed to ensure that all public roads in Gauteng are kept to acceptable standards, are safe and allow for smart, easy movement of people and goods as part of the Department's strategy of Growing Gauteng Together through Smart Mobility. The activities included focus on pothole patching, vegetation clearing, road markings, replacing and installing signages and fixing traffic lights. The projects were executed with joint teams from the Provincial Department's Road Maintenance, the Cities and District Municipalities to prioritise maintenance of the road network. Under the auspices of the Smart Mobility Weekends Campaign, the Department completed the road rehabilitation project on the P24 road in the Magalies Central Business District and sections of the Golden Highway were rehabilitated due to the high traffic volumes on the road, heavy rainfalls and the growing need for improved safety measures.

Repair and Maintenance of Traffic Lights

The Gauteng Department of Roads and Transport (GGDRT) was hard at work in its maintenance and repairs of defective traffic signals along the provincial roads. The Department procured the services of a contractor in the financial year, 2021/22 to conduct repairs and render maintenance services. The maintenance contract will proceed for a period of three years. The contractor concluded an audit with maintenance and repairs of defective signals and commenced with repairs from January 2022.

Public Transport COVID-19 Action Plan

The COVID-19 pandemic continued into its second year with ongoing waves of infections across the province. Thus, the Department implemented its Public Transport COVID-19 (PTC-19) Programme throughout the five Provincial Corridors (Ekurhuleni, Johannesburg, Tshwane, WRDM and Sedibeng) during the various national alert level lockdowns. Decisive adherence to the National Transport Regulations issued were maintained to manage the pandemic during the various alert level lockdowns. The aim was to keep commuters safe on the various public transport modes and reduce the transmission of the virus. The sanitisation programme of minibus taxis and busses was sustained with the support of both taxi and bus industries. The NO Mask NO Ride Policy, sanitising of commuters and social distancing were enforced by queue and rank marshals. Compliance assessments were undertaken at public transport transit sites by key departmental officials and industry stakeholders to monitor compliance with COVID-19 transport regulations and health and safety protocols. The Department also ensured the safety of learners on their way to and from school through the implementation of the C19 Learner Transport Vehicles and Learners' Compliance Programme. The Provincial Vaccination Drive was also supported with the pop-up vaccination sites at all Departmental public transport events and road safety campaigns. This was in support of the provincial government's COVID-19 vaccination drive to encourage eligible persons to register and get vaccinated.

Transport Licencing Services

A part of the transport regulations mandate of the Department, the issuance of driver and motor vehicle licencing are key services delivered to the public. The registration and renewal of motor licences completed during the financial resulted in **1,951,307** motor vehicle licences registered and **4,809,223** motor vehicle licences renewed. The Department received **356,637** learner licence applications with **242,023** learner licences issued. A total of **263,210** driver licence tests applications were processed with **200,319** driver licences issued.

Provincial Road Safety Campaigns

The festive holiday campaigns were conducted during the April, June and December holidays, jointly with law enforcement agencies and focused on road safety interventions. It was aimed at encouraging motorists to adhere to road signages/rules, rest during trips to lessen driver fatigue as well as checking vehicles for overloading and roadworthiness. The ten holiday campaigns were carried out at various provincial roads and public transport sites in the province where traffic volumes were high.

Ceasefire agreement by Internal Taxi Association and Evaton West Taxi Association

In another win for dialogue over conflict and violence, the Gauteng taxi industry presented a Memorandum of Agreement reached between Internal Taxi Association (ITA) and Evaton West Taxi Association (EWTA) in the Sedibeng District Municipality. Both associations reached an agreement on a ceasefire to end conflicts, stop damage of vehicles and ensure passengers' safety in and around taxi ranks. This follows the outbreak of violence over routes in the previous weeks. The agreement came after the Department served both associations with a letter of intent to summarily shut down their operations for six months following the violent clashes. The Department lauded the provincial taxi leadership for taking responsibility for the violence that has plagued the area.

Women in the Taxi Industry appeal for government support, education skills

The Department hosted its annual Women in Taxi Industry seminar where female taxi operators were given an opportunity to engage with the Provincial Government on various issues affecting them and the industry. The Provincial Government recognises that empowering women in the economy and closing gender gaps in the world of work are key to achieving the 2030 Agenda for Sustainable Development Goals, particularly Goal 5 of achieving gender equality.



The Department reiterated its commitment towards continued efforts in addressing the challenges of the taxi industry and those that were experienced by women in the industry. One of the initiatives being developed is the implementation of the 50-50 rule in the industry's constitution to ensure that women are given their rightful position in the leadership structures and are not just co-opted. The Department further highlighted the importance of establishing cooperatives by women in the taxi industry and also to ensure they participate actively in the economy.

Supporting People with Disabilities in transport

Persons with Disabilities face many barriers that hinder full and equal access to their enjoyment of human rights. Thus, various initiatives were undertaken during the financial year to support and bring attention to their needs and improved transport mobility.

- Site visits of the Constitutional Hill and Park Station precincts were conducted to assess the precincts compliance with the minimum standards of universal access. This was completed in conjunction with CoJ and NDoT.
- Developed a communication strategy to share information on the free transport service for elderly persons, (i.e., pamphlets in different languages).
- Coordinated a campaign to distribute pamphlets at taxi ranks to inform elderly persons on the availability of free transport.

The Department, Office of the Premier (OoP), National Department of Transport (NDoT) and the City of Johannesburg (CoJ) organised virtual meetings on 5th and 12th May 2021 followed by a site visit on 25th May 2021 with municipal officials and the Integrated Public Transport Network (IPTN) Project Management Unit (PMU). The purpose was to discuss universal design and access interventions at the Station 14 River Crossing precinct in Tembisa. The meetings followed an earlier National Department of Transport (NDoT) site visit on 9 December 2020.

Gauteng and Disabled People International Japan special feeder project

South Africa had already promoted universal access concept in its transportation policy. Gauteng is ensuring accessible public transportation modes such as Gautrain and Rea Vaya for commuters. The Disabled People International -Japan and Japan International Cooperation Agency (JICA) engaged the Department on a pilot project which would link people with disabilities to the Gauteng's accessible transport network. DPI-Japan donated two lift-equipped minibuses from Japan to the pilot project. These buses run between Bramfischerville, Soweto and Germiston, ferrying people with disabilities to Rea Vaya and Gautrain stations. This feeder is not a "door-to-door" service like dial-a-ride. However, "door-to transport" is available on-demand basis, to that end, service operator and drivers have been hired. To be eligible for the service, the client must be a registered passenger with the two centres and unable to use taxis or other public transport. People who meet the afore mentioned criteria can enjoy the special feeder service to avoid the conflict of interest with taxi industry. These passengers are requested to pay for fare that is almost equivalent to that of taxis in respective areas.

Senior citizens

The Department continued with a campaign to provide elderly persons with information regarding public transport service for senior citizens. To achieve universal access, the City of Johannesburg's Rea Vaya Bus Service offered free rides for pensioners and people with disabilities. As part of the "Joburg Cares" campaign, the free rides are available to the city's pensioners and people with disabilities during off-peak times between 08:30 and 15:00 weekdays as well as on weekends and public holidays.

The Department also facilitated bilateral meetings with the City of Tshwane (CoT) and the Office of the Premier (OoP) to discuss possibilities of introducing free transport for elderly persons.

Datathon: Resolving problems through application of data science tools, techniques

The Department's Gauteng Smart Mobility 2030 Vision pushes for smart mobility involving connected and integrated transport systems, offering flexibility and efficiency. As part of October Transport Month, the Gauteng Department of Public Transport and Roads Infrastructure hosted a two-day Smarter Mobility Transport Datathon on 26-27 October 2021 at the Council for Scientific and Industrial Research (CSIR) International Convention Centre in the City of Tshwane.

The objective of these events was to encourage participants to develop mobility solutions to modernise transport networks and ensure a smart transport system for the province. Several exhibitions and presentations were delivered by representatives from the Department, CSIR as well as invited entrepreneurs and delegates.

The importance of building partnerships between government and the private sector was emphasised in achieving priority projects of the Department such as the integrated ticketing, promoting Gauteng as a freight logistics hub; fully integrated Intelligent Transport System (ITS); supporting and regulating the taxi industry: Smart Apps websites and Gau-Lifts.

2.2 Service Delivery Improvement Plan (SDIP)

The submission of the Service Delivery Improvement Plan (SDIP) for the financial year, 2021/22 was suspended via Circular 1 of 2021 by the Department of Public Service and Administration (DPSA).

2.3 Organisational Environment

Organisational Structure and Human Capital

Organisational Structure

The Department undertook a review of its organisational structure to ensure alignment with its Growing Gauteng Together Smart Mobility Plan 2030. The structural review ensures a balance of critical skills acquired to support improved service delivery and administrative capacity to effectively support the core business of the Department. The restructuring process is informed by Public Service Regulations, 2016 as prescribed and the strategic posture of the Sixth Administration. The restructuring process commenced in the financial year, 2019 and continued during the financial year under review. The following progress was achieved in the review and realignment of the structure. The review of the organisational structure has been completed and positions created.

- The costing of the structure to be finalised as the last hurdle. Thereafter, confirmation from Provincial Treasury to be received prior to the Memorandum being submitted to the Office of the Premier (OoP).
- The draft functional structure has been developed. The functional structure has been aligned to the National Department of Transport (NDoT) Sector Structure Model, which addresses the Infrastructure Delivery Management System (IDMS) incorporation into the structure. The functional structure has been aligned to the Department of Public Services and Administration (DPSA) Corporate Service Model.
- The Job Evaluation Phase has commenced to grade positions in line with the proposed changes.
- The Change Management Strategy had been developed and implementation is on-going.
- Consultation sessions with Departmental stakeholders to obtain inputs on the organisational structure has been concluded.
- The Department has also conducted five Change Management Roadshows with all five Branches of the Department.

Furthermore, to ensure all employees were well informed and part of the process Physical Logistical Support Employees Change Management Roadshows were conducted at departmental offices and regions. The readiness assessment survey was published and change management articles were published weekly to keep stakeholders informed about the progress.



Employee Health and Wellness (EHW)

The negative impact of COVID-19 on the departmental employees remained of critical concern. The main objective was on providing a safe and supportive work environment for the employees during the pandemic. The Department implemented various interventions to support the well being of its human resources during these challenging times. A total number of 172 employees and their immediate family members utilised counselling and referral services. One hundred and fifty-one employees were affected by COVID-19, of this number 97 tested positive and 54 were placed in quarantine. Daily COVID-19 screening was conducted in all 18 worksites. COVID -19 vaccine door-to-door campaigns were conducted at Head Office, Temba and Mabopane DLTCs in March 2022. A total number of 761 employees were vaccinated for COVID-19, including the boosters. Trauma debriefing was conducted in two regional offices. Two policies on Personal Protective Equipment (PPE) and Clean Desk were developed and approved. COVID -19 compliance audit was conducted in all 19 worksites and the report was presented to the Occupational Health and Safety (OHS) Committee.

A total 70 risk assessments were completed for vulnerability to COVID-19. The assessments were conducted by the Occupational Medical Officer from the Office of the Premier (OoP). All EHW Operational Plans were developed and approved for submission to the Department of Public Service and Administration (DPSA) as per the directive on the submission of the Employee Health and Wellness Operational Plans.

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

To maintain the safety and health of employees during the financial year required various SHERQ interventions to be implemented the work environment. Three Departmental SHERQ Committee meetings were held during the financial year. Five regional SHERQ Committees were established in line with the Departmental SHERQ Policy. The Terms of Reference (TOR) for the SHERQ Committee was reviewed and approved. Three SHERQ inspections were conducted in various regions and DLTCs. Three draft Risk Assessment Reports were developed for Head Office, DLTCs and regions. Personal Protective Equipment was distributed to employees including 2,232 cloth masks. A total of 74 employees were inducted on COVID-19 policies, protocols and procedures.

Counselling

A total 41 employees who tested positive for COVID-19 were referred to Careways for counselling. A further 35 employees received counselling for other personal issues. There were two trauma debriefing sessions for employees at Mabopane DLTC and Provincial Regulatory Entity (PRE).

Gender, Youth and People with Disabilities

The Department developed the Draft Gender, Youth and People with Disabilities (GEYODI) Strategy. It will serve as a framework to drive the Department towards the realisation of the rights of the targeted groups (women, youth, people with disabilities, older persons, Lesbian, Gay, Bisexual, Transgender, Intersex, Queer, Asexual and other sexually or gender diverse (LGBTIQA plus), and Military Veterans into the Departmental plans, programmes and projects.

The Department also completed the following projects:

- GEYODI Strategy was drafted.
- Public Service Report was finalised and submitted to DPSA.
- Sexual Harassment Policy was reviewed.
- Culture Champion programme was launched.
- HoD's eight principles discussion forum was facilitated with women in Senior Management and the report submitted to DPSA.
- Gender responsive budgeting was finalised and shared with stakeholders.
- Taxi health and wellness was finalised and shared with stakeholders.
- JICA concept was finalised.

Facilities Management

Providing a safe and conducive work environment for its employees is a critical priority of the Department. During the year under review, the maintenance of its facilities, regional offices and service centres were undertaken to ensure employees are enabled to deliver effective service delivery to citizens.

Upgrades and Additions of Departmental Regional Offices

Facilities Management supports one of the core functions of the Department through , the maintenance of the Road Construction and Maintenance regional facilities in support of decentralisation of services and spatial transformation in the various corridors. These Regional Offices consist of workshop areas, which houses the maintenance and construction material as well as makes provision for mechanical repair areas. Owing to financial constraints, the proper maintenance of Regional Offices structures to acceptable Occupational, Health and Safety (OHS) conditions could not be achieved. The Department, has therefore, undertaken an upgrades and additions project of these Regional Offices. Ten affected Regional Offices and Road Camps were identified for this exercise. Through the Department of Infrastructure Development which is the Implementing Agent (IA) of the Department, Professional Service Providers (PSPs) have been appointed to conduct assessments, draw up plans, and develop the Bill of Quantities (BOQs). The project is at the Design Documentation stage in terms of the Framework for Infrastructure Delivery Project Management Processes (FIDPM).

To ensure compliance to Occupational Health and Safety (OHS) and building legislation, the Department is continuing with the maintenance work at Departmental Regional Offices, Transport Operating Licence Administrative Bodies (TOLABs) and Driver Learner Testing Centres (DLTCs). Once the upgrades and additions project alluded to afore have been completed and the facilities restored to required standards for occupation, minimal maintenance work will be required.

Zwartkop Training Centre Upgrade/Construction

The Zwartkop Training Centre has been earmarked as one of the key developmental projects of the Department. The Centre will be developed into a fully fledged, South African Qualifications Authority (SAQA) accredited training facility in the artisans field. To achieve this, new additional structures will be built. Other existing structures will be upgraded and refurbished. The PSPs have been appointed to oversee the implementation of this project.

Infrastructure Asset Management Plan

The Department is a custodian of government infrastructure assets and to ensures the safe guarding of these assets through compliance with the Government Immovable Asset Management Act (GIAMA) Act 2007. The Infrastructure Asset Management Plan (I-AMP) for the Department was developed in compliance the Act The I-AMP ensures the effective and efficient immovable asset management planning and coordination of the user immovable assets with the service delivery objectives of the Department.

Infrastructure Programme Management Plan

The Infrastructure Programme Management Plan (IPMP) is a formally approved document prepared by the Client Department that specifies how the infrastructure programme will be executed, monitored and controlled over the current Medium-Term Expenditure Framework (MTEF) period. For its Facilities Capital Expenditure (CapEx) projects, GGDRT appointed the Gauteng Department of Infrastructure Development (GDID) as its Implementing Agent (IA). The infrastructure programme containing all projects that the Department will undertake over the MTEF is outlined in detail in the IPMP, which was approved by the Accounting Officer and communicated to both the Gauteng Provincial Treasury (GPT) and GDID. The project is still at initiation stage in terms of the Framework for Infrastructure Delivery Project Management Processes (FIDPM).



Building Strong Institution

The Department stabilised its Executive management with the appointment of its Head of Department, Dr Darion Barclay. The positions of the Deputy Director Generals were filled with the appointment of Mr Mmaphuti Mokobane as the Deputy Director General of Roads and Mr Aubrey Motubatse the Deputy Director General of Transport. The Executives bring a wealth of experience and knowledge to provide the Department with a competitive edge to ensure the optimum delivery of its mandate and the Smart Mobility Plan 2030 and contribute towards the Growing Gauteng Together Vision 2030. The Department welcomes the Head of Department and the Deputy Directors General and looks forward to their successful tenure and the wealth of experience and expertise they bring to the organisation.

Farewell to Executive of the Department

The Department bid farewell to its Head of Department, Mr M. Mampuru during the financial year, 2021/22. Mr Mampuru was appointed as the Director General in the Office of the Premier of the Mpumalanga Province. His commitment and contributions to service delivery are commended and the Department wished him well in his new position.

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 Infrastructure Amendment Bill

The purpose of the principal Act was intended to consolidate the laws relating to roads and other types of transport infrastructure in Gauteng and to provide for the planning, design, development, construction, financing, management, control, maintenance, protection and rehabilitation of provincial roads, railway lines and other transport infrastructure; and to provide for matters connected therewith. Internal consultations are continuing on the amendments.

Drafted Regulations

Gauteng Provincial Tow Truck Regulations

The purpose of the Regulations is to regulate the operations of Tow Truck services, currently operating in an unregulated manner. Internal consultations were held on the drafting of the regulations.

Gauteng Public Transport Regulatory Entity First Amendment Regulations

The current Regulations fell short of providing for an alternative mechanism of public transport dispute resolution to ensure public transport safety and stability. It, therefore, became essential to introduce an alternative mechanism which will address public transport disputes/conflicts/violence and inculcate behavioural changes within the public transport industry, hence, the proposed amendments to the Regulations.

The Department was issued with a Socio-Economic Impact Assessment System (SEIAS) Certificate on the said Regulations by the Office of the Premier. Thereafter, the Regulations were submitted to the State Law Advisor for final certification. The SEIAS assessment passed the legislative and constitutionality test and a final certificate was issued. The draft Regulations were submitted to the Speaker's Office on 26 April 2022 and will be scheduled for presentation at the Legislature Committee on Scrutiny of Subordinate Legislation (CSSL). Following the CSSL process, a letter of approval shall be issued to the Department and Regulations shall be promulgated in accordance with the process.

Gauteng Public Transport Regulatory Entity (PRE) Second Amendment Regulations

The purpose of the amendments to the Regulations is to provide a mechanism for combating violence, criminal activity and other instances of non-compliance with legal requirements by taxi associations and operators of minibus taxi-type services. Essentially, the amendments to the Regulations extends the powers and competencies of the Provincial Regulatory Entity (PRE) and closes the gaps that existed in the initial draft by making provision for the following:

- The constitutions of taxi associations, the registration of taxi associations and a code of conduct applicable to all persons providing minibus taxi-type services.
- Taxi Associations' Code of Conduct and clarification of the monitoring role of PRE which includes its competency to adjudicate cases of non-compliance with the Code of Conduct.
- The PRE reporting mechanism to the MEC.
- The mandate of PRE to formalise engagements with Consultative Fora and to establish an engagement forum with planning authorities provided for in the amendment Regulations.
- The powers of the PRE to maintain an efficient information system for the performance of its functions.
- The powers to monitor the implementation of Cooperation Agreements entered into by a local authority and operators, drivers or any voluntary association.
- The mechanism of internal appeals against decisions of the PRE.
- The duties and obligations of Operators and Associations.

The drafting process on the Regulations were finalised. Further processes regarding the Socio-Economic Impact Assessment and consultations with stakeholders will unfold and be concluded by the end of Quarter 2 in the financial year, 2022/23.

Regulations Relating to Advertisements on or Visible from Provincial Roads, 2019

The objective of the Regulations is to define procedures to be followed in dealing with advertising on or visible from provincial roads. The Department requested the Speaker to withdraw regulations from the Committee on Scrutiny of Subordinate Legislation to explore revenue generation which had not been provided for, in the current Regulations.

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 Licence Fees must be increased annually. The Regulations have been approved by the Committee on Scrutiny of Subordinate Legislation (CSSL) for implementation.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

During the financial year under review, the Department of Roads and Transport revised its Five-Year Strategic Plan in line with the directive from the Department of Performance Monitoring and Evaluation in response to the COVID-19 pandemic. The pandemic's impact on the country resulted in Government having to re-align and reprioritise its services due to the critical emerging priorities to address the challenges. Thus, a risk adjusted revised 5-Year Strategic Plan and 2021/22 Annual Performance Plan were developed and implemented during the financial year under review. The revised outcomes aligned to the Department's Growing Gauteng together Smart Mobility Plan-2030 are outlined below.

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

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

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

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

| | |
|-----------------------------|---|
| Outcome 5 | An improved smart, affordable and accessible public transport system |
| Outcome Indicator: | % reliability of subsidised bus services. |
| Baseline: | 50% reliability of subsidised bus services. |
| Five-year target: | 80% reliability of subsidised bus services. |
| Outcome 6 | Increased Data-Centric Mobility in Gauteng by 2025 |
| Outcome Indicator: 1 | Transport Management Centre Operationalised. |
| Baseline: | Transport Centre Business Case and Plans finalised. |
| Five-year target: | Transport Management Centre Operationalised. |
| Outcome Indicator: 2 | Number of mobility card centric systems integrated into 1 Account Based Ticketing (ABT) system. |
| Baseline: | Gauteng On The Move APP Launched. |
| Five-year target: | 1 Account Based Ticketing (ABT) system integrated with all public transport modes operationalised. |
| Outcome 7 | Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025 |
| Outcome Indicator: | Average waiting times at Transport Service Centres. Average service times at Transport Service Centres. |
| Baseline: | None, will be conducted during the 2021/22 financial year. |
| Five-year target: | 15% reduction for Motor Vehicle Licence Renewal. 15% reduction for (Learner Licence and Driver Licence Application). 10% for (Driver Licence Renewal). 10% for PrDP Applications. 90 Days Public Transport Operator Licences. 20% Online Renewal of Driver and Motor Vehicle Licences. |
| Outcome 8 | Reduction of freight on the Gauteng road network by 2025 |
| Outcome Indicator: | Percentage of freight on roads. |
| Baseline: | 80% |
| Five-year target: | 78.5% |

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



4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

As part of being an accountable and transparent Department, the performance of the Department is monitored, measured and reported upon against its revised Annual Performance Plan 2021/22 both internally and externally to all stakeholders. The performance outputs and its respective indicators which align to its outcomes, is organized under four institutional programmes. This section outlines the progress achieved in each programme as outlined in the revised Annual Performance Plan 2021/22.

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.

Institutional Outcomes:

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

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

Outcomes, outputs, output indicators, targets and actual achievements

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

The following human resources management projects were executed:

Human Capital Development

A key intervention in the building strong institution Pillar of the Smart Mobility Plan 2030 is the building of organizational capacity to be effective. The Department remained agile in investing in the training and development of its human capital and organisational performance based issues despite the challenges imposed by the COVID-19 pandemic. Modernising and automation of systems and processes assisted in achieving the planned objectives.

Skills Training and Development

To capacitate the Department with the required skills, 418 employees were trained on various courses. Out of 418 employees, a total of 177 received e-Learning training interventions due to COVID-19 restrictions.

Furthermore, Zwartkop Training Centre provided 30 officials with theoretical and practical assessments.

Bursary programme

Bursary policies were reviewed and presented to the Labour Summit for recommendation. Amendments and corrections were effected by members of the Labour Summit. The Human Resource Development (HRD) Unit presented the amended policies to the Labour Standing Committee and the Executive Management Committee (EMC) for final recommendations before approval by the HoD. Once the policies are approved, the Department will place an advert to invite applications for bursary funding.

Performance Management and Development System

The Departmental Moderation Committee convened on 19 and 23 November 2021 for the moderation of employees on levels 2-12 and Senior Management Service (SMS) members on levels 13-14 respectively for the finalisation of the 2020/21 performance cycle. Approval was granted by the HoD for the payment of performance bonuses to qualifying employees on levels 2-12. The Department of Public Service and Administration (DPSA) implemented an automatic once-off pensionable salary adjustment of 1.5% in lieu of pay progression to all SMS members and employees on levels 2-12 for the 2020/21 performance cycle.

The Performance Management and Development System (PMDS) unit embarked on a grade progression process in 2021 and 24 employees qualified for grade progression according to DPSA criteria.

The Department in collaboration with Department of e-Government (e-Gov), introduced the Electronic Performance Management Development System (e-PMDS) to Senior Management to be implemented for the 2022-2023 performance cycle. Training sessions were held with the senior managers on the application of the system.

Women Training and Development in Transport

Twenty-six employees attended the Women in Engineering Conference to obtain CPD points.

Supporting Youth Development

A total of 176 youth were employed in various programmes in the Department.

COVID-19 Cadet Programme

A total 48 youth brigades have been recruited for a COVID-19 Compliance Programme within the Department.

Internship Programme

A total 72 interns were employed in the Department. Eight interns were placed in the Office of the MEC to assist with the drivers licence booking backlog and four interns are at the verification process. Sixty interns were recruited by various units for job skills training.

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

Automation of business process towards efficiencies

Information Communication Technology Management (ICTM) was embraced by the Department as a catalyst for delivery of services to the public. ICTM will enable online tracking, monitoring and reporting on Departmental programmes and projects. It will improve the response time to customer requests and complaints. The ICT landscape will promote transparency in the Departmental processes by disseminating government information to the public. To achieve the above, the following initiatives were implemented.



Gauteng digital platform

The Department, as part of its modernisation of service delivery initiative, developed a Maintenance and Construction Digital Platforms due to challenges experienced in the reporting of activities completed by the service providers or Departmental teams. The applications were developed using the CMore platform, which encourages instant data capturing and reporting. The below mentioned applications are on a live environment and in use.

The maintenance applications are made up of seven tools which will be reported on, are as follows:

- Grass Cutting - activities completed for the grass cutting work.
- Gravel Road Grading –kilometers completed on grading of gravel roads.
- Pothole –potholes patched as well as the volume of materials used during the work.
- Road Markings – work completed related to maintenance of road markings.
- Road Signs –road signs fixed or erected.
- Traffic Signs –work completed in relation to traffic signs.
- V-Drains – work completed on v-drains.

The Construction application is made up of one tool which will be used:

- Road Construction.

Modernisation and Digitisation of Information and Communication Technology

The Department is utilising ICT as a catalyst for the delivery of government services as derived in Department of Public Service and Administration's (DPSA's) Corporate Governance ICTM Policy Framework. One of the modernisation technologies being expanded to improve waiting and service times to citizens is the Queue Management System.

Queue Management System

Queue Management is the process of managing and optimising queues to improve end-user waiting times and team productivity. The Queue Management System (QMS) is fully functional in the following frontline service sites:

- Temba DLTC and MVRA.
- Kagiso DLTC.
- Mabopane DLTC and MVRA.
- 45 Commissioner TOLAB.
- Germiston TOLAB.

The Department will proceed with the installation of the QMS in the following service sites during the financial year, 2022/23:

- **Kliptown:** Due to the July 2021 riots, the system is still not functional. However, the relevant equipment has been procured and awaiting Facilities Management to resolve the power issues, thereafter, the QMS will be configured and installed.
- **Tshwane TOLAB:** The hardware was received but the system could not be configured due to renovations.

Furthermore, the Department is working on installing the QMS at Xavier DLTC and migrating the system from the DPSA system at the Maponya DLTC to the Departmental system in the financial year, 2022/23.

e-DRMS

The electronic retrieval, management and storage of documentation was implemented through the e-DRMS system to safeguard and enable easy access of information to employees and the public. The e-DRMS business processes have been developed and completed for the g-Fleet Management Entity and was deployed in the live environment. The Department has procured 14 scanners for back scanning and allocated these in various units to allow the commencement of capturing/scanning documents for uploading onto the system. To date, 35 cadets have been appointed and have commenced with the scanning of historical documents of the Department.

Project Online

Project Online has been deployed on the live environment. The project was launched on 2 March 2022. The system is currently customised as per Departmental requirements. All the Roads Branch project details have been captured on the system and user training is continuing. The system will be rolled out to all other branches in phases.

Knowledge Management Improvement

The Online Knowledge Management Forum seeks to provide a platform to share experiences, tools and information about the support and encouragement of the implementation of Knowledge Management (KM) practices in the Department, considering the “new normal” working environment and Fourth Industrial Revolution (4IR) initiative. In pursuing the above, the Departmental Knowledge Management Forum has been established, members were appointed and an introductory meeting held.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2021/22.

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|--|--|------------------------------------|------------------------------------|---|---|---|--|
| SUB-PROGRAMME: CORPORATE SUPPORT | | | | | | | | |
| Strong institutions supporting smart mobility in Gauteng. | One e-Service operationalised annually. | One e-Service operationalised annually. | - | 1 | One e-Service operationalised annually. | One e-Service operationalised (maintenance and construction digital platforms). | - | - |
| | Two research/surveys completed annually. | Number of research/surveys completed annually. | - | - | 2 | 1 | 1 | The Gauteng City Region Observatory (GCRO) completed the Quality-of-Life (QOL) Survey 6 which was launched in 2021 and included a dedication section on Transport in the province. The survey would have been a replication of the QOL Survey 6. |

Strategy to Overcome Areas of Underperformance

| Indicator | Proposed Intervention |
|--|--|
| Number of research/surveys completed annually. | The research survey to be completed in the next financial year, 2022/23. |

The Department has initiated the following Communication and Media events:

Media Liaison

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

| Media Activities | Quantity |
|-------------------------------|----------|
| Media Advisories | 37 |
| Media Statements/Key Messages | 46 |
| Interviews | 359 |
| Media Enquiries | 10 |
| Speeches | 152 |
| Stakeholder Engagements | 37 |

The Department undertook the following events during the period under review:

| Events | Quantity |
|---------------------------|----------|
| Smart Mobility Weekends | 40 |
| Vaccination Drive | 19 |
| Road Safety Campaigns | 7 |
| Request A SlotGP Campaign | 10 |
| Sod-Turning Ceremonies | 3 |
| Social Facilitation | 7 |
| Other | 40 |

COVID-19 Vaccination Programme

Keeping transport operators and commuters safe during the second year of the COVID-19 pandemic remained a critical concern. The Department joined forces with the Health Department and partnered with the transport industry to roll out the vaccination programme at various taxi ranks and freight stops. The Department mobilised the taxi industry and ward councillors for the taxi vaccination programme.

The following Pop-Up vaccination sites were mobilised:

- Roodepoort Taxi Rank.
- Esangweni Taxi Rank.
- Ivory Park Taxi Rank.
- Bosman Taxi Rank.
- Bree Taxi Rank.
- Protea Glen Shopping Mall.
- Florida Taxi Rank.



- Partnering with the Freight industry the Department set up Pop-up vaccination sites at various freight stops.
- Sasol Petrol Station on N12 East and West.
- Heidelberg Weighbridge.
- Petro Port N1.
- Imperial Cargo Solutions, Alrode.

Sod-Turning Ceremonies

The Department launched new road construction projects during the financial year. The sod-turning ceremonies included the official launch of the K73 and D483 road construction projects.

Road Safety Campaign

The Department is, amongst other responsibilities, mandated to assess road safety requirements and implement measures to provide education and promote safer utilisation of the road infrastructure. Scaling up efforts to reduce fatalities during the festive season, the Department partnered with law enforcement agencies and various other key stakeholders concentrating on road safety interventions. The multifaceted campaign included:

- Law-enforcement operations.
- Road safety awareness.
- Vaccination drive (registration & vaccination of public transport operators, commuters as part of Provincial Vaccination Drive).
- #RequestASlotGP Campaign (addressing backlogs on driving licence card renewals).
- Road Safety Campaigns conducted during the period under review:
 - October 2021: Golden Highway, City of Johannesburg.
 - 19 November 2021: N12 Fochville, Merafong Local Municipality.
 - 26 November 2021: Big Tree Mall, R573, City of Tshwane.
 - 03 December 2021: N4 Donkerhoek Weighbridge, City of Tshwane.
 - 03 December 2021: Denlyn Mall, Mamelodi. City of Tshwane.
 - N3 Weighbridge, Heidelberg.
 - R101 Border Gauteng, Limpopo and Northwest.
 - N1 South, Grasmere.
 - N1 North, Midrand.
 - N17, Devon.

Social Facilitation

Social facilitation involves the process of consulting or communicating with all affected stakeholders/communities when the Department implements any infrastructure projects, whether construction or maintenance. It seeks to facilitate the recruitment process (community beneficiaries) and ensuring equal access to skills development, job and economic opportunities. The following social facilitations were conducted for the following construction projects within the financial year:

- K101;
- K46;
- K73;
- D483; and
- P156.

The engagements have assisted in developing stronger community and stakeholder relationships and in addressing community issues related to infrastructure projects.

Public Meetings and Stakeholder Engagements

The Department understands the importance of building strong stakeholder relations and is focused on developing a collaborative approach with stakeholders to introduce and support new infrastructure projects in their communities. The Department held public meetings/stakeholder engagements to introduce the construction of Road K101 from Road D795 (Midrand) to the N1 (Brakfontein Road) project to the affected wards:

- 6 March 2022: Ward 77, City of Johannesburg.
- 19 March 2022: Ward 65, City of Tshwane.
- 26 March 2022: Ward 92, City of Johannesburg.

The K46 upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot/ N14 Phase 2. The road-construction cuts across four wards, namely, Wards 94, 95, 96 and 113 in the City of Johannesburg. For the period under review the following engagements/public meetings were held:

- 21 January 2022: Public meeting in with Ward 113 residents.
- 25 January 2022: Stakeholders Engagement at Site Camp.
- 28 January 2022: Public meeting with Ward 94 residents (Incubation Hub).

Ntirhisano Outreach Programme

The GPG-wide Pre/Post SOPA Ntirhisano Outreach Programme was implemented with the objective of engaging communities and implementation of programmes and projects at local level. The programme also aimed at informing communities about programmes and opportunities offered by government.

The programme focused on the following projects during the period under review:

- Road construction of new K73 (1.446 KM) between Montrose Road and K58 (Allandale Road), upgrading of 0.590km section of K71 (Woodmead Drive) through the intersection with new K73, upgrading of K58 (Allandale Road) (2.859 KM) between Harry Galaun Drive and K71 (Pitts Avenue) Rehabilitation of Road D483 between P6/1 (Bapsfontein) and D713 Cullinan Rainbow Junction.

Communities and stakeholders were also informed about the following projects:

- Tshwane Automotive City.
- K217 from K8 (R566) to K4 (Ruth first Road) Phase 1 road construction project.

Table 2.4.4.1:

The Table 2.4.4.1. below reflects ONLY the planned targets and actual achievements from the originally tabled Annual Performance Plan (APP) 2021/22 up until the date of re-tabling of the Revised APP 2021/22 in Quarter 3.

Outcomes, Outputs, Performance Indicators and Targets

| Programme Name: Administration | | | | | | | | | |
|---|---------------------|---------------------|------------------------------------|---|---|---|---|--|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 until date of re-tabling | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations | Reasons for Revisions to the Outputs/ Output Indicators/ Annual Targets |
| SUB-PROGRAMME: FINANCE | | | | | | | | | |
| Improved good governance and accountability in the management of state resources by 2025. | Clean Audit Report. | Clean Audit Report. | Unqualified Audit Report. | Financially unqualified audit opinion with 3 findings on compliance with laws and regulations and findings on Predetermined Objectives. | Financially unqualified audit opinion with 2 findings on compliance with laws and regulations and findings on Predetermined Objectives for 2020/21. | 0 | - | No target was set for Quarter 1 and 2. | The target was revised to improve the usefulness of the target. |

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2022, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year, 2021/22, but only for Quarters 1 & 2 (April to September 2021) of the financial year, 2021/22.

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2021/22.

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|---------------------|---------------------|------------------------------------|---|--|--|---|------------------------|
| Improved good governance and accountability in the management of state resources by 2025. | Clean Audit Report. | Clean Audit Report. | Unqualified Audit Report. | Financially unqualified audit opinion with 3 findings on compliance with laws and regulations and findings on Predetermined Objectives. | Financially unqualified audit opinion for financial year, 2020/21. | Financially unqualified audit opinion for financial year, 2020/21. | - | - |
| | | | SUB-PROGRAMME: FINANCE | | | | | |

Strategy to Overcome Areas of Underperformance

| Indicator | Proposed Intervention |
|-----------|-----------------------|
| - | - |

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

The following Supply Chain Management activities were executed:

Department's achievement with respect to township economy/SMME/Local procurement for the period under review

The procurement spend for financial year, 2021/22

| HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI) | VALUE IN RANDS | PERCENTAGE |
|--|----------------|------------|
| Township Economic Revitalisation (TER) | - | - |
| B-BBEE | 891,708,294 | 72% |
| Women | 213,578,971 | 17% |
| Youth | 140,314,496 | 11% |
| PwD | 7,068,968 | 1% |

Open Tender

| Number | Tender Reference Number | Project Description |
|--------|-------------------------|--|
| 1 | GDRT37/01/2020 | Construction of road K46 (P79/1) phase 2 between PWV 5 and N14 (P158/2) Diepsloot. |
| 2 | GDRT20/03/2019 | Rehabilitation of provincial road D483 between P6-1 (Bapsfontein) (km 0.00) and D713 (Cullinan) (km 27.85). |
| 3 | GDRT05/04/2019 | Supply and Application of Crack Sealing for a Period of three years in all five regions in the Gauteng Province. |
| 4 | GDRT28/08/2019 | Supply and delivery of Guardrails for a period of three years in all five regions in the Gauteng Province. |
| 5 | GDRT26/07/2019 | Construction of new K73 (1.446km) between Montrose Road and K58 (Allandale Road), upgrading of 0.590km section of K71 (Woodmead Drive) through the intersection with new K73, upgrading of K58 (Allandale Road) (2.859km) between Harry Galaun Drive and K71 (Pitts Avenue). |
| 6 | GDRT29/08/2019 | Appointment of a service provider to perform specialised traffic surveying on provincial roads in the Gauteng Province for a period of three years. |
| 7 | GDRT03/04/2019 | Supply of bitumen related products for a period of three years in the Department for the supply of cold and hot mix asphalt. |
| 8 | GDRT07/04/2019 | Supply and installation of bridge rails for a period of three years in all the five regions in Gauteng. |
| 9 | GDRT38/11/2019 | Construction of road K60 between Maxwell Drive and Allandale Road. |
| 10 | GDRT 11/08/2018 | The construction of road K101 from Road D795 (Midrand) to the N1 (Brakfontein Road) approximately 5.4km. |
| 11 | GDRT34/09/2019 | Professional consulting engineering services for the preliminary design and full environmental impact assessment of K54 phase 2 expressway from PWV 17 to K101, approximately 28km long for the duration of 36 months. |
| 12 | GDRT36/11/2019 | Construction of road P1-1 (R82) (K57) phase 2 from D1037 (Walkerville) to K164 (De Deur) - approximately 11.3km and road K164 between road D904 and road D905 approximately 4.1km. A total of approximately 15.4km. |
| 13 | GDRT03/09/2020 | The construction of Vaal River Interchange (K174/R42) with Vaal River City Link Road (1.37km) and the upgrading and construction of intersections on Ascot on Vaal Road. |
| 14 | GDRT02/09/2020 | The rehabilitation of road P122/1 from 8.4km (Olifantsfontein) to 17.8km (Solomon Mahlangu Drive) - approximately 9.4km. |
| 15 | GDRT41/02/2020 | Traffic signal maintenance, technology upgrades in all five regions in Gauteng. |
| 16 | GDRT04/04/2019 | Provision of grass cutting and tree felling in all five regions in Gauteng. |
| 17 | GDRT16/07/2019 | Appointment of a panel of service specialists for road infrastructure planning, design and supervision. |

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2021/22.

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|---|---|------------------------------------|------------------------------------|-------------------------------|----------------------------|---|--|
| SUB-PROGRAMME: SUPPLY CHAIN MANAGEMENT | | | | | | | | |
| Increased Socio-Economic Development in Broad-Based Black Economic Enterprises. | Procurement expenditure spend on targeted groups. | Percentage of discretionary expenditure awarded to Historically Disadvantaged Individuals (non-cumulative). | - | 108% | 80% | 59% | 21% | A significant percentage of the procurement spent emanates from a small number of non HDI multi-year infrastructure contracts whose appointments were made several years ago, and until the contracts have expired, they will impact on the HDI targets. (About R106 million paid to around 15 service providers with between 0-40% whose Black Owned portion was about R27 million (25%)). About R95 million was paid to around 67 service providers with 51%-100% Black Owned whose Black Owned portion was about R92 million (97%). |

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|---|---|------------------------------------|------------------------------------|-------------------------------|----------------------------|---|---|
| SUB-PROGRAMME: SUPPLY CHAIN MANAGEMENT | | | | | | | | |
| Increased Socio-Economic Development in Broad-Based Black Economic Enterprises. | Procurement expenditure spend on targeted groups. | Percentage of discretionary expenditure awarded to women (non-cumulative). | - | 38% | 40% | 24% | 16% | The significant percentage of the procurement spent emanates from a small number of non HDI multi-year infrastructure contracts whose appointments were made several years ago, and until the contracts have expired, they will impact on the HDI targets. (Around R165 million was paid to about 45 service providers with between 0-36% whose Women Owned portion was about R14 million (8%)). Around R36 million was paid to 33 service providers with 50%-100% Women Owned whose Women Owned portion was about R32 million (89%). |
| | | Percentage of discretionary expenditure awarded to youth (non-cumulative). | - | 25% | 10% | 14% | +4% | The additional 4% is due to more youth companies considered in Quarter 4. |
| | | Percentage of discretionary expenditure awarded to people with disabilities (non-cumulative). | - | 0,3% | 2% | 0.1% | 1.9% | The Department experienced a poor response from companies owned by people with disabilities. |

Strategy to Overcome Areas of Underperformance

| Indicator | Proposed Intervention |
|---|--|
| Percentage of discretionary expenditure awarded to Historically Disadvantaged Individuals (HDI's) (Non-cumulative). | The Department awarded about R3.777 billion worth of tenders in financial year, 2021/22 to predominantly Black Owned companies, whose expenditure in financial year, 2022/23 will start to impact on the HDI spending. Management is developing a framework to drive HDI procurement in line with infrastructure projects, to address challenges. An HDI champion was appointed to monitor the implementation of the HDI Framework from the beginning of financial year, 2022/23. |
| Percentage of discretionary expenditure awarded to women (non-cumulative). | Management is developing a framework to drive PwDs procurement in line with infrastructure projects, to address challenges. An HDI champion was appointed to monitor the implementation of HDI Framework from the beginning of financial year, 2022/23. |
| Percentage of discretionary expenditure awarded to people with disabilities (non-cumulative). | |

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

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

Reporting on the Institutional Response to the COVID-19 Pandemic

| Budget Programme | Intervention | Geographic location (province/district/local municipality) | No. of Beneficiaries | Disaggregation of Beneficiaries | Total budget allocation per intervention (R'000) | Budget spent per intervention | Contribution to the Outputs in the APP | Immediate outcomes |
|------------------|-------------------------|--|----------------------|---|--|-------------------------------|--|---|
| Programme 1 | C-19 Screening | Gauteng | 27 008 per month | Employees 11 063 Visitors 15 945 per month | Nil | Nil | Done to reduce the risk of exposure to COVID-19. | Increased employee health and wellness. |
| | Testing | Gauteng | 152 | 93 Females 59 Males | Nil | Nil | To minimise the risk of exposure and manage absenteeism. | |
| | Contact Tracing | Gauteng | 154 | 52 Males 102 Females | Nil | Nil | To minimise the risk of exposure and manage absenteeism. | |
| | Youth cadets | Gauteng | 35 | 27 Females 8 Males | R1,779,691.20 | R1,779,691.20 | To manage the risk and reduce exposure to COVID-19. | |
| | Induction and awareness | Gauteng | 74 | 35 Females 39 Males | Nil | Nil | To increase knowledge on managing COVID-19 in the workplace. | |
| | PPE distribution | Gauteng | 1 115 | | | R500,000 | | |
| | Policy development | | All employees | | Nil | Nil | | |
| | | | | | | | | |

Linking performance with budgets

Programme expenditure

| Administration | 2021/22 | | | 2020/21 | | |
|------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | | | | | |
| Office of the MEC | 13,195 | 12,154 | 1,041 | 11,135 | 10,678 | 457 |
| Management of the Department | 26,924 | 22,823 | 4,101 | 49,691 | 49,122 | 569 |
| Corporate Support | 337,324 | 323,454 | 13,870 | 270,915 | 252,016 | 18,899 |
| Departmental Strategy | 3,773 | 3,068 | 705 | 3,192 | 3,063 | 129 |
| Totals | 381,216 | 361,499 | 19,717 | 334,933 | 314,878 | 20,055 |

The Sub-programmes within this Programme are administrative in nature; therefore, allocations are funded from the equitable share portion of the Departmental allocation. The under spending within this Programme is as a result of delays in implementing the organisational structure review.



4.2 Programme 2: Transport Infrastructure

Purpose

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

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

List of Sub-programmes

- Infrastructure Planning.
- Infrastructure Design.
- Construction.
- Maintenance.

Institutional Outcomes:

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

Outcomes, outputs, output indicators, targets and actual achievements

Outcome 3: Improved Gauteng provincial road network by 2025

SUB-PROGRAMME: INFRASTRUCTURE DESIGN

Road Designs completed this financial year (2021/22)

Eastern/Southern Corridors

- **Bridge Management System: BMS 3 (8 bridges)**

The road infrastructure comprises several components such as bridge over rivers and other structures. Due to the continuous traffic impact on the structures, the condition of bridges deteriorates over time and requires rehabilitation to ensure safety standards are maintained. The identified bridges in the Vereeniging and Benoni regions will improve safety and support strategic economic development projects like the Vaal River City, Aerotropolis and Tambo Springs Freight Hub.

Completed Bridges

| Annual Planned Target | Comments |
|-----------------------|--|
| Bridge No. B4585 | Demolish existing structure and construct new bridge. |
| Bridge No. B843A | Rehabilitation design of damaged beams. |
| Bridge No. B843B | Rehabilitation design of damaged beams. |
| Bridge No. C0984 | Demolish existing structure and construct new bridge. |
| Bridge No. 1138 | Guardrails and parapets to be replaced. Embankments are to be protected and gabion mattresses to be replaced. Concrete repair work to be undertaken on cracked and damaged abutments. |
| Bridge No. B743 | Edge protection will be undertaken for vehicles travelling over the culvert. The expansion joints will be repaired. One wing wall will be demolished and reconstructed, and minor concrete repair work is required on the structure. |
| Bridge No. B3691 | Rehabilitation design of damaged beams. |
| Bridge No. B483 | The bridge will have guardrails reinstated. Concrete repair work to be done on cracked and damaged elements. Road will be resurfaced. |

Multi-year Projects in financial year, 2021/22

BUILDING OF A NEW FREEWAY – PWV15

PWV15 is a 35.5km dual carriageway road located east of the OR Tambo International Airport in the Ekurhuleni Metropolitan Municipality. The purpose of the project is to provide a link between Pomona via the new cargo terminal, new passenger terminal at OR Tambo International Airport via the Green Reef Development and the Tambo Springs Freight Hub to reduce congestion on some of the freeways in the province (e.g., Geldenhys-Gilloly's). The preliminary design for PWV15 was previously completed.

The project will be completed in three phases due to the development changes in land use, environmental impacts and the amendment of the Ekurhuleni Master Plan. The Department liaised with the Gauteng Infrastructure Finance Agency (GIFA) to explore a possible Public Private Partnerships (PPP) to assist in funding the project, completing the design for all phases and the construction of the 35.4km freeway. GIFA established a Bid Specification Committee (BSC) consisting of representatives of GIFA, the GGDRT and South African National Road Agency Limited (SANRAL). Advertisement for the appointment of a Transaction Advisor will continue in the financial year, 2022/23.

Southern Corridor

- **R59 Pedestrian Bridge construction (Ntirhisano Project)**

The pedestrian bridge on R59 will be a new construction located in the Meyerton area in the Sedibeng District Municipality. The bridge was identified by the Ntirhisano Programme to provide safety to community members when crossing the R59 Road.

The approval of the conceptual and detail design of the bridge was delayed due to the objections raised by the property owner on portion 25 of 79. The Department is liaising with the property owner to identify mitigations which will be acceptable to all stakeholders.



K43 (P219) from K142 to K122 approximately 6.24km

Road K43 Phase 1 is a portion of the North South Corridor of K43 alignment. Phase 1 of the road will be constructed to develop the Gauteng Strategic Road Network (GSRN). The road alignment is planned to provide the link between the areas of Lenasia, Eldorado Park and Walter Sisulu Square (Kliptown). The upgrade and new construction is aimed at alleviating traffic congestion and improving mobility leading to reduced emissions and travel times. Plans (layout, long section and line) were submitted for reviewing. The completion of the road design were delayed due to the Professional Service Provider (PSP) being unable to access the bridge to commence with drilling due to heavy rains. The heavy rains resulted in high water levels which hindered the commencement of the drilling.

Multi-year projects completing in the financial year, 2022/23

| Road Description | Corridor | Progress |
|---|--------------------------|---|
| K217 from K8 (R566) to K4 (Ruth First Road) Phase 1. | Northern Corridor | The Department is in the process of finalising compensations to property owners. |
| D2150 from P73/1 (Golden Highway) and Link Road Transport Corridor. | Central Corridor | The project was finalised for advertisement and is awaiting the finalisation of the panel for PSP. |
| D2204: Construction of road D2204 over rail. | | The project was advertised and awaiting the final Probity Auditor (PA) and the Bid Evaluation Committee (BEC) Report. |
| P66/1/ (K71 Phase 3) – between road P71/1 and road D795) links Kyalami in Midrand and Noordwyk R562. | | The project was finalised for advertisement and is awaiting the finalisation of the panel for PSP. |
| P241/1 from K15 (R558) to K11 (R28) Bekkersdal approximately 19km. | Western Corridor | The project is at evaluation stage which commenced on 1 April 2022. |

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2021/22.

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|--|------------------------------|------------------------------------|------------------------------------|--|----------------------------|---|--|
| SUB-PROGRAMME: INFRASTRUCTURE DESIGN | | | | | | | | |
| Improved Gauteng provincial road network by 2025. | Road infrastructure designs completed. | Number of designs completed. | 0 | 2 designs completed. | 10 designs completed. Bridge Management System; BMS 3. 8 bridge designs for repairs and maintenance of bridges in the Benoni (5 bridges) and Vereeniging (5 bridges) regions. New pedestrian bridge design - R59 pedestrian bridge construction (Ntirhisano Project). K43 (P219) from K142 to K122 approximately 6.24km. | 8 designs | 2 designs | R59: The property owner on portion 25 of 79 raised objections to the proposed bridge resulting in the completion of the design being delayed. K43: The Professional Service Provider was unable to access the bridge to commence with the drilling due to heavy rains. The heavy rains resulted in high water levels which hindered the commencement of the drilling. |



Strategy to Overcome Areas of Underperformance

| Indicator | Proposed Intervention |
|------------------------------|--|
| Number of designs completed. | <p>R59: The Department is liaising with the property owner to identify an acceptable mitigation plan. The bridge design will be completed in the financial year, 2022/23.</p> <p>K43: The water levels have decreased and the drilling has commenced to allow the detailed designs to be completed in the financial year, 2022/23.</p> |

The Department has upgraded the following surfaced roads:

SUB-PROGRAMME: CONSTRUCTION

Ongoing projects in the financial year, 2021/22

Surfaced Roads Upgraded

Northern corridor

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

The project involves the doubling of 9km of an existing single carriageway with the aim of increasing capacity, safety and accessibility for existing and future developments along the K69. The road connects the Pretoria Central Business District (CBD) and other areas of economic activity to Pretoria East (Mamelodi). It also carries a significant volume of traffic (significant mix of pedestrians, cyclists and motorists, alike) for work purposes to Pretoria. The project is 57% completed. The construction is ongoing and the contractor is busy with layer works. Due to delays relating to encroachment of the road reserve, the project could not be achieved in this financial year. It will be completed in the financial year, 2022/23.

Surfaced Roads Upgraded

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

Multi-year projects to be completed in the financial year, 2022/23

| Road Description | Corridor | Progress |
|--|--------------------------|---|
| K54: Mamelodi (Tsamaya Road) to R104 Pretoria Bronkhorstspuit Road. | Northern corridor | The project is at 76% completion. |
| Upgrading of Road K148: Intersection with N3. | Eastern Corridor | The contract was terminated by the Department and the contractor due to the protracted encroachment of 1 000 illegal dwellings on the road reserve resulting in the road reserve being unavailable for construction. |
| Vaal River City Interchange. | Southern Corridor | The project was awarded to a successful bidder. A letter of appointment was not issued by the Department due to the court interdict on the project award. The project is on hold until legal issues have been resolved. |
| K31 access to Green Gate Development: Reconstruction and upgrade of the M5 Beyers Naude Road. | | The letter of award was issued to the contractor. The project will commence in the financial year, 2022/23. |
| Upgrading of K73 between Woodmead Drive and Allandale Road (D58) Mushroom Farm. | | The Bid Acquisition Committee (BAC) has recommended the project for award to the successful bidder during the public adjudication meeting. The project will commence in the financial year, 2022/23. |

| Road Description | Corridor | Progress |
|--|-------------------------|--|
| K46 (P79): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot/ N14 Phase 2. | Central Corridor | The contractor has completed 70% of site establishment and re-establishment of the missing survey benchmarks, which must be approved by the PSP. |

Multi-year projects to be completed in the financial year, 2023-2025

| Road Description | Corridor | Progress |
|--|--------------------------------------|---|
| K60 Waterfall City: Construction of new link between R55 Woodmead Drive and Allandale Road, | Central and Eastern Corridors | The Department received the application for a court interdict to stop the commencement of work and set aside the appointment of successful bidder. The Department is awaiting the resolution of the legal matter. |
| Upgrade of K101 from D795 Olifantsfontein to N1 Brakfontein. | Central Corridors | Construction has commenced and the contractor is busy with site establishment. |
| Construction of New K56 between K46 (William Nicol Drive) and P79/1(Main RD) as well as the extension of Erling Rd between Dorothy Rd and K56. | | The Department received the application for a court interdict to stop the commencement work and set aside the appointment of the successful bidder. The Department is awaiting resolution of the legal matter. |
| Upgrading of K15 (D524) (R558) Adcock Street between Dobsonville (K102) (Main Street) and Protea Glen (Wild Chestnut Street): Doubling of the road. | | The project is at advertising stage in the procurement process. |
| K14 between Cullinan and Rayton Road (D483). | Northern Corridor | The Department is awaiting designs from the developers and will also finalise the Memorandum of Agreement (MoA) with Petra Mines. |
| R82 phase 3 (between D1073 (Walkerville) and K164 (De Deur). | Southern Corridor | The letter of award was issued to the contractor. The consultant is in the process of applying for the labour work permit for construction to commence. |

- **Construction of new Sebokeng DLTC and TOLAB**

A new integrated Transport Service Centre (Including Driver Learner Testing Centre and TOLAB services) will be established in the Sebokeng Township Zone 10 Extension. The Centre aims to bring services closer to previously marginalised townships, boosting the local economy and creating job opportunities for the people of Sebokeng and surrounding areas within the Emfuleni Local Municipality.

The new DLTC will improve accessibility to licence services for the community. It will serve as a prototype model for all new DLTCs to be established in the future. The building will be functional for both DLTC and Motor Vehicle Registration Authority (MVRA) functions, including a new Vehicle Testing Station (VTS) for issuing of roadworthy certificates.

The TOLAB will service public transport operators within the Sebokeng and surrounding areas. The building will be established within the DLTC precinct to create a one-stop shop facility. The Department is finalising specification requirements for the appointment of PSPs from the panel of service providers.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2021/22.

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|--|--|------------------------------------|------------------------------------|--|----------------------------|---|--|
| SUB-PROGRAMME: CONSTRUCTION | | | | | | | | |
| Improved Gauteng provincial road network by 2025. | Surfaced roads upgraded for increased capacity. | Number of m ² of surfaced roads upgraded. | - | - | 200, 200.00m ² K69 Mamelodi | 0 | 200, 200.00m ² K69 Mamelodi | The 200, 200.00m ² could not be realised due to the City of Tshwane not relocating the encroachments on the road reserve, resulting in the project not being completed. |
| | EPWP jobs created through infrastructure projects. | Number of construction jobs created through the implementation of EPWP principles. | 62 | 15 | 270 | 136 | 134 | The outstanding job opportunities could not be achieved due to court interdicts delaying the commencement of planned projects (K148, K56, K60) and community stoppages (K46). |

Strategy to Overcome Areas of Underperformance

| Indicator | Proposed Intervention |
|--|---|
| Number of m ² of surfaced roads upgraded. | City of Tshwane to complete the relocation of the encroachment to facilitate the completion of the project. |
| Number of construction jobs created through the implementation of EPWP principles. | More jobs will be created during the financial year 2022/23 upon the resolutions of the court interdicts and continued social facilitation with communities to resolve challenges identified. |

The Department has executed the following road maintenance projects:

Provincial Road Maintenance Grant

The National Department of Transport (NDoT) allocated **R767,135 million** for the Provincial Road Maintenance Grant (PRMG) to alleviate the backlog of road maintenance. Based on Section 18 of Division of Revenue Act, 2021 (Act No. 9 of 2021), as amended, the allocation was adjusted by **R51,773 million** resulting in the revised annual amount of **R715,362 million**. This was due to the delay in the procurement of the outsourced maintenance tenders. Various activities and functions implemented includes reseal, potholes patching and re-gravelling. The annual expenditure was **R657,985 million** which is **92%** of the annual adjusted allocation.

Periodic Assessment of the Provincial Roads

The Department experienced a delay with the procurement for the visual conditioning assessment tender and anticipates appointing a service provider in the next financial year, 2022/23 to complete the assessments.

Routine Maintenance

The Provincial Road network has been classified in the Road Infrastructure Strategic Framework for South Africa (RISFSA) Classification models with classes ranging from 1 to 6. The roads for classes 1-3 are maintained through outsourced maintenance programme whereas classes 4-6 are maintained through in-house teams. The provincial roads network consists of **5,638km** of roads (**4,248.44km** surfaced and **1,389.10km**). Sixty-five percent is implemented through outsourced maintenance whereas **35%** is completed in-house.

Periodic Road Maintenance

The Department appointed service providers for the supply of material as part of supporting the Maintenance programme. The material term contracts awarded included supply of bridge rails, supply of G-materials, application of crack sealing, grass cutting, supply of guard rails and supply of bitumen products.

Smart Mobility Weekends

Smart Mobility Weekends campaign aims to ensure that all public roads in the province are maintained to acceptable standards, are safe and allow for smart, easy movement of goods and people as part of the Department's strategy of Growing Gauteng Together through Smart Mobility. Public roads in the following municipalities were maintained in the period under review:

- Sedibeng District Municipality (Emfuleni and Midvaal).
- West Rand District Municipality (Mogale, Westonaria and RandWest).
- City of Ekurhuleni (Kempton Park, Tembisa, Germiston, Benoni, Springs, Tsakane, Duduza, Geluksdal, Vosloorus, Thokoza, Brakpan and Etwatwa).
- City of Tshwane (Bronkhorstspuit, Zithobeni, Enkangala, Hamanskraal, Temba and MAWIGA Mabopane, Winterveldt, Garankuwa, Mamelodi, Mamelodi East, Olievenhoutbosch and Soshanguve).
- Lesedi Local Municipality (Heidelberg and Devon).
- City of Johannesburg (Westbury, Golden Highway).



The success of the campaign has resulted in improved road conditions and ease of mobility for the local communities and will continue into the next financial year.

Road Rehabilitation

Ongoing Projects in financial year, 2021/22

Central Corridor

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

Road P241/1 serves as one of two main link roads between Johannesburg and Lenasia, which forms part of Central Corridor. The section of road commences at roads P1/1 (R82) intersection and ends at the municipal boundary, just past the M10 in Lenasia. P241/1 (R554) is a pavement rehabilitation project and has no upgrade of structure nor widening of carriageway, although most of its gravel shoulders will require re-gravelling. The project is at 96.5% completion. Inclement weather and community protests delayed the project.

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

The road forms part of the Central and Western Corridors. The project involves rehabilitation of 14.45kms of road P39/1 between Diepsloot and Muldersdrift in the West Rand. The rehabilitation of road P39/1 will increase structural capacity and safety on the road through the reconstruction of the gravel shoulders. The project is 90% completed and it is anticipated to be opened to traffic in June 2022.

Southern Corridor

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

P156/3 is in Vanderbijlpark, Emfuleni Local Municipality and forms part of the Southern Corridor. The project involves rehabilitation of 5.8km which will include sidewalks. The road will maintain current and enhance future economic activities around Vereeniging/Vanderbijlpark. The project is 91% completed, and the contractor is busy with surfacing. The weather conditions (excessive rainfall) delayed construction activities and completion of the project during the financial year 2021/22. The project will be completed in June 2022.

Northern Corridor

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

The project entails the rehabilitation of road D483 between P6/1 Bapsfontien and D713 Cullinan. The road predominantly serves as a class 2 road with the aim of serving users between the various small towns in the area (Bapsfontein, Bronkhorstspuit and Cullinan), in the North of Gauteng just West of Pretoria. The project is 27% completed.

Multi-year Projects rehabilitation commenced

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

| Road Description | Corridor | Progress |
|--|--------------------------|--|
| Rehabilitation of P122/1 from P36/1 (R10) Solomon Mahlangu Drive Olifantsfontein. | Northern Corridor | The project was awarded and construction to commence in the financial year, 2022/23. |
| K175: Rehabilitation of the road from N4/2 to D670 (8.1km). | | The project is at advertising stage in the procurement process. |

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2021/22.

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|--|--|------------------------------------|------------------------------------|--|----------------------------|--|--|
| SUB-PROGRAMME: MAINTENANCE | | | | | | | | |
| Improved Gauteng provincial road network by 2025. | Provincial network surfaced roads rehabilitated for safety and capacity. | Number of m ² of surfaced roads rehabilitated. | 579,800.00m ² | 134,563.00m ² | 310,114.00m² P39 172,400.00m ² | 0 | 310,114.00m² P39 172,400.00m ² | The completion of the P39, P241 and P156 rehabilitation could not be realised due to the suspension of works, inclement weather challenges and community protests, respectively. |
| | Provincial surfaced roads resealed for preservation. | Number of m ² of surfaced roads resealed. | 132,507.72m ² | 366,520.93m ² | P241 94,720.00m ² | 122,000.00m ² | - | - |
| | Provincial network roads blacktop patching. | Number of m ² of blacktop patched. | 85,552.92m ² | 129,708.95 m ² | P156 42,994.00m ² | 133,805.46 | +7,805.46 | P24/1 required more pothole patching to address the road safety aspect. |
| | EPWP Rehabilitation Job opportunities created. | Number of EPWP Rehabilitation Job opportunities created. | 180 | 31 | 120 | 173 | +53 | More jobs were created as per the extension of time granted on P241 and P156 for completion of projects. |
| | EPWP Preventative Maintenance Job opportunities created. | Number of EPWP Preventative Maintenance Job opportunities created. | 3 884 | 3 825 | 4 200 | 3 049 | 1 151 | 1 151 jobs opportunities were not created due to procurement process delays in the awarding of the Outsourced Routine Maintenance tenders. |



Strategy to Overcome Areas of Underperformance

| Indicator | Proposed Intervention |
|--|--|
| Number of m ² of surfaced roads rehabilitated. | The Department imposed penalties for late completion of the projects. The project will be completed in the next financial year, 2022/23. |
| Number of EPWP Preventative Maintenance Job opportunities created. | The outstanding jobs will be created through the awarding of the Outsourced Routine Maintenance tenders in the financial year, 2022/23. |

Outcome 4: Strong Institutions supporting smart mobility in Gauteng.

The Department has compiled the following Policy Planning documents:

Transport Authority for Gauteng

One of the major strategic interventions of the 25-Year Integrated Transport Master Plan (ITMP25) is the establishment of the Gauteng Transport Authority (GTA). The Transport Authority will align the fragmented and conflicting interests of multiple transport authorities, each with separate funding mandates.

The Authority seeks to transform the current fragmentation of public transport governance and the management of institutions into coordinated transport planning. The Authority is also aimed at supporting the Gauteng Global City Region Strategy as planning for the transport sector will be focused in a cohesive manner. The Department has made major strides in the establishment of the GTA with the policy framework for a single Transport Authority and the Gauteng Transport Authority Bill signed by the Premier in 2019. The establishment and the operationalisation of the TAG was implemented in financial year, 2021/22 with the appointment of the TAG Board. Engagements between TAG and the Department are continuing towards the alignment of functions.

Review of the 25-Year Integrated Transport Master Plan and Provincial Land Transport Framework

The Gauteng Integrated Transport Master Plan (ITMP25) approved in 2013 is in process to be reviewed due to the Gautrain Extension Study (Gautrain II) that needs to be included as well as the latest Gauteng Household Travel Survey data. Consequently, the provincial-wide transport model needs to be updated to support any transport study being conducted. This will include the intervention of the smart mobility through the integrated public transport system for the Gauteng Smart City Region priority outcome improvement plan.

A Five-Year Plan is required for short-term planning and implementation of transport initiatives in the province and therefore a revision of the original Gauteng Five-Year Transport Implementation Plan (GTIP5) will be completed. However, it will be in the legislated required format of the Provincial Land Transport Framework (PLTF) for 2020–2024 and once approved, it will enable TAG to develop a Strategic Transport Plan and an Integrated Implementation Plan.

The TAG has been requested to review the ITMP25 and to develop a new five-year PLTF. Although TAG through the Gautrain Management Authority (GMA) will lead the PLTF/ITMP25 review process, the Department will contribute from a transport planning integration perspective to ensure that all provincial and municipal transport planning initiatives are captured in the PLTF and ITMP25 review as far as possible.

The PLTF tender was awarded. A commencement meeting was held with the service provider in January 2022 and the Service Level Agreement (SLA) was finalised. The project was delayed due to procurement processes which took longer than anticipated. The project will be completed in the next financial year, 2022/23. The Terms of Reference for the review of the ITMP25 was finalised and the Bid Specification Committee process completed.

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

The Department completed the field data collection for the 2019/20 Household Travel Survey in March 2020 before the commencement of the National State of Disaster which was declared in terms of the Disaster Management Act, which became effective from 27 March 2020.

The regulations promulgated in line with the State of Disaster included imposition of travel restrictions as well as the closure of schools, and minimisation of “non-essential” travel. Loading of public transport vehicles was also restricted. A risk-based relaxation of nationwide lockdown regulations was implemented over time, from Alert Level 5 (intensive restrictions) to Level 1 (minimal restrictions). Ordinarily, each alert level affected household travel differently. Fundamentally, travel behaviour of households in the province may have been significantly altered, temporarily and permanently.

Due to the consequential changes in the travel behaviour the Department sought to carry out a supplementary Household Travel Survey which is reflective of the impact of the COVID-19 pandemic. The Supplementary Household Survey is intended to measure the extent to which travel behaviour has changed during the Nationwide State of Disaster Lockdown Regulations and the different alert levels, relative to the 2019/20 survey baseline and how these travel choices and patterns are likely to change mobility into the future.

A pilot survey was carried out and completed to evaluate the survey instrument and to identify the necessary adjustments required on the questionnaire. The main full survey commenced on 23 March 2022 in all regions, and will be completed in the financial year, 2022/23.

Feasibility of BRT Integration between Cities of Ekurhuleni and Johannesburg

The Department investigated possible options for an Inter-Municipal Bus Rapid Transport (BRT) integration service concept in the province. The 2017/18 inter-municipal travel patterns investigation report revealed that the East-West corridor between the cities of Ekurhuleni and Johannesburg appears the most suitable for a starter service, given the relatively large volumes of passenger trips and proximity of BRT services in neighbouring municipalities. However, the investigation pointed out that having a relatively large travel demand does not imply that any BRT service implemented in the corridor will necessarily be viable.

The current investigation, therefore, sought to establish the feasibility of such an inter-municipal BRT service. The draft feasibility and service design are complete and the focus in the financial year, 2021/22 was on consultations with the relevant municipalities on the proposed BRT integrated service design concept between the Cities of Ekurhuleni and Johannesburg.

A draft Memorandum of Understanding (MoU) was compiled as an outcome of the meetings held with the Cities to prepare for further engagements with Council structures.

Integrated Transport Services Centre

The Department developed a Master Plan for Integrated Transport Services Centre (ITSC) in the financial year, 2017/18 to address challenges in the planning, construction and management of these transport services centres. The ITSC, “a one stop shop” concept includes facilities which 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). Among other things, the Master Plan recommended design and functional principles for 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, sought to develop a prototype 3D model architectural design of the facility. However, detailed designs for the pilot site are still to be finalised due to the delays in finalising a suitable site for the ITSC. The Department has been in consultation with the City of Tshwane to identify an alternate suitable site for the ITSC development as the previous identified land was not approved.



A suitable site was finally identified. Sketch plans for the site have been submitted to the Property division of the city and a letter of request for acquisition of land sent to the Property Group Head. The application for land request is being circulated within the city's internal departments for comments prior to preparation for Council approval.

Green Logistics Indicators (GLIX Smart Freight Corridor development)

In 2016, the Department signed a Joint Declaration of Intent with the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety to co-create solutions for the movement of freight in Gauteng. This resulted in the building of a Green Logistics Indicator System (GLIX) to measure efficiencies in the freight system and progress made to make the system better.

The Green Logistics Indicator System has the capability to measure the efficiency, reliability and sustainability of the freight logistics movements and seeks to increase economic growth and competitiveness at every node of the freight value chain. The project mapped out the freight value chain in Gauteng as part of GLIX I and GLIX II phases. It seeks to further map out efficiencies to other provinces where freight originates to improve the movement of freight in what will be called GLIX III Smart Freight Corridors.

To achieve the above strategies and the next phase of GLIX (GLIX III), the GGDRT engaged the KwaZulu-Natal (KZN) Department of Transport, Community Safety and Liaison seeking to build a strong partnership on developing the freight corridor between Gauteng and KZN. The engagements culminated in a partnership which resolved to explore collaboration on the development of a Smart Corridor between KZN and Gauteng.

The Department continues to strengthen the partnership with the KZN Department of Transport, Transnet and the German Federal Ministry of Environment represented by GESI and NEXUS to collaborate on the development of a Road Map for a Smart Corridor solution between KZN and Gauteng. Engagements continued with the German team on the development of a Smart Corridor and the concept of securing and restoring the N3 Corridor whilst a draft Corridor Roadmap was finalised.

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

One of the main interventions proposed in the Smart Mobility Plan 2030 is the mapping and digitisation of the minibus taxi industry as a mechanism towards a modernised and transformed industry. The Department commissioned the Council for Scientific and Industrial Research (CSIR) to undertake the primary data collection exercise relating to minibus taxi facilities and ranks operated by registered taxi associations in Gauteng, as well as to support the Department in the analysis and reporting of this information.

The proposed minibus taxi facilities survey is primarily required for strategic transport planning purposes as part of the legislated requirement of authorities to maintain adequate records keeping practices that aid the development of operational designs of transport infrastructure and services and decision-making processes. The project will be implemented in two phases, as follows:

- Phase 1 entails the survey of minibus taxi facilities in the province.
- Phase 2 is an investigation into an appropriate network hierarchy and associated infrastructure necessary to support safe, effective and efficient minibus taxi operations in the province.

In the year under review, surveys for mapping of taxi facilities were executed for the West Rand, Sedibeng, Tshwane and Ekurhuleni regions.

The analysis of the surveyed datasets was undertaken, and a draft report chart generated. Engagements with the Taxi industry in the Johannesburg region was delayed. However, a consultation session with relevant stakeholders in March 2022 paved the way for Johannesburg field survey activities to commence.

Route Determinations

The Gauteng Road Network is the most important infrastructure asset in the province which underpins and supports local economic growth resulting in the creation of job opportunities within the identified corridors (inclusive of freight corridors supporting freight hubs) and nodes.

Route Determination focuses on refining and amending the provincial road network for the province to ensure alignment to the Gauteng Spatial Development Framework. These routes will provide future support to land use development especially the establishment of mega settlements, the OR Tambo International Airport (ORTIA), Aerotropolis and Freight Hubs.

Nineteen routes were identified for Route Determination to be conducted over the Medium-Term Expenditure Framework (MTEF) for amendments to include support for road freight hubs. The procurement process is at a planning/initiation phase. The verification of these route extents, legal status and grouping were concluded. Proposed amendments to the Standard Operating Procedure (SOP) as informed by the proposed amendments to Section 6 of the Gauteng Transport Infrastructure Act (GTIA) have been concluded and is awaiting approval. Four draft Business Case reports have been completed and were approved.

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

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

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

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

The data collection process is ongoing from the metro municipalities to obtain necessary datasets for scenario development (these include housing projects, mega projects, transport expansions, urban edge, priority areas, etc.).

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

Continuous updates are made to the metro model based on the scenarios developed with the cities. The CSIR is working through the various datasets and documents of the municipalities to create datasets required to set up scenarios in the cloud platform and capturing all the development projects and transport network expansions.

Regarding the GTFS format, a process to convert subsidised busses data is on-going and the service provider has collected data from several operators. Ongoing engagements with other operators are in progress.



Efficient Freight and Logistics Hubs

• Tambo Springs Intermodal Gateway Development

The Tambo Springs Freight and Logistics Intermodal Hub has been identified to address the need to expand container capacity within Gauteng and optimise the migration of containerised cargo from road to rail. The Tambo-Springs site is in the Southern parts of Johannesburg, within the Johannesburg/ Durban Road Freight and Rail Corridor. The site has access to important road networks including the N3 freeway to Durban; the N1 to Cape Town; the R390 to Port Elizabeth and East London, as well as to the industrial centres in Johannesburg and Ekurhuleni.

The coordination of investment activities between Transnet, the Gauteng Province, City of Ekurhuleni and the South African National Roads Agency remain crucial in the provision of required roads and bulk infrastructure. As such, a multi-disciplinary Steering Committee was established, led by the Department of Roads and Transport to ensure that all relevant project management issues are addressed to support the effective implementation of the project. To date significant progress has been made in the design of the road network:

- The primary link to the proposed Tambo Springs Logistics Gateway from the N3 includes the planned K148/N3 Interchange.
- Designs for K148/N3 interchange which is the primary link to Tambo Springs Logistics Gateway are complete.

The construction of the K148 interchange is on hold due to a pending court interdict.

The Department continued to monitor progress in the implementation of infrastructure necessary for the establishment of the Tambo Springs Hub in the financial year, 2021/22.

• Pyramid Freight Hub

Pyramid is a super terminal located in the Northern parts of Tshwane, on the Hammanskraal/Zimbabwe Rail line with access to the N1 freeway to Polokwane. This Freight Hub is projected to handle freight moving in and out of the Tshwane region. It will address the current capacity constraints at existing terminals (Pretcon, Roscon, etc.) by increasing container, automotive and pallet handling capacity beyond 2043 in the Pretoria region.

The Department continued to monitor progress in the implementation of infrastructure necessary for the establishment of the Pyramid Hub in the financial year, 2021/22.

Table 2.4.4.1:

The Table 2.4.4.1. below reflects ONLY the Planned Targets and Actual achievements from the originally tabled Annual Performance Plan (APP) 2021/22 up until the date of re-tabling of the Revised APP 2021/22 in Quarter 3.

| Programme/Sub-programme: Transport Infrastructure | | | | | | | | | |
|---|---|---|---|------------------------------------|-------------------------------|---|---|---|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 until date of re-tabling | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations | Reasons for Revisions to the Outputs/Output Indicators/Annual Targets |
| SUB-PROGRAMME: INFRASTRUCTURE PLANNING | | | | | | | | | |
| Reduction of freight on the Gauteng road network by 2025. | Freight Travel Demand Management Plan developed. | Freight Travel Demand Management study completed. | - | - | - | - | - | - | The Output, Output Indicator and Target revised as per the audit recommendation of the Auditor-General during the re-tabling of the APP. |
| Strong institutions supporting smart mobility in Gauteng. | Smart Mobility Transport Planning studies completed. | Number of Transport Planning studies completed. | 2 (Mapping of Taxi Routes study, BRT Integration study). | 1 (GHTS report completed). | 1 New PLTF compiled. | 0 | 0 | No target was planned for Quarters 1 and 2. | Annual target was revised to improve the usefulness of the target. |
| Improved Gauteng provincial road network by 2025. | Gauteng Gravel Roads Visual Assessment report completed as per the applicable TMH manual. | Number of kilometres of gravelroad visually assessed as per the TMH manual. | 0 | 0 | 1 359km | 0 | 0 | No target was planned for Quarters 1 and 2. | The indicator was revised to improve the usefulness of the target. |

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2022, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year, 2021/22, but only for Quarters 1 & 2 (April to September 2021) of the financial year, 2021/22.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2021/22.

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|---|--|---|------------------------------------|-------------------------------|----------------------------|---|---|
| SUB-PROGRAMME: INFRASTRUCTURE PLANNING | | | | | | | | |
| Strong institutions supporting smart mobility in Gauteng. | Smart Mobility Transport Planning studies completed . | Number of Transport Planning studies completed. | 2 (Mapping of Taxi Routes study, BRT Integration study). | 1 (GHTS report completed). | 1 New PLTF completed. | 0 | 1 New PLTF completed. | The procurement process took longer than anticipated due to the bid which had to be re-evaluated to address concerns from the Probity Auditors. |
| Improved Gauteng provincial road network by 2025. | Gauteng Surfaced Roads Visual Assessment report completed as per the applicable TMH manual. | Number of kilometres of surfaced roads visually assessed as per the applicable TMH manual. | 0 | 0 | 4,571km | 0 | 4,571km | The procurement processes took longer than anticipated due to limited capacity within the Supply Chain Management unit. |
| | Gauteng Gravel Roads Visual Assessment report completed as per the applicable TMH manual. | Number of kilometres of gravelled road visually assessed as per the applicable TMH manual. | 0 | 0 | 1,359km | 0 | 1,359km | The procurement processes took longer than anticipated due to limited capacity within the Supply Chain Management unit. |

Strategy to Overcome Areas of Underperformance

| Indicator | Proposed Intervention |
|--|--|
| Number of transport planning studies completed. | The service provider has been appointed and the project will be completed in the next financial year, 2022/23. |
| Number of kilometres of surfaced roads visually assessed as per the applicable TMH manual. | The tender closed on the 4/03/2022 and the service provider will be appointed in the next financial year, 2022/23. |
| Number of kilometres of gravelled road visually assessed as per the applicable TMH manual. | |

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

Reporting on the Institutional Response to the COVID-19 Pandemic

Completed under Programme 1

Linking performance with budgets

Programme expenditure

| Transport Infrastructure | 2021/22 | | | 2020/21 | | |
|----------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| R'000 | | | | | | |
| Infrastructure Planning | 91,196 | 56,687 | 34,509 | 107,183 | 62,520 | 44,663 |
| Infrastructure Design | 87,199 | 70,080 | 17,119 | 196,638 | 131,725 | 64,913 |
| Construction | 522,715 | 511,006 | 11,709 | 539,170 | 421,599 | 117,571 |
| Maintenance | 1,045,193 | 901,837 | 143,356 | 1,291,296 | 1,131,325 | 159,971 |
| Programme Support Infrastructure | 62,054 | 142,162 | (80,108) | 48,332 | 43,548 | 4,784 |
| Total | 1,808,357 | 1,681,772 | 126,585 | 2,182,619 | 1,790 717 | 391,902 |

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

Infrastructure Planning

The Infrastructure Planning sub-programme is responsible for guiding infrastructure development through a range of planning projects. The expenditure for the financial years 2018/19 to 2020/21 were steady between R58 and R63 million in line with the outputs from the projects that were implemented during that period. In 2021/22, the unit's budget increased significantly to R126 million to accommodate the filling of vacant posts and to augment the planning project's budget which was halted to await finalisation of the structure. The funds were shifted during adjustments to the Cadet and MV programme. Over the MTEF, the allocation remained steady at just over R100 million over the three years in line with the delivery of the projects.



Infrastructure Design

The Infrastructure Design unit is responsible for the design of road infrastructure projects and the management of land proclamation processes. Expenditure decreased from R177 million in financial year 2018/19 to R132 million in 2020/21 as there were fewer land proclamations during that financial year and because of the overall effect of the lockdown on the infrastructure projects. The allocation decreased significantly in financial year, 2021/22 during the mid-term budget adjustments because projects were not ready for implementation and therefore the funds were surrendered back to the PRF. The fluctuations of the MTEF budget are due to the project life cycles and the results of the readiness to implement assessments and amounts to R88 million, R116 million and R94 million for the respective years of the MTEF.

Construction

The Construction unit is responsible for upgrades to, rehabilitation and construction of new roads within the province. The expenditure within the sub-programme decreased sharply from R826 million in financial year, 2018/19 to R421 million in 2020/21 because of the effect of the lockdown on infrastructure projects and the administrative challenges experienced on some of the key strategic projects. In financial year, 2021/22, the budget was reduced during the mid-term adjustment budget period as a result of delays and challenges within the procurement processes and continued informal encroachments along the road reserve which resulted in project stoppages on some projects such as the K54 in Mamelodi (Tshwane). Over the MTEF, the budget increased significantly as the Department managed to clear all the blockages and made appointments for several key projects that will be implemented over the period, amounting to R1.1 billion for each year of the MTEF.

Maintenance

The Maintenance unit is responsible for the maintenance of roads in the provincial network and is funded by the PRMG, the EPWP grant and the infrastructure equitable share allocation. Expenditure decreased from R1.6 billion in financial year 2018/19 to R1.1 billion in the financial year, 2020/21 because of challenges within the procurement processes. While road maintenance was regarded as an essential service throughout the lockdown period, not all works were completed, and this affected the budget allocation both in financial years, 2020/21 and 2021/22. The unit's budget over the MTEF period increases from R1.2 billion in financial year 2022/23 to R1.5 billion in 2024/25 as the routine maintenance programme service providers have been appointed.

Programme Support Infrastructure

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

4.3 Programme 3: Transport Operations

Purpose

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

Institutional Outcomes:

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

Outcomes, outputs, output indicators, targets and actual achievements

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

To enable the Province to address the challenges that come with rapid urbanisation, the Department has executed the following projects:

SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES

Public Transport Operations Grant

The Department manages 30 bus subsidy contracts (22 tendered and 8 interim contracts) which were 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 thirty-two contracts are funded by the Public Transport Operations Grant (PTOG) and two ceded contracts from the North-West Province are funded by the Gauteng Province. These contracts are operated in the three metros, namely: City of Johannesburg, City of Tshwane and Ekurhuleni as well as the Sedibeng District Municipality.



• Electronic Monitoring System

The Department appointed two (Supervisory Monitoring Firms (SMFs) effective from 01 May 2020. SMFs are appointed to monitor and conduct technical inspection on-board, multi-point route and terminus as required by the Division of Revenue Act (DoRA) to ensure contract compliance by operators. The term of the contract will be 36 months and it includes Electronic Monitoring system to introduce the electronic monitoring of verified subsidised contracted bus fleet, which seeks to address the gap that the Auditor-General identified during the audit of the previous years' Performance Information.

The Department facilitated the installation of the electronic monitoring system of the subsidised services and monitoring is taking place with reports being generated to assist in finalising the bus claims submitted. To date, 1,788 subsidised busses were electronically monitored constituting 75% of the 2,390 bus fleet.

Outcome 6: Increased Data Centric Mobility in Gauteng by 2025

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

The Digital Solution for Law Enforcement in the Minibus Taxi Industry

The Department continued with advancement of public transport digitisation goals. The evolution of the system through the new enhancements has yielded the Gauteng Integrated Public Transport Administration System (GIPTAS). This is a system which will be a repository of information required to execute the mandate of registration and licencing of public transport modes and operators. It will assist in bringing about efficiencies in processes which would otherwise be delayed due to non submission or outdated information. A total of 9,425 public transport operators were uploaded to the system. Thirty-seven data capturers were employed, inclusive of two people with disabilities. All equipment ranging from rugged tablets, laptops, dash cams and biometric devices were procured from two SMME companies.

The equipment was deployed in the three provincial TOLABs (45 Commissioner, Tshwane and Germiston) and also in two government buildings (Vereeniging Theatre and Krugersdorp Regional Office) at the districts for the purpose of registration and verification.

Integrated Fare Management

The Province of Gauteng piloted a Single Ticket system in the form of an ABSA issued Europay Master card and Visa (EMV). This card could be used on A re yeng (BRT), Gautrain and Rea Vaya (BRT). This was possible due to all three public transport operators enabling support for EMV cards on their fare collection systems to comply with the Integrated Fare Systems Regulation of 17 June 2011. The three transport operators supported the following:

- ◇ Gautrain: EMV cash;
- ◇ A re yeng: EMV cash and A re yeng points; and
- ◇ Rea vaya: EMV cash and Rea vaya point.

Common in these systems is that they all accepted EMV cash and the ABSA card gave users the ability to load either EMV cash and/or A re yeng points on the card, thus achieving the three Mobility Card Centric system. Thus, a commuter with this card, with enough cash, was able to travel on Gautrain, A re yeng and Rea vaya using the same card. The next step was to encourage and assist the rest of the public transport systems to comply to the National Department of Transport (NDoT) Integrated Fare Systems Regulation of 17 June 2011, to provide them with an opportunity to accept this card.

This system was functional until the mid financial year when ABSA informed stakeholders that from 2 August 2021 the cash load functionality of the card would be disabled, and the production of these travel cards (also known as Low Value Payment (LVP) cards) will be discontinued. ABSA made this decision as a result of a change in the Financial Intelligence Centre Act (FICA) regulations which affected the LVP cards.

With the discontinuation of this card, the province will have to secure a service provider to assist in facilitating interoperability guided by the New Integrated Fare Systems Regulation which were recently updated by the NDoT. These new regulations were published by the NDoT for public comments. The regulations have made the support for EMV optional and the SANRAL Account Based Ticketing (ABT) system mandatory. This means all the public transport operators in the province, including Gautrain, have to change their systems to support the SANRAL ABT system.

Transport Management Centre

In both developed and developing countries, a growing number of cities are relying on automated systems to collect public transport data, fare collection and verification of payments. The advent of COVID-19 highlighted technological advancement, transport and information challenges need to be addressed urgently to facilitate seamless mobility for the citizens of Gauteng. The Department has made strides in the development of the Transport Management Centre to facilitate and coordinate the delivery of a seamless integrated public transport system. An interim Transport Management Centre (TMC) has been established on the 16th floor of the Departments Head Office at the Life Centre building following renovations in preparation for the TMC's operationalisation.

The goal is to have the interim TMC monitoring and managing the public transport system and general province-wide mobility from a central location in the next financial year.

The Provincial Fare Policy as an enabler is also being developed.

Taxi Transformation

The Department continues to support transformation endeavours of the taxi industry. The Taxi grant has been transferred to the Gauteng Taxi Industry Trust.

The new Meyerton Bus Contract which was operationalised in this financial year included the taxi industry as stakeholders with the Meyerton Taxi Association having a 30% contract value allocation.

Some progress have been registered, as the Department facilitated the agreement/resolution for the formation of a Joint Trust to manage an investment in fuel depots which are transitioning into fully fledged retail centres in Hammanskraal opposite the Jubilee Mall. The Northern Tshwane Taxi Associations involved are Hammanskraal Taxi Organisation, Stinkwater Eersterus Taxi Association, Temba Taxi Association and Great North Taxi Associations.

Good governance is also central to the operations of the taxi industry, the Baracity Associations, Vosloorus, Boksburg and District Taxi Associations have elected new executives.

A summit for Learner Transport Operators was held during the financial year and executive leadership has been elected.

Table 2.4.4.1:

The Table 2.4.4.1. below reflects ONLY the planned targets and actual achievements from the originally tabled Annual Performance Plan (APP) 2021/22 up until the date of re-tabling of the Revised APP 2021/22 in Quarter 3.

Outcomes, Outputs, Performance Indicators and Targets

| Programme Name: Transport Operations | | | | | | | | | |
|---|--|---|------------------------------------|--|---|--|---|--|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 until date of re-tabling | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations | Reasons for Revisions to the Outputs/Output Indicators/Annual Targets |
| SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES | | | | | | | | | |
| An improved smart, affordable and accessible public transport system. | 9 new subsidised bus contracts operationalised. | Number of bus contracts operationalised | 0 | 0 | 3 bus tenders advertised and operationalised.. | 1 new bus contract operationalised as per agreed routes. | 2 new bus contracts operationalised as per agreed routes. | The project was revised due to an executive policy decision to advertise the remaining 8 new subsidised bus contracts in one tender. | The Output, Output Indicator and Target were revised due to an executive policy decision to advertise the remaining 8 new subsidised bus contracts in one tender. |
| | 100% of subsidised bus contracts electronically monitored. | Percentage of subsidised bus contracts electronically monitored | - | 87% subsidised bus contracts electronically monitored were fitted with the Electronic Monitoring System. | 100% of verified subsidised bus fleet electronically monitored. | 95.67% of verified fleet electronically monitored. | 4.4% | Some of the buses verified are not operational due to mechanical faults. | The Output, Output Indicator and Target were revised to improve the usefulness. |

| Programme Name: Transport Operations | | | | | | | | | |
|---|--|---|------------------------------------|---|--|---|---|------------------------|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 until date of re-tabling | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations | Reasons for Revisions to the Outputs/Output Indicators/Annual Targets |
| SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES | | | | | | | | | |
| An improved smart, affordable and accessible public transport system. | A minimum of 30% of subsidised bus contracts value allocated to previously disadvantaged public transport operators. | % of subsidised bus contracts value allocated to previously disadvantaged public transport operators. | - | 0 | Piloted subsidy empowerment model with one previously disadvantaged public transport operator completed. | A minimum of 30% of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators (taxi association). | - The pilot model was implemented with a minimum of 30% of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators (taxi association). | - | The Output, Output Indicator and Target were revised to improve the usefulness. |
| | Database of the minibuses taxi operators updated annually. | Database of the minibuses taxi operators updated annually. | - | Minibus taxi operator database developed. | Minibus taxi operator database updated. | 12.8% (9 425) MBT operators registered in the Gauteng Integrated Public Transport Administration System (GIPTAS). | - | - | The Output, Output Indicator and Target were revised to align to the new methodology being implemented by the Department to register minibus taxi operators. |
| | 3 Taxi ranks developed as economic nodes. | Number of taxi ranks developed as economic nodes. | - | 0 | - | - | - | - | The Output, Output Indicator and Target were revised as the project was rescope and revised to be delivered in the financial year 2022/23 as per engagements with stakeholders. |

| Programme Name: Transport Operations | | | | | | | | | |
|---|--|---|------------------------------------|------------------------------------|-------------------------------|---|---|-------------------------------------|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 until date of re-tabling | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations | Reasons for Revisions to the Outputs/Output Indicators/Annual Targets |
| SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES | | | | | | | | | |
| An improved smart, affordable and accessible public transport system. | Integrated rail system for Gauteng Province. | Rail operations and oversight of rail entities. | - | - | - | - | - | - | The Output, Output Indicator and Target were revised as per the audit recommendation of the Auditor-General during the re-tabling of the APP. |
| Increased Data Centric Mobility in Gauteng by 2025. | The Account Based Ticketing (ABT) system operationalised on identified public transport modes. | Number of identified public transport modes with operationalised with the Account Based Ticketing (ABT) system. | - | - | - | - | - | - | The Output, Output Indicator and Target were revised as per the rescope of the project. |
| | | Transport Management Centre (TMC) operationalised. | 0 | 0 | Interim TMC established. | 0 | 0 | No target set for Quarters 1 and 2. | The Output Indicator and Target were revised as per the rescope of the project. |

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2022, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year, 2021/22, but only for Quarters 1 & 2 (April to September 2021) of the financial year, 2021/22.

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2021/22

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|--|---|------------------------------------|--|--|---|---|--|
| SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES | | | | | | | | |
| An improved smart, affordable and accessible public transport system. | 9 new subsidised bus contracts operationalised as per agreed routes. | Number of new subsidised bus contracts operationalised as per agreed routes. | 0 | 0 | 1 new subsidised bus contract operationalised as per agreed routes. | 1 new subsidised bus contract operationalised as per agreed routes. | - | - |
| | 98% of 2 390 subsidised contracted bus fleet electronically monitored. | % of subsidised contracted bus fleet electronically monitored. | - | 87% subsidised bus contracts electronically monitored were fitted with the Electronic Monitoring System. | 95% of 2 390 subsidised contracted bus fleet were electronically monitored. | 75% of 2 390 subsidised contracted bus fleet were electronically monitored. | 20% | 20% of 2 390 subsidised contracted bus fleet could not be electronically monitored due to the following challenges: Delays in the procurement processes due to limited Supply Chain Management capacity. National Treasury's moratorium on the advertising of tenders. |
| | A minimum of 30% of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators (taxis, small bus operators, women). | % of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators. | - | 0 | A minimum of 30% of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators (taxis, small bus operators, women). | A minimum of 30% of new individual subsidised bus contracts monetary value allocated to previously disadvantaged public transport operators (taxi association). | - | - |

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|--|---|------------------------------------|---|---|---|---|---|
| SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES | | | | | | | | |
| An improved smart, affordable and accessible public transport system. | Database of the minibus taxi operators updated annually. | % of minibus taxi operators captured in the provincial MBT database. | - | Minibus taxi operator database developed. | 10% of 73 498 minibus taxi operators captured in the provincial MBT database. | 12.8% (9 425) MBT operators registered in the Gauteng Integrated Public Transport Administration System (GIPTAS). | +2.8% | Positive support from the taxi industry for the registration process. |
| | 3 taxi ranks developed as economic hubs. | Number of taxi ranks developed as economic hubs. | - | - | - | - | - | - |
| | Account Based Ticketing (ABT) system operationalised. | Number of mobility card centric systems integrated into 1 Account Based Ticketing (ABT) system. | - | - | 3 mobility card centric systems integrated into 1 Account Based Ticketing (ABT) system. | 0 | 3 mobility card centric systems integrated into 1 Account Based Ticketing (ABT) system. | The project had to be rescope to take into consideration the anticipated new National Department of Transport's electronic fare collection regulations. |
| Data Centric Mobility in Gauteng by 2025. | Transport Management Centre (TMC) operationalised. | Interim TMC established. | 0 | 0 | Interim TMC established. | 0 | Interim TMC established. | The Interim TMC refurbishment has been completed. However, the hardware and software fit out was delayed due to procurement processes. |

Strategy to Overcome Areas of Underperformance

| Indicator | Proposed Intervention |
|---|---|
| Percentage of subsidised contracted bus fleet electronically monitored | The Department will proceed with the new tender advertisement when the moratorium has been lifted by the National Treasury. |
| Number of mobility card centric systems integrated into 1 Account Based Ticketing (ABT) system. | The Department will develop a Provincial Fare Policy in the next financial year, 2022/23. |
| Interim TMC established. | The Interim TMC will be established and operationalised in the next financial year, 2022/23. |

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

None

Reporting on the Institutional Response to the COVID-19 Pandemic

The narrative on the Public Transport COVID-19 Programme is outlined in the above narratives of Programme three.

Linking performance with budgets

Programme expenditure

| Transport Operation | 2021/22 | | | 2020/21 | | |
|------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| R'000 | | | | | | |
| Public Transport Services | 3,122,077 | 2,549,223 | 572,854 | 2,805,582 | 2,056,781 | 748,801 |
| Programme Support Operations | 72,823 | 72,271 | 552 | 49,371 | 27,159 | 22,212 |
| Total | 3,194,900 | 2,621,494 | 573,406 | 2,854,953 | 2,083,940 | 771,013 |

This is the core Public Transport Programme and includes the allocations for the Public Transport Operations Grant (PTOG) and the North-West Star demarcation contracts that are both within the transfers and subsidies item and within the Public Transport Services (PTS) Sub-programme. The Programme Support Operations (PSO) Sub-programme is for the operational items of the unit.

The decrease in expenditure from R2.3 billion in financial year 2018/19 to R2 billion in financial year, 2020/21 for PTS was in line with the underspending in the PTOG due to the negative effect that the lockdown regulations had on the public transport sector plus the added challenges of the penalties levied against the operators and the delays in the finalisation of new contracts in Tshwane and Sedibeng. The increase in spending for the same period for the PSO Sub-programme was due to the shifts made to this Programme to fund the Cadet and Military Veterans programme that was initiated as part of the Department's fight against the COVID-19 pandemic in the public transport sector. This also affected the financial year, 2021/22 but tapers off over the MTEF period with allocations of R3 billion in financial years, 2022/23 and R3.2 billion in 2024/25.



4.4 Programme 4: Transport Regulation

Purpose

The purpose of the Programme is to regulate private and public transport by facilitating the provision of learner and driver licence, motor vehicle fitness and motor vehicle registration and licencing, registration of operating licences and the establishment of Transport Operating Licence Administrative Bodies (TOLABs) and the Provincial Regulatory Entity (PRE) public and freight transport services and infrastructure in partnership with National and Local government as well as private sector formations. The two Sub-programmes are:

- Transport Administration and Licencing.
- Operator Licence and Permits.

Institutional Outcomes:

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

Outcomes, outputs, output indicators, targets and actual achievements

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

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

Driver licences backlog project

To address the driver licences renewal backlog due to the COVID-19 lockdown, National Transport Regulations were issued which provided extensions to the public for the renewal of their driver licences, the Department has introduced overtime at the six provincial DLTCs which resulted in extended working hours. The extended working hours introduced were from 6am to 6pm during the week and 8am to 12pm on weekends. This customer centric approach aimed at improving the ease of access and convenience to the public in renewing their driver licences. Further, new Driver Learner Testing Centres were opened by the Department to ease the backlog.

Revenue Management

The Departmental revenue is generated through tax receipts which comprises of motor vehicle registration and licencing fees. Motor Vehicle License Tax revenues have grown from R3.217 billion in financial year, 2015/16 to R4.357 billion in financial year, 2020/21. A total of R4.407 billion has been collected during the period under review representing a growth of R48 million from financial years, 2020/21 to 2021/22.

Below is the trend analysis for revenue growth.

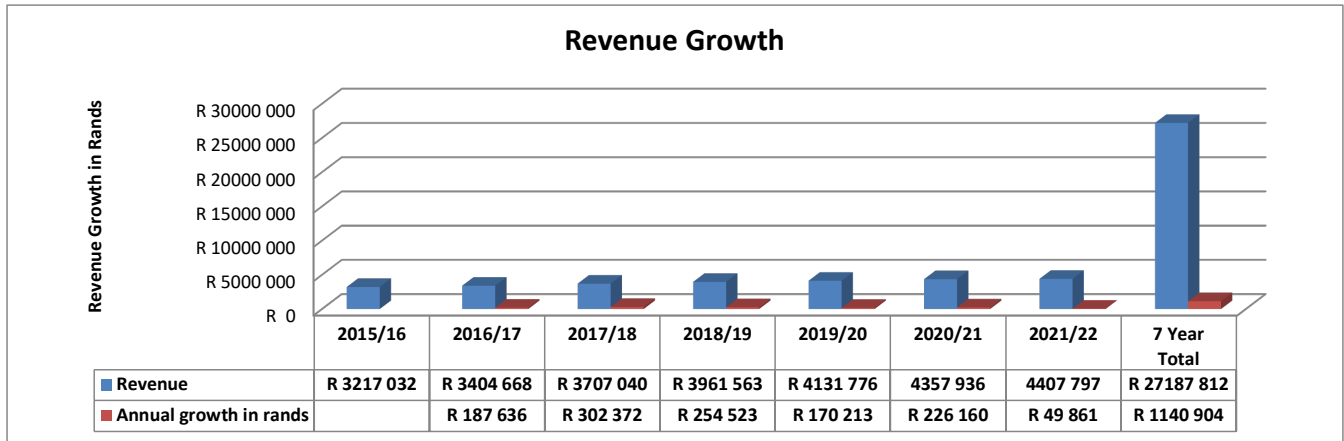


Table 2.4.4.1:

The Table 2.4.4.1. below reflects ONLY the planned targets and actual achievements from the originally tabled Annual Performance Plan (APP) 2021/22 up until the date of re-tabling of the Revised APP 2021/22 in Quarter 3.

Outcomes, Outputs, Performance Indicators and Targets

| Programme/Sub-programme: Transport Regulation | | | | | | | | | |
|---|---|--|------------------------------------|------------------------------------|-------------------------------|---|---|--|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 until date of re-tabling | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations | Reasons for Revisions to the Outputs/Output Indicators/Annual Targets |
| SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENSING | | | | | | | | | |
| Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025. | Compliance inspections conducted at Registering Authority in Gauteng. | *Number of COVID-19 compliance inspections conducted at Registering Authority. | - | - | 300 | 161 | (139) | There is no deviation as the Quarters 1 and 2 targets were achieved as planned. The deviation indicates the planned target to be achieved during Quarters 3 and 4. | The Output Indicator was revised to improve the usefulness during the re-tabling of the APP. |
| | Revenue generated annually from DLTCs services. | Rand value of revenue generated. | R4,2 billion | R4,357 billion | R4.4 billion | R1,823,096,666.00 | R3.3 billion | - | The Output Indicator and Target were revised to improve the usefulness during the re-tabling of the APP. |
| | 10% reduced turnaround time at provincial DLTCs. | Average turnaround times at provincial DLTCs. | - | 0 | 1hr 30 mins | - | - | No target planned for Quarter 1 and 2. | The Output Indicator was revised to improve the usefulness during the re-tabling of the APP. |

| Programme/Sub-programme: Transport Regulation | | | | | | | | | |
|---|--|--|------------------------------------|------------------------------------|-------------------------------|---|---|------------------------|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 until date of re-tabling | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations | Reasons for Revisions to the Outputs/Output Indicators/Annual Targets |
| SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENSING | | | | | | | | | |
| Improved service times at the Integrated Transport Customer Service Centres (DLICs, MVRAs and VTS) by 2025. | Online Motor Vehicle Licence Renewal System utilised by customers. | Functional online renewal system with online payment. | Mapping of the system by the RTMC. | - | - | - | - | - | The Output, Output Indicator and Target were revised as per the audit recommendation of the Auditor-General during the re-tabling of the APP. |
| | | Percentage of clients transacting using the online motor vehicle renewal platform. | - | - | - | - | - | - | The Output, Output Indicator and Target were revised as per the audit recommendation of the Auditor-General during the re-tabling of the APP. |

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2022, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year, 2021/22, but only for Quarters 1 & 2 (April to September 2021) of the financial year, 2021/22.

Table 2.4.4.2:

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2021/22.

Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|--|--|------------------------------------|------------------------------------|-------------------------------|--|---|---|
| SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENSING | | | | | | | | |
| Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025. | Compliance inspections conducted at Registering Authority in Gauteng. | * Number of COVID-19 compliance inspections conducted at Registering Authorities. | - | - | 300 compliance inspections. | 311 | +11 | Lower lockdown levels and COVID-19 infection cases at centres enabled access to service centres to conduct inspections. |
| | Revenue generated annually from Registering Authorities and DLTCs services in Gauteng. | Rand value of revenue generated from motor vehicle licencing services and Registering Authorities. | R4.2 billion | R4.357 billion | R4.4 billion | R4.4 billion | - | - |
| | 10% reduced turnaround time at provincial DLTCs. | Average waiting times at provincial DLTCs. | - | 0 | 1hr 30 mins | 1hr 30 mins (Mabopane MVRAs, Mabopane Kagiso, Kliptown and Tembisa DLTCs). | - | - |

Strategy to overcome Areas of Underperformance

| Indicator | Proposed Intervention |
|-----------|-----------------------|
| - | - |

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

SUB-PROGRAMME: OPERATOR LICENCE AND PERMITS

- **Issuance of Operating Licences**

The Department has issued 4,785 operating licences during the period under review and collected a total revenue of R648,800.00.

Addressing the backlog on applications for operating licences

On 10 December 2021, the Department issued a notice on the immediate suspension of new applications on operating licences. The suspension excludes new applications for contracted services. This was one of the initiatives that the Department implemented to address the increasing backlog on applications. Lack of regulatory directions from the Planning Authorities resulted in the backlog which continued to accumulate as new applications were received. The backlog was exacerbated by COVID-19 interruptions and continued to accumulate as operators lodged new applications in huge numbers following the relaxation of hard lockdowns.

The Department further embarked on an overtime process to reduce the increasing backlog on applications submitted. Backlog baseline as of 07 February was 25,314 and about 4,811 applications were finalised through overtime exercises, constituting 19% achievement in backlog reduction and leaving a balance of 20,503 which will be addressed in the new financial year. The last phase of the backlog elimination project is envisaged to be concluded at the end of August 2022, following which the upliftment of the suspension of new applications for operating licences will be considered.

Rollout of the new NLTIS

The Department initiated a process of replacing the current problematic and inefficient National Land Transport Information System (NLTIS) with a more reliable and more effective Gauteng Integrated Public Transport Administration System (GIPTAS). Discussions are underway with the National Department of Transport (NDoT) to ensure a seamless transfer of data to the new system of the Provincial Department.

Costs for Gazetting and Advertising of Applications

The Department intends limiting the information to be advertised on the Government Gazette i.e., advertise only relevant details. A letter was submitted to NDoT to amend Section 17 of the National Land Transport Act (NLTA) regulations. The aim is to limit the information to be advertised on the Government Gazette. The NDoT is currently in the process of amending Section 17 to effect the recommended changes.

Building Strong Institutions

The Premier of Gauteng, Mr David Makhura, appointed a Taxi Violence Commission of Inquiry in terms of Proclamation 101 of 2019 which gave effect to the 2019 Taxi Summit resolutions. The Commission was headed by the Retired Judge Shongwe. Having concluded its investigation, the Commission issued its final report with recommendations on February 2021.

The contribution of a successful implementation of the Taxi Violence Commission's recommendation towards the achievement of Smart Mobility 2030 Priority Outcomes cannot be underrated. The implementation will inevitably contribute towards the fourth Pillar: Building Strong Institutions. The inclusion of the Public Transport Inspectorate for public transport monitoring will inarguably empower the regulatory capacity of the Department, thus building the Department as a strong institution.



It will overhaul the regulatory system and create a platform for effective regulation of public transport which is fundamental towards supporting the Departmental mandate of providing public transport that is safe and reliable. The PRE ensures the safety of public transport through licencing of roadworthy vehicles with conditions that ensure adherence to mobility safety standards. Public transport reliability is often disrupted by violence and conflicts within the taxi industry and implementing the Commission's recommendations will come a long way in minimising industry disruptions and ensuring stability.

In implementing the Commission's recommendations, the following activities were embarked on in the financial year, 2021/22:

- **Proper establishment of the PRE as a quasi-judicial body**

The Commission recommended for the proper establishment of the PRE as a quasi-judicial body in compliance with the enabling legislation. The reconfiguration of the PRE in compliance with Section 24 will contribute towards proper establishment of the PRE and will inevitably support the initiative of building GDRT as a strong institution with regulatory muscles to monitor public transport in the province. All regulatory units within the operating licencing environment have been fully incorporated within the PRE and the reviewed structure will reflect on the establishment of the PRE in compliance with legislation.

- **Capacitation of Gauteng Provincial Regulatory Entity**

The Commission recommended for the entity to be appropriately capacitated through regulations to cover the oversight and monitoring function for public transport. Inspectorate capacity building of PRE for public transport monitoring is currently under consideration. Proposals made in the Organisational Structure review process have considered the inclusion of the public transport inspectorate in the establishment of the PRE. The recruitment of appropriately qualified Regulators has commenced and is anticipated to be concluded in the second quarter of the next financial year.

- **Cooperation between Municipalities and PRE**

The municipalities are mandated by the NLTA to provide directions to PRE in terms of the Integrated Transport Plans (ITPs) in response to the PRE's requests, to enable an informed processing of Operating Licences (OLs). Cooperation between municipalities and PRE is essential for effective regulation of public transport. The Gauteng Provincial Regulatory Entity and Planning Authority Forum (PREPA) has been established. A Service Level Agreement (SLA) was drafted and is under consideration for adoption in Quarter 1 of the new financial year, 2022/23. The SLA will formalise the commitments of the PRE and Planning Authorities towards ensuring sound regulations of public transport and enhancing legal compliance in processing applications for operating licences.

Table 2.4.4.1:

The Table 2.4.4.1. below reflects ONLY the planned targets and actual achievements from the originally tabled Annual Performance Plan (APP) 2020/21 up until the date of re-tabling of the Revised APP 2020/21 in Quarter 2.

Outcomes, Outputs, Performance Indicators and Targets

| Programme/Sub-programme: Transport Regulation | | | | | | | | | |
|---|---|--|------------------------------------|---|-------------------------------|---|---|---|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 until date of re-tabling | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations | Reasons for Revisions to the Outputs/Output Indicators/Annual Targets |
| SUB-PROGRAMME: OPERATOR LICENSE AND PERMITS | | | | | | | | | |
| Improved service times at the Integrated Transport Customer Service Centres (DITCs, MVRAS and VTS) by 2025. | Issuance of operating licences within 6 months. | Average turnaround times at Transport Operating Licence Administrative Bodies (TOLABs) for operating licences. | 15,475 | 4,121 operating licences issued within 9 months existing NLTIS. | 6 months existing NLTIS. | 2,081 operating licences issued. | - | The initial target was revised to be the number of operating licences issued with the annual target set at 4,500. | The Output, Output Indicator and Target were revised to improve the usefulness during the re-tabling of the APP. |
| An improved smart, affordable and accessible public transport system. | Minibus taxi routes electronically monitored. | Number of major minibus taxi trunk routes monitored. | - | - | - | - | - | - | The Output, Output Indicator and Target were revised due to the rescoping of the project during the re-tabling of the APP. |

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2022, it should be noted that the actual achievements for indicators/targets in the above table do not reflect performance for the entire financial year, 2021/22, but only for Quarters 1 & 2 (April to September 2021) of the financial year, 2021/22.

**Table 2.4.4.2:**

The table provides for the planned and actual achievements against the re-tabled Revised Annual Performance Plan (APP) 2021/22.

Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Actual Performance 2019/20 | Audited Actual Performance 2020/21 | Planned Annual Target 2021/22 | Actual Achievement 2021/22 | Deviation from Planned Target to Actual Achievement 2021/22 | Reasons for Deviations |
|---|--|---|------------------------------------|---|-------------------------------|----------------------------------|---|--|
| SUB-PROGRAMME: OPERATOR LICENCE AND PERMITS | | | | | | | | |
| Improved service times at the Integrated Transport Customer Service Centres (DLTCs, MVRAs and VTS) by 2025. | Operating licences issued to public transport operators. | Number of operating licences issued annually. | 15,475 | 4,121 operating licences issued within 9 months existing NLTIS. | 4,500 | 6,864 operating licences issued. | +2,364 operating licences issued. | Implementation of an overtime project to address the mounting backlog on applications accelerated the number of issued operating licences. |

Strategy to Overcome Areas of Underperformance

| Indicator | Proposed Intervention |
|-----------|-----------------------|
| - | - |

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

Reporting on the Institutional Response to the COVID-19 Pandemic

Interventions provided for under Programme One.

Linking performance with budgets

Programme expenditure

| Transport Regulation | 2021/22 | | | 2020/21 | | |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | | | | | |
| Transport Administration and Licencing | 181,956 | 169,587 | 12,369 | 181,636 | 142,105 | 39,531 |
| Operator Licence and Permits | 155,863 | 130,095 | 25,768 | 143,097 | 109,660 | 33,437 |
| Total | 337,819 | 299,682 | 38,137 | 324,733 | 251,765 | 72,968 |

The functions within this programme are licencing and registration administrative functions, and the collection of motor vehicle licence revenue through the DLTCs. Expenditure decreased from R292 million in financial year 2018/19 to R252 million in the financial year 2020/21 due to the massive reduction of licencing functions during the lockdown periods. In 2021/22, the budget increased to R346 million but was adjusted downwards to R341 million due to the reprioritisation of the budget in the fight against the COVID-19 pandemic. The MTEF budgets vary in line with the inconsistent allocation for operational budget as received. Over the MTEF, the amount fluctuates from R354 million in financial year, 2022/23 to R351 million in financial year, 2024/25.



5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

| Name of public entity | Key Outputs of the public entity | Amount transferred to the public entity | Amount spent by the public entity | Achievements of the public entity |
|----------------------------|--|---|-----------------------------------|-----------------------------------|
| Gautrain Management Agency | The management coordination and oversight of the Gautrain project. | R2,776,816 | R2,776,816 | Refer to GMA Annual Report. |

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

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

The table below reflects the transfer payments which were budgeted for in the period 1 April 2021 to 31 March 2022, but no transfer payments were made.

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

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid.

The table below describes each of the conditional grants and earmarked funds received for the period 1 April 2021 to 31 March 2022.

Public Transport Operations Grant

| | |
|---|---|
| Department who transferred the grant | National Department of Transport. |
| Purpose of the grant | To provide supplementary funding towards public transport services provided by Provincial Department of Transport. |
| Expected outputs of the grant | Number of vehicles subsidised: 2,390 Number of kilometres scheduled: 83,432,408.36 Number of routes: 3,294 |
| Actual outputs achieved | Number of vehicles subsidised: 2,216 Number of kilometres operated: 59,894,798.80 Number of routes: 3,036 |
| Amount per amended DORA (R'000) | R2742,249 |
| Amount received (R'000) | R2,836,725 |
| Reasons if amount as per DORA was not received | Subsidised services would not be available, forcing commuters to use commercial services that are not affordable. |
| Amount spent by the Department/municipality (R'000) | R2,305,753 |
| Reasons for the funds unspent by the entity | Old fleet utilised by subsidised bus operators leading to high number of Did Not Operate (DNO) busses. |
| Reasons for deviations on performance | Old fleet utilised by subsidised bus operators leading to high number of Did Not Operate (DNO) busses and breakdowns. |
| Measures taken to improve performance | Frequent meetings with bus operators and Supervisory Monitoring Firms (SMFs) to discuss operational challenges and possible improvements. |
| Monitoring mechanism by the transferring Department | Implementation of the Electronic Monitoring System (EMS) on all contracted subsidised bus fleets. |

6.2 Conditional grants and earmarked funds received.

The table below describes each of the conditional grants and earmarked funds received for the period 1 April 2021 to 31 March 2022.

Provincial Roads Maintenance Grant

| | |
|---|--|
| Department who transferred the grant | Gauteng Department of Roads and Transport (GDRT). |
| Purpose of the grant | Address the roads maintenance backlog including routine, preventative and periodic maintenance of roads infrastructure. |
| Expected outputs of the grant | Maintenance of provincial roads infrastructure and achievement of planned targets. |
| Actual outputs achieved | No of m ² roads resealed = 122,000m ² No of m ² blacktop patching = 133,805,46m ² No of km re-gravelled = 78.57km Number of km gravel roads bladed = 1,994.56km |
| Amount per amended DORA (R'000) | R715,362,000 |
| Amount received (R'000) | R767,135,000 |
| Reasons if amount as per DORA was not received | None |
| Amount spent by the Department/municipality (R'000) | R657,985,000 |
| Reasons for the funds unspent by the entity | The delay in procurement process for the maintenance tenders resulted in the Department being unable to perform some of the key performance indicators as required by the DoRA. |
| Reasons for deviations on performance | Delay in procurement process of roads maintenance tenders. |
| Measures taken to improve performance | Expediting of the procurement process to award the maintenance contracts in the financial year, 2022/23. |
| Monitoring mechanism by the transferring Department | Site inspection and monthly reports. |

Expanded Public Works Programme Infrastructure Grant

| | |
|---|--|
| Department who transferred the grant | Gauteng Department of Roads and Transport. |
| Purpose of the grant | Job creation |
| Expected outputs of the grant | 4,200 |
| Actual outputs achieved | 3,049 |
| Amount per amended DORA (R'000) | R9,857 |
| Amount received (R'000) | R9,857 |
| Reasons if amount as per DORA was not received | None |
| Amount spent by the Department/municipality (R'000) | R9,857 |
| Reasons for the funds unspent by the entity | None |
| Reasons for deviations on performance | Delay in procurement process of roads maintenance tenders. |
| Measures taken to improve performance | Further engagement of stakeholders to improve job creation in local communities. |
| Monitoring mechanism by the transferring Department | Monthly reporting and verification of job created. |

7. DONOR FUNDS

7.1 Donor Funds Received

No donor funds received for the financial year, 2021/22.

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

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

The Department has an asset road network of 5,638 roads per km comprising of 4,200km of paved roads and 1,438km unpaved roads with 676 bridges and 428 culverts. The project for visual conditioning assessment is at the procurement stage and anticipated to be awarded in Quarter 2 of the financial year, 2022/23.

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

None

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

Ongoing surfaced roads upgraded to be completed in financial year, 2021/22:

None

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

- K69: upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54.
- K54: Mamelodi (Tsamaya Road) to R104 Pretoria Bronkhorstspuit Road.
- Upgrading of Road K148: Intersection with N3.
- Vaal River City Interchange.
- K31 access to Green Gate Development: Reconstruction and upgrade of the M5 Beyers Naude Road.
- Upgrading of K73 between Woodmead Drive and Allandale Road (D58) Mushroom Farm.
- K46 (P79): Upgrading from single to dual carriageway of Road K46 (P79/1) William Nicol from PWV5 to Diepsloot/ N14 Phase 2.



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

Multi-year projects completing in financial years, 2023-2025

- K60 Waterfall City: Construction of new link between R55 Woodmead Drive and Allandale Road.
- Upgrade of K101 from D795 Olifantsfontein to N1 Brakfontein.
- Construction of New K56 between K46 (William Nicol Drive) and P79/1(Main RD) as well as the extension of Erling Road between Dorothy Road and K56.
- Upgrading of K15 (D524) (R558) Adcock Street between Dobsonville (K102) (Main Street) and Protea Glen (Wild Chestnut St.): Doubling of road.
- K14 between Cullinan and Rayton Road (D483).
- R82 phase 3 between D1073 (Walkerville) and K164 (De Deur).

Road Rehabilitation

Ongoing roads rehabilitated to be completed in financial year, 2021/22:

None

Ongoing roads rehabilitated to be completed in financial year, 2022/23:

- Rehabilitation of Roads P241/1 (R554) from 15.7km to 19.75km and road D405 (R554) from 0.00km to 8.75km (R82).
- P39/1 Heavy Rehabilitation from Diepsloot to Muldersdrift.
- P156 (R42) from P155/1 to D2563 Vanderbijlpark.
- Rehabilitation of Road D483 between P6/1 (Bapsfontein) and D713 Cullinan.
- Rehabilitation of P122/1 from P36/1 (R10) Solomon Mahlangu Drive Olifantsfontein.
- K175: Rehabilitation of the Road from N4/2 to D670 (8.1km).

Plans to close-down-grade any current facilities.

None

Progress made on the maintenance of infrastructure.

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

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

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

None

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

As of 31 March 2022, the Department's entire asset base totalled R42,145 billion, this asset base in the main comprises of roads, bridges, land for future road construction and various categories of movable assets.

During the current financial year, the Department invested approximately R432,326 million on improving and rehabilitating key segments of the provincial road network. A total 579 of obsolete and redundant movable assets were disposed of through approved donations to non-profit organisations. All assets that are reported lost or stolen are reported in the Department's loss register and subsequently referred to the Department's Anti-Fraud and Corruption unit for further investigation.

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

The Department conducts annual physical asset verification on all its movable assets. A total of 27,027 movable assets were verified which includes vehicles, computer equipment and machinery and furniture. The Department continues to play a pivotal role in coordinating the maintenance and updating of the Department's immovable asset register.

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

The Gauteng Surfaced and Gravel Roads Visual Assessment report was not completed as per the applicable TMH manual due to the procurement processes that took longer than anticipated due to limited capacity within the Supply Chain Management unit.

Major maintenance projects that have been undertaken during the period under review.

The Department experienced delays in the procurement roads maintenance tenders.

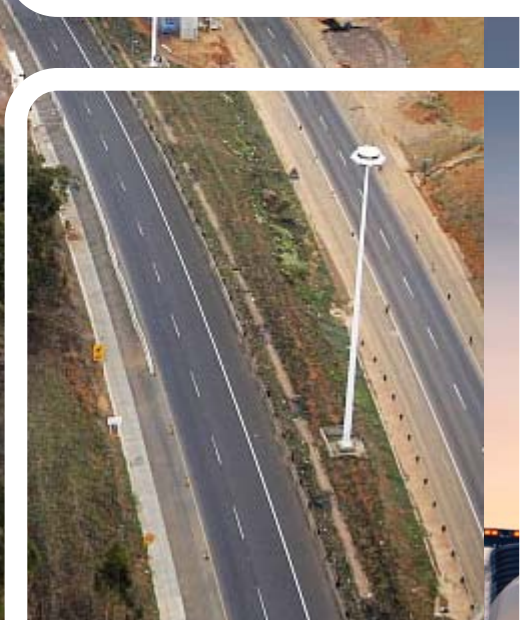
Progress made in addressing the maintenance backlog during the period under review:

Repairing of Road P24/1 which required more potholes patching to address the road safety aspect.

| Infrastructure projects | 2021/22 | | | 2020/21 | | |
|--|---------------------------|--------------------------|----------------------------------|---------------------------|--------------------------|----------------------------------|
| | Final Appropriation R'000 | Actual Expenditure R'000 | (Over) / Under Expenditure R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | (Over) / Under Expenditure R'000 |
| New and replacement assets | 11,550 | 5,641 | 5,909 | 8,523 | 737 | 7,786 |
| Existing infrastructure assets | | | | | | |
| Upgrades and additions | 247,688 | 238,093 | 9,595 | 394,736 | 300,550 | 94,186 |
| Rehabilitation, renovations and refurbishments | 237,858 | 236,520 | 1,338 | 231,451 | 164,666 | 66,785 |
| Maintenance and repairs | 771,492 | 677,783 | 93,709 | 1,132,845 | 970,393 | 162,452 |
| Non-Infrastructure projects | | | | | | |
| Current | 87,157 | 87,043 | 114 | 34,574 | 28,487 | 6,087 |
| Capital | | | | | | |
| Total | 1,355,745 | 1,245,080 | 110,665 | 1,802,129 | 1,464,833 | 337,296 |



PART C: GOVERNANCE



● **HIGHLIGHTS**
DEPARTMENT OF ROADS
AND TRANSPORT



one hundred percent (100%)
of service providers paid within the thirty (30) days



36 local contractors developed to CIDB level 4



4,809, 223 motor vehicle licences renewed

1. INTRODUCTION

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

2. RISK MANAGEMENT

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

3. FRAUD AND CORRUPTION

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

4. MINIMISING CONFLICT OF INTEREST

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



The Department is doing its best to minimise conflicts 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 which has a pledge at the back. The Department also reviewed its policy on conflict of interest. It is also working with various stakeholders such as Department of Public Service and Administration (DPSA), Gauteng Audit Services (GAS) and the Auditor-General of South Africa (AGSA) to identify conflict and potential conflicts from officials. The e-disclosure that is filed by Senior Management Services (SMSs), Middle Management Services (MMSs) and officials from the Finance branch also helps to identify those who might have conflicts of interest. To further minimise conflict, the Department developed posters and information is distributed on the intranet to educate and sensitise officials on conflicts of interest. Induction programmes are held in partnership with the Human Resource Development (HRD) for newly appointed officials and an online course is available that covers a range of issues on ethics management.

5. CODE OF CONDUCT

The Public Service Commission (PSC) developed the Code of Conduct for the Public Servants to promote the high standard of professional ethics. The ethical principles contained in the Code are applicable to Department employees. The Department implemented the Code and managers ensure that all employed within the Department, adhere to it.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Safety, Health, Environment, Risk and Quality

Three Departmental Safety, Health, Environment, Risk and Quality (SHERQ) Committee meetings were held during the financial year. Five regional SHERQ Committees were established in line with the Departmental SHERQ Policy. The terms of reference (TOR) for SHERQ Committee was reviewed and approved. Three SHERQ inspections were conducted in various regions and DLTCs. Three Draft Risk Assessment Reports were developed for Head Office, DLTCs and regions. Personal Protective Equipment (PPE) was distributed to employees including 2,232 cloth masks. A total of 74 employees were inducted on COVID-19 policies, protocols and procedures.

7. PORTFOLIO COMMITTEES

| DATE | SUBJECT | MATTERS RAISED | DEPARTMENT'S RESPONSE |
|------------|---|---|--|
| April 2021 | House Resolutions on the Roads and Transport Committee adopted the Oversight Report on the Annual Report of the Gauteng Department of Roads and Transport, Gautrain Management Agency and g-Fleet Management for the financial year 2019/20. | The Department should provide a report on the implementation plan and progress thereof, to address the implementation of service delivery targets that were not achieved in the Transport Infrastructure, Operations and Regulation programmes. | <p>Programme 2: Sub-programme Construction</p> <p>1. Upgrading of surfaced roads</p> <ul style="list-style-type: none"> Financial year 2019/20 - 2 ongoing projects - K54 and K69. Plans for financial year 2020/21 were put on hold (rescheduled to outer years of MTEF) to address incomplete plans from financial year 2019/20. Implementation of K54 and K69 continued. Approval for extension of time was requested for all ongoing projects. Advertising of 12 upgrade projects (K101, K46 Ph 2, K73, K174, K14, K15, K60, R82Ph3, Rooihuiskraal onramp loop to N14, K31, K56, K148) was deferred to Q4. Advertising of K46 and K148 was achieved. <p>Progress in 2021/22</p> <ul style="list-style-type: none"> Implementation of K54 and K69 continued. Advertising of 10 upgrade projects (K101, K73, K174, K14, K15, K60, R82Ph3, Rooihuiskraal onramp loop to N14, K31, K56). |

| DATE | SUBJECT | MATTERS RAISED | DEPARTMENT'S RESPONSE |
|------------|--|---|--|
| April 2021 | House Resolutions on the Roads and Transport Committee adopted the Oversight Report on the Annual Report of the Gauteng Department of Roads and Transport, Gautrain Management Agency and g-Fleet Management for the 2019/20 Financial Year | The Department should provide a report on the implementation plan and progress thereof, to address the implementation of service delivery targets that were not achieved in the Transport Infrastructure, Operations and Regulation programmes. | <p>2. Rehabilitation of Surfaced Roads</p> <p>Progress of projects in 2019/20</p> <ul style="list-style-type: none"> • 3 ongoing projects (P39/1, P175/1 and N14Ph 2) • 2 projects awarded late in Q4 (P156/3 and P241/1) • Plan to advertise of D483. <p>Implementation Plan in 2020/21</p> <ul style="list-style-type: none"> • N14Ph 2 achieved in Q4 • Implementation of P39/1 and P175/1 continued • Advertising of 2 rehab projects (P122/1 and K175) • P122/1 and K175 tenders were cancelled, re-advertising deferred to financial year 2021/22 • Advertising of D483 was achieved. <p>Progress in 2021/22</p> <ul style="list-style-type: none"> • Advertising of 2 rehab projects (P122/1 and K175) <p>Design</p> <p>11 Designs that were delayed in 2019/20 are now at implementation stage. Appointed consultants are on track to complete the projects this financial year 2021/22.</p> <p>On expenditure, the Design Directorate has more than 80% of the Capital budget on land compensation. With challenges of negotiating offers and sorting out SARS issues with property owners, the risk mitigation plan was to initiate the actual compensation on the first month of the financial year (April), not in October, after the budget adjustment. Despite the lockdown, rotation of staff and hospitalisation of key officials, we have improved expenditure in the Land Acquisition unit. We are on track to meet targets this financial year 2021/22.</p> |
| | | The Department should provide a report on the progress on the implementation of infrastructure projects through the Transport Infrastructure House. | The Transport Infrastructure House (TIH) reports weekly to the MEC and HoD on the progress of infrastructure projects. The intention of this centralised reporting is to identify gaps and troubleshoot blockages in the implementation and delivery of infrastructure projects. The TIH workstreams include Planning, Design, Construction, Maintenance and g-Fleet. Progress on areas of support to infrastructure business units such as Supply Change Management (SCM) and Probity Audits is also reported on. Liaison and support to Municipalities is coordinated through the TIH. There are regular stakeholder engagements with developers on developer contribution projects. Economic Impact Assessment of projects is carried out to illustrate the objectives, results and recommendations from the socio-economic impact assessments conducted on infrastructure projects. Direct, indirect and induced impact of projects on economic indicators is also documented. |

| DATE | SUBJECT | MATTERS RAISED | DEPARTMENT'S RESPONSE |
|-------------|---|---|--|
| August 2021 | House Resolutions on the Portfolio Committee on Roads and Transport adopted the Committee Oversight Report on Budget Vote 9: Gauteng Department of Roads and Transport of the Appropriation Bill | The Department progress made in finalising intervention plans and the commencement of construction of the Sebokeng DLTC, Vereeniging Taxi Rank and K46 William Nicol. The report should also include the proposed budget requirements that will be requested from Treasury in the adjustment budget period for the financial year 2021/22 for the above-mentioned projects. | <p>SEBOKENG DLTC</p> <p>Progress to date:</p> <p>A letter to withdraw the project from the implementing agent Gauteng Department of Infrastructure Development (GDID) was issued to GDID in March 2021, due to the poor performance in the implementation of the project to its completion.</p> <p>GDID subsequently terminated the services of the Professional Service Providers (Pro Plan). GDID is finalising a close-out report and final account with all relevant documentation. The report should be submitted to GGDRT: HoD by end of August 2021 as per the meeting held on the 17 August 2021 between GGDRT and GDID.</p> <p>GGDRT anticipates the publishing of the tender for appointment of a contractor by end of the 4th quarter financial year 2021/22.</p> <p>Allocated budget for financial year 2021/22 is R100 000.00; the available budget will be retained for the purpose of publishing the tender advert.</p> <p>ii) CONSTRUCTION OF VEREENIGING TAXI RANK</p> <p>The GMA has been appointed as the implementing agent of the Vereeniging Intermodal Facility, taking over from the GDID and in the last quarter. Progressed has been made, including engagements with the various stakeholder to discuss and agree on layouts and designs.</p> <p>iii) K46 William Nicol</p> <p>Contract No. GDRT 37/01/2020 for construction of road K46 (P79/1) phase 2 between PWV 5 and N14 (P158/2) (Diepsloot).</p> <p>The Contract was awarded to Slim B and D Construction Pty (Ltd) on 2 June 2021 for an amount of R469 414 877.50</p> <p>The commencement date was 3 August with a completion date of 3 December 2022. (16 Months). Site establishment is at 90% complete. Social facilitation processes are ongoing.</p> <p>Budget required for financial year 2021/22 is R 50 000 000.00.</p> |

| DATE | SUBJECT | MATTERS RAISED | DEPARTMENT'S RESPONSE |
|-------------|--|--|---|
| August 2021 | <p>House Resolutions on the Portfolio Committee on Roads and Transport adopted the Committee Oversight Report on Budget Vote 9: Gauteng Department of Roads and Transport of the Appropriation Bill</p> | <p>The Department should provide the proposed sources of funding for the increasing Patronage Guarantee costs, noting the downward trend in rail and bus passenger trips. The report should also indicate the financial impact the proposed sources of funding may have on the implementation of planned infrastructure and maintenance projects within the Gautrain system.</p> | <p>There has been an increase in the Patronage Guarantee (PG) payable under the Concession Agreement between the Province of Gauteng and Bombela Concession Company. The PG is non-negotiable and payable up to the end of the Concession in 2026. It is contracted to increase with Consumer Price Index (CPI) plus 2-3% which is more than the annual increases of the MTEF budget, and a sudden drop in passengers using the Gautrain through the COVID-19 impact caused the PG to increase up to the maximum limit.</p> <p>Public transport ridership has reduced between the 70% - 90% throughout the world and this has required additional government assistance in all jurisdictions. In this regard, the Gautrain is no exception, in fact the risk sharing mechanism with Bombela has shielded the province from the full effect of the loss of passenger revenue. Currently Bombela is bearing the brunt of the revenue losses and recorded revenue losses, but the province is also experiencing the increase in the PG.</p> <p>Successive waves of COVID-19 have lasted longer and have had a worse impact than initially hoped and revenue against pre-Covid values remains down by around 80%. The graph below shows actual train demand over the period since March 2020 as a percentage of pre-Covid passing usage. It can be seen that the ridership changes are very sensitive and correlates to infection rates in the province.</p> <p>It is thus essential that Gautrain remain sustainable in time to return to pre-Covid travel demand. The proposed funding model is thus a combination on initiatives. Over the MTEF period, there is an increased budget implication that is being dealt with through the budgeting process. The current financial year will require an additional R366 million allocation. The GMA is monitoring the revenue situation but as stated above, it is highly uncertain and dependent on multiple factors.</p> |

| DATE | SUBJECT | MATTERS RAISED | DEPARTMENT'S RESPONSE |
|-------------|--|--|--|
| August 2021 | House Resolutions on the Portfolio Committee on the Roads and Transport Oversight Report on the 4th Quarter Quarterly Report of the Department of Roads and Transport, Gautrain Management Agency and g-Fleet Management for the financial year 2020/21 | The Department and GMA should provide the Committee with a detailed report on the implementation of intervention measures in place to achieve planned Historically Disadvantaged Individual (HDI) targets for People with Disabilities (PwDs) in line with the new Supply Chain Management Policy. | <p>GGDRT</p> <p>As part of the turnaround strategy, the Department has adopted a Group Cohesive Strategy, whose emphasis is teamwork and collaboration. Business units are converging towards a common goal and taking collective ownership of the overall Departmental performance.</p> <p>Business units are guided to properly assess their projects and identify projects that will be designated to specific target groups and incorporate that in their bid specifications and service delivery models. Supply Chain Management has started to monitor implementation thereof. The Department is also reviewing systems and processes to ensure that all projects are accounted for, including jobs created.</p> <p>GMA</p> <p>The following deliberate strategies are in place to increase procurement from companies owned by PwDs:</p> <ul style="list-style-type: none"> • Through the tender requirements, the responsibility of investing in PwDs and integrating them into corporate supply chains is transferred to bidders in ensuring that they have a supplier development (SD) and skills transfer programme concerning that particular tender. The supplier development and skills transfer programme is assessed and evaluated during the bid submission and is further bolstered during the contract negotiation. The final programme is agreed upon with a successful bidder. Additionally, a clear guideline for SD aligned to Broad-Based Black Economic Empowerment (B-BBEE) is under review and will form part of the tenders where applicable. • The GMA is exploring collaborative partnerships with entities that have built databases and ecosystems with HDIs, including capable PwDs that the GMA may tap into during the competitive procurement processes. |

| DATE | SUBJECT | MATTERS RAISED | DEPARTMENT'S RESPONSE |
|-------------|--|--|--|
| August 2021 | House Resolutions on the Portfolio Committee on the Roads and Transport Oversight Report on the 4th Quarter Quarterly Report of the Department of Roads and Transport, Gautrain Management Agency and g-Fleet Management for the financial year 2020/21 | The Department should provide the Committee with a detailed report on the advertisement and appointment of the three subsidised bus contracts as well the six contracts that were planned to be operationalised in the quarter under review. | <p>Detailed Progress Report: New Bus Contracts</p> <p>The Department has entered into a Memorandum of Agreement with the Council for Scientific and Industrial Research (CSIR) to provide necessary technical support to implement subsidised service contracts.</p> <p>Survey and Designs of new Bus Contracts:</p> <p>A comprehensive study was concluded on the serviced network of subsidised bus contracts, except the biggest contract, Mpumalanga-Moloto contract, which will be designed by National Department of Transport.</p> <p>Gauteng Province is technically ready to regularise the contracts.</p> <p>New contracts are likely to cost between R30/km and R52/km.</p> <p>Services to be provided in terms of what government can afford, either the serviced network has to be halved or the budget doubled.</p> <p>New bus contracts will be published within the available subsidy.</p> <p>To afford the current CPI contract rate, the current contracts operating in the same area are to be merged to form one contract, 33 current bus contracts were reduced to eight contracts. Viable routes were priorities in the study.</p> <p>Advertisement of New Bus Contracts</p> <ul style="list-style-type: none"> • The adverts were initially envisaged to be published in tranches. However, the Bid Specification Committee has been requested to publish all eight contracts at once. The adverts were amended accordingly. • Support was provided to respond to the probity audit outcomes. • The Bid Specification Committee finalised the advert. • The business case and the advert for the 8 new bus contracts were analysed by the Probity Audit. • The business case for bus contracts were finalised and signed off. <p>The Department is in the process of finalising the specifications for the public tender for subsidised bus contracts. It is envisaged that the tender will be publicised no later than September 2021.</p> |

8. SCOPA RESOLUTIONS

| Resolution No. | Subject | Details | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|--|-------------------|
| (7.1) | SCOPA Resolutions emanating from the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Vote 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2020 | That the Department must submit a plan to evaluate the performance of the programmes funded by the Public Transport Operations Grant by 31 July 2021. This plan must include the assessment of its effect in the financial year 2020/21. | <p>Plan to evaluate PTOG performance</p> <ul style="list-style-type: none"> • Ensure that the development of public transport services to be subsidised are in line with all relevant legislations. • Submit monthly performance reports to the National Department of Transport on PTOG expenditure. • The implementation of an Electronic Monitoring System to provide real time operation information and to supervise, monitor and certify the correctness of the operator's payment certificate by the appointed Supervisory Monitoring Firms (SMFs). • New subsidised contracts put out on tender to improve service quality; the model tender contract document contains revised high penalties that will force subsidised bus operators to comply with their contractual obligation. • The contract rates for new contracts are likely to cost between R30/km and R52/km resulting in full expenditure of PTOG. <p>Assessment of performance in the financial year 2020/21</p> <ul style="list-style-type: none"> • The operation of the bus contracts was reduced due to lockdown and reduction of ridership. • The high amount of under-expenditure in the financial year 2020/21 was due to the impact of COVID-19. • The province paid 60% for the standing kilometers for the services that were not operated and 40% of the subsidy added to the high amount of under-expenditure. | No. |

| Resolution No. | Subject | Details | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|---|-------------------|
| (7.2) | SCOPA Resolutions emanating from the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Vote 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2020 | That the Department must submit to the Committee a plan on how they would conduct a comprehensive review of Annual Financial Statements prior to submission for auditing and to provide supporting documentation on time to the auditors for auditing by 31 July 2021. | <p>The Department welcomes the resolution of the Committee and would like to highlight the following processes which are followed to ensure the preparation of comprehensive financial statements:</p> <ul style="list-style-type: none"> • The Department, in line with Section 40 and 41 of the Public Finance Management Act, prepares and submits monthly financial reporting compliance reports to the Gauteng Provincial Treasury for further analysis and recommendations. • The Department also prepares financial statements on a monthly basis, with the sole objective of detecting, identifying and correcting any form of inadequate or inaccurate financial reporting. • The Department also prepares and submits quality and interim financial statements to the Gauteng Provincial Treasury. These serve as building blocks and collaborative evidence towards the preparation of the Annual Financial Statements. • The Department further undertakes analysis, reviews and respective business units' confirmations before finalising the preparation of the Annual Financial Statements. <p>However, it is also important to highlight to the Committee that the AGSA identified misstatements occurred under abnormal circumstances as they emanated from the disclosure of alleged transgressions contained in the investigation reports initiated by the Department. In responding to the root cause of the misstatement, the Department has further strengthened the internal controls by undertaking regular engagement with the Department's Investigation unit regarding finalised investigation reports and their implications thereof. In addition, the Finance unit will enhance its processes with regards to obtaining regular written confirmations from the Department's Investigation unit regarding the status of all investigations and their related impact on the financial statements.</p> <p>In addition to the above, the Department will also look to adequately capacitate the Financial Accounting unit over the current financial year which will assist in identifying any further errors, omissions and misstatements in the financial statements.</p> | No. |



| Resolution No. | Subject | Details | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|---|-------------------|
| (7.4) | SCOPA Resolutions emanating from the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Vote 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2020 | That the Department must provide the Committee with a progress report detailing the effectiveness of the systems in place to manage progress against achieving the targets relating to Programme 3: Transport Operations by 31 July 2021 and a quarterly progress report continuing up until the end of June 2022. | <p>Approved Standard Operating Procedure Manual (SOP) for the management of Public Transport Operational Grant budget.</p> <ul style="list-style-type: none"> • Receipt of verified payment certificates by SMFs and their monthly reports on contract operations. • Further verification of payment certificates by internal staff members. • Compilation of Performance information: capture information of kilometers, routes and trips from operating statistics (claims) to the monthly, quarterly and Annual Report. <p>Monitoring of subsidised contracts</p> <ul style="list-style-type: none"> • Monitoring adherence to schedule (timetable) • Schedules are dynamic and manage schedule changes. • Monitor adherence to routes • Contract budget management • Facilitation of contract meetings. <p>Electronic Monitoring System</p> <ul style="list-style-type: none"> • Records all vehicle movements for portfolio of evidence, as proof of operations Daily, weekly, monthly vehicle activity reports are generated • Information stored by means of cloud computing for latent reference • Reports entail distances and speeds travelled by buses and their tracked location. | No. Ongoing |
| | | That the Department must submit quarterly progress report on the finalisation of the lawsuits reported for the period to 31 March 2020 by 31 July 2021 and every quarter, continuing up until finalisation thereof. | <p>The movement schedule of lawsuits reported from 31 March 2020 to 31 March 2021 as follows:</p> <p>Contingent Liabilities as at 31 March 2021:</p> <p>Total claims for all categories of legal cases</p> <p>Opening Balance 2019/20 = R296,067,271.73</p> <p>Additions: R61,272,857.53</p> <p>Resolved Cases/Cancelled: R53,532,965.68</p> <p>Closing Balance 2020/21: R303,807,163.58</p> <p>Settled Amount: 529</p> | |

| Resolution No. | Subject | Details | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|--|-------------------|
| (7.4) | SCOPA Resolutions emanating from the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Vote 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2020 | That the Department must investigate alternative measures to reduce the occurrence of lawsuits and submit the plan to the Committee by 31 July 2021. | <p>Working with the State Attorneys, dormant matters where the plaintiffs did not have a solid case were reviewed and matters that were dormant for a very long time and where there was evidence that the Plaintiffs is no longer pursuing the in the matter, were closed off. This resulted in huge decrease of the contingency liability.</p> <ul style="list-style-type: none"> • The Department is reviewing the case register, assessing the merits of each case and on the basis of cost vs benefit analysis, including impact analysis, will decide on the most appropriate and cost-effective ways of resolving the cases. • The Roads Infrastructure have committed to taking reasonable steps to maintain the provincial roads in order to minimise lawsuits and to this effect: <ul style="list-style-type: none"> ◊ Outsourced routine maintenance service providers to maintain the provincial roads on a daily basis and provision has been made that if there are any lawsuit claims, the service providers will be held responsible for the damages. ◊ The Department launched the Transport Infrastructure House (TIH), a project that monitors the entire project life cycle from initiation, procurement, contract management and close off, ensuring that project risks are identified early and continuously throughout the project and addressed. • The HoD has secured the services of the Chief Litigation Officer in the Office of the Premier to advise on 20 high profile matters that are capable of being settled – this is with the view to close more matters that are capable of being closed and settled. • The Department is strengthening the implementation of consequence management to ensure that officials that are responsible for legal cases that could have been avoided are held accountable for their actions. | |

| Resolution No. | Subject | Details | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|--|-------------------|
| (7.7) | SCOPA Resolutions emanating from the SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Vote 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2020 | 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 by 31 July 2021 and every quarter continuing up until finalisation thereof. | National Department of Transport has not updated provinces on the merging of Public Transport Operation Grant and Public Transport Network Grant to alleviate the shortfall in road-based public transport operations. | Yes. |
| (7.8) | | That the Department must provide the Committee with a progress report detailing the status of the reviewing of the organisational structure by 31 July 2021 and every quarter continuing up until finalisation thereof. | The Departmental Organisational Structure was reviewed, and the revised structure was forwarded to the Premier's Office, and still awaiting update. | No. |
| (7.13) | | That the Department provides the Committee with a progress report detailing the status of the investigations by 31 July 2021 and a quarterly progress continuing up until finalisation thereof. | Please refer to attached "Annexure A" [Department of Roads and Transport Progress Report on Investigations [End of June 2021]. | No. Ongoing |

| Resolution No. | Subject | Details | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|--|-------------------|
| 13.1 | SCOPA Resolutions emanating from SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Vote 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2021 | That the Department must investigate alternative measurers to reduce the occurrence of lawsuits and submit the plan to the Committee by 31 January 2022. | <p>The major lawsuits and legal disputes emanate from the following:</p> <ul style="list-style-type: none"> • <u>Award court interdicts from the losing bidders:</u> The adherence and compliance with the GDRT and Gauteng Provincial Treasury procurement policies will assist in defending the evaluation and adjudication processes that led to the award of the tender. • <u>Contract management of the service providers in the projects:</u> Improvement on our contract and project management process. The Department is in the process of appointing 20 qualified registered project managers. The project managers will assist with the contract effectively manage and apply contract management principles in the project to prevent issues escalating to lawsuits that the Department ends up losing. • <u>Compensations due to property/land acquisition or expropriation:</u> The Department has finalised the Professional Service Providers (PSP) procurement, which includes the valuers. This resource will assist with proper valuations and reporting to the clients (landowners) to avoid causing the clients to approach courts as the only recourse for them for fair and right compensations. <p>It is also important to note that often unsuccessful bidders interdict the process for no particular reason which causes further delays and lawsuits from other bidders. The Department developed a plan to reduce lawsuits. Please refer to the attached Annexure A [The Litigation Plan to reduce lawsuits - 2021/22].</p> | No. Ongoing |
| 13.3 | SCOPA Resolutions emanating from SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Vote 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2021 | <p>That the Department must conduct an investigation/ study on its contingent liabilities as a result of under-spending on Programme 2: Transport Infrastructure due to, amongst others, potholes and damage claims as well as motor vehicle accidents and provide the Committee with a progress report by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof.</p> | <p>The RIFSA 1 & 2 (5 contractors) and RIFSA 3 (20 contractors) contractors are in the procurements process, with RIFSA 1 & 2 at the final stages of procurement. Contractors in RIFSA 1 & 2 awards should be concluded within this financial year and this will improve the efforts to maintain the roads thereby reducing the incidents and accidents.</p> <p>These are 3-year contracts. The 5 contractors in RIFSA 1 & 2 will be allocated to our 5 regions, responsible for servicing the regions and thereby reducing incidences on the roads. The challenge we experience is in the capacity to maintain roads on time to avoid deterioration. The conclusion of this procurement will provide a much-needed solution to the current challenges.</p> | No. Ongoing |

| Resolution No. | Subject | Details | Response by the Department | Resolved (Yes/No) |
|----------------|---|---|---|-------------------|
| 13.3 | SCOPA Resolutions emanating from SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Vote 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2021 | That the Department must submit its plan for revising the performance indicators for the 2022/23 financial year by 31 January 2022 and provide the Committee with a quarterly progress report continuing up until finalisation thereof. | <p>The Department has undertaken a review of its Programme 3 targets and indicators in its 2021/22 Annual Performance Plan (APP) to address the audit findings. The indicators and targets were enhanced as per the Specific, Measurable, Achievable, Relevant and Time-bound (SMART) criteria. The revised APP 2021/22 was re-tabled at the Provincial Legislature in December 2021.</p> <p>The revised targets and indicators were included in the draft APP 2022/23 and is being assessed by the Office of the Premier and the Gauteng Audit Services to provide an independent review and assessment of the draft Annual Performance Plan 2022/23. The Department will implement the necessary recommendations provided by these reviews to improve the APP for financial year 2022/23.</p> | Yes. |
| | | That the Department must enhance the technical indicator descriptions to enable all role players within AOPO to collect, collate and report on achievements in a similar manner by 31 January 2022 and provide the Committee with a quarterly progress report continuing up until finalisation thereof. | The Department has reviewed and updated the relevant Technical Indicator Descriptions (TIDs) in the revised APP 2021/22. The revised TIDs have also been reviewed by the by the Office of the Premier and the Gauteng Audit Services to provide an independent review and assessment of the TID's in the draft Annual Performance Plan for 2022/23. The Department will implement the necessary recommendations provided by these reviews to improve the APP for financial year 2022/23. | Yes. |
| | | That the Department must submit its plan to perform periodic checks of POE to verify accuracy and completeness of data by 31 January 2022 and provide the Committee with a quarterly progress report continuing up until end of June 2022. | The Department conducts Quarterly and Annual POE verification of reported performance in quarterly and Annual Reports. On a quarterly basis, the POE is verified and letters are provided to business units on the verification thereof. Discrepancies and incompleteness is highlighted and discussed with the relevant unit to correct their POEs. A Departmental POE audit report is also collated identifying the verification process, findings and recommendations for each target reported during the quarter. Business units are assisted to correct and implement systems to improve the collation, verification and reporting of POE to support reported performance. | No. Ongoing |

| Resolution No. | Subject | Details | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|---|-------------------|
| 13.5 | SCOPA Resolutions emanating from SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Vote 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2021 | That the Department must submit its plan to put in place a records management system and provide the Committee with progress made by 31 January 2022 and a quarterly progress report continuing up until the finalisation thereof. | <p>The Department has put in place a Records Management System, however, not all business units make use of the system at this stage. Selected units such as SCM, Finance and HR units keep their own records.</p> <p>The Department has formed a record management task team for phased record management system which will commence with Finance and SCM. A storage facility was identified for physical storage of documents and the process to establish budget requirements, is currently underway.</p> <p>However, the Department introduced the Electronic Document Management System (e-DRMS) in 2017 as part of the digitisation project to ensure that all the Departmental records are scanned and filed electronically. Scanning areas have been identified for all the different regions of the Department including the Head Office.</p> <p>An approval to recruit contractors (cadets) was granted by the HoD in September 2021 to assist in the back scanning of the records. The cadets will resume work once the HR recruitment process has been finalised.</p> | No. Ongoing |
| 13.6 | | That the Department must submit its plan to address internal control deficiencies and provide the Committee with progress made by 31 January 2022 and a quarterly progress report continuing up until the end of June 2022. | <p>The Department has developed an Audit Improvement Plan which identified all the dependencies for a clean audit and monitoring performance of the dependencies.</p> <p>Management meetings and staff meetings are held regularly to discuss performance and track progress. The Internal Audit Action Plan is attached as Annexure B.</p> | No. Ongoing |
| 13.9 | | That the Department must provide the Committee with a report detailing the status of the application for the condonation of the irregular expenditure amounting to R2,013,176,000 by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof. | The Department's application for condonation was approved by Gauteng Provincial Treasury (GPT) in December 2021. | Yes. |

| Resolution No. | Subject | Details | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|--|-------------------|
| 13.18 | SCOPA Resolutions emanating from SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on Vote 9: Gauteng Department of Roads and Transport for the Year Ended 31 March 2021 | That the Department must submit its assessment of the implications of its Audit Action Plans for the current financial year 2021/22. | The Audit Action Plan has been developed to address the adverse audit findings and will improve the audit outcome as it is aimed at ensuring that there are no material findings on the annual performance report, that the financial statements are free of material misstatements and that there are no material findings on compliance with laws and regulations. | No. Ongoing |

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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

10. INTERNAL CONTROL

- In accordance with the requirements of the Public Finance Management Act (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 in order to prioritise high risks and ensure adequate controls are designed and are tested on a regular basis for effectiveness.
- All planned internal audits were completed during the year under review.
- Administrative policies were reviewed, approved and communicated.
- Quarter audit reports were presented to the Audit Committee for independent oversight.
- Risk management action plans were closely monitored for implementation.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

INTERNAL AUDIT

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

Key Activities of Internal audit

Risk-based Internal Audit Plans were developed by GAS and approved by the respective Departmental Audit Committees which exercise oversight over the activities of GAS.

The activities are as follows:

- Risk and compliance audit.
- Performance audit.
- Computer audit.
- Information technology risk assessment.

Summary of audit work done

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

The Department's Internal Audit unit, known as Gauteng Audit Service (GAS) is centralised and located in the Gauteng Provincial Treasury. It is structured into four specialised components, i.e., Risk and Compliance, Computer Audit and Performance Audit. GAS conducted 15 audit assignments for the year.

The table below discloses relevant information on the Audit Committee members:

| Name | Qualifications | Internal or external | If internal, position in the Department | Date appointed | Date resigned | No. of meetings attended |
|--------------------------------|--|----------------------|---|----------------|---------------|--------------------------|
| Vishnumurthie Kista Naicker | <ul style="list-style-type: none"> ➤ B. Com (Accounting and Economics Major) ➤ Higher Diploma in Taxation (H. Dip. Tax) ➤ Business Management Diploma (B. Mg. Dip) ➤ Systems Administration Diploma ➤ Sustainable Business Strategy (Harvard Certification) | External | - | 11 Aug 2020 | Current | 5 |
| George Higgins | <ul style="list-style-type: none"> ➤ Chartered Accountant (SA) ➤ B. Com (Hons) ➤ B. Com ➤ Higher Diploma in Auditing | External | - | 01 Sept 2016 | | 5 |
| MMathebe Annah Faith Moja (Ms) | <ul style="list-style-type: none"> ➤ Masters in Business Leadership ➤ Advanced Treasury Management ➤ B. Com | External | - | 11 Aug 2020 | | 5 |

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 2022.

Audit Committee and Attendance

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

Non-Executive Members

The table below discloses relevant audit committee information:

| Name | Qualifications | Internal or external | Date appointed | No. of Meetings attended |
|--------------------------------|--|----------------------|----------------|--------------------------|
| Vishnumurthie Kista Naicker | <ul style="list-style-type: none"> ➤ B. Com (Accounting and Economics Major) ➤ Higher Diploma in Taxation (H. Dip. Tax) ➤ Business Management Diploma (B. Mg. Dip) ➤ Systems Administration Diploma ➤ Sustainable Business Strategy (Harvard Certification) | External | 11 Aug 2020 | 5 |
| George Higgins | <ul style="list-style-type: none"> ➤ Chartered Accountant (SA) ➤ B. Com (Hons) ➤ B. Com ➤ Higher Diploma in Auditing | External | 01 Sept 2016 | 5 |
| MMathebe Annah Faith Moja (Ms) | <ul style="list-style-type: none"> ➤ Masters in Business Leadership ➤ Advanced Treasury Management ➤ B. Com | External | 11 Aug 2020 | 5 |

Executive Members

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

| Compulsory Attendees | Number of Meetings attended |
|--|-----------------------------|
| Dr. Darion Barclay (Accounting Officer) | 03 |
| Ms. Mampe Gololo (Acting Accounting Officer) | 01 |
| Mr. Makhukhu Mampuru (Accounting Officer) | 01 |
| Ms. Mampe Gololo (Chief Financial Officer) | 04 |
| Mr. Tefelo Mokete (Acting Chief Financial Officer) | 01 |
| Ms. Delicia Kgage (Chief Risk Officer) | 04 |
| Ms. Malebo Duduzile (Acting Chief Risk Officer) | 01 |
| 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 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 honorable 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.

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

Notwithstanding the audit outcome, the audit committee recognises management's efforts to strengthen internal controls in the Department, and the financial statements' quality has improved compared to the previous year. It was observed in several internal audit reports, management and audit reports of the Auditor-General of South Africa that matters were reported suggesting inadequacies in the system of internal controls in areas that related to financial reporting, asset management, reporting on pre-determined objectives, and compliance with laws and regulations, and in some cases resulted in recurrent findings.

In some cases, the internal control system for the period under review was assessed to be adequate but ineffective, and there is room for improvement in terms of resolving internal audit findings on time and implementing consequence management. The Auditor-General of South Africa raised some of the issues/concerns raised by Internal Audit during the year. The Audit Committee believes that management should continue to strengthen the internal control environment by developing and implementing systems across the internal control universe. Management should also strengthen its financial reporting procedures to reduce the risk of material misstatement of the financial statements. Management is complimented for reducing irregular expenditure, as well as fruitless and wasteful spending, in the current fiscal year compared to the previous year.

Information and Communication Technology (ICT) Governance

The department made some progress in implementing the 2019/20 recommendations. The Audit Committee takes note of the AGSA and Internal Audit reports on ICT governance, business continuity, and duplicate user accounts on the e-NaTIS system. The status of IT controls was not acceptable, ICT governance controls were inadequate, and important ICT positions remained vacant. The Department has been urged to devote strong focus to correcting these inadequacies in the new financial year. Management has also been urged to address control shortcomings in the management of IT assets.

Internal Audit

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

The Internal Audit team was able to execute and substantially finish the risk-based audit plan within the budgeted hours and time constraints. The Audit Committee is comfortable that the Internal Audit plan has a clear alignment with the principal risks, has enough coverage of information systems, and maintains a good balance among the various categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits.

During the past year, the coordination of efforts between internal audit and the Auditor-General of South Africa to provide assurance services has been strengthened. The Committee considers this a crucial step towards a fully effective integrated assurance system.

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

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

Risk Management

Quarterly updates were provided to the Audit Committee on the department's risk management progress. The Audit Committee is of the opinion that the department's risk management maturity has reached an intermediate level, with additional risk management strategy elements still to be implemented. It was determined that the risk management activities conducted were insufficient. Important parts, such as fraud risk management, remain incomplete, including the fraud risk assessment and fraud prevention plan. Management should continue to assume full responsibility for the entire Enterprise Risk Management Process and continue to help the Chief Risk Officer in improving the Department's risk maturity level, particularly during these times of post COVID.

Performance Management

The review of the 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.

In light of the Auditor-General of South Africa's significant finding that a number of performance indicators fell short of their targets and in some cases were not delivered, management is urged to ensure that appropriate systems and processes are in place to ensure the achievement of its performance targets. In addition, management is urged to ensure that shortcomings in control relating to record keeping linked with performance data are corrected, focusing on procurement and contract management.

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

The Audit Committee reviewed the quality, accuracy, usefulness, 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 enabling laws and regulations were noted by the Audit Committee, Management, Internal Audit and Auditor-General of South Africa 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

During the year under review, investigations into alleged financial irregularities, financial malfeasance, and fraud were concluded. Several investigations are still in the final stages of completion. Several steps, including disciplinary action against the identified officials, were recommended and were in the process of being finalised. The recommendations are in varying levels of execution, and the Audit Committee continues to prioritise their oversight.

Evaluation of Annual Financial Statements

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

- 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 the 19th of May 2022 and recommended them for audit.
- 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 the 19th of May 2022 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 Auditor-General of South Africa 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 Auditor-General of South Africa;
- Reviewed the Auditor-General of South Africa'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 acknowledges the conclusion about the material adjustment pertaining 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 is concerned with the regression of the audit outcomes expressed by the Auditor-General of South Africa 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 Auditor-General of South Africa. Management should develop a plan to address the root causes that contributed to the regression.

Evaluation of Annual Report

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

- Audit Committee evaluated final draft Annual Report (including performance report) the audit committee meeting held on 25th July 2022 and noted the achievement for the year under review and recommended it.

Audit Improvement Plan for 2020/21

On a quarterly basis, the Audit Committee evaluated and followed up on the implementation of the audit findings from the previous year. The Audit Committee believes that there is room for improvement in this area, particularly with regard to timely implementation, resolution of findings, and addressing the core causes of the weakness reported by the external auditors.

One-on-One Meeting with the Accounting Officer

Periodically, the Audit Committee has met with the Department's Accounting Officer to discuss concerns and address problematic issues impacting the control environment of the Department.

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

In order to achieve the necessary effectiveness in governance, accountability, and clean administration, the Audit Committee strongly advises the department to prioritise root-cause identification and analysis, consequence management, and regular monitoring of the audit action plans.

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

The Audit Committee would like to express its appreciation to the Head of Department, Management and to Internal Audit and Management for their commitment and achievement of the unqualified audit opinion.



Mr Vishnu Naicker

Chairperson of the Audit Committee
Name of Department

Date: 11 August 2022



13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The Department requested the Gauteng Provincial Treasury (GPT) to arrange for the Department to participate in the B-BBEE verification audit, for the financial year, 2021/22 however, the verification did not materialize. Ongoing engagement with GPT ensued to complete the B-BBEE verification and the request was approved in July 2022 for the financial year, 2022/23 verification audit.

PART D: HUMAN RESOURCE MANAGEMENT



● HIGHLIGHTS

DEPARTMENT OF ROADS
AND TRANSPORT

01



1,951,307 motor vehicle licences registered

02



72 interns were employed in the Department

03



36 local contractors developed to CIDB level 4

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

The table below indicates the total number of posts that are fielded within the Department:

| HUMAN RESOURCE CAPACITY | | |
|---|---|--|
| Financial year, 2021/22 | | |
| Total number of posts on the Dept Structure as at the last day of the period under review | Total number of posts currently filled as at the last day of the period under review | Total number of vacant posts as at the last day of period under review |
| 2,257 | 1,506 | 731 |
| Total number of acting positions as at the last day of the period under review | Total number of terminations during the period under review | Total number of new appointments during the period under review |
| 12 | 99 | 5 |
| Total number of suspensions during the period under review | Summarised information on the GEYODI/HDI compliance for the period under review | |
| 2 | <ul style="list-style-type: none"> The Senior Management Service comprises of 46% Women. Youth employed in the Department is at 14%. People living with Disabilities employed in the Department is at 0.53%. | |

Organisational Structure Review

The Department is undertaking a review of its organisational structure to ensure alignment to its Five-Year Strategic Plan. The structural review will also ensure a balance of critical skills acquired to support improved service delivery and administrative capacity to effectively support the core business of the Department. The restructuring process is informed by the Public Service Regulations 2016 as prescribed and the strategic posture of the Sixth Administration. The restructuring process commenced in the financial year, 2019/20 and has continued during the financial year under review. The Service Delivery Model analysis is complete.

- The review of the organisational structure has been completed and posts created.
- The costing of the structure is to be finalised as the last hurdle. Thereafter, confirmation from Provincial Treasury to be received prior to the memorandum being submitted to the Office of the Premier (OoP).
- The draft functional structure has been developed. The functional structure has been aligned to the National Department of Transport (NDoT) Sector Structure Model, which addresses the IDMS incorporation into the structure. The functional structure has been aligned to the Department of Public Services and Administration (DPSA) Corporate Service Model.
- The Job Evaluation Phase has commenced to grade positions in line with the proposed changes.
- The Change Management Strategy had been developed and implementation is on-going.
- Consultation sessions with Departmental stakeholders to obtain inputs on the organisational structure has been concluded.
- The Department has also conducted five Change Management Roadshows sessions with all five branches of the Department.



Furthermore, the Physical Logistical Support Employees Change Management Roadshow session was conducted. The Readiness Assessment Survey was published and Change Management articles are published every Friday to keep stakeholders informed about the progress of the project.

Employee Wellness

Employee Health and Wellness (EHW)

A total of 172 employees and their immediate family members utilised counselling and referral services. One hundred and fifty-one employees were affected by COVID-19, of this number, 97 tested positive and 54 were put on quarantine. Daily COVID-19 screening was conducted in all 18 worksites. COVID-19 vaccine door-to-door campaign was conducted in Head Office, Temba and Mabopane DLTCs in March 2022. A total number 761 employees were vaccinated for COVID-19, including the boosters. Trauma debriefing was conducted in two regional offices. Two policies on Personal Protective Equipment (PPE) and Clean Desk were developed and approved. COVID-19 compliance audit was conducted in all 19 worksites and the report was presented to Occupational Health and Safety (OHS) Committee.

A total of 70 risk assessments were completed for vulnerability to COVID-19. The assessments were conducted by the Occupational Medical Officer from the Office of the Premier (OoP). All EHW operational plans were developed and approved for submission to the Department of Public Service and Administration (DPSA) as per directive on submission of Employee Health and Wellness Operational Plans.

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

Three Departmental SHERQ Committee meetings were held during the financial year. Five regional SHERQ Committees were established in line with the Departmental SHERQ Policy. The terms of reference (TOR) for the SHERQ committee was reviewed and approved. Three SHERQ inspections were conducted in various regions and DLTC's. Three draft Risk Assessment Reports were developed for Head Office, DLTCs and regions. Personal Protective Equipment (PPE) was distributed to employees including 2,232 cloth masks. Seventy-four employees were inducted on COVID-19 policies, protocols and procedures.

Addressing Employee Wellness and safety during COVID-19

A COVID-19 compliance audit was conducted in all 19 worksites to determine the level of compliance per worksite. PPE, which included cloth and surgical masks, hand and surface sanitisers, coveralls, faceshields and disinfectants were distributed to all employees. Those affected by COVID-19 were supported through counselling, quarantine and isolation. Contact tracing was implemented for all COVID-19 cases. Daily COVID-19 screening was conducted at entrances of all GDRT buildings. The return to work plan was regularly reviewed in line with COVID-19 alert levels. Two new COVID-19 related policies were developed and approved. COVID-19 training and induction were coordinated. Contracts of 48 youth cadets recruited to assist with COVID-19 screening were renewed to end in September 2022.

Performance Management and Development System (PMDS)

The Departmental Moderation Committee convened on 19 and 23 November 2021 for the moderation of employees on levels 2-12 and SMS members on levels 13-14, respectively for the finalisation of the 2020/21 performance cycle. Approval was granted by the HoD for the payment of performance bonuses to qualifying employees on levels 2-12. The Department of Public Service and Administration (DPSA) implemented an automatic once-off pensionable salary adjustment of 1.5% in lieu of pay progression to all SMS members and employees on levels 2-12 for the 2020/21 performance cycle.

The PMDS unit embarked on a grade progression process in 2021 and 24 employees qualified for grade progression according to the DPSA criteria.

In order to assist all employees on levels 2-12 with the contracting on PMDS for the performance cycle 2021/22, refresher courses on the Electronic Performance Management Development System (e-PMDS) and PMDS were held during April and May 2021.

The Department in collaboration with Department of e-Government, introduced the e-PMDS to the Senior Management to be implemented for the performance cycle 2022/23. Two training sessions were held and 25 and 23 SMS members, respectively attended the training. In order to enhance the application of the e-PMDS system, a refresher training session was held with 30 members in attendance.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by Programme for the period 1 April 2021 and 31 March 2022

| 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 | 361,499 | 185,374 | 0 | 0 | 51.40 | 472 |
| Gautrain | 2,776,816 | 0 | 0 | 0 | 0 | 0 |
| Transport Infrastructure | 1,681,772 | 291,540 | 0 | 0 | 17.30 | 431 |
| Transport Operations | 2,621,494 | 88,920 | 0 | 0 | 3.40 | 1,560 |
| Transport Regulation | 299,682 | 190,968 | 0 | 0 | 63.90 | 399 |
| Total | 7,741,263 | 756,802 | 0 | 0 | 9.80 | 472 |

Table 3.1.2 Personnel Costs by Salary Band for the period 1 April 2021 and 31 March 2022

| Salary band | Personnel expenditure (R'000) | % of total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|--|-------------------------------|---------------------------|------------------|---|
| Lower skilled (Levels 1-2) | 16,738.00 | 2.4 | 81 | 206,642 |
| Skilled (Levels 3-5) | 190,217.00 | 27.2 | 641 | 296,750 |
| Highly skilled production (Levels 6-8) | 233,815 | 33.4 | 506 | 462,085 |
| Highly skilled supervision (Levels 9-12) | 156,670 | 22.4 | 185 | 846,865 |
| Senior and top management (Levels 13-16) | 56,586 | 8.1 | 43 | 1,315,953 |
| Contract (Levels 3-5) | 247 | 0 | 1 | 247,000 |
| Contract (Levels 6-8) | 6,303 | 0.9 | 15 | 420,200 |
| Contract (Levels 9-12) | 20,257 | 2.9 | 30 | 675,233 |
| Contract (Levels >= 13) | 4,947 | 0.7 | 3 | 1,649,000 |
| Periodical Remuneration | 1,263 | 0.2 | 2 | 631,500 |
| Abnormal Appointment | 4,484 | 0.6 | 100 | 44 840 |
| Total | 691,527 | 98.9 | 1,608 | 430,054 |

Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by Programme for the period 1 April 2021 and 31 March 2022

| Programme | Salaries | | Overtime | | Homeowners Allowance | | Medical Aid | |
|--------------------------|----------------|------------------------------------|----------------|------------------------------------|----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Administration | 194,541 | 241.40 | 6,280 | 2.7 | 8,959 | 14.70 | 13,954 | 12.3 |
| Transport Infrastructure | 303,429 | 236.80 | 10,891 | 5.7 | 17,592 | 10.20 | 29,446 | 16 |
| Transport Operations | 33,843 | 155.00 | 1,838 | 7.1 | 1,345 | 6.10 | 2,127 | 8.7 |
| Transport Regulation | 1,975 | 82.00 | 0 | 0 | 187 | 7.80 | 15 | 0.6 |
| Total | 533,789 | 76.40 | 19,008 | 2.7 | 28,082 | 4 | 45,542 | 6.5 |

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

| Salary band | Salaries | | Overtime | | Homeowners Allowance | | Medical Aid | |
|--|----------------|------------------------------------|----------------|------------------------------------|----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Skilled (Levels 1-2) | 11,066 | 65.6 | 348 | 2.1 | 1,263 | 7.5 | 2,195 | 13 |
| Skilled (Levels 3-5) | 132,230 | 69.1 | 8,538 | 4.5 | 11,404 | 6 | 20,989 | 11 |
| Highly skilled production (Levels 6-8) | 178,675 | 76 | 7,378 | 3.1 | 8,310 | 3.5 | 16,830 | 7.2 |
| Highly skilled supervision (Levels 9-12) | 129,771 | 81.3 | 2,424 | 1.5 | 4,349 | 2.7 | 4,319 | 2.7 |
| Senior management (Levels 13-16) | 49,308 | 86.4 | 6 | 0 | 1,488 | 2.6 | 704 | 1.2 |
| Contract (Levels 3-5) | 224 | 90.7 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Levels 6-8) | 5,015 | 72.2 | 112 | 1.6 | 204 | 2.9 | 345 | 5 |
| Contract (Levels 9-12) | 17,683 | 83.9 | 202 | 1 | 939 | 4.5 | 99 | 0.5 |
| Contract (Levels >= 13) | 4,239 | 85.2 | 0 | 0 | 126 | 2.5 | 60 | 1.2 |
| Periodical Remuneration | 1,094 | 86.6 | 0 | 0 | 0 | 0 | 0 | 0 |
| Abnormal Appointment | 4,484 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 533,789 | 76.4 | 19,008 | 2.7 | 28,082 | 4 | 45,542 | 6.5 |

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by Programme as on 31 March 2022

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--------------------------|---|------------------------|--------------|---|
| Administration | 453 | 341 | 24% | 0% |
| Transport Infrastructure | 1,161 | 680 | 41% | 0% |
| Transport Operations | 65 | 52 | 20% | 0% |
| Transport Regulations | 578 | 438 | 24% | 0% |
| Total | 2,257 | 1,506 | 33% | 0% |

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

| 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) | 108 | 81 | 25 | 0 |
| Skilled (Levels 3-5) | 976 | 641 | 34.30 | 0 |
| Highly skilled production (Levels 6-8) | 727 | 506 | 30.40 | 5 |
| Highly skilled supervision (Levels 9-12) | 347 | 185 | 49.60 | 5 |
| Senior management (Levels 13-16) | 49 | 43 | 12.20 | 0 |
| 09 Other, Permanent | 1 | 1 | 0 | 0 |
| 11 Contract (Levels 3-5), Permanent | 1 | 1 | 0 | 0 |
| 12 Contract (Levels 6-8), Permanent | 15 | 15 | 0 | 12 |
| 13 Contract (Levels 9-12), Permanent | 30 | 30 | 0 | 24 |
| 14 Contract (Levels >= 13), Permanent | 3 | 3 | 0 | 0 |
| Total | 2,257 | 1,506 | 33.270 | 46 |

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| Administrative related, Permanent | 221 | 158 | 28,5 | 3 |
| All artisans in the building metal, machinery, etc., Permanent | 7 | 7 | 0 | 0 |
| Appraisers-Valuers and related professionals, Permanent | 2 | 0 | 100 | 0 |
| Architects, town and traffic planners, Permanent | 1 | 1 | 0 | 1 |
| Artisan project and related superintendents, Permanent | 35 | 23 | 34,3 | 0 |
| Attorneys, Permanent | 2 | 2 | 0 | 0 |
| Authors, journalists and other writers, Permanent | 1 | 1 | 0 | 0 |

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| Auxiliary and related workers, Permanent | 56 | 33 | 41,1 | 0 |
| Building and other property caretakers, Permanent | 4 | 4 | 0 | 0 |
| Bus and heavy vehicle drivers, Permanent | 8 | 4 | 50 | 0 |
| Cartographers and surveyors, Permanent | 2 | 2 | 0 | 2 |
| Cartographic surveying and related technicians, Permanent | 5 | 0 | 100 | 0 |
| Civil engineering technicians, Permanent | 2 | 2 | 0 | 0 |
| Cleaners in offices workshops, hospitals etc., Permanent | 107 | 86 | 19,6 | 0 |
| Client information clerks (switchboard, receptionist, information clerks), Permanent | 5 | 3 | 40 | 0 |
| Communication and information related, Permanent | 7 | 3 | 57,1 | 0 |
| Computer system designers and analysts, Permanent | 6 | 5 | 16,7 | 0 |
| Economists, Permanent | 4 | 1 | 75 | 0 |
| Engineering sciences related, Permanent | 27 | 14 | 48,1 | 4 |
| Engineers and related professionals, Permanent | 156 | 74 | 52 | 35 |
| Finance and economics related, Permanent | 19 | 15 | 21,1 | 0 |
| Financial and related professionals, Permanent | 13 | 8 | 38,5 | 0 |
| Financial clerks and credit controllers, Permanent | 53 | 43 | 18 | 0 |
| Food services aids and waiters, Permanent | 1 | 0 | 100 | 0 |
| General legal administration & related professionals, Permanent | 1 | 1 | 0 | 0 |
| Head of Department/Chief Executive Officer, Permanent | 1 | 0 | 100 | 0 |
| Housekeepers, laundry and related workers, Permanent | 45 | 32 | 28,9 | 0 |
| Human resources & organisation development & related professional, Permanent | 30 | 17 | 43,3 | 0 |
| Human resources clerks, Permanent | 26 | 19 | 26,9 | 0 |
| Human resources related, Permanent | 1 | 1 | 0 | 0 |
| Identification experts, Permanent | 9 | 4 | 55,6 | 0 |
| Information technology related, Permanent | 1 | 1 | 0 | 0 |
| Language practitioners, interpreters & other communication, Permanent | 7 | 2 | 71,4 | 0 |
| Legal related, Permanent | 18 | 14 | 22,2 | 0 |

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---|---|------------------------|--------------|---|
| Light vehicle drivers, Permanent | 6 | 2 | 66,7 | 0 |
| Logistical support personnel, Permanent | 1 | 1 | 0 | 0 |
| Material-recording and transport clerks, Permanent | 17 | 13 | 23,5 | 0 |
| Messengers, porters and deliverers, Permanent | 28 | 23,00 | 17,90 | 0 |
| Motor vehicle drivers, Permanent | 1 | 1 | 0 | 0 |
| Other administration & related clerks and organisers, Permanent | 371 | 304 | 18,1 | 0 |
| Other administrative policy and related officers, Permanent | 221 | 145 | 34,4 | 0 |
| Other information technology personnel, Permanent | 22 | 20 | 9,1 | 0 |
| Other occupations, Permanent | 32 | 32 | 0 | 1 |
| Photographic, lithographic and related workers, Permanent | 2 | 1 | 50 | 0 |
| Quantity surveyors & related professionals not classed elsewhere, Permanent | 1 | 1 | 0 | 0 |
| Risk management and security services, Permanent | 2 | 1 | 50 | 0 |
| Road superintendents, Permanent | 8 | 4 | 50 | 0 |
| Road workers, Permanent | 11 | 10 | 9,1 | 0 |
| Secretaries & other keyboard operating clerks, Permanent | 516 | 267 | 48,3 | 0 |
| Security guards, Permanent | 60 | 40 | 33,3 | 0 |
| Senior managers, Permanent | 1 | 1 | 0 | 0 |
| Statisticians and related professionals, Permanent | 40 | 34 | 15 | 0 |
| Trade labourers, Permanent | 3 | 3 | 0 | 0 |
| Trade related, Permanent | 16 | 14 | 12,5 | 0 |
| Trade/industry advisers & other related professionals, Permanent | 8 | 2 | 75 | 0 |
| Water plant and related operators, Permanent | 7 | 7 | 0 | 0 |
| Total | 2,257 | 1,506 | 33,27 | 46 |

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2022

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|---|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department/ Salary Level 16 | 1 | 1 | 100% | 0 | 0% |
| Salary Level 16 | 0 | 0 | 0 | 0 | 0% |
| Salary Level 15 | 4 | 4 | 100% | 0 | 0% |
| Salary Level 14 | 10 | 9 | 90% | 1 | 10% |
| Salary Level 13 | 33 | 29 | 88% | 4 | 12% |
| Total | 48 | 43 | 89.6% | 5 | 10% |

Table 3.3.2 SMS post information as on 30 September 2021

| 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 | 100% | 0 | 0% |
| Salary Level 16 | 0 | 0 | 0% | 0 | 0% |
| Salary Level 15 | 4 | 4 | 100% | 0 | 0% |
| Salary Level 14 | 10 | 9 | 90% | 1 | 10% |
| Salary Level 13 | 33 | 26 | 21% | 7 | 19% |
| Total | 47 | 39 | 81% | 8 | 16% |

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

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

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

| Reasons for vacancies not advertised within six months |
|---|
| The 2 posts will not be aligned with the proposed structure; hence, it will not be filled until the structure is finalised. |

| Reasons for vacancies not filled within 12 months |
|---|
| The 2 posts will not be aligned with the proposed structure; hence, it will not be filled until the structure is finalised. |

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 2021 and 31 March 2022

| Reasons for vacancies not advertised within six months |
|--|
| None |

| Reasons for vacancies not filled within six months |
|--|
| None |

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022

| 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) | 108 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 976 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 727 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 327 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band A | 34 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band B | 9 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band C | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band D | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 Contract (Levels 3-5) | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Contract (Levels 6-8) | 15 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 Contract (Levels 9-12) | 50 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Contract Band A | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 Contract Band D | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2,257 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022

| 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 |
|------------------------------------|----------|

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022

| 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 |
|------------------------------------|----------|

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

3.5 Employment Changes

Table 3.5.1 Annual Turnover rates by salary band for the period 1 April 2021 and 31 March 2022

| Salary band | Number of employees at beginning of period-1 April 2021 | Appointments and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|--|---|--|--|---------------|
| Lower skilled (Levels 1-2) | 84 | 0 | 3 | 3.6 |
| Skilled (Levels 3-5) | 696 | 0 | 50 | 7.2 |
| Highly skilled production (Levels 6-8) | 523 | 0 | 22 | 4.2 |
| Highly skilled supervision (Levels 9-12) | 203 | 0 | 17 | 8.4 |
| Senior Management Service Bands A | 30 | 0 | 2 | 6.7 |
| Senior Management Service Bands B | 6 | 0 | 1 | 16.7 |
| Senior Management Service Bands C | 2 | 3 | 0 | 0 |
| Senior Management Service Bands D | 1 | 0 | 0 | 0 |
| Contract (Levels 3-5), Permanent | 1 | 1 | 0 | 0 |
| Contract (Levels 6-8), Permanent | 17 | 0 | 2 | 11.8 |
| Contract (Levels 9-12), Permanent | 30 | 0 | 0 | 0 |
| Contract Band A, Permanent | 3 | 0 | 1 | 33.3 |
| Contract Band D, Permanent | 1 | 1 | 1 | 100 |
| Total | 1,597 | 5 | 99 | 6.2 |

Table 3.5.2 Annual Turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

| Critical occupation | Number of employees at beginning of period-April 2021 | Appointments and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|---|---|--|--|---------------|
| Administrative related, Permanent | 164 | 0 | 6 | 3.7 |
| All artisans in the building, metal, machinery, etc., Permanent | 9 | 0 | 2 | 22.2 |
| Artisan project and related superintendents, Permanent | 1 | 0 | 0 | 0 |
| Attorneys, Permanent | 24 | 0 | 1 | 4.2 |
| Authors, journalists and other writers, Permanent | 2 | 0 | 0 | 0 |
| Auxiliary and related workers, Permanent | 1 | 0 | 0 | 0 |
| Building and other property caretakers, Permanent | 37 | 0 | 4 | 10.8 |
| Bus and heavy vehicle drivers, Permanent | 4 | 0 | 0 | 0 |
| Cartographers and surveyors, Permanent | 5 | 0 | 1 | 20 |
| Cartographic, surveying and related technicians, Permanent | 2 | 0 | 0 | 0 |
| Civil engineering technicians, Permanent | 2 | 0 | 0 | 0 |

| Critical occupation | Number of employees at beginning of period-April 2021 | Appointments and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|---|---|--|--|---------------|
| Cleaners in offices, workshops, hospitals, etc., Permanent | 88 | 1 | 3 | 3.4 |
| Client information clerks, (switchboard, receptionist, information clerks), Permanent | 3 | 0 | 0 | 0 |
| Communication and information related, Permanent | 3 | 0 | 0 | 0 |
| Computer system designers and analysts, Permanent | 5 | 0 | 0 | 0 |
| Economists, Permanent | 1 | 0 | 0 | 0 |
| Engineering sciences related, Permanent | 14 | 0 | 0 | 0 |
| Engineers and related professionals, Permanent | 75 | 0 | 1 | 1.3 |
| Finance and economics related, Permanent | 17 | 0 | 0 | 0 |
| Financial and Related professionals, Permanent | 8 | 0 | 0 | 0 |
| Financial clerks and credit controllers, Permanent | 45 | 0 | 2 | 4.4 |
| General legal administration & related professionals, Permanent | 1 | 0 | 1 | 100 |
| Head of Department/Chief Executive Officer, Permanent | 1 | 1 | 1 | 100 |
| Human resources & organisational development & relate professionals, Permanent | 35 | 0 | 3 | 8.6 |
| Human resources clerks, Permanent | 18 | 0 | 1 | 5.6 |
| Human resources related, Permanent | 18 | 0 | 1 | 5.6 |
| Identification experts, Permanent | 1 | 0 | 0 | 0 |
| Information technology related, Permanent | 4 | 0 | 0 | 0 |
| Language practitioners, interpreters & other communications, Permanent | 1 | 0 | 0 | 0 |
| Legal related, Permanent | 2 | 0 | 0 | 0 |
| Library mail and related clerks, Permanent | 14 | 0 | 0 | 0 |
| Light vehicle drivers, Permanent | 2 | 0 | 0 | 0 |
| Logistical support personnel, Permanent | 2 | 0 | 1 | 50 |
| Material-recording and transport clerks, Permanent | 15 | 0 | 0 | 0 |
| Messengers, porters and deliverers, Permanent | 23 | 0 | 0 | 0 |
| Motor vehicle drivers, Permanent | 3 | 0 | 2 | 66.7 |
| Other administration & related clerks and organisers, Permanent | 310 | 0 | 9 | 2.9 |

| Critical occupation | Number of employees at beginning of period-April 2021 | Appointments and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|---|---|--|--|---------------|
| Other administrative policy and related officers, Permanent | 153 | 0 | 9 | 5.9 |
| Other information technology personnel, Permanent | 20 | 0 | 0 | 0 |
| Other occupations, Permanent | 41 | 0 | 7 | 17.1 |
| Photographic, lithographic and related workers, Permanent | 1 | 0 | 0 | 0 |
| Quantity surveyors & related professionals not classed elsewhere, Permanent | 1 | 0 | 0 | 0 |
| Risk management and security services, Permanent | 1 | 0 | 0 | 0 |
| Road superintendents, Permanent | 7 | 0 | 3 | 42.9 |
| Road trade workers, Permanent | 10 | 0 | 0 | 0 |
| Road workers, Permanent | 298 | 0 | 31 | 10.4 |
| Secretaries & other keyboard operating clerks, Permanent | 43 | 0 | 2 | 4.7 |
| Security guards, Permanent | 1 | 0 | 0 | 0 |
| Senior managers, Permanent | 31 | 3 | 4 | 12.9 |
| Statisticians and related professionals, Permanent | 3 | 0 | 0 | 0 |
| Trade labourers, Permanent | 15 | 0 | 1 | 6.7 |
| Trade related, Permanent | 4 | 0 | 4 | 100 |
| Water plant and related operators, Permanent | 2 | 0 | 2 | 100 |
| Total | 1,597 | 5 | 99 | 6.2 |

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2021 and 31 March 2022

| Termination Type | Number | % of total resignations |
|--|------------|-------------------------|
| Death | 12 | 12.10 |
| Resignation | 30 | 30.3 |
| Expiry of contract | 3 | 3 |
| Dismissal – operational changes | 0 | 0 |
| Dismissal – misconduct | 2 | 2 |
| Dismissal – inefficiency | 0 | 0 |
| Discharged due to ill-health | 1 | 1 |
| Retirement | 51 | 51.5 |
| Transfer to other Public Service Departments | 0 | 0 |
| Other | 0 | 0 |
| Total | 99 | 100 |
| Total number of employees who left as a % of total employment | 6.6 | |

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

| Occupation | Employees 1 April 2021 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|---|------------------------|------------------------------------|---|---|---|
| Administrative related | 164 | 0 | 0 | 163 | 99.4 |
| All artisans in the building, metal, machinery, etc. | 9 | 0 | 0 | 8 | 88.9 |
| Architects, town and traffic planners | 1 | 0 | 0 | 1 | 100 |
| Artisan project and related superintendents | 24 | 0 | 0 | 24 | 100 |
| Attorneys | 2 | 0 | 0 | 2 | 100 |
| Authors, journalists and other writers | 1 | 0 | 0 | 1 | 100 |
| Auxiliary and related workers | 37 | 0 | 0 | 37 | 100 |
| Building and other property caretakers | 4 | 0 | 0 | 4 | 100 |
| Bus and heavy vehicle drivers | 5 | 0 | 0 | 4 | 80 |
| Cartographers and surveyors | 2 | 0 | 0 | 2 | 100 |
| Cartographic, surveying and related technicians | 2 | 0 | 0 | 2 | 100 |
| Civil engineering technicians | 88 | 0 | 0 | 87 | 98.9 |
| Cleaners in offices, workshops, hospitals, etc. | 3 | 0 | 0 | 3 | 100 |
| Client information clerks (switchboard, receptionist, information clerks) | 3 | 0 | 0 | 3 | 100 |
| Communication and information related | 5 | 0 | 0 | 5 | 100 |
| Computer system designers and analysts | 1 | 0 | 0 | 1 | 100 |
| Economists | 14 | 0 | 0 | 14 | 100 |
| Engineering sciences related | 75 | 0 | 0 | 75 | 100 |
| Engineers and related professionals | 17 | 1 | 5.9 | 17 | 100 |
| Finance and economics related | 8 | 0 | 0 | 8 | 100 |
| Financial and related professionals | 45 | 0 | 0 | 44 | 97.8 |
| Financial clerks and credit controllers | 1 | 0 | 0 | 0 | 0 |
| General legal administration & related professionals | 1 | 0 | 0 | 1 | 100 |
| Human resources & organisational development & relate professionals | 35 | 0 | 0 | 32 | 91.4 |
| Human resources clerks | 18 | 0 | 0 | 18 | 100 |
| Human resources related | 18 | 0 | 0 | 18 | 100 |
| Identification experts | 1 | 0 | 0 | 1 | 100 |
| Information technology related | 4 | 0 | 0 | 4 | 100 |
| Language practitioners, interpreters & other communications | 1 | 0 | 0 | 1 | 100 |
| Legal related | 2 | 0 | 0 | 2 | 100 |
| Library mail and related clerks | 14 | 0 | 0 | 14 | 100 |
| Light vehicle drivers | 2 | 0 | 0 | 2 | 100 |

| Occupation | Employees 1 April 2021 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|--|------------------------|------------------------------------|---|---|---|
| Logistical support personnel | 2 | 0 | 0 | 2 | 100 |
| Material-recording and transport clerks | 15 | 0 | 0 | 13 | 86.7 |
| Messengers, porters and deliverers | 23 | 0 | 0 | 23 | 100 |
| Motor vehicle drivers | 3 | 0 | 0 | 2 | 66.7 |
| Other administration & related clerks and organisers | 310 | 0 | 0 | 319 | 102.9 |
| Other administrative policy and related officers | 153 | 0 | 0 | 153 | 100 |
| Other information technology personnel | 20 | 0 | 0 | 20 | 100 |
| Other occupations | 41 | 0 | 0 | 37 | 90.2 |
| Photographic, lithographic and related workers | 1 | 0 | 0 | 1 | 100 |
| Quantity surveyors & related professions not classed elsewhere | 1 | 0 | 0 | 1 | 100 |
| Risk management and security services | 1 | 0 | 0 | 1 | 100 |
| Road superintendents | 7 | 0 | 0 | 7 | 100 |
| Road trade workers | 10 | 0 | 0 | 10 | 100 |
| Road workers | 298 | 0 | 0 | 287 | 96.3 |
| Secretaries & other keyboard operating clerks | 43 | 0 | 0 | 42 | 97.7 |
| Security guards | 1 | 0 | 0 | 1 | 100 |
| Senior managers | 31 | 5 | 16.1 | 35 | 112.9 |
| Statisticians and related professionals | 3 | 0 | 0 | 3 | 100 |
| Trade labourers | 15 | 0 | 0 | 15 | 100 |
| Trade related | 4 | 0 | 0 | 4 | 100 |
| Trade/industry advisers & other related professions | 2 | 0 | 0 | 0 | 0 |
| Water plant and related operators | 8 | 0 | 0 | 8 | 100 |
| Total | 1,597 | 6 | 0.4 | 1 580 | 98.9 |

Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022

| Salary Band | Employees 1 April 2021 | 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) | 84 | 0 | 0 | 83 | 98.8 |
| Skilled (Levels 3-5) | 696 | 0 | 0 | 682 | 98 |
| Highly skilled production (Levels 6-8) | 523 | 0 | 0 | 524 | 100.2 |
| Highly skilled supervision (Levels 9-12) | 203 | 1 | 0.5 | 199 | 98 |
| Senior management (Levels 13-16) | 39 | 5 | 12.8 | 43 | 110.3 |
| Contract (Levels 3-5), Permanent | 1 | 0 | 0 | 1 | 100 |
| Contract (Levels 6-8), Permanent | 17 | 0 | 0 | 15 | 88.2 |
| Contract (Levels 9-12), Permanent | 30 | 0 | 0 | 30 | 100 |
| Contract (Levels >= 13), Permanent | 4 | 0 | 0 | 3 | 75 |
| Total | 1,597 | 6 | 0.4 | 1,580 | 98.9 |

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

| Occupational category | Male | | | | Female | | | | Total |
|--|------------|-----------|----------|-----------|------------|-----------|-----------|-----------|--------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 17 | 2 | 2 | 0 | 0 | 13 | 1 | 1 | 36 |
| Professionals | 101 | 1 | 3 | 8 | 84 | 0 | 3 | 8 | 208 |
| Technicians and associate professionals | 157 | 5 | 0 | 8 | 146 | 7 | 3 | 13 | 339 |
| Clerks | 154 | 5 | 0 | 3 | 242 | 9 | 2 | 20 | 435 |
| Service and sales workers | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Skilled agriculture and fishery workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | 28 | 0 | 0 | 9 | 9 | 0 | 1 | 0 | 47 |
| Plant and machine operators and assemblers | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 |
| Elementary occupations | 281 | 3 | 0 | 11 | 128 | 1 | 0 | 1 | 425 |
| Total | 753 | 16 | 6 | 39 | 622 | 18 | 10 | 42 | 1,506 |
| Employees with disabilities | 3 | 1 | 0 | 1 | 3 | 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 2022

| Occupational band | Male | Female | Total |
|-------------------|------|--------|-------|
|-------------------|------|--------|-------|

Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022

| Occupational band | Male | | | | Female | | | | Total |
|---|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior management | 5 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 8 |
| Professionally qualified and experienced specialists and mid-management | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Semi-skilled and discretionary decision-making | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unskilled and defined decision-making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 6 | 1 | 0 | 0 | 5 | 0 | 0 | 0 | 12 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022

| 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 | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 4 |
| Professionally qualified and experienced specialists and mid-management | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen 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 |
| Contract (professionally qualified), Permanent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (skilled technical), Permanent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 6 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022

| Occupational band | Male | | | | Female | | | | Total |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top management | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior management | 1 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 4 |
| Professionally qualified and experienced specialists and mid-management | 4 | 1 | 0 | 5 | 6 | 0 | 1 | 0 | 17 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 10 | 0 | 0 | 0 | 9 | 0 | 0 | 4 | 23 |
| Semi-skilled and discretionary decision-making | 42 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 47 |
| Unskilled and defined decision-making | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Total | 61 | 1 | 0 | 5 | 23 | 0 | 1 | 4 | 95 |
| Employees with disabilities | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |

Table 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022

| Disciplinary action | Male | | | | Female | | | | Total |
|---------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022

| Occupational category | Male | | | | Female | | | | Total |
|--|------------|----------|----------|----------|------------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 4 |
| Professionals | 24 | 0 | 1 | 1 | 18 | 0 | 0 | 1 | 45 |
| Technicians and associate professionals | 7 | 0 | 1 | 0 | 26 | 0 | 0 | 1 | 55 |
| Clerks | 118 | 5 | 0 | 4 | 173 | 4 | 0 | 5 | 309 |
| 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 | 23 | 0 | 0 | 0 | 51 | 0 | 0 | 0 | 74 |
| Total | 174 | 5 | 2 | 5 | 270 | 4 | 0 | 7 | 467 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

| 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 | 1 | 1 | 100% |
| Salary Level 16 | 0 | 0 | 00 | |
| Salary Level 15 | 0 | 4 | 1 | 25% |
| Salary Level 14 | 0 | 7 | 6 | 86% |
| Salary Level 13 | 0 | 33 | 23 | 70% |
| Total | 0 | 45 | 31 | 69% |

Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2022

| Reasons |
|----------------|
| Non-compliance |

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2022

| Reasons |
|---------|
| None |

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2020 to 31 March 2021

| Race and Gender | Beneficiary Profile | | | Cost | |
|------------------------------------|-------------------------|---------------------|-------------------------|-----------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| African | | | | | |
| • Male | 212,96 | 619 | 34,4 | 1,526,97 | 7,170 |
| • Female | 261 | 750 | 34,8 | 1,618,59 | 6,202 |
| Asian | | | | | |
| • Male | 0 | 10 | 0 | 0 | 0 |
| • Female | 2 | 6 | 33,3 | 84,93 | 42,467,00 |
| Coloured | | | | | |
| • Male | 5 | 18 | 27,8 | 29,29 | 5,859,00 |
| • Female | 4 | 15 | 26,7 | 46,15 | 11,539,00 |
| White | | | | | |
| • Male | 11 | 42 | 26,20 | 101,58 | 9,235,00 |
| • Female | 11 | 38 | 28,90 | 115,73 | 10521,00 |
| Employees with a disability | 3 | 8 | 37,50 | 40,58 | 13,527,00 |
| Total | 509,96 | 1,506 | 33,90 | 3,563,84 | 6,988,00 |

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2020 to 31 March 2021

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|--|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Lower Skilled (Levels 1-2) | 71 | 81 | 87,70 | 158,60 | 2,234,00 | 0 |
| Skilled (Levels 3-5) | 212,96 | 641 | 33,20 | 901,24 | 4,232,00 | 0 |
| Highly skilled production (Levels 6-8) | 181 | 506 | 35,80 | 1,642,86 | 9,077,00 | |
| Highly skilled supervision (Levels 9-12) | 36 | 185 | 19,50 | 736,54 | 20,460,00 | 0 |
| Contract (Levels 3-5) | 0 | 1 | 0 | 0 | 0 | 0 |
| Contract (level 6-8) | 3 | 15 | 20 | 30,71 | 10,238,00 | 0 |
| Contract (Levels 9-12) | 4 | 30 | 13,30 | 50,43 | 12,607,00 | 0 |
| Other | 0 | 1 | 0 | 0 | 0 | 0 |
| Total | 507,96 | 1,460 | 34,8 | 3,520,39 | 6,930,00 | 0 |

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2020 to 31 March 2021

| Critical occupation | Beneficiary Profile | | | Cost | |
|--|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total cost (R'000) | Average cost per employee |
| Financial clerks and credit controllers | 22 | 43 | 51,20 | 152,18 | 6,917 |
| Human resources clerks | 1 | 17 | 5,90 | 6,07 | 6,067 |
| Messengers, porters and deliverers | 6 | 23 | 26,10 | 28,40 | 4,734 |
| Human resources & organisational development & related professions | 5 | 32 | 15,60 | 58,58 | 11,715 |
| All artisans in the building metal machinery etc, | 3 | 7 | 42,90 | 21,32 | 7,105 |
| Risk management and security services | 0 | 1 | 0 | 0 | 0 |
| Road trade workers | 6 | 10 | 60 | 35,93 | 5,989 |
| Photographic lithographic and related workers | 0 | 1 | 0 | 0 | 0 |
| Finance and economics related | 1 | 15 | 6,7 | 26,47 | 26,475 |
| Logistical support personnel | 0 | 1 | 0 | 0 | 0 |
| Other administration & related clerks and organisers | 71,96 | 304 | 23,70 | 476,18 | 6,617 |
| Identification experts | 0 | 1 | 0 | 0 | 0 |
| Auxiliary and related workers | 8 | 33 | 24,2 | 28,61 | 3,576 |
| Other occupations | 10 | 32 | 31,3 | 33,21 | 3,321 |
| Legal Related | 0 | 2 | 0 | 0 | 0 |
| Financial and related professionals | 0 | 8 | 0 | 0 | 0 |
| Building and other property caretakers | 0 | 4 | 0 | 0 | 0 |
| Water plant and related operators | 1 | 7 | 14,30 | 4,09 | 4,092 |
| Architects, town and traffic planners | 0 | 1 | 0 | 0 | 0 |
| Administrative related | 65 | 158 | 41,1 | 657,65 | 10,118 |
| Communication and information related | 2 | 3 | 66,7 | 30,9 | 15,450 |
| Secretaries & other keyboard operating clerks | 15 | 40 | 37,5 | 97,26 | 6,484 |
| Library mail and related clerks | 0 | 14 | 0 | 0 | 0 |
| Cleaners in offices workshops hospitals etc. | 71 | 86 | 82,6 | 163,65 | 2,305 |
| Human resources related | 1 | 19 | 5,3 | 19,69 | 19,689 |
| Attorneys | 2 | 2 | 100 | 114,08 | 57,041 |
| Trade/industry advisers & other related profession | | | | | |
| Head of Department/Chief Executive Officer | 0 | 1 | 0 | 0 | 0 |
| Trade labourers | 3 | 14 | 21,4 | 9,52 | 3,174 |

| Critical occupation | Beneficiary Profile | | | Cost | |
|--|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total cost (R'000) | Average cost per employee |
| Language practitioners, interpreters & other communications | 0 | 1 | 0 | 0 | 0 |
| Road superintendents | 4 | 4 | 100 | 57,22 | 14,306 |
| General legal administration & rel. professionals | | | | | |
| Civil engineering technicians | 0 | 2 | 0 | 0 | 0 |
| Road workers | 112 | 267 | 41,9 | 377,01 | 3,366 |
| Material-recording and transport clerks | 0 | 13 | 0 | 0 | 0 |
| Other administrative policy and related officers | 56 | 145 | 38,6 | 66,682 | 11,907 |
| Artisan project and related superintendents | 15 | 23 | 65,2 | 121,12 | 8,075 |
| Statisticians and related professionals | 0 | 3 | 0 | 0 | 0 |
| Bus and heavy vehicle drivers | 5 | 4 | 125 | 18,29 | 3,658 |
| Senior managers | 2 | 34 | 5,9 | 43,44 | 21,722 |
| Client information clerks (switchboard, receptionist, inform clerks) | 0 | 3 | 0 | 0 | 0 |
| Computer system designers and analysts | 0 | 5 | 0 | 0 | 0 |
| Authors journalists and other writers | 0 | 1 | 0 | 0 | 0 |
| Economists | 0 | 1 | 0 | 0 | 0 |
| Engineers and related professionals | 10 | 74 | 13,5 | 92,35 | 9,235 |
| Cartographers and surveyors | 0 | 2 | 0 | 0 | 0 |
| Trade related | 1 | 2 | 50 | 11,05 | 11,050 |
| Other Information technology personnel | 0 | 20 | 0 | 0 | 0 |
| Light vehicle drivers | 2 | 2 | 100 | 7,48 | 3,742 |
| Engineering sciences related | 3 | 14 | 21,4 | 131,20 | 43,734 |
| Motor vehicle drivers | 2 | 1 | 200 | 7,65 | 3,824 |
| Security guards | 1 | 1 | 100 | 2,89 | 2,888 |
| Quantity surveyors & related professions not classed elsewhere | 0 | 1 | 0 | 0 | 0 |
| Information technology related | 1 | 4 | 25 | 37,77 | 37,771 |
| Total | 509,96 | 1,506 | 33,9 | 3,563,84 | 6,988 |

Table 3.8.4 Performance related rewards (cash bonus) by Salary Band for Senior Management Service for the period 1 April 2020 to 31 March 2021

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|--------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total cost (R'000) | Average cost per employee | |
| Band A | 0 | 33 | 0 | 0 | 0 | 0 |
| Band B | 0 | 7 | 0 | 0 | 0 | 0 |
| Band C | 0 | 4 | 0 | 0 | 0 | 0 |
| Band D | 0 | 1 | 0 | 0 | 0 | 0 |
| Total | 0 | 45 | 0 | 0 | 0 | 0 |

3.9 Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022

| Salary band | 01 April 2021 | | 31 March 2022 | | Change | |
|--|---------------|------------|---------------|------------|----------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Lower skilled | 1 | 33.30 | 1 | 25 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 2 | 33,30 | 2 | 50 | 0 | 0 |
| Contract (Levels 9-12) | 1 | 33,30 | 1 | 25 | 0 | 0 |
| Contract (Levels 13-16) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 4 | 100 | 4 | 100 | 0 | 0 |

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

| Major occupation | 01 April 2021 | | 31 March 2022 | | Change | |
|--|---------------|------------|---------------|------------|----------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Elementary occupations Professionals and managers | 1 | 25 | 1 | 25 | 0 | 0 |
| Elementary occupations Professionals and managers | 3 | 75 | 3 | 75 | 0 | 0 |
| | 4 | 100 | 4 | 100 | 0 | 0 |

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2022

| Salary band | Total days | % days with medical certification | Number of employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated cost (R'000) |
|---|--------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Lower Skills (Level 1-2) | 272 | 93.4 | 45 | 10.3 | 6 | 153 |
| Skilled (Levels 3-5) | 1,153 | 85.8 | 218 | 49.7 | 5 | 933 |
| Highly skilled production (levels 6-8) | 742 | 84 | 121 | 27.6 | 6 | 1,141 |
| Highly skilled supervision (levels 9 -12) | 315 | 75.2 | 43 | 9.8 | 7 | 890 |
| Top and Senior management (levels 13-16) | 88 | 70.5 | 11 | 2.5 | 8 | 425 |
| Contract (Levels 6-8) | 2 | 0 | 1. | 0.2 | 2 | 3 |
| Total | 2,572 | 84.2 | 439 | 100 | 6 | 3,545 |

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

| 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) | 28 | 100 | 1 | 0.06 | 28 | 7,893.00 |
| Skilled (Levels 3-5) | 124 | 100 | 10 | 0.65 | 12.4 | 77,753.99 |
| Highly skilled production (Levels 6-8) | 169 | 100 | 6 | 0.39 | 28.16 | 187,076.52 |
| Highly skilled supervision (Levels 9-12) | 11 | 100 | 2 | 0.13 | 5.5 | 490,784.72 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 332 | 100 | 19 | 1.23 | 74.06 | 763,508.23 |

Table 3.10.3 Annual leave for the period 1 January 2021 to 31 December 2021

| Salary band | Total days taken | Number of employees using annual leave | Average per employee |
|--|------------------|--|----------------------|
| Lower skilled (Levels 1-2) | 1,601,04 | 12 | 136 |
| Skilled (Levels 3-5) | 10,946 | 16 | 673 |
| Highly skilled production (Levels 6-8) | 7,673 | 15 | 513 |
| Highly skilled supervision (Levels 9-12) | 3,726 | 19 | 200 |
| Senior management (Levels 13-16) | 736 | 17 | 44 |
| Contract (Levels 13-16) | 36 | 9 | 4 |
| Contract (Levels 3-5) | 4 | 4 | 1 |
| Contract (Levels 6-8) | 125 | 8 | 16 |
| Total | 169 | 6 | 30 |

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021

| Salary band | Total days of capped leave taken | Number of employees using capped leave | Average number of days taken per employee | Average capped leave per employee as on 31 March 2022 |
|--|----------------------------------|--|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 0 | 0 | 0 | 33 |
| Highly skilled production (Levels 6-8) | 0 | 0 | 0 | 41 |
| Highly skilled supervision (Levels 9-12) | 0 | 0 | 0 | 37 |
| Senior management (Levels 13-16) | 10 | 1 | 10 | 29 |
| Total | 10 | 1 | 10 | 35 |

Table 3.10.5 Leave payouts for the period 1 April 2021 and 31 March 2022

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|--|----------------------|---------------------|------------------------------|
| Leave payouts for 2021/22 due to non-utilisation of leave for the previous cycle | 1,337 | 34 | 39.32 |
| Capped leave payouts on termination of service for 2021/22 | 2,000 | 60 | 33.33 |
| Current leave payouts on termination of service for 2021/22 | 2,601 | 49 | 53.08 |
| Total | 5,937 | 149 | |

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

| Units/categories of employees identified to be at high risk of contracting HIV & related diseases, (if any) | Key steps taken to reduce the risk |
|---|---|
| Road workers | Condoms were distributed in all regions |

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

| Question | Yes | No | Details, if yes |
|--|-----|----|---|
| 1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | | x | |
| 2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | x | | The Department has a vacant post for HIV/AIDS, STI and TB specialist and due to a moratorium on advertisement this post could not be filled. No budget was allocated for the financial year. |
| 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 | | SHERQ Management, Health and Productivity Management, HIV/AIDS, STI and TB Management, and 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 | |
| 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 | | The Department has developed a policy on Management of HIV/ AIDS, STI and TB. |
| 7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing (VCT)? If so, list the results that you have achieved. | | x | Due to COVID-19 pandemic, no VCT was conducted in this financial year. |
| 8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators. | | x | Due to COVID-19 pandemic, health promotion education programmes were suspended. |

3.12 Labour Relations

Table 3.12.1 Collective Agreements for the period 1 April 2021 and 31 March 2022

| Subject matter | Date |
|--|------|
| | None |
| Total number of Collective Agreements | None |

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022

| Outcomes of disciplinary hearings | Number | % of total |
|-----------------------------------|----------|------------|
| Correctional counselling | 0 | 0 |
| Verbal warning | 0 | 0 |
| Written warning | 2 | 50 |
| Final written warning | 0 | 0 |
| Suspended without pay | 0 | 0 |
| Fine | 0 | 0 |
| Demotion | 0 | 0 |
| Dismissal | 2 | 50 |
| Not guilty | 0 | 0 |
| Case withdrawn | 0 | 0 |
| Total | 4 | 100 |

**Notes**

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

| | |
|--|---|
| Total number of disciplinary hearings finalised | 2 |
|--|---|

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

| Type of misconduct | Number | % of total |
|--------------------|----------|------------|
| Assault | 1 | 50 |
| Assault | 1 | 50 |
| Total | 2 | 100 |

Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022

| Grievances | Number | % of total |
|--|-----------|--------------------|
| Number of grievances resolved | 17 | 89 |
| Number of grievances not resolved | 0 | 0 |
| Total number of grievances lodged | 19 | (2 pending) |

Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022

| Disputes | Number | % of total |
|--|--|------------|
| Number of disputes upheld | 0 | 0 |
| Number of disputes dismissed | 1 | 10 |
| Total number of disputes lodged | 9 (7 pending and 1 matter withdrawn) | |

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022

| | |
|---|------|
| Total number of persons working days lost | None |
| Total costs working days lost | None |
| Amount recovered as a result of no work no pay (R'000) | None |

Table 3.12.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022

| | |
|---|-----------------|
| Number of people suspended | 2 |
| Number of people whose suspension exceeded 30 days | 2 |
| Average number of days suspended | 456 + 391 |
| Cost of suspension (R'000) | +/-R 2,7million |

3.13 Skills Development

Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022

| Occupational category | Male | | | | Female | | | | Total |
|--|------------|-----------|----------|-----------|------------|-----------|----------|-----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 18 | 0 | 0 | 0 | 20 | 1 | 1 | 0 | 40 |
| Professionals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technicians and associate professionals | 212 | 9 | 0 | 33 | 335 | 16 | 5 | 22 | 632 |
| Clerks | 52 | 3 | 0 | 8 | 48 | 1 | 0 | 10 | 122 |
| 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 | 38 | 0 | 0 | 0 | 114 | 0 | 0 | 0 | 152 |
| Total | 320 | 12 | 0 | 41 | 517 | 18 | 6 | 32 | 976 |
| Employees with disabilities | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |



Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022

| Occupational category | Gender | Number of employees as at 1 April 2021 | Training provided within the reporting period | | | |
|--|--------|--|---|---|---------------------------------------|------------|
| | | | Learnerships | Skills programmes & other short courses | Other forms of training - Conferences | Total |
| Legislators, senior officials and managers | Female | 0 | 0 | 0 | 2 | 2 |
| | Male | 0 | 0 | 0 | 2 | 2 |
| Professionals | Female | 0 | 0 | 0 | 19 | 19 |
| | Male | 0 | 0 | 0 | 26 | 26 |
| Technicians and associate professionals | Female | 0 | 0 | 7 | 20 | 27 |
| | Male | 0 | 0 | 2 | 6 | 8 |
| Clerks | Female | 0 | 39 | 134 | 9 | 182 |
| | Male | 0 | 9 | 114 | 4 | 127 |
| 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 | 51 | 0 | 51 |
| | Male | 0 | 0 | 23 | 0 | 23 |
| Sub-total | Female | 0 | 0 | 241 | 0 | 0 |
| | Male | 0 | 0 | 177 | 0 | 0 |
| Total | | 0 | 48 | 331 | 88 | 467 |

3.14 Injury on Duty

Table 3.14.1 Injury on duty for the period 1 April 2021 and 31 March 2022

| Nature of injury on duty | Number | % of total |
|---------------------------------------|----------|-------------|
| Required basic medical attention only | 6 | 0.39 |
| Temporary total disablement | 0 | 0 |
| Permanent disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 6 | 0.39 |

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

| Project title | Total number of consultants that worked on project | Duration (workdays) | Contract value in Rand |
|--|--|--------------------------------|-------------------------------------|
| Policy and Procedure on incapacity leave and ill health retirement | 1 | 09 Months | 186,409.02 |
| SAQA | 1 | 12 Months | 33,478.00 |
| Management Integrity Evaluation PTY (MIE) | 1 | 12 Months | 44,770.00 |
| Counselling and Referrals | 1 | 03 months | R90,505.00 |
| Counselling and Referrals | 1 | 12 months | R682,640.00 |
| COVID-19 Workplace Compliance Assessment | 1 | 12 Months | R447,000.00 |
| Total number of projects | Total individual consultants | Total duration Workdays | Total contract value in Rand |
| 6 | 6 | 5 days a week | 2,299,347.02 |

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

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

Table 3.15.3 Report on consultant appointments using Donor Funds for the period 1 April 2021 and 31 March 2022

| Project title | Total number of consultants that worked on project | Duration (Workdays) | 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 2021 and 31 March 2022

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

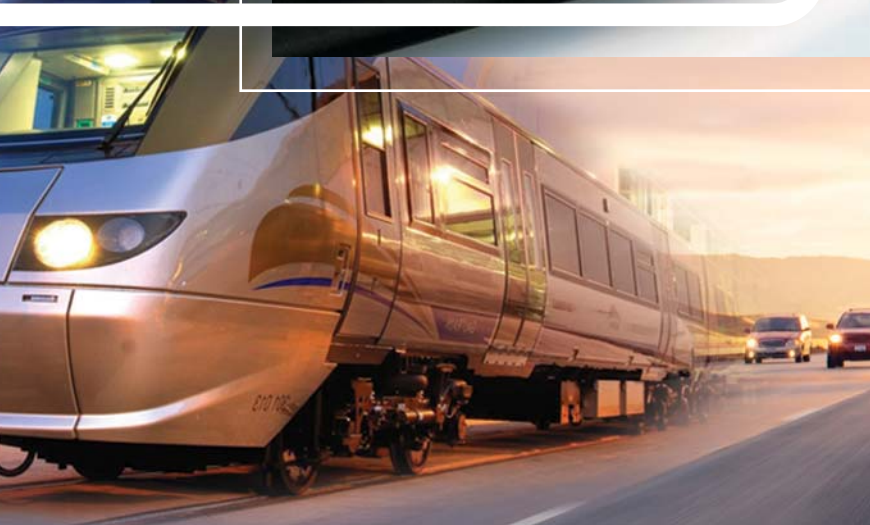
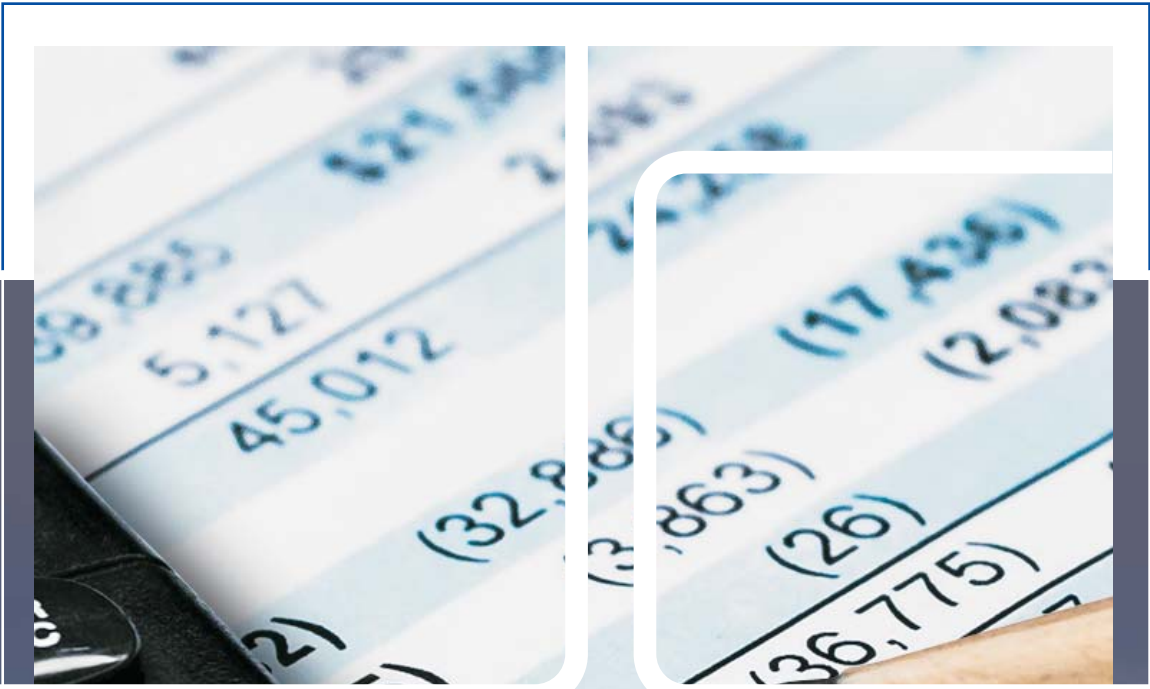
3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2021 and 31 March 2022

| 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



HIGHLIGHTS

DEPARTMENT OF ROADS
AND TRANSPORT



100% Senior
Management
financial
disclosure

01



1,788
subsidised
buses
electronically
monitored

02



R4,4 billion
revenue
generated

04



2,081 public
transport
operating
licences
issued

03

1. REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 9: GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of the Gauteng Department of Roads and Transport set out on pages 174 to 249, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Roads and Transport as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999(PFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for qualified opinion

Provisions

3. The department did not recognise all Provisions – retention in accordance with the requirements of MCS. I was unable to determine the full extent of the understatement of Provisions – retention as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments were necessary to the provisions - retention stated at R23 134 000 (2021: R15 239 000) in note 29 to the financial statements.

Departmental revenue

4. I was unable to obtain sufficient appropriate audit evidence for Departmental revenue – sales of goods and services other than capital assets. The department did not have adequate internal controls to maintain records of sale of goods and services other than capital assets as the recorded transactions could not be substantiated by supporting audit evidence. I was unable to confirm the sales of goods and services other than capital assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the departmental revenue – sales of goods and services other than capital assets stated at R62 958 000 in note 2 to the financial statements.

Immovable tangible capital assets

5. I was unable to obtain sufficient appropriate audit evidence that immovable tangible capital assets were properly accounted for, due to the status of the accounting records. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to immovable tangible capital assets stated at R41 572 487 000 in note 33 to the financial statements.

Capital work in progress

6. I was unable to obtain sufficient appropriate audit evidence that Immovable tangible capital assets – capital work in progress were properly accounted for, due to the status of the accounting records. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to Immovable tangible capital assets – capital work in progress, stated at R1 603 365 000 in note 33 to the financial statements.



Context for the opinion

7. 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.
8. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
9. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Material uncertainties related to contingent liabilities

11. With reference to note 18.1 to the financial statements, the department is the defendant in various lawsuits. The ultimate outcome of the matters could not be determined and no provision for any liability that may result has been made in the financial statements.

Underspending of vote

12. As disclosed in the appropriation statement, the department materially underspent the budget by R716 607 000 on the following programmes:
 - **programme 2 – transport infrastructure, underspending of R143 201 000**
 - **programme 3 – transport operations, underspending of R573 406 000**

Other matter

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

Unaudited supplementary schedules

14. The supplementary information set out on pages 254 to 264 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

15. 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.
16. 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

17. 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.
18. 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

19. In accordance with the Public Audit Act 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.
20. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. 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 do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
21. 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 department's annual performance report for the year ended 31 March 2022:

| Programmes | Pages in the annual performance report |
|------------------------------------|--|
| Programme 3 – Transport operations | 82 – 90 |

22. 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.
23. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- **Programme 3 – Transport operations**

Other matter

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages 47 to 103 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

26. 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.
27. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

28. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified opinion.

Procurement and contract management

29. In some instances, quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by treasury regulation 16A8.4 and paragraph 4.1.2 of National Treasury Practice Note 7 of 2009-10.
30. I was unable to obtain sufficient appropriate audit evidence that quotations were awarded to suppliers whose tax matters have been declared by the South African Revenue Service to be in order, as required by treasury regulation 16A9.1 (d). A similar limitation was also reported in the prior year.
31. I was unable to obtain sufficient appropriate audit evidence that quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for quotations, as required by 2017 preferential procurement regulation 5(1) and 5(3).
32. I was unable to obtain sufficient appropriate audit evidence that quotations were awarded to bidders based on pre-qualification criteria that were stipulated in the original invitation for quotations, in contravention of 2017 preferential procurement regulation 4(1) and 4(2).
33. Some invitations to tender for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by 2017 preferential procurement regulation 8(2).
34. In some instances, commodities designated for local content and production were procured from suppliers that did not submit a declaration on local production and content in accordance with paragraph 3.4 of National Treasury Instruction Note 4 of 2015-16.
35. In some instances, commodities designated for local content and production were procured from suppliers that did not meet the prescribed minimum threshold for local production and content, as required by 2017 preferential procurement regulation 8(5).

Expenditure management

36. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R2 476 449 000, as disclosed in note 24 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by extension of bus subsidy contracts devolved from National Department of Transport.
37. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R284 538 000, as disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by payments of settlements on contract terminations.
38. Department resources were not used economically, as required by sections 38(1)(b) of the PFMA, due to payments made in transfers and subsidies using a rate that is not in line with the service-level agreements.

Other information

39. 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 have been specifically reported in this auditor's report.
40. 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 on it.
41. 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 in the audit, or otherwise appears to be materially misstated.
42. The other information I obtained prior to the date of the auditor's report is a draft of the 2021-22 annual report. The final 2021-22 annual report is expected to be made available to me after 31 July 2022.
43. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
44. When I do receive and read the final 2021-22 annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

45. 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 basis for the qualified opinion and the findings on compliance with legislation included in this report.
43. The accounting officer did not adequately exercise oversight responsibility over financial reporting and compliance with applicable laws and regulations.
47. Senior management did not adequately review and monitor compliance with applicable laws and regulations.



48. Senior management did not prepare regular, accurate and complete financial information, which resulted in the material misstatements on the financial statements.

Other reports

49. 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.

50. The department initiated various investigations into allegations of possible unethical behaviour and 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 July 2022



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 selected programmes 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 relating to events or conditions that may cast significant doubt on the ability of 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 my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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





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 2022



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2022

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**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| Appropriation per programme | | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------------|---|---------------------|--------------------|--|
| | 2021/22 | | | | | 2020/21 | | | | |
| | 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 | 401 398 | - | (20 182) | 381 216 | 361 499 | 19 717 | 94.8% | 334 933 | 314 878 | |
| Transport Infrastructure | 1 808 357 | - | 16 616 | 1 824 973 | 1 681 772 | 143 201 | 92.2% | 2 182 619 | 1 790 721 | |
| Transport Operations | 3 187 285 | - | 7 615 | 3 194 900 | 2 621 494 | 573 406 | 82.1% | 2 854 953 | 2 083 940 | |
| Transport Regulation | 341 868 | - | (4 049) | 337 819 | 299 682 | 38 137 | 88.7% | 324 733 | 251 765 | |
| Gautrain | 2 776 816 | - | - | 2 776 816 | 2 776 816 | - | 100.0% | 2 680 758 | 2 680 758 | |
| Subtotal | 8 515 724 | - | - | 8 515 724 | 7 741 263 | 774 461 | 90.9% | 8 377 996 | 7 122 062 | |
| TOTAL | 8 515 724 | - | - | 8 515 724 | 7 741 263 | 774 461 | 90.9% | 8 377 996 | 7 122 062 | |
| Reconciliation with statement of financial performance | | | | | | | | | | |
| ADD | | | | | | | | | | |
| Departmental receipts | | | | 4 471 351 | | | | 4 406 585 | | |
| Actual amounts per statement of financial performance (total revenue) | | | | 12 987 075 | | | | 12 784 581 | | |
| ADD | | | | | | | | | | |
| Aid assistance | | | | | | | | | | |
| Prior year unauthorised expenditure approved without funding | | | | | | | | | | |
| Actual amounts per statement of financial performance (total expenditure) | | | | | 7 741 263 | | | | 7 122 062 | |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| Appropriation per economic classification | 2021/22 | | | | | | 2020/21 | | |
|---|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final Appropriation R'000 | Actual expenditure R'000 |
| Economic classification | | | | | | | | | |
| Current payments | 2 154 543 | (45 456) | (18 011) | 2 091 076 | 1 901 780 | 189 296 | 90.9% | 2 216 800 | 1 880 960 |
| Compensation of employees | 776 892 | - | - | 776 892 | 756 802 | 20 090 | 97.4% | 769 687 | 705 571 |
| Salaries and wages | 658 649 | 7 921 | (117) | 666 453 | 649 282 | 17 171 | 97.4% | 663 764 | 602 215 |
| Social contributions | 118 243 | (7 921) | 117 | 110 439 | 107 520 | 2 919 | 97.4% | 105 923 | 103 356 |
| Goods and services | 1 377 651 | (88 114) | (18 011) | 1 271 526 | 1 102 320 | 169 206 | 86.7% | 1 447 053 | 1 175 360 |
| Administrative fees | 5 802 | 153 | - | 5 955 | 5 913 | 42 | 99.3% | 5 483 | 5 199 |
| Advertising | 6 713 | 2 054 | - | 8 767 | 8 269 | 498 | 94.3% | 1 384 | 1 100 |
| Minor assets | 3 414 | (2 999) | - | 415 | 382 | 33 | 92.0% | 1 069 | 241 |
| Audit costs: External | 7 469 | - | - | 7 469 | 7 379 | 90 | 98.8% | 6 027 | 6 026 |
| Bursaries: Employees | 638 | (606) | - | 32 | 32 | - | 100.0% | 18 | 17 |
| Catering: Departmental activities | 2 569 | 852 | (516) | 2 905 | 2 372 | 533 | 81.7% | 310 | 306 |
| Communication | 13 248 | (2 475) | - | 10 773 | 10 629 | 144 | 98.7% | 8 168 | 8 167 |
| Computer services | 22 384 | (5 201) | - | 17 183 | 17 183 | - | 100.0% | 12 346 | 11 380 |
| Consultants: Business and advisory services | 107 130 | (13 845) | (4 232) | 89 053 | 47 322 | 41 731 | 53.1% | 90 295 | 35 639 |
| Infrastructure and planning services | 25 358 | (5 711) | (345) | 19 302 | 19 302 | - | 100.0% | 37 074 | 30 741 |
| Laboratory services | 514 | (514) | - | - | - | - | - | 250 | - |
| Legal services | 43 981 | (25 382) | (1 454) | 17 145 | 16 756 | 389 | 97.7% | 19 853 | 16 431 |
| Contractors | 878 205 | (54 630) | - | 823 575 | 729 815 | 93 760 | 88.6% | 1 077 284 | 916 017 |
| Agency and support / outsourced services | 2 000 | - | - | 2 000 | - | 2 000 | - | - | - |
| Fleet services | 13 558 | 739 | - | 14 297 | 12 297 | 2 000 | 86.0% | 11 638 | 11 093 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| Appropriation per economic classification continued | 2021/22 | | | | | | 2020/21 | | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | 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 |
| Inventory: Clothing material and accessories | 2 000 | 291 | - | 2 291 | 2 291 | - | 100.0% | 1 081 | 748 |
| Inventory: Materials and supplies | 17 861 | (2 544) | - | 15 317 | 15 230 | 87 | 99.4% | 2 685 | 2 581 |
| Inventory: Other supplies | 11 790 | (3 607) | - | 8 183 | 7 036 | 1 147 | 86.0% | 5 040 | 1 762 |
| Consumable supplies | 5 012 | (1 022) | - | 3 990 | 3 627 | 363 | 90.9% | 5 764 | 2 659 |
| Consumable: Stationery printing and office supplies | 72 064 | (919) | (2 397) | 68 748 | 48 140 | 20 608 | 70.0% | 60 509 | 29 392 |
| Operating leases | 43 380 | (887) | (498) | 41 995 | 39 865 | 2 130 | 94.9% | 24 966 | 24 964 |
| Property payments | 71 046 | 29 308 | (3 551) | 96 803 | 96 803 | - | 100.0% | 63 970 | 61 962 |
| Transport provided: Departmental activity | 134 | - | - | 134 | - | 134 | - | 227 | - |
| Travel and subsistence | 11 520 | (986) | (261) | 10 273 | 7 985 | 2 288 | 77.7% | 8 532 | 5 997 |
| Training and development | 5 972 | (246) | (4 211) | 1 515 | 1 289 | 226 | 85.1% | 150 | 141 |
| Operating payments | 40 | - | - | 40 | 37 | 3 | 92.5% | - | - |
| Venues and facilities | 3 749 | 135 | (546) | 3 338 | 2 366 | 972 | 70.9% | 2 930 | 2 797 |
| Rental and hiring | 100 | (72) | - | 28 | - | 28 | - | - | - |
| Interest and rent on land | - | 42 658 | - | 42 658 | 42 658 | - | 100.0% | 60 | 29 |
| Interest | - | 42 658 | - | 42 658 | 42 658 | - | 100.0% | 60 | 29 |
| Transfers and subsidies | 5 845 524 | 32 447 | 18 011 | 5 895 982 | 5 333 680 | 562 302 | 90.5% | 5 462 802 | 4 721 913 |
| Provinces and municipalities | 2 200 | - | - | 2 200 | 2 086 | 114 | 94.8% | 2 800 | 2 076 |
| Municipalities | 2 200 | - | - | 2 200 | 2 086 | 114 | 94.8% | 2 800 | 2 076 |
| Municipal bank accounts | - | - | - | 2 200 | - | 2 200 | - | 2 800 | 2 076 |
| Municipal agencies and funds | 2 200 | - | - | - | 2 086 | (2 086) | - | - | - |
| Departmental agencies and accounts | 2 776 816 | - | - | 2 776 816 | 2 776 816 | - | 100.0% | 2 680 758 | 2 680 758 |

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2022

| Appropriation per economic classification continued | 2021/22 | | | | | | | 2020/21 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | 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 |
| Departmental agencies | 2 776 816 | - | - | 2 776 816 | 2 776 816 | - | 100.0% | 2 680 758 | 2 680 758 |
| Public corporations and private enterprises | 3 036 463 | (9 600) | - | 3 026 863 | 2 464 765 | 562 098 | 81.4% | 2 750 895 | 2 011 495 |
| Private enterprises | 3 036 463 | (9 600) | - | 3 026 863 | 2 464 765 | 562 098 | 81.4% | 2 750 895 | 2 011 495 |
| Non-profit institutions | 19 800 | 9 800 | - | 29 600 | 29 600 | - | 100.0% | 20 000 | 20 000 |
| Households | 10 245 | 32 247 | 18 011 | 60 503 | 60 413 | 90 | 99.9% | 8 349 | 7 584 |
| Social benefits | 5 335 | 1 696 | - | 7 031 | 6 941 | 90 | 98.7% | 8 349 | 4 080 |
| Other transfers to households | 4 910 | 30 551 | 18 011 | 53 472 | 53 472 | - | 100.0% | - | 3 504 |
| Payments for capital assets | 515 657 | 12 342 | - | 527 999 | 505 136 | 22 863 | 95.7% | 698 394 | 519 189 |
| Buildings and other fixed structures | 497 096 | 12 342 | - | 509 438 | 492 596 | 16 842 | 96.7% | 681 813 | 515 302 |
| Buildings | 6 225 | - | - | 6 225 | 1 606 | 4 619 | 25.8% | 1 746 | 469 |
| Other fixed structures | 490 871 | 12 342 | - | 503 213 | 490 990 | 12 223 | 97.6% | 680 067 | 514 833 |
| Machinery and equipment | 14 737 | 716 | - | 15 453 | 12 540 | 2 913 | 81.1% | 15 990 | 3 836 |
| Transport equipment | 1 783 | (287) | - | 1 496 | 855 | 641 | 57.2% | 3 557 | 779 |
| Other machinery and equipment | 12 954 | 1 003 | - | 13 957 | 11 685 | 2 272 | 83.7% | 12 433 | 3 057 |
| Software and other intangible assets | 3 824 | (716) | - | 3 108 | - | 3 108 | - | 591 | 51 |
| Payments for financial assets | - | 667 | - | 667 | 667 | - | 100.0% | - | - |
| Total | 8 515 724 | - | - | 8 515 724 | 7 741 263 | 774 461 | 90.9% | 8 377 996 | 7 122 062 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | | 2020/21 | |
|------------------------------------|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 1: ADMINISTRATION | | | | | | | | | |
| Sub programme | | | | | | | | | |
| 1. Office of the Mec | 12 145 | 1 050 | - | 13 195 | 12 154 | 1 041 | 92.1% | 11 135 | 10 678 |
| 2. Management of the Department | 34 983 | (1 050) | (7 009) | 26 924 | 22 823 | 4 101 | 84.8% | 49 691 | 49 121 |
| 3. Corporate Support | 350 497 | - | (13 173) | 337 324 | 323 454 | 13 870 | 95.9% | 270 915 | 252 016 |
| 4. Departmental Strategy | 3 773 | - | - | 3 773 | 3 068 | 705 | 81.3% | 3 192 | 3 063 |
| Total for sub programmes | 401 398 | - | (20 182) | 381 216 | 361 499 | 19 717 | 94.8% | 334 933 | 314 878 |
| Economic classification | | | | | | | | | |
| Current payments | 381 260 | (882) | (20 182) | 360 196 | 348 969 | 11 227 | 96.9% | 323 112 | 310 549 |
| Compensation of employees | 200 794 | - | (6 565) | 194 229 | 185 374 | 8 855 | 95.4% | 197 288 | 188 837 |
| Salaries and wages | 174 763 | (317) | (6 565) | 167 881 | 159 453 | 8 428 | 95.0% | 172 372 | 164 373 |
| Social contributions | 26 031 | 317 | - | 26 348 | 25 921 | 427 | 98.4% | 24 916 | 24 464 |
| Goods and services | 180 466 | (882) | (13 617) | 165 967 | 163 595 | 2 372 | 98.6% | 125 824 | 121 712 |
| Administrative fees | 5 519 | 394 | - | 5 913 | 5 871 | 42 | 99.3% | 5 240 | 5 199 |
| Advertising | 3 713 | (394) | - | 3 319 | 3 114 | 205 | 93.8% | 316 | 167 |
| Minor assets | 2 232 | (2 084) | - | 148 | 115 | 33 | 77.7% | 236 | 235 |
| Audit costs: External | 7 469 | - | - | 7 469 | 7 379 | 90 | 98.8% | 6 027 | 6 026 |
| Bursaries: Employees | 638 | (606) | - | 32 | 32 | - | 100.0% | 18 | 17 |
| Catering: Departmental activities | 2 119 | 1 084 | (516) | 2 687 | 2 361 | 326 | 87.9% | 211 | 208 |
| Communication | 12 595 | (2 479) | - | 10 116 | 10 116 | - | 100.0% | 8 135 | 8 134 |
| Computer services | 21 634 | (5 250) | - | 16 384 | 16 384 | - | 100.0% | 11 344 | 11 343 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 |
| Consultants: Business and advisory services | 13 330 | (5 240) | (4 232) | 3 858 | 3 858 | - | 100.0% | 17 881 | 17 513 |
| Legal services | 25 325 | (10 606) | (1 454) | 13 265 | 13 265 | - | 100.0% | 12 239 | 12 237 |
| Contractors | 1 482 | 2 612 | - | 4 094 | 4 094 | - | 100.0% | 2 220 | 2 219 |
| Inventory: Other supplies | 3 607 | (3 607) | - | - | - | - | - | - | - |
| Consumable supplies | 3 812 | (1 006) | - | 2 806 | 2 610 | 196 | 93.0% | 5 465 | 2 458 |
| Consumable: Stationery, printing and office supplies | 7 679 | (86) | (2 397) | 5 196 | 5 049 | 147 | 97.2% | 2 500 | 2 483 |
| Operating leases | 2 000 | (183) | - | 1 817 | 1 737 | 80 | 95.6% | - | - |
| Property payments | 56 466 | 26 641 | - | 83 107 | 83 107 | - | 100.0% | 49 907 | 49 906 |
| Transport provided: Departmental activity | 134 | - | - | 134 | - | 134 | - | 227 | - |
| Travel and subsistence | 1 731 | (283) | (261) | 1 187 | 931 | 256 | 78.4% | 813 | 663 |
| Training and development | 5 972 | (246) | (4 211) | 1 515 | 1 289 | 226 | 85.1% | 150 | 141 |
| Operating payments | 40 | - | - | 40 | 37 | 3 | 92.5% | - | - |
| Venues and facilities | 2 869 | 529 | (546) | 2 852 | 2 246 | 606 | 78.8% | 2 895 | 2 763 |
| Rental and hiring | 100 | (72) | - | 28 | - | 28 | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 1 112 | 816 | - | 1 928 | 1 928 | - | 100.0% | 1 367 | 1 366 |
| Households | 1 112 | 816 | - | 1 928 | 1 928 | - | 100.0% | 1 367 | 1 366 |
| Social benefits | 1 112 | 816 | - | 1 928 | 1 928 | - | 100.0% | 1 367 | 1 366 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | | 2020/21 | |
|--------------------------------------|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 |
| Payments for capital assets | 19 026 | - | - | 19 026 | 10 536 | 8 490 | 55.4% | 10 454 | 2 963 |
| Buildings and other fixed structures | 5 000 | - | - | 5 000 | 1 606 | 3 394 | 32.1% | - | - |
| Buildings | 5 000 | - | - | 5 000 | 1 606 | 3 394 | 32.1% | - | - |
| Machinery and equipment | 11 202 | - | - | 11 202 | 8 930 | 2 272 | 79.7% | 9 863 | 2 912 |
| Transport equipment | - | - | - | - | - | - | - | 350 | - |
| Other machinery and equipment | 11 202 | - | - | 11 202 | 8 930 | 2 272 | 79.7% | 9 513 | 2 912 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 2 824 | - | - | 2 824 | - | 2 824 | - | 591 | 51 |
| Payments for financial assets | - | 66 | - | 66 | 66 | - | 100.0% | - | - |
| Total | 401 398 | - | (20 182) | 381 216 | 361 499 | 19 717 | 94.8% | 334 933 | 314 878 |

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 1:1: OFFICE OF THE MEC | 2021/22 | | | | | | | 2020/21 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 | 12 145 | 1 050 | - | 13 195 | 12 154 | 1 041 | 92.1% | 11 135 | 10 678 |
| Compensation of employees | 9 718 | 1 050 | - | 10 768 | 10 696 | 72 | 99.3% | 10 573 | 10 435 |
| Salaries and wages | 8 500 | 1 050 | - | 9 550 | 9 550 | - | 100.0% | 9 355 | 9 244 |
| Social contributions | 1 218 | - | - | 1 218 | 1 146 | 72 | 94.1% | 1 218 | 1 191 |
| Goods and services | 2 427 | - | - | 2 427 | 1 458 | 969 | 60.1% | 562 | 243 |
| Administrative fees | 42 | - | - | 42 | - | 42 | - | 40 | - |
| Advertising | 100 | - | - | 100 | - | 100 | - | 50 | - |
| Catering: Departmental activities | 389 | - | - | 389 | 63 | 326 | 16.2% | 69 | 68 |
| Consumable supplies | 32 | - | - | 32 | - | 32 | - | 30 | - |
| Consumable: Stationery printing and office supplies | 110 | - | - | 110 | 1 | 109 | 0.9% | 10 | - |
| Transport provided: Departmental activity | 134 | - | - | 134 | - | 134 | - | 127 | - |
| Travel and subsistence | 385 | 38 | - | 423 | 423 | - | 100.0% | 176 | 175 |
| Training and development | 472 | (246) | - | 226 | - | 226 | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | 763 | 208 | - | 971 | 971 | - | 100.0% | 60 | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 12 145 | 1 050 | - | 13 195 | 12 154 | 1 041 | 92.1% | 11 135 | 10 678 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 1.2: MANAGEMENT OF THE DEPARTMENT | 2021/22 | | | | | | 2020/21 | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 | 34 483 | (1 136) | (7 009) | 26 338 | 22 237 | 4 101 | 84.4% | 49 691 | 49 121 |
| Compensation of employees | 19 450 | (1 050) | - | 18 400 | 14 368 | 4 032 | 78.1% | 23 067 | 22 965 |
| Salaries and wages | 18 000 | (1 345) | - | 16 655 | 12 623 | 4 032 | 75.8% | 21 599 | 21 498 |
| Social contributions | 1 450 | 295 | - | 1 745 | 1 745 | - | 100.0% | 1 468 | 1 467 |
| Goods and services | 15 033 | (86) | (7 009) | 7 938 | 7 869 | 69 | 99.1% | 26 624 | 26 156 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 100 | - | - | 100 | 54 | 46 | 54.0% | 48 | - |
| Catering: Departmental activities | 520 | - | (516) | 4 | 4 | - | 100.0% | 4 | 3 |
| Consultants: Business and advisory services | 5 969 | - | (4 232) | 1 737 | 1 737 | - | 100.0% | 16 999 | 16 632 |
| Legal services | 7 000 | - | (1 454) | 5 546 | 5 546 | - | 100.0% | 7 413 | 7 412 |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery printing and office supplies | 110 | (86) | - | 24 | 1 | 23 | 4.2% | 105 | 104 |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 334 | - | (261) | 73 | 73 | - | 100.0% | 70 | 20 |
| Venues and facilities | 1 000 | - | (546) | 454 | 454 | - | 100.0% | 1 985 | 1 985 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 500 | 86 | - | 586 | 586 | - | 100.0% | - | - |
| Households | 500 | 86 | - | 586 | 586 | - | 100.0% | - | - |
| Social benefits | 500 | 86 | - | 586 | 586 | - | 100.0% | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 34 983 | (1 050) | (7 009) | 26 924 | 22 823 | 4 101 | 84.8% | 49 691 | 49 121 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 1.3: CORPORATE SUPPORT | 2021/22 | | | | | | | 2020/21 | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 | 330 859 | (796) | (13 173) | 316 890 | 311 510 | 5 380 | 98.3% | 259 094 | 247 687 |
| Compensation of employees | 168 546 | - | (6 565) | 161 981 | 157 242 | 4 739 | 97.1% | 160 582 | 152 374 |
| Salaries and wages | 145 513 | - | (6 565) | 138 948 | 134 564 | 4 384 | 96.8% | 138 695 | 130 910 |
| Social contributions | 23 033 | - | - | 23 033 | 22 678 | 355 | 98.5% | 21 887 | 21 464 |
| Goods and services | 162 313 | (796) | (6 608) | 154 909 | 154 268 | 641 | 99.6% | 98 512 | 95 313 |
| Administrative fees | 5 477 | 394 | - | 5 871 | 5 871 | - | 100.0% | 5 200 | 5 199 |
| Advertising | 3 463 | (394) | - | 3 069 | 3 060 | 9 | 99.7% | 168 | 167 |
| Minor assets | 2 232 | (2 084) | - | 148 | 115 | 33 | 77.7% | 236 | 235 |
| Audit costs: External | 7 469 | - | - | 7 469 | 7 379 | 90 | 98.8% | 6 027 | 6 026 |
| Bursaries: Employees | 638 | (606) | - | 32 | 32 | - | 100.0% | 18 | 17 |
| Catering: Departmental activities | 1 210 | 1 084 | - | 2 294 | 2 294 | - | 100.0% | 138 | 137 |
| Communication | 12 595 | (2 479) | - | 10 116 | 10 116 | - | 100.0% | 8 135 | 8 134 |
| Computer services | 21 634 | (5 250) | - | 16 384 | 16 384 | - | 100.0% | 11 344 | 11 343 |
| Consultants: Business and advisory services | 7 361 | (5 240) | - | 2 121 | 2 121 | - | 100.0% | 882 | 881 |
| Legal services | 18 325 | (10 606) | - | 7 719 | 7 719 | - | 100.0% | 4 826 | 4 825 |
| Contractors | 1 482 | 2 612 | - | 4 094 | 4 094 | - | 100.0% | 2 220 | 2 219 |
| Inventory: Other supplies | 3 607 | (3 607) | - | - | - | - | - | - | - |
| Consumable supplies | 3 780 | (1 006) | - | 2 774 | 2 610 | 164 | 94.1% | 5 435 | 2 458 |
| Consumable: Stationery printing and office supplies | 7 444 | - | (2 397) | 5 047 | 5 047 | - | 100.0% | 2 380 | 2 379 |
| Operating leases | 2 000 | (183) | - | 1 817 | 1 737 | 80 | 95.6% | - | - |
| Property payments | 56 466 | 26 641 | - | 83 107 | 83 107 | - | 100.0% | 49 907 | 49 906 |

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 1.3: CORPORATE SUPPORT continued | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | 100 | - |
| Travel and subsistence | 990 | (321) | - | 669 | 435 | 234 | 65.0% | 546 | 468 |
| Training and development | 5 500 | - | (4 211) | 1 289 | 1 289 | - | 100.0% | 150 | 141 |
| Operating payments | 40 | - | - | 40 | 37 | 3 | 92.5% | - | - |
| Venues and facilities | 500 | 321 | - | 821 | 821 | - | 100.0% | 800 | 778 |
| Rental and hiring | 100 | (72) | - | 28 | - | 28 | - | - | - |
| Transfers and subsidies | 612 | 730 | - | 1 342 | 1 342 | - | 100.0% | 1 367 | 1 366 |
| Households | 612 | 730 | - | 1 342 | 1 342 | - | 100.0% | 1 367 | 1 366 |
| Social benefits | 612 | 730 | - | 1 342 | 1 342 | - | 100.0% | 1 367 | 1 366 |
| Payments for capital assets | 19 026 | - | - | 19 026 | 10 536 | 8 490 | 55.4% | 10 454 | 2 963 |
| Buildings and other fixed structures | 5 000 | - | - | 5 000 | 1 606 | 3 394 | 32.1% | - | - |
| Buildings | 5 000 | - | - | 5 000 | 1 606 | 3 394 | 32.1% | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 11 202 | - | - | 11 202 | 8 930 | 2 272 | 79.7% | 9 863 | 2 912 |
| Transport equipment | - | - | - | - | - | - | - | 350 | - |
| Other machinery and equipment | 11 202 | - | - | 11 202 | 8 930 | 2 272 | 79.7% | 9 513 | 2 912 |
| Software and other intangible assets | 2 824 | - | - | 2 824 | - | 2 824 | - | 591 | 51 |
| Payments for financial assets | - | 66 | - | 66 | 66 | - | 100.0% | - | - |
| Total | 350 497 | - | (13 173) | 337 324 | 323 454 | 13 870 | 95.9% | 270 915 | 252 016 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 1.4: DEPARTMENTAL STRATEGY | 2021/22 | | | | | | | 2020/21 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | 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 | 3 773 | - | - | 3 773 | 3 068 | 705 | 81.3% | 3 192 | 3 063 |
| Compensation of employees | 3 080 | - | - | 3 080 | 3 068 | 12 | 99.6% | 3 066 | 3 063 |
| Salaries and wages | 2 750 | (22) | - | 2 728 | 2 716 | 12 | 99.6% | 2 723 | 2 721 |
| Social contributions | 330 | 22 | - | 352 | 352 | - | 100.0% | 343 | 342 |
| Goods and services | 693 | - | - | 693 | - | 693 | - | 126 | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 50 | - | - | 50 | - | 50 | - | 50 | - |
| Consumable: Stationery, printing, and office supplies | 15 | - | - | 15 | - | 15 | - | 5 | - |
| Travel and subsistence | 22 | - | - | 22 | - | 22 | - | 21 | - |
| Venues and facilities | 606 | - | - | 606 | - | 606 | - | 50 | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 3 773 | - | - | 3 773 | 3 068 | 705 | 81.3% | 3 192 | 3 063 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| PROGRAMME 2: TRANSPORT INFRASTRUCTURE | 2021/22 | | | | | | 2020/21 | |
|--|------------------|-----------------|----------------|------------------|------------------|----------------|------------------|------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Sub programme | | | | | | | | |
| 2.1. INFRASTRUCTURE PLANNING | 91 196 | (3 453) | - | 87 743 | 56 687 | 31 056 | 107 183 | 62 519 |
| 2.2. INFRASTRUCTURE DESIGN | 87 199 | (4 875) | - | 82 324 | 70 080 | 12 244 | 196 638 | 131 726 |
| 2.3. CONSTRUCTION | 522 715 | (5 580) | (1 395) | 515 740 | 511 006 | 4 734 | 539 170 | 421 601 |
| 2.4. MAINTENANCE | 1 045 193 | (49 484) | - | 995 709 | 901 837 | 93 872 | 1 291 296 | 1 131 326 |
| 2.5. PROGRAMME SUPPORT INFRASTRUCTURE | 62 054 | 63 392 | 18 011 | 143 457 | 142 162 | 1 295 | 48 332 | 43 549 |
| | 1 808 357 | - | 16 616 | 1 824 973 | 1 681 772 | 143 201 | 2 182 619 | 1 790 721 |
| Economic classification | | | | | | | | |
| Current payments | 1 304 243 | (43 609) | (1 395) | 1 259 239 | 1 129 017 | 130 222 | 1 487 664 | 1 267 428 |
| Compensation of employees | 296 817 | - | (1 395) | 295 422 | 291 540 | 3 882 | 301 291 | 279 173 |
| Salaries and wages | 237 660 | 10 423 | (1 275) | 246 808 | 245 357 | 1 451 | 254 908 | 234 452 |
| Social contributions | 59 157 | (10 423) | (120) | 48 614 | 46 183 | 2 431 | 46 383 | 44 721 |
| Goods and services | 1 007 426 | (85 960) | - | 921 466 | 795 126 | 126 340 | 1 186 313 | 988 226 |
| Administrative fees | 200 | (158) | - | 42 | 42 | - | 183 | - |
| Advertising | 2 300 | 2 569 | - | 4 869 | 4 869 | - | 980 | 933 |
| Minor assets | 1 182 | (1 101) | - | 81 | 81 | - | 825 | - |
| Catering: Departmental activities | 200 | (172) | - | 28 | - | 28 | - | - |
| Communication | - | 6 | - | 6 | 6 | - | - | - |
| Consultants: Business and advisory services | 36 700 | (4 426) | - | 32 274 | 1 510 | 30 764 | 29 217 | 2 325 |
| Infrastructure and planning services | 20 009 | (5 711) | - | 14 298 | 14 298 | - | 34 574 | 28 486 |

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | 2020/21 | | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | 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 |
| Laboratory services | 514 | (514) | - | - | - | - | - | 250 | - |
| Legal services | 9 526 | (9 109) | - | 417 | 143 | 274 | 34.3% | 3 459 | 2 678 |
| Contractors | 874 132 | (66 857) | - | 807 275 | 713 654 | 93 621 | 88.4% | 1 072 982 | 913 315 |
| Fleet services | 11 558 | 739 | - | 12 297 | 12 297 | - | 100.0% | 11 638 | 11 093 |
| Inventory: Clothing material and accessories | 2 000 | 291 | - | 2 291 | 2 291 | - | 100.0% | 1 081 | 748 |
| Inventory: Materials and supplies | 17 861 | (2 544) | - | 15 317 | 15 230 | 87 | 99.4% | 2 685 | 2 581 |
| Consumable supplies | 1 200 | (78) | - | 1 122 | 955 | 167 | 85.1% | 295 | 201 |
| Consumable: Stationery printing and office supplies | 998 | (456) | - | 542 | 428 | 114 | 79.0% | 500 | 43 |
| Operating leases | 11 889 | (704) | - | 11 185 | 11 185 | - | 100.0% | 11 943 | 11 942 |
| Property payments | 9 332 | 2 667 | - | 11 999 | 11 999 | - | 100.0% | 9 886 | 9 543 |
| Travel and subsistence | 7 575 | (306) | - | 7 269 | 6 138 | 1 131 | 84.4% | 5 815 | 4 338 |
| Venues and facilities | 250 | (96) | - | 154 | - | 154 | - | - | - |
| Interest and rent on land | - | 42 351 | - | 42 351 | 42 351 | - | 100.0% | 60 | 29 |
| Interest | - | 42 351 | - | 42 351 | 42 351 | - | 100.0% | 60 | 29 |
| Transfers and subsidies | 10 408 | 30 788 | 18 011 | 59 207 | 59 092 | 115 | 99.8% | 8 906 | 7 681 |
| Provinces and municipalities | 2 200 | - | - | 2 200 | 2 086 | 114 | 94.8% | 2 800 | 2 076 |
| Municipalities | 2 200 | - | - | 2 200 | 2 086 | 114 | 94.8% | 2 800 | 2 076 |
| Municipal bank accounts | 2 200 | - | - | 2 200 | - | 2 200 | - | 2 800 | 2 076 |
| Municipal agencies and funds | - | - | - | - | 2 086 | (2 086) | - | - | - |

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | 2020/21 | | |
|--------------------------------------|------------------------|-------------------|---------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | 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 |
| Households | 8 208 | 30 788 | 18 011 | 57 007 | 57 006 | 1 | 100.0% | 6 106 | 5 605 |
| Social benefits | 3 398 | 179 | - | 3 577 | 3 576 | 1 | 100.0% | 6 106 | 2 101 |
| Other transfers to households | 4 810 | 30 609 | 18 011 | 53 430 | 53 430 | - | 100.0% | - | 3 504 |
| Payments for capital assets | 493 706 | 12 342 | - | 506 048 | 493 184 | 12 864 | 97.5% | 686 049 | 515 612 |
| Buildings and other fixed structures | 490 871 | 12 342 | - | 503 213 | 490 990 | 12 223 | 97.6% | 680 067 | 514 833 |
| Other fixed structures | 490 871 | 12 342 | - | 503 213 | 490 990 | 12 223 | 97.6% | 680 067 | 514 833 |
| Machinery and equipment | 2 835 | - | - | 2 835 | 2 194 | 641 | 77.4% | 5 982 | 779 |
| Transport equipment | 1 783 | (287) | - | 1 496 | 855 | 641 | 57.2% | 3 207 | 779 |
| Other machinery and equipment | 1 052 | 287 | - | 1 339 | 1 339 | - | 100.0% | 2 775 | - |
| Payments for financial assets | - | 479 | - | 479 | 479 | - | 100.0% | - | - |
| Total | 1 808 357 | - | 16 616 | 1 824 973 | 1 681 772 | 143 201 | 92.2% | 2 182 619 | 1 790 721 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 2.1: INFRASTRUCTURE PLANNING | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 91 062 | (3 454) | - | 87 608 | 56 552 | 31 056 | 64.6% | 107 151 | 62 504 |
| Compensation of employees | 38 220 | 2 270 | - | 40 490 | 40 490 | - | 100.0% | 44 428 | 33 521 |
| Salaries and wages | 28 000 | 7 459 | - | 35 459 | 35 459 | - | 100.0% | 40 258 | 29 358 |
| Social contributions | 10 220 | (5 189) | - | 5 031 | 5 031 | - | 100.0% | 4 170 | 4 163 |
| Goods and services | 52 842 | (5 724) | - | 47 118 | 16 062 | 31 056 | 34.1% | 62 723 | 28 983 |
| Administrative fees | 190 | (148) | - | 42 | 42 | - | 100.0% | 180 | - |
| Advertising | 100 | 220 | - | 320 | 320 | - | 100.0% | 50 | 4 |
| Catering: Departmental activities | 100 | (72) | - | 28 | - | 28 | - | - | - |
| Consultants: Business and advisory services | 30 700 | - | - | 30 700 | - | 30 700 | - | 26 891 | - |
| Infrastructure and planning services | 20 009 | (5 711) | - | 14 298 | 14 298 | - | 100.0% | 34 574 | 28 486 |
| Legal services | 274 | - | - | 274 | - | 274 | - | 70 | - |
| Consumables: Stationery printing and office supplies | 512 | (456) | - | 56 | 6 | 50 | 10.7% | 430 | - |
| Operating leases | 300 | 83 | - | 383 | 383 | - | 100.0% | - | - |
| Travel and subsistence | 557 | 456 | - | 1 013 | 1 013 | - | 100.0% | 528 | 493 |
| Venues and facilities | 100 | (96) | - | 4 | - | 4 | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 134 | (12) | - | 122 | 122 | - | 100.0% | 32 | 15 |
| Households | 134 | (12) | - | 122 | 122 | - | 100.0% | 32 | 15 |
| Social benefits | 134 | (12) | - | 122 | 122 | - | 100.0% | 32 | 15 |
| Payments for capital assets | 13 | 13 | - | 13 | 13 | - | 100.0% | 107 183 | 62 519 |
| Total | 91 196 | (3 453) | - | 87 743 | 56 687 | 31 056 | 64.6% | 107 183 | 62 519 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 2.2: INFRASTRUCTURE DESIGN | 2021/22 | | | | | 2020/21 | | | |
|--|---------------------------------|----------------------------|-------------------|------------------------------|-----------------------------|-------------------|--|------------------------------|-----------------------------|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final appropriation % | Final Appropriation R'000 | Actual expenditure R'000 |
| Economic classification | | | | | | | | | |
| Current payments | 64 265 | (4 925) | - | 59 340 | 57 084 | 2 256 | 96.2% | 58 160 | 43 578 |
| Compensation of employees | 48 100 | (2 270) | - | 45 830 | 44 170 | 1 660 | 96.4% | 45 300 | 41 242 |
| Salaries and wages | 41 200 | (2 270) | - | 38 930 | 38 244 | 686 | 98.2% | 39 400 | 35 579 |
| Social contributions | 6 900 | - | - | 6 900 | 5 926 | 974 | 85.9% | 5 900 | 5 663 |
| Goods and services | 16 165 | (2 655) | - | 13 510 | 12 914 | 596 | 95.6% | 12 860 | 2 336 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | 14 272 | (2 655) | - | 11 617 | 11 617 | - | 100.0% | 11 600 | 1 584 |
| Travel and subsistence | 1 893 | - | - | 1 893 | 1 297 | 596 | 68.5% | 1 260 | 752 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 156 | 50 | - | 206 | 206 | - | 100.0% | 148 | 37 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Households | 156 | 50 | - | 206 | 206 | - | 100.0% | 148 | 37 |
| Social benefits | 156 | 50 | - | 206 | 206 | - | 100.0% | 148 | 37 |
| Payments for capital assets | 22 778 | - | - | 22 778 | 12 790 | 9 988 | 56.2% | 138 330 | 88 111 |
| Buildings and other fixed structures | 22 778 | - | - | 22 778 | 12 790 | 9 988 | 56.2% | 138 330 | 88 111 |
| Buildings | - | - | - | - | - | - | - | - | 674 |
| Other fixed structures | 22 778 | - | - | 22 778 | 12 790 | 9 988 | 56.2% | 138 330 | 88 111 |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 87 199 | (4 875) | - | 82 324 | 70 080 | 12 244 | 85.1% | 196 638 | 131 726 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 2.3: CONSTRUCTION | 2021/22 | | | | | | 2020/21 | | |
|--------------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 | 53 509 | (5 028) | (1 395) | 47 086 | 44 588 | 2 498 | 94.7% | 48 282 | 45 836 |
| Compensation of employees | 50 500 | (4 997) | (1 395) | 44,108 | 41,886 | 2,222 | 95.0% | 46 200 | 43 755 |
| Salaries and wages | 43 000 | (4 918) | (1 275) | 36 807 | 36 042 | 765 | 97.9% | 39 600 | 37 603 |
| Social contributions | 7 500 | (79) | (120) | 7 301 | 5 844 | 1 457 | 80.0% | 6 600 | 6 152 |
| Goods and services | 3 009 | (31) | - | 2 978 | 2 702 | 276 | 90.7% | 2 082 | 2 081 |
| Administrative fees | | | | | | | | | |
| Contractors | | | | | | | | | |
| Travel and subsistence | 3 009 | (31) | | 2 978 | 2 702 | 276 | 90.7% | 2 082 | 2 081 |
| Transfers and subsidies | 1 113 | (583) | - | 530 | 529 | 1 | 99.8% | 755 | 645 |
| Households | 1 113 | (583) | - | 530 | 529 | 1 | 99.8% | 755 | 645 |
| Social benefits | 1 113 | (583) | | 530 | 529 | 1 | 99.8% | 755 | 645 |
| Payments for capital assets | 468 093 | - | - | 468 093 | 465 858 | 2 235 | 99.5% | 490 133 | 375 120 |
| Buildings and other fixed structures | 468 093 | - | - | 468 093 | 465 858 | 2 235 | 99.5% | 490 133 | 375 120 |
| Buildings | | | | - | | | - | - | |
| Other fixed structures | 468 093 | - | | 468 093 | 465 858 | 2 235 | 99.5% | 490 133 | 375 120 |
| Other machinery and equipment | | | | | | | | | |
| Payments for financial assets | | 31 | - | 31 | 31 | - | 100.0% | - | - |
| Total | 522 715 | (5 580) | (1 395) | 515 740 | 511 006 | 4 734 | 99.1% | 539 170 | 421 601 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 2.4: MAINTENANCE | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 1 040 978 | (62 971) | - | 978 007 | 884 249 | 93 758 | 90.4% | 1 232 599 | 1 076 244 |
| Compensation of employees | 159 464 | 4 062 | - | 163 526 | 163 526 | - | 100.0% | 164 739 | 160 090 |
| Salaries and wages | 125 000 | 9 296 | - | 134 296 | 134 296 | - | 100.0% | 135 100 | 131 416 |
| Social contributions | 34 464 | (5 234) | - | 29 230 | 29 230 | - | 100.0% | 29 639 | 28 674 |
| Goods and services | 881 514 | (67 033) | - | 814 481 | 720 723 | 93 758 | 88.5% | 1 067 860 | 916 154 |
| Minor assets | - | - | - | - | - | - | - | 825 | - |
| Communication | - | 6 | - | 6 | 6 | - | 100.0% | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | 859 760 | (64 103) | - | 795 657 | 702 036 | 93 621 | 88.2% | 1 061 380 | 911 730 |
| Inventory: Clothing material and accessories | 2 000 | 291 | - | 2 291 | 2 291 | - | 100.0% | 1 081 | 748 |
| Inventory: Materials and supplies | 17 861 | (2 544) | - | 15 317 | 15 230 | 87 | 99.4% | 2 685 | 2 581 |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | 48 | - | 48 | 48 | - | 100.0% | 95 | 83 |
| Travel and subsistence | 1 893 | (731) | - | 1 162 | 1 112 | 50 | 95.7% | 1 794 | 1 012 |
| Training and development | - | - | - | - | - | - | - | - | - |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 2.4: MAINTENANCE continued | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 4 215 | 710 | - | 4 925 | 4 811 | 114 | 97.7% | 4 318 | 3 480 |
| Provinces and municipalities | 2 200 | - | - | 2 200 | 2 086 | 114 | 94.8% | 2 800 | 2 076 |
| Municipalities | 2 200 | - | - | 2 200 | 2 086 | 114 | 94.8% | 2 800 | 2 076 |
| Municipal bank accounts | 2 200 | - | - | 2 200 | - | 2 200 | - | 2 800 | 2 076 |
| Municipal agencies and funds | - | - | - | - | 2 086 | (2 086) | - | - | - |
| Households | 2 015 | 710 | - | 2 725 | 2 725 | - | 100.0% | 1 518 | 1 404 |
| Social benefits | 1 995 | 724 | - | 2 719 | 2 719 | - | 100.0% | 1 518 | 1 404 |
| Other transfers to households | 20 | (14) | - | 6 | 6 | - | 100.0% | - | - |
| Payments for capital assets | - | 12 342 | - | 12 342 | 12 342 | - | 100.0% | 54 379 | 51 602 |
| Buildings and other fixed structures | - | 12 342 | - | 12 342 | 12 342 | - | 100.0% | 51 604 | 51 602 |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | 12 342 | - | 12 342 | 12 342 | - | 100.0% | 51 604 | 51 602 |
| Machinery and equipment | - | - | - | - | - | - | - | 2 775 | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | 2 775 | - |
| Payments for financial assets | - | 435 | - | 435 | 435 | - | 100.0% | - | - |
| Total | 1 045 193 | (49 484) | - | 995 709 | 901 837 | 93 872 | 90.6% | 1 291 296 | 1 131 326 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 2.5: PROGRAMME SUPPORT INFRASTRUCTURE | 2021/22 | | | | | | 2020/21 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | 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 | 54 429 | 32 769 | - | 87 198 | 86 544 | 654 | 99.2% | 41 472 | 39 266 |
| Compensation of employees | 533 | 935 | - | 1 468 | 1 468 | - | 100.0% | 624 | 565 |
| Salaries and wages | 460 | 856 | - | 1 316 | 1 316 | - | 100.0% | 550 | 496 |
| Social contributions | 73 | 79 | - | 152 | 152 | - | 100.0% | 74 | 69 |
| Goods and services | 53 896 | (10 517) | - | 43 379 | 42 725 | 654 | 98.5% | 40 788 | 38 672 |
| Administrative fees | 10 | (10) | - | - | - | - | - | 3 | - |
| Advertising | 2 200 | 2 349 | - | 4 549 | 4 549 | - | 100.0% | 930 | 929 |
| Minor assets | 1 182 | (1 101) | - | 81 | 81 | - | 100.0% | - | - |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 100 | (100) | - | - | - | - | - | - | - |
| Communication | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Consultants: Business and advisory services | 6 000 | (4 426) | - | 1 574 | 1 510 | 64 | 95.9% | 2 326 | 2 325 |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - |
| Laboratory services | 514 | (514) | - | - | - | - | - | 250 | - |
| Legal services | 9 252 | (9 109) | - | 143 | 143 | - | 100.0% | 3 389 | 2 678 |
| Contractors | 100 | (99) | - | 1 | 1 | - | 100.0% | 2 | 1 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Fleet services | 11 558 | 739 | - | 12 297 | 12 297 | - | 100.0% | 11 638 | 11 093 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 200 | (126) | - | 1 074 | 907 | 167 | 84.5% | 200 | 118 |
| Consumable: Stationery printing and office supplies | 486 | - | - | 486 | 422 | 64 | 86.8% | 70 | 43 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 2.5: PROGRAMME SUPPORT INFRASTRUCTURE continued | 2021/22 | | | | | | 2020/21 | | |
|---|------------------------|-------------------|---------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 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 | | | | | | | | | |
| Operating leases | 11 589 | (787) | - | 10 802 | 10 802 | - | 100.0% | 11 943 | 11 942 |
| Property payments | 9 332 | 2 667 | - | 11 999 | 11 999 | - | 100.0% | 9 886 | 9 543 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 223 | - | - | 223 | 14 | 209 | 6.3% | 151 | - |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | 150 | - | - | 150 | - | 150 | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | 42 351 | - | 42 351 | 42 351 | - | 100.0% | 60 | 29 |
| Interest | - | 42 351 | - | 42 351 | 42 351 | - | 100.0% | 60 | 29 |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 4 790 | 30 623 | 18 011 | 53 424 | 53 424 | - | 100.0% | 3 653 | 3 504 |
| Households | 4 790 | 30 623 | 18 011 | 53 424 | 53 424 | - | 100.0% | 3 653 | 3 504 |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | 4 790 | 30 623 | 18 011 | 53 424 | 53 424 | - | 100.0% | - | 3 504 |
| Payments for capital assets | 2 835 | - | - | 2 835 | 2 194 | 641 | 77.4% | 3 207 | 779 |
| Machinery and equipment | 2 835 | - | - | 2 835 | 2 194 | 641 | 77.4% | 3 207 | 779 |
| Transport equipment | 1 783 | (287) | - | 1 496 | 855 | 641 | 57.2% | 3 207 | 779 |
| Other machinery and equipment | 1 052 | 287 | - | 1 339 | 1 339 | - | 100.0% | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 62 054 | 63 392 | 18 011 | 143 457 | 142 162 | 1 295 | 99.1% | 48 332 | 43 549 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | | 2020/21 | |
|---|------------------------|-------------------|--------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Sub programme | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 3.1.PUBLIC TRANSPORT SERVICES | 3 124 505 | (4 010) | 1 582 | 3 122 077 | 2 549 223 | 572 854 | 81.7% | 2 805 582 | 2 056 781 |
| 3.2.PROGRAMME SUPPORT OPERATIONS | 62 780 | 4 010 | 6 033 | 72 823 | 72 271 | 552 | 99.2% | 49 371 | 27 159 |
| | 3 187 285 | - | 7 615 | 3 194 900 | 2 621 494 | 573 406 | 82.1% | 2 854 953 | 2 083 940 |
| Economic classification | | | | | | | | | |
| Current payments | 150 677 | - | 7 615 | 158 292 | 147 073 | 11 219 | 92.9% | 103 921 | 72 433 |
| Compensation of employees | 80 960 | - | 7 960 | 88 920 | 88 920 | - | 100.0% | 74 550 | 53 653 |
| Salaries and wages | 76 893 | - | 7 723 | 84 616 | 84 616 | - | 100.0% | 70 448 | 49 557 |
| Social contributions | 4 067 | - | 237 | 4 304 | 4 304 | - | 100.0% | 4 102 | 4 096 |
| Goods and services | 69 717 | - | (345) | 69 372 | 58 153 | 11 219 | 83.8% | 29 371 | 18 780 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 250 | - | - | 250 | 231 | 19 | 92.4% | 38 | - |
| Minor assets | - | - | - | - | - | - | - | 8 | 6 |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 100 | - | - | 100 | 4 | 96 | 4.0% | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Consultants: Business and advisory services | 55 000 | (4 010) | - | 50 990 | 40 566 | 10 424 | 79.6% | 23 197 | 15 801 |
| Infrastructure and planning services | 5 349 | - | (345) | 5 004 | 5 004 | - | 100.0% | 2 500 | 2 255 |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Legal services | 7 783 | (5 667) | - | 2 116 | 2 116 | - | 100.0% | 2 638 | - |

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9

APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | 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 |
| Contractors | - | 9 677 | - | 9 677 | 9 677 | - | 100.0% | - | - |
| Fleet services | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | 4 | - |
| Consumable: Stationery, printing and office supplies | 200 | - | - | 200 | - | 200 | - | 100 | 26 |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 935 | - | - | 935 | 529 | 406 | 56.6% | 886 | 692 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | 100 | - | - | 100 | 26 | 74 | 26.0% | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 3 036 608 | - | - | 3 036 608 | 2 474 421 | 562 187 | 81.5% | 2 751 032 | 2 011 507 |
| Public corporations and private enterprises | 3 036 463 | (9 600) | - | 3 026 863 | 2 464 765 | 562 098 | 81.4% | 2 750 895 | 2 011 495 |
| Private enterprises | 3 036 463 | (9 600) | - | 3 026 863 | 2 464 765 | 562 098 | 81.4% | 2 750 895 | 2 011 495 |
| Other transfers to private enterprises | 3 036 463 | (9 600) | - | 3 026 863 | 2 464 765 | 562 098 | 81.4% | 2 750 895 | 2 011 495 |
| Non-profit institutions | - | 9 600 | - | 9 600 | 9 600 | - | 100.0% | - | - |
| Households | 145 | - | - | 145 | 56 | 89 | 38.6% | 137 | 12 |
| Social benefits | 145 | - | - | 145 | 56 | 89 | 38.6% | 137 | 12 |
| Total | 3 187 285 | - | 7 615 | 3 194 900 | 2 621 494 | 573 406 | 82.1% | 2 854 953 | 2 083 940 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 3.1: PUBLIC TRANSPORT SERVICES | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | 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 | 88 037 | (4 010) | 1 582 | 85 609 | 74 857 | 10 752 | 87,4% | 54 687 | 45 286 |
| Compensation of employees | 26 849 | - | 1 927 | 28 776 | 28 776 | - | 100,0% | 28 195 | 26 538 |
| Salaries and wages | 22 893 | - | 1 810 | 24 703 | 24 703 | - | 100,0% | 24 203 | 22 547 |
| Social contributions | 3 956 | - | 117 | 4 073 | 4 073 | - | 100,0% | 3 992 | 3 991 |
| Goods and services | 61 188 | (4 010) | (345) | 56 833 | 46 081 | 10 752 | 81,1% | 26 492 | 18 748 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Consultants: Business and advisory services | 55 000 | (4 010) | - | 50 990 | 40 566 | 10 424 | 79,6% | 23 197 | 15 801 |
| Infrastructure and planning services | 5 349 | - | (345) | 5 004 | 5 004 | - | 100,0% | 2 500 | 2 255 |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 839 | - | - | 839 | 511 | 328 | 60,9% | 795 | 692 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 3 036 468 | - | - | 3 036 468 | 2 474 366 | 562 102 | 81,5% | 2 750 895 | 2 011 495 |
| Public corporations and private enterprises | 3 036 463 | (9 600) | - | 3 026 863 | 2 464 765 | 562 098 | 81,4% | 2 750 895 | 2 011 495 |
| Private enterprises | 3 036 463 | (9 600) | - | 3 026 863 | 2 464 765 | 562 098 | 81,4% | 2 750 895 | 2 011 495 |
| Other transfers to private enterprises | 3 036 463 | (9 600) | - | 3 026 863 | 2 464 765 | 562 098 | 81,4% | 2 750 895 | 2 011 495 |
| Non-profit institutions | - | 9 600 | - | 9 600 | 9 600 | - | 100,0% | - | - |
| Households | 5 | - | - | 5 | 1 | 4 | 20,0% | - | - |
| Social benefits | 5 | - | - | 5 | 1 | 4 | 20,0% | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 3 124 505 | (4 010) | 1 582 | 3 122 077 | 2 549 223 | 572 854 | 81,7% | 2 805 582 | 2 056 781 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 3.2: PROGRAMME SUPPORT OPERATIONS | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| | 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 | 62 640 | 4 010 | 6 033 | 72 683 | 72 216 | 467 | 99.4% | 49 234 | 27 147 |
| Compensation of employees | 54 111 | - | 6 033 | 60 144 | 60 144 | - | 100.0% | 46 355 | 27 115 |
| Salaries and wages | 54 000 | - | 5 913 | 59 913 | 59 913 | - | 100.0% | 46 245 | 27 010 |
| Social contributions | 111 | - | 120 | 231 | 231 | - | 100.0% | 110 | 105 |
| Goods and services | 8 529 | 4 010 | - | 12 539 | 12 072 | 467 | 96.3% | 2 879 | 32 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 250 | - | - | 250 | 231 | 19 | 92.4% | 38 | - |
| Minor assets | - | - | - | - | - | - | - | 8 | 6 |
| Catering: Departmental activities | 100 | - | - | 100 | 4 | 96 | 4.0% | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Laboratory services | 7 783 | (5 667) | - | 2 116 | 2 116 | - | 100.0% | 2 638 | - |
| Legal services | - | 9 677 | - | 9 677 | 9 677 | - | 100.0% | - | - |
| Consumable supplies | - | - | - | - | - | - | - | 4 | - |
| Consumable: Stationery, printing and office supplies | 200 | - | - | 200 | - | 200 | - | 100 | 26 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 96 | - | - | 96 | 18 | 78 | 18.8% | 91 | - |
| Venues and facilities | 100 | - | - | 100 | 26 | 74 | 26.0% | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 140 | - | - | 140 | 55 | 85 | 39.3% | 137 | 12 |
| Households | 140 | - | - | 140 | 55 | 85 | 39.3% | 137 | 12 |
| Social benefits | 140 | - | - | 140 | 55 | 85 | 39.3% | 137 | 12 |
| Total | 62 780 | 4 010 | 6 033 | 72 823 | 72 271 | 552 | 99.2% | 49 371 | 27 159 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 4: TRANSPORT REGULATION | | | | | | | | | |
| Sub programme | | | | | | | | | |
| 4.1. TRANSPORT ADMINISTRATION AND LICENSING | 186 503 | (498) | (4 049) | 181 956 | 169 587 | 12 369 | 93.2% | 181 636 | 142 105 |
| 4.2. OPERATOR LICENCE AND PERMITS | 155 365 | 498 | - | 155 863 | 130 095 | 25 768 | 83.5% | 143 097 | 109 660 |
| | 341 868 | - | (4 049) | 337 819 | 299 682 | 38 137 | 88.7% | 324 733 | 251 765 |
| Economic classification | | | | | | | | | |
| Current payments | 318 363 | (965) | (4 049) | 313 349 | 276 721 | 36 628 | 88.3% | 302 103 | 230 550 |
| Compensation of employees | 198 321 | - | - | 198 321 | 190 968 | 7 353 | 96.3% | 196 558 | 183 908 |
| Salaries and wages | 169 333 | (2 185) | - | 167 148 | 159 856 | 7 292 | 95.6% | 166 036 | 153 833 |
| Social contributions | 28 988 | 2 185 | - | 31 173 | 31 112 | 61 | 99.8% | 30 522 | 30 075 |
| Goods and services | 120 042 | (1 272) | (4 049) | 114 721 | 85 446 | 29 275 | 74.5% | 105 545 | 46 642 |
| Administrative fees | 83 | (83) | - | - | - | - | - | 60 | - |
| Advertising | 450 | (121) | - | 329 | 55 | 274 | 16.7% | 50 | - |
| Minor assets | - | 186 | - | 186 | 186 | - | 100.0% | - | - |
| Catering: Departmental activities | 150 | (60) | - | 90 | 7 | 83 | 7.8% | 99 | 98 |
| Communication | 653 | (2) | - | 651 | 507 | 144 | 77.9% | 33 | 33 |
| Computer services | 750 | 49 | - | 799 | 799 | - | 100.0% | 1 002 | 37 |
| Consultants: Business and advisory services | 2 100 | (169) | - | 1 931 | 1 388 | 543 | 71.9% | 20 000 | - |
| Legal services | 1 347 | - | - | 1 347 | 1 232 | 115 | 91.5% | 1 517 | 1 516 |
| Contractors | 2 591 | (62) | - | 2 529 | 2 390 | 139 | 94.5% | 2 082 | 483 |
| Agency and support / outsourced services | 2 000 | - | - | 2 000 | - | 2 000 | - | - | - |
| Fleet services | 2 000 | - | - | 2 000 | - | 2 000 | - | - | - |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 8 183 | - | - | 8 183 | 7 036 | 1 147 | 86.0% | 5 040 | 1 762 |
| Consumable supplies | - | 62 | - | 62 | 62 | - | 100.0% | - | - |
| Consumable: Stationery, printing and office supplies | 63 187 | (377) | - | 62 810 | 42 663 | 20 147 | 67.9% | 57 409 | 26 840 |
| Operating leases | 29 491 | - | (498) | 28 993 | 26 943 | 2 050 | 92.9% | 13 023 | 13 022 |
| Property payments | 5 248 | - | (3 551) | 1 697 | 1 697 | - | 100.0% | 4 177 | 2 513 |
| Travel and subsistence | 1 279 | (397) | - | 882 | 387 | 495 | 43.9% | 1 018 | 304 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | 530 | (298) | - | 232 | 94 | 138 | 40.5% | 35 | 34 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | 307 | - | 307 | 307 | - | 100.0% | - | - |
| Interest | - | 307 | - | 307 | 307 | - | 100.0% | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | 2020/21 | | |
|--------------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 |
| Transfers and subsidies | 20 580 | 843 | - | 21 423 | 21 423 | - | 100.0% | 20 739 | 20 601 |
| Non-profit institutions | 19 800 | 200 | - | 20 000 | 20 000 | - | 100.0% | 20 000 | 20 000 |
| Households | 780 | 643 | - | 1 423 | 1 423 | - | 100.0% | 739 | 601 |
| Social benefits | 680 | 701 | - | 1 381 | 1 381 | - | 100.0% | 739 | 601 |
| Other transfers to households | 100 | (58) | - | 42 | 42 | - | 100.0% | - | - |
| Payments for capital assets | 2 925 | - | - | 2 925 | 1 416 | 1 509 | 48.4% | 1 891 | 614 |
| Buildings and other fixed structures | 1 225 | - | - | 1 225 | - | 1 225 | - | 1 746 | 469 |
| Buildings | 1 225 | - | - | 1 225 | - | 1 225 | - | 1 746 | 469 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 700 | 716 | - | 1 416 | 1 416 | - | 100.0% | 145 | 145 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 700 | 716 | - | 1 416 | 1 416 | - | 100.0% | 145 | 145 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 1 000 | (716) | - | 284 | - | 284 | - | - | - |
| Payments for financial assets | - | 122 | - | 122 | 122 | - | 100.0% | - | - |
| Total | 341 868 | - | (4 049) | 337 819 | 299 682 | 38 137 | 88.7% | 324 733 | 251 765 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 4.1: TRANSPORT ADMINISTRATION AND LICENCING | 2021/22 | | | | | | 2020/21 | | |
|---|------------------------|-------------------|----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 183 786 | (415) | (4 049) | 179 322 | 168 462 | 10 860 | 93.9% | 179 080 | 140 931 |
| Compensation of employees | 134 000 | - | - | 134 000 | 128 714 | 5 286 | 96.1% | 132 640 | 122 462 |
| Salaries and wages | 115 000 | (1 866) | - | 113 134 | 107 909 | 5 225 | 95.4% | 112 240 | 102 443 |
| Social contributions | 19 000 | 1 866 | - | 20 866 | 20 805 | 61 | 99.7% | 20 400 | 20 019 |
| Goods and services | 49 786 | (722) | (4 049) | 45 015 | 39 441 | 5 574 | 87.6% | 46 440 | 18 469 |
| Administrative fees | 83 | (83) | - | - | - | - | - | 60 | - |
| Advertising | 230 | (121) | - | 109 | 55 | 54 | 50.5% | 50 | - |
| Minor assets | - | 17 | - | 17 | 17 | - | 100.0% | - | - |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | 20 | (2) | - | 18 | 4 | 14 | 22.2% | 33 | 33 |
| Computer services | 750 | 49 | - | 799 | 799 | - | 100.0% | 1 002 | 37 |
| Consultants: Business and advisory services | - | - | - | - | - | - | - | 20 000 | - |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | 2 252 | 138 | - | 2 390 | 2 390 | - | 100.0% | 2 080 | 482 |
| Agency and support / outsourced services | 2 000 | - | - | 2 000 | 2 000 | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (including government motor transport) | 2 000 | - | - | 2 000 | 2 000 | - | - | - | - |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 4.1: TRANSPORT ADMINISTRATION AND LICENCING continued | 2021/22 | | | | | | | 2020/21 | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 7 088 | - | - | 7 088 | 7 036 | 52 | 99.3% | 5 000 | 1 751 |
| Consumable supplies | - | 2 | - | 2 | 2 | - | 100.0% | - | - |
| Consumable: Stationery, printing and office supplies | 722 | (377) | - | 345 | 262 | 83 | 75.9% | 465 | 464 |
| Operating leases | 28 491 | - | (498) | 27 993 | 26 943 | 1 050 | 96.2% | 13 023 | 13 022 |
| Property payments | 5 248 | - | (3 551) | 1 697 | 1 697 | - | 100.0% | 4 177 | 2 513 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 902 | (345) | - | 557 | 236 | 321 | 42.4% | 550 | 167 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Rental and rent on land | - | 307 | - | 307 | 307 | - | 100.0% | - | - |
| Interest and rent on land | - | 307 | - | 307 | 307 | - | 100.0% | - | - |
| Interest (Incl. interest on unitary payments (PPP)) | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 392 | 345 | - | 737 | 737 | - | 100.0% | 665 | 560 |
| Households | 392 | 345 | - | 737 | 737 | - | 100.0% | 665 | 560 |
| Social benefits | 292 | 403 | - | 695 | 695 | - | 100.0% | 665 | 560 |
| Other transfers to households | 100 | (58) | - | 42 | 42 | - | 100.0% | - | - |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 4.1: TRANSPORT ADMINISTRATION AND LICENCING continued | 2021/22 | | | | | | | 2020/21 | | |
|---|-------------------------|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Economic classification | 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 | R'000 |
| Payments for capital assets | 2 325 | (498) | - | - | 1 827 | 318 | 1 509 | 17.4% | 1 891 | 614 |
| Buildings and other fixed structures | 1 225 | - | - | - | 1 225 | - | 1 225 | - | 1 746 | 469 |
| Buildings | 1 225 | - | - | - | 1 225 | - | 1 225 | - | 1 746 | 469 |
| Other fixed structures | - | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 100 | 218 | - | - | 318 | 318 | - | 100.0% | 145 | 145 |
| Transport equipment | - | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 100 | 218 | - | - | 318 | 318 | - | 100.0% | 145 | 145 |
| Software and other intangible assets | 1 000 | (716) | - | - | 284 | - | 284 | - | - | - |
| Payments for financial assets | - | 70 | - | - | 70 | 70 | - | 100.0% | - | - |
| Total | 186 503 | (498) | (4 049) | 181 956 | 169 587 | 12 369 | 93.2% | 181 636 | 142 105 | |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 4.2: OPERATOR LICENCE AND PERMITS | 2021/22 | | | | | | 2020/21 | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 | 134 577 | (550) | - | 134 027 | 108 259 | 25 768 | 80.8% | 123 023 | 89 619 |
| Compensation of employees | 64 321 | - | - | 64 321 | 62 254 | 2 067 | 96.8% | 63 918 | 61 446 |
| Salaries and wages | 54 333 | (319) | - | 54 014 | 51 947 | 2 067 | 96.2% | 53 796 | 51 390 |
| Social contributions | 9 988 | 319 | - | 10 307 | 10 307 | - | 100.0% | 10 122 | 10 056 |
| Goods and services | 70 256 | (550) | - | 69 706 | 46 005 | 23 701 | 66.0% | 59 105 | 28 173 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | 220 | - | - | 220 | - | 220 | - | - | - |
| Minor assets | - | 169 | - | 169 | 169 | - | 100.0% | - | - |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 150 | (60) | - | 90 | 7 | 83 | 7.8% | 99 | 98 |
| Communication (G&S) | 633 | - | - | 633 | 503 | 130 | 79.5% | - | - |
| Consultants: Business and advisory services | 2 100 | (169) | - | 1 931 | 1 388 | 543 | 71.9% | - | - |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Legal services | 1 347 | - | - | 1 347 | 1 232 | 115 | 91.5% | 1 517 | 1 516 |
| Contractors | 339 | (200) | - | 139 | - | 139 | - | 2 | 1 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 1 095 | - | - | 1 095 | - | 1 095 | - | 40 | 11 |
| Consumable supplies | - | 60 | - | 60 | 60 | - | 100.0% | - | - |
| Consumable: Stationery, printing and office supplies | 62 465 | - | - | 62 465 | 42 401 | 20 064 | 67.9% | 56 944 | 26 376 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| SUBPROGRAMME: 4.2: OPERATOR LICENCE AND PERMITS continued | 2021/22 | | | | | | 2020/21 | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 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 |
| Operating leases | 1 000 | - | - | 1 000 | - | 1 000 | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 377 | (52) | - | 325 | 151 | 174 | 46,5% | 468 | 137 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Venues and facilities | 530 | (298) | - | 232 | 94 | 138 | 40,5% | 35 | 34 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 20 188 | 498 | - | 20 686 | 20 686 | - | 100,0% | 20 074 | 20 041 |
| Non-profit institutions | 19 800 | 200 | - | 20 000 | 20 000 | - | 100,0% | 20 000 | 20 000 |
| Households | 388 | 298 | - | 686 | 686 | - | 100,0% | 74 | 41 |
| Social benefits | 388 | 298 | - | 686 | 686 | - | 100,0% | 74 | 41 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 600 | 498 | - | 1 098 | 1 098 | - | 100,0% | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 600 | 498 | - | 1 098 | 1 098 | - | 100,0% | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 600 | 498 | - | 1 098 | 1 098 | - | 100,0% | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | 52 | - | 52 | 52 | - | 100,0% | - | - |
| Total | 155 365 | 498 | - | 155 863 | 130 095 | 25 768 | 83,5% | 143 097 | 109 660 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

APPROPRIATION STATEMENT for the year ended 31 March 2022

| | 2021/22 | | | | | | | 2020/21 | |
|------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | 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 | 2 776 816 | - | - | 2 776 816 | 2 776 816 | - | 100.0% | 2 680 758 | 2 680 758 |
| Total for sub programmes | 2 776 816 | - | - | 2 776 816 | 2 776 816 | - | 100.0% | 2 680 758 | 2 680 758 |
| Economic classification | | | | | | | | | |
| Transfers and subsidies | 2 776 816 | - | - | 2 776 816 | 2 776 816 | - | 100.0% | 2 680 758 | 2 680 758 |
| Departmental agencies and accounts | 2 776 816 | - | - | 2 776 816 | 2 776 816 | - | 100.0% | 2 680 758 | 2 680 758 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies | 2 776 816 | - | - | 2 776 816 | 2 776 816 | - | 100.0% | 2 680 758 | 2 680 758 |
| Total | 2 776 816 | - | - | 2 776 816 | 2 776 816 | - | 100.0% | 2 680 758 | 2 680 758 |

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

NOTES TO THE APPROPRIATION STATEMENTS

for the year ended 31 March 2022

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-G) 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 | Variance R'000 | Variance as a % of Final Appropriation |
|--------------------------|------------------------|-----------------------|-------------------|--|
| Administration | 381 216 | 361 499 | 19 717 | 5% |
| Transport Infrastructure | 1 824 973 | 1 681 772 | 143 201 | 8% |
| Transport Operations | 3 194 900 | 2 621 494 | 573 406 | 18% |
| Transport Regulation | 337 819 | 299 682 | 38 137 | 11% |
| Gautrain | 2 776 816 | 2 776 816 | - | 0% |

Administration

The underspending within this programme is as a result of delays in implementing the organisational structure review. The budget shifts will be processed as part of the year end adjustment budget and the balance will be surrendered back to the Provincial Revenue Fund (PRF).

Transport Infrastructure

The underspending within this programme is due to delays in procurement for infrastructure projects which were finalised towards the end of the financial year and slow progress on active projects due to external factors. Funds will be surrendered back to PRF as part of the year-end processes.

Transport Operation

The underspending within this programme is mainly because of a decline in Bus subsidy payments as a result of reduced operational capacity by bus operators. In addition, some bus operators have been facing operational challenges including among others lack of capacity and financial constraints which resulted in poor and inefficient public transportation service provision. Brakpan Bus Service is among such and has notified the Department of its closure and termination of services. The Department is in the process of addressing the service delivery vacuum left by Brakpan.

Transport regulation

The underspending in this programme is mainly as a result of system technical challenges experienced by the Government Printing Works and as such the Department could not gazette operating licence permits which is a key cost driver within this programme.

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

NOTES TO THE APPROPRIATION STATEMENTS

for the year ended 31 March 2022

| 4.2 Per economic classification | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
|---|--------------------------------|-------------------------------|-----------------|---|
| | R'000 | R'000 | R'000 | R'000 |
| Current payments | | | | |
| Compensation of employees | 776 892 | 756 802 | 20 090 | 3% |
| Goods and services | 1 271 526 | 1 102 320 | 169 206 | 13% |
| Interest and rent on land | 42 658 | 42 658 | - | 0% |
| Transfers and subsidies | | | | |
| Provinces and municipalities | 2 200 | 2 086 | 114 | 5% |
| Departmental agencies and accounts | 2 776 816 | 2 776 816 | - | 0% |
| Public corporations and private enterprises | 3 026 863 | 2 464 765 | 562 098 | 19% |
| Non-profit institutions | 29 600 | 29 600 | - | 0% |
| Households | 60 503 | 60 413 | 90 | 0% |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | 509 438 | 492 596 | 16 842 | 3% |
| Machinery and equipment | 15 453 | 12 540 | 2 913 | 19% |
| Intangible assets | 3 108 | - | 3 108 | 100% |
| Payments for financial assets | 667 | 667 | - | - |
| 4.3 Per conditional grant | Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Appropriation |
| | R'000 | R'000 | R'000 | R'000 |
| Provincial Roads Maintenance Grant | 715 362 | 621 653 | 93 709 | 13% |
| Public Transport Operations Grant | 2 836 725 | 2 296 152 | 540 573 | 19% |
| Expanded Public Works Programme Grant | 9 638 | 9 638,00 | - | 0% |



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2022

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|-------------------|-------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 8 515 724 | 8 377 996 |
| Departmental revenue | 2 | 4 471 351 | 4 406 585 |
| TOTAL REVENUE | | 12 987 075 | 12 784 581 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 3 | 756 800 | 705 573 |
| Goods and services | 4 | 1 102 319 | 1 175 361 |
| Interest and rent on land | 5 | 42 659 | 29 |
| Total current expenditure | | 1 901 778 | 1 880 963 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 7 | 5 333 680 | 4 721 910 |
| Total transfers and subsidies | | 5 333 680 | 4 721 910 |
| Expenditure for capital assets | | | |
| Tangible assets | 8 | 505 138 | 519 138 |
| Intangible assets | 8 | - | 51 |
| Total expenditure for capital assets | | 505 138 | 519 189 |
| Payments for financial assets | 6 | 667 | - |
| TOTAL EXPENDITURE | | 7 741 263 | 7 122 062 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 5 245 812 | 5 662 519 |
| Reconciliation of Net Surplus/(Deficit) for the year | | | |
| Voted funds | | 774 461 | 1 255 934 |
| Annual appropriation | | 140 179 | 541 436 |
| Conditional grants | | 634 282 | 714 498 |
| Departmental revenue and NRF Receipts | 14 | 4 471 351 | 4 406 585 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 5 245 812 | 5 662 519 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9****STATEMENT OF FINANCIAL POSITION**
as at 31 March 2022

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | 1 147 357 | 1 356 108 |
| Cash and cash equivalents | 10 | 1 142 619 | 1 351 416 |
| Receivables | 12 | 4 738 | 4 692 |
| Non-current assets | | 786 | 786 |
| Receivables | 12 | 786 | 786 |
| TOTAL ASSETS | | 1 148 143 | 1 356 894 |
| LIABILITIES | | | |
| Current liabilities | | 1 146 393 | 1 355 075 |
| Voted funds to be surrendered to the Revenue Fund | 13 | 774 461 | 934 799 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 14 | 368 956 | 337 527 |
| Payables | 15 | 2 976 | 82 749 |
| TOTAL LIABILITIES | | 1 146 393 | 1 355 075 |
| NET ASSETS | | 1 750 | 1 819 |
| Represented by: | | | |
| Recoverable revenue | | 1 750 | 1 819 |
| TOTAL | | 1 750 | 1 819 |



**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2022

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| Recoverable revenue | | | |
| Opening balance | | 1 819 | 1 716 |
| Transfers: | | (69) | 103 |
| Irrecoverable amounts written off | 6.1 | 276 | - |
| Debts recovered (included in departmental receipts) | | 1 045 | 133 |
| Debts raised | | (1 390) | (30) |
| Closing balance | | 1 750 | 1 819 |
| TOTAL | | 1 750 | 1 819 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

CASH FLOW STATEMENT
for the year ended 31 March 2022

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|--|------|-------------------|-------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts | | 12 987 075 | 12 463 446 |
| Annual appropriated funds received | 1.1 | 8 515 724 | 8 056 861 |
| Departmental revenue received | 2 | 4 471 346 | 4 406 577 |
| Interest received | 2.2 | 5 | 8 |
| Net increase/decrease in working capital | | (79 819) | 80 822 |
| Surrendered to Revenue Fund | | (5 374 721) | (5 090 942) |
| Current payments | | (1 859 119) | (1 880 934) |
| Interest paid | 5 | (42 659) | (29) |
| Payments for financial assets | | (667) | - |
| Transfers and subsidies paid | | (5 333 680) | (4 721 910) |
| Net cash flow available from operating activities | | 296 410 | 850 453 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 8 | (505 138) | (519 189) |
| Net cash flows from investing activities | | (505 138) | (519 189) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase/(decrease) in net assets | | (69) | 103 |
| Net cash flows from financing activities | | (69) | 103 |
| Net increase/(decrease) in cash and cash equivalents | | (208 797) | 331 367 |
| Cash and cash equivalents at beginning of period | | 1 351 416 | 1 020 049 |
| Cash and cash equivalents at end of period | | 1 142 619 | 1 351 416 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

PART A: ACCOUNTING POLICIES

| | |
|---|--|
| Summary of significant accounting policies | |
| <p>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.</p> <p>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.</p> <p>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.</p> | |
| 1 | <p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p> |
| 2 | <p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p> |
| 3 | <p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department</p> |
| 4 | <p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p> |
| 5 | <p>Foreign currency translation</p> <p>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.</p> |
| 6 | <p>Comparative information</p> |
| 6.1 | <p>Prior period comparative information</p> <p>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.</p> |
| 6.2 | <p>Current year comparison with budget</p> <p>A comparison between the approved final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p> |
| 7 | <p>Revenue</p> |
| 7.1 | <p>Appropriated funds</p> <p>Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund.</p> <p>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.</p> <p>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.</p> |
| 7.2 | <p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p> |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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| | |
|--------------|---|
| 7.3 | <p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • 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. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p> |
| 8 | Expenditure |
| 8.1 | Compensation of employees |
| 8.1.1 | <p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p> |
| 8.1.2 | <p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p> |
| 8.2 | <p>Other expenditure</p> <p>Other expenditure (such as goods and services transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p> |
| 8.3 | <p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p> |
| 8.4 | Leases |
| 8.4.1 | <p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p> |
| 8.4.2 | <p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • 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 | <p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement cash and cash equivalents comprise cash on hand deposits held other short-term highly liquid investments and bank overdrafts.</p> |

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| | |
|-------------|--|
| 10 | <p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments are expensed in line with the contractual agreement.</p> |
| 11 | <p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest where interest is charged less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p> |
| 12 | <p>Financial assets</p> |
| 12.1 | <p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date a department shall measure its financial assets at cost less amounts already settled or written-off except for recognised loans and receivables which are measured at cost plus accrued interest where interest is charged less amounts already settled or written-off.</p> |
| 12.2 | <p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset an estimation of the reduction in the recorded carrying value to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset is recorded in the notes to the financial statements.</p> |
| 13 | <p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p> |
| 14 | <p>Capital Assets</p> |
| 14.1 | <p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p> |
| 14.2 | <p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost cannot be determined reliably, the movable asset is measured at its fair value. Where fair value of the movable asset cannot be determined, the movable asset is measured at R1. The use of fair value or R1 as initial measurement for initial recording purposes is regarded as the movable asset's deemed cost.</p> |
| 14.3 | <p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> |

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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| | |
|-------------|---|
| 14.4 | <p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset the asset is transferred to the custodian subsequent to completion.</p> |
| 15 | <p>Provisions and Contingents</p> |
| 15.1 | <p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p> |
| 15.2 | <p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p> |
| 15.3 | <p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p> |
| 15.4 | <p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p> |
| 16 | <p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by the Provincial Legislature with funding and the related funds are received; or • approved by the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p> |
| 17 | <p>Fruitless and wasteful expenditure</p> <p>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.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>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.</p> |
| 18 | <p>Irregular expenditure</p> <p>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.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>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.</p> |

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | |
|-----------|--|
| 19 | <p>Changes in accounting estimates and errors</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities, and net assets for the earliest period for which retrospective restatement is practicable.</p> |
| 20 | <p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p> |
| 21 | <p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p> |
| 22 | <p>Departures from the MCS requirements</p> <p>The Department has complied with the provision of Modified Cash Standards.</p> |
| 23 | <p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p> |
| 24 | <p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p> |
| 25 | <p>Related party transactions</p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p> |
| 26 | <p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p> |
| 27 | <p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p> |

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for the year ended 31 March 2022

| | |
|-----------|---|
| 28 | <p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals payables not recognised and provisions) is disclosed in the Employee benefits note.</p> |
| 29 | <p>Transfer of functions</p> <p>Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p> |
| 30 | <p>Mergers</p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p> |

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1. ANNUAL APPROPRIATION

1.1 ANNUAL APPROPRIATION

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for Provincial Department (Voted funds).

| | 2021/22 | | | 2020/21 | | |
|--------------------------|------------------------|--------------------------|--|------------------------|---------------------------|--|
| | 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 | R'000 |
| Administration | 401 398 | 401 398 | - | 334 933 | 329 805 | 5 128 |
| Transport Infrastructure | 1 808 357 | 1 808 357 | - | 2 182 619 | 2 082 413 | 100 206 |
| Transport Operations | 3 187 285 | 3 187 285 | - | 2 854 953 | 2 657 809 | 197 144 |
| Transport Regulation | 341 868 | 341 868 | - | 324 733 | 306 076 | 18 657 |
| Gautrain | 2 776 816 | 2 776 816 | - | 2 680 758 | 2 680 758 | - |
| Total | 8 515 724 | 8 515 724 | - | 8 377 996 | 8 056 861 | 321 135 |

1.2 CONDITIONAL GRANTS

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|------------------------------|------|------------------|------------------|
| Total grants received | | 3 561 725 | 3 286 924 |

2. DEPARTMENTAL REVENUE

| | | | |
|---|-----|------------------|------------------|
| *Tax revenue | | 4 407 797 | 4 357 924 |
| Sales of goods and services other than capital assets | 2.1 | 62 958 | 48 402 |
| Interest, dividends and rent on land | 2.2 | 5 | 8 |
| Transactions in financial assets and liabilities | 2.3 | 591 | 251 |
| Total revenue collected | | 4 471 351 | 4 406 585 |
| Less: Own revenue included in appropriation | | - | - |
| Departmental revenue collected | | 4 471 351 | 4 406 585 |

*The above Tax revenue is the compulsory, unrequited revenue collected by the Departments relating to Motor Vehicle Licence Tax.

2.1 SALES OF GOODS AND SERVICES OTHER THAN CAPITAL ASSETS

| | | |
|--|---------------|---------------|
| Sales of goods and services produced by the department | 62 892 | 48 402 |
| Sales by market establishment | 355 | 361 |
| *Administrative fees | 57 199 | 45 368 |
| Other sales | 5 338 | 2 673 |
| Sales of scrap, waste and other used current goods | 66 | - |
| Total | 62 958 | 48 402 |

*Included in "Administrative fees" category is receipts received for abnormal loads licenses, Personalised number plates and permits of operators.



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for the year ended 31 March 2022

| | Note | 2021/22 | 2020/21 |
|---|------|------------|--------------|
| | 2 | R'000 | R'000 |
| 2.2 INTEREST DIVIDENDS AND RENT ON LAND | | | |
| Interest | | 5 | 8 |
| Total | | 5 | 8 |
| 2.3 TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES | | | |
| Receivables | | 463 | 147 |
| Other Receipts including Recoverable Revenue | | 128 | 104 |
| Total | | 591 | 251 |
| 2.3.1 DONATIONS RECEIVED IN-KIND (NOT INCLUDED IN THE MAIN NOTE OR SUB NOTE) | | | |
| Gauteng Department of Health | | - | 4 199 |
| AngloGold Ashanti | | - | 445 |
| Avbob | | - | 21 |
| Calliper Consulting | | - | 10 |
| National Department of Transport | | - | 27 |
| Jordan Construction | | - | 111 |
| King Civils engineering | | - | 42 |
| Scientology | | - | 1 800 |
| South African Taxi Donor | | - | 678 |
| Total | | - | 7 333 |

**During the current year under review, the Department did not receive any donations as part of relief during the pandemic (Covid 19) in comparison to prior year.*

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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3. COMPENSATION OF EMPLOYEES

3.1 SALARIES AND WAGES

| | | |
|----------------------------------|----------------|----------------|
| Basic salary | 438 768 | 449 000 |
| Performance award | 3 577 | 5 148 |
| Service Based | 1,332 | 879 |
| **Compensative/circumstantial | 93,634 | 48 993 |
| Periodic payments | 1 172 | 12 630 |
| Other non-pensionable allowances | 110 798 | 85 567 |
| Total | 649 281 | 602 217 |

3.2 SOCIAL CONTRIBUTIONS

Employer contributions

| | | |
|--|----------------|----------------|
| Pension | 60 462 | 58 154 |
| Medical | 46 516 | 44 907 |
| UIF | 9 | 34 |
| Bargaining council | 185 | 175 |
| Official unions and associations | 173 | - |
| Insurance | 174 | 86 |
| Total | 107 519 | 103 356 |
| Total compensation of employees | 756 800 | 705 573 |
| Average number of employees | 1 596 | 1 673 |

**Included within the total compensation of employees are monies paid in respect of personnel appointed on an interim basis to facilitate the established of the Transport Authority for Gauteng (TAG) as a fully-fledged public entity of the Department as provided for in terms of the Gauteng Transport Authority Bill of 2019.*

***The Compensative/Circumstantial line item reflects a substantial increase due to overtime worked by staff to deal backlog such as processing of operating permits and potholes patching created by pandemic Covid19. In addition, payments made to individuals appointed by the Department on a short-term contract to assist in the sanitising of public transport facilities, vehicles, and commuters as part of the Department's strategic response to minimising the negative impact of the COVID-19 pandemic on the public transport sector.*

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| 4. GOODS AND SERVICES | | | |
| Administrative fees | | 5 913 | 5 199 |
| Advertising | | 8 269 | 1 100 |
| Minor assets | 4.1 | 382 | 241 |
| Bursaries (employees) | | 32 | 17 |
| Catering | | 2 372 | 306 |
| Communication | | 10 629 | 8 167 |
| Computer services | 4.2 | 17 181 | 11 380 |
| Consultants: Business and advisory services | | 47 321 | 35 639 |
| Infrastructure and planning services | | 19 302 | 30 741 |
| Legal services | | 16 756 | 16 431 |
| *Contractors | | 729 814 | 916 017 |
| Audit cost – external | 4.3 | 7 379 | 6 025 |
| Fleet services | | 12 298 | 11 093 |
| Inventory | 4.4 | 24 557 | 5 091 |
| Consumables | 4.5 | 51 767 | 32 053 |
| Operating leases | | 39 866 | 24 964 |
| Property payments | 4.6 | 96 804 | 61 963 |
| Travel and subsistence | 4.7 | 7 984 | 5 996 |
| Venues and facilities | | 2 367 | 2 797 |
| Training and development | | 1 289 | 141 |
| Other operating expenditure | 4.8 | 37 | - |
| Total | | 1 102 319 | 1 175 361 |

**The contractors line item relates to payments affected by the Department in relation to the outsourced routine road maintenance and repairs undertaken by the Department during the applicable financial periods. The comparative decrease is due to the expiry of the contracts during the financial period, and the procurement process not finalised by year-end.*

4.1 MINOR ASSETS

| | | |
|-------------------------|------------|------------|
| Tangible assets | 382 | 241 |
| Machinery and equipment | 382 | 241 |
| Total | 382 | 241 |

4.2 COMPUTER SERVICES

| | | |
|-------------------------------------|---------------|---------------|
| External computer service providers | 17 181 | 11 380 |
| Total | 17 181 | 11 380 |

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|-----------------------------------|-------|------------------|------------------|
| 4.3 AUDIT COST – EXTERNAL | | | |
| Regularity audits | | 7 092 | 5 760 |
| Computer audits | | 287 | 265 |
| Total | | 7 379 | 6 025 |
| 4.4 INVENTORY | | | |
| | 4 | | |
| Clothing material and accessories | | 2 291 | 748 |
| Materials and supplies | | 15 229 | 2 581 |
| Other supplies | 4.4.1 | 7 037 | 1 762 |
| Total | | 24 557 | 5 091 |

The significant increase in in this category is mainly as result of material bought by Department as part of Smart Mobility Weekends Campaign to ensure that all public roads in the province are maintained to acceptable level, safe and allow easy mobility of people and goods as part of Department's strategy of Growing Gauteng Together Through Smart Mobility.

4.4.1 OTHER SUPPLIES

| | | |
|--------------|--------------|--------------|
| *Other | 7 037 | 1 762 |
| Total | 7 037 | 1 762 |

Included in other supplies is expenditure for face values.

4.5 CONSUMABLES

| | | |
|--|---------------|---------------|
| Consumable supplies | 3 625 | 2 661 |
| Uniform and clothing | 60 | 140 |
| Household supplies | 2 637 | 2 069 |
| Building material and supplies | 457 | 203 |
| IT consumables | 243 | 249 |
| Other consumables | 228 | - |
| *Stationery printing and office supplies | 48 142 | 29 392 |
| Total | 51 767 | 32 053 |

**The increase in purchases relating to stationery, printing and office supplies emanates from the implementation of COVID-19 restrictions and protocols within the operations of the Department.*

4.6 PROPERTY PAYMENTS

| | | |
|--------------------|---------------|---------------|
| Municipal services | 38 933 | 27 468 |
| *Other | 57 871 | 34 495 |
| Total | 96 804 | 61 963 |

**The line item "other" contains payments made for security services within the Department.*

**GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

| | Note | 2021/22 | 2020/21 |
|-----------------------------------|------|--------------|--------------|
| | 4 | R'000 | R'000 |
| 4.7 TRAVEL AND SUBSISTENCE | | | |
| Local | | 7 971 | 5 987 |
| Foreign | | 13 | 9 |
| *Total | | 7 984 | 5 996 |

**The comparative increase in travel and subsistence is mainly as a result of travelling claims paid to officials as compared to prior year on which less mobility took place due to COVID-19 restrictions and protocols within the operations of the Department.*

4.8 OTHER OPERATING EXPENDITURE

| | | | |
|--------------------|--|-----------|----------|
| Resettlement costs | | 37 | - |
| Total | | 37 | - |

4.9 REMUNERATION OF MEMBERS OF A COMMISSION OR COMMITTEE (INCLUDED IN CONSULTANTS: BUSINESS AND ADVISORY SERVICES)

| Name of Commission / Committee | No. of members | | |
|--|----------------|----------|---------------|
| The Commission of Inquiry into Taxi violence | | - | 10 702 |
| Total | | - | 10 702 |

5. INTEREST AND RENT ON LAND

| | | | |
|----------------|--|---------------|-----------|
| *Interest paid | | 42 659 | 29 |
| Total | | 42 659 | 29 |

**The Department lost a number of Court Cases during the financial year and had to pay interest.*

6. PAYMENTS FOR FINANCIAL ASSETS

| | | | |
|-------------------|-----|------------|----------|
| Debts written off | 6.1 | 667 | - |
| Total | | 667 | - |

6.1 DEBTS WRITTEN OFF

| | | | |
|--------------|--|------------|----------|
| Ex-employees | | 667 | - |
| Total | | 667 | - |

Total debt written off **667** **667**

7. TRANSFERS AND SUBSIDIES

| | | | |
|---|----------|------------------|------------------|
| Provinces and municipalities | 48, 49 | 2 087 | 2 076 |
| Departmental agencies and accounts | Annex 1B | 2 776 816 | 2 680 758 |
| Public corporations and private enterprises | Annex 1D | 2,464,764 | 2 011 492 |
| Public corporations and private enterprises | Annex 1F | 29,600 | 20 000 |
| Households | Annex 1G | 60 413 | 7 584 |
| Total | | 5 333 680 | 4 721 910 |

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for the year ended 31 March 2022

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|--|------|------------------|------------------|
| 8. EXPENDITURE FOR CAPITAL ASSETS | | | |
| Tangible assets | | 505 138 | 519 138 |
| Buildings and other fixed structures | 40 | 492 597 | 515 302 |
| Machinery and equipment | 39 | 12 541 | 3 836 |
| Intangible assets | | - | 51 |
| Software | 40 | - | 51 |
| Total | | 505 138 | 519 189 |

8.1 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2021/22

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|--------------------------------------|----------------------|-------------------------|----------------|
| Tangible assets | 505 138 | - | 505 138 |
| Buildings and other fixed structures | 492 597 | - | 492 597 |
| Machinery and equipment | 12 541 | - | 12 541 |
| Total | 505 138 | - | 505 138 |

8.2 ANALYSIS OF FUNDS UTILISED TO ACQUIRE CAPITAL ASSETS – 2020/21

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|--------------------------------------|----------------------|-------------------------|----------------|
| Tangible assets | 519 138 | - | 519 138 |
| Buildings and other fixed structures | 515 302 | - | 515 302 |
| Machinery and equipment | 3 836 | - | 3 836 |
| Intangible assets | 51 | - | 51 |
| Software | 51 | - | 51 |
| Total | 519 189 | - | 519 189 |

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VOTE 9**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| 8.3 FINANCE LEASE EXPENDITURE INCLUDED IN EXPENDITURE FOR CAPITAL ASSETS | | | |
| Tangible assets | | 1 873 | 1 983 |
| Machinery and equipment | | 1 873 | 1 983 |
| *Total | | 1 873 | 1 983 |

**The finance lease expenditure relates to motor vehicles obtained from g-FleeT under a finance lease agreement.*

9. UNAUTHORISED EXPENDITURE

Reconciliation of unauthorised expenditure

| | | |
|--------------|---|---|
| Total | - | - |
|--------------|---|---|

The Department is alleged to have incurred Unauthorised expenditure relating to the management of Public Transport Operation Grant Subsidies (PTOG). Such allegations and recommendations are contained in an investigation report initiated by Gauteng Provincial Treasury. During 2019/20 financial year, the Head of Department accepted the forensic report and the alleged transgressors are being subjected to internal Departmental disciplinary processes.

In the process of implementing the recommendations of the report, it became evident that there are certain areas that require guidance from Treasury. The Department has sought the guidance from the Gauteng Provincial Treasury in relation to certain aspects of the transactions that needs clarity prior, hence it is not possible to disclose the items raised in the report as unauthorised expenditure.

10. CASH AND CASH EQUIVALENTS

| | | |
|--|------------------|------------------|
| Consolidated Paymaster General Account | 1 142 560 | 1 351 357 |
| Cash on hand | 59 | 59 |
| Total | 1 142 619 | 1 351 416 |

11. PREPAYMENTS AND ADVANCES

| | | |
|----------------|----------|----------|
| Staff advances | - | - |
| Total | - | - |

11.1 PREPAYMENTS (EXPENSED)

| | Note | Amount as at 1 April 2021 R'000 | Less: Received in the current year R'000 | Add or Less: Other R'000 | Add: Current Year prepayments R'000 | Amount as at 31 March 2022 R'000 |
|--------------------|------|--|---|--------------------------------|--|---|
| Goods and services | | 3 | (7 620) | - | 7 617 | - |
| Total | | 3 | (7 620) | - | 7 617 | - |

| | Note | Amount as at 1 April 2020 R'000 | Less: Received in the current year R'000 | Add or Less: Other R'000 | Add: Current Year prepayments R'000 | Amount as at 31 March 2021 R'000 |
|--------------------|------|--|---|--------------------------------|--|---|
| Goods and services | | 7 443 | (7 440) | - | - | 3 |
| Total | | 7 443 | (7 440) | - | - | 3 |

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11.2 ADVANCES PAID (EXPENSED)

| | Amount as at 1 April 2021 R'000 | Less: Received in the current year R'000 | Add or Less: Other R'000 | Add: Current Year prepayments R'000 | Amount as at 31 March 2022 R'000 |
|----------------------|--|---|--------------------------------|--|---|
| National departments | 1 253 | (951) | - | 204 | 506 |
| Total | 1 253 | (951) | - | 204 | 506 |

| | Amount as at 1 April 2020 R'000 | Less: Received in the current year R'000 | Add or Less: Other R'000 | Add: Current Year prepayments R'000 | Amount as at 31 March 2021 R'000 |
|----------------------|--|---|--------------------------------|--|---|
| National departments | 1 253 | - | - | - | 1 253 |
| Total | 1 253 | - | - | - | 1 253 |

12. RECEIVABLES

| | Note | 2021/22 | | | 2020/21 | | |
|-------------------------|------|------------------|----------------------|----------------|------------------|----------------------|----------------|
| | | Current R'000 | Non-current R'000 | Total R'000 | Current R'000 | Non-current R'000 | Total R'000 |
| Claims recoverable | 12.1 | 1 867 | - | 1 867 | 1 325 | - | 1 325 |
| Recoverable expenditure | 12.2 | 342 | - | 342 | 430 | - | 430 |
| Staff debt | 12.3 | 2 529 | - | 2 529 | 2 937 | - | 2 937 |
| Other receivables | 12.4 | - | 786 | 786 | - | 786 | 786 |
| Total | | 4 738 | 786 | 5 524 | 4 692 | 786 | 5 478 |

12.1 CLAIMS RECOVERABLE

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|------------------------|------|------------------|------------------|
| National departments | 12 | 36 | 36 |
| Provincial departments | | - | 154 |
| *Public entities | | 1 831 | 1 135 |
| Total | | 1 867 | 1 325 |

**This balance relates to salaries paid to employees transferred to g-Fleet Management through secondment to provide support.*

12.2 RECOVERABLE EXPENDITURE (DISALLOWANCE ACCOUNTS)

| | | |
|-----------------------------|------------|------------|
| Deposit Account:Dom | 290 | 400 |
| Sal:Tax Debt:CA | 2 | 1 |
| Sal:Reversal Control:Dom | 8 | 14 |
| Sal:Deduction Disall Acc:CA | 1 | 1 |
| Sal:Garnishee Order:CL | - | 14 |
| Receipt Deposit Control:Dom | 41 | - |
| Total | 342 | 430 |

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|--------------------------------|------|------------------|------------------|
| 12.3 STAFF DEBT | | | |
| Breach of Contract Ex-employee | | 171 | 300 |
| Employees | | 236 | 156 |
| Ex-employees | | 2 011 | 2 376 |
| Supplier | | 111 | 105 |
| Total | | 2 529 | 2 937 |

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

12.4 OTHER RECEIVABLES

| | | | |
|--------------|--|------------|------------|
| *Other | | 786 | 786 |
| Total | | 786 | 786 |

**Included in other debtors is an amount that relates to security deposit for the building leased for the Xavier Driver Licence Testing Centre (DLTC).*

12.5 IMPAIRMENT OF RECEIVABLES

| | | | |
|---------------------------------------|--|-----------|-----------|
| Estimate of impairment of receivables | | 51 | 93 |
| Total | | 51 | 93 |

13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

| | | | |
|--|--|----------------|----------------|
| Opening balance | | 934 799 | 637 203 |
| Prior period error | | - | - |
| As restated | | 934 799 | 637 203 |
| Transfer from statement of financial performance (as restated) | | 774 461 | 1 255 934 |
| Voted funds not requested/not received | | - | (321 135) |
| Paid during the year | | (934 799) | (637 203) |
| Closing balance | | 774 461 | 934 799 |

14. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

| | | | |
|--|--|----------------|----------------|
| Opening balance | | 337 527 | 384 681 |
| Prior period error | | - | - |
| As restated | | 337 527 | 384 681 |
| Transfer from Statement of Financial Performance (as restated) | | 4 471 351 | 4 406 585 |
| Paid during the year | | (4 439 922) | (4 453 739) |
| Closing balance | | 368 956 | 337 527 |

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| | Note | 2021/22 R'000 | 2020/21 R'000 |
|-------------------------------|------|------------------|------------------|
| 15. PAYABLES – CURRENT | | | |
| Other payables | 15.1 | 2 976 | 82 749 |
| Total | | 2 976 | 82 749 |

The significant decrease is mainly due to the increase in payments which were processed during quarter four of the 2021/22 financial year as part of the interventions implemented by the department to curb underspending and ensure payment of service providers within 30 days.

15.1 OTHER PAYABLES

| | | |
|----------------------------------|--------------|---------------|
| Sal: Income Tax: CL | 292 | 374 |
| Bank Adjustment: Dom | 210 | 209 |
| *Outstanding payments: Dom | 986 | 81 747 |
| Sal: Persal EBT Control Acc: Dom | - | 304 |
| Telephone Control Acc: CL | - | 99 |
| Sal: Pension Fund: CL | 21 | 16 |
| Sal: ABC Recalls: CL | 935 | - |
| Sal: Garnishee Order: CL | 532 | - |
| Total | 2 976 | 82 749 |

**The significant decrease is mainly due to the increase in payments which were processed during quarter four of the 2021/22 financial year as part of the interventions implemented by the department to curb underspending and ensure payment of service providers within 30 days.*

16. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

| | | |
|--|----------------|----------------|
| Net surplus/(deficit) as per Statement of Financial Performance | 5 245 812 | 5 662 519 |
| Add back non cash/cash movements not deemed operating activities | (4 949 402) | (4 812 066) |
| (Increase)/decrease in receivables | (46) | (1 367) |
| (Increase)/decrease in prepayments and advances | - | - |
| (Increase)/decrease in other current assets | - | - |
| Increase/(decrease) in payables – current | (79 773) | 82 189 |
| Proceeds from sale of capital assets | - | - |
| Proceeds from sale of investments | - | - |
| (Increase)/decrease in other financial assets | - | - |
| Expenditure on capital assets | 505 138 | 519 189 |
| Surrenders to Revenue Fund | (5 374 721) | (5 090 942) |
| Surrenders to RDP Fund/Donor | - | - |
| Voted funds not requested/not received | - | (321 135) |
| Own revenue included in appropriation | - | - |
| Other non-cash items | - | - |
| Net cash flow generated by operating activities | 296 410 | 850 453 |

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|----------|------------------|------------------|
| 17. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES | | | |
| Consolidated Paymaster General account | | 1 142 560 | 1 351 357 |
| Cash on hand | | 59 | 59 |
| Total | | 1 142 619 | 1 351 416 |
| 18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS | | | |
| 18.1 CONTINGENT LIABILITIES | | | |
| Liable to Nature | | | |
| Claims against the department | Annex 3B | 254 569 | 303 807 |
| Intergovernmental payables (unconfirmed balances) | Annex 5 | 4 071 | 11 057 |
| *Other | Annex 3B | - | - |
| Total | | 258 640 | 314 864 |

*Other: The Department on behalf of the Gauteng Province has in existence a concession agreement with Bombela Consortium for the design, construction and operation of a rapid rail link between Pretoria and Johannesburg, and Johannesburg and O.R. Tambo International Airport, consisting of 80km's of rail and 10 stations. Included as part of the concession agreement are the terms and conditions under which a Patronage Guarantee is paid to the Concessionaire to ensure sustained quality services.

The amount paid is assessed on the difference between Minimum Required Total Revenue and the Actual Total Revenue as defined in the Concession Agreement after considering the actual performance of the Concessionaire during the period under review. The current year Patronage Guarantee has already been paid and it is foreseen that it will also be paid for the next 12 months. However, no reliable estimate of the amount payable can be established at this stage of the process due to the uncertainty surrounding the nature and timing of the events that contribute to the determination of the Patronage Guarantee. The management and oversight of the concession agreement for the Gautrain Rapid Rail Link Project is undertaken by the Gautrain Management Agency, a schedule 3C provincial public entity which was established in terms of the Gautrain Management Act, Act No 5 of 2006.

18.2 CONTINGENT ASSETS

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) between Peter Road and the N14 | 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 property developers and the Department. The contribution agreements provide for a possible asset to the Department in the form of various contributions that are relevant to the applicable project. The realisation of these various contribution will only be determined on the completion of the applicable project. The amount disclosed is the best estimate of the potential financial effect for the department: The following projects are disclosed as contingent assets during the year under review:

Road K174-The scope of work to be undertaken constitutes the investigation, survey, preliminary design, detail design, construction and monitoring of the project by a Professional Civil Engineer (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).

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| | Note | 2021/22 R'000 | 2020/21 R'000 |
|--------------------------------------|------|------------------|------------------|
| 19. CAPITAL COMMITMENTS | | | |
| Current expenditure | | | |
| Buildings and other fixed structures | | 2 661 024 | 676 098 |
| *Total | | 2 661 024 | 676 098 |

**The comparative increase emanates from the increase in the awarded contracts during the year under review in comparison to prior year.*

20. ACCRUALS AND PAYABLES NOT RECOGNISED

20.1 ACCRUALS

Listed by economic classification

| | 30 Days | 30+ Days | Total | Total |
|-------------------------|----------------|----------|----------------|----------------|
| Goods and services | 74 398 | - | 74 398 | 38 387 |
| Transfers and subsidies | 128 037 | - | 128 037 | 135 049 |
| Capital assets | 12 227 | - | 12 227 | 74 463 |
| Other | 37 003 | - | 37 003 | 8 232 |
| Total | 251 665 | - | 251 665 | 256 131 |

Listed by programme level

| | | | |
|--------------------------|----------------|--|----------------|
| Administration | 49 287 | | 3 117 |
| Transport Infrastructure | 32 751 | | 77 877 |
| Transport Operations | 129 524 | | 165 886 |
| Transport Regulations | 40 102 | | 9 251 |
| Total | 251 665 | | 256 131 |

The significant decrease is mainly due to the increase in payments which were processed during quarter four of the 2021/22 financial year as part of the interventions implemented by the department to curb underspending and ensure payment of service providers within 30 days.

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20.2 PAYABLES NOT RECOGNISED

Listed by economic classification

| | 30 Days | 30+ Days | Total | Total |
|---------------------------|------------|----------|------------|---------------|
| Goods and services | 986 | - | 986 | 19 873 |
| Interest and rent on land | - | - | - | - |
| Transfers and subsidies | - | - | - | 442 |
| Capital assets | - | - | - | - |
| Other | - | - | - | 29 905 |
| Total | 986 | | 986 | 50 220 |

Listed by programme level

| | | | |
|--------------------------|--|------------|---------------|
| Administration | | - | 12 310 |
| Transport Infrastructure | | 986 | 3 957 |
| Transport Operations | | - | - |
| Transport Regulations | | - | 33 953 |
| Total | | 986 | 50 220 |

Included in the above totals are the following:

| | | | |
|---|----------------|---------------|---------------|
| Confirmed balances with other departments | <i>Annex 5</i> | 34 037 | 4 765 |
| Confirmed balances with other government entities | <i>Annex 5</i> | 58 910 | 45 083 |
| Total | | 92 947 | 49 848 |

| Note | 2021/22 | 2020/21 |
|------|---------|---------|
| | R'000 | R'000 |

21. EMPLOYEE BENEFITS

| | | |
|--------------------------|---------------|---------------|
| *Leave entitlement | 48 939 | 60 224 |
| Service bonus | 18 438 | 19 144 |
| Performance awards | - | 3 794 |
| Capped leave commitments | 12 942 | 16 055 |
| **Other | 1 017 | 487 |
| Total | 81 336 | 99 704 |

**Included herein is negative leave entitlement to the value of R153,214.91 which occurred as a result of the pro-rata calculation of leave taken as at 31 March 2022.*

***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.*

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22. LEASE COMMITMENTS

22.1 OPERATING LEASES

| 2021/22 | Specialised military equipment R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--|---|---------------|---|-------------------------------------|----------------|
| Not later than 1 year | - | - | 16 741 | 1 797 | 18 538 |
| Later than 1 year and not later than 5 years | - | - | 49 587 | 67 | 49 654 |
| *Total lease commitments | - | - | 66 328 | 1 864 | 68 192 |

| 2020/21 | Specialised military equipment R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--|---|---------------|---|-------------------------------------|----------------|
| Not later than 1 year | - | - | 17 084 | 5 214 | 22 298 |
| Later than 1 year and not later than 5 years | - | - | 66 328 | 885 | 67 213 |
| *Total lease commitments | - | - | 83 412 | 6 099 | 89 511 |

**Included in the operating lease commitment is the lease agreement relating to the leased facilities at the Driving Licence Testing Centre (Xavier Junction Premises) which expires in 2025. The future minimum lease payments expected to be made for the next twelve months and not later than five years is R16.741 million and R49.587 million respectively. These figures include an annual escalation of 6%. In addition to the above balance, the Department through Gauteng Department of Infrastructure Development is currently negotiating a new lease agreement for Kliptown Driving License Testing Centre as the initial contract has since expired.*

22.2 FINANCE LEASES**

| 2021/22 | Specialised military equipment R'000 | Land R'000 | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
|--------------------------------|---|---------------|---|-------------------------------------|----------------|
| Not later than 1 year | - | - | - | 1 295 | 1 295 |
| Total lease commitments | - | - | - | 1 295 | 1 295 |

| 2020/21 | 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 | - | - | - | 3 793 | 3 793 |
| Later than 1 year and not later than 5 years | - | - | - | 998 | 998 |
| Total lease commitments | - | - | - | 4 791 | 4 791 |

***This note excludes leases relating to public private partnership as they are separately disclosed in note no. 35.*



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| | Note | 2021/22 R'000 | 2020/21 R'000 |
|--|------|------------------|------------------|
| 23. ACCRUED DEPARTMENTAL REVENUE | | | |
| Tax revenue | | 944 160 | 693 616 |
| Total | | 944 160 | 693 616 |
| 23.1 ANALYSIS OF ACCRUED DEPARTMENTAL REVENUE | | | |
| Opening balance | | 693 616 | 535 528 |
| Less: amounts received | | (4 842 534) | (4 357 924) |
| Add: amounts recognised | | 5 093 078 | 4 516 012 |
| Closing balance | | 944 160 | 693 616 |
| 23.2 ACCRUED DEPARTMENT REVENUE WRITTEN OFF | | | |
| Nature of losses | | | |
| Writing off of interest in relation to outstanding road traffic act fees | | - | - |
| Total | | - | - |
| 24. IRREGULAR EXPENDITURE | | | |
| 24.1 RECONCILIATION OF IRREGULAR EXPENDITURE | | | |
| Opening balance | | 4 360 313 | 6 638 889 |
| Prior period error | | - | - |
| As restated | | 4 360 313 | 6 638 889 |
| Add: Irregular expenditure – relating to prior year | | - | - |
| Add: Irregular expenditure – relating to current year | | 2 476 449 | 2 013 176 |
| Less: Prior year amounts condoned | | (4 179 070) | (4 291 752) |
| Less: Current year amounts condoned | | (2 447 253) | - |
| Closing balance | | 210 439 | 4 360 313 |
| Analysis of awaiting condonation per age classification | | | |
| Current year | | 29 196 | 2 013 176 |
| Prior years | | 181 243 | 2 347 137 |
| Total | | 210 439 | 4 360 313 |

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24.2 DETAILS OF CURRENT AND PRIOR YEAR IRREGULAR EXPENDITURE – ADDED CURRENT YEAR (UNDER DETERMINATION AND INVESTIGATION)

| Incident | Disciplinary steps taken/criminal proceedings | 2021/22 R'000 |
|---|---|------------------|
| Extension of Bus subsidy contracts devolved from National Department of Transport (NDoT). | The Department will refer this expenditure to the Gauteng Provincial Treasury for purposes of condonation | 2 447 253 |
| Various non-compliance to Rrocurement processess | The matter will be referred to investigation | 10 883 |
| K46 project | Investigation in progress | 18 314 |
| Total | | 2 476 449 |

24.3 DETAILS OF IRREGULAR EXPENDITURE CONDONED

| Incident | Disciplinary steps taken/criminal proceedings | 2021/22 R'000 |
|---|---|------------------|
| Extension of Bus subsidy contracts devolved from National Department of Transport (NDoT). | Gauteng Provincial Treasury | 4 179 070 |
| Extension of Bus subsidy contracts devolved from National Department of Transport (NDoT). | Gauteng Provincial Treasury | 2 447 253 |
| Total | | 6 626 323 |

25. FRUITLESS AND WASTEFUL EXPENDITURE

25.1 RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| Opening balance | | 13 959 | 59 498 |
| Prior period error | | - | - |
| As restated | | 13 959 | 59 498 |
| *Fruitless and wasteful expenditure – relating to prior year | | 215 609 | - |
| **Fruitless and wasteful expenditure – relating to current year | | 68 929 | 87 |
| Less: Amounts written off | | - | (45 626) |
| Closing balance | | 298 497 | 13 959 |

25.2 DETAILS OF CURRENT AND PRIOR YEAR FRUITLESS AND WASTEFUL EXPENDITURE – ADDED CURRENT YEAR (UNDER DETERMINATION AND INVESTIGATION)

| Incident | Disciplinary steps taken/criminal proceedings | 2021/22 R'000 |
|---|---|------------------|
| Various supplies - Interest paid on late payments | Under investigation | 308 |
| Court order | Under investigation | 68 621 |
| Investigation Report on K46 project K46 (P79/1) between PWV5 and N14 (P158/2) (Diepsloot) – Phase 2 | Disciplinary action is on-going | 215 609 |
| Total | | 284 538 |

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| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|------|------------------|------------------|
| 25.3 DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE RECOVERABLE | | | |
| Incident | | - | |
| Total | | - | |
| 25.4 DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE WRITTEN OFF | | | |
| Incident | | - | |
| Total | | - | |

*The Department incurred fruitless and wasteful expenditure relating to the construction of road K46 (P79/10 and N14 (P158/2)-(Diepsloot) -Phase 2. The details of such fruitless and wasteful expenditure are contained in an investigation report initiated by Gauteng Provincial Treasury finalised in 2018/19 financial year. During the 2019/20 financial year, the Head of Department accepted the forensic reports, and the alleged transgressors are being subjected to internal Departmental disciplinary processes. During the implementation of the recommendations of the report areas of uncertainty regarding some of the findings were identified and had to be sorted, hence there was no disclosure made during the previous financial years.

** The Department had to settle obligations that arose as a result of Court Judgements that were awarded against the Department regarding legal cases that have been pending for several years which included interest on those payments.

26. RELATED PARTY TRANSACTIONS

Revenue received

| | | | |
|--------------|--|---|---|
| Tax revenue | | - | - |
| Total | | - | - |

The Gauteng Department of Roads and Transport is related party to g-Fleet Management and Gautrain Management Agency (GMA). These two entities are under the control of the MEC in line with the requirements of the Modified Cash Standard. Below are transactions made to both entities during the financial year (2021/22): g-Fleet Management – **R 26,680 million** payments made for fleet services and salaries; these transactions were at arm's length. Gautrain Management Agency (GMA) **R 2,776,816 billion** (Total value of transfer payments made as at 31 March 2022).

Key Management Personnel are deemed to be related parties for 2021/22 financial year a total amount of **R 22,207 million** was paid as compensation to Key Management Personnel. Please refer to note 27 for a detailed breakdown of payments made in 2021/22 financial year as compensation to Key Management Personnel.

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| | Note | 2021/22 R'000 | 2020/21 R'000 |
|---|-----------------------|------------------|------------------|
| 27. KEY MANAGEMENT PERSONNEL | | | |
| | No. of Individuals | 2021/22 R'000 | 2020/21 R'000 |
| Political office bearers (provide detail below) | 1 | 2 000 | 1 978 |
| Officials: | | | |
| *Level 15 to 16 | 8 | 8 964 | 10 810 |
| Level 14 | 10 | 11 243 | 9 367 |
| Family members of key management personnel | | - | - |
| Total | | 22 207 | 22 155 |

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.

28. PUBLIC PRIVATE PARTNERSHIP

| | | |
|--------------------------------|------------------|------------------|
| Concession fee received | 2 776 816 | 2 680 758 |
| MTEF | 2 776 816 | 2 680 758 |

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

*The Department transferred **R 2,776,816 billion** during the financial year to ensure business continuity and service delivery. For additional information pertaining to Gautrain asset please refer to Gautrain Management Agency (GMA) Annual Report.*

29. PROVISIONS

| | Note | 2021/22 R'000 | 2020/21 R'000 |
|--------------|------|------------------|------------------|
| Retentions | 28.1 | 23 134 | 15 239 |
| Litigations | | 108 542 | - |
| Total | | 131 676 | 15 239 |

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29.1 RECONCILIATION OF MOVEMENT IN PROVISIONS – 2021/22

| | Provision 1 R'000 | Provision 2 R'000 | Provision 3 R'000 | Total provisions R'000 |
|-------------------------|----------------------|----------------------|----------------------|---------------------------|
| Opening balance | 15 239 | - | - | 15 239 |
| Increase in provision | 11 986 | 108 542 | - | 120 528 |
| Settlement of provision | (4 168) | - | - | (4 168) |
| Unused amount reversed | 77 | - | - | 77 |
| Closing balance | 23 134 | 108 542 | - | 131 676 |

Reconciliation of movement in provisions – 2020/21

| | Provision 1 R'000 | Provision 2 R'000 | Provision 3 R'000 | Total provisions R'000 |
|-------------------------|----------------------|----------------------|----------------------|---------------------------|
| Opening balance | 29 423 | - | - | 29 423 |
| Increase in provision | 4 091 | - | - | 4 091 |
| Settlement of provision | (16 726) | - | - | (16 726) |
| Unused amount reversed | (1 549) | - | - | (1 549) |
| Closing balance | 15 239 | - | - | 15 239 |

Note 2021/22
R'000

30. NON-ADJUSTING EVENTS AFTER REPORTING DATE

Nature of event

Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.

Total

-

-

31. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| MACHINERY AND EQUIPMENT | 486 400 | - | 10 948 | 9 472 | 487 876 |
| Transport assets | 366 743 | - | - | 5 831 | 360 912 |
| Computer equipment | 55 984 | - | 6 126 | 3 589 | 58 521 |
| Furniture and office equipment | 24 585 | - | 1 657 | 36 | 26 206 |
| Other machinery and equipment | 39 088 | - | 3 165 | 16 | 42 237 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 486 400 | - | 10 948 | 9 472 | 487 876 |

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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 | 2 161 | 36 755 |

31.1 MOVEMENT FOR 2020/21

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|--------------------------------|--------------------|--------------------|-----------------------------|
| MACHINERY AND EQUIPMENT | 484 648 | - | 1 752 | - | 486 400 |
| Transport assets | 366 743 | - | - | - | 366 743 |
| Computer equipment | 54 385 | 28 | 1 571 | - | 55 984 |
| Furniture and office equipment | 24 585 | - | - | - | 24 585 |
| Other machinery and equipment | 38 935 | (28) | 181 | - | 39 088 |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 484 648 | - | 1 752 | - | 486 400 |

31.1.1 PRIOR PERIOD ERROR

| | Note | 2020/21 R'000 |
|---|------|------------------|
| NATURE OF PRIOR PERIOD ERROR | | |
| Relating to 2020/21 [affecting the opening balance] | | - |
| Relating incorrect assets classification | | - |
| Total prior period errors | | - |

31.2 MINOR ASSETS

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|---|---|-------------------------------|-----------------------------|-------------------------------------|-------------------------------|----------------|
| Opening balance | - | 21 | - | 41 053 | - | 41 074 |
| Additions | - | - | - | 382 | - | 382 |
| Disposals | - | (1) | - | (573) | - | (574) |
| TOTAL MINOR ASSETS | - | 20 | - | 40 862 | - | 40 882 |
| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| Number of R1 minor assets | - | - | - | 132 | - | 132 |
| Number of minor assets at cost | - | - | - | 59 641 | - | 59 641 |
| TOTAL NUMBER OF MINOR ASSETS | - | - | - | 59 773 | - | 59 773 |

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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 | 9 705 | 13 218 |

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|---------------------------|---|-------------------------------|-----------------------------|-------------------------------------|-------------------------------|----------------|
| Opening balance | - | 21 | - | 40 593 | - | 40 614 |
| Additions | - | - | - | 460 | - | 460 |
| TOTAL MINOR ASSETS | - | 21 | - | 41 053 | - | 41 074 |

| | 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 | - | 30 184 | - | 30 192 |
| TOTAL NUMBER OF MINOR ASSETS | - | 8 | - | 30 317 | - | 30 325 |

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

| | Specialised military assets R'000 | Intangible assets R'000 | Heritage assets R'000 | Machinery and equipment R'000 | Biological assets R'000 | Total R'000 |
|---|---|-------------------------------|-----------------------------|-------------------------------------|-------------------------------|----------------|
| Assets written off | - | 86 | - | 23 879 | - | 23 965 |
| TOTAL MOVABLE ASSETS WRITTEN OFF | - | 86 | - | 23 879 | - | 23 965 |

32. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021/22

| | Opening Balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| SOFTWARE | 43 899 | - | - | 43 899 | 25 793 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 43 899 | - | - | 43 899 | 25 793 |

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32.1 MOVEMENT FOR 2020/21

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020/21

| | Opening Balance | Prior period error | Additions | Disposals | Closing Balance |
|--|--------------------|-----------------------|-----------|-----------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| SOFTWARE | 43 848 | - | 51 | - | 43 899 |
| TOTAL INTANGIBLE CAPITAL ASSETS | 43 848 | - | 51 | - | 43 899 |

33. IMMOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

| | Opening Balance | Value adjustments | Additions | Disposals | Closing Balance |
|--|--------------------|----------------------|--------------|-----------|--------------------|
| | R'000 | | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 41 070 637 | 12 342 | 5 316 | - | 41 077 663 |
| Other fixed structures | 41 070 637 | 12 342 | 5 316 | - | 41 077 663 |
| LAND AND SUBSOIL ASSETS | 468 873 | 25 951 | - | - | 494 824 |
| Land | 468 873 | 25 951 | - | - | 494 824 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 41 539 510 | 38 293 | 5 316 | - | 41 572 487 |

33.1 MOVEMENT FOR 2020/21

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020/21

| | Opening Balance | Prior period error | Additions | Disposals | Closing Balance |
|--|--------------------|-----------------------|----------------|-----------------|--------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 40 918 487 | - | 223 491 | (71 341) | 41 070 637 |
| Other fixed structures | 40 918 487 | - | 223 491 | (71 341) | 41 070 637 |
| LAND AND SUBSOIL ASSETS | 385 897 | - | 82 976 | - | 468 873 |
| Land | 385 897 | - | 82 976 | - | 468 873 |
| TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 41 034 384 | - | 306 467 | (71 341) | 41 539 510 |

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33.2. CAPITAL WORK-IN-PROGRESS

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

| | <i>Note</i> <i>Annexure 7</i> | Opening balance 1 April 2021 | Current Year WIP | Ready for use (Assets to the AR) / Contracts terminated | Closing balance |
|--------------------------------------|----------------------------------|------------------------------------|---------------------|--|--------------------|
| Buildings and other fixed structures | | 1 342 596 | 485 038 | (224 269) | 1 603 365 |
| TOTAL | | 1 342 596 | 485 038 | (224 269) | 1 603 365 |

Payables not recognised relating to Capital WIP

| | <i>Note</i> | 2021/22 R'000 | 2020/21 R'000 |
|---|-------------|------------------|------------------|
| <i>Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress</i> | | 4 567 | 8 443 |
| TOTAL | | 4 567 | 8 443 |

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

| | <i>Note</i> <i>Annexure 7</i> | Opening balance 1 April 2020 R'000 | Prior period error R'000 | Current Year WIP R'000 | Ready for use (Assets to the AR) / Contracts terminated R'000 | Closing balance 31 March 2021 R'000 |
|--------------------------------------|----------------------------------|---|--------------------------------|------------------------------|---|--|
| Buildings and other fixed structures | | 1 133 761 | - | 432 326 | 223 491 | 1 342 596 |
| TOTAL | | 1 133 761 | - | 432 326 | 223 491 | 1 342 596 |

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34. PRINCIPAL-AGENT ARRANGEMENTS

34.1 DEPARTMENT ACTING AS THE PRINCIPAL

| | 2021/22 | 2020/21 |
|--------------------------------------|------------------|------------------|
| | R'000 | R'000 |
| Ekurhuleni Metropolitan Municipality | 330 876 | 313 727 |
| Mogale City | 26 026 | 24 967 |
| Sedibeng Municipality | 73 018 | 56 051 |
| City of Johannesburg | 313 707 | 262 823 |
| Tshwane Metropolitan Municipality | 232 461 | 189 879 |
| South African Post Services | 203 572 | 191 346 |
| Randwest | 20 094 | 16 894 |
| Total | 1 199 755 | 1 055 687 |

The above municipalities are collecting revenue on behalf of the Department in terms of the Road Traffic Act. For the service, they render on behalf of the Department they are entitled to a range between 20% or 100% agency fee (commission) as per signed service level agreement.

If these municipalities fail to deposit net revenues collected to the Department for a period of two months, the Department will cut the supply of the face value forms for three (3) or more months. In addition, where continuous deficiencies are identified, the Department will assign management and supervisory staff to oversee the operations of this function within the defaulting municipality and should the misadministration or unacceptable performance perpetuate then the function to perform Registering and Testing Authority will be withdrawn.

In the event where the principal arrangement is terminated, the municipality is required to pay over any outstanding amounts owing, return all the computer equipment's purchased for the purposes of administering this function and lastly the Department at its own expense will remove these equipment's from the municipal premises.

*Merafong is under administration thus surrender 100% of collected revenue to the Department.

The Department of Infrastructure Development (DID) is facilitating the projects of rehabilitation maintenance and construction of DLTCs on behalf of the Department. No agency fees were paid to DID in the current financial year.

The Gautrain Management Agency (GMA) was established to co-ordinate, manage, and play an oversight role in terms of the implementation and operational side of Gautrain Rapid Rail Link Project and they also serve as an agent in rendering services at the DLTCs, on behalf of the Department. For additional information pertaining to transfers to GMA please refer to Note 8 and 27.

The City of Tshwane Metropolitan Municipality (CoT) is providing subsidised bus service for Mamelodi and Southern, Eastern, Northern and Pretoria CBD on behalf of the Department. No agency fees were paid to the City of Tshwane in the current financial year.

| | 2021/22 | 2020/21 |
|--|----------|----------|
| | R'000 | R'000 |
| Note | | |
| 34.2 DEPARTMENT ACTING AS THE AGENT | | |
| 34.2.1 REVENUE RECEIVED FOR AGENCY ACTIVITIES | | |
| | - | - |
| 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.

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35. STATEMENT OF CONDITIONAL GRANTS RECEIVED

| NAME OF DEPARTMENT | GRANT ALLOCATION | | | | SPENT | | | | 2020/21 | | |
|---------------------------------------|--|---------------|------------------|-------------------|------------------|-------------------------------|----------------------------|-------------------------|--|-------------------------|----------------------------|
| | Division of Revenue Act/ Provincial Grants | Roll Overs | DORA Adjustments | Other Adjustments | Total Available | Amount received by department | Amount spent by department | Under / (Over-spending) | % 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 | 2 742 249 | 94 476 | - | - | 2 836 725 | 2 836 725 | 2 296 152 | 540 573 | 81% | 2 599 291 | 1 885 027 |
| Provincial Roads Maintenance Grant | 767 135 | - | (51 773) | - | 715 362 | 715 362 | 621 653 | 93 709 | 87% | 677 663 | 677 429 |
| Expanded Public Works Programme Grant | 9 638 | - | - | - | 9 638 | 9 638 | 9 638 | - | 100% | 9 970 | 9 970 |
| | 3 519 022 | 94 476 | (51 773) | - | 3 561 725 | 3 561 725 | 2 927 443 | 634 282 | | 3 286 924 | 2 572 426 |

36. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

| NAME OF MUNICIPALITY | 2021/22 | | | | | | 2021/22 | | |
|---|--------------------------|------------|-------------|-----------------|-----------------|----------------|--|-------------------------|-----------------|
| | GRANT ALLOCATION | | | TRANSFER | | | 2021/22 | | |
| | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department | Division of Revenue Act | Actual Transfer |
| R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| City of Tshwane - Mun B/Acc: Vehicle Licences Mun | 2 200 | - | - | 2 200 | 2 087 | - | - | 2 800 | 2 076 |
| TOTAL | 2 200 | - | - | 2 200 | 2 087 | - | - | 2 800 | 2 076 |

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37. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

| <i>Note</i> | 2021/22 | 2020/21 |
|--------------------|----------------|----------------|
| <i>Annexure 11</i> | R'000 | R'000 |

38. COVID 19 RESPONSE EXPENDITURE

| | | |
|---------------------------|---------------|---------------|
| Compensation of employees | 70 168 | 26 112 |
| Goods and services | 1 325 | 2 097 |
| Total | 71 493 | 28 209 |

**This balance is mainly relating to Cadets which were appointed within the Minibus Taxi Industry to among other things implement post lockdown measures to prevent the spread of Covid-19 in the Public Transport Industry and to disinfects Minibus taxis, sanitise commuter's hands and clean common Public Transport areas in Gauteng.*

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ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | TRANSFER | | | SPENT | | | | 2020/21 | | |
|---|--------------------------|------------|-------------|-----------------|-----------------|----------------|--|---------------------------------|------------------------------|---------------|--|-------------------------|-----------------|
| | DoRA and other transfers | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department | Amount received by municipality | Amount spent by municipality | Unspent funds | % of available funds spent by municipality | Division of Revenue Act | Actual Transfer |
| | R'000 | R'000 | R'000 | | R'000 | R'000 | % | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| City of Tshwane - Mun B/Acc: Vehicle Licences (Mun) | 2 200 | - | - | 2 200 | 2 087 | - | - | - | 2 087 | - | - | 2 800 | 2 076 |
| TOTAL | 2 200 | - | - | 2 200 | 2 087 | - | - | - | 2 087 | - | - | 2 800 | 2 076 |

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| DEPARTMENT/ AGENCY/ ACCOUNT | TRANSFER ALLOCATION | | | TRANSFER | | 2020/21 | |
|-------------------------------|----------------------------|------------|-------------|------------------|------------------|----------------------------------|-------------------|
| | Adjusted Appropriation Act | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Prov DA: Gauntrain Man Agency | 2 776 816 | - | - | 2 776 816 | 2 776 816 | 100% | 2 680 758 |
| TOTAL | 2 776 816 | - | - | 2 776 816 | 2 776 816 | - | 2 680 758 |

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ANNEXURE 1C
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

| NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE | TRANSFER ALLOCATION | | | | EXPENDITURE | | | 2020/21 | |
|---|-------------------------------------|---------------------|----------------------|--------------------------|--------------------------|---------------------------------------|------------------|------------------|------------------|
| | Adjusted Appropriation Act R'000 | Roll Overs R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | % of Available funds Transferred % | Capital R'000 | | Current R'000 |
| Public Corporations | | | | | | | | | |
| Subsidies | 2 941 987 | 94 476 | - | 3 036 463 | 2 464 764 | 81,2% | - | 2 464 764 | 2 750 895 |
| Public Transport Operation Grant | 2 742 249 | 94 476 | - | 2 836 725 | 2 296 152 | 80,9% | - | 2 296 152 | 2 599 291 |
| Northwest Star Demarcation | 199 738 | - | - | 199 738 | 168 612 | 84,4% | - | 168 612 | 151 604 |
| TOTAL | 2 941 987 | 94 476 | - | 3 036 463 | 2 464 764 | 81,2% | - | 2 464 764 | 2 750 895 |

ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| NON-PROFIT INSTITUTIONS | TRANSFER ALLOCATION | | | EXPENDITURE | | 2020/21 |
|-----------------------------|-------------------------------------|---------------------|----------------------|--------------------------|--------------------------|----------|
| | Adjusted Appropriation Act R'000 | Roll Overs R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | |
| Transfers | | | | | | |
| Gauteng Taxi Industry Trust | 29 600 | - | - | 29 600 | 29 600 | - |
| TOTAL | 29 600 | - | - | 29 600 | 29 600 | - |

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ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

| HOUSEHOLDS | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2020/21 Appropriation Act R'000 |
|--|---|------------------------|----------------------|-----------------------------|-----------------------------|---|--|
| | Adjusted Appropriation Act R'000 | Roll Overs R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | % of Available funds Transferred % | |
| | | | | | | | |
| Transfers | | | | | | | |
| H/H:Empl S/Ben: Injury on duty | 2 342 | - | - | 2 342 | 70 | 3% | 1 866 |
| H/H:Empl S/Ben: Leave gratuity | 2 993 | - | - | 2 993 | 6 872 | 230% | 2 918 |
| H/H: Claims Against State (Cash) | 4 910 | - | - | 4 910 | 53 471 | 1089% | - |
| H/H Empl s/Ben: PST Retirement Benefit | - | - | - | - | - | - | 60 |
| TOTAL | 10 245 | - | - | 10 245 | 60 413 | - | 4 844 |

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ANNEXURE 1F
STATEMENT OF GIFTS DONATIONS AND SPONSORSHIPS RECEIVED

| NAME OF ORGANISATION | NATURE OF GIFT, DONATION OR SPONSORSHIP | 2021/22 | 2020/21 |
|------------------------------|---|----------|--------------|
| | | R'000 | R'000 |
| Received in kind | | | |
| Gauteng Department of Health | Sanitization 25l (1 824 quantity) and 500ml (25 700 quantity) | - | 4 199 |
| AngloGold Ashanti | 1000 litres *52 water tanks | - | 445 |
| Avbob | Disinfectants solution | - | 21 |
| Calliper | 1000 surgical face masks | - | 10 |
| NDOT | 130 overalls | - | 27 |
| | 12*25 litres Hand Sanitizers, 12*25 litres Surface disinfectant, 6*25 litres hand Sanitizers, 6*25 litres disinfectants, 150 reusable face mask | - | 111 |
| Jordan Construction | 150 face shields | - | 42 |
| Scientology | Sanitization services, 30*30 pressure high sprayers, 25L*100 Sanitizers, 100 Rank posters, 5000 face masks, 7-foot hand sanitizer machine, 10 000 Alcohol free hand sanitiser | - | 1800 |
| SA Taxi Donor | 20* 5*20 litre alcohol free hans sanitizer, 25LTRS of sanitizers = X4400, 500ML of sanitizers = X2000, X6000 gloves, outsourcing pointmen (Personnel), Media plan | - | 678 |
| Climix | Training | - | - |
| TOTAL | | - | 7 333 |

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ANNEXURE 1G
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

| NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation) | 2021/22 | 2020/21 |
|--|----------|---------------|
| | R'000 | R'000 |
| Made in kind | | |
| FACILITY: ALBERTON TAXI RANK | - | 10 |
| FACILITY: DOBSONVILLE JOHANNESBURG ROAD AGENCY | - | 40 |
| METRO RAIL ROLLING STOCK DEPOT BRAAMFONTEIN | - | 100 |
| FACILITY: PARK STATION | - | 650 |
| FACILITY: PARK STATION - PRETORIA TRAIN STATION | - | 90 |
| FACILITY: SPRINGS ROADS & STORMWATER DEPOT | - | 35 |
| FACILITY: TAXI SANITIZATION | - | 17 565 |
| FACILITY: WEST RAND TAXI ASSOCIATION OFFICES | - | 600 |
| FACILITY: DEPT OF ROADS AND TRANSPORT, G FLEET | - | 10 |
| TOTAL | - | 19 090 |



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ANNEXURE 2
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

| Nature of Liability | Opening Balance 1 April 2018 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 2022 R'000 |
|--------------------------------------|--|--|--|---|---|
| Claims against the department | | | | | |
| Claims against the department | 303 807 | 140 904 | (190 142) | - | 254 569 |
| TOTAL | 303 807 | 140 904 | (190 142) | - | 254 569 |

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ANNEXURE 3
CLAIMS RECOVERABLE

| Government Entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash in transit at year end 2021/22 | |
|--|-------------------------------|------------|---------------------------------|------------|------------|------------|--|--------|
| | 31/03/2022 | 31/03/2021 | 31/03/2022 | 31/03/2021 | 31/03/2022 | 31/03/2021 | 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 | | | | | | | | |
| Gauteng Department of Sport, Arts and Culture | - | 675 | - | - | - | 675 | - | - |
| Limpopo Department of Sports, Arts and Culture | - | 154 | - | - | - | 154 | - | - |
| National Department of Justice | 36 | 36 | - | - | 36 | 36 | - | - |
| Sub-Total | 36 | 865 | - | - | 36 | 865 | - | - |
| Other Government Entities | | | | | | | | |
| g-Fleet Management | 1 825 | 1 037 | - | - | 1 825 | 1 037 | - | - |
| Sub-Total | 1 825 | 1 037 | - | - | 1 825 | 1 037 | - | - |
| TOTAL | 1 861 | 1 902 | - | - | 1 861 | 1 902 | - | - |

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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for the year ended 31 March 2022

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | | Cash in transit at year end 2021/22 | |
|--|-------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|--|-----------------|
| | 31/03/2022 R'000 | 31/03/2021 R'000 | 31/03/2022 R'000 | 31/03/2021 R'000 | 31/03/2022 R'000 | 31/03/2021 R'000 | Payment date up to six (6) working days before year end | Amount R'000 |
| DEPARTMENTS | | | | | | | | |
| Current | | | | | | | | |
| National Department of Justice and Constitution Development | 28 324 | 1 569 | 4 071 | 11 057 | 32 395 | 12 626 | - | - |
| Government Printing Works | - | 1 | - | - | - | 1 | - | - |
| Department of Public Service and Administration | 764 | 416 | - | - | 764 | 416 | - | - |
| Office of the Premier | 2 483 | 2 780 | - | - | 2 483 | 2 780 | - | - |
| Gauteng Department of Infrastructure | 1 714 | - | - | - | 1 714 | - | - | - |
| Government Employees Pension Fund | 722 | - | - | - | 722 | - | - | - |
| Gauteng Provincial Treasury | 30 | - | - | - | 30 | - | - | - |
| TOTAL | 34 037 | 4 766 | 4 071 | 11 057 | 38 108 | 15 822 | - | - |
| OTHER GOVERNMENT ENTITY | | | | | | | | |
| Current | | | | | | | | |
| g-Fleet Management | 2 376 | 3 013 | - | - | 2 376 | 3 013 | - | - |
| Road Traffic Management Corporation (RTMC) | 28 455 | 27 231 | - | - | 28 455 | 27 231 | - | - |
| Driving Licence Card Account | 7 165 | 8 207 | - | - | 7 165 | 8 207 | - | - |
| Road Traffic Infringement Agency | 1 383 | 2 674 | - | - | 1 383 | 2 674 | - | - |
| Gautrain Management Agency | 3 242 | 3 958 | - | - | 3 242 | 3 958 | - | - |
| Johannesburg Road Agency | 16 289 | - | - | - | 16 289 | - | - | - |
| TOTAL | 58 910 | 45 083 | - | - | 58 910 | 45 083 | - | - |
| TOTAL INTERGOVERNMENTAL PAYABLES | 92 947 | 49 849 | 4 071 | 11 057 | 97 018 | 60 906 | - | - |

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ANNEXURE 5
INVENTORIES

| Inventories for the year ended 31 March 2022 | Insert major category of inventory | Insert major category of inventory | Insert major category of inventory | Insert major category of inventory | TOTAL |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | 238 | 27 952 | 11 463 | - | 39 653 |
| Add/(Less): Adjustments to prior year balances | - | - | - | - | - |
| Add: Additions/Purchases – Cash | 4 011 | 13 218 | 7 329 | - | 24 558 |
| Add: Additions - Non-cash | 20 | 222 | - | - | 242 |
| (Less): Disposals | - | - | - | - | - |
| (Less): Issues | (3 208) | (10 463) | (5 888) | - | (19 559) |
| Add/(Less): Adjustments | - | - | - | - | - |
| Closing balance | 1 061 | 30 929 | 12 904 | - | 44 894 |

| Inventories for the year ended 31 March 2021 | Insert major category of inventory | Insert major category of inventory | Insert major category of inventory | Insert major category of inventory | TOTAL |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | 195 | 29 663 | 13 207 | - | 43 065 |
| Add/(Less): Adjustments to prior year balances | - | - | - | - | - |
| Add: Additions/Purchases – Cash | 1 253 | 2 076 | 1 762 | - | 5 091 |
| Add: Additions - Non-cash | 8 | 188 | - | - | 196 |
| (Less): Issues | (1 218) | (3 998) | (4 221) | - | (9 437) |
| Add/(Less): Received current, not paid (Paid current year, received prior year) | - | 23 | 715 | - | 738 |
| Closing balance | 238 | 27 952 | 11 463 | - | 39 653 |

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ANNEXURE 6
MOVEMENT IN CAPITAL WORK IN PROGRESS
MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

| | Opening balance | Current Year Capital WIP | Ready for use (Asset register) / Contract terminated | Closing balance |
|---|------------------|--------------------------|--|------------------|
| | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 1 342 596 | 485 038 | (224 268) | 1 603 365 |
| Other fixed structures | 1 342 596 | 485 038 | (224 268) | 1 603 365 |
| TOTAL | 1 342 596 | 485 038 | (224 268) | 1 603 365 |

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

| | Opening balance | Prior period error | Current Year Capital WIP | Ready for use (Asset register) / Contract terminated | Closing balance |
|---|------------------|--------------------|--------------------------|--|------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| BUILDINGS AND OTHER FIXED STRUCTURES | 1 133 761 | - | 432 326 | (223 491) | 1 342 596 |
| Other fixed structures | 1 133 761 | - | 432 326 | (223 491) | 1 342 596 |
| TOTAL | 1 133 761 | - | 432 326 | (223 491) | 1 342 596 |

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ANNEXURE 7
COVID 19 RESPONSE EXPENDITURE
 Per quarter and in total

| GOVERNMENT ENTITY | 2021/22 | | | | Total R'000 | 2020/21 Total R'000 |
|--|------------|------------|------------|---------------|----------------|---------------------------|
| | Q1 | Q2 | Q3 | Q4 | | |
| | R'000 | R'000 | R'000 | R'000 | | |
| Compensation of employees | - | - | - | 70 168 | 70 168 | 26 112 |
| Goods and services | 222 | 278 | 603 | 221 | 1 325 | 2 097 |
| DOMESTIC FURNITURE | 222 | - | - | - | 222 | - |
| CNS: BUS&ADY SER: ORGANISATIONAL | - | 4 | 62 | 143 | 209 | - |
| CONS HOUS SUP: TOILETRIES | - | 274 | 409 | 78 | 761 | - |
| CONS HOUS SUP: WASH/CLEAN DETE | - | - | - | - | - | 1 081 |
| CONS SUPP: UNI//PRO CLTH&CLOTHES | - | - | - | - | - | 140 |
| CONS MAT&SUP: HARDWARE | - | - | 132 | - | 132 | 2 |
| F&O/EQP<R5000: OFFICE EQUIPMENT | - | - | - | - | - | 14 |
| CONS HOUS SUP: DIS PAPER/PLAST | - | - | - | - | - | 189 |
| CONS: SP&OS: GOV PRIN | - | - | - | - | - | 671 |
| ADVERT: PROMOTIONAL ITEMS | - | - | - | 1 | 1 | - |
| TOTAL COVID 19 RESPONSE EXPENDITURE | 222 | 278 | 603 | 70 216 | 71 493 | 28 209 |

*The balance within compensation of employees relates to Cadets from the Minibus Taxi Industry to disinfects Minibus taxis, sanitise commuter's hands and clean common Public Transport areas in Gauteng.





GAUTENG PROVINCE

ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA



gFleet
MANAGEMENT
"Making your fleet our business"

g-FleeT MANAGEMENT ANNUAL REPORT 2021/22 FINANCIAL YEAR

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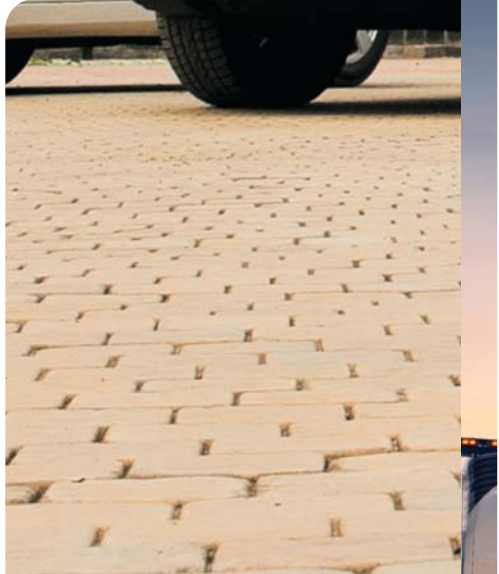
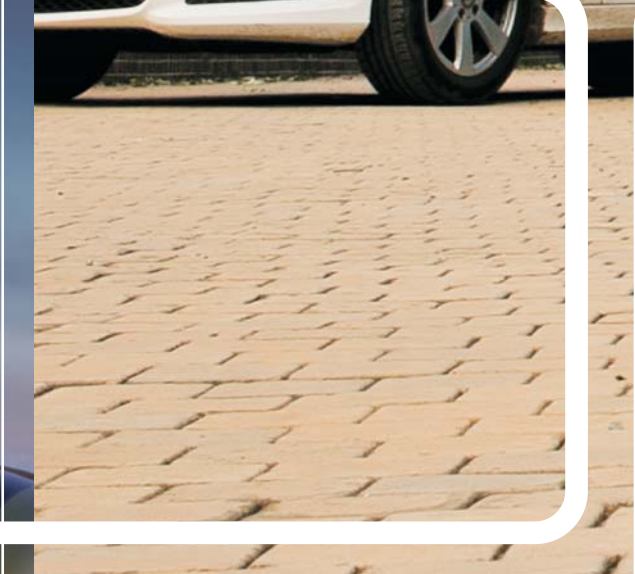
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G-FLEET MANAGEMENT

PART A: GENERAL INFORMATION



HIGHLIGHTS

G-FLEET

1
Percentage of the Entity's discretionary procurement spend directed towards township suppliers

2
Average debtor's collection days (excluding outstanding balances of clients that have payment arrangements with the Entity), 15%

3
Number of Integrated Fleet Management Modules/Processes developed and implemented in the approved strategy

4
Letters written to Departments with the intention of suspending petrol cards contributed to the achievement of the output

5
Average percentage of rental days utilised for Pool vehicles, 73% - the Entity achieved 94.89% against the target of 73%



1. TRADING ENTITY GENERAL INFORMATION

NAME OF TRADING ENTITY: g-FleeT Management

PHYSICAL ADDRESS: 76 Boeing Road East
Bedfordview
2008

POSTAL ADDRESS: Private Bag X1
Bedfordview
2008

TELEPHONE NUMBER: +27 11 372 8600

FAX NUMBER: +27 086 669 6926

WEBSITE ADDRESS: www.gfleet.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

| | |
|---------------|--|
| AARTO | Administrative Adjudication of Road Traffic Offences |
| AGSA | Auditor-General of South Africa |
| APP | Annual Performance Plan |
| BAC | Bid Adjudication Committee |
| B-BBEE | Broad-Based Black Economic Empowerment |
| CCGMT | Coordinating Committee of Government Motor Transport |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| COO | Chief Operations Officer |
| CRM | Client Relations Management |
| DID | Department of Infrastructure and Development |
| DPSA | Department of Public Service and Administration |
| e-DRMS | Electronic Document Management System |
| FIS | Fleet Information System |
| FML | Full Maintenance Lease |
| FNB | First National Bank |
| GDRT | Gauteng Department of Roads and Transport |
| GRAP | Generally Recognised Accounting Practices |
| HDI | Historically Disadvantaged Individual |
| HoD | Head of Department |
| ICT | Information and Communication Technology |
| IFMS | Integrated Fleet Management System |
| MEC | Member of Executive Council |
| MTEF | Medium-Term Expenditure Framework |
| NDoT | National Department of Transport |
| OEM | Original Equipment Manufacturers |
| OoP | Office of the Premier |
| OHS | Occupational Health and Safety |
| PFMA | Public Finance Management Act |
| PPE | Personal Protective Equipment |
| SCM | Supply Chain Management |
| SCOPA | Standing Committee on Public Accounts |
| SHERQ | Safety, Health, Environment, Risk, Quality |
| SITA | State Information Technology Agency |
| SLA | Service Level Agreement |
| SMS | Senior Management Service |
| TMR | Transformation, Modernisation and Re-industrialisation |
| TR | Treasury Regulations |



3. OVERVIEW BY THE CEO

MS. NOXOLO MANINJWA
CHIEF EXECUTIVE OFFICER
g-FLEET MANAGEMENT

OVERVIEW OF FINANCIAL YEAR

BACKGROUND

g-FleeT Management formally known as Gauteng Government Motor Transport is the Trading Entity of the Gauteng Department of Roads and Transport (GDRT). The Department of Roads and Transport (DRT) established the trading entity in 2004 and the Entity was re-branded as g-FleeT Management in 2007. The main aim of the Entity is to provide motor transportation services to all government Departments at provincial, municipal and national levels.

g-FleeT operates from Bedfordview, where the Head Office is based, with offices at 45 Commissioner Street, Johannesburg Central Business District, offices in Koedoespoort, Pretoria, and a kiosk at the OR Tambo International Airport, Kempton Park. The Entity has three functional regional offices, namely in Kwa-Zulu Natal, Eastern Cape and Western Cape. These mainly service the regional and district offices of Gauteng-based National Departments and municipalities who are key clients of g-FleeT.

The current client profile of the Entity comprises of 26 National Departments, four provincial departments from the Limpopo province, 16 Gauteng provincial departments and two KwaZulu-Natal municipalities. g-FleeT Management has a strong relationship with all its clients. Although overall products and services satisfaction perception rates varied amongst clients as demonstrated by the 2020/21 client satisfaction survey report, and despite the challenges that the Entity continued to face during the COVID-19 pandemic, the overall customer satisfaction rate was 75%. Management has responded accordingly by ensuring that the Entity's operations strategy that was approved during the 2021/22 financial year's main focus is towards improved client satisfaction. Some areas identified in the operations strategy consist of improving customer care, development of human capital, automation, and digitisation of processes, providing a conducive work environment for our employees, improve internal control systems and corporate governance, zero tolerance towards fraud and corruption and going green to improve environmental sustainability. The implementation of the operations strategy is aimed at improving our clients' experience, perception and satisfaction with g-FleeT. The Entity aims to acquire more clients through actively promoting services to other government departments.

The Entity owned and managed a fleet size of approximately 6 422 vehicles as at 31 March 2022. The fleet includes a wide range of the latest models of economy and commercial vehicles, including but not limited to sedans, SUVs, light commercial trucks, minibuses and busses.

SERVICES OFFERED BY THE ENTITY

The Entity is mandated to provide effective, competitive, efficient and reliable fleet services to government Departments. These services are offered at a fee to all spheres of government. The Entity is required to be financially self-sustainable. The Entity provided the following services to its clients during the year under review:

- Full Maintenance Lease (FML) – The FML is a long-term vehicle lease service offered by g-Fleet which is comprised of a fixed rental cost over a selected period of a minimum of 12 months up to seven years, depending on the type of vehicle and the functional needs of the client.
- Short-term motor rentals - is a short-term vehicle lease service offered by g-Fleet which is comprised of a fixed rental cost over a selected short period (less than 12 months).
- Chauffeur driven, which provides both driver and vehicle for hire over a short-term period.
- Fuel card services - for payment of the fuel and toll gate fees.
- Managed maintenance – a call centre to ensure authorisation is only given for necessary maintenance that complies with manufactures standards and is in line with manufactures guidelines.
- Telematics for tracking and monitoring of vehicles and drivers.
- Accident management and roadside assistance that is offered on a 24/7 basis and this assists our clients with towing and repairs of vehicles involved in accidents and ensuring the safety of our clients.
- Licence and traffic fine administration which is responsible for:
 - ◇ Motor vehicle registration and licensing
 - ◇ Ensuring that every fine is re-routed to the correct offender.

TOP MANAGEMENT'S PERSPECTIVE OF THE ENTITY

During the year 2021/22, the Entity continued to adopt and implement various risk adjusted strategies and plans in response to COVID-19 lockdown levels to minimise disruptions and ensure business continuity in its business operations, both within the Entity and its clients. The strategies and plans implemented by the Entity were aligned to directives and regulations issued at national level and comprised, amongst others, the disinfection of our vehicles and facilities, sanitisation of our VIP/Pool vehicles utilised by our officials and clients, monitoring and enforcement of policies and directives issued for observing social distance, wearing of masks, screening of employees and our visitors and issuing of Personal Protective Equipment (PPE) to our officials. Despite these challenges posed by the pandemic, the Entity could

operate and remain functional as employees worked on a rotational basis. During the financial year under review, a total of 15 COVID-19 positive cases were reported. Fortunately, there has been no fatalities to date. All employees have recovered and are back to work.

The level of services provided by the Entity was affected as the demand for new vehicles declined due to the slow-down of our client departments' operational activities and increased budget cuts on goods and services. The supply of new vehicles was also impacted due to the production shutdowns of the local and global Original Equipment Manufacturers (OEMs) which resulted in fewer orders and deliveries of new vehicles compared to previous years. The roadworthiness of some of the vehicles was also affected as the vehicle licence and registration authorities were either closed and/or operating on lean staff.

In complying with recommendations by the Auditor-General (AG) in the 2020/21 report, the Entity had to revise its 2020-2025 Strategic Plan and its 2021/22 Annual Performance Plan. These two plans were revised during the third quarter of the financial year under review and was approved in January 2022. The two Technical Indicator Descriptions namely: minimum of 30% of procurement budget to be allocated to township businesses and Information and Communication Technology (ICT) Strategy developed and implemented, were found to be non-compliant with the prescribed Guidelines for the Implementation of the Revised Framework for Strategic Plan and Annual Performance Plans (APP), were revised and enhanced with the assistance from the Office of the Premier as well as the GDRT: Monitoring and Evaluation unit. Furthermore, the Entity has obtained approval to remove the two output indicators relating to maintenance from the APP. The removal of the two output indicators was due to challenges experienced by the Entity with the RT46 Transversal Service Provider. The two maintenance output indicators are as follows: Average number of days taken for mechanical repairs and average number of days taken for accident repairs. This was done with the aim of aligning it with performance information available.

While challenges were continuously encountered, the Entity worked very hard to improve the overall performance against targets approved in the Annual Performance Plan for 2021/22 financial year. Out of 10 approved targets in the 2021/22 Annual Performance Plan, the Entity achieved 6 targets. This translates into an overall percentage achievement of 60%. This is despite all the COVID-19 challenges and the ongoing challenges experienced with the RT46 service provider during the year under review. Below is a summary of the Entity's performance:

IMPROVING EFFICIENCY AND CUSTOMER SERVICE

ACHIEVEMENTS

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

Average age of fleet, ≤ 4 years – this outcome seeks to ensure that vehicles provided by g-Fleet Management are efficient and reliable. This is necessary to ensure that the cost of maintaining vehicles is minimised. The Entity kept the average age of fleet at less than four years (i.e., 3,7 years) during the financial year under review. This was due to the acquisitions of new vehicles and the de-fleeting of old vehicles which yielded a positive outcome of the Entity's fleet age. This is a positive achievement, which ensures that the Entity delivers on its mission of "Providing reliable fleet to meet client needs."

- **Number of Integrated Fleet Management Modules/Processes developed and implemented in the approved strategy (NOT ACHIEVED)** – the ICT strategy for the next five years was developed by the State Information Technology Agency (SITA) for approval in April 2021. The Entity managed to have the two modules (registration of transport officers and drivers) mapped by e-GOV. However, the development of the system is still underway. The Entity has not implemented the Electronic Document Management System (e-DRMS). This is due to the lack of human resources. The scanners have been procured and delivered and licences has been obtained from DRT.



MAXIMISING RETURN ON INVESTMENT (ACHIEVED)

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

Average percentage of rental days utilised for VIP self-drive vehicles, 52% - the Entity achieved 72.51% against a target of 52%. VIP self-drive service is a luxury car hire service, consisting of a variety of medium to large luxury sedans, utility vehicles, SUVs, minibuses and busses and the service offered without a driver. The vehicles under this category are available under short-term rentals and are available from one day to three months, with an option of renewal up to a maximum of 12 months.

- **Average percentage of rental days utilised for Pool vehicles, 73%** - the Entity achieved 94.89% against the target of 73%. Pool vehicle services is available from a period of one day to three months, with an option of renewal up to a maximum of 12 months. The fleet includes a wide range of the latest models of economy and commercial vehicles, including light commercial trucks. These vehicles were in high demand by Departments providing essential services during the lockdown.
- **Percentage of vehicles auctioned** - the Entity had a target of 80% of all approved vehicles to be sold, and achieved 93% against the set target for the year under review. This is a result of the market that has been created over time by g-Fleet Management. As vehicles age and become too expensive to maintain and repair, it must be sold at auctions timeously to realise maximum value of the asset/vehicle. In addition, the timeous disposal of these assets reduces incurring risks.

A total of **718** vehicles were sold and this resulted in the Entity generating a total revenue of **R78.539 million**. This is an increase of 18% in revenue as compared to the performance in the previous financial year.

The table below outlines the number of vehicles disposed of and the 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 | 21 May 2021 – Online Auction | 325 | R34,236,909 |
| 2 | 21 October 2021 – Online Auction | 393 | R44,302,234 |
| | Total | 718 | R78,539,143 |

REVENUE COLLECTION – LEASES OF VEHICLES

The Entity managed to achieve 12.96% against the 15% target in decreasing the average debtor days. This percentage excludes the amounts owed by client departments that submitted written payment plans.

Despite the COVID-19 challenges experienced by the Entity and its client departments as well as increased budget cuts by client departments, revenue generated from leases of vehicles exceeded the planned target of R800 million by R133 million, an aggregate amount of **R933 million** was collected from client departments. There was an increase of 11% in comparison to the amount of **R837 million** collected in the financial year 2020/21. The increased revenue generated from leases of vehicles is largely attributed to the strong relationships and continued support received from the various client departments as well as the implementation of the Debtors Management Policy. The Entity will continue to follow up on all outstanding accounts, in line with the approved Debtors Management Policy.

The below table provides a synopsis of the revenue collection growth in the past five years:

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---|---------|---------|---------|---------|---------|
| Source of Revenue | R'000 | R'000 | R'000 | R'000 | R'000 |
| Revenue Collected from Leases of Vehicles | 784,37 | 865,056 | 884,718 | 836,827 | 933,239 |
| Percentage Growth per year | 7% | 10% | 2.27% | -5% | 11% |

SAFEGUARDING OUR VEHICLES

Percentage of in-service vehicles tracked, 90% - The purpose of installing comprehensive vehicle tracking units is to allow for g-Fleet owned vehicles to be tracked and traced, monitor health of the vehicles, monitor driver behaviour and ensure that the officials from various client departments and internally are driving safely. The comprehensive tracking system is used for route optimisation, location of a vehicle at a particular point in time, monitor mileage, speed, etc. All these have a direct impact on the sustainability of the asset (vehicle) and safety efficiencies. The target for the financial year under review was 90% of in-service vehicles tracked and the Entity achieved 90%.

SUSTAINABLE DEVELOPMENT FOR FUTURE GENERATION

- **Percentage of passenger vehicles with CO2 emissions below 120g/KM, 1%** – this target is required to ensure reduction in the carbon footprint (i.e., decreasing Green-House-Gas emissions produced by road transportation as expressed in the Green Transport Strategy for South Africa (2018-2050). The Entity is striving to minimise the amount of carbon footprint transmitted by its vehicles on the environment. As such, a target of 4% was set. The Entity achieved 5% of passenger vehicles that have CO2 emissions below 120g/km. A concerted effort was made to procure passenger vehicles in line with this target.

INFORMATION AND COMMUNICATION TECHNOLOGY

g-Fleet considers ICT as a strategic partner to its overall business strategy. This resulted in ensuring that modernisation and digitalisation becomes a critical part of the Entity's five-year strategy. In addition, the COVID-19 business continuity operation is largely dependent on efficient ICT infrastructure for flexibility and ability for employees to work remotely, as and when required.

The five-year ICT Strategy was completed by SITA in the first half of the financial year. The Department of e-GOV agreed to map and develop the Integrated Fleet Management Solution. The Entity together with e-GOV adopted a phased approach for developing the system and it is envisaged that the Integrated Fleet Management System will be completed in 2024. Information gathering process for mapping of the two modules, namely Registration of Transport Officers and Drivers commenced in mid-September 2021.

The Gauteng Audit Services (GAS) was requested to assist with the governance related issues of the project to minimise possible audit findings. The approval for the BRS for the modules to be developed was received and submitted at the end of December 2021 to e-GOV, for the mapped registration of drivers and transport officers. It is envisaged that the modules will be completed by end of June 2022.

The e-DRMS - software configuration was completed and the scanners were procured and received. The Entity has resolved the licensing issues with the Gauteng Department of Roads and Transport (GDRT).

REVITALISING THE TOWNSHIP ECONOMY

Contribution towards Transformation, Modernisation and Re-industrialisation

The output indicator is required to speed up growth and transforming the economy in the townships to create decent work and sustainable livelihoods in townships

The Broad-Based Black Economic Empowerment (B-BBEE) Act 53 of 2003 as amended by Act 46 of 2013, promotes the achievement of the constitutional right to equality, increase broad-based and effective anticipation of black people in

the economy and promote a higher growth rate, increased employment, and more equitable income distribution; and establish a national policy on 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 (PWD) 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 Revitalisation (TER) programme. The Entity has committed itself to strive to meet the provincial targets as set by the Office of the Premier. It should be noted that the number of transactions decreased drastically in the 2021/22 financial year due to projects relating to maintenance services being implemented by the Department of Infrastructure and Development (DID). The Entity also had procurement for some projects such as maintenance on the three buildings done by DID which therefore meant that we could not account for it on the transactions below.

The tables below indicates how the Entity performed on the Equity Targets between the 2020/21 and 2021/22 financial year:

| Contracts awarded to enterprises owned by: Historically Disadvantaged Individuals | | | | | |
|---|----------------------|-----------------|--------------|----------------------|-----------------|
| 2020/21 | | | 2021/22 | | |
| Total Number | Total Percentage (%) | Total Value (R) | Total Number | Total Percentage (%) | Total Value (R) |
| 170 | 84 | 82,405,061 | 71 | 88 | 24,949,835 |

Table 1.3.: Analysis of Awards to HDIs

| Contracts awarded to enterprises owned by: Women | | | | | |
|--|----------------------|-----------------|--------------|----------------------|-----------------|
| 2020/21 | | | 2021/22 | | |
| Total Number | Total Percentage (%) | Total Value (R) | Total Number | Total Percentage (%) | Total Value (R) |
| 119 | 32 | 23,709,235 | 33 | 29 | 1,685,629 |

Table 1.4.: Analysis of Awards to Women

| Contracts awarded to enterprises owned by: Youth | | | | | |
|--|----------------------|-----------------|--------------|----------------------|-----------------|
| 2020/21 | | | 2021/22 | | |
| Total Number | Total Percentage (%) | Total Value (R) | Total Number | Total Percentage (%) | Total Value (R) |
| 67 | 14 | 2,503,278 | 31 | 31 | 5,233,051 |

Table 1.5.: Analysis of Awards to Youth

| Contracts awarded to enterprises owned by: People with Disabilities | | | | | |
|---|----------------------|-----------------|--------------|----------------------|-----------------|
| 2020/21 | | | 2021/22 | | |
| Total Number | Total Percentage (%) | Total Value (R) | Total Number | Total Percentage (%) | Total Value (R) |
| 2 | 1 | 25,980 | 3 | 7 | 87,495 |

Table 1.6: Analysis of Awards to PWDs

| Contracts awarded to enterprises owned by: Military Veterans | | | | | |
|--|----------------------|-----------------|--------------|----------------------|-----------------|
| 2020/21 | | | 2021/22 | | |
| Total Number | Total Percentage (%) | Total Value (R) | Total Number | Total Percentage (%) | Total Value (R) |
| 4 | 1 | 807,564 | 2 | 1 | 361,388 |

Table 1.7: Analysis of Awards to MVs

The table below outlines the provincial targets currently on Township Economy Revitalisation (TER) spent for 2021/22 financial year:

| Month | Total Spent on Goods, Services and Construction | Proportion Spent on Township-Based Suppliers | % TER Spent |
|--------------|---|--|-------------|
| Apr-21 | 983,814.46 | 180,114.00 | 18 |
| May-21 | 1,374,751.46 | 41,696.11 | 3 |
| Jun-21 | 1,297,774.48 | 37,735.98 | 3 |
| Jul-21 | 1,019,198.96 | 80,640.00 | 8 |
| Aug-21 | 401,407.09 | 162,473.33 | 40 |
| Sep-21 | 519,239.93 | 162,473.33 | 31 |
| Oct-21 | 2,083,740.76 | 162,473.33 | 8 |
| Nov-21 | 1,144,335.07 | 531,914.33 | 46 |
| Dec-21 | 1,237,274.45 | 486,414.33 | 39 |
| Jan-22 | 983,045.87 | 491,621.72 | 50 |
| Feb-22 | 692,415.38 | 439,899.33 | 64 |
| Mar-22 | 1,726,011.01 | 673,329.74 | 39 |
| TOTAL | 13,463,008.92 | 3,450,785.53 | 26 |

- 30% of the Entity's discretionary procurement spend was directed towards township suppliers (Excluding non-discretionary procurement spend – e.g., transversal contracts RT3, RT15, RT46 and RT57 etc. Transactions from a tender process, all non-procurement transactions such as Municipal Accounts, Auditor-General, Claims Against State. Procurement for other provinces e.g., KZN Regional Office, East London Regional Office and Cape Town Regional Office where suppliers are appointed from that province). The Entity achieved an average of 29%.

CLEAN ADMINISTRATION

- **Unqualified opinion from Auditor-General of South Africa (AGSA)** - a well governed institution is built on clean administration. Thus, a clean government administration is one that puts the principles of the Constitution, 1996 into daily use. The Entity obtained a qualified audit opinion with matters of emphasis from the Auditor-General of South Africa for the 2020/21 financial year. Further to receiving the qualified audit opinion, the Entity developed an Audit

Improvement Plan with interventions aimed at ensuring that the Entity receives an unqualified audit opinion for the 2021/22 financial year. The Entity has managed to implement 59% of its Audit Improvement Plan and the remaining 41% are still in progress. The capacity constraints within the Entity, particularly the Finance unit, continues to play a negative role in preventing the Entity's progress towards the achievement of a clean audit outcome. Officials continue to assume acting roles and responsibilities and remain fatigued year on year. The Entity is addressing the issue with the filling of advertised positions. The process of recruitment is envisaged to be completed by 28 June 2022. AGSA was requested to commence with the annual audit earlier in the year to resolve the qualification issues. The AG process has commenced before the end of the 2021/22 financial year. In order to improve the internal control shortcomings identified by internal auditors, the Entity continues to monitor the implementation of recommendations made by auditors on a monthly basis.

MANAGING THE DEBTORS

- **Percentage decrease in average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity), 15%** – while this is necessary for clean administration, it has direct implications on the financial sustainability of the Entity. A target of 15% average debtors' collection days (excluding outstanding balances of clients that have payment arrangements with the Entity) was set. The Entity narrowly missed the target as average collection days was reduced by 12.96% instead of the set 15%.

The Entity committed to improve Occupational Health and Safety (OHS) aspects through rehabilitating existing infrastructure to ensure compliance with the OHS Act. Several contractors were appointed through the Department of Infrastructure and Development (DID) to finalise and rehabilitate three buildings as well as rehabilitate other buildings currently used by g-Fleet staff.

Finally, an operations strategy for the Entity has been adopted and approved for implementation by the Office of the Head of Department. The strategy details several programmes that must be implemented to improve efficiency in the operations of the Entity holistically. A business case has been submitted to the Department of e-Government to ascertain whether they can assist with the development and implementation of the new fleet system.

INFRASTRUCTURE PROJECTS

As part of our continuous efforts to improve employees' work environment and operations, the Entity completed the refurbishments of three buildings at Bedfordview Head Office. The buildings that were refurbished are the Wellness Centre, New Panel Beating Workshop and the Carwash Ablution facility.

- **Wellness Centre**

The Wellness Centre was refurbished in line with the vision of the Employee Health and Wellness Strategic Framework for Public Servants of November 2012 which seeks to provide programmes that can develop and maintain healthy, dedicated, responsive and productive employees.

- **New Panel Beating Workshop**

The main aim of refurbishing the new panel beating workshop is to provide efficient and economical fleet repair services. The workshop will also be utilised as a training hub for the youth in panel beating through the learnership programmes.

- **Carwash Ablution Facility**

This facility will be utilised by employees working at the carwash centre.

The three infrastructure projects mentioned above commenced in October 2020 and were completed on 30 November 2021. An occupancy certificate was received from the Ekurhuleni Municipality on 13 April 2022 and the final snagging was done on 11 May 2022. The contractor is currently busy with finalising the identified snags. A handover of the renovated buildings will be arranged after the service provider has completed all the snags.

PHASE II INFRASTRUCTURE PROJECT (BEDFORDVIEW)

Phase II of the infrastructure project relates to the construction and refurbishment of identified buildings at Head Office to address the shortage of office accommodation, security issues and enhance business operational flow.

A new Administration Block and renovations of other buildings to align to the g-Fleet Operating Model/Business Operational Flow.

Security Infrastructure Upgrade (e.g., high walls, security control room, auction offices and carports for vehicles to safeguard against weather and theft).

The ongoing legal issue with the previous service provider was finally concluded on 30 November 2021 and the final account was paid in December 2021. The Entity has since requested the Department of Infrastructure Development to appoint the consulting firm that will replace the outgoing service provider. It is envisaged that the planning processes for the Phase II Infrastructure project will be completed before the end of the 2022/23 financial year.

CHALLENGES FACED BY THE ENTITY

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

TRAFFIC FINES

The Entity is currently struggling with manual re-routing of the Administrative Adjudication of Road Traffic Offences (AARTO) traffic fines since the Act requires the AARTO 07 to be signed by a Commissioner of Oaths. However, the Entity still sends the fines to the clients in spreadsheet format. The Entity is in the process of acquiring a new fleet system. It is envisaged that among other things, the new system will interface with E-natis and the tracker system to enable the Entity to re-direct traffic fines with driver details online.

ORGANISATIONAL AND EMPLOYEE ENVIRONMENT

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

These are functions required by the Entity, however not incorporated in the current structure because of the “form and shape” of the Entity. In terms of the current organisational structure, the GDRT is supposed to assist and provide the following functions:

- Human Resources.
- Legal Services.
- Information Communications and Technology.
- Anti-fraud and Corruption.
- Risk Management Committee.
- Supply Chain Management.
- Monitoring and Evaluation.

Two parallel processes are still being pursued by the Entity for the development of the organisational structure. The first is the review of the current organisational structure and the second is the form and shape of the organisation.



On 20 September 2021, the National Treasury indicated that: “Organs of State are required to follow a competitive bidding process when procuring goods and /or services. Similarly, government departments and trading entities that would like to conduct business with government institutions must do so through a bidding process.”

For the Entity to be efficient and sustainable, it cannot rely on GDRT structures that are not geared towards business-oriented strategies.

Review of the current organisational structure

The Gauteng Department of Roads and Transport (GDRT) and the Office of the Premier (OoP) continues to support the Entity with the development of the organisational structure. The draft organogram with proposed posts and functions and the costing of the structure have been developed and submitted to GDRT, OoP and the Gauteng Provincial Treasury (GPT). The Change Management Strategy, to support the Draft Business Case, has been developed and submitted to GPT.

Form and Shape of the Organisation

The Entity is directly competing with the private sector, therefore there is a need to operate in terms of the business principles like any private leasing company to remain competitive and provide good service to its clients for survival. For the Entity to be efficient and sustainable, its form, shape, structure and systems must allow for improvement on governance and accountability, sustainability (both financial and operationally); be able to attract and retain scarce skills, be able to procure and deploy resources and improve on programme management/monitoring and evaluation of its projects.

In addition, the form and shape must allow for quick turnaround times and decision-making for the Entity to take advantage of market opportunities arising from time to time. An initial meeting between the Entity, Office of the Premier, Department of Public Service and Administration (DPSA), GPT and GDRT: Corporate Services took place on 21 September 2021.

Further to the Organisational Review: At the Project Steering Committee meeting held in February 2022, the Entity had to abandon the procurement processes that were undertaken to appoint a service provider to undertake an assignment to prepare a feasibility study and a comprehensive business case on the “form and shape” of the organisation to create an autonomy from GDRT for approval by the relevant authorities. This has, however, changed and is now being done internally with the assistance of OoP and DRT in line with the decision taken in the Organisational Review: Project Steering Committee meeting held in February 2022. The Draft Business Case, together with proposed organisational structure and Change Management Strategy, recommending that the Entity be established as a government component was developed and submitted to Gauteng Provincial Treasury.

HIGH VACANCY RATE

The vacancy rate in the 2021/22 financial year is at 31% and his broken down as follows:

| Level | Approved Establishment | Filled (Including contract workers) | Vacant | Vacancy Rate |
|----------------------|------------------------|-------------------------------------|-----------|--------------|
| SMS (Level 13 to 16) | 8 | 3 | 5 | 63% |
| Level 11 to 12 | 17 | 14 | 3 | 17% |
| Level 7 to 10 | 107 | 79 | 28 | 26% |
| Level 1 to 6 | 143 | 95 | 48 | 34% |
| Total | 275 | 191 | 84 | 31% |

The shortlisting and interviewing process for the critical vacant posts that were previously advertised was delayed due to objections raised by organised labour on the recruitment process within the organisation. Some of the objectives raised were that only online applications were allowed and accepted, time lapse between advertisements and that organised labour were not involved in the shortlisting and interviewing of the Senior Management posts, etc.

To resolve the matter and to ensure labour peace, an agreement was reached to re-advertise the posts allowing for manual submissions of Curriculum Vitae's (CVs). Thirty-one critical posts were subsequently advertised in December 2021 and the closing date was 28 December 2021 - 05 December 2021 (Sunday Times), 07 December 2021 (Internal Communications) and 10 December 2021 (DPSA). The Project Plan outlining the processes to be followed was prepared by Human Resource and is being tracked on a weekly basis. The selection and recruitment process has commenced and it is envisaged that the recruitment process will be finalised by December 2022.

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 focusses on these key areas, namely:

- Customer care management.
- Automation and digitisation.
- Training and development.
- Conducive working environment.
- Improving the state of the regional offices.
- Driver behavior management.

THE "NEW NORMAL" CREATED BY THE COVID-19 PANDEMIC

The shock to our livelihoods from the economic impact of the COVID-19 pandemic could be the biggest in nearly a century. This is likely to lead to an economic decline which will be felt for many years to come. The big question facing the Entity is, what will it take to navigate this crisis now that our traditional metrics and assumptions have been distorted?

Our answer is a call to act across two stages, leading from the crisis of today to the next normal that will emerge after the battle against coronavirus has been won: Return and Reimagination.

Return

Returning businesses to operational health after a severe shutdown and attaining previous levels of workforce productivity is extremely challenging. We will therefore continuously reassess the entire business system and plan for contingent actions to return our business to effective production at pace and at scale.

Reimagination

The crisis revealed not just vulnerabilities but opportunities to improve our business performance. The online world of contactless commerce could be bolstered in ways that reshape customer behaviour forever and will therefore be centre stage of our operations.

As such, we will focus on pushing adoption of technology at an accelerated speed by rapid learning about what it takes to drive productivity when labour is unavailable. The result: a stronger sense of what makes business more resilient to shocks, more productive and better able to deliver to customers.

The aftermath of the pandemic therefore provides an opportunity to learn from a plethora of social innovations and experiments, ranging from working from home to complete automated business operations.

As such, the response to COVID-19 over the next five years will focus on:

- Introducing interventions to help prevent the transmission of COVID-19 by developing and monitoring of protocols for all g-Fleet vehicles.
- Focused approach to Occupational Health and Safety compliance.
- Accelerated Information Technology Infrastructure Programme.

OVERVIEW OF THE FINANCIAL RESULTS OF THE TRADING ENTITY

STATEMENT OF FINANCIAL PERFORMANCE

RECEIPTS

The results of the actual collections for 2020/21 and the comparative year are depicted in Table 2.3.4.1 below:

Table 2.3.4.1: Revenue collected

| Entity receipts | 2021/22 | | | 2020/21 | | |
|---|----------------|-------------------------|-------------------------|----------------|-------------------------|-------------------------|
| | Budget | Actual Amount Collected | (Over)/Under Collection | Estimate | Actual Amount Collected | (Over)/Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Revenue from Exchange Transactions – Leasing of vehicles | 800,000 | 933,239 | (133,239) | 780,000 | 836,827 | (56,827) |
| Revenue from Non-Exchange Transactions – Interest from bank, accident claims and tender income. | 30,000 | 32,092 | (2,092) | 44,000 | 31,717 | 12,283 |
| Accident claims | 0 | 60 | (60) | 0 | 0 | 0 |
| Transport fees | 1,800 | 1,704 | 96 | 1,400 | 1,890 | (490) |
| Auctions fees | 70,000 | 78,763 | (8,763) | 55,000 | 66,468 | (11,718) |
| Total | 901,800 | 1,045,858 | (144,058) | 880,400 | 937,152 | (56,752) |

As per the statement of financial performance, total revenue collected by the Entity increased to R 1 045.858 million (2020/21: R 937.512 million). Revenue collected from the leasing of vehicles increased by 11.5% to R 933.239 million (2020/21: R 836.827 million).

The interest earned from the positive bank account increased by 1.18% to R 32.092 million (2020/21: R 31.717 million). The slight increase was due to decrease in prime rates as pronounced by the South African Reserve Bank in a bid to manage economic fall caused by the COVID-19 pandemic.

The revenue collected from the auctioning of vehicles increased by 18.5% to R 78.763 million (2020/21: R 66.468 million).

Note: the above figures are as per the actual receipts as per bank statement not audited financial statements.

Table 2.3.4.2: Expenditure versus budget

| Programme Name | 2021/22 | | | 2020/21 | | |
|------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Office of the CEO | 3,329 | 3,174 | 155 | 3,310 | 3,047 | 263 |
| Office of the COO | 1,634 | 1,275 | 359 | 1,978 | 1,624 | 355 |
| Office of the CFO | 11,525 | 6,939 | 4,586 | 8,095 | 6,553 | 1,542 |
| Financial Services | 17,958 | 14,567 | 3,391 | 17,436 | 14,982 | 2,454 |
| Corporate Services | 89,461 | 73,710 | 15,751 | 53,316 | 43,834 | 9,482 |
| Marketing and Communications | 12,865 | 11,082 | 1,783 | 12,769 | 11,397 | 1,371 |
| Fleet Maintenance Services | 145,598 | 121,912 | 23,686 | 136,404 | 138,787 | (2,383) |
| Transport Support Services | 201,381 | 188,892 | 12,489 | 194,104 | 159,674 | 34,430 |
| Permanent Fleet | 287,643 | 319,514 | (31,871) | 207,367 | 226,013 | (18,646) |
| VIP & Pool Services | 17,618 | 17,734 | (116) | 18,748 | 16,878 | 1,870 |
| Total | 789,013 | 758,800 | 30,213 | 653,527 | 622,789 | 30,738 |

The total expenditure increased by 18% to R758.800 million (2020/21: R622.789 million). The increase in expenditure is due to an increase in spending in several projects that were being implemented, such as, the renovations of the three buildings, the number of vehicles ordered for client departments, etc.

The acquisition of vehicles increased by 28% to R311.962 million (2020/21: R226.065 million). This was due to several requests received from client departments.

The employee costs increased by 6% to R95.400 million (2020/21: R89.998 million).

The cost of sales increased by 12% to R83,893 million (2020/21: R74.709). This is due to a high number of vehicles sold through online auction .

The surplus for the financial year decreased by 5.67% to R316,702 million (2020/21: R335.735 million). This can be largely attributed to an increase in general expense and repairs and maintenance following relaxation of COVID-19 protocols.

Intervention on budget spending

As at 31 March 2022, as depicted in Table 2.3.4.2 above, the Entity underspent by 3.8%. The reported underspending was mainly located within the units of Technical Support Services and Fleet Maintenance which remain impacted by the slow turnaround periods/slow performance by the appointed service provider, i.e., WesBank in relation to the transversal RT46 contract. The slow performance on the part of WesBank impacted negatively on the Entity's ability to spend its allocated budget as was projected. The Entity continues to engage with WesBank to improve the level of performance both individually and at the combined level of National Treasury and the National Department of Transport.



In addition, the Entity continues to monitor its spending pattern and procurement plan monthly with the aim of timeously addressing any challenges pertaining to over/under spending.

STATEMENT OF FINANCIAL POSITION

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

The carrying value is for PPE only not non-current assets, the carrying value for non-current assets is R1.406 billion (2020/21: R1.298 billion).

The receivables from exchange transactions decreased by 18.97% to R170,449 million (2020/21: R210,344 million). The debtor's days decreased by 12.96% (the ratio indicating debt levels to revenue generated from such debtors) to 62 days on 31 March 2022 (31 March 2021: 71.35 days).

The Entity could convert its debt receivable into cash, and this is reflected in the increase of cash funds to R2,017 billion (2020/21: R1,778 billion).

The Accumulated Surplus increased from R3,294 billion on 31 March 2021 to R3,611 billion on 31 March 2022. The Entity's net worth continues to grow on a yearly basis.

CASH FLOW STATEMENT

The cash generated from operating activities increased to R962,104 million (2020/21: R935,679 million).

The relaxation of lockdown rules played a major role in the increase in cash generated from operating activities.

Net cash flows from investing activities increased to R293,090 million (2020/21: R197,773). This was at levels of R95,317 million higher than the previous financial year.

TARIFFS

The vehicles are purchased through the RT57 transversal contract administered by National Treasury and after delivery are captured onto the Fleet Information System (FIS). The Entity operates primarily under two tariff regimes being the "Old" model tariffs and Full Maintenance Lease (FML) tariffs. "Old" model tariffs have existed since 2002 and the FML tariffs were introduced in 2007.

The FML tariffs are more closely aligned to the costs that need to be recovered in respect of each vehicle leased to a client department. As such, all new vehicle leasing arrangements entered into are under FML arrangements and the "old" model tariffs are being phased out. Most vehicles are currently leased out under the FML tariff regime.

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

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

The tariffs have been reviewed in the current financial period and 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.
- Vehicles that have high repair costs..

UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

The Entity incurred and reported new irregular expenditure totaling R474,000 for the financial year. Irregular expenditure emanates from extension of the East London Regional Office accommodation. The Entity experienced procurement delays in appointing a new service provider. The delays arose due to the previously appointed service provider defaulting at commencement of the new lease contract. The Entity was then forced to extend its contract with the previous service provider to ensure continued operations whilst procuring a new service provider.

During the year under review, the Entity incurred R580,000 new Fruitless and Wasteful expenditure.

SUPPLY CHAIN MANAGEMENT

All orders and acquisitions that are below the R1 000 000 thresholds are administered by the Entity while tenders are awarded by the Departmental Bid Adjudication Committee (BAC) of which the Entity has a representative. The change in threshold (previously R500 000) was implemented effective, 13 December 2021. All other Bid Committee functions such as Bid Specification and Bid Evaluation are carried and executed by the Entity.

In the financial year under review, there were no tenders awarded by the BAC relating to the Entity.

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

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

EXEMPTIONS AND DEVIATIONS RECEIVED FROM NATIONAL TREASURY

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



Security Services

The Gauteng Department of Roads and Transport has been affected by the court cases relating to six awards that needs to be set aside by the court before the Department is able again to initiate a tender process to appoint security companies. The matter has not been finalised, hence Provincial Treasury has approved the deviations of six months each to enable the Department to have security services on its premises.

Office accommodation and parking

The rental agreement for the Durban Regional Office expired on 30 June 2021 and at the time, the entity had not obtained alternative accommodation. This resulted in the entity requesting a deviation from the Accounting Officer to continue occupying the offices on a month-to-month basis until such time that alternative accommodation was found. To date, the Entity had just started negotiations with the Dube Trade Port with an aim of occupying one of the available offices.

The rental agreement for the Cape Town Regional Office expired on 31 October 2021 and at the time, the entity was still finalising negotiations with ACSA Cape Town International Airport. This resulted in the entity requesting a deviation from the Accounting Officer to continue occupying the offices on a month-to-month basis, until such time that the negotiations were finalised. The process was finalised on 31 March 2022 and the Entity had to move in the new office by 1 April 2022.

GRAP/IPSAS Training

The Entity had committed to send all finance staff for training as part of the Audit Improvement Plan. During the procurement process, only two companies responded to the Request for Quotation (RFQ) and due to time constraints, it was agreed that a deviation process is used to finalise the appointment. It is for that reason that a deviation request was sent to the Acting Accounting Office for approval.

Appointment of TRANSUNION AUTO INFORMATION SOLUTION (PTY) LTD

TransUnion Auto Information Solutions is the sole provider company within Africa which has access to and has developed multiple vehicle databases with relevant and current vehicle related data. Through gathering and analysing this information in conjunction with harnessing the latest technology and applying the latest analytic capabilities, they can provide us as their client with relevant and accurate data which assists in risk management and driving profits.

The Asset Management unit uses the books obtained from Transunion to obtain the Trade and Retail values to determine the residual value. The residual values need to be determined for correct calculation of residual values for auctioned vehicles including stolen vehicles, for new vehicles and at year-end. It is for this reason that a deviation request was sent to the Accounting Officer to approve the appointment of TransUnion Auto Information Solution (Pty) Ltd to provide the Entity with a 12-month subscription of the Auto Dealer's Guide, Commercial Dealers' Guide and Cars & LDVs over 10 years.

EVENTS AFTER THE REPORTING DATE

On 25 May 2022, the entity's Board of Survey (BOS) Committee concluded assessments of motor vehicles that were no longer economical for use by the entity. The identification and assessment of such motor vehicles is undertaken in line with the BOS committee charter and is undertaken in respect of motor vehicles due to reasons such as uneconomical to repair accident damages, age and usage of motor vehicle, etc.

During 11-13 April 2022, severe flooding and landslides caused by heavy rainfall affected southern and south-eastern parts of South Africa, particularly the Provinces of KwaZulu-Natal and Eastern Cape. The Province of KwaZulu-Natal was hardest hit with over 443 people having lost their lives and many more displaced because of the flood.

A national state of disaster was declared by President Cyril Ramaphosa in response to this disaster. Unfortunately, the entity's regional office within KwaZulu-Natal was also negatively impacted by this natural disaster. Some motor vehicles residing within the regional office KwaZulu-Natal suffered damages because of the floods. On 09 May 2022, the entity undertook an assessment of the applicable motor vehicles which has subsequently resulted in an impairment loss being recognised in respect of the applicable motor vehicles.

ACKNOWLEDGEMENTS/APPRECIATION

I wish to thank the Member of Executive Council (MEC), Head of Department (HoD) and all stakeholders who have vested a great deal in assisting g-Fleet Management during a challenging year of the COVID-19 pandemic. My appreciation also extends to the g-Fleet Management and staff for their commitment, dedication and hard work in striving to achieve the mandate of the Entity during this difficult time. Furthermore, I wish to thank the various client departments for continuing to work with the Entity during this challenging period.



Ms. N. Maninjwa

Chief Executive Officer
g-Fleet Management

Date: 31 July 2022



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

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

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

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

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

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

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

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

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

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the Entity for the financial year ended 31 March 2022.

Yours faithfully,

Dr. D. Barclay

Accounting Officer

Department of Roads and Transport

Date: 31 July 2022

5. STRATEGIC OVERVIEW

VISION

We keep Government Service Delivery on the move.

MISSION

- We will achieve our vision by:
- Providing effective, competitive and efficient fleet services to government.
- Focusing on providing reliable fleet to meet client needs.
- Building and maintaining sustainable stakeholder relations.

VALUES

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

“...Competence, Accountability, Integrity and Responsiveness...”

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

| CORE VALUES | DETAILED DESCRIPTION |
|----------------|--|
| COMPETENCE | <p><i>We commit to being competent and excellent at all times.</i></p> <p><i>We undertake to deliver services with passion, excitement and enthusiasm.</i></p> <p>Our people can do the tasks they are appointed to do, live our values and always strive for excellence.</p> <p>We all deliver on our outcomes and targets with quality, on budget and in time.</p> <p>We demonstrate an understanding of and work together to achieve our role in our Constitutional and electoral mandate.</p> |
| ACCOUNTABILITY | <p><i>We pledge to be answerable to our stakeholders in the execution of our mandate and service delivery activities.</i></p> <p><i>We commit to deliver a service that meets our stakeholders' expectations.</i></p> <p>We have a clear understanding of our objectives, roles, delegations and responsibilities.</p> <p>We are committed to delivering agreed outputs on time.</p> <p>We hold each other accountable and know we can trust to do what we say we will.</p> <p>As individuals, we take responsibility and ownership for our outcomes and accept the consequences of failure to do so.</p> |
| INTEGRITY | <p><i>We commit to being ethical, professional, principled, fair and just in our conduct.</i></p> <p><i>We pledge to uphold sound principles of institutional management and efficient systems and processes in service delivery.</i></p> <p>We seek truth and a greater understanding of it in each situation and we do what is right.</p> <p>We are honest, show respect and live out our positive values.</p> <p>We are reliable and trustworthy, doing what we say we will</p> <p>There are no grey areas with integrity applied at all levels and in all instances, ensuring we are corrupt free.</p> |

| CORE VALUES | DETAILED DESCRIPTION |
|----------------|---|
| RESPONSIVENESS | <p><i>We shall be approachable, receptive and quick to respond to stakeholder needs.</i></p> <p>We take our fellow public servants seriously, listening to and hearing their voices. (Listening more and talking less).</p> <p>We respond with action timeously, always asking is this the right response, and where we could be potentially wrong, how we can do it better?</p> <p>We engage collaboratively with each other, our stakeholders and the media, providing full information.</p> <p>Our focus is the past, present and future public service citizens, and responding as their government for the best results for the people we serve. They tell us how well we respond.</p> |

6. LEGISLATIVE AND OTHER MANDATES

Circular 1 of 1988

The mandate of g-Fleet Management evolved from the previous Government Garage function that was transferred to the province in terms of Transport Circular 1 of 1988 [following a National Cabinet decision, with effect from 1 April 1988]. The Cabinet decision included the transfer of the following functions:

- The acquisition and replacement of government and subsidised vehicles.
- The award of government motor transport and subsidised vehicles department as required.
- The maintenance of government vehicles.
- The management of the administration in respect of accidents and losses.
- The effective operation of government vehicles.
- The operator of department of technical advice.
- The receipt, storage and internal distribution of spare parts and consumables supplies.
- The regulation of motor transport for official events.
- The evaluation of economic utilisation of vehicles.
- The operation of a vehicle and information system in respect of government motor transport.

The Government Motor Transport Handbook of 2019 issued by National Department of Transport replaced the National Transport Circular No.4 of 2000. The Handbook provides guidelines on all matters relating to the utilisation of government-owned transport.

The Public Finance Management Act 1 of 1999 read together with National Treasury Regulations and National Treasury directives governs the operations of the Entity in terms of its policy and reporting framework, establishment, capital requirements, disposal of assets, the surrender of surplus funds and financial reporting. In addition, the following legislative and policy mandates are applicable:

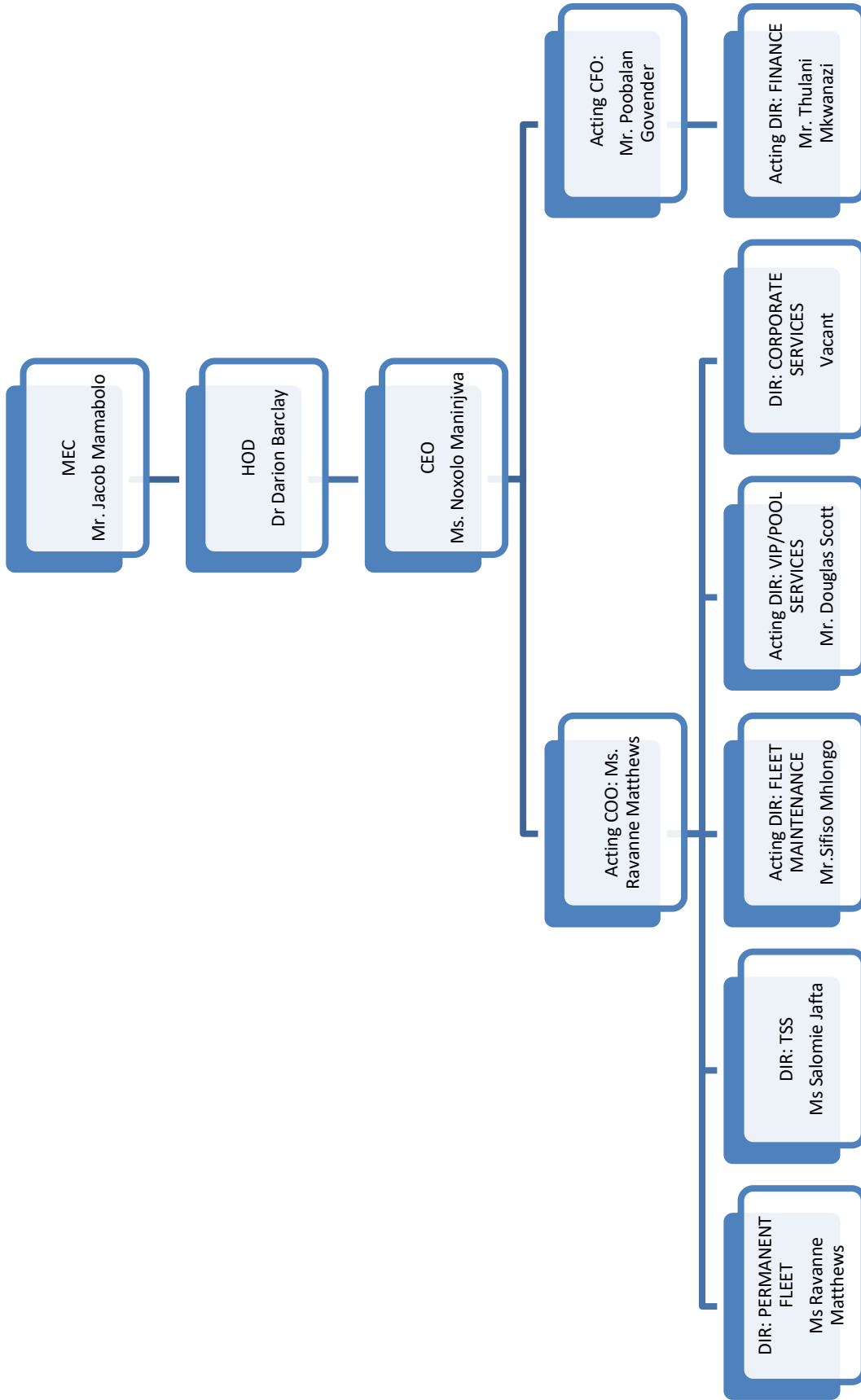
- Cross-Border Road Transport Act, Act 4 of 1998.
- Road Traffic Act, Act 29 of 1989.
- National Environmental Management Act.
- Road Traffic Management Corporation Act, Act 20 of 1999.
- National Road Traffic Act, Act 93 of 1996.
- National Road Traffic Safety Act, Act 12 of 1972.
- Gauteng Transport Framework Revision Act, Act 8 of 2002.

- Gauteng Public Passenger Road Transport Act, Act 7 of 2001.
- Gauteng Transport Infrastructure Act, Act 8 of 2001.
- Gauteng Planning and Development Act, Act 3 of 2003.
- Provincial Road Traffic Act, Act 10 of 1997.
- Gauteng Toll-Roads Bill 2005.
- Administrative Adjudication of Road Traffic Offences Act, Act 46 of 1998.
- Gauteng Transport Framework Revision Amendment Act, 2007.
- Government Immovable Asset Management Act, Act 19 of 2007.
- Construction Industry Development Board Act, Act 38 of 2000.
- National Land Transport Strategic Framework.
- Public Administration Management Act.
- Promotion of Access to Information Act (PAIA), Act 2 of 2000.
- Promotion of Administrative Justice Act (PAJA), Act 3 of 2000.
- Public Administration Management Act, Act 11 of 2014.
- Preferential Procurement Policy Framework, Act 5 of 2000.
- Protection of Personal Information Act, Act 4 of 2013.
- Public Service Act, Act 103 of 1994.
- Public Service Regulations.
- National Green Transport Strategy.

The following Provincial policy mandates are applicable:

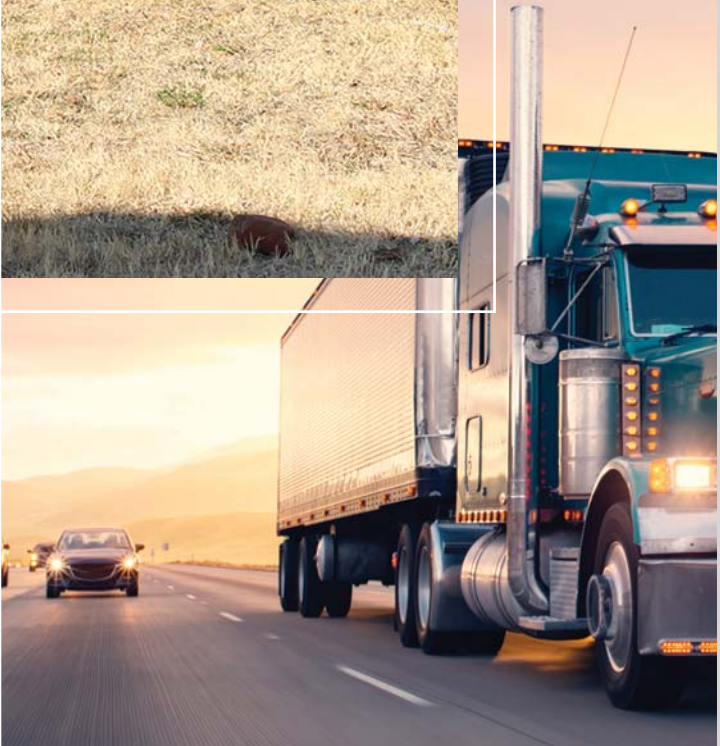
- Provincial Policy and Legislative Mandates.
- Growing Gauteng Together 2030.

7. SMS ORGANISATIONAL STRUCTURE



G-FLEET MANAGEMENT

PART B: PERFORMANCE INFORMATION



● HIGHLIGHTS

G-FLEET

01



Achieved 6 of the 10 approved targets in the 2021/22 financial year

02



Percentage of in-service vehicles tracked, 90% – the Entity achieved this target as planned for the year under review

03



Percentage of passenger vehicles with CO² emissions below 120g/KM, 1% – 5% of passenger vehicles have CO² emissions below 120g/KM during the period under review

04



Average age of fleet, ≤4 years – this outcome seeks to ensure that vehicles provided by g-Fleet Management are efficient and reliable

05



The Entity kept the average age of fleet at less than four years (i.e., 3,7 years) during the financial year under review

06



Percentage of vehicles auctioned – the Entity had a target of 80% of all approved vehicles to be sold and achieved 93% against the set target

07



Average percentage of rental days utilised for VIP self-drive vehicles, 52% – the Entity achieved 72.51% against a target of 52%



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 report to management, with material findings being reported under the *Report on the audit of the annual performance report* heading in the auditor's report.

Refer to page 374 of the Report of the Auditor General, published as Part E: Financial Information.



2. OVERVIEW OF THE ENTITY'S PERFORMANCE

Service Delivery Environment for 2021/22

The Entity's service delivery environment was negatively affected by COVID-19. The Entity had to develop and implement processes and systems to ensure compliance to COVID-19 regulations and ensure that it contributes to flattening the curve of infections and ensure the safety of clients and officials.

The whole automotive industry was negatively affected by the lockdown.

RT 46 CONTRACT

The RT46 contract is a transversal vehicle service and maintenance contract administered by the National Treasury of South Africa. The contract expired on 31 March 2020. A new service provider was appointed by National Treasury and started to operate effective by 1 April 2021. The RT46 service provider had to activate appropriate measures to ensure that as we moved to various levels of lockdown, g-Fleet Management clients were not compromised whilst ensuring the safety of its employees and g-Fleet officials.

The RT 46 allows card payments for fuel, accident repairs and maintenance as well as tolls. It further aids in the assessment of the reasonableness of repairs and maintenance (i.e., Review of quotations received from service providers) as well as monitoring of vehicles.

The major challenge has been the turnaround times on accident and mechanical repairs and availability of reports. The Entity has experienced a backlog of over 100 vehicles for accident repairs, resulting in an average turnaround time of +/- 80 days during the financial year 2021/22. Two of the Entity's output indicators, namely, average number of days taken for mechanical repairs and average number days taken for accident repairs were removed from the APP due to none availability of critical fleet management reports which includes down time reports that provides a breakdown on the average turnaround time on vehicles under repairs.

Much time and effort are spent on resolving operational matters with service providers. These include scheduling services, quality of repairs, evaluation of quotations, authorisation, assessments and validation of vehicles under repairs. Interventions during the year included continuous engagement with the new RT46 service provider to resolve the issues throughout the year, escalation of issues to both National Treasury and National Department of Transport. The Entity is currently preparing a submission requesting HoD and National Treasury's intervention.

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. Even though the RT57 contract was only finalised in September 2019, the level of service provided by the Entity was affected as the demand for new vehicles declined due to the slow-down of our client departments' operational activities. The supply of new vehicles was also impacted due to the production shutdowns of both the local and global OEMs which resulted in fewer orders and deliveries of new vehicles than previous years. Despite the COVID-19 challenges, the Entity purchased 695 vehicles on the transversal contract during the period under review.

Service Delivery Improvement Plan

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

Main services and standards

| Main services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|---|---|---|---|---|
| <ul style="list-style-type: none"> • 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 minimum period of 12 months up to seven years, depending on the type of vehicle and the functional needs of the client. • Short-term motor rentals - is a short-term vehicle lease service offered by g-Fleet which is comprised of a fixed rental cost over a selected short period (less than 12 months). • Chauffeur driven - which provides both driver and vehicle for hire over a short-term period. • Fuel card services - for payment of fuel and toll gate fees • Managed maintenance – a call centre to ensure authorisation is only given for necessary maintenance that complies with manufactures standards and is in line with the manufactures' guidelines. • Telematics - for tracking and monitoring of vehicles and drivers • Accident management and roadside assistance - which assists our clients with towing and repairs of vehicles • Licence and traffic fine administration which is responsible for: <ul style="list-style-type: none"> ◊ Motor vehicle registration and licensing ◊ Ensuring that every fine is re-routed to the correct offender. | g-Fleet customers (i.e., government Departments and municipalities) | The Entity has SLAs with various client departments | The desired standard of service is in terms of the SLA between g-Fleet and the customer | The actual achievements on various targets are explicitly covered in the Annual Performance Plans information |

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

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

Service delivery information tool

| Current/actual information tools | Desired information tools | Actual achievements |
|-----------------------------------|-------------------------------|--|
| Existing contracts with customers | Executive automated dashboard | Customer survey indicating 75% satisfaction levels |

Complaints mechanism

| Current/actual complaints mechanism | Desired complaints mechanism | Actual achievements |
|-------------------------------------|--|--|
| Manual complaints mechanism | Automated complaints system on the website with tracking sheet | Customer survey indicating 75% satisfaction levels |

2.1 Organisational Environment

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



These are functions required by the Entity, however not incorporated in the current structure because of the “form and shape” of the Entity. In terms of the current organisational structure, the GDRT is supposed to assist and provide the following functions:

- Human Resources.
- Legal Services.
- Information and Communication Technology.
- Anti-fraud and Corruption.
- Risk Management Committee.
- Supply Chain Management.
- Monitoring and Evaluation.

Two parallel processes are still being pursued by the Entity for the development of the organisational structure. The first is the review of the current organisational structure and the second is the form and shape of the organisation.

On 20 September 2021, the National Treasury indicated that: “Organs of State are required to follow a competitive bidding process when procuring goods and/or services. Similarly, government departments and trading entities that would like to conduct business with government institutions must do so through a bidding process”.

For the Entity to be efficient and sustainable, it cannot rely on GDRT structures that are not geared towards business-oriented strategies.

Review of the current organisational structure

The Gauteng Department of Roads and Transport (GDRT) and the Office of the Premier (OoP) continues to support the Entity with the development of the organisational structure. The draft organogram with proposed posts and functions and the costing of the structure have been developed and submitted to GDRT, OoP and the Gauteng Provincial Treasury (GPT). The Change Management Strategy, to support the Draft Business Case, has been developed and submitted to GPT.

Form and Shape of the Organisation

The Entity is directly competing with the private sector therefore there is a need to operate in terms of the business principles like any private leasing company to remain competitive and provide good service to its clients for survival. For the Entity to be efficient and sustainable, its form, shape, structure and systems must allow for improvement on governance and accountability, sustainability (both financial and operationally); be able to attract and retain scarce skills, be able to procure and deploy resources and improve on programme management/monitoring and evaluation of its projects.

In addition, the form and shape must allow for quick turnaround times and decision-making for the Entity to take advantage of market opportunities arising from time to time. An initial meeting between the Entity, Office of the Premier, Department of Public Service and Administration (DPSA), GPT and GDRT: Corporate Services took place on 21 September 2021.

Further to the Organisational Review: At the Project Steering Committee meeting held in February 2022, the Entity had to abandon the procurement processes that were undertaken to appoint a service provider to undertake an assignment to prepare a feasibility study and a comprehensive business case on “form and shape” of the organisation to create an autonomy from GDRT for approval by the relevant authorities. This has, however, changed and will now be done internally with the assistance of OoP and DRT in line with the decision taken in the Organisational Review: Project Steering Committee meeting held in February 2022. The feasibility study, comprehensive business case and the proposed structure that will be aligned to the Strategic Plan together with the documents required when submitting the request for establishing a new form of the Entity in line with DPSA and Provincial Treasury guidelines will be submitted to various stakeholders for consideration and approval. The Draft Business Case, together with proposed organisational structure and Change Management Strategy, recommending that the Entity be established as a government component was developed and submitted to Gauteng Provincial Treasury.

High vacancy rate

The vacancy rate in the financial year 2021/22 is at 31% and is broken down as follows:

| Level | Approved Establishment | Filled (Including contract workers) | Vacant | Vacancy Rate |
|----------------------|------------------------|--|-----------|--------------|
| SMS (Level 13 to 16) | 8 | 3 | 5 | 63% |
| Level 11 to 12 | 17 | 14 | 3 | 17% |
| Level 7 to 10 | 107 | 79 | 28 | 26% |
| Level 1 to 6 | 143 | 95 | 48 | 34% |
| Total | 275 | 191 | 84 | 31% |

The shortlisting and interviewing process for the critical vacant posts that were previously advertised was delayed due to objections raised by the organised labour on the recruitment process within the organisation. Some of the objectives raised were that only online applications were allowed and accepted, time lapse between advertisements and that organised labour were not involved in the shortlisting and interviewing of the Senior Management posts, etc.

To resolve the matter and to ensure labour peace, an agreement was reached to re-advertise the posts allowing for manual submissions of Curriculum Vitae (CVs). Thirty-one critical posts were subsequently advertised in December 2021 and the closing date was 28 December 2021 - 05 December 2021 (Sunday Times), 07 December 2021 (Internal Communications) and 10 December 2021 (DPSA). The Project Plan outlining the processes to be followed was prepared by Human Resource and is being tracked on a weekly basis. The selection process has commenced and the Entity will ensure that the advertised posts are filled within six months (i.e., 28 June 2022) from the closing date, in line with Departmental Recruitment and Selection Policy.

Key policy developments and legislative changes

The President of the country, Honourable Cyril Ramaphosa on 23 March 2020 announced a country-wide lockdown in response to the COVID-19 pandemic, with only certain categories of businesses being allowed to remain open. Various levels of lockdown were implemented throughout the year by the President of the country. The level of service provided by the Entity was affected, however, in all cases the Entity functioned on an employee rotational basis. In addition, the Entity continued to provide personal protective equipment to its employees and developed guidelines to client departments to ensure the safety of various government officials utilising g-Fleet Management vehicles during the various levels of COVID-19 lockdown.

The Competition Commission

On 10 December 2020, the Competition Commission (Commission) issued the final guidelines for competition in the South African Automotive Aftermarket (Automotive Guidelines).

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

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



Measures proposed in the Automotive Guidelines

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

- The unbundling of the new motor vehicle price from the price of the service and/or maintenance plan of that motor vehicle. In other words, dealers must ensure that at the point of sale of a motor vehicle, that consumers have full disclosure of:
 - a) the purchase price of the motor vehicle; and
 - b) the purchase prices of service and maintenance plans, and other value-added products. Consumers will then have the choice of whether to purchase the motor vehicle and service/maintenance plan separately or at the same time;
- Original Equipment Manufacturers (OEMs) and independent third-party providers must transfer a service and/or maintenance plan to a replacement motor vehicle in circumstances where the motor vehicle is written off by the insurer;
- In circumstances where there is no replacement motor vehicle after a write-off or if it is not feasible to transfer a service and/or maintenance plan to a replacement motor vehicle, the consumer must be afforded the right to cancel the service and/or maintenance plan contract and/or receive a refund for the balance of the product;
- Approved dealers that sell new motor vehicles and products of competing OEMs must ensure that they do not engage in price co-ordination. Specifically, the prices of competing motor vehicles and products must be determined by different individuals within the dealership;
- Approved dealers that sell new motor vehicles and products of competing OEMs must ensure that no commercially sensitive information (including information stored in the cloud) is provided or shared with competing OEMs.

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

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact statement

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

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Programme 1: OPERATIONAL MANAGEMENT SERVICES

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

The following is the sub-programmes of the structure:

- Permanent Fleet.
- Finance.
- Transport Support Services.
- Fleet Maintenance.
- Communications.

Outcomes, outputs, output indicators, targets and actual achievements

- **Percentage of passenger vehicles with CO2 emissions below 120g/KM, 1%** – this target is required to ensure reduction in the carbon footprint (i.e., decreasing Green-House-Gas emissions produced by road transportation as expressed in the Green Transport Strategy for South Africa (2018-2050). The eEntity is striving to minimise the impact of its core assets (vehicles) on the environment. As such, a target of 4% was set. The Entity achieved 5% of passenger vehicles that have CO2 emissions below 120g/km. A concerted effort was made to procure passenger vehicles in line with this target.
- **Average age of fleet, ≤4 years** – this outcome seeks to ensure that vehicles provided by g-Fleet Management are efficient and reliable. This is necessary to ensure that the cost of maintaining vehicles is minimised. The Entity kept the average age of fleet at less than four years (i.e., 3,7 years) during the financial year under review. This was due to the acquisitions of new vehicles and the de-fleeting of old vehicles which yielded a positive outcome of the Entity's fleet age. This is a positive achievement, which ensures that the Entity delivers on its mission of "Providing reliable fleet to meet client needs."
- **Percentage of vehicles auctioned - the Entity had a target of 80% of all approved vehicles to be sold, and achieved 93% against the set target** for the year under review. This was due to an increase in the number of vehicles which became available for auction as recommended by the Entity's Board of Survey Committee. As vehicles age and become too expensive to maintain and repair, it must be sold at auctions timeously to realise maximum value of the asset/vehicle. In addition, the timeous disposal of these assets reduces incurring risks.
- **Percentage of in-service vehicles tracked, 90%** - The outcome (safeguarding of the state assets by installing comprehensive vehicle tracking units) allows for vehicles to be tracked and traced. This in turn is used for route optimisation, location of a vehicle at a particular point in time, monitor mileage, speed, etc. All these have a direct impact on the sustainability of the asset (vehicle), safety and efficiencies. As such, the target for the financial year was 90%. The Entity achieved 90%.
- **Average number of days taken for mechanical repairs, 20 days** – the outcome to improve the turnaround time on both accident and mechanical repairs is focused on managing downtime on vehicles under repairs. This is required so that government service delivery programmes that are executed by various g-Fleet clients are not impacted negatively. This output was removed from the 2021/22 APP and going forward, during the third quarter of the financial year. The reason for removing this output indicator was due to challenges experienced with the RT46 service provider failing to issue credible reports timeously. Continued engagements with the service provider, National Treasury and National Department of Transport were held to address the challenges.



- **Average number of days taken for accident repairs, 30 days** - the outcome to improve the turnaround time on both accident and mechanical repairs is focused on managing downtime on vehicles under repairs. This will in turn improve efficiency and improve customer service. This output was removed from the 2021/22 APP and going forward, during the third quarter of the financial year. The reason for removing this output indicator was due to challenges experienced with the RT46 service provider failing to issue credible reports timeously. Continued engagements with the service provider, National Treasury and National Department of Transport were held to address the challenges.

Table 2.4.4.1:

(The table below ONLY reflects the revisions to the original APP until quarter three of the financial year 2021/22. These output indicators and targets have been removed/discontinued from the 2021/22 APP due to challenges experienced with the RT46 service provider)

| Programme/Sub-programme: Operational Management Services | | | | | | | | | |
|--|--|---|--------------------------------------|--------------------------------------|---------------------------------|--|---|--|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Annual Target 2021/2022 | *Actual Achievement 2021/2022 until date of re-tabling | Deviation from Planned Target to Actual Achievement 2021/2022 | Reasons for deviations | Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets |
| Improve efficiency and customer services | Turnaround times on mechanical repairs | Average number of days taken for mechanical repairs | 11 days | 12 days | 20 days | 0 | 0 | The target was not achieved due to ongoing challenges with the RT46 service provider failing to issue credible reports timeously | Output removed from APP due to ongoing challenges with the RT46 service provider |
| Improve efficiency and customer service | Turnaround time on accident repairs | Average number of days taken for accident repairs | 44.25 days | 54 days | 30 days | 0 | 0 | The target was not achieved due to ongoing challenges with the RT46 service provider failing to issue credible reports timeously | Output removed from APP due to ongoing challenges with the RT46 service provider |

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

Table 2.4.4.2:

The table below reflects the planned and actual achievements against the revised and re-tabled APP. The APP was revised during the 3rd quarter of the financial year 2021/22 and was approved in January 2022.

| Programme/Sub-programme: Operational Management Services | | | | | | | | |
|--|---|---|--------------------------------------|--------------------------------------|------------------------------------|--|---|--|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Annual Target 2021/2022 | ** Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement 2021/2022 | Reasons for deviations |
| Reduced Carbon footprint from the Entity | Passenger vehicles below 120g/km (environmentally friendly) | Percentage of passenger vehicles with CO2 emissions below 120g/km | N/A | 4.8% | 4% | 5% | +1% | During the financial year under review, the Entity procured an additional 39 new vehicles with CO2 emissions of 120g/km and below as a result of a higher demand for these types of vehicles from our clients. The Entity will continue to procure vehicles with low emission levels to ensure the target is achieved. |
| Improve efficiency and customer service | Average age of fleet | Average age of fleet | 3.5 years | 3.7 years | ≤ 4 years | 3.7 years | +0.3 | Acquisitions of new vehicles and the de-fleeting of old vehicles yielded a positive outcome of the Entity's fleet age. |
| Maximised return on investment | Percentage of vehicles auctioned | Percentage of vehicles auctioned | 91% | 95.34% | 80% | 93% | +13% | There was an increase in the number of vehicles that became available for auction as recommended by the Entity's Board of Survey Committee |
| Safeguard state assets | Vehicles tracked | Percentage of in-service vehicles tracked | 87% (5 158) | 90% (5 657) | 90% of in-service vehicles tracked | 90% (5 802) of in-service vehicles tracked | N/A | Letters written to Departments with the intention of suspending petrol cards contributed to the achievement of the output |

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



Strategy to overcome areas of under performance

None

Reporting on the Institutional Response to the COVID-19 Pandemic

In response to the COVID-19 pandemic, the Entity continued with implementing measures to prevent the transmission of COVID-19 in the workplace. These measures were designed as a response to the hazards and risks that were identified within the Entity's environment.

To ensure that the working environment is safe and without risk to the health and safety of employees, clients and visitors, the following measures were implemented:

- Daily COVID-19 screenings conducted at entrances.
- Sanitisers at key points in all business sites to encourage employees, clients, suppliers, and visitors to regularly clean their hands.
- Mandatory wearing of masks required for employees and clients entering the Entity's premises.
- Information about measures to mitigate COVID-19 distributed through posters and emails.
- Disinfection of offices and vehicles.

The Entity has been providing services to its clients throughout different levels of the lockdown period. Critical employees were given laptops and data cards to allow them to be able to work from home. In addition, the Entity conducted all meetings online, through Microsoft Teams. Employees also continued coming to work on a rotational basis to minimise the number of employees at work at the same time. All of this was aimed at ensuring that the services continue through different levels of the lockdown period.

During the 2021/22 financial year, a total of 15 COVID-19 positive cases were reported. Fortunately, there has been no fatalities to date. All employees have recovered and are back at work.

The Entity also encouraged officials to get vaccinated. A total 48 officials were vaccinated through the vaccination campaigns held by the Department.

Table: Progress on Institutional Response to the COVID-19 Pandemic

| Budget Programme | Intervention | Geographic location (Province/District/Local Municipality) (Where possible) | No. of beneficiaries (Where possible) | Disaggregation of Beneficiaries (Where possible) | Total budget allocation per intervention (R'000) | Budget spent per intervention | Contribution to the Outputs in the APP (Where applicable) | Immediate outcomes |
|--|----------------------|---|---------------------------------------|--|--|-------------------------------|---|--------------------|
| Programme 1 and 2 (Operational Management Services and Corporate and Financial Management) | Provision of the PPE | All g-Fleet offices | 204 (All g-Fleet employees) | 204 (All g-Fleet employees) | R300,000 | R225,556 | N/A | Healthy employees |

Linking performance with budgets

Sub-programme expenditure

| Sub- programme Name | 2021/2022 | | | 2020/2021 | | |
|----------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Permanent Fleet | 287,643 | 319,508 | - 31, 865 | 207,367 | 226,013 | -18,646 |
| Finance | 17,958 | 13,997 | 3,961 | 17,436 | 14,982 | 2,454 |
| Transport Support Services | 201,381 | 194,571 | 6,810 | 194,104 | 159,674 | 34,430 |
| Fleet Maintenance | 145,598 | 145,713 | - 115 | 136,404 | 138,787 | -2,383 |
| Communications | 12,865 | 10,877 | 1,988 | 12,769 | 11,397 | 1,372 |
| Total | 665,445 | 684,666 | - 19,221 | 568,080 | 550,853 | 17,227 |

Programme 2: Corporate and Financial Management

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

The following are the sub-programme structures:

- VIP and Pool Services.
- Finance.
- ICT.

Outcomes, outputs, output indicators, targets and actual achievements

- **Average percentage of rental days utilised for VIP self-drive vehicles, 72.51%** – the Entity achieved 75.51% against a target of 52%. This contributes to the impact of a sustainable, safe, efficient, reliable and affordable fleet management solution.
- **Average percentage of rental days utilised for Pool vehicles, 73%** – the Entity achieved 94.89% against the target of 73%. These vehicles were in high demand by Departments providing essential services during the lockdown. This in return, maximised the Entity returns and ensured financial sustainability.
- **Unqualified opinion from Auditor-General of South Africa** – a well governed institution is built on clean administration. Thus, a clean government administration is one that puts the principles of the Constitution, 1996 into daily use. The Entity obtained a qualified 2020/21 audit report from the Auditor-General. The regression in the audit opinion was due to delays experienced by the Entity in adequately accounting for its assets in line with applicable accounting standards of Generally Recognised Accounting Practices (GRAP). The Entity implemented 59% of its Audit Improvement Plan with the aim of achieving an unqualified audit opinion. The Entity has also sent a formal request to the AGSA requesting for an early audit on the areas of prior year qualifications.
- **Percentage of the Entity's discretionary procurement spend directed towards township suppliers** -The Entity obtained an average of 26% for the year under review.



- **Average debtor's collection days (excluding outstanding balances of clients that have payment arrangements with the Entity), 15%** – while this is necessary for a clean administration, it has direct implications on the financial sustainability of the Entity. As such, a target of 15% reduction on debts outstanding was set. The Entity's achievement for the year under review was 12.96%. Whilst the Entity made significant improvement in the area of debt collection, the fiscal constraints being experienced by the Gauteng Department of Community Safety and Gauteng Department of Health continued to hamper the Entity's progress towards achieving this output.
- **Number of Integrated Fleet Management Modules/Processes developed and implemented in the approved strategy** – the ICT Strategy for the next five years was developed by the State Information Technology Agency (SITA) for approval in April 2021. The Entity managed to have the two modules (registration of transport officers and drivers) mapped by e-GOV. However, the development of the system is still underway. The Entity has not implemented the e-DRMS. This was due to the delay in recruiting interns to assist with the scanning. The scanners were procured and delivered and licences has been obtained from DRT

Table 2.4.4.1:

The table below **ONLY** reflects the revisions to the original APP until quarter three of the financial year 2021/22. Both these indicators are annual targets; therefore, no actual performance is reflected at the time of revision. The revision entails the changing of wording in the indicators.

| Programme/Sub-programme: Corporate and Financial Management | | | | | | | | | |
|---|---------------------------------|---|--------------------------------------|--------------------------------------|---------------------------------|--|---|------------------------|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Annual Target 2021/2022 | *Actual Achievement 2021/2022 until date of re-tabling | Deviation from planned target to Actual Achievement 2021/2022 | Reasons for deviations | Reasons for revisions to the Outputs/ Output indicators/ Annual Targets |
| Township Economy Revitalisation (TER) | Spending on township businesses | 30% of procurement spent on goods and services, and construction (Excluding all transversal contracts TR3, RT15, RT46 and RT57 etc. All non-procurement spent e.g., Municipal Accounts, AG, claims against the State) | N/A | 49% | 30% | | | | Audit recommendations |

| Programme/Sub-programme: Corporate and Financial Management | | | | | | | | | |
|---|--|--|--|---|--|--|---|------------------------|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Annual Target 2021/2022 | *Actual Achievement 2021/2022 until date of re-tabling | Deviation from planned target to Actual Achievement 2021/2022 | Reasons for deviations | Reasons for revisions to the Outputs/ Output indicators/ Annual Targets |
| Improve efficiency and customer services | ICT Strategy developed and implemented | ICT Strategy developed and implemented | 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 | ICT Strategy developed for approval in April 2021 | 2 Modules/ processes approved and the strategy implemented | | | | Audit recommendations |

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

Table 2.4.4.2:

The table below reflects the planned and actual achievements against the revised and re-tabled APP. The APP was revised during the 3rd quarter of the financial year 2021/22 and was approved in January 2022.

| Programme/Sub-programme: Operational Management Services | | | | | | | | |
|--|--|---|--------------------------------------|--------------------------------------|---|--------------------------------|---|-------------------------|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Annual Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement 2021/2022 | Reasons for deviations |
| Maximise on return on investment | Average percentage of rental days utilised | Average percentage or rental days utilised by VIP self-drive vehicles | 53.94% | 64.76% | 52% of rental days utilised for VIP self-drive vehicles | 72.51% | +20.51% | Increased client demand |



| Programme/Sub-programme: Operational Management Services | | | | | | | | |
|--|--|--|---|--|---|---|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Annual Target 2021/2022 | ** Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement 2021/2022 | Reasons for deviations |
| Maximise on return on investment | Average percentage of rental days utilised | Average percentage of rental days utilised for Pool vehicles | 81.84% | 94.89% | 73% of rental days utilised for Pool vehicles | 94.89% | +21.89% | Increased client demand |
| Clean Administration | Unqualified opinion from the Auditor-General | Unqualified opinion from the Auditor-General | Unqualified opinion with findings for 2018/19 | Unqualified opinion from the Auditor-General for the 2019/20 FY with matters of emphasis | Unqualified opinion from the Auditor-General | Qualified 2020/21 audit report from the Auditor-General | | The regression in audit opinion was mainly due to delays experienced by the Entity in adequately accounting for its assets in line with the applicable accounting standards of GRAP |
| Township Economy Revitalisation (TER) | Spending on township businesses | Percentage of the Entity's discretionary procurement spend directed towards township suppliers | n/a | 49% | 30% of the Entity's discretionary procurement spend directed towards township suppliers | 26% of the Entity's discretionary procurement spend directed towards township suppliers | -4% | The Entity was faced with the challenge of not being able to appoint sufficient township suppliers due to the nature of services required |

| Programme/Sub-programme: Operational Management Services | | | | | | | | |
|--|-----------------------------|--|--------------------------------------|--------------------------------------|--|---------------------------------|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Annual Target 2021/2022 | ** Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement 2021/2022 | Reasons for deviations |
| Improved debt collection | Reduced debtors' collection | Percentage decrease in average debtors' collection days (Excluding outstanding balances of clients that have payment arrangements with the Entity) | 70.36% | 18.52% | 15% (Excluding amounts owed by clients that have submitted written payment arrangements) | 12.96% | | Whilst the Entity made a significant improvement in the area of debt collection, the fiscal constraints being experienced by the Gauteng Department of Community Safety and the Gauteng Department of Health continue to hamper the Entity's progress towards achieving this target |

| Programme/Sub-programme: Operational Management Services | | | | | | | | |
|--|--|--|---|---|--|---|---|---|
| Outcome | Output | Output Indicator | Audited Actual Performance 2019/2020 | Audited Actual Performance 2020/2021 | Planned Annual Target 2021/2022 | **Actual Achievement 2021/2022 | Deviation from planned target to Actual Achievement 2021/2022 | Reasons for deviations |
| Improve efficiency and customer services | Approved ICT Strategy Projects for implementation from the ICT Strategy: Integrated Fleet Management System (IFMS) Modular development. Dashboard and digital screen solutions and technologies. Tracker system with integrated telematics CCTV camera and biometrics Electronic Document and Records Management System (e-DRMS) Research Report on 4IR required skills Security Information Policies for the Entity | Number of Integrated Fleet Management Modules/ Processes developed and implemented in the approved strategy. Implementation of the Electronic Document and Records Management System (e-DRMS) | 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 | ICT Strategy developed for approval in April 2021 | 2 IFMS Modules/ processes mapped and developed IFMS Module 1 and 2 mapped and developed Module 1: (Registration of transport offices) Module 2: (Registration of drivers) Acquisition of scanners and licences Implementation of the Electronic Document and Records Management System (e-DRMS) | 2 IFMS Modules/ processes (registration of transport officers and drivers) have been mapped by e-GOV. However, development is underway Scanners procured and delivered Licences made available from DRT Business processes have been developed and deployed in the live environment. | System development N/A | Business Requirement Specifications were only signed off in December 2021, thus the development of the modules commenced late N/A Delayed availability of licences to timeously migrate system from testing phase to live environment |

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

Strategy to overcome areas of under performance

- **Unqualified Opinion from Auditor-General** - The regression in the audit opinion was due to delays experienced by the Entity in adequately accounting for its assets in line with applicable accounting standards of GRAP. The Entity has managed to implement 59% of its Audit Improvement Plan with the aim of achieving an unqualified audit opinion. The Entity has also sent a formal request to the AGSA requesting for an early audit on the areas of prior year qualifications.
- **Percentage of the Entity's discretionary procurement spend directed towards township suppliers** - The Entity was faced with the challenge of not being able to appoint sufficient township suppliers due to the nature of services required,
- **Percentage decrease in average debtors' collection days (Excluding outstanding balances of clients that have payment arrangements with the Entity)** – The Entity will continue to engage with all defaulting departments with the aim of recovering all outstanding monies. Where clients do not respond positively to the engagements, the Entity raised these issues at the respective CFO forums and ultimately took a more aggressive approach of sending letters on its intention to suspend petrol cards and ultimately implementing such, where clients fail to pay.
- **Number of Integrated Fleet Management Modules/Processes developed and implemented in the approved strategy** – IFMS Steering Committee has been established to oversee the development of the system. Weekly project progress meetings are convened between the Entity and the system development department, Gauteng Department of e-Government (eGOV).
- **Implementation of the e-DRMS** – Migrate processes to live environment. Project Plan has been developed and internal resources have been identified per business unit to start scanning process. Installation of scanners and application has commenced in collaboration with DRT.

Reporting on the Institutional Response to the COVID-19 Pandemic

In response to the COVID-19 pandemic, the Entity continued with implementing measures to prevent the transmission of COVID-19 in the workplace. These measures were designed as a response to the hazards and risks that were identified within the Entity's environment.

To ensure that the working environment is safe and without risk to the health and safety of employees, clients and visitors, the following measures were implemented:

- Daily COVID-19 screenings conducted at entrances.
- Sanitisers at key points in all business sites to encourage employees, clients, suppliers, and visitors to regularly clean their hands.
- Mandatory wearing of masks required for employees and clients entering the Entity's premises.
- Information about measures to mitigate COVID-19 distributed through posters and emails.
- Disinfection of offices and vehicles.

The Entity provided services to its clients throughout the different levels of the lockdown period. Critical employees were given laptops and data cards to allow them to be able to work from home. In addition, the Entity conducted all meetings online, through Microsoft Teams. Employees also continued throughout the year come to work on a rotational basis to minimise the number of employees at work at the same time. All of this was aimed at ensuring that the services continue through different levels of the lockdown period.

During the 2021/22 financial year, a total of 15 COVID-19 positive cases were reported. Fortunately, there has been no fatality to date. All employees have recovered and are back at work.

The Entity also encouraged officials to get vaccinated. A total 48 officials were vaccinated through the vaccination campaigns held by the Department.

Table: Progress on Institutional Response to the COVID-19 Pandemic

| Budget Programme | Intervention | Geographic location (Province/District/Local Municipality) (Where possible) | No. of beneficiaries (Where possible) | Disaggregation of Beneficiaries (Where possible) | Total budget allocation per intervention (R'000) | Budget spent per intervention | Contribution to the Outputs in the APP (Where applicable) | Immediate outcomes |
|--|------------------|---|---------------------------------------|--|--|-------------------------------|---|--------------------|
| Programme 1 and 2 (Operational Management Services and Corporate and Financial Management) | Provision of PPE | All g-Fleet offices | 204 (All g-Fleet employees) | 204 (All g-Fleet employees) | R300,000 | R225,556 | N/A | Healthy employees |

Linking performance with budgets

Sub-programme expenditure

| Sub-programme Name | 2021/2022 | | | 2020/2021 | | |
|-----------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| VIP and Pool Services | 17,618 | 17,733 | - 115 | 18,748 | 16,878 | 1,870 |
| Finance | 17,958 | 13,997 | 3,961 | 17,436 | 14,982 | 2,454 |
| ICT | 9,710 | 4,134 | 5,576 | 6,985 | 2,540 | 4,445 |
| Total | 45,286 | 35,864 | 9,422 | 43,169 | 34,400 | 8,769 |

5. CAPITAL INVESTMENT

5.1 Capital investment, maintenance and asset management plan

| Infrastructure projects | 2021/22 | | | 2020/21 | | |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | 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 | 280,000 | 311,963 | (31,963) | 200,000 | 218,810 | -18,810 |
| Existing infrastructure assets | | | | | | |
| Upgrades and additions | 39,000 | 40,712 | (1,712) | 14,329 | 15,736 | -1,407 |
| Rehabilitation, renovations and refurbishments | | | | | | |
| Maintenance and repairs | 4,000 | 2,466 | 1,534 | 2,300 | 0 | 2,300 |
| Infrastructure transfer | | | | | | |
| Current | | | | | | |
| Capital | | | | | | |
| Total | 323,000 | 355,141 | (32,141) | 216,629 | 234,546 | 17,917 |

A large portion of the Entity's CAPEX budget is allocated for acquiring new vehicles for various client departments.

The Entity continued to work with the Department of Infrastructure Development to ensure that g-Fleet offices are maintained and compliant to the OHS Act. The Department of Infrastructure Development as an implementing agent for rehabilitation programme, appointed a service provider to rehabilitate the Wellness Centre, Car Wash and Panel beating Workshop which commenced during October 2020. The project was successfully completed on 30 November 2021.



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GAUTENG PROVINCE
Department: Roads and Transport
REPUBLIC OF SOUTH AFRICA

G-FLEET MANAGEMENT

PART C: GOVERNANCE



● HIGHLIGHTS

G-FLEET



Acquisitions of new vehicles and the defleeting of old vehicles yielded a positive outcome of the Entity's fleet age



There was an increase in the number of vehicles that became available for auction as recommended by the Entity's Board of Survey Committee

1. INTRODUCTION.

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

2. RISK MANAGEMENT, 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, Fraud, Auction, RT46 2020 Migration 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, and a new Covid-19 risk register was established due to the pandemic. 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. An independent chairperson has been appointed in January 2021. 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 reports, Occupational Health and Safety report, Information and Communication Technology report, Risk report, and other matters relating to risks.

Progress made in addressing the identified risks

Below are the Entity's top risks that were identified by management throughout the financial year:

- Inadequate Automated Systems to support Business Operations.
- Possible Misstatements in the Annual Financial Statements.
- Loss/Theft of Assets.
- Compromised Implementation of the long-term strategy of the Entity.
- Under Collection of Revenue.
- Inadequate Contribution to Provincial Economic Growth.

The Entity has implemented most of its action plans relating to under collection of revenue, inadequate contribution to provincial economic growth and implemented action plans for mitigating risks associated with possible misstatements in the Annual Financial Statements. Few action plans still need to be completed for the risk relating to loss/theft of assets. The Entity experienced challenges in addressing risks associated with the implementation of its long-term strategy, inadequate automated systems to support business operations 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 the office of the Premier started the process of reviewing and realigning the organisational structure. This project is envisaged to be completed before the 2021/22 financial year. Critical posts have been advertised and will be filled by end of the financial year 2021/22.

The rehabilitation of the three buildings (Panel Beating Workshop, Wellness Centre, and Car Wash) are ongoing and the Phase 2 projects will commence once the legal challenges have been resolved.

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 Entity continued to implement action plans from the approved Fraud Prevention Plan on a quarterly basis.

The progress on the implementation of the action plan is monitored on a quarterly basis. Given that the Fraud Prevention Plan is a living document, the Entity is in the process of updating and revising the Fraud Prevention Plan during the year under review to ensure, amongst other things, that the plan incorporates principles contained in the Public Finance Management Act (PFMA), Public Sector Anti-Corruption Strategy, Public Sector Integrity Management Framework, Gauteng Anti-Corruption Strategy 2015-2019, as well as the Public Service Regulations.

The fraud and corruption risks were identified during the Fraud Risk Assessment workshop. The preventative and detective control measures currently in place to mitigate the risks that were outlined and the agreed action plans with implementation dates were developed.

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, all employees including 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 (SCM) 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 the 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 the 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 Committee

The Occupational Health and Safety (OHS) Committee was established in the financial year 2020/21 and handed over their functions to the Safety, Health, Environment, Risk, Quality (SHERQ) Committee.

The Entity's Senior Management and a representative from organised labour also participates in the Departmental SHERQ Committee. One SHERQ Committee meeting was held on 2 March 2022. The Terms of Reference (TOR) for the SHERQ Committee was reviewed and approved.

Addressing the OHS issues in the organisation has been a focal point, particularly through the plans of the Facilities and Security unit. The Facilities and Security unit continued to implement the recommendations from the OHS audit report approved in March 2017. A new audit was commissioned by Kele Thabo Holdings. The report was presented to the SHERQ Committee during April 2022. The Entity will develop a response plan to the findings, and the plan will be implemented during the financial year 2022/23 and throughout the Medium-Term Expenditure Framework (MTEF).

The major delay experienced was with the implementation of the Phase 2 Infrastructure upgrade projects that will contribute extensively in addressing OHS issues related to the dilapidated and old infrastructure within the Head Office premises. The Entity is getting assistance from the Department of Infrastructure Development (DID) to maintain the buildings of the Entity at Bedfordview and Koedoespoort. The Entity is moving the Regional Offices in KZN, Cape Town and East London respectively, into new premises within each province to address issues of OHS compliance, among others.

The Entity renovated three buildings (i.e., Wellness Centre, Panel Beating and Car Wash Ablution buildings) and were completed in November 2021. The Occupancy Certificate has been received from Ekurhuleni Municipality on 13 April 2022. Final snagging was done on 11 May 2022. The contractor is currently busy with the finalisation of identified snags. A handover of the renovated buildings will be arranged after the service provider has completed all snags.

Maintenance of the facilities will continue to be done on a regular basis. The Entity appointed the Department of Infrastructure Development as an implementing agent for maintenance related projects. The major concern is the lack of human resources to deliver and monitor the projects to ensure OHS issues in their environment have been addressed and rectified to ensure the maintenance of the facilities.

The Entity will continue to manage the issues and address them accordingly with the resources available and will continue to create a conducive environment for staff to contribute to the service delivery, morale and productivity of the Entity.

6. PORTFOLIO COMMITTEES

Responses to the Committees follow-up questions on the g-Fleet Management Fourth Quarter report for the 2020/21 Financial Year

| Reference No. | Question/ Recommendation | Department Response |
|---------------|--|--|
| Question 3 | The Entity should update the Committee on the implementation of the three strategic projects, namely, IFMS, e-DRMS and Tracker System. | <p>Tracker System</p> <p>The appointment of the service provider for the comprehensive vehicle tracking solution was concluded in December 2019. The new service provider started installations of the new trackers in January 2020, however there were delays due to COVID-19 restrictions.</p> <p>As at the end of the fourth quarter of the financial year 2020/21, a total of 5 657 vehicles that were in services were tracked. This represents 90% of all vehicles in service required to be tracked in line with the planned target for the financial year 2020/21 (i.e. 6 308). These vehicles are tracked through the new and the old contract.</p> <p><u>The Integrated Fleet Management System (IFMS)</u></p> <p>The main aim of developing the IFMS is to demonstrate accountability for public resources by improving transparency and credibility of information used for making policy choices; and improve business operation efficiencies by allowing for a seamless and improved turnaround times in processing transactions, processing contracts, provide for effective dashboard reporting and management reporting and allow for a seamless integration with key systems.</p> <p>One of the mandates for the Gauteng Department of e-Government (e-Gov) is to provide a Digital Platform, e-Services and Applications. The Entity requested e-Gov to map and develop the system. e-Gov has commenced with the user-requirement processes in mid-September 2021. The rollout of the system will take place in modular approaches. Two modules, namely: registration of transport officers and drivers, are planned to be developed and installed before the end of the financial year 2021/22.</p> |

| Reference No. | Question/ Recommendation | Department Response |
|---------------|--|---|
| Question 3 | The Entity should update the Committee on the implementation of the three strategic projects, namely, IFMS, e-DRMS and Tracker System. | <p><u>The Electronic Document Management System (e-DRMS)</u></p> <p>The purpose of e-DRMS is to scan, index, edit/create document versions, view and search records, document and records management tools. The service provider was appointed by the Gauteng Department of Roads and Transport's ICT. To date, the development of the system has been completed and includes the following,</p> <ol style="list-style-type: none"> Business processing mappings. Technical design and documentation. Screenshots design and process development. User acceptance training and testing. <p>The scanners for back scanning were procured and delivered. The Gauteng Department of Roads and Transport (GDRT) submitted a request to the State Information Technology Agency (SITA) to provide additional licences. The request to SITA provides for 25 licences earmarked for the Entity. The GDRT is yet to receive feedback from the SITA: BAC met and considered the request on 15 November 2021.</p> <p>The recruitment process for interns is underway and the Human Resources unit is busy with the shortlisting process. This process is expected to be completed before end of the financial year. Once the process of recruiting interns is completed, certain candidates will be allocated to deal with the backlog by scanning all identified previous documents.</p> |

Responses to the Committee's Questions on Annual Report of g-Fleet Management for the 2020/21 Financial Year

| Question No | Question/ Recommendation | Department Response |
|-------------|--|---|
| 16 | The Entity should clarify whether public auctions were held in the financial year under review. If so, the Entity should also provide the revenue that was generated from public auctions. | <p>The Entity held two public auctions in the financial year under review. The first public auction was held on 03 May 2021 to 20 May 2021 and the Entity generated revenue amounting to R32,544,467.35 from this auction.</p> <p>The second auction was held on 27 September 2021 to 15 October 2021 and the Entity generated revenue amounting to R43,544,195.87 from this auction.</p> |
| 17 | The Entity should clarify whether the average debtors' collection days was reduced in the financial year under review. | Yes. The Entity surpassed the 15% target of reducing the average collection days, excluding amounts owed by client departments that submitted written payment plans. The average collection days reduced from 71 days to 57 days as at 31 March 2021. |
| 18 | The Entity should highlight the matters of emphasis that were raised by the AG and put plans in place to address those matters. | <p>The only aspect raised as an emphasis of matter by the Auditor-General of South Africa related to the Entity having restated its corresponding figures for the financial year 2019/20 due to the identification of an error.</p> <p>In response to the 2020/21 audit outcome, management has drafted a new Audit Improvement Plan with the aim of achieving a clean audit opinion. Once again, this plan is premised on the foundation that all critical positions within the Entity will be filled to bring about support and management to key business units.</p> <p>As at 30 October 2021, management can report that it has already implemented 10 out of the 22 action plans (45%). The remaining 12 items have already commenced and are in progress.</p> <p>The Audit Improvement Plan was presented to the Committee.</p> |

| Question No | Question/ Recommendation | Department Response |
|-------------|---|---|
| 19 | The Entity should explain the over expenditure recorded in the Fleet Maintenance services and the Permanent Fleet programmes. The Entity should also explain the significant under expenditure in the Transport Support Services programme. | <p><u>Over-spending on Fleet Maintenance</u></p> <p>The budget for the business unit had been adjusted downwards during May 2020 in response to the estimated negative impact of the COVID-19 pandemic on the Entity's operations. Unfortunately, the estimated negative impact did not fully materialise which resulted in the overspending on the following line items:</p> <ul style="list-style-type: none"> • Tyres and tubes. • Spares and accessories. <p><u>Over-spending on Permanent Fleet</u></p> <p>The budget for purchase of motor vehicles was adjusted downwards to R200 million during May 2020 in response to the estimated negative impact of the COVID-19 pandemic on the Entity's operations. Unfortunately, the estimated negative impact did not fully materialise which resulted in the overspending by approximately R18 million on the item.</p> <p><u>Under-spending on Transport Support Services</u></p> <p>While the budget had been adjusted downwards for most of the main items, the Entity still experienced a more than estimated slow-down in the following items as a result of the negative impact of the COVID-19 pandemic which restricted the level and extent of movement, resulting in the underspending on the following line items:</p> <ul style="list-style-type: none"> • Toll fees. • Fuel, oil and grease. • Fines and penalties. • Claims against the state. |

Responses to the question on the Committee's Oversight Visits

| Question No. | Question/ Recommendation | Department Response |
|--------------|--|--|
| 5 | Proposed intervention plan on the Audit Opinion on the g-FleeT Management Annual Report 2020/21. | <p>Audit Improvement Plan presented to the Committee.</p> <p>In response to the 2020/21 audit opinion, management drafted an Audit Improvement Plan with the aim of achieving a clean audit opinion. Once again, this plan is premised on the foundation that all critical positions within the Entity will be filled to bring about support and management to key business units.</p> <p>As at 30 October 2021, management can report that it has already implemented 10 of the 22 action plans (45%). The remaining 12 items have already commenced and are in progress.</p> |



Responses to the Committee's Questions on the g-Fleet Management Second Quarter Report for the 2021/22 Financial Year

| Question No | Question/ Recommendation | Department Response |
|-------------|---|--|
| 001 | The Department should provide the Committee with a detailed report on the implementation of intervention measures in place to achieve planned service delivery targets within the Department and g-Fleet in the quarters of the financial year. | The Intervention Plan was presented to the Committee. |
| 007 | The Department and g-Fleet Management should provide the Committee with a detailed report on the intervention measures in place to remedy the challenges experienced with WesBank. The report should also include the source and budget utilised for appointment of an external party to review services offered by WesBank, punitive measures against WesBank and future proposals to curb the existing challenge. | <p>Appointment of the external service provider:</p> <p>The National Department of Transport did not appoint the service provider to review services offered by WesBank. The Entity did not incur any costs.</p> <p><u>Punitive measures against WesBank:</u> There are no punitive measures currently put in place as the RT46 contract between the service provider (FirstRand/WesBank) and National Treasury is yet to be signed.</p> <p>Proposed Interventions:</p> <p><u>Short-Term Plan:</u></p> <p>The Entity's short-term plan is to request authorisation from National Treasury to allow the Entity to manage the accident repairs process in line with the provisions of the special conditions of the RT46 contract. This will assist in addressing backlogs experienced in repairing vehicles involved in accidents.</p> <p><u>Long-term plan</u></p> <p>The Entity is in the process of considering options that are available to the Entity, for the managed maintenance vehicle programme. One of the options available is to gradually build internal capacity for the Panel Beating Workshops and also consider adopting a hybrid approach for insourcing and outsourcing the managed maintenance vehicle programme and not participate in the National RT46 tender.</p> |

| Question No | Question/ Recommendation | Department Response |
|-------------|---|--|
| 12 | The g-Fleet Management should provide a report on why the RT46 service provider is still unable to provide fleet maintenance reports. | <p>The RT46 is a National Treasury transversal contract. It provides for fuel cards, accident repairs and maintenance repairs. It further aids in the assessment of the reasonableness of repairs and maintenance (i.e., review of quotations received from service providers). The RT46 service provider is FirstRand Bank/WesBank.</p> <p>Initially the bank had committed to submit the reports by 31 July 2021. When reporting for the first quarter, the bank indicated that they could not provide complete maintenance reports due to the unrest where a system freeze was put in place and the bank further committed that reports will be available by 30 August 2021.</p> <p>When reporting for the second quarter, the bank failed again to provide the complete maintenance reports. The bank indicated that due to the complexity in the development, the reports will only be available before 31 October 2021. The reports were received by the Entity on 21 October 2021; however, the Entity is in process of interrogating these reports.</p> <p>The matter was reported to the National Treasury as the custodian of the contract. The major challenge has been the 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.</p> <p><u>Specific interventions</u></p> <p>a) A formal complaint letter on the RT46 managed maintenance services was submitted to the Chief Executive Officer of Wesbank/FirstRand.</p> <p>b) Several formal complaint letters were also submitted to National Treasury as well as National Department of Transport.</p> <p>c) In addition, a specific request was made to conclude a Service Level Agreement (SLA) with National Department of Transport and/or National Treasury with clear penalty clauses. However, it must be noted that to date, the SLA has not been concluded between the two parties.</p> <p>d) In the last National Committee meeting organised by National Department of Transport held between 03–05 November 2020, a recommendation was made that an external party is to be appointed to review services offered by FirstRand. In addition, that a special meeting be held on 09 December 2021 to specifically look at the progress made to date on all of the issues raised.</p> <p>e) In addition, the Entity continues to engage with the bank.</p> |
| 13 | The Entity should also report on the internal intervention made by g-Fleet Management in addition to escalating this matter. | The Entity has submitted a request to the Gauteng Department of Roads and Transport to remove the two targets namely: average number of days taken for mechanical repairs and average number of days taken for accident repairs, from the 2021/22 Annual Performance Plan due to the continued failure by the RT46 service provider to provide the required reports. |
| 14 | The Entity should provide a progress report on suspending petrol cards to all defaulting Departments. | <p>The Entity looks to implement different measures to stimulate payment from defaulting clients in line with the Debtors' Management Policy. One such measure is the suspension of petrol cards. This punitive measure like all others is preceded by various engagements and notices sent to the client departments. For the quarter under review, the Entity did not suspend any petrol cards for client departments. However, notices of intention to suspend the use of petrol cards were issued, which prompted immediate payment by the client departments.</p> <p>In addition, at the commencement of the financial year under review, the Entity delayed the renewal of expired petrol cards of defaulting client departments which prompted immediate payment from the following client departments:</p> <ul style="list-style-type: none"> • National Department of Energy. • National Department of Higher Education and Training. • National Treasury. • National Department of Sport and Recreation. • National Department of International Relations and Cooperation. |

| Question No | Question/ Recommendation | Department Response |
|-------------|--|--|
| 15 | The g-FleeT Management should explain why the final appropriation for the Entity was adjusted upwards in the second quarter. | <p>The perceived upward adjustment is due to the correction of an error in the budgeted figures presented by the Entity during the first quarter of the financial year. Management is profusely apologised to the Committee for this oversight.</p> <p>Management had erroneously included the budgeted figures for the first quarter of the financial year 2020/21, instead of the financial year 2021/22. This error was only discovered after the reports were presented and corrections were affected in the second quarter.</p> <p>Management will, however, be undertaking a review and adjustment of the budgets during the third quarter of the financial year in line with the revision of its 2021/22 Annual Performance Plan.</p> |

Responses to the Committee's Questions on the Third Quarter Performance Report for g-FleeT Management for the 2021/22 Financial Year

| Question No | Question / Recommendation | Department Response |
|-------------|--|---|
| 4 | The Entity should provide a detail report on the appointment of an external party to review the services offered by FirstRand and also provide a report on the resolutions that were tabled at the Special Meeting held on 9 December 2021 on the RT46 Contract. | <ul style="list-style-type: none"> • The National Department of Transport (NDoT) and National Treasury did not appoint the external service provider for the review of the services offered by FirstRand/FNB. In the special meeting held on 10 December 2021, the Coordinating Committee of Government Motor Transport (CCGMT) resolved that, issues pertaining to FirstRand/FNB's under performance or non-delivery will be managed by NDoT, through the CCGMT. • A Task Team comprising of government officials from various government departments, including provinces has since been established by the CCGMT. • The Task Team, amongst other issues, was mandated to review the information and confirm data accuracy of the reports received from FirstRand/FNB. • The CCGMT further resolved that the RT46 contract between NDoT and FirstRand/FNB should be expedited and concluded as a matter of urgency. • FirstRand/FNB was requested to present proposed interventions to address their underperformance or non-delivery in the next CCGMT Meeting. |
| 8 | The Entity should provide a detailed report on the adjustment on the final appropriation in the quarter under review. | <p>The 2021/22 budget was adjusted downwards by an overall amount of R5.6 million due to the following:</p> <ul style="list-style-type: none"> • The delays in the filling of vacant positions • The delay in the commencement of Phase 2 of the building rehabilitation project at g-FleeT main offices • Savings derived due to the strict implementation of cost containment measures. |

7. STANDING COMMITTEE ON PUBLIC ACCOUNTS RESOLUTIONS

Responses on the Standing Committee on Public Accounts (SCOPA) Oversight Report on the Report of the Auditor-General of South Africa on g-FleeT Management for the year ended 31 March 2020.

| Resolution No. | Subject | Response by the Department | Resolved (Yes/No) |
|----------------|--|--|-------------------|
| 7.1 | The Entity must submit a progress report detailing the effectiveness of the measures put in place to address findings on the Annual Financial Statements by 31 July 2021 and every quarter continuing up until end of June 2022. | <p>The Audit Improvement Plan was submitted.</p> <p>The overall effectiveness of the measures implemented was negatively impacted by the key skills and capacity gaps experienced by the Entity during the period under review. This was further laid bare by the negative impact of the COVID-19 pandemic as the limited key officials were not available during critical stages of the financial year and during the audit process, due to having contracted the virus. Although some of the key elements of the Audit Improvement Plan were implemented as detailed below, the challenges pertaining to the organisational structure and filling of key vacant positions played an overwhelming role in the regression of the overall audit outcome.</p> <p>The entity continued to prepare its financial records and reconciliations of transactions on a monthly basis and were successful in the detection and correction of misallocations and errors during the financial year.</p> <p>The entity continued to prepare its financial statements on a quarterly and annual basis with the aim of improving on the overall quality of its financial reports.</p> <p>The process of clearing of the old purchase orders on the system for the financial year 2020/21 was successfully completed.</p> <p>The entity's plan to migrate its asset register to SAP was not successfully finalised with unresolved challenges relating to the final development stages of the specific ICT project.</p> <p>Limited training opportunities were available to staff due to the impact of the COVID-19 pandemic and the capacity constraints within the Entity.</p> <p>The Entity appointed a service provider to assist with the review of the financial statements before submission to the Auditor-General of South Africa (AGSA).</p> <p>In response to the 2020/21 audit outcome, management drafted a new Audit Improvement Plan with the aim of achieving a clean audit opinion. Once again, this plan is premised on the foundation that all critical positions within the Entity will be filled to bring about support and management to key business units. As at 30 October 2021, management can report that it has already implemented 10 of the 22 action plans (45%). The remaining 12 items have already commenced and are in progress. Refer to Annexure B – Audit Improvement Plan. However, the Committee is advised that the aspect of restating corresponding amounts is expected to remain in the 2021/22 audit outcome as management has already affected adjustments in addressing the prior year audit qualification.</p> | Yes, Ongoing |
| 7.2 | The Entity must submit to the Committee a plan on how they would conduct a comprehensive review of AFS prior to submission for auditing by 31 July 2021. | <ul style="list-style-type: none"> • The Entity prepares and submits the AFS in accordance with the prescribed financial reporting framework, as required by section 40(1)(a) of the PFMA. • The financial statements closure timelines were issued to all officials within the Finance unit and other functional business units. • The first draft of the AFS was reviewed internally and by GPT. • The second draft of the AFS was reviewed by an independent service provider prior to submission for auditing by 31 May 2021. | Yes, Ongoing |

| Resolution No. | Subject | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|-------------------|
| 7.3 | The Entity must submit to the Committee a plan on how they would provide supporting documentation on time to auditors for auditing by 31 July 2021. | <p>The Entity was required to submit the requested information for audit within three working days as per the Audit Engagement letter.</p> <p>The following outlines how the Entity provided supporting documentations on time for auditing.</p> <ul style="list-style-type: none"> • All the requests for information (RFIs) for auditing were coordinated and monitored by the Finance unit. • The Finance unit received all RFIs and distributed them to the relevant business units • A link to upload requested information was made available to all business units. <p>With regards to management responses to communication of audit findings, the Entity was required to provide responses to management within five working days.</p> <p>All responses were coordinated by the Finance unit of the Entity and accordingly sent to the auditors.</p> <p>The Audit Steering Committee, comprised of the Entity's management and auditors was established and met weekly with a view to discuss all audit related issues, including tracking of information requested.</p> | Yes, Ongoing |
| 7.4 | The Entity must submit to the Committee its plan to prevent the occurrence of irregular expenditure, by 31 July 2021. This plan must include the assessment of its effect in the 2020/21 financial year. | <p>During the financial year 2020/21, the Entity incurred only one case of irregular expenditure, stemming from expired office rental in one the Regional Offices which is a continuation from the previous year.</p> <p>The Entity plans, amongst others, to enter into negotiations with the Airports Company South Africa (ACSA) with a view to extend contracts to accommodate all three regional offices.</p> <p>The Entity, under the auspices of GPT developed a compliance risk register which is tracked and monitored monthly.</p> | Yes, Ongoing |
| 7.5 | The Entity must submit to the Committee its plan to investigate and reduce the irregular expenditure accumulated over years by 31 July 2021 and quarterly report progress continuing up until the end of June 2022. | <p>The Entity commissioned an investigation on irregular expenditure incurred over years and eventually applied to condone the expenditure to GPT. Management is working closely with colleagues from the Gauteng Provincial Treasury to finalise the condonation process as a matter of urgency.</p> <p>As at 30 September 2021, the Entity incurred irregular expenditure amounting to R236 852, which comes from an old expired contract of property rental.</p> | Yes, Ongoing |
| 7.6 | The Entity must submit its plan detailing its adherence and compliance to the requirements of all applicable legislation to ensure that effective measures are implemented to ensure that contractual obligations are met by 31 July 2021 and a quarterly progress report continuing up until end of June 2022. | <p>The Entity, under the auspices of Gauteng Provincial Treasury has developed a compliance risk register which is tracked and monitored monthly.</p> <p>The compliance risk register was submitted to the Committee.</p> | Yes, Ongoing |

| Resolution No. | Subject | Response by the Department | Resolved (Yes/No) |
|----------------|--|---|-------------------|
| 7.7 | The Entity must submit its plan to prevent the occurrence of non-compliance with legislation and Regulation 16A6.1 by 31 July 2021. The plan must include the assessment of its effect in the financial year 2020/21. | The Entity's SCM unit developed a strategic document for SCM processes which was aggressively implemented. To this end, the Entity did not incur any known irregular expenditure due to non-compliance with Legislation and Regulation 16A6.1. | Ongoing |
| 7.8 | The Entity must provide the Committee with a progress report detailing the status of investigating the transaction that was procured in violation of Treasury Regulation 16A.6.1 by 31 July 2021 and a quarterly progress report continuing up until finalisation thereof. | The Entity did not agree to this specific finding because there was an approval granted by the Head of Department to deviate. Management was surprised when this was included in the audit report, regardless of the supporting documents provided. Thus, there was no investigation commissioned. | |
| 7.9 | The Entity must provide the Committee with a progress report detailing the effectiveness of the measures put in place to address errors in the financial statements by 31 April 2021 and a quarterly progress report continuing up until the end of June 2022. | The overall effectiveness of the measures implemented was negatively impacted by the key skills and capacity gaps experienced by the Entity during the period under review. Misstatements in financial statements emanate from the weakness in the internal control environment which affected daily and monthly processing of transactions and reconciliations. The weaknesses related to the skills and capacity limitations identified by the Entity played a fundamental role in the identified misstatements within the financial statements. Whilst control measures were implemented, the limited finance officials were required to undertake multiple roles and responsibilities associated with financial management. Some of which were incompatible functions such as being the preparer and reviewer of reconciliations, etc. Accordingly, an environment prone to errors and omissions was created as staff were overworked and exhausted. In response to the above, management will continue to implement the below control measures, whilst addressing the vacancy challenges: <ul style="list-style-type: none"> • The Entity prepares its financial statements on a quarterly and annual basis which are reviewed internally and by GPT. • The Entity prepares its financial records and reconciliations of transactions with a view to detect any misallocations or errors on a monthly basis. In addition, management will commence with the preparation of monthly financial statements which would facilitate early reviews, thereby allowing for an improvement in the quality of financial statements which is aligned to GRAP. Management is targeting the 3rd quarter financial statements as a basis to commence with the process of preparing monthly financial statements. | Yes, Ongoing |

| Resolution No. | Subject | Response by the Department | Resolved (Yes/No) |
|----------------|---|---|-------------------|
| 7.10 | The Entity must implement the recommendations of the investigation reports by the Provincial Accountant General (PAG) and the Gauteng Audit Services (GAS), thereafter provide the Committee with a progress report detailing the status of the implementation of the recommendations by 31 July 2021 and a quarterly progress report continuing up until finalisation thereof. | The Office of the Provincial Accountant General concluded that there were no duplicated payments and recommended the following interventions for the Entity, which were implemented: <ul style="list-style-type: none"> That Entity must move away from utilising manual systems and must migrate to SAP and utilise the SAP asset management module for recording. | Yes, Ongoing |
| 7.11 | The Entity must provide the Committee with a progress report detailing the effectiveness of the systems in place to achieve targets relating to Programme 3: Transport Operations by 31 July 2021 and a quarterly progress report continuing up until the end of June 2022. | The Entity only has Programme 1 and Programme 2. Programme 3 (Transport Operations) functions are executed by the Department. | Resolved |
| 7.12 | The Entity must provide the Committee with a progress report detailing the effectiveness of the action plan to address the root causes related to internal control deficiencies by 31 July 2021 and a quarterly progress report continuing up until the end of June 2022. | The Entity developed tracking and monitoring mechanism for all findings issued by AGSA and Gauteng Audit Services. The tracking and monitoring plan identified actions or interventions with the implementation date and responsible official, to address shortcomings in the internal control weaknesses raised by the auditors. Progress reports on the implementation of action plans on audit findings are prepared on a monthly and quarterly basis. The audit findings that are tracked on a monthly basis cover many processes of the operations of the Entity as required by law and regulations. These include financial statements, internal control systems, compliance and performance information. The Entity provided progress on the implementation of action plans on audit findings for the period ending 15 January 2022. | Ongoing |

| Resolution No. | Subject | Response by the Department | Resolved (Yes/No) |
|----------------|--|---|-------------------|
| 7.13 | The Entity must provide the Committee with a progress report detailing the status of the recruitment process to fill vacant critical position in the Finance unit by 31 July 2021 and a quarterly report continuing up until the finalisation thereof. | <p>The shortlisting and interviewing process for critical posts, which included the post of Director: Finance has been delayed due to objections raised by the organised labour on the recruitment process within the organisation. A way forward has been agreed with organised labour to allow for the urgent re-advertisement of such posts.</p> <p>These posts, including the post of Director: Finance were re-advertised externally on 5 December 2021, internally on 7 December 2021 and through the DPSA website on 10 December 2021.</p> <p>The Entity was advised that the post of the Chief Financial Officer (CFO) cannot be filled because it is not catered for in the current organisational structure even though approval was granted by the MEC to fill the post out of adjustment. The Office of the Premier together with Gauteng Department of Roads and Transport (GDRT) are in the process of reviewing the organisational structure.</p> <p>In the interim, an official from GDRT was seconded to the Entity to perform the functions of the CFO for a period of 12 months.</p> | Ongoing |
| 7.14 | The Entity must provide the Committee with the progress report detailing the status of the investigations related to third party claims as at 31 July 2021 and a quarterly progress report continuing up until finalisation thereof. | The Entity provided the Committee with the progress report detailing the status of the investigations relating to third party claims. | Ongoing |
| 7.15 | The Entity must submit quarterly progress reports on the finalisation of the lawsuits reported for the period of 31 March 2020 by 31 July 2021 and a quarterly progress report continuing up until finalisation thereof. | The progress on each lawsuit was provided. | Ongoing |
| 7.16 | The Entity must investigate alternative measures to reduce the occurrence of lawsuits and submit the plan to the Committee by 31 July 2021. | The biggest lawsuits that the Entity is currently dealing with were inherited from the previous administration due to non-compliance with certain prescripts, especially procurement rules and regulations. The third-party claims as a result of accidents by government officials are ongoing. However, the Entity is planning to activate the driver behaviour management programmes as part the strategy going forward to reduce number of accidents. | Ongoing |

| Resolution No. | Subject | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|-------------------|
| 7.17 | The Entity must submit its audit action plan indicating the following: Each area of finding by the AGSA in the 2019/20 financial year, the plan by the Department to address the area of finding, time frame, and progress of implementation as at 31 March 2021. The Department must thereafter submit quarterly progress reports on the implementation of the audit action plans for 2020/21 until 30 October 2021. | The audit action plan document is tracked and updated monthly. This document is submitted to the Provincial Treasury monthly and to the Audit Committee quarterly. Progress on the implementation of action plans for major findings were submitted to the Committee. | Ongoing |

House Resolutions for Responses on SCOPA Oversight Report on the Report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the Financial Statements of g-FleeT Management for the year-ended 31 March 2021

| Resolution No. | Subject | Response by the Department | Resolved (Yes/No) |
|----------------|---|---|-------------------|
| 1 | That the Entity must provide the Committee with a report detailing the progress of the process of reviewing the current organisational structure by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof. | Two parallel processes are still being pursued by the Entity for the development of the organisational structure. The first is the review of the current organisational structure and the second is the form and shape of the organisation. Review of the current organisational structure The Gauteng Department of Roads and Transport and the Office of the Premier continues to support the Entity with the development of the organisational structure. It is envisaged that the revised 2012 organisational structure will be submitted to the Department of Public Service and Administration (DPSA) by April 2022. Form and Shape of the Organisation Further to the Organisational Review: At the Project Steering Committee meeting held in February 2022, the Entity had to abandon the procurement processes that were undertaken to appoint a service provider to undertake an assignment to prepare a feasibility study and a comprehensive business case on the "form and shape" of the organisation to create an autonomy from GDRT for approval by the relevant authorities. This has, however, changed and will now be done internally with the assistance of OoP in line with the decision taken in the Organisational Review: Project Steering Committee meeting held in February 2022. The feasibility study and comprehensive business case will be submitted by June 2023. | Ongoing |

| Resolution No. | Subject | Response by the Department | Resolved (Yes/No) |
|----------------|--|--|-------------------|
| 2 | The Entity must provide the Committee with a report detailing the status of the project to conduct the assessment of its assets as required by policy and GRAP by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof. | Management can report that the impairment assessment which had resulted in the negative audit outcome for the 2020/21 financial year was completed and the financial statements adjusted accordingly. The affected adjustments were sent to AGSA for early audit. During the month of March 2022, AGSA commenced with the review/audit of the information submitted. The audit remains in progress. The impairment assessment for the financial year 2021/22 on the remaining buildings was completed. | Ongoing |
| 3 | The Entity must provide the Committee with a report detailing the status of the classification of vehicles awaiting disposal as per the requirements of GRAP 17 by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof. | Management can report that the challenges pertaining to the classification of vehicles awaiting disposal which resulted in the negative audit outcome for the 2020/21 financial year has been addressed and the financial statements adjusted accordingly. The affected adjustments were sent to AGSA for early audit. During the month of March 2022, AGSA commenced with the review/audit of the information submitted. The audit remains in progress. The assessment for the classification of vehicles awaiting disposal for the financial year 2021/22 is currently in progress. | Ongoing |
| 4 | The Entity must submit its Audit Improvement Plan and provide the Committee with a report detailing its effectiveness by 31 January 2022 and a quarterly progress report continuing up until end of June 2022. | The Audit Improvement Plan was presented to the Committee | Ongoing |
| 5 | The Entity must submit its plan to review performance indicators and provide the Committee with a report detailing its effectiveness by 31 January 2022 and a quarterly progress report continuing up until end of June 2022. | <p>The Technical Indicator Descriptions (TID) that were found not to be in line with the prescribed Guidelines for the implementation of the revised framework for Strategic Plan and Annual Performance Plan were revised with the assistance of the Office of the Premier as well as GDRT: Monitoring and Evaluation Unit. The Annual Performance Plan has been revised and approved accordingly.</p> <p>The 2 targets namely: minimum of 30% of procurement budget to be allocated to township businesses and the ICT Strategy developed and implemented, were amongst the targets that were reviewed with the assistance of OoP and GDRT: Monitoring and Evaluation Unit. This was done with the aim of aligning it with performance information available. The Entity obtained approval to remove the two targets/output indicators relating to maintenance from the APP.</p> | Yes, Ongoing |

| Resolution No. | Subject | Response by the Department | Resolved (Yes/No) |
|----------------|--|--|-------------------|
| 6 | The Entity must submit its plan to fill the position of the Deputy Director: Asset Management and Director: Finance by 31 January 2022 and provide the Committee with progress made by 31 January 2022 as well as a quarterly progress report continuing up until the finalisation thereof. | <p>The shortlisting and interviewing process for the critical vacant posts that were previously advertised was delayed due to objections raised by the organised labour on the recruitment process within the organisation. Some of the objectives raised were that only online applications were allowed and accepted, time lapse between advertisements and that organised labour was not involved in the shortlisting and interviewing of the Senior Management posts, etc.</p> <p>To resolve the matter and to ensure labour peace, an agreement was reached to re-advertise the posts allowing for manual submissions of Curriculum Vitae (CVs). Twenty-five critical posts were subsequently advertised in December 2021 and the closing date was 28 December 2021 - 05 December 2021 (Sunday Times), 07 December 2021 (Internal Communications) and 10 December 2021 (DPSA). The Project Plan outlining the processes to be followed was prepared by Human Resource and is being tracked on a weekly basis. The selection process has commenced and the Entity will ensure that the advertised posts are filled within six months (i.e., 28 June 2022) from the closing date, in line with Departmental Recruitment and Selection Policy.</p> | Ongoing |
| 7 | The Entity must submit its plan to rollout the Electronic e-invoicing system and provide the Committee with a report detailing its effectiveness by 31 January 2022 and a quarterly progress report continuing up until end of June 2022. | The invoice tracker aligned to the Electronic Invoicing System (EIS) has been developed and is being implemented. The related Standard Operating Procedure (SOP) review has been completed and is being implemented. | Ongoing |
| 8 | The Entity must provide the Committee with a report detailing the status of the application to the Gauteng Provincial Treasury for condonement of the irregular expenditure amounting to R464 000 by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof. | The reported irregular expenditure emanated from the extension of the expired leased accommodation for the East London Regional Office. Such extension has also been reported as irregular expenditure in the prior years and already forms part of the irregular expenditure condonation request submitted to the GPT. The Entity will then use the feedback as a basis for submitting the new request for the R464 000. | Ongoing |
| 9 | The Entity must provide the Committee with a report detailing the status of the investigation into the fruitless and wasteful expenditure by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof. | On 02 December 2021, the Acting Head of Department approved the Entity's request to refer the fruitless and wasteful expenditure balance to GDRT's Anti-Fraud and Corruption unit for investigation. Such approval was submitted to the GDRT's Anti-Fraud and Corruption unit and is currently under investigation. | Ongoing |

| Resolution No. | Subject | Response by the Department | Resolved (Yes/No) |
|----------------|---|--|-------------------|
| 10 | The Entity must provide the Committee with a report detailing the status of the process of mapping and developing the new fleet system as well as the electronic document management system to simplify and automate processes by 31 January 2022 and a quarterly progress report continuing up until finalisation thereof. | <p>Integrated Fleet Management System (IFMS)</p> <ul style="list-style-type: none"> Weekly project progress meetings are convened between the Entity and the system development department, Gauteng Department of e-Government. A Steering Committee has been established to convene monthly meetings comprising of key stakeholders representing the Entity, the Gauteng Department of Roads and Transport (GDRT), e-Gov and Gauteng Audit Services (GAS). The main purpose of the Steering Committee, among others, is to: approve the Project Initiation Documentation; authorise each development stage of the project; approve out of scope activities and evaluate the cost implications thereof; provide overall guidance and direction to the project; ensure the project remains viable and within any specified constraints; ensure risks are tracked and managed as effectively as possible; authorise project closure and sign off the project. A detailed Project Plan has been developed which outlines the project stages and the 17 modules and sub-modules to be developed against which progress will be tracked and monitored. The progress to-date is that the first module (customer care management) comprising of three sub-modules is earmarked to be completed by 30 June 2022. One of the three sub-modules (registration/access management) have been developed and is currently being tested for completeness. The business requirements mapping/documenting of the two remaining sub-modules (e-transact and e-forms) are underway before development can commence. <p>Electronic Document Management System (e-DRMS)</p> <ul style="list-style-type: none"> Capacity constraints forced the Entity to put the recruitment of interns on hold and re-direct all resources to prioritise the finalisation of the permanent staff recruitment process. The Entity is currently finalising the shortlisting phase and the interviews will commence as soon as the shortlisted candidates have been approved by the relevant delegated authority. Interviews are expected to be held during April 2022 for possible finalisation of the recruitment process by 31 May 2022. The licences for operating the e-DRM system has been obtained from GDRT. The project implementation is ongoing; refresher training for specific individuals who will be using the system is being conducted and the system is to be fully operational by 30 April 2022. | Ongoing |
| 12 | The Entity must submit progress made in the implementation of its audit action plans by 31 January 2022 and every quarter thereafter until all resolutions are resolved. | The Audit Improvement Plan was submitted. | Ongoing |



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 | 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 financial years 2018/19 and 2019/20. It is only during financial year 2020/21 that the Entity incurred fruitless and wasteful expenditure due to interest paid on late payments. This happened during hard lockdown and the Entity has since introduced digital signatures to avoid late approval of invoices. |
| Contractual obligations and money owed by the Entity were not settled within 30 days (Non-compliance with PFMA) | 2014/15 | The Entity achieved a 97% compliance rate in terms of paying services providers with the prescribed 30 days' period in terms of the PFMA and TR. The Entity will continue to implement measures aimed at achieving a 100% compliance rate. SAP has been fully implemented and the Purchases and Accounts Payable Standard Operating Procedure is being continuously implemented. Suppliers are encouraged to register on the Electronic Invoicing System which allows them to submit invoices electronically thereby fast tracking the payment process. |

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 assesses and evaluates internal control to ensure that the control activities in place are effective, efficient and transparent and updated when necessary. The Auditor-General also conducts an assessment on the Drivers of Internal Control of the Entity and the recommendations are taken into considerations when improvements of the control weakness are put in place.

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

The internal audit section of the 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 2022.

Audit Committee and Attendance

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

Non-Executive Members

The table below discloses relevant audit committee information:

| Name | Qualifications | Internal or external | Date appointed | No. of Meetings attended |
|--------------------------------|--|----------------------|----------------|--------------------------|
| Vishnumurthie Kista Naicker | <ul style="list-style-type: none"> ➤ B. Com (Accounting and Economics Major) ➤ Higher Diploma in Taxation (H. Dip. Tax) ➤ Business Management Diploma (B. Mg. Dip) ➤ Systems Administration Diploma ➤ Sustainable Business Strategy (Harvard Certification) | External | 11 Aug 2020 | 5 |
| George Higgins | <ul style="list-style-type: none"> ➤ Chartered Accountant (SA) ➤ B. Com (Hons) ➤ B. Com ➤ Higher Diploma in Auditing | External | 01 Sept 2016 | 5 |
| MMathebe Annah Faith Moja (Ms) | <ul style="list-style-type: none"> ➤ Masters in Business Leadership ➤ Advanced Treasury Management ➤ B. Com | External | 11 Aug 2020 | 5 |



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. Poobalan Govender (Acting Chief Financial Officer) | 04 |
| Mr. Matodzi Mamatsinya (Acting Chief Financial Officer) | 01 |
| Ms. Delicia Kgage (Acting Chief Risk Officer) | 03 |
| Ms. Duduzile Malebo (Acting Chief Risk Officer) | 01 |
| 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 G-Fleet, internal audit function and the Auditor-General of South Africa collectively and individually, on matters related to governance, internal control and risk in the Entity, throughout the reporting period. The Chairperson also held a meeting with the honorable 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 Entity.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

Due to significant findings of non-compliance and performance information as reported by the Auditor-General of South Africa, the qualified audit outcome of g-Fleet Management has regressed from the previous year. Despite the effects of COVID-19 in the Entity that is already under-capacitated, management should strengthen the internal control systems surrounding financial reporting, performance information, property, plant, and equipment, related parties, the recognition of revenue and expenses from principal and agent arrangements. The audit outcome has regressed as a result of insufficient controls in these areas.

There is room for improvement in some areas, including timely resolution to internal audit findings and implementation of consequence management, strengthening the internal control environment through the development and implementation of systems across the internal control universe, and improving its financial reporting controls to ensure that risks of material misstatement are curtailed.

Information and Communication Technology (ICT) Governance

The Audit Committee took note of the report from the Auditor-General of South Africa, that stated that status of IT controls was unsatisfactory and remained unchanged in comparison to the previous year, with the most significant shortcomings being in the areas of IT governance, user access management, program change management, and IT service continuity management.

Effective fleet management should be made possible by the adoption of an efficient fleet system. The Audit Committee continues to be disappointed in the lack of advancement in deploying this fleet management system, which will greatly improve the control environment, despite frequent updates from management.

The internal audit report recommends that management pay attention and address any control inadequacies for the management of IT assets.

Internal Audit

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

The Internal Audit team was able to execute and substantially complete all risk-based audit assignments within the budgeted hours and timeframes. The Audit Committee is satisfied that the Internal Audit plan demonstrated a direct correlation with the major risks, has adequate information system coverage, and achieves a good balance between the various audit types, including risk-based, mandatory, performance, computer, and follow-up audits.

The coordination of efforts between internal audit and Auditor-General of South Africa have been enhanced further during the year in the provision of assurance services. The Audit Committee considers this a significant step toward a comprehensive combined assurance system.

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.

Risk Management

The Audit Committee is responsible for the oversight of the risk management function. The risk management committee reports to the audit committee on the entity's management of risk. The Audit Committee has reviewed the risk register and the risk committee's reports and is generally satisfied with the level of maturity of the risk management process; however, improvements to the Entity's approach to mitigating risk, processes, and policies to address its most significant risk exposures are still essential. The Audit Committee urges Management to ensure that the risk management function is adequately resourced and to assume full responsibility for the entire Enterprise Risk Management Process in order to improve the entity's performance, including the appointment of an independent Risk Management Committee Chairperson, whose position remains vacant.



Performance Management

The review of effectiveness and functionality of the performance management system (which includes analysis of management prepared quarterly performance reports and related internal audit reports) by the Audit Committee revealed a need to strengthen current performance management and reporting systems.

The Audit Committee notes that the Auditor-General of South Africa has raised a finding regarding the usefulness of certain key performance indicators and has requested that management and the Auditor-General of South Africa work together to 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 were in compliance with the statutory reporting framework. The Audit Committee commends the Entity for reporting to Treasury on a monthly and quarterly basis, as required by the PFMA. The Audit Committee recommends that the Entity ensure greater compliance with section 40(1) of the PFMA with regard to the evaluation and monitoring of financial reports and performance information reports by management.

Compliance with the relevant laws and regulations

Throughout the year, Audit Committee, Management, Internal Audit, and the Auditor-General of South Africa identified a number of instances of non-compliance with the enabling laws and regulations. As a result, the Audit Committee recommended the development and implementation of an efficient compliance management system to handle issues of noncompliance with laws and regulations.

Forensic Investigations

No cases were reported to Provincial Forensic Services during the year under review. However prior year forensic recommendations and remedial actions were varied stages of implementation.

Evaluation of Annual Financial Statements

The Audit Committee undertook the following activities related to Annual Financial Statements: 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 on 19th of May 2022 and recommended them for audit.

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General of South Africa, the Accounting Officer and the CEO with focus on the following areas:
 - ◇ 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 Auditor-General of South Africa;
 - Reviewed the Auditor-General of South Africa's Management Report and Management's response thereto.

The Audit Committee concurs with and accepts the Auditor-General of South Africa'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 Auditor-General of South Africa.

Evaluation of Annual Report

The Audit Committee assessed the Annual Report (containing the performance report) and noted the year's accomplishments and challenges before recommending its submission.

Audit Improvement Plan for 2020/21

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

One-on-One Meeting with the Accounting Officer

Periodically, the Audit Committee has met with the Chief Executive Officer and Department's Accounting Officer to discuss concerns and address problematic issues impacting the control environment of the Entity.

One-on-One Meetings with the Executive Authority

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



Conclusion

In order to improve the Entity's audit outcomes, the Audit Committee strongly recommends that the Entity prioritise root-cause identification and analysis, adoption of consequence management, and regular monitoring of audit action plans for both internal and external audit. Further, the Gauteng Department of Transport is urged to support the Entity by ensuring that the supporting functions, such as IT and Risk Management, offer the necessary services in a dynamic and efficient manner.

In addition, the Audit Committee is encouraged by and appreciates the improvement in communication between the Accounting Officer, the Chief Executive Officer, Senior Management, the Auditor-General of South Africa, and Internal Audit, which, if maintained, can strengthen Corporate Governance initiatives within the Entity.

Mr Vishnu Naicker

Chairperson of the Audit Committee

Name of Department

Date: 11 August 2022



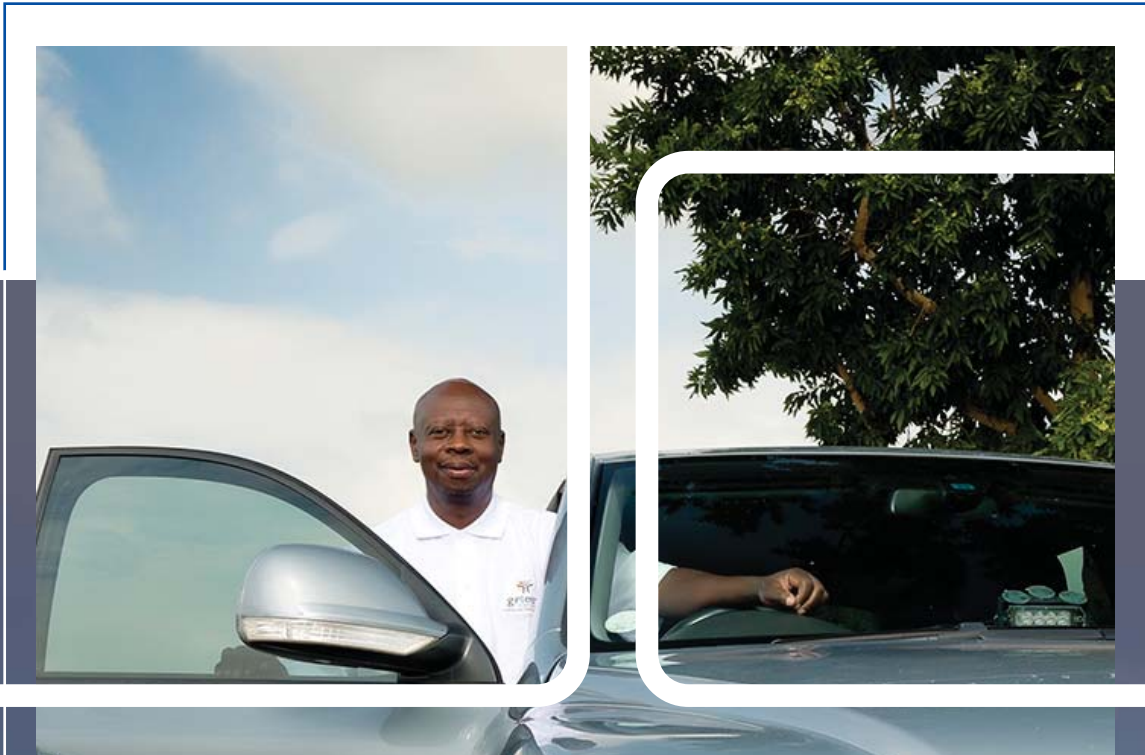
11. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The Entity requested the Gauteng Provincial Treasury (GPT) to arrange for the Department to participate in the BBBEE verification audit, for the financial year 2021/22 however, the verification did not materialize. Ongoing engagement with GPT ensued to complete the BBBEE verification and the request was approved in July 2022 for the financial year 2022/23 verification audit.



G-FLEET MANAGEMENT

PART D: HUMAN RESOURCE MANAGEMENT



● HIGHLIGHTS

G-FLEET

01



31 Critical posts have been re-advertised and is envisaged to be filled by end of December 2022

02



Two parallel process are being pursued by the Entity for the development of the organisational structure. The first is the review of the current organisational structure and the second is the form and shape of the organisation

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 2012. 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. The Entity is implementing recruitment process as per the approved critical posts.

The Office of the Premier together with the Department of Roads and Transport are in the process to review and re-align the organisational structures of the Department and the Entity. 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 191 officials in its employ. The Entity appointed 12 youth brigades on a contract basis for 12 months during the period under review. They were appointed for COVID-19 screening. The Entity's vacancy rate increased because of resignations and officials going on pension. The Entity's vacancy rate is at 31% currently.

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 2020/21 Training Plan. As a result, 17 employees completed a Risk Management training and 31 completed a Generally Recognised Accounting Practice (GRAP) training.

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 were welcomed by most staff. Continued training on the policies and procedures of the Entity and the Department have taken place throughout the financial year.

2. EMPLOYEE HEALTH AND WELLNESS PROGRAMME

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 the 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 Programme (EAP). There were roadshows that kept 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 also assisted in giving staff updated information on health matters varying from HIV/AIDS, Cancer, Alcoholism and Mental Health, etc. The Department launched vaccines for COVID-19 in all sites and regions for employees to get vaccinated at the workplace during working hours.

EPP (Reality Wellness Group) is the newly appointed 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. Reality Wellness Group, 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.

The Minister of Employment and Labour issued a directive in terms of Regulation 10(8) of the Regulations issued by the Minister of Cooperative Governance and Traditional Affairs in terms of section 27 (2) of the Disaster Management Act, 2002 (Act No. 57 of 2002). The directive sets out the measures that employers are required to take to prevent the transmission of COVID-19 in the workplace.

To give effect to the above, the Department of Roads and Transport: Head of Department established the GPDRT: Steering Committee in March 2020 to monitor the provision and maintenance of the working environment that is safe and without risk to health and safety of employees, clients and visitors. The Steering Committee was tasked to identify hazards and risks that may have adverse effects to health and safety, put control measures to mitigate and eliminate identified risks, provide information and training on SHERQ management issues, provide Personal Protective Equipment (PPE) and develop Standard Operating Procedures (SOPs), conduct COVID-19 screening, testing and medical surveillance, occupational hygiene surveys and audits.

Section 2.6.1 of DPSA Circular 7 of 2020 stipulates that "Department must conduct a risk assessment to identify the risks of a COVID-19 outbreak in the Department where provisions against COVID-19 are still inadequate and processes to immediately/urgently correct these". To respond to the directive, the departmental baseline Hazard Identification Risk Assessment (HIRA) and Enterprise-wide Strategic Risk Assessment were developed and approved by the Head of Department on 21 April 2020 and 13 May 2020, respectively. The Entity continued to implement and ensure compliance to the various COVID-19 circulars issued by DPSA. The Entity ensured that the daily COVID-19 screening was conducted in all five worksites that are based in Gauteng as well as in the three regional offices. During the 2021/22, a total of 15 COVID-19 positive cases were reported. Fortunately, there were no fatalities to date. All employees have recovered and are back at work.

The Entity also encouraged officials to get vaccinated. A total of 48 officials were vaccinated through the vaccination campaigns held by the Department.

3. HUMAN RESOURCE OVERSIGHT STATISTICS

3.1 PERSONNEL RELATED EXPENDITURE

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

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

Table 3.1.1 Personnel Expenditure by the programme for the period 1 April 2021 and 31 March 2022

| 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 | 3,174 | 3,159 | | | 0% | 1,053 |
| Office of the COO | 1,365 | 1,272 | | | 0% | 636 |
| Office of the CFO | 7,794 | 1,132 | | 29 | 0% | 566 |
| Financial Services | 13,997 | 13,429 | | | 2% | 448 |
| Corporate Services | 72,730 | 10,460 | 0 | 300 | 1% | 317 |
| Marketing and Communication | 10,877 | 10,759 | | | 1% | 468 |
| Maintenance Services | 145,713 | 8,881 | | | 1% | 370 |
| Transport Support Services | 194,571 | 11,917 | | | 2% | 411 |
| Permanent Services | 319,508 | 7,366 | | | 1% | 491 |
| VIP and Pool Services | 17,733 | 17,610 | | | 2% | 359 |
| Total | 787,462 | 85,985 | 0 | 329 | 10% | 409 |

Table 3.1.2 Personnel Costs by Salary Band for the period 1 April 2021 and 31 March 2022

| 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) | 1,444 | 2% | 3 | 90 |
| Skilled (Levels 3-5) | 23,326 | 27% | 89 | 278 |
| Highly skilled production (Levels 6-8) | 31,593 | 36% | 64 | 433 |
| Highly skilled supervision (Levels 9-12) | 23,704 | 27% | 32 | 718 |
| Senior and Top management (Levels 13-16) | 5,918 | 8% | 3 | 1,479 |
| Total | 85,985 | 100% | 191 | 409 |

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

| 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 | 3,159 | 4% | | | 18 | 0% | 22 | 0% |
| Office of the COO | 1,272 | 2% | | | | 0% | 44 | 0% |
| Office of the CFO | 1,132 | 1% | | | | 0% | 46 | 0% |
| Financial Management | 13,429 | 17% | | | 394 | 1% | 836 | 1% |
| Corporate Services | 10,460 | 12% | | | 424 | 1% | 679 | 1% |
| Marketing and Communication | 10,759 | 12% | | | 384 | 0% | 610 | 1% |
| Maintenance Services | 8,881 | 11% | | | 260 | 0% | 691 | 1% |
| Transport Support Services | 11,917 | 14% | 68 | | 369 | 0% | 811 | 1% |
| Permanent Services | 7,366 | 8% | | | 237 | 0% | 411 | 0% |
| VIP/POOL Services | 17,610 | 19% | 638 | 1% | 752 | 1% | 1 248 | 1% |
| Total | 85,985 | 100% | 706 | 1% | 2,838 | 3% | 5,398 | 6% |



Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

| Salary Bands | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|--|----------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Skilled (Levels 1-2) | 1,444 | 2% | 23 | 0% | 36 | 0% | 20 | 0% |
| Skilled (Levels 3-5) | 23,326 | 27% | 523 | 1% | 1 168 | 1% | 2,056 | 2% |
| Highly skilled production (Levels 6-8) | 31,593 | 37% | 135 | 0% | 907 | 1% | 2,522 | 3% |
| Highly skilled supervision (Levels 9-12) | 23,704 | 27% | 25 | 0% | 647 | 1% | 730 | 1% |
| Senior management (Level 13-16) | 5,918 | 7% | 0 | 0% | 80 | 0% | 70 | 0% |
| Total | 85,985 | 100% | 706 | 1% | 2 838 | 3% | 5,398 | 6% |

3.2 EMPLOYMENT AND VACANCIES

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

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

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations

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

Table 3.2.1 Employment and Vacancies by the programme as on 31 March 2022

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy rate | Number of employees additional to the establishment |
|--------------------|---|------------------------|--------------|---|
| SMS (Levels 13-16) | 8 | 3 | 63% | 0 |
| Levels 11-12 | 17 | 14 | 17% | 0 |
| Levels 7-10 | 107 | 79 | 26% | 0 |
| Levels 1-6 | 143 | 95 | 34% | 0 |
| Total | 275 | 191 | 31% | 0 |

Table 3.2.2 Employment and Vacancies by Salary Band as on 31 March 2022

| Salary band | Number of posts on approved establishment | Number of posts filled | Vacancy rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| Lower skilled (Levels 1-2) | 8 | 3 | 63% | 0 |
| Skilled (Levels 3-5) | 124 | 89 | 28% | 0 |
| Highly skilled production (Levels 6-8) | 90 | 64 | 29% | 0 |
| Highly skilled supervision (Levels 9-12) | 45 | 32 | 29% | 0 |
| Senior management (Levels 13-16) | 8 | 3 | 63% | 0 |
| Total | 275 | 191 | 31% | 0 |

3.3 FILLING OF SMS POSTS

Table 3.3.1 SMS post information as on 31 March 2022

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|-----------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Salary Level 16 | 0 | 0 | 0% | 0 | 0% |
| Salary Level 15 | 1 | 1 | 100% | 0 | 0% |
| Salary Level 14 | 1 | 0 | 0% | 1 | 100% |
| Salary Level 13 | 6 | 2 | 33% | 4 | 67% |
| Total | 8 | 3 | 37% | 5 | 63% |

Table 3.3.2 SMS post information as on 30 September 2021

| 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 | 67% | 3 | 33% |
| Total | 8 | 3 | 63% | 4 | 37% |



Table 3.3.3 Advertising and filing of SMS post for the period 1 April 2021 and 31 March 2022

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts, vacant |
|-------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|------------------------|
| Director-General/Head of Department | 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 | 2 | 67% | 3 | 33% |
| Total | 8 | 3 | 63% | 4 | 37% |

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts– Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

| Reasons for vacancies not advertised within six months |
|---|
| <p>31 Critical posts were advertised on the 05 December 2021 with the closing date on 28 December 2021.</p> <p>4 of the 31 advertised critical posts were SMS posts to be filled within six months.</p> <p>The recruitment process is currently underway to fill SMS posts.</p> |

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

| Reasons for vacancies not advertised within six months |
|--|
| None. |

| Reasons for vacancies not filled within six months |
|--|
| |
| |

3.4 JOB EVALUATION

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

Table 3.4.1 Job Evaluation by Salary Band for the period 1 April 2021 and 31 March 2022

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

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022

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

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|---|---------------------|----------------------|--------------------|----------------------|
| None | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| Total number of employees whose salaries exceeded the level determined by job evaluation | | | | |
| Percentage of total employed | | | | 0% |

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022

| Gender | African | Asian | Coloured | White | Total |
|---|---------|-------|----------|-------|----------|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Employees with a disability | 0 | 0 | 0 | 0 | 0 |
| Total number of employees whose remuneration exceeded the grade determined by job evaluation | | | | | 0 |

3.5 EMPLOYMENT CHANGES

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

Table 3.5.1 Annual turnover rates by Salary Band for the period 1 April 2021 and 31 March 2022

| Salary Band | Number of employees at beginning of period- April 2021 | Appointments and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|--|--|--|--|---------------|
| Lower skilled (Levels 1-2) | 3 | 0 | 0 | 0% |
| Skilled (Levels 3-5) | 91 | 0 | 2 | 3% |
| Highly skilled production (Levels 6-8) | 75 | 0 | 0 | 0% |
| Highly skilled supervision (Levels 9-12) | 32 | 0 | 0 | 0% |
| Senior Management Service Bands A | 3 | 0 | 0 | 0% |
| Senior Management Service Bands B | 0 | 0 | 0 | 0% |
| Senior Management Service Bands C | 0 | 0 | 0 | 0% |
| Senior Management Service Bands D | 0 | 0 | 0 | 0% |
| Total | 204 | 0 | 2 | 1% |

Table 3.5.2 Annual turnover rates by Critical Occupation for the period 1 April 2021 and 31 March 2022

| Critical Occupation | Number of employees at beginning of period-April 2020 | Appointments and transfers 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 | 0 | 0 | 0 | 0% |
| Building and other property caretakers, Permanent | 0 | 0 | 0 | 0% |
| – Bus and heavy vehicle drivers, Permanent | 7 | 0 | 11 | 14% |
| – Cleaners in offices, workshops hospitals, etc., Permanent | 4 | 0 | 0 | 0% |
| Client information clerks (switchboard/receptionist/information 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 & related professions, 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 | 3 | 0 | 1 | 25% |
| Trade labourers, Permanent | 14 | 0 | 0 | 0 |
| Total | 147 | 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 3.5.3 Reasons why staff left the Department for the period 1 April 2021 and 31 March 2022

| Termination Type | Number | % of Total Resignations |
|--|-----------|-------------------------|
| Death | 2 | 0.7% |
| Resignation | 2 | 0.7% |
| Expiry of contract | 0 | 0% |
| Dismissal – operational changes | 0 | 0% |
| Dismissal – misconduct | 1 | 0.3% |
| Dismissal – inefficiency | 0 | 0% |
| Discharged due to ill-health | 0 | 0% |
| Retirement | 5 | 2% |
| Transfer to other Public Service Departments | 1 | 0.7% |
| Other | 0 | 0% |
| Total | 11 | 4% |
| Total number of employees who left as a % of total employment | 11 | 4% |

Table 3.5.4 Promotions by Critical Occupation for the period 1 April 2021 and 31 March 2022

| Occupation | Employees 1 April 2020 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|---|------------------------|------------------------------------|---|---|---|
| Clerks | 0 | 0 | 0% | 0 | 0% |
| Technicians and associate professionals | 0 | 0 | 0% | 0 | 0% |
| Total | 0 | 0 | 0% | 0 | 0% |

Table 3.5.5 Promotions by Salary Band for the period 1 April 2021 and 31 March 2022

| Salary Band | Employees 1 April 2020 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progression as a % of employees by salary bands |
|--|------------------------|------------------------------------|---|---|---|
| Lower skilled (Levels 1-2) | 3 | 0 | 0 | 3 | 100% |
| Skilled (Levels 3-5) | 91 | 0 | 0 | 91 | 100% |
| Highly skilled production (Levels 6-8) | 75 | 0 | 0 | 68 | 93% |
| Highly skilled supervision (Levels 9-12) | 32 | 0 | 0 | 30 | 97% |
| Senior Management (Levels 13-16) | 3 | 0 | 0 | 3 | 75% |
| Total | 204 | 0 | 0 | 195 | 97% |

3.6 EMPLOYMENT EQUITY

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2022

| Occupational category | Male | | | | Female | | | | Total |
|--|-----------|----------|----------|----------|-----------|-----------|----------|-----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 0 | 0 | 0 | 0 | 1 | 2 | 0 | 0 | 3 |
| Professionals | 16 | 1 | 0 | 0 | 10 | 2 | 1 | 2 | 32 |
| Technicians and associate professionals | 16 | 2 | 1 | 0 | 36 | 4 | 0 | 5 | 64 |
| Clerks | 50 | 0 | 0 | 4 | 31 | 2 | 1 | 4 | 92 |
| 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 | 82 | 3 | 1 | 4 | 78 | 10 | 2 | 11 | 191 |
| Employees with disabilities | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2022

| Occupational Band | Male | | | | Female | | | | Total |
|---|-----------|----------|----------|----------|-----------|-----------|----------|-----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | 0 | 0 | 1 | 2 | 0 | 0 | 3 |
| Professionally qualified and experienced specialists and mid-management | 16 | 1 | 0 | 0 | 10 | 2 | 1 | 2 | 32 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 16 | 2 | 1 | 0 | 36 | 4 | 0 | 5 | 64 |
| Semi-skilled and discretionary decision-making | 50 | 0 | 0 | 4 | 31 | 2 | 1 | 4 | 92 |
| Unskilled and defined decision-making | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 82 | 3 | 1 | 4 | 78 | 10 | 2 | 11 | 191 |

Table 3.6.3 Recruitment for the period 1 April 2021 and 31 March 2022

| Occupational Band | Male | | | | Female | | | | Total |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionally qualified and experienced specialists and mid-management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Semi-skilled and discretionary decision-making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unskilled and defined decision-making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.4 Promotions for the period 1 April 2021 and 31 March 2022

| Occupational Band | Male | | | | Female | | | | Total |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionally qualified and experienced specialists and mid-management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Semi-skilled and discretionary decision-making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unskilled and defined decision-making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.5 Terminations for the period 1 April 2021 and 31 March 2022

| Occupational Band | Male | | | | Female | | | | Total |
|---|-----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionally qualified and experienced specialists and mid-management | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Semi-skilled and discretionary decision-making | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| Contract (Top Management), Permanent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Senior Management), Permanent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Professionally qualified), Permanent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 10 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 11 |
| Employees with Disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.6 Disciplinary Action for the period 1 April 2021 and 31 March 2022

| Disciplinary action | Male | | | | Female | | | | Total |
|------------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Suspension without pay | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 2 |
| Dismissal | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

Table 3.6.7 Skills Development for the period 1 April 2021 and 31 March 2022

| Occupational category | Male | | | | Female | | | | Total |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technicians and associate professionals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Service and sales workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 March 2022

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|-------------------------------------|----------------------------------|-----------------------------|---|---|
| Director-General/Head of Department | 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 | 100% |
| Total | 8 | 3 | 3 | 100% |

Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2022

| Reasons |
|-------------|
| <i>None</i> |

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2022

| Reasons |
|-------------|
| <i>None</i> |

3.8 PERFORMANCE REWARDS

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2021 and 31 March 2022

| Race and Gender | Beneficiary Profile | | | Cost | |
|-----------------------------|-------------------------|---------------------|-------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| African | 48 | 164 | 29% | R242,993.88 | R1,459.00 |
| Male | 22 | 92 | 23% | R101,069.04 | R1,357.00 |
| Female | 26 | 72 | 36% | R141,924.84 | R1,591.50 |
| Asian | 0 | 3 | 0% | R 0.00 | R 0.00 |
| Male | 0 | 1 | 0% | R0.00 | R4,500.00 |
| Female | 0 | 2 | 0% | R0.00 | R4,500.00 |
| Coloured | 1 | 12 | 8% | R5 548.20 | R13,137.60 |
| Male | 0 | 3 | 0% | R0.00 | R0.00 |
| Female | 1 | 9 | 6% | R5,548.20 | R15,676.90 |
| White | 1 | 16 | 6.2% | R5,466.24 | R11,755.40 |
| Male | 0 | 5 | 0% | R0.00 | R0.00 |
| Female | 1 | 11 | 9% | R5,466.24 | R1,507.70 |
| Total | 50 | 195 | 26% | R368,864.97 | R4,500.00 |
| Employees with disabilities | 0 | 0 | 0% | R00 | R00 |

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

Table 3.8.2 Performance Rewards by Salary Band for personnel below Senior Management Service, for the period 1 April 2021 and 31 March 2022

| Salary Band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|--|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Lower Skilled (Levels 1-2) | 2 | 3 | 67% | R7000.00 | 35,000 | 2% |
| Skilled (Levels 3-5) | 57 | 101 | 93% | R117,554.00 | 1,237 | 2% |
| Highly skilled production (Levels 6-8) | 23 | 67 | 90% | R129,331.50 | 2,155.50 | 2% |
| Highly skilled supervision (Levels 9-12) | 22 | 30 | 90% | R118,238.50 | 4,379 | 2% |
| Total | 104 | 200 | 91% | R372,124.00 | 11,271 | 2% |

Table 3.8.3 Performance Rewards by Critical Occupation for the period 1 April 2021 and 31 March 2022

| Critical Occupation | Beneficiary Profile | | | Cost | |
|--|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Lower Skilled (Levels 1-2) | 2 | 3 | 67% | R7,000.00 | 35,000 |
| Skilled (Levels 3-5) | 57 | 101 | 93% | R117,554.00 | 1,237 |
| Highly skilled production (Levels 6-8) | 23 | 67 | 90% | R129,331.50 | 2,155.50 |
| Highly skilled supervision (Levels 9-12) | 22 | 30 | 90% | R118,238.50 | 4,379 |
| Total | 104 | 200 | 91% | R372,124.00 | 11,271 |

Notes

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

Table 3.8.4 Performance-related Rewards (cash bonus), by Salary Band for Senior Management Service for the period 1 April 2021 and 31 March 2022

| Salary Band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|--------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total cost (R'000) | Average cost per employee | |
| Band A | 0 | 0 | 0.0% | R0.00 | R0.00 | 0.00% |
| Band B | 0 | 0 | 0.0% | R0.00 | R0.00 | R0.00% |
| Band C | 0 | 0 | 0% | R0.0 | R0.0 | R0.00% |
| Band D | 0 | 0 | 0.0% | R0.00 | R0.00 | R0.00 |
| Total | 0 | 0 | 0% | R0 | R0.0 | R0.00% |

3.9 FOREIGN WORKERS

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

Table 3.9.1 Foreign Workers by Salary Band for the period 1 April 2021 and 31 March 2022

| Salary Band | 01 April 2020 | | 31 March 2021 | | Change | |
|--|---------------|------------|---------------|------------|----------|-----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Lower Skilled | 0 | 0% | 0 | 0% | 0 | 0% |
| Highly skilled production (Levels 6-8) | 0 | 0% | 0 | 0% | 0 | 0% |
| Highly skilled supervision (Levels 9-12) | 0 | 0% | 0 | 0% | 0 | 0% |
| Contract (Levels 9-12) | 0 | 0% | 0 | 0% | 0 | 0% |
| Contract (Levels 13-16) | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 0 | 0% | 0 | 0% | 0 | 0% |

Table 3.9.2 Foreign Workers by Major Occupation for the period 1 April 2021 and 31 March 2022

| Major Occupation | 01 April 2020 | | 31 March 2021 | | Change | |
|------------------|---------------|------------|---------------|------------|----------|-----------|
| | Number | % of total | Number | % of total | Number | % Change |
| | 0 | 0% | 0 | 0% | 0 | 0% |
| | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 0 | 0% | 0 | 0% | 0 | 0% |

3.10 LEAVE UTILISATION

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

Table 3.10.1 Sick Leave for the period 1 January 2021 to 31 December 2021

| Salary Band | Total days | % Days with medical certification | Number of employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated cost (R'000) |
|--|--------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Lower Skills (Levels 1-2) | 24 | 8% | 2 | 3% | 12.00 | R85,015.9 |
| Skilled (Levels 3-5) | 1 030 | 10% | 86 | 23% | 11.00 | R10,994,377.39 |
| Highly skilled production (Levels 6-8) | 898 | 9% | 73 | 22% | 9.00 | R11,600,078.46 |
| Highly skilled supervision (Levels 9-12) | 408 | 8% | 32 | 7% | 5.00 | R9,234,923.3 |
| Top and Senior management (Levels 13-16) | 36 | 8% | 3 | 3% | 6.00 | R2,149,570.47 |
| Total | 2 396 | 8% | 196 | 58% | 7.00 | R34,018,307.6 |

Table 3.10.2 Disability Leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

| 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) | 0 | 0% | 0 | 0% | 0 | R0.0 |
| Highly skilled production (Levels 6-8) | 23 | 4.3% | 1 | 0.5% | 0.5 | R20,056 |
| 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 | 23 | 4.3% | 1 | 0.5% | 0.5 | R20,056 |

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021

| Salary Band | Total days taken | Number of employees using annual leave | Average per employee |
|--|------------------|--|----------------------|
| Lower skilled (Levels 1-2) | 5 | 2 | 0.4 |
| Skilled (Levels 3-5) | 260 | 88 | 3.00 |
| Highly skilled production (Levels 6-8) | 284 | 74 | 4.00 |
| Highly skilled supervision (Levels 9-12) | 126 | 32 | 4.00 |
| Senior management (Levels 13-16) | 12 | 3 | 4.00 |
| Total | 687 | 199 | 14.00 |

Table 3.10.4 Capped Leave for the period 1 January 2021 to 31 December 2021

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



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

Table 3.10.5 Leave pay-outs for the period 1 April 2021 and 31 March 2022

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|--|----------------------|---------------------|------------------------------|
| Leave pay-out for 2021/22 due to non-utilisation of leave for the previous cycle | R0.00 | 0 | R0.00 |
| Capped leave pay-outs on termination of service for 2021/22 | R64,987.71 | 5 | R12,997.54 |
| Current leave pay-out on termination of service for 2021/22 | R47,915.84 | 5 | R9,583.16 |
| Total | R112,903.55 | 5 | R22,580.70 |

3.11 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

Table 3.11. 2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

| Question | Yes | No | Details, if yes |
|--|-----|----|--|
| 1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | | X | |
| 2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | X | | The Department has appointed SHE reps and Health and Wellness coordinators who are involved in most cases of health promotion. |
| 3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme. | X | | Staff members have been trained on a Zinakekele programme as well as Reality Wellness Group service provider which assist in terms of EAP. |
| 4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | | X | |
| 5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed. | X | | Yes, it was reviewed at the Policy Summit. |

| Question | Yes | No | Details, if yes |
|--|-----|----|--|
| 6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures. | X | | Employee Health and Wellness Labour Relations Unit Public Awareness HIV Policy in place. |
| 7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved. | X | | The officials attend health screening that is arranged for them through the Wellness Centre and the achievement is obtained through awareness programmes, participation. |
| 8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators. | X | | |

3.12 LABOUR RELATIONS

Table 3.121 Collective agreements for the period 1 April 2021 and 31 March 2022

| Subject Matter | Date |
|----------------|------|
| 0 | 0 |
| 0 | 0 |

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

Table 3.12.2 Misconduct and Disciplinary Hearings finalised for the period 1 April 2021 and 31 March 2022

| Outcomes of disciplinary hearings | Number | % of total |
|-----------------------------------|----------|------------|
| Correctional counselling | 0 | |
| Verbal warning | 0 | |
| Written warning | 0 | |
| Final written warning | 2 | 0.5% |
| Suspended without pay | 2 | 0.5% |
| Fine | 0 | |
| Demotion | 0 | |
| Dismissal | 0 | |
| Not guilty | 0 | |
| Case withdrew | 0 | |
| Total | 4 | 1% |

Table 3.12.3 Types of Misconduct addressed at Disciplinary Hearings for the period 1 April 2021 and 31 March 2022

| Type of misconduct (based on annexure A) | Number | % of total |
|--|----------|-------------|
| Abscondment from work | 1 | 0.4% |
| Total | 1 | 0.4% |

Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022

| Grievances | Number | % of Total |
|-----------------------------------|--------|------------|
| Number of grievances resolved | 1 | 0.5% |
| Number of grievances not resolved | 1 | |
| Total of grievances not lodged | 2 | 0.5% |

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2021 and 31 March 2022

| Grievances | Number | % of Total |
|---------------------------------|--------|------------|
| Number of disputes upheld | 1 | 0.4% |
| Number of disputes dismissed | 1 | |
| Total number of disputes lodged | 2 | 0.4% |

Table 3.12.6 Strike Actions for the period 1 April 2021 and 31 March 2022

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

Table 3.12.7 Precautionary Suspensions for the period 1 April 2021 and 31 March 2022

| | |
|--|---|
| Number of people suspended | 2 |
| Number of people whose suspension exceeded 30 days | 2 |
| Average number of days suspended | |
| Cost (R'000) of suspension | 0 |



3.13 SKILLS DEVELOPMENT

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

Table 3.13.1 Training Needs identified for the period 1 April 2021 and 31 March 2022

| Occupational Category | Gender | Number of employees as of 1 April 2021 | Training needs to be identified at the start of the reporting period | | | |
|--|------------|--|--|---|-------------------------|------------|
| | | | Learnerships | Skills programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 3 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Professionals | Female | 14 | 0 | 0 | 0 | 0 |
| | Male | 18 | 0 | 0 | 0 | 0 |
| Technicians and associate professionals | Female | 43 | 0 | 8 | 0 | 8 |
| | Male | 22 | 0 | 0 | 0 | 0 |
| Clerks | Female | 38 | 0 | 0 | 0 | 0 |
| | Male | 65 | 0 | 0 | 0 | 0 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Sub-total | | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Total | 204 | 0 | 0 | 0 | 0 | 204 |

Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022

| Occupational Category | Gender | Number of employees as of 1 April 2021 | Training provided within the reporting period | | | |
|--|--------|--|---|---|-------------------------|-----------|
| | | | Learnerships | Skills programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 3 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 1 | 0 | 1 |
| Professionals | Female | 14 | 0 | 0 | 0 | 0 |
| | Male | 18 | 0 | 0 | 0 | 0 |
| Technicians and associate professionals | Female | 43 | 0 | 4 | 0 | 4 |
| | Male | 22 | 0 | 2 | 0 | 2 |
| Clerks | Female | 38 | 0 | 17 | 0 | 17 |
| | Male | 65 | 0 | 5 | 0 | 5 |
| 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 | | 204 | 0 | 29 | 0 | 29 |

3.14 INJURY ON DUTY

The following tables provide basic information for injury on duty.

Table 3.14.1 Injury on Duty for the period 1 April 2021 and 31 March 2022

| Nature of injury on duty | Number | % of total |
|---------------------------------------|----------|-------------|
| Required basic medical attention only | 1 | 0.5% |
| Temporary total disablement | 0 | 0% |
| Permanent disablement | 0 | 0% |
| Fatal | 0 | 0% |
| Total | 1 | 0.5% |

3.15 UTILISATION OF CONSULTANT

Table 3.15.1 Report on Consultant Appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

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

Table 3.15.2 Analysis of Consultant Appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

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

Table 3.15.3 Report on Consultant Appointments using Donor Funds for the period 1 April 2021 and 31 March 2022

| Project Title | Total number of consultants that worked on the project | Duration (Workdays) | Donor and contract value in Rand |
|---------------|--|---------------------|----------------------------------|
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |

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

Table 3.15.4 Analysis of Consultant Appointments using Donor Funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

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

3.16 SEVERANCE PACKAGES

Table 3.16.1 Granting Employee-Initiated Severance Packages for the period 1 April 2021 and 31 March 2022

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



G-FLEET MANAGEMENT

PART E: FINANCIAL INFORMATION



HIGHLIGHTS

G-FLEET



Entity generated revenue amounting to R43,544,195.87 from two auctions

01



The Entity owned and managed a fleet size of approximately 6 422 vehicles

02



A total of 718 vehicles were sold and this resulted in the Entity generating a total revenue of R78.539 million

03



The interest earned from the positive bank account increased by 0.26% to R31.800 million (2020/21: R31.717 million)

04



Revenue collected from the leasing of vehicles increased by 11.5% to R933.239 million (2020/21: R836.827 million)

05

Report of the auditor-general to the Gauteng Provincial Legislature on g-FleeT Management

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the g-FleeT Management set out on pages 382 to 406, which comprise the statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the g-FleeT Management as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Property, plant and equipment – motor vehicles

3. The trading entity did not recognise all items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. Prepaid maintenance cost was incorrectly capitalised into the motor vehicle cost. I was unable to determine the full extent of the overstatement of motor vehicles and the understatement of prepayments as it was impracticable to do so. There was a resultant impact on the repairs and maintenance for the period and on the accumulated surplus.
4. The trading entity did not present motor vehicles for physical verification. This resulted in motor vehicles being misstated by R60 964 087.
5. The trading entity did not recognise accumulated depreciation in accordance with GRAP 17, *Property, plant and equipment*. The depreciation calculation for motor vehicles was not in line with GRAP 17. I was unable to determine the full extent of the misstatement of the accumulated depreciation as it was impracticable to do so.

Context for the opinion

6. 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 my report.



7. I am independent of the trading entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Restatement of corresponding figures

10. As disclosed in note 2 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2022.

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act 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.
16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the trading entity's approved performance planning documents. 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 do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
17. 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 trading entity's annual performance report for the year ended 31 March 2022:

| Programme | Pages in the annual performance report |
|---|--|
| Programme 2: corporate and financial management | 308 – 315 |

18. 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.
19. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Programme 2: corporate and financial management

Minimum of 30% of procurement spent on goods and services, and construction allocated to township businesses

20. 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 29% reported against target 30% in the annual performance report.

Various indicators

21. The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

| Indicator description | Reported achievement |
|---|----------------------|
| Average % or rental days utilised by VIP self-drive vehicles. | 72.29% |
| Average % of rental days utilised for pool vehicles. | 95.01% |

Other matter

22. I draw attention to the matter below.

Achievement of planned targets

23. Refer to the annual performance report on pages 304 to 315 for information on the achievement of planned targets for the year and management's explanations provided for the under/over and achievement 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 paragraphs 20 & 21 of this report.

Report on the audit of compliance with legislation

Introduction and scope

24. 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.

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

Annual financial statements

26. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified opinion.

Consequence management

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

Other information

28. 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 have been specifically reported in this auditor's report.
29. 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 on it.
30. 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 in the audit, or otherwise appears to be materially misstated.
31. 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

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 basis for the qualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.

33. The accounting officer did not adequately perform the oversight responsibility for financial and performance reporting and compliance with applicable legislation. This resulted in material misstatements on the financial statements and performance report and non-compliance with applicable laws and regulations. Action plans were developed but were not regularly monitored to ensure adequate implementation, considering the recommendations by internal audit, external audit and the audit committee.
34. The review processes of financial statements, compliance with legislation and performance reporting by senior management were not always adequate. This resulted in the matters reported under the basis of qualification paragraphs, material findings to the financial statements, findings in the performance report and non-compliance with applicable legislation.

Auditor-General.

Johannesburg

31 July 2022



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 selected programme and on the trading entity’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 trading entity’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 relating to events or conditions that may cast significant doubt on the ability of the g-FleeT Management to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a trading entity to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Communication with those charged with governance

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



GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA



g-fleet
MANAGEMENT

"Making your fleet our business"

g-Fleet Management Financial Statements

for the year ended 31 March 2022



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**g-FleeT Management**

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

| | | 2022 | 2021 |
|--|---------|------------------|---------------------|
| | Note(s) | '000 | Restated* R '000 |
| Assets | | | |
| Current Assets | | | |
| Inventories | 3 | 23 814 | 91 233 |
| Finance lease receivables | 6 | 40 992 | 5 239 |
| Receivables from exchange transactions | 7 | 170 449 | 210 344 |
| Prepayments | 8 | 31 459 | 6 395 |
| Other Receivables | 32 | 65 | 85 |
| Cash and cash equivalents | 9 | 2 017 854 | 1 778 815 |
| | | 2 284 633 | 2 092 111 |
| Non-Current Assets | | | |
| Property, plant and equipment | 4 | 1 317 137 | 1 298 347 |
| Intangible assets | 5 | 1 012 | 1 260 |
| Finance lease receivables | 6 | 87 659 | 12 432 |
| Rental deposit | 29 | 6 | 6 |
| | | 1 405 814 | 1 312 045 |
| Total Assets | | 3 690 447 | 3 404 156 |
| Liabilities | | | |
| Current Liabilities | | | |
| Finance lease obligation | 10 | 7 | 22 |
| Payables from exchange transactions | 12 | 46 696 | 78 261 |
| Other Payables | 13 | 15 032 | 13 515 |
| | | 61 735 | 91 798 |
| Non-Current Liabilities | | | |
| Finance lease obligation | 10 | 14 632 | 14 641 |
| Long-term leave accrual | 11 | 2 628 | 2 967 |
| | | 17 260 | 17 608 |
| Total Liabilities | | 78 995 | 109 406 |
| Net Assets | | 3 611 452 | 3 294 750 |
| Accumulated surplus | | 3 611 454 | 3 294 749 |

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Performance for the period ended 31 March 2022

| | | 2022 | 2021 |
|---|---------|------------------|---------------------|
| | Note(s) | '000 | Restated* R '000 |
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Revenue from auction of vehicles | 30 | 81 073 | 71 468 |
| Revenue from leases | 14 | 893 013 | 837 046 |
| Proceeds from sale of Judges vehicles | 31 | 2 524 | - |
| Realisation of property lease liability | 17 | 1 200 | 1 200 |
| Debt impairment reversal | 15 | - | 8 842 |
| Other income | 33 | 1 861 | 1 983 |
| Interest received | 16 | 48 526 | 34 372 |
| Total revenue from exchange transactions | | 1 028 197 | 954 911 |
| Expenditure | | | |
| Employee related costs | 18 | (84 556) | (89 988) |
| Depreciation and amortisation | 40 | (123 359) | (124 721) |
| Impairment loss | 4 | (32 881) | (22 487) |
| Finance costs | 34 | (1 208) | (1 509) |
| Bad debts written off | 35 | (27 836) | - |
| Repairs and maintenance | 37 | (125 757) | (115 525) |
| Cost of sales | 36 | (83 893) | (74 709) |
| General expenses | 19 | (232 005) | (190 235) |
| Total expenditure | | (711 495) | (619 174) |
| Surplus for the period | | 316 702 | 335 737 |



g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Statement of Changes in Net Assets

| | Accumulated surplus '000 | Total net assets '000 |
|--|--------------------------|-----------------------|
| Balance at 01 April 2020 | 2 959 012 | 2 959 012 |
| Changes in net assets | | |
| Surplus for the year | 335 737 | 335 737 |
| Total changes | 335 737 | 335 737 |
| Opening balance as previously reported | 3 297 063 | 3 297 063 |
| Adjustments | | |
| Prior year error adjustments Note 2 | (2 311) | (2 311) |
| Balance at 01 April 2021 as restated* | 3 294 752 | 3 294 752 |
| Changes in net assets | | |
| Surplus for the year | 316 702 | 316 702 |
| Total changes | 316 702 | 316 702 |
| Balance at 31 March 2022 | 3 611 454 | 3 611 454 |

Note(s)



g-Fleet Management

Annual Financial Statements for the year ended 31 March 2022

Cash Flow Statement for the period ended 31 March 2022

| | | 2022 | 2021 |
|---|---------|------------------|---------------------|
| | Note(s) | '000 | Restated* R '000 |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Revenue from Leases | | 847 235 | 836 827 |
| Interest | | 32 092 | 30 244 |
| Auction of vehicles | | 81 073 | 66 718 |
| Transport fees | | 1 704 | 1 890 |
| | | 962 104 | 935 679 |
| Payments | | | |
| Employee costs | | (84 556) | (90 691) |
| Suppliers | | (344 211) | (364 834) |
| | | (428 767) | (455 525) |
| Net cash flows from operating activities | 20 | 533 337 | 480 154 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 4 | (382 320) | (199 901) |
| Proceeds from sale of property, plant and equipment | 4 | 2 524 | - |
| Proceeds from sale of finance lease receivables | | 86 706 | 2 128 |
| Net cash flows from investing activities | | (293 090) | (197 773) |
| Cash flows from financing activities | | | |
| Capital repayment of finance lease | | - | (42) |
| Interest repayment of finance lease | | (1 208) | (1 204) |
| Net cash flows from financing activities | | (1 208) | (1 246) |
| Net increase/(decrease) in cash and cash equivalents | | 239 039 | 281 135 |
| Cash and cash equivalents at the beginning of the year | | 1 778 815 | 1 497 680 |
| Cash and cash equivalents at the end of the year | 9 | 2 017 854 | 1 778 815 |

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1. Background

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

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

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

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Offsetting

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

1.4 Significant judgements and sources of estimation uncertainty

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

Impairment testing

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

Provisions

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

Segment reporting

Significant judgement is used in identifying service and geographical segments of the g-FleeT Management.

Impairment of Trade and other receivables

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

Useful lives and residual values of property, plant and equipment (PPE)

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

g-Fleet Management

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Accounting Policies

Classification of leases

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

Contingent liabilities

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

Cash- and non-cash generating assets

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

1.5 Property, plant and equipment

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

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

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

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

1.6 Intangible assets

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

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

1.7 Segment Reporting

GRAP 18.20 states that an entity shall disclose the following general information: (a) factors used to identify the entity's reportable segments, including the basis of organisation (for example, whether management has chosen to organise the entity around differences in goods and/or services, geographical areas, regulatory environments, or a combination of factors); (b) whether segments have been aggregated and the basis of the aggregation; and (c) types of goods and/or services delivered by each segment.



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Accounting Policies

1.8 Financial instruments

The Entity has the following types of financial assets:

- . Receivables from exchange transactions
- . Cash and cash equivalents
- . Finance lease receivable

The Entity has the following types of financial liabilities:

- . Payables from exchange transactions
- . Finance lease obligation

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

Trade and other receivables from exchange transactions

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

Cash and cash equivalents

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

Trade and other payables

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

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

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

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

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

1.9 Leases

Finance leases - lessor

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

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

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

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

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Accounting Policies

1.9 Leases (continued)

Finance leases - lessee

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

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

Operating leases - lessor

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

Operating leases - lessee

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

1.10 Inventories

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

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

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

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

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

1.12 Employee benefits

Short-term employee benefits

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

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

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

1.13 Commitments

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

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Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.14 Revenue from exchange transactions

Revenue from auction of vehicles

Revenue is measured at the price determined on auction.

Kilometre tariffs

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

Income from other services relating to leases

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

Transport services to government employees

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

Interest

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

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

Recoveries from clients

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

Income Tax

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

1.15 Finance costs

Finance costs are measured using the effective interest rate method.

1.16 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. Fruitless and wasteful expenditure is also disclosed in the notes to the financial statements.

1.17 Irregular expenditure

Irregular expenditure as defined 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.

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Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.17 Irregular expenditure (continued)

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense or a assets in the period it occurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Irregular expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine in which case reasons therefore is provided in the note. Irregular expenditure is disclosed in the notes to the financial statements and removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

1.18 Related parties

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

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

1.19 Subsequent Events

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

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

1.20 Standards of GRAP approved but not required to be applied by the entity

| Standard/Interpretation: | Legislatures and trading entities | Effective date: Years beginning on or after | Impact: |
|--------------------------|-----------------------------------|---|-----------|
| GRAP 108 | Statutory Receivables | 1 April 2019 | No impact |

**g-Fleet Management**

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Notes to the Annual Financial Statements

| | 2022 | 2021 |
|--|------|---------------------|
| | '000 | Restated* R '000 |

2. Correction of Prior Period Errors

The prior period errors noted below emanate from the adjustments affected by management in response 2020/2021 audit outcome:

Error 1: Vehicles available for sale not transferred to Inventory register

During the 2020/21 financial year, audit findings were raised with respect to the accounting treatment for motor vehicles which were identified as being available for sale. Such motor vehicles should have been transferred to inventory as management intended to now hold the vehicles for sale. Work was performed to correct the fixed asset register and the inventory register as follows:

Statement of financial position: Non-current assets

| | | |
|--------------------------------------|----------|------------------|
| Increase in Inventory | - | 67 628 |
| Decrease in Accumulated Depreciation | - | 54 022 |
| Decrease in Motor Vehicles | - | (121 650) |

Error 2: Impairment testing on vehicles identified as available for sale but not transferred to Inventory register

During the 2020/21 financial year, audit findings were raised with respect to the accounting treatment for motor vehicles which were identified as being available for sale. Such motor vehicles should have been transferred to inventory as management intended to now hold the motor vehicles for sale. This required the applicable motor vehicles to be recorded impaired at lower of cost or net realisable value. Work was performed in order to correct the inventory register as follows:

Statement of financial position: Non-current assets

| | | |
|-----------------------|---|---------|
| Decrease in Inventory | - | (2 422) |
|-----------------------|---|---------|

Statement of financial performance

| | | |
|-----------------------------|--|-------|
| Increase in impairment loss | | 2 422 |
|-----------------------------|--|-------|

Error 3: Receivables and Revenue from exchange transactions

During the 2021/22 financial year, management discovered that the receivables and revenue accounts reported in the previous financial were both understated by R 12 363 million.

Error 4: Depreciation adjustment on vehicles not transferred to Inventory register after the lease contract ended

During the 2020/21 financial year, audit findings were raised with respect to the accounting treatment for motor vehicles which have been returned to the entity due to the lease contracts having ended. Such motor vehicles should have been transferred to inventory with the related depreciation adjustment as management intended to now hold the vehicles for sale. Work was performed to correct the fixed asset register and the inventory register as follows:

Statement of financial position: Non-current assets

| | | |
|-----------------------|---|-------|
| Decrease in Inventory | - | (248) |
|-----------------------|---|-------|

Statement of financial performance

| | | |
|-----------------------------|---|-----|
| Increase in impairment loss | - | 248 |
|-----------------------------|---|-----|

Error 5: Impairment testing on work in progress buildings

During the 2020/21 financial year, audit finding was raised in respect of buildings under construction for which adequate impairment testing was not performed at year end. Work was performed to correct the impairment adjustment and the register was corrected.

Statement of financial position: Non-current assets

| | | |
|--|---|--------|
| Increase in Accumulated Impairment loss on leasehold improvement | - | 12 472 |
|--|---|--------|

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Notes to the Annual Financial Statements

| | 2022 | 2021 |
|---|------|---------------------|
| | '000 | Restated* R '000 |
| Statement of financial performance | | |
| Increase in Impairment loss | - | 12 472 |

Error 6: Fruitless and Wasteful expenditure – Note 26

During the 2021/22 financial year, management through its review processes had identified that fruitless and wasteful expenditure amounting to R132 000 was erroneously deducted from the opening balance of fruitless and wasteful expenditure which resulted in an understatement of the fruitless and wasteful expenditure as at 31 March 2021. The error only impacted the fruitless and wasteful expenditure disclosure note and had no impact on the either statement of financial position nor statement of financial performance of the entity

Error 7: Contingent liabilities – Note 23

During the 2021/2022 financial year, management through its review processes had identified that the contingent liability balance in respect of service provider 3 did not consider the estimated interest associated with this claim. Accordingly, the contingent liability closing balance as at 31 March 2021 was understated by R172 000. The error only impacted on the contingent liability disclosure note and had no impact on the either statement of financial position nor statement of financial performance of the entity.

Error 8: Leased machinery and cell phones were not captured correctly in the asset register in the 2020/2021 financial year period in the Finance lease register

During 2021/22 financial year, management through its review processes had identified that Leased machinery and cell phones was overstated due to an error identified in the fixed asset register. Work was performed to correct the asset register which resulted in the following adjustments:

Statement of financial position: Non-current assets

| | | |
|---|---|----------|
| Decrease in Property, Plant and Equipment | - | 30 000 |
| Decrease in Depreciation | - | (30 000) |
| | - | - |

Statement of financial performance

| | | |
|-----------------------------------|---|---------|
| Increase in Depreciation | - | 2 000 |
| Decrease Accumulated depreciation | - | (2 000) |
| | - | - |

Error 9: Accruals

During 2021/2022 financial year, management identified that accruals for ABSA invoice recorded, included interests and this interest was rightfully never paid. This means that retained income for 2020/2021 financial year was understated by the interest amount of R3,350.00

Error 10: Statement of Changes in Net Asset

Presented below are the items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

| | | |
|---|---|----------------|
| Statement of financial position | | |
| Increase in Revenue from leases | - | 12 363 |
| Decrease in Depreciation | - | 163 |
| Increase in Impairment loss | - | (12 416) |
| Increase in the General expenses | - | (2 421) |
| Decrease in Surplus for the year | - | (2 311) |



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Notes to the Annual Financial Statements

| | 2022 | 2021 |
|--|---------------|---------------------|
| | '000 | Restated* R '000 |
| 3. Inventories | | |
| Vehicles held for sale | 35 025 | 95 413 |
| Inventories (write-downs) | (11 211) | (4 180) |
| | 23 814 | 91 233 |
| Carrying value of inventories carried at fair value less costs to sell | 295 | 149 |
| Inventories recognised as an expense during the year | 83 893 | 74 709 |
| Any write-down of inventories recognised as an expense | 9 029 | 3 121 |

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Notes to the Annual Financial Statements

Figures in Rand thousand

| 4. Property, plant and equipment | 31 March 2022 | | 31 March 2021 | |
|----------------------------------|------------------|---|------------------|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Cost / Valuation | Accumulated depreciation and accumulated impairment |
| Machinery and Tools | 93 | (93) | 93 | (93) |
| Furniture and fixtures | 23 997 | (12 107) | 11 890 | (10 535) |
| Motor vehicles | 1 658 513 | (514 574) | 1 143 939 | (388 077) |
| Leasehold improvements | 200 382 | (51 379) | 149 003 | (48 301) |
| Leased Property | 14 647 | (2 367) | 12 280 | (2 219) |
| Leased machinery and cellphones | 15 018 | (14 993) | 25 | (14 947) |
| Total | 1 912 650 | (595 513) | 1 317 137 | (464 172) |

Reconciliation of property, plant and equipment - 31 March 2022

| | Opening balance | Additions | Sold Vehicles | Disposal on finance lease arrangement | Transfers (to)/from inventory | Vehicle losses | Transfers to other institutions | Depreciation | Impairment loss | Total |
|---------------------------------|------------------|----------------|----------------|---------------------------------------|-------------------------------|----------------|---------------------------------|------------------|-----------------|------------------|
| Furniture and fixtures | 12 033 | 1 429 | - | - | - | - | - | (1 572) | - | 11 890 |
| Motor vehicles | 1 163 658 | 287 512 | (2 611) | (129 205) | (18 340) | (5 571) | (354) | (118 269) | (32 881) | 1 143 939 |
| Leasehold improvements | 110 157 | 41 923 | - | - | - | - | - | (3 077) | - | 149 003 |
| Leased Property | 12 428 | - | - | - | - | - | - | (148) | - | 12 280 |
| Leased machinery and cellphones | 71 | - | - | - | - | - | - | (46) | - | 25 |
| | 1 298 347 | 330 864 | (2 611) | (129 205) | (18 340) | (5 571) | (354) | (123 112) | (32 881) | 1 317 137 |

g-Fleet Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand thousand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2021

| | Opening balance | Additions | Sold Vehicles | Transfers (to)/from inventory | Vehicle losses | Depreciation | Impairment loss | Total |
|---------------------------------|------------------|----------------|---------------|-------------------------------|----------------|------------------|-----------------|------------------|
| Furniture and fixtures | 10 123 | 3 648 | - | - | - | (1 738) | - | 12 033 |
| Motor vehicles | 1 188 407 | 230 246 | (187) | (130 900) | (3 582) | (119 422) | (904) | 1 163 658 |
| Leasehold improvements | 113 207 | 21 610 | - | - | - | (3 077) | (21 583) | 110 157 |
| Leased Property | 12 576 | - | - | - | - | (148) | - | 12 428 |
| Leased machinery and cellphones | 126 | 33 | - | - | - | (88) | - | 71 |
| | 1 324 439 | 255 537 | (187) | (130 900) | (3 582) | (124 473) | (22 487) | 1 298 347 |

Pledged as security

Carrying value of assets pledged as security:

Leasehold Improvements

Leasehold improvements include both completed assets and assets which are still under construction, i.e. Work-in progress (WIP). The WIP emanates from the construction and rehabilitation of the entity's head office property situated at Bedfordview which is leased by the entity from the Gauteng Department of Infrastructure Development (GDID). All completed leasehold improvements are recorded at cost less accumulated depreciation and impairment. WIP is recorded at cost less any impairment. In relation to WIP, the entity has recognised impairment losses as follows: 2020/2021: R21 583 164 and 2014/2015: R5 270 691. The determination and extent of impairment was undertaken using an independent expert.

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Figures in Rand thousand

5. Intangible assets

| | 31 March 2022 | | 31 March 2021 | |
|-------------------|---------------------|---|---------------------|---|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Cost / Valuation | Accumulated amortisation and accumulated impairment |
| Computer software | 2 737 | (1 725) | 2 737 | (1 477) |
| | | 1 012 | | 1 260 |

Reconciliation of intangible assets - 31 March 2022

| | Opening balance | Amortisation | Total |
|-------------------|--------------------|--------------|-------|
| Computer software | 1 260 | (248) | 1 012 |

Reconciliation of intangible assets - 31 March 2021

| | Opening balance | Amortisation | Total |
|-------------------|--------------------|--------------|-------|
| Computer software | 1 507 | (247) | 1 260 |

6. Finance lease receivables

Gross investment in the lease due

| | | |
|--|----------------|---------------|
| - within one year | 43 184 | 11 391 |
| - in second to fifth year inclusive | 158 375 | 20 231 |
| | 201 559 | 31 622 |
| less: Unearned finance revenue | (67 356) | (8 399) |
| Present value of minimum lease payments receivable | 134 203 | 23 223 |
| less: allowance for uncollectible minimum lease payments | (5 552) | (5 552) |
| | 128 651 | 17 671 |

**g-Fleet Management**

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Notes to the Annual Financial Statements

| | 2022 '000 | 2021 Restated* R '000 |
|---|----------------|-----------------------------|
| 6. Finance lease receivables (continued) | | |
| Present value of minimum lease payments due - within one year | 40 992 | 5 239 |
| - in second to fifth year inclusive | 87 659 | 12 432 |
| | 128 651 | 17 671 |

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

The average lease terms are 4.5 years and the average effective lending rate was 3% .

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

Finance lease receivables impaired**Reconciliation of provision for impairment of class 1 (eg Local finance lease receivables)**

| | | |
|-----------------|-------|-------|
| Opening balance | 5 552 | 5 552 |
|-----------------|-------|-------|

7. Receivables from exchange transactions

| | | |
|--|----------------|----------------|
| Trade receivables | 164 733 | 205 657 |
| Other receivables - Revenue from auction of vehicles | 2 | 2 |
| Other debtors - Traffic fines and accident claims | 5 714 | 4 685 |
| | 170 449 | 210 344 |

Balance as at 31 March 2022

| | Gross Balance | Impairment provision | Net balance |
|--|----------------|-------------------------|----------------|
| Trade Receivables | 151 875 | (11 607) | 140 268 |
| Other receivables - Revenue from auction of vehicles | 2 | - | 2 |
| Other debtors - Traffic fines and accident claims | 5 714 | - | 5 714 |
| Other debtors | 24 465 | - | 24 465 |
| | 182 056 | (11 607) | 170 449 |

Balances as at 31 March 2021:

| | Gross Balance | Impairment provision | Net balance |
|--|----------------|-------------------------|----------------|
| Trade Receivables | 162 182 | (7 773) | 154 409 |
| Other receivables - Revenue from auction of vehicles | 2 | - | 2 |
| Other debtors - Traffic fines and accident claims | 4 685 | - | 4 685 |
| Other debtors | 51 248 | - | 51 248 |
| | 218 117 | (7 773) | 210 344 |

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 | 39 033 | 54 087 |
| 61 to 90 days | 10 839 | 7 702 |
| 91 to 120 days | 859 | 7 476 |

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 '000 | 2021 Restated* R '000 |
|--|------------------|-----------------------------|
| 7. Receivables from exchange transactions (continued) | | |
| Greater than 120 days | 19 419 | 20 918 |
| | 70 150 | 90 183 |
| Reconciliation of provision for impairment of trade and other receivables from exchange transactions | | |
| Opening balance | (35 610) | (16 615) |
| Changes to the Statement of Financial Performance | 24 003 | (18 995) |
| | (11 607) | (35 610) |
| 8. Prepayments | | |
| The prepayment balance is reflective of monies paid to the Gauteng Department of Roads and Transport relating to motor vehicle licence registrations and to SANRAL in relation to e-toll services for all the entity's motor vehicles. | | |
| Prepayments | 31 459 | 6 395 |
| 9. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Cash on hand | 22 | 22 |
| Bank balances | 2 017 832 | 1 778 793 |
| | 2 017 854 | 1 778 815 |
| 8.1 Bank Accounts | | |
| Primary bank Account - First National Bank | | |
| First National Bank Account | | |
| Bank Statement balance at the end of the year | 1 371 284 | 1 157 101 |
| Standard Bank | | |
| Standard Bank Account | | |
| Bank Statement balance at the end of the year | 972 | - |
| South African Reserve Bank | | |
| SARB Account | | |
| Bank Statement balance at the end of the year | 645 576 | 621 693 |
| 10. Finance lease obligation | | |
| Non-current liabilities | 14 632 | 14 641 |
| Current liabilities | 7 | 22 |
| | 14 639 | 14 663 |

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Notes to the Annual Financial Statements

| | 2022 | 2021 |
|---|------------------------------|--|
| | '000 | Restated* R '000 |
| 10. Finance lease obligation (continued) | | |
| As at 31 March 2022 | | |
| | Minimum lease payments | Future finance charges |
| | | Present value of minimum lease payments |
| Within One Year | 1 210 | (1 203) |
| Within Two To Five Years | 4 800 | (4 792) |
| Later Than Five Years | 92 400 | (77 776) |
| Subtotal | 98 410 | (83 771) |
| Less: Amount Due Within One Year | (1 210) | 1 203 |
| | 97 200 | (82 568) |
| | | 14 632 |

| | | |
|----------------------------------|------------------------------|--|
| As at 31 March 2021 | | |
| | Minimum lease payments | Future finance charges |
| | | Present value of minimum lease payments |
| Within One Year | 1 222 | (1 201) |
| Within Two To Five Years | 4 908 | (4 893) |
| Later Than Five Years | 93 600 | (78 973) |
| Subtotal | 99 730 | (85 067) |
| Less: Amount Due Within One Year | (1 222) | 1 201 |
| | 98 508 | (83 866) |
| | | 14 642 |

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 and 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.

11. Long-term leave accrual

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

| | | |
|--|--------------|--------------|
| Opening balance | 2 967 | 3 009 |
| Movement in the Statement of Financial Performance | (339) | (42) |
| | 2 628 | 2 967 |

12. Payables from exchange transactions

| | | |
|----------------|--------|--------|
| Trade payables | 46 696 | 78 261 |
|----------------|--------|--------|

13. Other payables

| | | |
|------------------------------|---------------|---------------|
| Salary Payable | 3 590 | 1 136 |
| Performance bonus accrual | - | 461 |
| Debtors with credit balances | 3 434 | 2 982 |
| Leave pay accrual | 5 716 | 6 553 |
| Service bonus accrual | 2 292 | 2 383 |
| | 15 032 | 13 515 |

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 | 2021 |
|--|------|---------------------|
| | '000 | Restated* R '000 |

13. Other payables (continued)

Performance bonus accrual

No Accruals were raised for performance bonuses as at 31st March 2022.

Leave pay accrual

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

Service bonus and long service award accrual

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

Debtors with credit balances

The debtors with credit balances at the end of the quarter have been reclassified to trade payables. The increase from 2021 financial year from R 2, 982 million to R 3, 434 million (2022) is mainly due to the overpayment made by The Department of Home affairs.

14. Revenue from Leases

| | | |
|--------------------------------|----------------|----------------|
| Services income | 15 775 | 7 620 |
| Operating Lease | 700 714 | 704 216 |
| Toll Fees | 4 164 | 3 424 |
| Fuel and Oil | 170 742 | 121 350 |
| Traffic and Accident claims | 1 029 | 436 |
| Gain on Finance lease disposal | 589 | - |
| | 893 013 | 837 046 |

The amount included in revenue arising from exchanges of goods or services are as follows:

| | | |
|------------------------|-------|---|
| Construction contracts | 2 524 | - |
|------------------------|-------|---|

15. Debt Impairment (Reversal)

| | | |
|---|---|-------|
| Receivables from exchange transactions impairment | - | 8 842 |
|---|---|-------|

16. Interest received

Interest revenue

| | | |
|---------------------------------------|---------------|---------------|
| Bank | 32 092 | 30 244 |
| Interest on finance lease receivables | 16 434 | 4 128 |
| | 48 526 | 34 372 |

17. Realisation of Property Lease Liability

| | | |
|---|-------|-------|
| Realisation of Property Lease Liability | 1 200 | 1 200 |
|---|-------|-------|

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

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

g-Fleet Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 | 2021 |
|--|---------------|---------------------|
| | '000 | Restated* R '000 |
| 17. Realisation of Property Lease Liability (continued) | | |
| 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. | | |
| 18. Employee related costs | | |
| Basic Salary | 56 884 | 63 222 |
| Performance Bonus | - | 9 |
| Medical aid - company contributions | 5 398 | 5 110 |
| Pension | 7 324 | 7 231 |
| Workmen's Compensation Act contribution | 21 | 21 |
| Leave pay accrual | - | 3 148 |
| Other short term costs | 515 | 283 |
| Overtime payments | 706 | 386 |
| 13th Cheques | 4 465 | 4 377 |
| Acting allowances | 762 | 878 |
| Housing benefits and allowances | 8 481 | 5 323 |
| | 84 556 | 89 988 |

The decline in Basic salary of R 5, 758 million is a result of resignations mainly of CFO and the DD Asset management. Furthermore it must be noted that the entity did not have the COO from January 2022 to March 2022.

19. General expenses

| | | |
|--|----------------|----------------|
| Advertising | 1 005 | 807 |
| Auditors remuneration | 6 520 | 5 214 |
| Bank charges | 4 | 4 |
| Consulting and professional fees | 329 | 2 |
| Consumables | 3 284 | 2 348 |
| Debt Impairment expense | 3 833 | - |
| Entertainment | 6 | 1 |
| Conferences and seminars | - | 162 |
| License fees - software | 1 817 | 479 |
| Levies | 3 031 | 1 200 |
| Motor vehicle expenses | 2 | 1 |
| Fuel and oil | 162 171 | 133 239 |
| Postage and courier | 33 | 60 |
| Printing and stationery | 420 | 99 |
| Security | 6 208 | 5 705 |
| Subscriptions and membership fees | 9 | 11 |
| Transport and relocation costs | - | 18 |
| Travel - local | 141 | 155 |
| Loss on disposal of asset | 86 | - |
| Tracking expenses | 12 412 | 12 263 |
| Vehicle theft and losses | 5 769 | 4 071 |
| Rental expenses - operating lease | 2 507 | 5 887 |
| License fees - vehicles | 4 576 | 2 789 |
| Motor vehicle expenses - (RT46 costs) | 8 812 | 12 599 |
| Injury on duty | 1 | - |
| Inventory write down to net realisable value | 9 029 | 3 121 |
| | 232 005 | 190 235 |

The significant increase in Fuel and oil is a result of price escalations during 2021/22 financial year.

g-Fleet Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 '000 | 2021 Restated* R '000 |
|---|----------------|-----------------------------|
| 20. Cash generated from operations | | |
| Surplus | 316 702 | 335 737 |
| Adjustments for: | | |
| Depreciation and amortisation | 123 359 | 124 721 |
| Loss on disposal | 86 | - |
| Transfer | 2 571 | - |
| Bad debts written off | 27 836 | - |
| Interest income | (16 434) | (4 128) |
| Sundry Payments | (72) | - |
| Finance costs - Finance lease | 1 208 | 1 204 |
| Impairment loss | 32 881 | 22 487 |
| Debt impairment expense | 3 833 | - |
| Revenue from leases adjustments | (29 869) | - |
| Loss on sale of vehicles | 762 | 3 241 |
| Cost of sales | 83 893 | 74 709 |
| Realisation of lease property | (1 200) | (1 200) |
| Gain on finance lease disposal | (589) | - |
| Inventory write-down | 9 029 | 3 121 |
| Vehicle Theft and losses | 5 769 | 4 071 |
| Accruals | 33 102 | - |
| Changes in working capital: | | |
| Inventories | 67 033 | (57 410) |
| Receivables from exchange transactions | 39 895 | (13 247) |
| Movement in long - term leave accrual | (339) | - |
| Finance lease receivables | (110 983) | - |
| Prepayments | (25 064) | (4 454) |
| Finance lease obligations | (24) | - |
| Payables from exchange transactions | (31 565) | (12 649) |
| Other payables | 1 517 | 3 951 |
| | 533 337 | 480 154 |

21. Financial instruments disclosure**Categories of financial instruments****31 March 2022****Financial assets**

| | At amortised cost | Total |
|--|----------------------|------------------|
| Trade and other receivables from exchange transactions | 170 449 | 170 449 |
| Cash and cash equivalents | 2 017 854 | 2 017 854 |
| Finance lease receivables | 128 651 | 128 651 |
| | 2 316 954 | 2 316 954 |

Financial liabilities

| | At amortised cost | Total |
|---|----------------------|---------------|
| Trade and other payables from exchange transactions | 46 696 | 46 696 |
| Finance lease obligation | 14 639 | 14 639 |
| | 61 335 | 61 335 |

g-Fleet Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 | 2021 Restated* |
|--|------|-------------------|
| | '000 | R '000 |

21. Financial instruments disclosure (continued)

31 March 2021

Financial assets

| | At amortised cost | Total |
|--|----------------------|------------------|
| Trade and other receivables from exchange transactions | 210 344 | 210 344 |
| Cash and cash equivalents | 1 778 815 | 1 778 815 |
| | 1 989 159 | 1 989 159 |

Financial liabilities

| | At amortised cost | Total |
|---|----------------------|--------|
| Trade and other payables from exchange transactions | 78 261 | 78 261 |

Liquidity risk

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

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

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

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

Financial assets past due - Accounts Receivable:

| | | |
|---|---------------|---------------|
| More than 30 days and not more than 60 days | 39 033 | 54 087 |
| More than 60 days and not more than 90 days | 10 839 | 7 702 |
| More than 90 days | 20 278 | 28 394 |
| | 70 150 | 90 183 |

Maturity of financial liabilities - 31 March 2022

| | |
|-------------------------------------|-----------------------|
| | Due within 1 month |
| Payables from exchange transactions | 46 696 |

Credit risk

Credit risk consists of cash and cash equivalents and receivables. g-Fleet Management considers its credit risk minimised as the entity only hold cash with major banks with high quality credit standing and Trade and other receivables comprise of a Government customer base. Government debt is considered recoverable. All debtors that are neither past due not impaired are thus considered to be recoverable, although recovery may not be within the contractually agreed timeframes. The entity continues to render services to its defaulting customers so as to ensure government service delivery is not impeded by its clients, in extreme cases petrol cards for service departments are suspended until such time outstanding accounts are settled or realistic payment plans are provided.



g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 | 2021 |
|--|------|---------------------|
| | '000 | Restated* R '000 |

21. Financial instruments disclosure (continued)

g-Fleet establishes an impairment that represents its estimate of potential losses in respect of trade receivables. Further credit risk information is provided in the notes for Receivables from exchange transactions and Finance lease receivables.

The full impact of the COVID-19 pandemic has been felt across several markets who were taken by surprise on the related economic impact in such a short period of time. For the entity, the impairment of trade debtors is likely to increase because of budget repriorization from various client departments as part of their individual responses to the impact of the pandemic.

Interest rate risk

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

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

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



g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 | 2021 |
|--|------|---------------------|
| | '000 | Restated* R '000 |

22. Commitments

Authorised capital expenditure

Already contracted for but not provided for

| | | |
|---------------------------------|----------------|----------------|
| • Property, plant and equipment | 132 878 | 94 853 |
| • Infrastructure | 4 107 | 44 046 |
| | 136 985 | 138 899 |

Total commitments

Total commitments

| | | |
|--------------------------------|---------|---------|
| Authorised capital expenditure | 136 985 | 138 899 |
|--------------------------------|---------|---------|

The committed expenditure will be financed by available retained surpluses, existing cash resources and funds internally generated in line with the provisions of the Medium Term Expenditure Framework (MTEF). GRAP 1 paragraph 124 Disclosure requirements on Commitments Page 3 of 3 (d)(1) does not require the disclosure of unrecognised contractual commitments but emphasizes on the order in which other disclosures need to follow.

Operating lease commitments

Minimum lease payments due

| | | |
|-------------------------------------|--------------|------------|
| - within one year | 1 003 | 284 |
| - in second to fifth year inclusive | 682 | - |
| | 1 685 | 284 |

g-FleeT Management entered into two (2) years lease agreement which commenced on 01 July 2019 and terminating on 30 June 2021 for the Durban Regional Office. On expiry the lease agreement continued on month to month while the entity was still searching for new office accommodation. The entity entered into a twelve (12) months lease agreement for the East London Regional Office commencing on 1 April 2022 and terminating on 31 March 2023. The entity also entered into a five (5) years lease agreement for the Cape Town Regional Office which commenced on 1 April 2022 and terminating on 31 March 2027. The costs of the leases are straight lined over the period of the lease. The entity entered into three (3) years office photo-copy machines lease agreement which commenced on the 01 November 2019 and terminates on 31 October 2022.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 | 2021 |
|--|--------------|---------------------|
| | '000 | Restated* R '000 |
| 23. Contingent Liabilities | | |
| <p>The entity records contingent liabilities based on the determination of the expected outcome of an uncertain future event which is not wholly within the control of the entity. The amounts below represent the entity's best estimate of the expected cash outflows that may arise from the expected outcomes:</p> | | |
| 23.1. Litigation and motor vehicle accident claims: | | |
| <p>As at 31 March 2022, the entity was exposed to the following litigation cases which arise during the ordinary course of business and whose outcome is dependent on formal legal proceedings and assessment thereof: Litigation</p> | | |
| Description | | |
| *Various third-party motor vehicle accident claims | 706 | 1 603 |
| Kgafela Construction CC – Alleged breach of contract claim | 300 | 300 |
| **Mbokoda Construction CC – Non-payment of account | 3 484 | 3 484 |
| | 4 490 | 5 387 |

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

**The Mbokoda Construction CC contractual legal dispute emanated in 24 October 2012. The claim was in respect of monies owed to sub-contractors and project management fees. The entity's external legal assessment, i.e. both state attorney and senior counsel believed that the plaintiff did not have any lien over the g-fleet properties and that the matter was ready for trial and awaiting a court date from Mbokoda Construction CC. As at 31 March 2022, the status quo remained the same

24. 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.

g-Fleet Management is using office space belonging to Gauteng Department of Roads and Transport, which is the mother department of this Entity and no rentals are charged.

During the financial year under review, the Entity transferred a vehicle to Gauteng Department of Community safety as per PFMA section 42.

Vehicle details

| | | |
|-------------------------------------|-----|---|
| Mercedes ML500 BE A/T SUV - GGP449G | 381 | - |
|-------------------------------------|-----|---|

Related party balances

Departments

| | | |
|--|---|--------|
| Gauteng Department of Community Safety | - | 35 000 |
|--|---|--------|

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand thousand

25. Member's emoluments

Executive

31 March 2022

| | Basic Salary | 13th Cheque | Pension Contribution | Other Benefits | Total |
|--|--------------|-------------|----------------------|----------------|--------------|
| Ms. Noxolo Maninjwa | 1 044 | 87 | 136 | 494 | 1 761 |
| *Mr. Poobalan Govender (Acting CFO from Sept 2021) | 565 | - | 74 | 142 | 781 |
| Mr. Thulani Mkwanaazi (Acting Director: Finance from November 2021) | 307 | - | 40 | 115 | 462 |
| Mr. Matodzi Mamatsinya (Acting Director: Finance from October 2018 to October 2021) | 338 | 56 | 44 | 138 | 576 |
| Mr. Sifiso Mhlongo (Acting Director: Maintenance Services from October 2018) | 385 | 47 | 50 | 306 | 788 |
| Ms. Salomie Jafta - Director TSS | 725 | 60 | 94 | 349 | 1 228 |
| Mr. Nhlakanipho Nduli (Acting COO from January 2020) | 528 | - | 69 | 283 | 880 |
| Ms. Ravanne Mathews - Director Permanent Fleet | 725 | 60 | 94 | 349 | 1 228 |
| Mr. Douglas Scott (Acting Director: VIP and Pool Services from February 2021 to July 2021) | 244 | - | 32 | 145 | 421 |
| Ms Sherlon Seagal (Acting Director: VIP and Pool Services from August 2021 to February 2022) | 314 | - | 41 | 237 | 592 |
| | 5 175 | 310 | 674 | 2 558 | 8 717 |

*The Acting Chief Financial Officer is an employee of the Gauteng Department of Roads and Transport and has been seconded for a period of 12 months to g-FleeT Management by the Executive Authority.

31 March 2021

| | Basic Salary | 13th Cheque | Pension Contribution | Other Benefits | Total |
|--|--------------|-------------|----------------------|----------------|--------------|
| Mr Armstrong Ngumla - Acting CFO from 05 September 2017 to 31 December 2020 | 589 | - | 77 | 127 | 793 |
| Mr. Matodzi Mamatsinya - Acting Director Financial Services (From 01 October 2018) | 554 | 56 | 72 | 200 | 882 |
| Mr. Sifiso Mhlongo - Acting Director Maintenance Services (From 01 October 2018) | 475 | 47 | 62 | 277 | 861 |
| Ms. Sherlon Segal - Acting Director: VIP and Pool Services (From 01 July 2020) | 304 | - | 40 | 247 | 591 |
| Ms. Salomi Jafta - Director TSS | 715 | 59 | 93 | 324 | 1 191 |
| Mr. N Nduli - Acting COO (From 1 January 2020) | 704 | - | 84 | 386 | 1 174 |
| Ms. Ravanne Mathews - Director Permanent Fleet | 715 | 59 | 93 | 324 | 1 191 |
| Mr. Douglas Scott - Acting Director: VIP and Pool Services (From 01 December 2019) | 144 | - | 18 | 81 | 243 |
| Ms. Noxolo Maninjwa - CEO | 1 028 | 86 | 134 | 466 | 1 714 |
| | 5 228 | 307 | 673 | 2 432 | 8 640 |

26. Subsequent events

26.1 On 04 April 2022, President Cyril Ramaphosa announced the lifting of the National State of Disaster in respect of the COVID-19 pandemic, effective from midnight on Monday, 5 April, but maintained certain aspects of the regulations to enable government to continue in its response to the pandemic.

g-FleeT Management

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Notes to the Annual Financial Statements

Figures in Rand thousand

26. Subsequent events (continued)

The lifting of the National State of Disaster has permitted the economy to commence operating at maximum capacity, thereby enabling both the entity's clients and suppliers to increase their levels of productivity. However, as at 31 March 2022, the entity has concluded that it is not possible to reliably estimate any levels of increased demand for the entity's services which makes this event a non-adjusting subsequent event.

26.2. On 25 May 2022, the entity's Board of Survey (BOS) Committee concluded assessments of motor vehicles that were no longer economical for use by the entity. The identification and assessment of such motor vehicles is undertaken in line with the BOS committee charter and is undertaken in respect of motor vehicles due to reasons such as uneconomical to repair accident damages, age and usage of motor vehicle, etc. Management is of the view that this event provided additional information relating to the condition of applicable vehicles that existed at reporting date. Consequently, management has adjusted for this event both in terms of the Statement of Financial Position and the Statement of Financial Performance. The impact is as follows:

Description

| | | |
|--|----------|---|
| Decrease in Property, plant and equipment – motor vehicles | (32 881) | - |
| Increase in impairment | 32 881 | - |
| | - | - |

26.3. During 11-13 April 2022, severe flooding and landslides caused by heavy rainfall affected southern and south-eastern parts of South Africa, particularly the Provinces of KwaZulu-Natal and Eastern Cape. The Province of KwaZulu-Natal was hardest hit with over 443 people having lost their lives and many more displaced because of the flood. A national state of disaster was declared by President Cyril Ramaphosa in response to this disaster. Unfortunately, the entity's regional office within KwaZulu-Natal was also negatively impacted by this natural disaster. Some motor vehicles residing within the regional office KwaZulu-Natal suffered damages because of the floods. On 09 May 2022, the entity undertook an assessment of the applicable motor vehicles which has subsequently resulted in an impairment loss being recognised in respect of the applicable motor vehicles. The entity is of the view that this event provides additional information relating to the condition of the applicable motor vehicles that existed at reporting date. Consequently, management views this event as a non-adjusting event. The financial estimate of the impact of the event for the 2022/2023 financial year is as follows:

Description

| | | |
|----------------------------------|-------|---|
| Assessed vehicle impairment loss | 1 356 | - |
|----------------------------------|-------|---|

**g-Fleet Management**

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 '000 | 2021 R '000 |
|--|--------------|----------------|
| 27. Fruitless and Wasteful expenditure | | |
| Fruitless and wasteful expenditure | 316 | 8 |
| Add: Fruitless and Wasteful Expenditure - current year | 580 | 308 |
| Transferred to receivables | (580) | - |
| | 316 | 316 |

R580,109.53 relates to employee costs incurred for an official who absconded from work from June 2018 until her contract was terminated in May 2022.

28. Irregular expenditure

| | | |
|---|----------------|----------------|
| Opening balance | 103 327 | 102 863 |
| Add: Irregular Expenditure - current year | 474 | 464 |
| | 103 801 | 103 327 |

Analysis of expenditure awaiting condonation per age classification

| | | |
|--------------|----------------|----------------|
| Current year | 474 | 464 |
| Prior years | 103 327 | 102 863 |
| | 103 801 | 103 327 |

Details of irregular expenditure – current year

| | |
|--|------------|
| Expired property lease: East London Regional Office - Appointed service provider defaulted at commencement of new lease contract. Entity was forced to extend with previous service provider to ensure continued operation whilst procuring a new service provider. Both criminal and civil claim instituted against defaulting service provider for loss suffered in terms of deposit paid. Entity experienced procurement delays in appointing new service provider due to limited accommodation spaces within East London area. | 474 |
| | - |
| | 474 |

29. Rental deposits

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

| | | |
|-----------------|---|---|
| Rental deposits | 6 | 6 |
|-----------------|---|---|

30. Revenue from auction of vehicles

| | | |
|----------------------------------|--------|--------|
| Revenue from auction of vehicles | 81 073 | 71 468 |
|----------------------------------|--------|--------|

31. Proceeds from sale of Judges vehicles

| | | |
|---------------------------------------|-------|---|
| Proceeds from sale of Judges vehicles | 2 524 | - |
|---------------------------------------|-------|---|

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 '000 | 2021 R '000 |
|--|----------------|----------------|
| 32. Other Receivables | | |
| This balance relates to salary related suspense accounts that could not be cleared during the month of June 2021 or at year end and rental deposits from previous property lease agreements. | | |
| Other Receivables | 65 | 85 |
| 33. Other income | | |
| Revenue from Transport Income | 1 704 | 1 890 |
| Sundry Income | 157 | 93 |
| | 1 861 | 1 983 |
| 34. Finance costs | | |
| Late payment of suppliers | - | 305 |
| Finance leases | 1 208 | 1 204 |
| | 1 208 | 1 509 |
| 35. Bad Debts written off | | |
| Bad debts written off | 27 836 | - |
| 36. Cost of sales | | |
| Sale of goods | | |
| Cost of goods sold | 83 893 | 74 709 |
| 37. Repairs and maintenance | | |
| The following specific costs included in the amount of repairs and maintenance were incurred by g-FleeT Management. | | |
| General maintenance and services | 109 614 | 87 761 |
| Spares and accessories | 3 932 | 16 225 |
| Tyres and tubes | 12 211 | 11 539 |
| | 125 757 | 115 525 |
| 38. Going Concern | | |
| As at 31 March 2022, management had every reason to believe that the entity had adequate resources in place to continue in operation for the foreseeable future. The entity has determined that the COVID-19 events are significant uncertainty events. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government's responses remains unclear. It is not possible to reliably estimate the duration and severity of the consequences emanating from the pandemic. | | |
| This assumption is based on the below assessment: - | | |
| 1. The entity is self-sustaining and derives its funding from the revenue generated through the provision of services. | | |
| 2. The Entity has a strong balance sheet that is backed by cash. | | |
| 3. Strict daily cash management processes are embedded in the Entity's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the budget. The cash management processes are complemented with monthly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted. | | |



g-FleeT Management

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

| | 2022 '000 | 2021 R '000 |
|--|----------------|----------------|
| 38. Going Concern (continued) | | |
| 4.The Entity has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of services. Certain key financial ratios, such as liquidity and solvency are closely monitored and the necessary corrective actions instituted. Taking the aforementioned into account, management has prepared the Annual Financial Statements on the going concern basis | | |
| 39. Change in estimate | | |
| Post the period under review, the entity undertook an assessment of motor vehicles which displayed indicators of significant impairment. Over and above the use of the trade and retail values obtained from dealer handbooks, the entity through its Board of Survey Committee conducted further conditional assessments of the applicable vehicles and used such results in the calculation of the extent and amount of impairment of the applicable vehicles. The change in estimate resulted in an increase in the impairment loss to the Statement of Financial Performance for the year under review and the change will be continuing to be applied prospectively. The change in estimate has resulted in the following: | | |
| Description | | |
| Decrease in Property Plant and Equipment | (32 881) | - |
| Increase in impairment loss: | 32 881 | - |
| | - | - |
| 40. Depreciation and Amortisation | | |
| Motor vehicles | 118 269 | 119 422 |
| Property, plant and equipment | 4 842 | 5 052 |
| Intangible assets | 248 | 247 |
| | 123 359 | 124 721 |
| 41. 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. | | |
| 42. Principal-agent arrangement | | |
| The relationship between g-FleeT Entity and Tirhani Auctioneers forms part principal-agent arrangement as Tirhani Auctioneers auctions vehicles on behalf of g-FleeT Entity to third party for g-FleeT benefit, g-FleeT is the principal and Tirhani Auctioneers is an agent in the arrangement. No changes occurred during the reporting period relating to the significant terms and conditions. The purpose of the arrangement to sell g-FleeT vehicles through an auctions as this forms part of revenue generating for g-FleeT and recapitalise the assets and by selling the vehicles it eliminates the risks of damages E.g nature disasters. No resource of the entity are under the custodianship of an agent and a sales commission of 5% from April 2021 up to the end of quarter 3 was paid. No cost implications for the principal will be incurred should the contract be cancelled. | | |



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