**National Assembly**

**Question No: 2352**

**2352. Mr C H H Hunsinger (DA) to ask the Minister of Transport:**

(1) What total amount (a) of payments is due from the Passenger Rail Agency of South Africa (Prasa) to Transnet SOC Ltd for each year in the past five financial years and (b) did Prasa pay Transnet for rental and/or use of Transnet locomotives in the past three financial years;

(2) whether an asset audit has been undertaken by Prasa recently; if not, why not; if so, (a) what were the findings in the past financial year, (b) which areas showed the highest levels of loss to assets and (c) what is the estimated replacement value to equal stated assets value as shown in the past financial year balance sheet? NW2611E

**REPLY**

1. (a) Amount recorded as being owed by PRASA to Transnet

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(b) Amount paid to Transnet for rental of locomotives over the last 5 years



(2) PRASA has undertaken a national verification of its assets during the period of March 2021 up to August 2021.

1. The following were the findings raised by Auditor General South Africa (AGSA) in the past financial year:
2. Network assets – limitation to existence and completeness.
3. Completeness of facilities and lease improvements.
4. Internal control deficiencies identified on the Land Asset Register.
5. Facilities and leasehold improvement information not submitted for audit.
6. Retirement on facilities and leasehold improvement has been accounted incorrectly and no supporting documents obtained to ascertain the accuracy of the retirement amount.
7. Intangible assets could not be traced back to the fixed asset register.
8. Completed assets under work in progress.
9. Difference between amount per Intangible Asset Register and Trial Balance/Annual Financial Statements.
10. De-recognition certificates of vehicles were approved after year end.
11. Misstatements identified in investment property.
12. Completeness of land on PPE and investment property could not be confirmed.
13. Inadequate impairment assessment on all classes of PPE.
14. Assessment of useful lives of assets not performed in accordance with GRAP 17.
15. Assets captured at no cost.
16. Facilities and leasehold improvement - valuation of work in progress.
17. Facilities and leasehold improvement - findings on valuation and verification of work in progress.
18. Existence and completeness of rolling stock could not be confirmed.
19. The network infrastructure assets shows significant areas of loss.
20. It will not be practical to provide, at this stage, the estimated replacement value of the entire damaged infrastructure as an assessment to replace all the assets has not been done for the entire network. This will be an exercise which is done as and when each area of the damaged infrastructure is replaced, i.e. on a phased approach. The focus currently is on the replacement of Mabopane line in Gauteng and Central line in the Western Cape which is Phase 1.

Assessment has been done on the two area in terms of replacing the assets. It is estimated that the two areas will be will be replaced at an estimated value of R1,2bn.

The second phase assessment is on ten (10) identified corridors which cut across all the provinces with a Metrorail footprint.