No.120 - 2022: Fourth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

**========================**

Thursday, 24 March 2022

**ANNOUNCEMENTS**

none

**TABLINGS**

none

**COMMITTEE REPORTS**

**1. The Chairperson of the Infrastructure Development Portfolio Committee, Hon. M G Modise, tabled the Committee’s Oversight Report on the Third Quarterly Performance Report of the Department of Infrastructure Development for the 2021/2022 financial year, as attached:**

**COMMITTEE’S QUARTERLY OVERSIGHT REPORT ON DEPARTMENT / ENTITY PERFORMANCE**

**Portfolio Committee on** **Infrastructure Development and Property Management**

**Oversight Report on the 3rd Quarterly Report of the Infrastructure Development and Property Management for the 2021/22 Financial Year**

| **Committee Details** | | **Department / Entity Details** | |
| --- | --- | --- | --- |
| **Name of Committee** | **Infrastructure Development and Property Management** | **Name of Department / Entity** | **Infrastructure Development and Property Management** |
| **Which Financial Year** | **2021/22 FY** | **Dept. Budget Vote Nr.** | **15** |
| **Which Quarter** | **3rd Quarter** | **Hon. Minister / MEC** | **Tasneem Motara** |
| **Committee Approvals** | | | |
|  | **Name** | | **Date Considered by Committee** |
| **Hon. Chairperson** | **Mpho Modise** | | **18 March 2022** |
| **Adoption and Tabling** | | | |
| **Date of Final Adoption by Committee** | | | **Scheduled date of House Tabling** |
| **18 March 2022** | | | **25 March 2022** |

Contents

[i. ABBREVIATIONS 4](#_Toc98499721)

[Programme 3: 12](#_Toc98499722)

[ii. INTRODUCTION 13](#_Toc98499723)

[iii. PROCESS FOLLOWED 13](#_Toc98499724)

[1. OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF STRATEGIC PRIORITIES 14](#_Toc98499725)

[2 OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF APP TARGETS 15](#_Toc98499726)

[3 OVERSIGHT ON DEPARTMENT / ENTITY PROJECT MANAGEMENT 18](#_Toc98499727)

[6 OVERSIGHT ON DEPARTMENT / ENTITY PUBLIC ENGAGEMENT 23](#_Toc98499728)

[7 OVERSIGHT ON INTERNATIONAL TREATISE / AGREEMENTS 24](#_Toc98499729)

[10 OVERSIGHT ON A CAPACITATED PUBLIC SERVICE 25](#_Toc98499730)

[11 OVERSIGHT ON ANY OTHER COMMITTEE FOCUS AREA 26](#_Toc98499731)

[13 COMMITTEE RECOMMENDATIONS 27](#_Toc98499732)

[14 ACKNOWLEDGEMENTS 29](#_Toc98499733)

[15 ADOPTION 29](#_Toc98499734)

# ABBREVIATIONS

| **Abbreviation** | **Full Wording** |  |
| --- | --- | --- |
| AGSA | Auditor General of South Africa |  |
| APP | Annual Performance Plan |  |
| BBBEE | Broad Based Black Economic Empowerment |  |
| BEC | Bid Executive Committee |  |
| CDP | Contractor Development Programme |  |
| CoJ | City of Johannesburg |  |
| EIS | Electronic Invoice System |  |
| FY | Financial Year |  |
| EPWP | Expanded Public Works Programme |  |
| GDID | Gauteng Department of Infrastructure Development |  |
| GEYODI | Gender, Youth, Persons living with Disabilities |  |
| GPL | Gauteng Provincial Legislature |  |
| HOD | Head of Department |  |
| IAR | Immovable Asset Register |  |
| LSEN | Learners with Special Educational Needs |  |
| MVs | Military Veterans |  |
| MRR | Market Related Rental |  |
| MTSF | Medium Term Strategic Framework (in this case, relating to 2019-2024 Term of Office) |  |
| NDP | National Development Plan |  |
| PSP | Professional Service Provider |  |
| PwDs | People with Disabilities |  |
| SDGs | Sustainable Development Goals |  |
| SMME | Small, Medium and Micro Enterprises |  |
| SMS | Senior Management Staff |  |
| SOAR-GP | Standardization of Oversight, Accountability and Reporting in Gauteng Province |  |
| SOM | Sector Oversight Model |  |
| STARS | Sports, Transport, Agriculture, Rural Development and Social Development |  |
| TER | Township Enterprise Revitalisation |  |

SUMMARY

| **ii. [Summary of the report]** |
| --- |
|  |
| ***Strategic Priorities***  *High level summary of Committee’s overall assessment of the Department / Entity achievement of relevant strategic priorities for the period under Review* |
| 1. **The Committee noted that:**   - 1173 work opportunities were created in the social sector.   * 721 work opportunities were created in the infrastructure sector. * 243 work opportunities were created in the environment sector. * 3044 work opportunities created through Municipalities in the province * 20 participants participated in the Contractor Development Programme.  1. **GEYODI empowerment - Procurement of budget towards previously disadvantaged groups**  * 50.54% towards Black women owned enterprises * 3.71% towards youth owned enterprises * 0.28% towards Military Veterans enterprises * 0.20% towards PwDs |
| ***Department / Entity APP Achievement***  *An overall Summary of whether the Committee thinks the Department / Entity Non-Financial Performance is sound and prudent* |
| **Programme 1 Administration:** The Committee noted that the Department over-achieved on targets related to payment of rates and taxes to Municipalities where the target was R376 million and an achievement of R507 million was reported. The Department was commended for achieving its target related to the procurement spend allocated to black-owned enterprises (97%) surpassing its targeted 80%. With regards to procurement allocated to black women-owned enterprises 51% was achieved from a targeted 30%. The results of follow-ups with business units for submission of goods received vouchers and timeous submission of invoices by service providers enabled the Department to achieve 86% of valid invoices for service providers settled within 30 days from their targeted 75%. The percentage implementation of the milestones of the annual stakeholder management was also achieved as planned.  **Programme 2 Public Works:** During the quarter under review under**,** the Department reported on 15 planned targets and only managed to achieve 9 (60%), with a budget allocation of R848 798 000, it managed to spend R925 345 337 (109%). Under **Education & STARS** it was reported by the Department that the renovation of the Filadelfia and Felicitas LSEN Schools were pre-achieved in quarter 2 as they were initially planned to be completed in Quarter 3. The targeted number of planned maintenance projects awarded and completed were also fully achieved.  Under the **Health and Infrastructure maintenance sub-programme,** the Committee noted that the target related toconduct 1 conditional assessment of the Department of Health was fully achieved. The Departments planned number of maintenance projects awarded was 20 and completed maintenance was 15, it managed to achieve 25 and 19 respectively, however it was noted that the over-achievement was due to the backlogs from the previous quarter.  Under the **Property Management sub-programme,** the Department reported that 2069 properties were verified in the Immovable Asset Register (IAR), and 5 properties were provided to users from a targeted 2, however the overachievement is from the 3 outputs from the previous quarter.  The Committee noted the report from the Department on the progress of the Kopanong Precinct where it indicated that the BEC report is complete and ready to be presented to the BEC in the 4th Quarter. The MOU was signed by the Departments MEC and HOD with the CoJ expected to also sign in the next quarter. The committee will continue to monitor the progress and developments.  The Committee noted that the targeted 20 related to participants participating in the Contractor Development Programme (CDP) was achieved under **Programme 3 EPWP**. Work opportunities created in provincial Departments were recorded at 2137, and 3044 from municipalities in the Province. |
| *An analysis on whether (and if so, the extent to which) the Department / Entity Programmes / Projects are indeed achieving its Strategic Objectives / Service Delivery Outcomes for the period under review.* |
| The Committee noted, as reported in the previous quarter, the timeous completion of the renovated Filadelfia and Felitas LSEN Schools that were planned to be completed in the 3rd quarter. |
| ***Department / Entity Project Management***  *Overall Summary on management and delivery of Department / Entity Projects* |
| [The information was not provided to the Committee.] |
| ***Financial Performance***  *An overall Summary of whether the Committee thinks the Department / Entity Financial Performance is sound and prudent* |
| During the quarter under review, the Department projected a budget of R1 019 265 000 and managed an expenditure of R1 058 208 630 (104%).  **Programme 1: Administration**   * Of the allocated budget of R104 455 000 the Committee noted that R90 048 244 was spent which translates to 86% expenditure.   **Programme 2: Public Works**   * Of the allocated budget of R848 798 000 the Committee noted that R925 345 337 was spent, which translates to 109% expenditure.   **Programme 3: EPWP**   * Of the allocated budget of R66 012 000 the Committee noted that R42 815 049 was spent, which translates to 65% expenditure. |
| ***Resolutions Management***  *An overall Summary of the Committee’s assessment of Department / Entity Resolutions Management* |
| Resolutions emanating from 3 reports were due to be responded to by the Department. |
| ***Petitions Management***  *An overall Summary of the Committee’s assessment of Department / Entity Petitions Management* |
| There are no petitions referred to the Committee |
| ***Public Engagements***  *An overall Summary of the Committee’s assessment of Department / Entity Public Engagements* |
| The Department reported that several stakeholder sessions were conducted through the Microsoft Teams platform, however, there were no further details regarding what the sessions entailed. |
| ***International Agreements***  *Overall Summary on Department / Entity implementation of relevant Internal Agreements / Treaties [Only if applicable] [Applicable only to OCPOL / OoP]* |
| [Not applicable.] |
| ***GEYODI Empowerment***  *Overall Summary on Department / Entity achievement on actual GEYODI empowerment in communities* |
| Employment Equity  Women in SMS are at 39%  Youth is at 26%  People with Disabilities are at 2.5%   * BBEBEE * Black Women- Enterprises were allocated 6.33% of total procurement spending * Youth-Enterprises were allocated 3.04% of total procurement spending * Enterprises that are owned by PwD’s were allocated 0.16% of total procurement spending |
|  |
|  |
| ***Capacitated Department / Entity***  *An overall Summary of whether the Committee thinks the Department / Entity is adequately capacitated and resourced to carry out its functions and discharge its mandates* |
| * The Department managed to reduce balance of fruitless and wasteful expenditure was reduced from R22.5 million to R5.2 million. * The Committee noted that the Department planned to spend 80% of the procurement budget towards black women-owned companies and this target was achieved as it managed to spend 97.05% of the budget. * A target related to spending allocated budget towards black women-owned enterprises/companies was achieved. * 86% of valid invoices for service providers settled within 30 days. * R502 million of municipal rates and taxes were paid. * Planned STARS maintenance projects award and completed. * The Committee noted that a target to conduct 1 conditional assessment of Department of Health was achieved. * The Committee also noted that target to verify 2069 immovable assets in the IAR was achieved. * Number of participants participating in the Contractor Development Programme target was achieved (CDP). |
| ***Any other Committee Focus Area (if relevant / applicable and Requirement)***  *High level summary of any other area of Department / Entity performance with respect to its Quarter Report that the Committee wishes to report on, which is not already included in any of the above Focus Areas.* |
| The Committee has noted with concern the Department’s inability to carry out sound project management, it has been concerning to the Committee through its oversight work to note the number of incomplete projects in which the contractors have had their contracts terminated due to poor workmanship, lack of financial resources, and failing to adhere to the stipulated contractual timelines, which has resulted in delays of delivering projects. |
| ***Summary of Committee Findings***  *High level summary of Committee findings. Broadly, which aspects do they relate to* |
| The Committee noted with concern that the Department realised 15 (46.87%) against 32 APP set targets, however, it managed to overspend its budget by 4%, with an expenditure of R1 058 208 630 from an allocated amount of R1 019 265 000.  The main area that witnessed under-performance in the output was under:  **Administration (Programme 1)** as it planned 12 and managed to achieve 5 (42%) of the planned targets.  **Public Works (Programme 2)** as it planned 15 targets and only managed to achieve 9 (43%) of the planned targets.  **EPWP (Programme 3)** only achieved 1 (20%) of the 5 planned targets  Programme 1:   * There was a regression in the procurement allocated to people with disabilities owned enterprises from 1.71% in the previous quarter to 0.2% in the quarter under review. * Spending towards MV’s owned companies has declined in the quarter under review (0.28%) as compared to the previous quarter (0.76%). * Targets for Township Enterprise Revitalisation (TER) programme were not achieved during this period. * 30 days payments achieved was Department specific, however, the payment percentage from client Departments in the quarter under review was not reported * The Department reported that a business case for additional funding was submitted to Treasury in order to be in a position to fill 511 vacancies by May 2022.   Programme 2:   * The Committee noted with concern the final notice of termination to the contractor at the Rust-Ter-Vaal Secondary School contractor. * The 75 Fox Project which is delayed due to the non-performance of the contractor and lack of financial resources.   Programme 3:   * Targets related to work opportunities were not achieved since 721 work opportunities were created of the planned 5 252 EPWP work opportunities reported by the infrastructure sector. * 1173 work opportunities were reported to have been created by the social sector in Gauteng from a targeted 4419. * The Department also planned to have GP Municipalities reporting 13 759, but only managed to have 3 044 work opportunities created being reported. |
| ***Summary of Committee Recommendations***  *High level summary of Committee Recommendations. Broadly, which aspects do they relate to* |
| * The Department should indicate if the targets related to spending towards PwD’s, MV’s, and youth owned companies will be achieved in current FY, if not, a report highlighting a plan in place to mitigate the regressing spend should be submitted. * The Department to submit a report indicating the payments of client departments and their adherence to the 30-days payment of service providers target. * The Department to provide a progress report or the outcome of the submitted business case for additional funding to fill vacant posts. * In an effort to eliminate the recurring termination of contracts due to poor performance and ensuring the delivery of projects on time, the Department is to provide measures in place to ensure contractors that are awarded contracts are financially sound and have a proven track record. * The Department to provide a detailed report of the progress on the support and interventions in place to ensure reliable reporting of data by Public Bodies on the work opportunities created under the EPWP. |

# INTRODUCTION

This report has been developed in accordance with the Sector Oversight Model (SOM), the GPL Committees Oversight and Accountability Framework (COVAC) as part of the GPL Project on Standardization of Oversight, Accountability and Reporting in Gauteng (SOAR-GP).

It further outlines the macro assessment, which looks at the overall performance of the Department, and the micro assessment, which focuses on programme-by-programme performance. This is done to determine if there is a balance between the Department’s inputs, outputs, and outcomes. The Committee’s approach thus focused on whether the Department’s planned outputs have been achieved; and whether the allocated funds have been effectively and efficiently utilized, to ensure value for money. This assessment forms part of the oversight work that is continuously carried out by the Committee, to evaluate the implementation of programmes against set targets and expenditure for the period under review.

# PROCESS FOLLOWED

The process that was followed with respect to:

Obtaining the required submissions from the Department of Infrastructure Development and Property Management

During the virtual Committee meeting held on the 11th February 2022, the Committee received an analysis from the Committee Researcher. On the 22nd of February 2022 the Committee received the presentation from the Department on its 3rd Quarter Performance Report. The Committee Members engaged the Department, and the clarity seeking questions were written and forwarded for the Department to respond in writing to the Committee., the responses was received on the 22nd February 2022,

The preparation, compilation, and finalization of this report: The Committee compiled the report, and it was tabled, deliberated and adopted with amendments during the meeting held on the 18th March 2022. The report was tabled for consideration and adoption in the House on the Sitting held on the 24th March 2022.

# OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF STRATEGIC PRIORITIES

| **1.1 THE DETAILS ON Department / Entity achievement on relevant Strategic Priorities for the period under review]** |
| --- |
| The Committee noted that the performance of the Department ties well with the strategic priorities of the National and Provincial Strategic priorities. One of the priorities that are set out in the National Development Plan is the massive investment in Infrastructure Development; thus, the Department implemented infrastructure programmes that are playing a significant role in the Growing Gauteng Together 2030 strategic framework (GGT2030). In this regard, the Department has demonstrated interest in contributing to skills development and enhancement of employment opportunities; through the construction of capitals projects, ensuring safety environment in schools and maintenance of infrastructure.  Poverty alleviation, fighting inequality, and unemployment remains at the centre of the strategic priorities of the department. The Department has focused on the implementation of job creation initiatives such as the EPWP which serves to contribute to the war against poverty. Furthermore, the mainstreaming of GEYODI resonated with the outcomes of the Medium-Term Strategic Framework 2019-24 in terms of the initiatives that are uplifting the previously disadvantaged/vulnerable groups (Youth, Women, PwDs and MVA).  Economic Empowerment is also a key aspect of the Department's strategic priorities; as such, there have been initiatives that serve to empower women. For example, the allocation of the procurement budget to women-owned companies. This is in line with the SOPA imperative that focuses on the revitalisation of the township economy, and empowerment of SMME, through mainstreaming of Women and other previously disadvantaged sectors in the Department's procurement processes.  Furthermore, the Department has indicated its willingness to achieve clean audits, which will have a positive on the budget and improve service delivery. As part of the SOPA, the Premier was eloquent on revitalising the township economy, and the Department heeded the call by the Premier and directed the Departments in fast-tracking payment of service providers. Also, the Department has managed to procure service from contractors who are from a previously disadvantaged background.  Furthermore, the country has education amongst top priorities; as such, the Department has intensified its delivery of education infrastructure and continue to make education advance by the introduction of smart classes. The Department indicated that it completed some work to achieve targets related to education infrastructure.  Another strategic priority that is linked to SDGs, is universal access to health care. In this regard, the Department has been engaged in processes to provide health infrastructure (clinics in particular) to align them with NHI and intend to start renovations in some of the health facilities around the province. Furthermore, the Department is contributing towards Agenda 2063; whose vision is to have a prosperous Africa, with inclusive growth and sustainable development. |

# 2 OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF APP TARGETS

| **2 [THE DETAILS ON DEPARTMENT / ENTITY APP PERFORMANCE]** |
| --- |
| **Number of APP targets relevant for this Quarter** |
| 32 targets |
| **Number of APP targets for this Quarter that have been achieved during this Quarter** |
| 15 targets |
| **Percentage of APP targets for this Quarter that have been achieved during this Quarter** |
| 47% achievement |
| **Percentage of APP achievement for the previous Quarter (for Comparison)** |
| 52% achievement. |
| **Main areas in the APP that have experienced non-achievement or over achievement during this Quarter** |
| The main areas that experienced non-achievement n the quarter under review under **Administration Programme (Programme 1)**, which resulted in the Department achieving 5 (42%) of the planned 12 targets, was the poor performance of targets related to the collection of revenue from rental of properties where only R3.8 million was collect from a targeted R7.5 Million. The procurement allocated to people with disabilities owned enterprises was 0.2% and youth-owned enterprises was 3.71% from a targeted 3% and 20% respectively. The Committee noted with concern the failure to achieve procurement targets allocated to MV-owned enterprises (0,28% of 1%), there were no achievements related emerging black firms empowered through contractors by the Department during the quarter under review. The failure by the Department to allocate to small, medium and micro enterprises (SMMEs) of was noted with concern, as it only managed to allocate procurement to 21.42% of the targeted 50%, and with regards to the procurement to Township Enterprise Revitalisation (TER) 4.86% of 25% was achieved.  **Public Works Programme (Programme 2)** also experienced non-achievement in some targets as it had planned for 15 targets and only managed to achieve 9 (60%), it was reported that targets related to the Infrastructure designs ready for tender under Social Development could not be achieved due to administrative delays by the client to support a proposed design recommendation option by CoJ. The number of facilities renovated under the STARS programme were not achieved due to non-performance of the contractor and lack of financial resources. With regards to targets under Education, the Braamfischerville Primary School could not be completed owing to delays in the confirmation of funds by the client, and the Rust-Ter-Vaal Secondary School was not completed due to poor performance by the contractor.  **EPWP Programme (Programme 3):** The Department planned 5 targets but only managed to achieve 1 (20%). It was noted with concern the Departments achievement of 721 work opportunities created from a targeted 5252 was attributed to the gross under-reporting by the relevant GPG Departments, as well as the delay or suspension of projects. The Social sector reported 1173 work opportunities achieved from a targeted 5592, and 243 from the environmental sector out of a planned 388, and with regards to municipalities, 3044 opportunities were created from a possible 13 759. |
| **Main reasons provided by the Department / Entity for non-achievement or over achievement of its APP during this Quarter** |
| **Administrative Programme (Programme 1):**  The Department indicated that the reasons for the poor collection of revenue from the property portfolio was attributed mainly to economic reasons resulting in tenants being in arrears. The appointments made through the maintenance panel towards was insufficient to achieve the related to people with disabilities owned enterprises. It was reported that there has been no high value appointment made to youth-owned enterprises.  **Public Works Programme (Programme 2)**  The Department reported that Infrastructure designs ready for tender under Social Development could not be achieved due to administrative delays by the client to support a proposed design recommendation option by CoJ. The failure to achieve the target for DID designed was caused by changes requested to the plan by DID. Poor performances and lack of financial resources were the reasons tabled for the non-achievement of Education targets.  **EPWP (Programme 3)**  Responding to the Committee the Department reported that, gross under-reporting by the relevant GPG Departments, and delays in reporting data were the reasons advanced for the low work opportunities achieved. |
| **Measures in place (with timeframes) to correct the deviation in targets for this Quarter and to prevent recurrence of such or similar deviation** |
| **Programme 1**  The Department indicated that in the effort improve on rental collection, letters of demand are being sent to tenants as well as acknowledgement of Debts were being signed by willing tenants, legal action for eviction was being instituted against those refusing to corporate. The maintenance database will be used to intensify the appointments of people with disabilities owned enterprises, and projects on the procurement plan must be identified where youth owned companies will be preferred. The prioritization of the MV-owned company would be made through the quotation process and maintenance panel, and the Department committed to fast-tracking of the finalization of the framework for the database which will guide on the invitation to bid of emerging black firms. The commitment by the Department to intensify the appointment of SMME’s and TER through prioritized goods and services and maintenance panels.  **Programme 2**  With regards to designs that were not ready for tender under Social development, the Department reported that the client had given a greenlight and a PSP has been engaged to fast-track the design solution. Under the DID, the internal engagements regarding the strategic plan for Corner House had commenced. The performance of the contractor enlisted to renovate facilities under STARS is being monitored closely on a weekly basis and the terms of contracts for delay damages are being applied. Education projects are being closely monitored, as engagements with the Client are underway, and the approval for termination of the Rust-Ter-Vaal Secondary school contractor is being sought.  **Programme 3:**  The Department reported that it is in a process of hosting of an EPWP indaba for more political and administrative support, available data will be reported in full by National Department of Public Works after validation processes on the work opportunities created by Environmental and Social sectors. |
| **A summarized analysis on the Department / Entity performance per Programme for the period under review** |
| **Administration (Programme 1)** planned 12 and managed to achieve 5 (42%) of the planned targets.  **Public Works (Programme 2)** planned 15 and only managed to achieve 9 (43%) of the planned targets.  **EPWP (Programme 3)** only achieved 1 (20%) of the 5 planned targets |
| **Summarized information on any unplanned / emerging priorities reported on by the Department / Entity during the period under review** |
| None for the quarter under review. |
| **Summarized information on how the Department / Entity maintains portfolios of evidence to verify its reported performance information** |
| The Department reported that it ensures collection, analysis, and storage of portfolio of evidence at the end of each quarter. The documents are collected manually and in electronical form and are saved safely. To strengthen the process of data, it indicated that training of Document Mnagement had been arranged for its employees. |

# 3 OVERSIGHT ON DEPARTMENT / ENTITY PROJECT MANAGEMENT

| **3 THE DETAILS ON [DEPARTMENT / ENTITY PROJECT MANAGEMENT]** |
| --- |
| [No information was provided:] |

4 OVERSIGHT ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE

| **4 THE DETAILS ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE** |
| --- |
| **Actual amount (in Rands) allocated to the Department / Entity as budget for this entire Financial Year** |
| R3 260 931 000 |
| **Actual amount projected by the Department / Entity to be spent only during the Q under review** |
| R1 019 265 000 |
| **Actual amount (in Rands) spent by the Department / Entity only during the Q under review** |
| R1 058 208 630 |
| **Total actual amount (in Rands) spent by the Department / Entity (Year to Date), i.e., from the beginning of this FY to the end of this Q under review** |
| R2 367 649 648 |
| **Percentage (% of total budget allocation) of budget expenditure for this Q under Review only** |
| 104% |
| **Percentage (% of total budget allocation) of budget expenditure (Year to Date), i.e., from the beginning of this FY to the end of this Q under review** |
| 73% |
| **An analysis of how the % budget expenditure compares with the % APP achievement** |
| 47% of the targets were achieved and the expenditure was at 104%. |
| **If there was over / under spending of greater than 3% of projection, what were the main challenges that led to the over / under spending** |
| It was concerning to the Committee to note that the Department overspent its budget by 4% and yet 47% of the targets were achieved. |
| **Mitigating measures by the Department / Entity to remedy over / under expenditure** |
| The Committee noted with concern the reported irregular expenditure amounting to R99, 317, 969.17, owing to payments made to additional space occupied by Department of Health and Community Safety, this was subsequent to the Department working on various processes to ensure prevention of irregular expenditure which include conducting workshops for construction project managers, retraining of Bid Committee members who are involved Supply Chain Management processes. |
| **The Department / Entity’s achievement with respect to GEYODI responsive budgeting / procurement for the period under review** |
| * black women-owned 50,54%. * PwDs 0.20%. * Youth 3.71%. |
| **The Department / Entity’s achievement with respect to township economy / SMME / local procurement for the period under review** |
| 21,42% of the budget was spent towards SMMEs; whilst 50% was planned. |
| **A summary for the period under review with respect to payment of service providers within 15-30 days** |
| From a targeted 75% the Department achieved 86% of payment of invoices within the 30 days period in the quarter under review, The Committee commends the Department on this achievement, and will continue to monitor the timeous payment of invoices within 30 days. |
| **A summary for the period under review with respect to fruitless, wasteful, and irregular expenditure** |
| The Committee noted with concern the reported irregular expenditure amounting to R99 317 969.17, owing to payment made to additional space occupied by Department of Health and Community Safety, as well as costs incurred through security services and cleaning that were sourced on a quotation basis. The balance of fruitless and wasteful expenditure was reduced from R22.5 million to R5.2 million, however, the Department should strive to further reduce the expenditure. |
| **A summary for the period under review with respect to efficiency / value for money in all SCM / procurement processes** |
| During the quarter under review, procurement spend allocated to black-owned enterprises and black women-owned enterprises was achieved as a result of higher responses from black owned companies. The Department’s inability to meet its targets related to procurement towards PWD’s, Military Veterans, TER and empowering emerging black firms was noted with concern, however the Committee will monitor the commitments advanced by the Department to mitigate this challenge.. |
| **A summary for the period under review with respect to reduction of fraud and corruption in all SCM / procurement processes** |
| No information was provided to the Committee. |
| **A summary for the period under review with respect to ongoing clean audits** |
| There were no requests for information received from the AGSA during the period under review. |
| **A summary for the period under review with respect to spending on conditional grants (where applicable)** |
| During the quarter under review, the Departments expenditure on conditional grants was R13 166 000. |
| **Program / Sub Programme level financial performance** |
| Programme 1 was allocated R104 455 000 and R90 048 244 was spent which translates to 86% expenditure  Programme 2 was allocated R848 798 000 and R925 345 337 was spent, which translates to 109% expenditure  Programme 2 was allocated R66 012 000 and R42 815 049 was spent, which translates to 65% expenditure |

**5 OVERSIGHT ON DEPARTMENT / ENTITY RESOLUTIONS AND PETITIONS MANAGEMENT**

|  |  |
| --- | --- |
| **5.1 THE DETAILS ON DEPARTMENT / ENTITY RESOLUTIONS MANAGEMENT** | |
| **How many Responses / Actions to Resolutions were due by the Department / Entity during the Quarter under review** | **With respect to any and all Resolutions that were due in the Quarter under review, how many Resolutions have been successfully responded to by the Department / Entity** |
| * 1st Quarter Report for the 2021/22 FY (7 Resolutions) * 1st Focused Intervention Study (FIS) Report on “Revitalization of the Township Economy through infrastructure development” for the 2021/22 FY (5 resolutions) * 2nd Focused Intervention Study (FIS) Report on Mainstreaming of Transversal issues in procurement of Goods and Services to Youth Women and People with Disabilities and Military Veterans for the 2019/20 FY (8 resolutions) | None were responded to during the quarter under review |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to Committee Resolutions** | |
| The Committee is concerned with the failure of the Department to respond timeously to the Resolutions | |
| **With respect to the Resolutions / Action due during the Quarter under review but still overdue, what reasons have been provided by the Department / Entity [with mitigating measures to submission]** | |
| No reasons were provided in this regard. | |

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| --- | --- |
| **5.2 THE DETAILS ON DEPARTMENT / ENTITY PETITIONS MANAGEMENT** | |
| **How many Responses / Actions to Petitions due by the Department / Entity during the Quarter under review** | **With respect to any and all Petitions that were due in the Quarter under review, how many Petitions have been successfully responded to by the Department / Entity** |
| 2 | 2 |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to referred Petitions** | |
| In line with the Gauteng Provincial Legislature (GPL) Standing Rules, the Gauteng Department of Infrastructure Development (GDID) submitted its report on the set timeframes, formats, quality, and legal parameters in accordance with the Gauteng Provincial Legislature’s Standing Rules. | |
| **With respect to the Petitions / Action due during the Quarter under review but not yet responded to by the Department / Entity, what reasons have been provided by the Department / Entity [with mitigating measures to submission]** | |
| N/A | |

# 6 OVERSIGHT ON DEPARTMENT / ENTITY PUBLIC ENGAGEMENT

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| --- |
| **6. THE DETAILS ON DEPARTMENT / ENTITY PUBLIC ENGAGEMENTS** |
| **The steps / measures the Department / Entity has taken to meaningfully involve the public / stakeholders in the course of its work / service delivery, during the period under review** |
| The Department reported that several stakeholder sessions were conducted through the Microsoft Teams platform. |
| **Summary of Public Education programmes of the Department / Entity during the period under review** |
| This information was not provided by the Department. |
| **Feedback sessions conducted by the Department / Entity** **during the period under review** |
| This information was not provided by the Department. |

# 7 OVERSIGHT ON INTERNATIONAL TREATISE / AGREEMENTS

| **7. DETAILS ON IMPLEMENTATION OF INTERNATIONAL AGREEMENTS / TREATIES [Applicable only to OCPOL / OoP]** |
| --- |
| N/A. |

8 OVERSIGHT ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT

| **8. DETAILS ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT** |
| --- |
| The Department reported that delays in finalizing the emerging contractor framework that will serve as a guideline to the procurement process was due to the engagements with all stakeholders. It committed that the draft framework will be finalized by end of February 2022 and the invitation to bid will be published by end of March 2022, the draft Framework has been forwarded to the HOD for endorsement |

9 OVERSIGHT ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS

| **9. [DETAILS ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS]** | |
| --- | --- |
| **GPL** | In line with the GPL Standing Rules, the Department of Infrastructure Development and Property Management timeously submitted its 3rd Quarterly Performance Report for the 2021/22 FY. The format of the Department’s report follows the standard requirements (targets per quarter, Expenditure per programme, expenditure per economic classification). |
| **Auditor General (AGSA)** | 0 |
| **Public Service Commission (PSC)** | 0 |
| **Compliance with relevant fiduciary Legislation [e.g., PFMA]** | The Committee noted proper governance of the Department (Corporate Governance) and accountability on the utilisation of the public funds, except that there were reported instances of irregular, wasteful expenditure |

# 10 OVERSIGHT ON A CAPACITATED PUBLIC SERVICE

| **10. THE DETAILS ON A CAPACITATED DEPARTMENT / ENTITY** |
| --- |
| **Detailed information on the current vacancies (at all staff levels)** |
| No detailed information was provided in this regard |
| **Current vacancy rate** |
| 511 |
| **Current acting positions (at all Staff levels)** |
| Acting on Vacant positions –11 |
| **Terminations during the period under review** |
| 31 |
| **New appointments during the period under review** |
| 10 |
| **Detailed information on the GEYODI / HDI empowerment for the period under review** |
| * Women in SMS are **39% (24)** * People with Disabilities are **2,5% (64)** * Youth is **25.9% (652)** |
| **Detailed information on any suspensions for the period under review** |
| There were no suspensions reported in the quarter under review. |

# 11 OVERSIGHT ON ANY OTHER COMMITTEE FOCUS AREA

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| --- |
| **11. THE DETAILS ON ANY OTHER COMMITTEE FOCUS AREA [Only if relevant and applicable]** |
| *Any other area of Department / Entity performance with respect to its Quarter Report that the Committee wishes to report on, which is not already included in any of the above Focus Areas.* |
|  |

| **12. DETAILED COMMITTEE FINDINGS / CONCERNS (on each specific Focus Area analysed above)** |
| --- |
| With respect to [Programme 1], the Committee is concerned that: there was a regression in the procurement allocated to people with disabilities owned enterprises from 1.71% in the previous quarter to 0.2% in the quarter under review. |
| With respect to [Programme 1], the Committee is concerned that: Spending towards MVA owned companies has declined in the quarter under review (0.28%) as compared to the previous quarter (0.76%). |
| With respect to [Programme 1], the Committee is concerned that: Targets for Township Enterprise Revitalisation (TER) programme were not achieved during this period |
| With respect to [Programme 1], the Committee is concerned that: 30 days payments achieved was DID specific, however what was the payment percentage by client Departments in the quarter under review. |
| With respect to [Programme 1], the Committee is concerned that: The Department reported that a business case for additional funding was submitted to Treasury in order to be in a position fill the vacancy rate of 511 by May 2022. |
| With respect to [Programme 2], the Committee is concerned that: the final notice of termination to the contractor at the Rust-Ter-Vaal Secondary School contractor with the project at 70% completion. |
| With respect to [Programme 2], the Committee is concerned that: The 75 Fox street is delayed due to non-performance of the contractor and lack of financial resources. |
| With respect to [Programme 3], the Committee is concerned that: Targets related to work opportunities were not achieved since 721 work opportunities were created of the planned 5 252 EPWP work opportunities reported by the infrastructure sector. |
| With respect to [Programme 3], the Committee is concerned that: 1173 work opportunities reported by the social sector in Gauteng from a targeted 4419. |
| With respect to [Programme 3], the Committee is concerned that: The Department planned to have GP Municipalities reporting 13 759, but only managed to have 3 044 work opportunities being reported. |
|  |

# 13 COMMITTEE RECOMMENDATIONS

| **13 [DETAILED COMMITTEE RECOMMENDATIONS]** | | | |
| --- | --- | --- | --- |
| **Based on the information set out herein-above as well as the Committee Concerns, the Committee therefore recommends as follows:** | | | |
| **Ref Number** | **Recommendation** | **Type of response expected** | **Due Date** |
| INFRA / Q3PR / 001 | The Department should indicate if the targets related to spending towards PwD’s, MV’s, and youth owned companies will be achieved in current FY, if not, a report highlighting a plan in place to mitigate the regressing spend should be submitted. | Written Response | 22/04/2022 |
| INFRA / Q3PR / 002 | The Department to submit a report indicating the payments of client departments and their adherence to the 30-day target. | Written Response | 22/04/2022 |
| INFRQ / Q3PR / 003 | The Department to provide a progress report or the outcome of the submitted business case for additional funding to fill vacant posts. | Written Response | 22/04/2022 |
| INFRA / Q3PR / 004 | In an effort to eliminate the recurring termination of contracts due to poor performance, and ensuring the delivery of projects on time, the Department is to provide measures in place to ensure contractors that are awarded contracts are financially sound and have a proven track record. | Written Response | 22/04/2022 |
| INFRA / Q3PR / 005 | The Department to provide a detailed report of the progress on the support and interventions in place to ensure reliable reporting of data by Public Bodies on the work opportunities created under the EPWP. | Written Response | 22/04/2022 |
| INFRA/ Q3PR / 006 | The Department to submit a list of legislation/regulations that hinder Intergovernmental Relations impacting the completion of projects, as well as table suggestions on how these can be mitigated. | Written Response | 22/04/2022 |
|  | | | |
| **Explanatory note on the reference numbers for Recommendations (ultimately Resolutions)**   * Reference number is in the format: [A] / [B] / [C] * [A] = The 3 letter Committee identifier. E.g., COGTA/HS can be “CHS”, SRAC can be “SRA” * [B] = The 4-digit identifier for the SOM Imperative [e.g., Q1PR or Q2PR or FIS1 or APR, or BV. In this case, since this is a Q-Report template, it will either be Q1PR or Q2PR or Q3PR or Q4PR] * [C] = The 3-digit number of the recommendation in this report [001,002,003 …, 00n] | | | |

# 14 ACKNOWLEDGEMENTS

The Chairperson of Portfolio Committee on Infrastructure Development, Honourable Mpho Gift Modise would like to thank MEC, T Motara, Head of the Department and the entire Department’s Executives for their efforts in the consideration of this report.

The Chairperson further appreciates the diligent deliberations of Honourable Members T Magagula, K Diale-Tlabela, T Ndlovu, A Fuchs, N De Jager, M Mofama, C Mabala and K Hoffman.

The Committee Chairperson would also like to thank T Bodibe, M Tshabalala, K Mdlalose, T Mulibana, T Khumalo, L Ncume, N Mbonane, K Mphirime, for their dedication and assistance.

# 15 ADOPTION

In terms of Rule 117 (2)(c) read together with Rule 164 the Portfolio Committee on Infrastructure Development and Property Management; present before the House the Oversight Report on the Department of Infrastructure Development 3rd Quarter Report for the 2021/22 FY for consideration and adoption.