No.204 - 2022: Fourth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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

**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

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

Monday, 20 June 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 Fourth 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 4th Quarterly Report of the Infrastructure Development and Property Management Department 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** | **4th Quarter** | **Hon. Minister / MEC** | **Jacob Mamabolo** |
| **Committee Approvals** | | | |
|  | **Name** | | **Date Considered by Committee** |
| **Hon. Chairperson** | **Mpho Modise** | | **2 June 2022** |
| **Adoption and Tabling** | | | |
| **Date of Final Adoption by Committee** | | | **Scheduled date of House Tabling** |
| **2 June 2022** | | | **21 June 2022** |

Contents

[i. ABBREVIATIONS 4](#_Toc104591344)

[ii. INTRODUCTION 13](#_Toc104591345)

[iii. PROCESS FOLLOWED 13](#_Toc104591346)

[1. OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF STRATEGIC PRIORITIES 14](#_Toc104591347)

[2 OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF APP TARGETS 15](#_Toc104591348)

[3 OVERSIGHT ON DEPARTMENT / ENTITY PROJECT MANAGEMENT] 19](#_Toc104591349)

[6 OVERSIGHT ON DEPARTMENT / ENTITY PUBLIC ENGAGEMENT 23](#_Toc104591350)

[7 OVERSIGHT ON INTERNATIONAL TREATISE / AGREEMENTS 23](#_Toc104591351)

[10 OVERSIGHT ON A CAPACITATED PUBLIC SERVICE 24](#_Toc104591352)

[11 OVERSIGHT ON ANY OTHER COMMITTEE FOCUS AREA 25](#_Toc104591353)

[13 COMMITTEE RECOMMENDATIONS 26](#_Toc104591354)

[14 ACKNOWLEDGEMENTS 28](#_Toc104591355)

[15 ADOPTION 28](#_Toc104591356)

# 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 |  |
| GDoH | Gauteng Department of Health |  |
| GEYODI | Gender, Youth, Persons living with Disabilities |  |
| GPL | Gauteng Provincial Legislature |  |
| HOD | Head of Department |  |
| Mil | Million |  |
| MVs | Military Veterans |  |
| NDP | National Development Plan |  |
| POE | Portfolio of Evidence |  |
| 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 |  |
| SACR | Sport, Arts, Culture and Recreation |  |
| 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* |
| **Programme 1 (Administration):** The Committee noted that under the current quarter, targets related to percentage of procurement allocated to black- owned enterprises, number of emerging black firms empowered through contractors per annum, women owned enterprises were achieved. Some targets were partially achieved including the percentage of procurement allocated to black women-owned enterprises and procurement allocated to youth-owned enterprises.  **Programme 2 (Public Works):** The achieved targets attained include among others; Rand value of revenue collected from GPG property portfolio on disposals and leases, number of immovable assets verified in the Immovable Asset Register, planned maintenance projects, two (2) land parcels were released for socio-economic purpose and fourteen (14) non-core residential properties were disposed during the quarter. The Committee noted that STARS maintenance projects and for the Department of Health targets were also achieved.  **Programme 3 (Expanded Public Works Programme):** The Department also achieved targets related to number of work opportunities reported by the Environmental sector in Gauteng and number of work opportunities created by Provincial Public Works. |
| ***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 with concern that only three (3) against the planned twelve(12) targets under this programme were achieved. Amongst others, the target related to procurement of 3% of the budget to PwDs was not achieved, however the Committee noted that the SCM within the Department was planning to embark on roadshows to increase awareness on the requirements for tenders and quotation processes.  Property Management sub -programme targets were not attained. The Rand value of revenue collected from GPG property portfolio disposal and leases as the Department planned to collect R8.5 million but collected R4.7 million. The reason provided by the Department for not meeting the target is that majority of leases expired and were not renewed, and this led to illegal occupation. The Committee noted that the Department has sent 210 letters of demand and 105 were handed over to the legal unit for further legal action. Rand value of municipal rates and taxes paid target was not met since R218 million was processed against the planned R376 million. The Committee noted the reason provided by the Department for not achieving targets related to rates and taxes was that the budget was depleted, and the balance will be processed during the new financial year. The Committee will follow-up on progress made during the 2022/23 FY.  **Programme 2 Public Works:** During the quarter under review**,** the Committee noted and acknowledged that 2 084 assets were verified in the Immovable Asset Register,  Seven (7) planned maintenance projects were awarded, two (2) land parcels were released for socio-economic purpose and fourteen (14) non-core residential properties were disposed during the quarter under review. Concerning was that 76% of the Department’s allocated budget was spent and yet only 88% of the targets were achieved. This programme was allocated a budget of R810 million and R613 million of the budget was spent which translates to 76% expenditure. The Committee is of the view that there is poor planning within the Department. The under-expenditure of 24% was noted with concern by the Committee since Public Works programme is core to the mandate of the Department.  Under **STARS** Projects it was reported by the Department that the PSP to conduct condition assessment for STARS was not appointed. The non-appointment was due to the change of scope by the Client Departments and delayed procurement processes.    The Department failed to meet the set targets of designs Infrastructure projects for Social Development and the reason provided by DID is that there was a delay in the approval of initiation report by the client Department. Kocksoord Library, Mullerstuine Library and MH Joosub Secondary School under the Department of Sport, Arts, Culture and Recreation were all impacted by delay on approval of initiation report by client.  With regards to target to design infrastructure project for Rekopantse PS Combi Court the target was not achieved due to the delays from the Department of Education, that caused the delays on the approval of initiation report. The Committee noted with concern that delays from the client Departments are the causes of project delays.  The Committee noted and acknowledged that six (6) Capital infrastructure projects were completed including the Ditau Primary School, Greenspark Clinic, Masakhane Regional Laundry, Dr. George Mukhari Academic Hospital, Johan Deo Clinic and Akasia Library.  **Programme 3 Expanded Public Works Programme**: The Committee noted that only three (3) of the seven (7) targets were achieved during the QTR under review. The Committee also noted that the non-achievement of the targets was due to budget constraint and late appointment of the contractors. |
| *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 that 2 084 immovable assets were verified in the Asset Register also that the two(2) land parcels were released for socio- economic purpose. |
| ***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 R960 million and managed an expenditure of **R793 million which translates to 83% expenditure**.  **Programme 1: Administration**   * Of the allocated budget of R94 million the Committee noted that R144 million was spent which translates to 152% over expenditure.   **Programme 2: Public Works**   * Of the allocated budget of R810 million the Committee noted that R613 million was spent, which translates to 76% expenditure.   **Programme 3: EPWP**   * Of the allocated budget of R55 million the Committee noted that R36 million was spent, which translates to 66% expenditure. |
| ***Resolutions Management***  *An overall Summary of the Committee’s assessment of Department / Entity Resolutions Management* |
| No outstanding resolutions were due during the current QTR from the Department. The Committee received the responses emanating from the 3rd QTR and the Adjustment Appropriation Bill for the 2021/22 FY. |
| ***Petitions Management***  *An overall Summary of the Committee’s assessment of Department / Entity Petitions Management* |
| There were no petitions referred to the Committee during the current QTR. |
| ***Public Engagements***  *An overall Summary of the Committee’s assessment of Department / Entity Public Engagements* |
| The Committee noted that during the quarter under review, the Department was allocated R960mil and spent R793mil which translates to 83% expenditure. The Department achieved only 50% of the set target. The Committee noted with concern the set targets of designs Infrastructure projects for Social Development were not achieved. The irregular expenditure incurred in the fourth quarter was reduced to R76mil.million compared to the performance of the previous quarter, which was R99mil. Only 25% of the targets were achieved under **Programme 2** and yet the budget was over-s-pent with 52% which was noted with concern by the Committee.Under Programme 2, 88% of the targets were achieved. The failure to achieve targets under this Programme was noted with concern since it is the core business of the Department. The Committee noted with concern that limited information specifically on the Braamfishcer Primary School. Whereby they submitted information for the 4th qtr. instead of presenting on the entire project with budget spend to-date. As in all the previous FYs **Programme 3** targets were not achieved even in the current qtr. |
| ***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* |
| The Committee noted the GEYODI empowerment as reported by the Department that:  Employment Equity:  **Gender**   * Women in SMS are at **38%**   BBBEE:  Black Women- Enterprises were allocated **29.43%** of total procurement spending  **Youth**  Employment Equity:   * Youth is at **26%**   BBBEE:  Youth-Enterprises were allocated **1.95%** of total procurement spending  **People with disabilities**  Employment Equity:   * People with Disabilities are at **2.56%**   BBBEE:  Enterprises that are owned by People with Disability were allocated **0.10%** 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 Committee was of the view that the Department, was underfunded to carry out its mandate, however concerning was that Programme 2 which is a core mandate of the Department underspends its budget with 24%. |
| ***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 non-payment of SMMEs by the main contractors, which has resulted in delays of projects delivery and stoppages. |
| ***Summary of Committee Findings***  *High level summary of Committee findings. Broadly, which aspects do they relate to* |
| **Administration Programme:**  This Programme had planned for twelve (12) targets but only achieved 3 which translates to 25% achievement and yet the budget was overspent with 52%. Amongst other reasons provided by the Department for over-expenditure under this Programme was that the Department had during the 2021/22 financial year received a court order amounting to R44 million which necessitated that it be settled in March 2022 to avoid incurring further interest charges on the matter. With regards to late payment of service providers, the Department reported that it is engaging with Accounting Officers of client departments to ensure tranche payments are made to DID on time. With the Department of Health, a Standard Operating Procedure (SOP) and Service Delivery Agreement (SDA) has been signed wherein a process of transfer of funds is outlined and an agreement is reached which will ensure service providers are paid on time. Other client departments’ Accounting Officers are being engaged to reach similar arrangements. The Committee will continue to monitor progress during 2022/23 FY.  **Public Works Programme:** The Committee noted with concern that this programme hadplanned for 24 targets and managed to achieve 21 which translates to 88% achievement. The Committee noted with concern that, a target for Wedela PS Combi court, **Kocksoord and Mullerstuine**  libraries and **MH Joosub Secondary School,** were not achieved due to delays on approval of initiation report by the Clients Departments namely: Departments of (Education, Social Development and Sport, Arts, Culture and Recreation (DSACR). The Committee is of the view that Client Departments were the main contributors to the project delays during the current QTR.  **Expanded Public Works Programme:**  only achieved Three (3 )of the seven (7) planned targets . The targets not attained include among others; number of work opportunities reported by the infrastructure sector in Gauteng (GPG departments) (1 319 against 5253); number of EPWP work opportunities reported by the Social Sector (3 572 against 5 593); number of EPWP work opportunities reported by municipalities (5 174 against 13 762) and target set for EPWP beneficiaries to complete skills development programme was not attained. It is however concerning that the reasons for failure to achieve the targets are delayed projects, budget cuts, late appointment of contractors. |
| ***Summary of Committee Recommendations***  *High level summary of Committee Recommendations. Broadly, which aspects do they relate to* |
| * **Programme 1**: The Department should ensure that there is alignment between the inputs and outputs under **Programme 1** since the budget was overspent with 52% and only 50% targets were achieved. * **Programme 1**: The Department to develop a policy to intervene when there is non-payment of SMMEs in projects rather than indicating that it does not interfere on contractual agreements, also to provide a list of all projects affected and a way forward. * **Programme 1**: The Department to develop a strategy in ensuring the spending towards MVs owned companies and TER programme * **Programme 2**: The Department should expedite the completion of Braamfishcer school project and report to the Committee on a total budget spent to the project, since the beginning to-date. * **Programme 2**: The Department should ensure that condition assessments for STARS projects were conducted and reinforce its SCM management. |

# 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 QTR 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 13th May 2022, the Committee received an analysis from the Committee Researcher. On the 26th May 2022 the Committee received the presentation from the Department on its 4th 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 were received by the Committee.

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 the2nd June 2022. The report was tabled for consideration and adoption in the House on the Sitting held on the 21st June 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** |
| 44 targets |
| **Number of APP targets for this Quarter that have been achieved during this Quarter** |
| 22 targets |
| **Percentage of APP targets for this Quarter that have been achieved during this Quarter** |
| 50% achievement |
| **Percentage of APP achievement for the previous Quarter (for Comparison)** |
| 46.87% achievement. |
| **Main areas in the APP that have experienced non-achievement or over achievement during this Quarter** |
| The main areas that experienced non-achievement in the quarter under review under **Administration Programme (Programme 1)**, which resulted in the Department achieving 25% of the planned targets, was a rand value of revenue collected from GPG property portfolio Disposal and leases as the Department planned to collect R8.5 million but collected R4.7 million. Rand value of municipal rates and taxes paid target was not met in that R218 million was processed instead of R376 million. Procurement allocated to Military Veterans owned enterprise were also not achieved. Payment of invoices withing 30 days period target was not achieved as only 53% of the invoices were processed and paid, also slow processes of procurement were reported as a challenge for not attaining some of the targets. Targets related to Township Enterprise Revitalisation were not achieved since only 25% of the targets were achieved.  **Public Works Programme (Programme 2)** also experienced non-achievement in some targets as only 88% of the targets were achieved. Targets of designs Infrastructure projects for Social Development were not achieved. The Department further reported that S.G Laurens renovation project is recorded at 98 completion stage and work is practically completed. Target for the PSP to conduct condition assessment for STARS, condition assessment targets were also not achieved.  **EPWP Programme (Programme 3):** only 43% of the targets were achieved. Number of work opportunities reported by the infrastructure sector in Gauteng targets were not achieved as 1 319 work opportunities were created against 5253. number of EPWP work opportunities reported by the Social Sector targets were also not achieved since 3 572 work opportunities were crated against the planned 5 593. Number of EPWP work opportunities reported by municipalities targets were not achieved as 5 174 work opportunities created against the planned 13 762 and target set for EPWP beneficiaries to complete skills development programme was not attained. |
| **Main reasons provided by the Department / Entity for non-achievement or over achievement of its APP during this Quarter** |
| **Administrative Programme (Programme 1):** The reason provided by the Department for not meeting the target is that majority of leases expired and were not renewed, and this led to illegal occupation. The Department also reported that it was embarking on road shows to increase awareness on requirements for tender and quotation process. The Department reported that the Township Enterprise Revitalisation (TER) group will be empowered through the maintenance panel and quotation process.  **Public Works Programme (Programme 2):** The Department reported thatthere was a delay in the approval of initiation report by the SRAC and the Department of Education as clients of the GDID. Kocksoord Library, Mullerstuine library and MH Joosub Secondary School under the Department of Sport, Arts, Culture and Recreation were all impacted by delay on approval of initiation report by client.  **EPWP (Programme 3):** The Department reported that budgetary constraints were the reason for the non-achievement of the poor performance and the late appointment of contractors also lack portfolio of evidence (POE) for reporting. |
| **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 an effort to improve on rental is that each Department should deal with their officials illegally occupying those properties. The Department compiled a list of the affected employees after verification and is in the process of calculating the rentals to be recovered from each employee. The process of sending letters requesting the accounting officers to act against the affected employees would be completed by the 20th of May 2022. Private individuals illegally occupying the properties have been handed over to Legal for eviction. The Department has recently partnered with the City of Joburg Group and Investigation Services to address the hijacked buildings mainly in the Central Business District (CDB) Security is deployed in vacant properties to mitigate the risk moving forward. The Department further reported that it was engaging with Accounting Officers of client departments to ensure tranche payments are made to GDID. With Department of Health a Standard operating Procedure (SOP) and Service Delivery Agreement (SDA) has been signed wherein a process of transfer of funds is outlined and an agreement is reached which will ensure service providers are paid on time. Other client departments Accounting Officers are being engaged to reach similar arrangements.  **Programme 2**  The Department also reported that S.G Laurens renovation project was recorded at 98% completion stage and work was practically completed. Power supply connection and a meter was completed. The facility was off generator supply  since Friday 20th May 2022, however, GDoH was responsible for the cost of running a generator since diesel is managed by them.  **Programme 3:**  The Department reported that it is in a process of conducting data collection and reporting workshops to avoid future challenges on reporting. |
| **A summarized analysis on the Department / Entity performance per Programme for the period under review** |
| **Administration (Programme 1)** planned 12 and managed to achieve 3 (25%) of the planned targets.  **Public Works (Programme 2)** planned 24 and only managed to achieve 21 (88%) of the planned targets.  **EPWP (Programme 3)** only achieved 3 (43%) of the 7 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 Management had been arranged for its employees. |

# 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 249 020 000** |
| **Actual amount projected by the Department / Entity to be spent only during the Q under review** |
| R960 307 000 |
| **Actual amount (in Rands) spent by the Department / Entity only during the Q under review** |
| **R793 842 189** |
| **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** |
| **R3 162 282 423** |
| **Percentage (% of total budget allocation) of budget expenditure for this Q under Review only** |
| 83% |
| **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** |
| 97% |
| **An analysis of how the % budget expenditure compares with the % APP achievement** |
| 50% of the targets were achieved and the expenditure was at 83% |
| **If there was over / under spending of greater than 3% of projection, what were the main challenges that led to the over / under spending** |
| Overspending of 52% under Programme 1 (Administration) The Department reported that it a Court Order amounting to R44 million which necessitated that it be settled in March 2022 to avoid incurring further interest charges on the matter, hence the over-expenditure under this Programme/. |
| **Mitigating measures by the Department / Entity to remedy over / under expenditure** |
| The Department reported thatthere was a delay in the approval of initiation report by the client Departments, however, continuous engagements with client Departments to Fastrack the approval of initiation report were being conducted. |
| **The Department / Entity’s achievement with respect to GEYODI responsive budgeting / procurement for the period under review** |
| * black women-owned 29.43%. * PwDs 2.56% * Youth 26% |
| **The Department / Entity’s achievement with respect to township economy / SMME / local procurement for the period under review** |
| 1.90% of the budget was spent towards Township Enterprise Revitalisation (TER). |
| **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 53% of payment of invoices within the 30 days period in the quarter under review. |
| **A summary for the period under review with respect to fruitless, wasteful, and irregular expenditure** |
| During the quarter under review that Department reported that the balance of fruitless and wasteful expenditure has increased to R26.8 million in the quarter under review, the irregular expenditure incurred in the fourth quarter is R76.7 million. The Department further reported that Investigation of fruitless and wasteful expenditure relating to HVAC project and interest paid due to court order settlement was conducted and finalised. |
| **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 spent to contribute towards the BBBEE programme resulted in the achievement on target for Black people. The Committee noted that the procurement channelled towards Black women, PwDs, Youth, Military Veterans, TER and SMMEs classes remains a challenge. However, the Department continues to make appointments to these firms through maintenance panel. The continuous non-achievement of targets related to procurement towards MVs and 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)** |
| N/a |
| **Program / Sub Programme level financial performance** |
| Programme 1 was allocated R94 million and R144  million was spent which translates to 52% over-expenditure  Programme 2 was allocated R810 million and R613 million   was spent, which translates to 76% expenditure  Programme 2 was allocated R55 million and R36  million was spent, which translates to 34% 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** |
| * 3rd Quarter Report for the 2021/22 FY - 6 Resolutions * Adjustment Appropriation Bill for the 2021/22 FY- (2 resolutions) | There are no outstanding resolutions |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to Committee Resolutions** | |
| The Department responded to all resolutions satisfactorily | |
| **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. | |

|  |  |
| --- | --- |
| **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** |
| N/a | N/a |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to referred Petitions** | |
| N/a | |
| **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

|  |
| --- |
| **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 it achieved 80% in the implementation of the stakeholder management plan. |
| **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

N/a

| **8. DETAILS ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT** |
| --- |

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 4th 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)** | The Department reported that it received an unqualified report with a reduction in recuring findings. |
| **Public Service Commission (PSC)** | No information was provided to the Committee. |
| **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** |
| --- |
| **No information was provided on the detailed information on the current vacancies (at all staff levels)** |
| No detailed information was provided in this regard |
| **Current vacancy rate** |
| 531 |
| **Current acting positions (at all Staff levels)** |
| Acting on Vacant positions 3 |
| **Terminations during the period under review** |
| 0 |
| **New appointments during the period under review** |
| 2 406 |
| **Detailed information on the GEYODI / HDI empowerment for the period under review** |
| * Women in SMS are **38% (25)** * People with Disabilities are **2,56% (64)** * Youth is **26% (641)** |
| **Detailed information on any suspensions for the period under review** |
| 9 suspensions during the current QTR |

# 11 OVERSIGHT ON ANY OTHER COMMITTEE FOCUS AREA

|  |
| --- |
| **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 was concerned with the over-expenditure of 52% under this Programme and yet 50% of targets were achieved. |
| With respect to [Programme 1], it was concerning to the Committee through its oversight work to note the non-payment of some SMMEs by the main contractors, which has resulted in delays of delivering and projects stoppages. |
| With respect to [Programme 1], the Committee was concerned with the spending towards MVs owned companies and for TER programme. |
| With respect to [Programme 2], the Committee was concerned with the limited information provided by the Department in terms of the total budget spent on the Braamfisher Primary School project, which was started during 2018. |
| With respect to [Programme 2],the Committee was concerned with the poor management within the SCM which led to non-achievement of STARS on condition assessments conducted on state-owned buildings. |
| With respect to =[Programme 2] the Committee was concerned with the delays by the client departments to issue approval of initiation reports. |

# 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 / Q4PR / 001 | The Department should ensure that there is alignment between the input and output, in terms of budget spent and targets achieved. | Written Response | 19/08/2022 |
| INFRA / Q4PR / 002 | The Department to develop a policy to intervene when there is non-payment of SMMEs in projects rather than indicating that it does not interfere on contractual agreements, also to provide a list of all projects affected and a way forward. | Written Response | 19/08/2022 |
| INFRQ / Q4PR / 003 | The Department to develop a strategy in ensuring the spending towards MVs owned companies and TER programme. | Written Response | 19/08/2022 |
| INFRA / Q4PR / 004 | The Department should fastrack the completion of Braamfishcer school project and report to the Committee on a total budget spent to the project, since the beginning to-date. | Written Response | 19/08/2022 |
| INFRA / Q4PR / 005 | The Department should ensure that condition assessments for STARS projects are conducted and reinforce its SCM management. | Written Response | 19/08/2022 |
| INFRA / Q4PR / 006 | The Department should strengthen its engagement with client Departments to fast-track approval of the initiation report. |  | 19/08/2022 |
|  | | | |
| **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, J Mamabolo, Head of the Department and the entire Departments’ 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, M Letsie, 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; presents before the House the Oversight Report on the Department of Infrastructure Development and Property Management, 4th Quarter Report for the 2021/22 FY for consideration and adoption.