No.0435 - 2023: Fifth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

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

Monday, 04 December 2023

**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 Annual Report of the Department of Infrastructure Development for the 2022/2023 financial year, as attached:**

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**INFRASTRUCTURE DEVELOPMENT AND PROPERTY MANAGEMENT**

**PORTFOLIO COMMITTEE**

**OVERSIGHT REPORT ON DEPARTMENTAL ANNUAL REPORT FOR**

**2022/23 FINANCIAL YEAR**

| **Committee Details** | | **Department Details** | | |
| --- | --- | --- | --- | --- |
| **Name of Committee** | **Infrastructure Development and Property Management Portfolio Committee** | **Name of Department** | **Infrastructure Development and Property Management** | |
| **Which Financial Year** | **2022/23 Financial Year** | **Dept. Budget Vote Nr.** | **15** | |
|  |  | **Hon. MEC** | **Lebogang Maile** | |
| **Committee Approvals** | | | | |
|  | **Name** | **Signed** | | **Date** |
| **Hon. Chairperson** | **Hon. Mpho Modise** |  | | 27 November 2023 |
| **Adoption and Tabling** | | | | |
| **Date of Final Adoption by Committee** | | **Scheduled date of House Tabling** | | |
| **27 November 2023** | | **5 December 2023** | | |

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# ABBREVIATIONS

|  |  |
| --- | --- |
| AFS | Audited Financial Statement |
| APP | Annual Performance Plan |
| BEC | Bid Evaluation Committee |
| CDP | Contractor Development Programme |
| CEs | Compensation of Events |
| CHC | Community Health Care |
| CIDB | Construction Industry Development Board |
| DID | Department of Infrastructure Development |
| ECDC | Early Childhood Development Centre |
| EPWP | Extended Public Works Programme |
| FY | Financial Year |
| GDID | Gauteng Department of Infrastructure Development |
| GIAM | Government Immovable Asset Management |
| GPG | Gauteng Provincial Government |
| HOD | Head of Department |
| IYM | In year monitoring |
| LSEN | Learners with Special Education Needs |
| MDGs | Millennium Development Goals |
| MEC | Member of Executive Council |
| MMC | Member of Mayoral Committee |
| MVs | Military Veterans |
| NDP | National Development Plan |
| PoE | Portfolio of Evidence |
| PEPs | Project Execution Plans |
| PwDs | People with Disabilities |
| SCM | Supply Chain Management |
| SDGs | Sustainable Development Goals (SDGs) |
| SMME | Small Micro and Medium Enterprise |
| SOM | Sector Oversight Model |

# EXECUTIVE SUMMARY

The Portfolio Committee on Infrastructure Development and Property Management presents its Annual Oversight Report on the performance of the Department of Infrastructure Development and Property Management (DID) for the 2022/23 financial year (FY). The assessment of this report was conducted based on the Department’s allocated resources against planned targets for the year under review.

During the year under review, the Department had a total budget allocation of R3 355 235 000 and spent R3 242 482 000 which translates to 97% expenditure. **Programme 1 (Administration)** wasallocated R479 238 000 and spent R 448 389 000 which translates to 96% expenditure for the year under review. **Programme 2 (Public Works)** was allocated the total budget of R 2 726 377 000 and R2 670 562 000 was spent which translates to 98% expenditure. **Programme 3 (Expanded Public Works Programme)** was allocated R149 620 000, and the Department managed to spend R123 530 000 translating to 83% expenditure.

**Concerning to the Committee was that less than half of the targets were achieved, since only**18 of the 44 targets were achieved during the year under review. The Committee acknowledged the reasons provided by the Department for the non-achievement of its targets. Including the administrative delays in the procurement process, changes of scope of the projects, cashflow problems of the contractors, community unrest causing delays in the completion of capital projects and poor-performing contractors. Whilst the reasons were noted, the Department was urged to employ all necessary measures to ensure that such performance does not affect its performance in the future.

**Programme One achieved 39% of its targets, Programme Two achieved 53% while Programme Three achieved only 14% of the targets.**

It was concerning to the Committee to note that some of the capital projects have been running through two different administrations, which is an indication that the Department is not effectively managing the construction of these projects. As a result, the Committee was of the view that the non-existence of the Project Management directorate within the Department is the reason for the continuous poor performance in project implementation and execution. In this regard, the Committee was of the view that the Department should consider establishing a Project Management directorate as a matter of urgency. This directorate will be responsible for the effective management of projects and ensure that they are concluded on time and within budget. This will not only improve the Department's performance in project execution but also restore public confidence in the Department's ability to deliver quality projects. It was noted that some of the projects implemented on behalf of the Department of Education were completed during the current financial year (FY) including the Laerskool Wonderboom Suid, Laerskool Wiedpark, Transoranje LSEN, Lakeside and Embonini Primary Schools. Although the performance of the Department was acknowledged, the escalation of prices in the projects completed was noted with concern by the Committee. Poor workmanship was noted during the oversight visits conducted by the Committee in different schools in the province. The schools’ principals and governing bodies revealed that the Department of Infrastructure has not implemented the projects as required. In some cases, the department's constructors would remove materials that are of good quality and replace them with materials that are not of good quality such as doors and taps. The Committee further noticed that there are some schools where windows that were in good condition have been left in a manner that they cannot be opened, sagging ceilings, pilling off tiles and holes in passages and in some classrooms. The Committee is currently working on drafting a detailed Focus Intervention Study (FIS) report on the state of the school’s infrastructure in the province. The Department is urged to investigate this matter and take appropriate action to ensure that all infrastructure projects at the schools are carried out to the highest standards.

The Auditor General also flagged material irregularities resulting in significant financial loss on four incomplete projects; Nancefield Secondary and Mayibuye Primary Schools and Khutsong South and Mayibuye Clinics.

With regards to Expanded Public Works Programme targets that were not achieved the Department reported that it has initiated the two programmes within EPWP aimed at reducing the number of unemployed persons namely Health Maintenance Programme and Vacant Land and Facilities Maintenance. The non-achievement of targets was caused by the challenges in delays in awarding of tenders, leading to late recruitment and late implementation and insufficient funds from equitable share hence reliance on EPWP grants.

While the Committee welcomed the unqualified audit opinion, it was concerning to note that the same issues have persisted over the years. One of the significant matters raised was that the Department is a defendant in several lawsuits, amounting to R317 579 000 in the year under review. The Department reported that it has put corrective action plans to prevent the future recurrence of audit findings and continuously streamline the governance processes to become a more agile organisation with a sound internal control environment. In this regard, the Committee will continue to monitor progress during the 2023/24 financial year.

# INTRODUCTION

The Committee derives its mandate from the Gauteng Provincial Legislature Standing Rules. The assessment of the Annual Report of the Department is part of the Committee’s oversight responsibility to ensure accountability and good governance. It was conducted in accordance with the SOM, which requires that vigorous scrutiny of programmes be made to determine the effectiveness and efficiency of the Department as far as service delivery is concerned.

This report provides a summary of the Committee’s assessment on the overall performance of each programme and respective sub-programmes. The Committee concludes by highlighting areas of **concerns** with proposed recommendations to be considered by the Department to enhance accountability and improve on service delivery.

# PROCESS FOLLOWED

In terms of Standing Rule 149 of the Gauteng Provincial Legislature, the Speaker formally referred the Gauteng Department of Infrastructure Development Annual Report for 2022/23 FY to the Infrastructure Development and Property Management Portfolio Committee for consideration and reporting. During the Committee meeting held virtually, on Thursday, 26th October 2023 the Committee Researcher, made a presentation on the analysis of the Department’s Annual Performance Report. Questions that emanated from the Committees’ analysis were forwarded to the Department of Infrastructure Development and Property Management to respond in writing. The Department made its presentation to the Portfolio Committee during a Committee meeting held on the 7th of November 2023 and the Committee unanimously adopted its oversight report, during the Committee meeting held on the 27th of November 2023. The oversight report was tabled for adoption in the House during the sitting held on the 5th of December 2023.

# COMPLIANCE AND QUALITY

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.

The Department also reported on its financial and non-financial performance in line with the requirements of the Public Finance Management Act (PFMA) 1999.

# OVERSIGHT ON STRATEGIC PRIORITIES

Priorities

***Departmental priorities and strategic objectives:*** The Department’s mandate is informed by National and Provincial priorities, which are outlined in the policies of both spheres of government.

***Nationally Priorities****:* The President of the Country His Excellency C Ramaphosa emphasised in the State of the Nation Address (SONA) that government remain focused on a massive rollout infrastructure and stated that Infrastructure is central to economic reconstruction and recovery. The devastating effects of the Covid-19 pandemic on the South African economy continues to exacerbate the rising unemployment rate and deepen the deeply entrenched poverty and inequality with disastrous consequences for the millions of people. The economic reconstruction and recovery plan remains at the core of rebuilding the South African economy. The president also highlighted some of the challenges constraining the much-needed economic recovery include amongst others, the unreliable electricity supply, the high cost of doing business and inefficient network industries.

***Provincial Priorities****:* The Premier of the province Mr. David Makhuara highlighted that prior to Covid, the infrastructure sector yielded job opportunities and giving a total of 22 000 jobs that managed to put bread on the table and enhanced the employability of those who participated. The premier further stated that our track record on maintenance has been dismal, delays and costing projects are areas of concern. Investing in infrastructure includes improving efficiencies, value for money and effecting the modernization of the delivery of government services. It is important to note that the province is planning to give Departments full responsibility for the maintenance. The health facilities managers have been suggesting this for quite sometime due to challenges.

The above issues that were announced by the President and Premier also respond to the Millennium Development Goals. According to the UN Sustainable Development Goals Report (SDG) 2021, The SDG Report shows that South Africa is moderately improving on the industry, innovation and infrastructure.

***Departmental priorities****:* During the 2022/23 FY, the Department of Infrastructure Development and Property Management indicated that it would remain focused on an optimized public-owned fixed property portfolio, efficient and effective delivery of SMART public infrastructure”, the department will also ensure the:

* functional, reliable, and compliant infrastructure
* increased contribution of infrastructure spends to socio-economic development.
* poverty relief and improved employability of EPWP beneficiaries, and
* capable, ethical, and developmental organization.

The Department reported that it also aims to play a role in the modernization of the economy and the public service, while it also radically transforms the economy and accelerate social transformation. The Committee will continue to monitor the performance of the Department through IYM with a view to ensure that the resources allocated are utilized economically, effectively, and efficiently.

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1. **OVERSIGHT ON TECHNICAL PERFORMANCE**

## Achievement of APP predetermined objectives

1. ***Number of Annual Performance Plan (APP) targets relevant for this Financial Year***

During the year under review the Committee noted that the Department achieved 18 of the 44 targets, which translates to 41% achievement.

1. ***Main Areas in the APP where targets were not achieved:***

The Committee noted with **concern** that **Programme 1:** experienced non-performance under percentage of procurement allocated to people with Military Veteran, People with Disabilities, youth and Township enterprises; 85% of DID service providers invoices settled within 30 days; 10 of the planned designs were not ready for the tender process: Khutsong Clinic, Dewagensdrift EMS , Tembisa Bulk store Rodney Mokwena educational facility, MH Joosub Multi facility, Bertha Gxowa, Wedela Primary, Rekopantse Primary and Geluksdal Multipurpose; The Department has also failed to complete Bramfischerville Primary School, Randfontein CHC, Kekanastad Clinic, 75 Fox Street, Edenvale Laundry, Boikhutsong ECDC, Helen Joseph Nurse’s residence, Chris Hani Baragwanath Academic Hospital Emergency, Thusanong OHS. Amongst, other targets that were not attained under **Programme 2:** Responding to the Committee the Department reported that it faced challenges pertaining to changes in the scope of the projects, cashflow problems of the contractors, poor performing contractors and community unrest causing delays in completion which resulting in some contractors abandoning sites**. Programme 3**: faced challenges under job creation and training targets for the year under review.

1. ***Any reasons provided by the Department for non-achievement of its Annual Performance Plan (APP) during this Financial Year:***

There were several areas identified by the Department by the Department which has hampered its performance during the year under review, including amongst others, the under expenditure of the budget, administrative delays in the procurement process, changes of scope of the projects, cashflow problems of the contractors, community unrests causing delays in completion of CAPEX projects and poor performing contractors.

1. ***Measures in place to correct/achieve the non-achieved targets and to prevent a recurrence of non-achievement (with timeframes)***

The Department reported that it has initiated the two programmes within EPWP aimed at reducing the number of unemployed persons namely the Health Maintenance Programme and Vacant Land and Facilities Maintenance.

* **Interventions by the GDID:**
* Bi-monthly technical team meetings between the DID DDG and client departments DDGs.
* Monthly meetings between the departments led by the HOD’s.
* Interdepartmental HOD meeting with the Department of Health to address litigation matters.
* **IGR Inputs:** The Client Departments are invited to and participate in all of the IGR activities of the Department. There are three engagement sessions held with Municipalities every Quarter to discuss challenges facing the infrastructure branches and to request assistance with the resolution of these issues.

The MEC-MMC and Hood’s Technical Committee meetings are held Quarterly. The Infrastructure Branches reports serve as a permanent item on the agenda. Monthly bi- lateral sessions are held with individual Municipalities, to expedite matters that require resolution which are planning or land Management inclined. The Department also jointly participates with the Client Departments in the District Developmment Model sessions that are held Quarterly to provide updates on the DID Infrastructure pipeline per Municipality and to solicit assistance from the Municipalities where required.

The Department further reported that, in the current maintenance panel, there is only one company of Military Veterans as well as only one for People with Disability, The Department then decided to advertise a tender to augment current Maintenance Panel prioritising the following fields:

* Additions to existing maintenance term contract panel of service providers for Fire Detection and Suppression (CIDB Grade 3SF to 5SF)
* Additions to existing maintenance term contract panel of service providers for Medical Gas (CIDB Grade 3ME to 5ME)
* Additions to existing maintenance term contract panel of service providers for Waterproofing (CIDB Grade 3SN to 5SN)
* Additions to existing maintenance term contract panel of service providers for Autoclaves (CIDB Grade 3ME to 5ME)

## *Measurement of service delivery impact / Achievement*

The Committee acknowledged that 8 infrastructure projects were completed during the current FY, including projects implemented on behalf of the Department of Health. The projects completed comprised of the construction of the Finetown Clinic, new Sebokeng Zone 17 Clinic, Mandisa Shiceka, renovations and rehabilitations at Johannesburg Laundry, Dunsward Laundry, Bertha Gxowa Hospital, Phedisong Clinic, Tshwane District Pharmacy, Phedisong Clinic and an electromechanical project at Steve Biko Academic with regards to renovation works, the Committee also noted that 5 facilities were completed on behalf of the Department of Education which included the: Laerskool Wonderboom Suid, Laerskool Wiedpark, Transoranje LSEN, Lakeside and Embonini Primary Schools were completed during this period.

## *PROGRAMME INFORMATION*

**5.1.1 PROGRAMME 1: ADMINISTRATION**

This Programme is aimed at providing strategic leadership and the overall management and administrative support function to the office of the Member of the Executive Council (MEC), Head of the Department (HOD) and the Department as a whole.

The Committee noted that this programme had planned for eighteen (18) targets and managed to achieve seven (7) which translates to 39% achievements.

The Committee noted with concern that the non-achievement of targets under programme 1, was mainly due to poor and delayed administrative and non-compliance by officials. The Committee was of the view that the Department was facing capacitation issues or disturbingly corruption in the Department. This was as the response of the Department in the SCOPA resolutions, where it was found that there were 124 disciplinary cases concluded, of the GDID officials that were doing business with the state, at an estimating cost of R27 937 938. An update with the Departments solutions should be provided to the Committee.

The Committee acknowledged that 94.98% of the procurement of the budget was allocated to black-owned enterprises against the planned 82%. The percentage of procurement allocated to SMME’s targets was achieved since 96.84% of the planned against 50% target, the Percentage of procurement allocated to black- women-owned enterprises achieved at 42% against 32%, and 229 of emerging black firms were empowered through sub-contractors against a set target of 100. Furthermore, 53 Emerging Black contractors were empowered through the Contractor Development Programme (CDP). Whilst noting the achievements, the Committee noted with concern that only 85% of the service providers were paid in the FY under review. The non-achievement of targets related to MVAs and PWDs was also noted with concern by the Committee. The Committee is of the view that the Department is not taking its works seriously and resolutions as it has engaged the department during the previous FYs on its performance in terms of MVAs and PWDs

**5.1.2 PROGRAMME 2: PUBLIC WORKS**

This programme is there to provide accommodation for all provincial departments, manage the provincial property portfolio for the optimum benefit of all concerned, and to render maintenance, professional and technical services to departments in respect of buildings and related infrastructure.

This programme had planned for nineteen (19) targets and ten (10) were achieved with translates to 53% achievement.

The Committee noted that 5 facilities were completed on behalf of the Department of Education which included the: Laerskool Wonderboom Suid, Laerskool Wiedpark, Transoranje LSEN, Lakeside and Embonini Primary Schools were completed during this period. Concerning to the Committee was the escalation of prices in projects, such as the Transoranje LSEN rehabilitation project, the initial budget for the project was R 10 million and the actual expenditure to the project was R68 million. However, responding to the Committee on the expenditure the Department reported that the ECE allocation was not enough to complete the project. payments were in line with work done. The Department would be engaged further on this expenditure.

With regard to the projects implemented on behalf of the Department of Health, the Committee noted that 8 infrastructure projects were completed such as the new Sebokeng Zone 17, Phedisong, Mandisa Shiceka and Finetown Clinics; renovations and rehabilitations at Johannesburg and Dunsward laundries, Bertha Gxowa Hospital, Tshwane District Pharmacy, and an electromechanical project at Steve Biko Academic hospital. All these projects were not completed within the timeframes and budget. Though the completion of the projects was noted by the Committee, it was concerning to note that many service delivery projects were still not complete. There were projects that remained incomplete, projects, such as Khutsong Hospital, Panorama No2 School, Mayibuye Clinic, Mayibuye Primary School, Kekanastad Clinic, Randfontein Community Health Care Centre, Kwadedangendlale Secondary School, Nancefield Primar and, Thubelihle High. Concerning to the Committee was that millions of rands have been spent on projects that are either incomplete or abandoned. The projects that have been completed have not been handed over for various reasons, such as the delayed approval of compensation of events due to community unrest, suspension of services by PSP, bulk Eskom connections, ECE Allocation was not enough to complete some projects with regards to Mandisa Shiceka CHC projects. The Department reported that the project was not handed over in the year under review due to compensation events relating to additional works and the City of Tshwane requesting the Department to upgrade the intersection by providing the traffic lights, which is not in scope of the Department.

*5.1.2.2 Government Immovable Asset Management Act (GIAMA):* The Committee noted that a total of 8 336 assets were verified in the immovable asset register during the 2022/23 FY, whilst 13 properties were disposed and transferred to third parties. Six properties were released for socio economic.

* Revenue collection amounted to R35, 7 million.
* R1,177 billion was transferred to municipalities against a set target of R1 025 billion.

The Committee further noted that 30 condition assessments were conducted on state-owned buildings against a set target of 27. The inspections were conducted for office accommodation and 11 facilities were provided to user departments against a set target of 8 facilities.

With regards to Illegal occupations of the Government land and buildings, the Department reported that it was in a process of implementing measures to address the matter through the deployment of safety officers, the implementation of a rapid response plan, the compilation of a database for vulnerable properties, security interventions, regular land audits and community awareness campaigns. The Committee noted that the Green Agenda projects were halted by the Department of Health, indicating they would self-fund the project.

The Committee further noted that planned designs projects that were not ready for tender such as Khutsong Clinic, Dewagensdrift EMS , Tembisa Bulk store Rodney Mokwena educational facility, MH Joosub Multi facility, Bertha Gxowa, Wedela Primary, Rekopantse Primary and Geluksdal Multipurpose as planned for the year under review. The reasons provided by the Department was that Rodney Mokoena was ready for tender. However, the final processing by SCM took, longer than anticipated. The Department of Health projects were delayed by clients’ approval of PEPs. While the Sharpeville ECD and Aged Day Care: The programming projects and planning were impacted by the administrative delay in finalising the land donation from Emfuleni Local Municipality to GPG. Hence town planning plans could not be submitted to the municipality for approval until the ownership of land was resolved. The Committee will continue to monitor progress during the 2023/24 FY. The Committee was concerned that even in the year under review the Department was still experiencing the challenges of the poor performing contractors.

***5.1.3* PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME**

The primary aim of Expanded Public Works Programme (EPWP) is to manage the implementation of programmes and strategies that lead to the development and up-liftmen of communities and contractors. This includes the provincial management and co-ordination of the EPWP.

During the year under review, this Programme achieved one (1) of the planned seven (7) targets, which translates to14% achievement, however, the Committee noted and acknowledged that the target for the 22 number of Public Bodies reporting on EPWP was fully achieved. The Committee further acknowledged that 33 211 work opportunities in Provincial Departments and 47 317 in Municipalities were created.

It was noted with concern that work opportunities targets in the infrastructure, social and the environmental sectors and Gauteng municipalities were not achieved. However, it noted that the non-achievement was due to delays in the procurement processes, in awarding of tenders, leading to late recruitment and late implementation.

1. **OVERSIGHT ON BUDGET EXPENDITURE**

During the year under review, the Department had a total budget allocation of R3 355 235 000 and spent R3 242 482 000 which translates to 97% expenditure.

**Programme 1 (Administration):**

The Committee noted that this programme was allocated the total budget of R479 238 000 and spent R 448 389 000 which translates to 96% expenditure for the year under review.

**Programme 2 (Public Works)**

The Committee further noted that Programme 2 was allocated the total budget of R 2 726 377 000 and managed to spend R2 670 562 which translates to 98% expenditure.

**Programme 3 (Public Works)**

This programme was allocated R149 620 00 and R123 530 000 was spent translating to 83% expenditure.

1. **PROJECTS VERIFICATION**

The findings of the recent oversight visits conducted by the Committee across Gauteng on projects implemented by GDID on behalf of GDE. It was discovered that almost all the completed projects suffer from structural problems due to poor workmanship. Furthermore, Noordgesig Primary School is still operating without occupational certificates, which was a concern to the Committee. During the visits to other schools across Gauteng, including Randfontein, Birch Acres, Lake Side, Mayibuye, Barcelona, Mogobeng Primary Schools, KwaDedangendlale, Thubelihle, Rust-Ter-Vaal, Relebogile, Semphatho, Simunye Secondary Schools, Transoranje LSEN, and Mapenane Middle School, it was discovered that there was poor communication between the GDE and GDID. All the projects were long overdue, costs escalated, and many defects were noted in the completed projects. The Department reported on various challenges experienced, ranging from community unrest, poor performing contractors, SMME’s outstanding payment by the main contractor, in some cases some projects were put on hold due to GDID SCM processes, land issues, delayed approvals of the Condition Assessment by GDE, delays on procurement of suitable contractor, deterioration of expose materials and structures to weather elements and vandalism and theft on sites. The Committee committed to monitoring the progress of these projects during the 2023/24 FY.

1. **OVERSIGHT ON PUBLIC INVOLVEMENT**

The Committee meetings are open to the media and public, where stakeholders are provided an opportunity to engage the Department on its performance. During this process, stakeholders were invited to form part of the Committee’s meetings. Verbal submissions were received and were incorporated into the report.

# AUDITOR GENERAL’S REPORT

The Committee noted and acknowledged that the Department obtained an unqualified audit opinion with matters of emphasis on the annual financial statements during the 2022/23 FY audit conducted by the Auditor-General. The Committee welcomed the unqualified audit opinion received by the Department., however concerned that the findings were recurring as in the previous financial years. Amongst other matters of emphasis raised in the Auditors Generals report was that the Department is the defendant in various lawsuits amounting to R317 579 000 in the year under review. Responding the Department reported that it has put corrective action plans to prevent the future reoccurrence of audit findings and continuously, streamline the governance processes to become a more agile organisation with a sound internal control environment. In addition to poor internal controls, the AG highlighted that effective and appropriate steps were not taken to prevent irregular expenditure and wasteful expenditure as the majority of irregular expenditure was caused by the department contravening supply chain management in terms of competitive bidding and the quotations process. The wasteful expenditure was caused by interest paid because of late payments to suppliers. Some of the goods and services were procured without obtaining at least three written price quotations. In this regard, the Committee will continue to monitor progress during the 2023/24 FY.

1. **RESOLUTIONS MANAGEMENT**

The Portfolio Committee, in its endeavour to enhance oversight and comply with the prescripts of SOM, periodically assesses the responses on resolutions passed by the House. This exercise is aimed at ensuring that House resolutions are implemented to impact positively on service delivery targets as a way of improving the lives of the people of Gauteng.

| **RESOLUTIONS PASSED DURING THE PREVIOUS QUARTER** | **RESOLUTIONS / ACTION DUE DURING THE QUARTER UNDER REVIEW** | **RESOLUTIONS CLOSED** |
| --- | --- | --- |
| ***Number of Resolutions passed during the Quarter under review*** | ***Number of Resolution Responses / Action due in the Quarter under review*** | ***From those due in the Quarter under review, how many Resolutions are now closed*** |
| 7 | 7 | None |
| ***Nature of Resolutions*** | ***How many new and how many outstanding*** | ***Reasons for Resolutions not yet closed*** |
| Formal |  | The Committee is yet to analyse the responses to resolutions |
| ***With respect to the Resolutions / Action due during the Quarter under review but still Open, what measures has the Committee taken to ensure speedy Closure of these Resolutions*** | | |
|  | | |

1. **FINDINGS AND IMPLICATIONS ON LAW-MAKING**

The Committee was concerned:

1. That the Department was comfortable about the compliance with government’s 30-day payment to service providers, as a result it did not report on consequence management.
2. About the continuous appointment of poor performing contractors.
3. About the non-existence of the Project Management Directorate within the Department.
4. That the Department failed to achieve work opportunities targets in the infrastructure, social and the environmental sectors under Programme 3 stating that the non-achievement was because of the delays in the procurement processes.
5. That the findings of the AGs were recurring as in the previous financial years.
6. Many service delivery projects related to the Department of Education remained incomplete even in the year under review, with some dating back from 2017 and some earlier.

# RECOMMENDATIONS

**After assessing the Department’s Annual Performance Report, the Portfolio Committee recommends the following and requests for responses by Friday, 26thJanuary 2024:**

1. The Department to report to the Committee on measures put in place to ensure that service providers are paid in a timely manner and consequence management be implemented for those officials who fail to do so.
2. As recommended before by the Committee, the Department should develop and implement a strategy to blacklist poor-performing contractors by their identity numbers so that they cannot obtain any work opportunities within the Department or Government.
3. The Department to establish a new directorate to oversee the functions of the project managers, in this regard the Department should provide a report to the Committee on the measures in place to develop this directorate.
4. The Department should account in a form of a report about its failure to spend the budget earmarked for EPWP projects, which aims to alleviate poverty in the province, also to provide remedial measures in redressing under performance in the programme as well as addressing the Supply Chain Management issues.
5. The Department should provide a detailed plan on how it intends to tackle all findings raised in the AGs report with some of them recurring from previous FYs.
6. Together with the Department of Education, the GDID should report to the Committee on the measures it will use to ensure the completion of the Department of Education projects.

# ACKNOWLEDGEMENTS

The Chairperson of Portfolio Committee on Infrastructure Development, Honourable Mpho Gift Modise would like to thank MEC, L Maile, 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, N Mokgethi,

B Mncube, L Makhubela, N De Jager, A Fuchs, K Hoffman, K Tong, L Masilela, N Njokwe and D Adams.

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

# ADOPTION

In accordance with Rule 117 (2)(c) read together with Rule 164, the Portfolio Committee on Infrastructure Development; present before the House the Oversight Report on the Department of Infrastructure Development and Property Management Annual Report for the 2022/23 financial year for consideration and adoption.