



Housing Development Agency **Activating the Development Agency Role**

TURNAROUND PLAN – BACK TO BASICS

12 FEBRUARY 2019

Contents

- Purpose of the Presentation
- Terms of Reference of the Administrator;
- Progress report

Purpose of the Presentation

The purpose of this presentation is as follows – to ...

- Appraise the Portfolio Committee of the work undertaken by the Administrator in line with her letter of appointment;
- Further appraise the Portfolio Committee on the current financial status of the HDA

Terms of Reference

The Administrator was appointed to discharge of the following responsibilities:

- To be the Administrator in the Department of Human Settlements for the Housing Development Agency, in terms of the Act
 - This entails acting as a Board of the HDA;
 - Acting as CEO of the HDA;
- To assist the Minister with the turnaround of the financial situation in the HDA and have a clear projection plan on how the Agency will regain a going concern status and financial viability;
- To assist the Minister with the handling of the cases of the suspended executives including the CEO and ensure that a clear and transparent process has been followed for the hearings of the cases.

Progress- Human Resources Matters

- The investigation on alleged sexual harassment has been completed and all of the implicated officials have been charged and the disciplinary procedures are underway;
- The investigation on alleged financial irregularities are still be conducted and the necessary action will be taken in due course;
- The appropriateness is being undertaken and recommendations will be made to the Minister;

Progress- Financial Matters

- The reported working capital deficit reported in the middle of December has been resolved and salaries paid timeously;
- The operational funding requirements of R 86,8million and HDA'S operational income for the year is R 91.9 million.
- There is currently an operating surplus of R5,1million.
- The operational funding deficit was due to late payments by the Eastern Cape Province (R68m for projects completed but not paid for) and Ekurhuleni Metropolitan Municipality (which owed the Agency R 98m)
- In addition there was an amount R 2.3 billion that was transferred from Provincial Departments to HDA without the required approvals;
- Treasury has indicated that the amount should have been returned to Treasury and not transferred to the HDA;
- The affected Provinces are: Gauteng (R 1.6 billion) and North West (R 600 million)
- The net amount of R1.6 billion has been transferred to Treasury

Thank you