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Public Works and Infrastructure  
REPUBLIC OF SOUTH AFRICA

# Real Estate Information and Registry Services (REIRS)

## Presentation to the Portfolio Committee 07 June 2023



***SPATIALLY ENHANCED ASSET INFORMATION***

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## PURPOSE

The purpose of the presentation is to apprise the Portfolio Committee about the updated Immovable Asset Register of DPWI including demonstration on the applicable platforms



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# BACKGROUND - HISTORICAL CONTEXT OF THE IAR

## PRE – 1994

The pre-1994 system of Government as the backdrop to the evolution of DPW's current IAR. The system of Government inter alia comprised:

The Republic of South Africa

- 1 National Government
  - Department of Public Works
  - Other Government landholding institutions
- 4 Provincial Administrations (Transvaal, Orange Free State, Cape, and Natal)
- 4 Independent Homelands (Transkei, Bophuthatswana, Venda and Ciskei)
- 6 Self Governing Territories ( Qwaqwa, KwaZulu, KaNgwane, Gazankulu, Lebowa and KwaNdebele)

Within this context, most custodians had basic Immovable Asset Registers of varying quality and standards

## POST -1994

❑ The new Constitutional Dispensation radically changed the old structure of Government and established:

- 1 National Government
- 2 Major Custodians (DPW and DRDLR)
- 4 Minor Custodians (DAFF, SSA, DWS, DoD)
- 9 Provincial Governments
  - Various Provincial Custodians (Depts) assigned by Premiers

❑ With the new dispensation, the following had to be determined:

- Identification of the State's property holdings
- Vesting of land parcels (to confirm ownership of land parcels under the custodianship of the National and Provincial Government)
  - State land registered in 3058 historical names
  - 873 000 registered land parcels reflecting no owners according to the Deeds records
  - Un-surveyed / Surveyed but unregistered properties
  - State Domestic Facilities built on non-State land
  - Coastal / Admiralty reserves
  - Expropriated properties
- Physical Verification and Condition Assessments must be conducted in accordance with relevant accounting frameworks and section 13(1)(d)(iii) of Government Immovable Asset Management Act which provides for the "assessment of the condition of immovable assets in at least every fifth year"

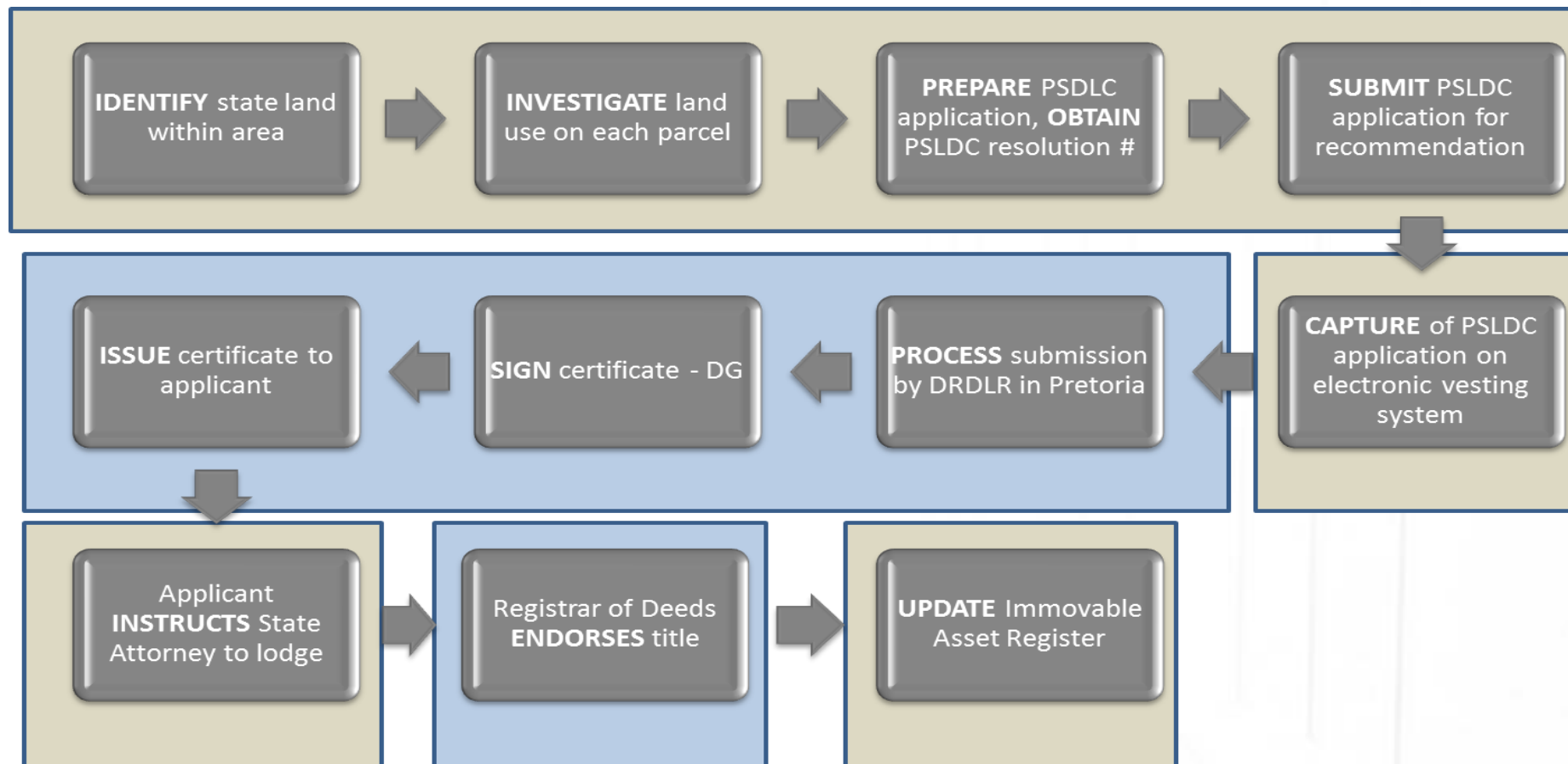


# LEGACY ISSUES ON STATE LAND

- Custodianship is generally determined by the use / function of the property. ***It may not always be possible to determine the true custodian for vacant land*** as evidence of the original intention of use prior to 27 April 1994 may no longer be available.
- The confirmation of vesting of state properties is a Constitutional requirement to confirm ownership between national and provincial government spheres based on the land use and intended land use on 27 April 1994. Section 28 (1) of the Constitution prescribes the registration of State-owned immovable properties (previously section 239 of the Interim Constitution, Act 200 of 1993) between the National Government and the Provincial Governments. ***Disputes and erroneous vesting are delaying the process of confirming ownership of the State land parcels***
- In addition to registered land parcels there are a multitude of land parcels that have been surveyed but not yet registered.
- Provincial and National Government Departments have built potentially many structures on rural, tribal land, as well as municipal land.
- The SDF framework has been developed to define the most effective way of “regularising” such properties  
Registered land parcels reflecting no owners – Deeds Data Cleansing Project



# LEGACY ISSUES - VESTING PROCESS



# LEGACY ISSUES - VESTING STATISTICS AS AT 31 MARCH 2023

Region	Population	Acquired after 27-04-1994	Vesting Completed "Registered Owner" Item 28(1) Certificate issued	"In Process" on LAW	Applications under review	Applications to be processed
Bloemfontein	2806	328	2311	13	14	140
Cape Town	3907	398	2823	232	174	280
Durban	6661	2244	2326	290	777	1024
Johannesburg	1860	166	1330	151	30	183
Kimberley	2150	233	1717	25	40	135
Mmabatho	1802	160	890	388	224	140
Nelspruit	2394	93	1733	114	25	429
Polokwane	3103	1590	957	122	253	181
Port Elizabeth	1937	168	1415	86	137	131
Pretoria	2126	156	1604	163	33	170
Umtata	426	15	267	31	21	92
Islands	4	0	0	0	0	4
<b>Total</b>	<b>29176</b>	<b>5551</b>	<b>17373</b>	<b>1615</b>	<b>1728</b>	<b>2909</b>



# LEGACY ISSUES - STATE DOMESTIC FACILITIES (SDF) FRAMEWORK

- The purpose is to develop a framework within which the Department of Public Works and Provinces should:
  - Regularise and formalise legacy events where State Domestic Facilities (SDFs) are situated on land not under the ownership of the National and Provincial Government
  - Provide the high level steps and actions required in executing the various regularisation options available
  - Ensure existing arrangements with Ingonyama Trust are honoured and that such transactions are recorded in accordance with the provisions contained therein

The framework aims to determine the appropriate solution for dealing with these SDFs that are on tribal, municipal, parastatal and other privately owned land

This framework also aims to regularise the traditional Permission To Occupy arrangements (Interim measure) as there was no standard way of accounting for these



# LEGACY ISSUES - STATE DOMESTIC FACILITIES (SDFs)

**Possible regularisation options:** *The Custodians prefer to exercise the regularisation options in the order as presented in the table below commencing with donations and transfers to National or Provincial custodians*

SDF Category	(1) Land owner donates and Transfers to DPWI	(2) Purchase	(3) Lease or Real Right to use *	(4) Expropriate**	(5) PTO
SDFs on Municipal Land	Yes	Yes	Yes	Yes	Yes
SDFs on Tribal land <i>Owned outright by the tribal authority</i>	Yes	Yes	Yes	Yes	Yes
SDFs on Tribal Land held in trust <i>Land held in trust by Government is maintained by Government but not disclosed in the Annual Financial Accounting purposes.)</i>	Yes	Yes	Yes	No	Yes
SDFs on privately owned land	Yes	Yes	Yes	Yes	Yes
SDFs on parastatal (State Owned Entities) land e.g. Eskom or Transnet land etc.	Yes	Yes	Yes	Yes	Yes



# LEGACY ISSUES – LIMPOPO PILOT PROJECT

- Validate existence of 6664 SDFs and Cadastral Survey of the validated un-surveyed SDFs. The project is sub-divided in five districts as detailed in paragraph 6.1
- Framing of diagrams in accordance with the Land Survey Act 8 of 1997.
- Lodgement of diagrams and records for approval, (in accordance with the Land Survey Act 8 of 1997), with the Limpopo Surveyor-General.
- Delivery of Approved Diagrams to the Office of the Chief Surveyor- General in Pretoria.



# LEGACY ISSUES - BREAKDOWN AND ANALYSIS OF SDFs PER DISTRICT MUNICIPALITY

District Name	Number of SDFs	Surveyed SDFs	SDF to be surveyed	Newly surveyed ready to be lodged	Outstanding SDF to be surveyed
Capricorn	1332	622	710	349	361
Mopani	1294	143	1151	261	890
Sekhukhune	1460	218	1242	419	823
Vhembe	1702	61	1641	340	1301
Waterberg	876	300	576	102	474
<b>Total</b>	<b>6664</b>	<b>1344</b>	<b>5320</b>	<b>1471</b>	<b>3849</b>

**Project commenced in April 2022 and the anticipated completion date is February 2024**

# LEGACY ISSUES - “CONFIRM COMPLETENESS OF LAND PARCELS BEYOND ANY REASONABLE DOUBT”

**The land parcels under the custodianship of DPWI are complete taking into account the recognition criteria in line with the applicable GRAP standards.** The total number of land parcels under DPWI is likely to change due to the following:

- a) DPWI land parcels which were erroneously registered in the name of municipalities due to the devolution of the R293 townships.
- b) The KwaZulu-Natal Ingonyama Trust Act, 3 of 1994 does not apply to the land which was used for State domestic purposes (police stations, courts, prisons, etc.) before 24 April 1994
- c) DPWI land parcels that have been erroneously vested by the Provinces
- d) DPWI is the default custodian of any properties listed in the Deeds Registry as State properties not claimed by another custodian (national or provincial) until such time as a rightful custodian can be identified
- e) Registered land parcels reflecting no owners – Deeds Data Cleansing Project

# ***ESTABLISHMENT OF THE REIRS DIVISION***



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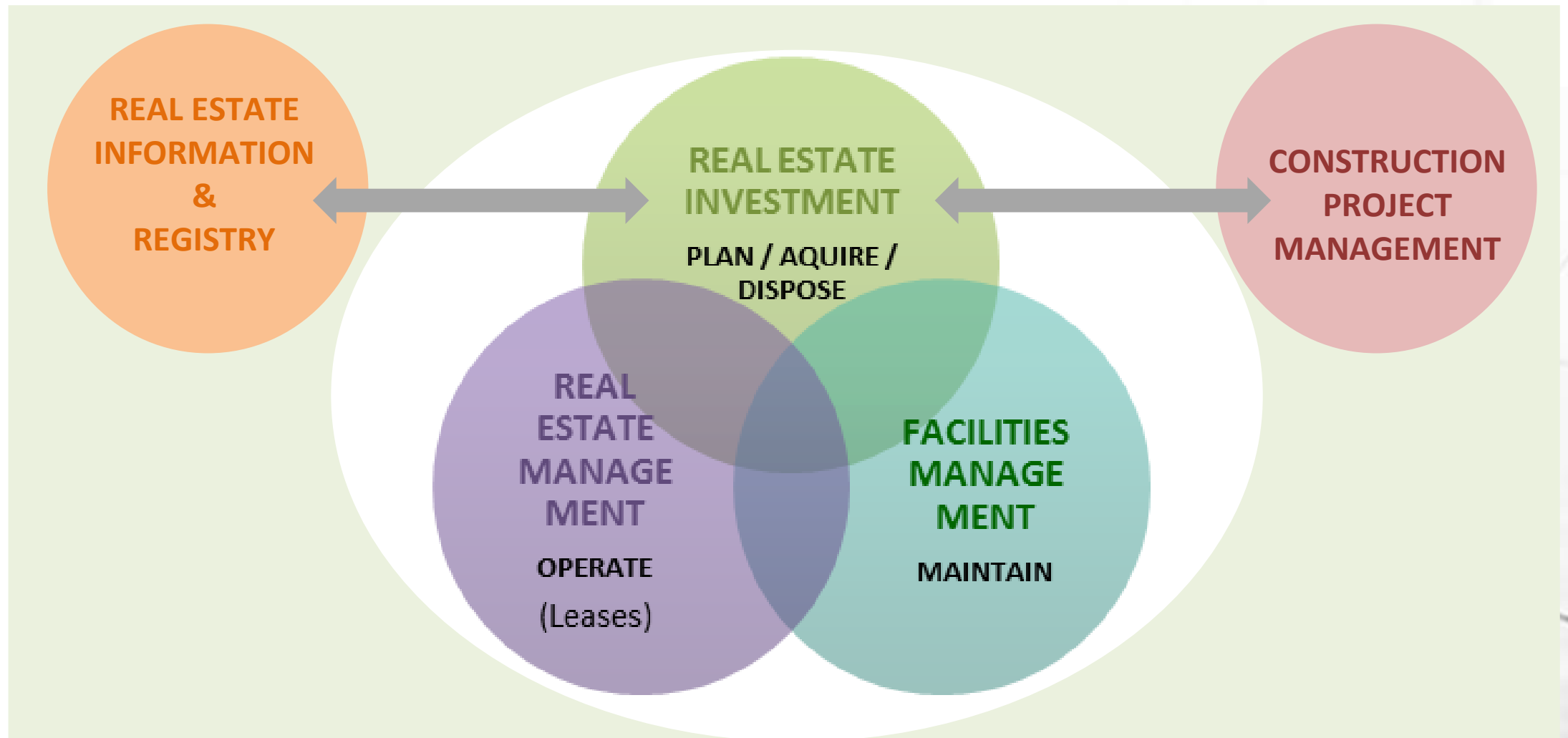
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# ESTABLISHMENT OF THE REIRS DIVISION - PMTE BUSINESS CASE & OPERATING MODEL

- ❑ Core business of the PMTE consists of three focused operational divisions:
  - Real Estate Investment Management,
  - Real Estate Management, and
  - Facilities Management.
- ❑ Two special service delivery divisions that will collectively realise PMTE's asset management goals and services to the State:
  - **Real Estate Information & Registry Services**; and
  - Construction Project Management.

# ESTABLISHMENT OF THE REIRS DIVISION - PMTE BUSINESS CASE & OPERATING MODEL

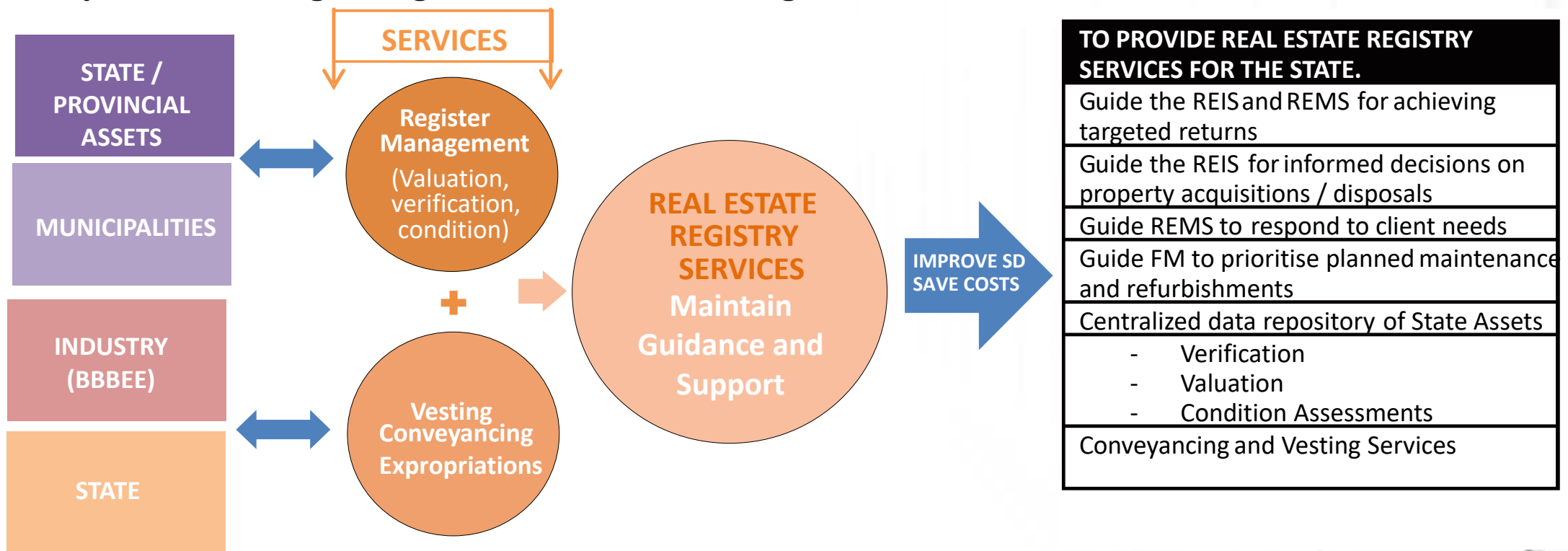


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# STRATEGIC OBJECTIVES OF THE REIRS DIVISION

1. To develop and manage a complete and GRAP compliant IAR which supports DPWI/PMTE business requirements, service delivery and socio economic objectives of the State
2. To provide oversight, regulation and monitoring of the IAR for the Public Works Sector and the State



**REIRS STRATEGIC GOAL**  
To provide reliable immovable asset information that informs investment decisions and portfolio management

# REIRS STRATEGIC OBJECTIVE 1

**To maintain a complete and compliant IAR which supports PMTE business requirements and service delivery objectives of the State:**

- Address Management Assertions (completeness, existence, rights & obligations, valuation and presentation & disclosure)
- Manage the life cycle of immovable assets as per section 13 (d) of GIAMA (conduct physical verification and condition assessment over a 5 year cycle). PMTE is required to review the useful lives of immovable assets and perform impairment tests annually to comply with GRAP
- Vesting of land parcels and endorsements of Title Deeds to confirm ownership of properties under the custodianship of DPW/PMTE
- Recognise and accept new assets in line with the IDMS model and AUC Position Paper (capitalisation of completed infrastructure projects)
- Componentisation of the IAR for Facilities Management and provide inputs for the User Charge Model
- Facilitate transfer and conveyancing of approved disposals (in respect of socio economic purposes)
- Conduct a historical land research and verification of title deeds where there is uncertainty or change of ownership at the Deeds Office
- Address completeness of coastal or admiralty reserves in collaboration with the office of the Chief Surveyor-General and DFFE
- Implementation of the SDF framework (surveying of SDFs and transfer of land to the State)
- Ensure compliance with the relevant legislation in terms of the Constitution, PFMA, GIAMA, GRAP and National Treasury guidelines



## REIRS STRATEGIC OBJECTIVE 2

**Provide guidance and support to other National and Provincial custodians of State properties to ensure uniformity in accounting for immovable assets and management of IARs:**

- Address Management Assertions (completeness, existence, rights & obligations, valuation and presentation & disclosure) in line with the Compliance Criteria
- Fast-track Vesting in collaboration with DALRRD and Provinces
- Application of the deemed cost model within the public works sector and DALRRD to ensure consistent initial recognition of properties where no actual cost records are available, compliance with the Modified Cash Standard and to provide inputs into the G20 Balance sheet project
- Develop and implement policies or frameworks (State Domestic Facilities framework, Fair Value Model, etc.)
- Review and update immovable asset guidelines in collaboration with National Treasury, DRDLR and Provinces (Immovable Asset Guide, Minimum requirements for an IAR, etc.)
- Develop and monitor audit action plans
- Create and maintain a single repository (national database) of State properties for all spheres of Government
- Establish and maintain a Register of Expropriations for all spheres of Government including SOEs



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# ***WHAT HAS BEEN DONE AND ACHIEVEMENTS***



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# FUNDAMENTAL PRINCIPLES / MANAGEMENT ASSERTIONS

The following pillars of accountability must be adhered to at all times in the management of state immovable assets:

- **Completeness** – All state properties must be recorded on appropriate database or repository (asset register) of either National or Provincial custodian;
- **Existence** – Physical existence of State owned properties
- **Rights and obligations** – Ownership –Production of a title deed in the name of the state for each and every State owned property. The title of the state should be undisputable. Clearly identify and understand the rights and obligations of the state or other persons in respect of state property. Reconciliation of IARs to ensure non duplication of immovable assets
- **Accuracy and Valuation** – Accurate reflection of properties in the asset registers and appropriate disclosure of valuation adjustments.
- **Presentation and disclosure** – financial and other information are disclosed fairly and at appropriate amounts.



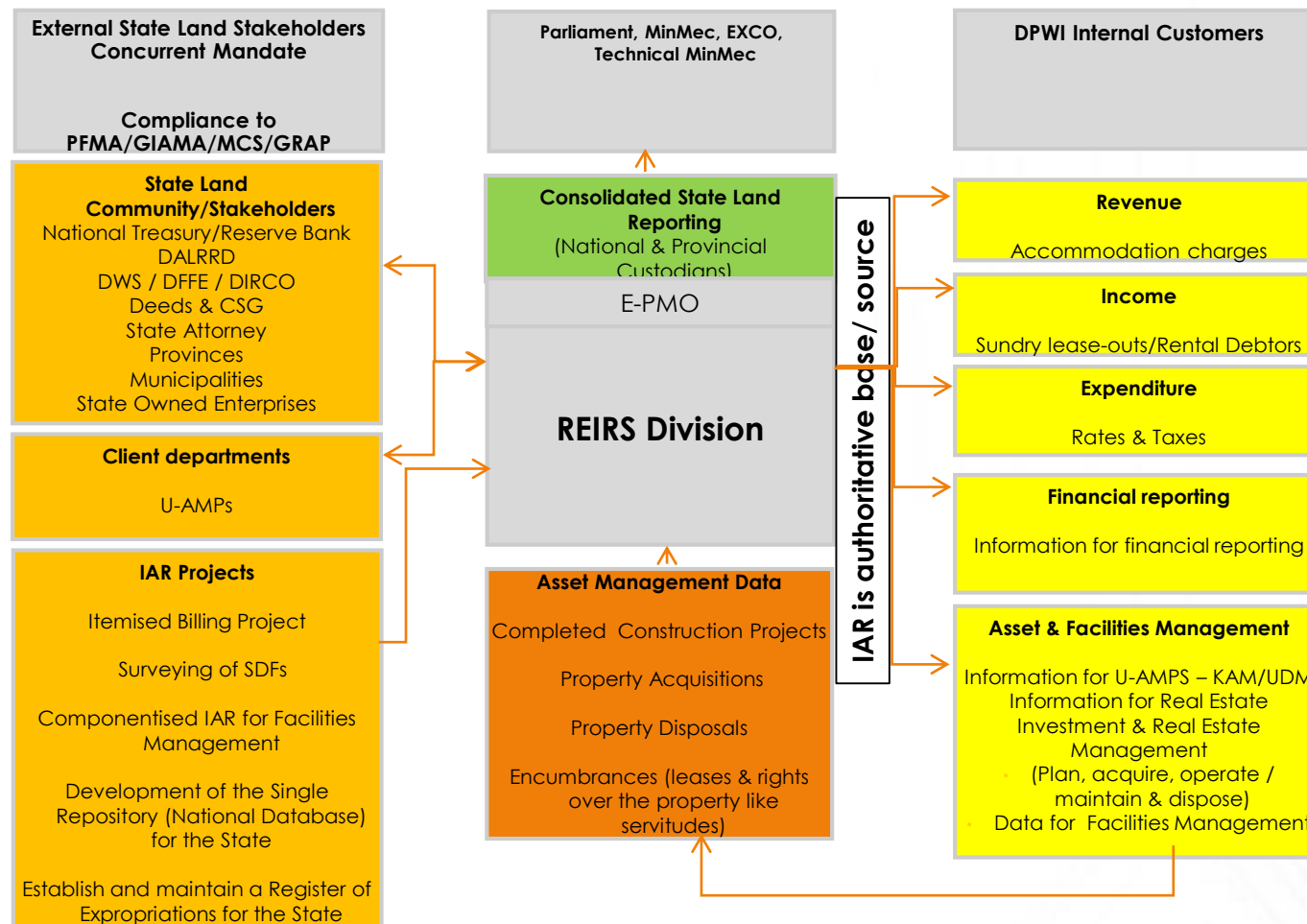
# EXTERNAL STAKEHOLDERS OF THE IMMOVABLE ASSET REGISTER

Continuous engagements with stakeholders is of paramount importance in order to address legacy challenges on State land and to ensure uniformity in the management of immovable assets

## State Land Community/Stakeholders

- DALRRD / DWS
- COGTA / DFFE
- Client Departments
- Chief Surveyor-General
- Registrar of Deeds
- State Attorney
- Provinces
- Municipalities
- State Owned Enterprises (Transnet, Eskom, etc.)
- National Treasury

# REIRS LINKS TO THE STATE LAND COMMUNITY AND DPWI BRANCHES



# WHAT IS COMPLETENESS OF THE IMMOVABLE ASSET REGISTER?

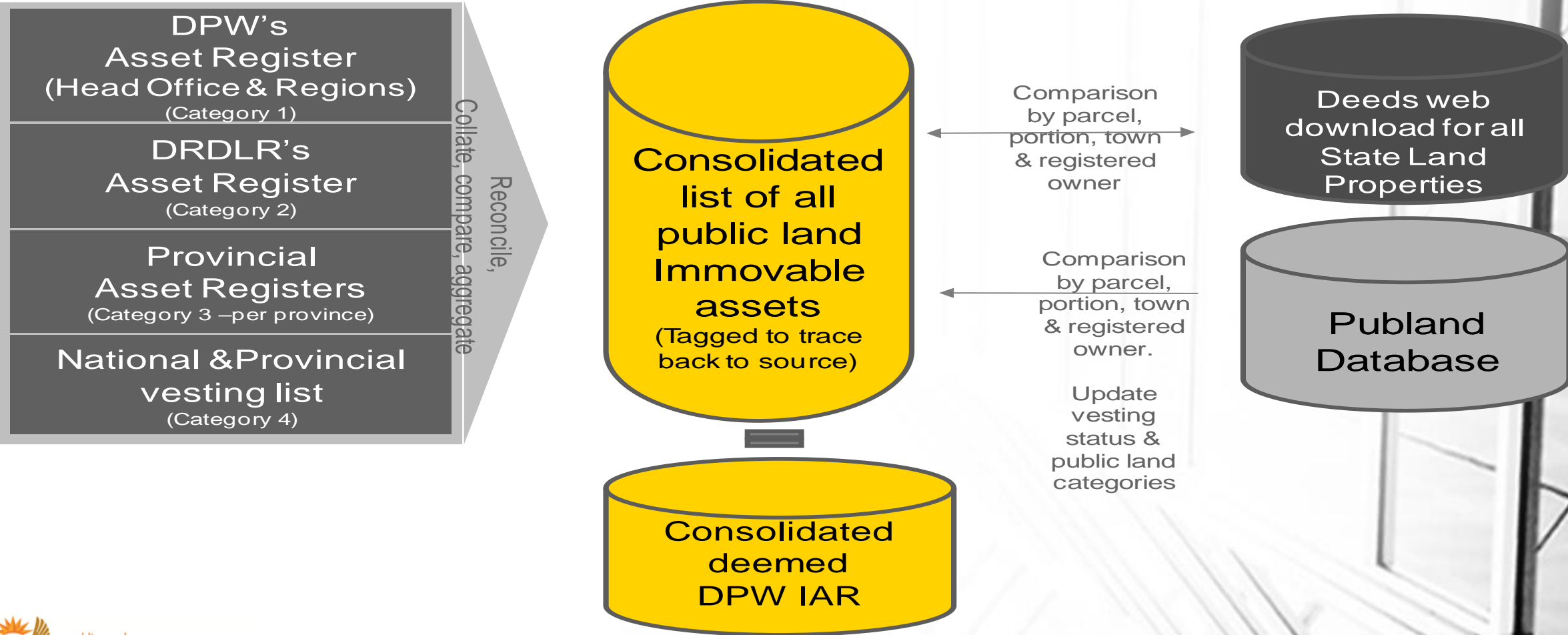
1. Compliance to the National Treasury Immovable Asset Guide section 3.2 (b)
2. Reconciliation of the IAR against the following:
  - ❖ Deeds records
  - ❖ Property Management Information System (PMIS)
  - ❖ QA download
  - ❖ DALRRD Vesting Data (LAW)
  - ❖ Devolved Properties (deemed provincial properties linked to the devolved budget for rates)
  - ❖ Original title deeds (aktex records or copies of the title deed)
  - ❖ Chief Surveyor General (CSG information on surveyed land parcels)
  - ❖ User Asset Management Plans (U-AMPs)
  - ❖ Points of Interest/security clusters (police, prisons, courts & defence)
  - ❖ Other National or Provincial IARs
3. Compliance to PFMA, GIAMA and National Treasury guidelines
  - ❖ Revised Minimum requirements for an Immovable Asset Register approved by National Treasury in 2017
4. Capitalization of completed projects
5. Section 42 transfers from user departments or transfers from other custodians
6. Acquisition of properties (purchase, donation or exchange)
7. Disposal of properties

Given the above activities, it must be borne in mind that the IAR is not a static inventory but will change to take account of the numerous entries which occur as a result of the completed infrastructure projects, section 42 transfers in line with PFMA, rectification of erroneously registered and vested properties.

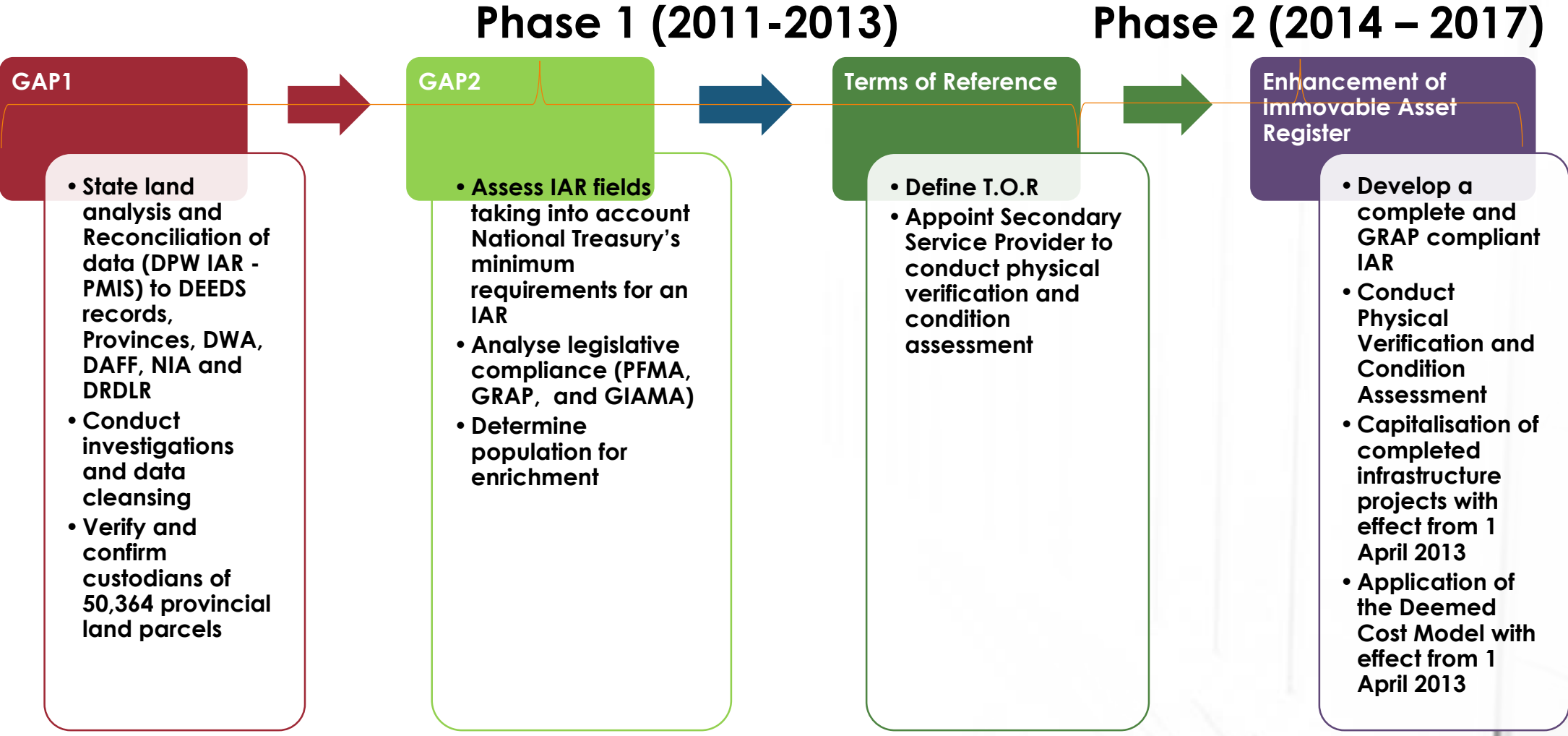


# ANALYSIS OF NATIONAL AND PROVINCIAL RECORDS

## Reconciliation of data from required sources



# IAR ENHANCEMENT PROGRAMME

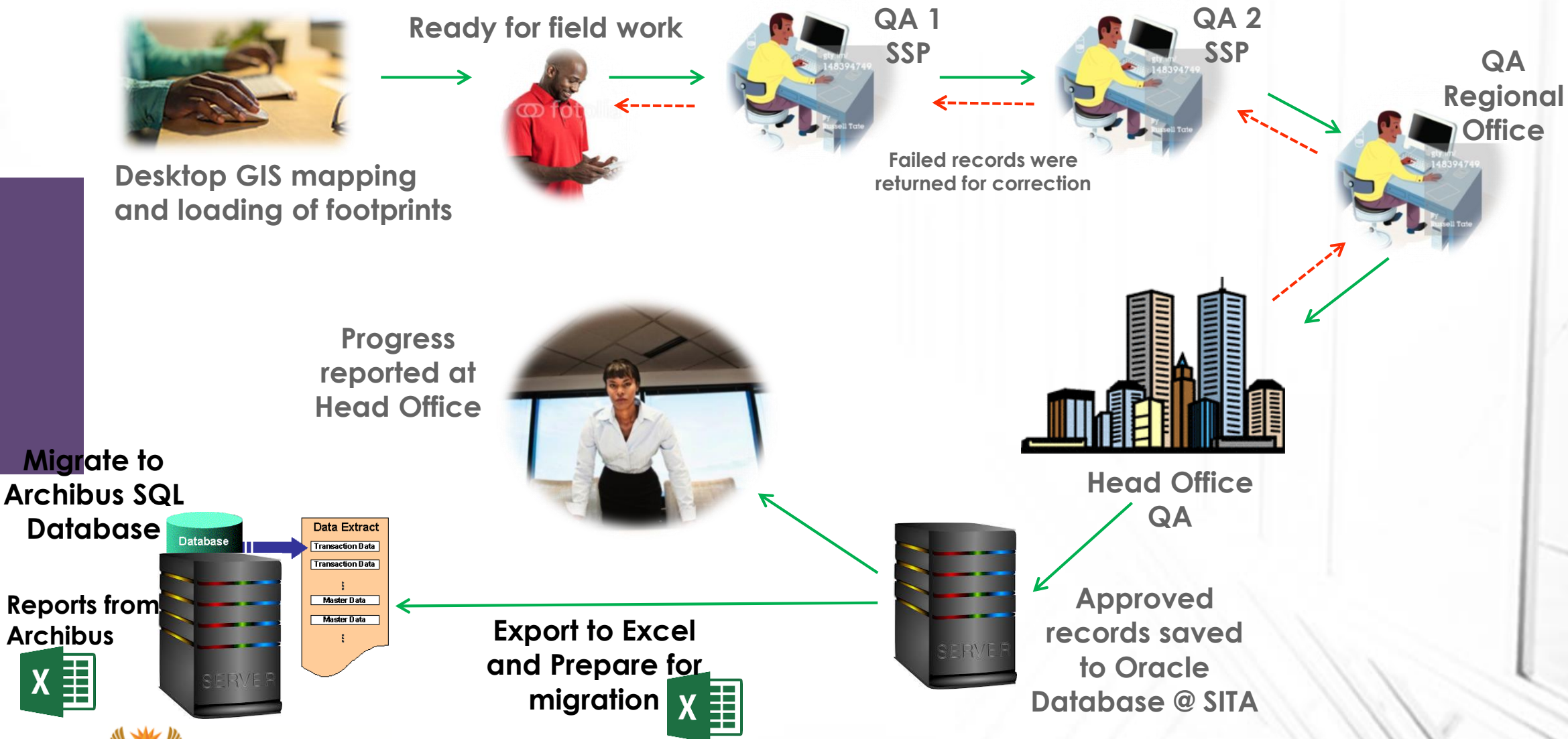


# UTILISATION OF TECHNOLOGY – HARDWARE & SOFTWARE TOOLS

- a) Development of a software and mobile application for data collection which include a Geographic Spatial representation of the assets on the ground
- b) The software tool and mobile solution is being used to verify land, buildings, significant components & infrastructure assets



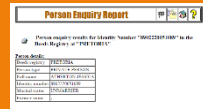
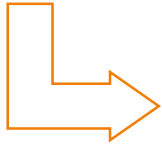
# PHYSICAL VERIFICATION OF ASSETS



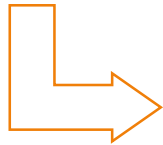
# GIS DESKTOP ACTIVITIES



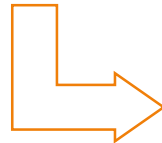
Obtain list of properties (Datasets, POI)



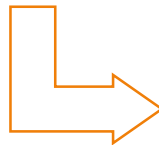
Confirm existence on IAR (Deeds CSG)



Capture Surveyor General Spatial Data



Superimpose Demarcation layers and Populate Location Data (Province, Suburb, Municipal, etc)



Create/Update Site & Building Footprints



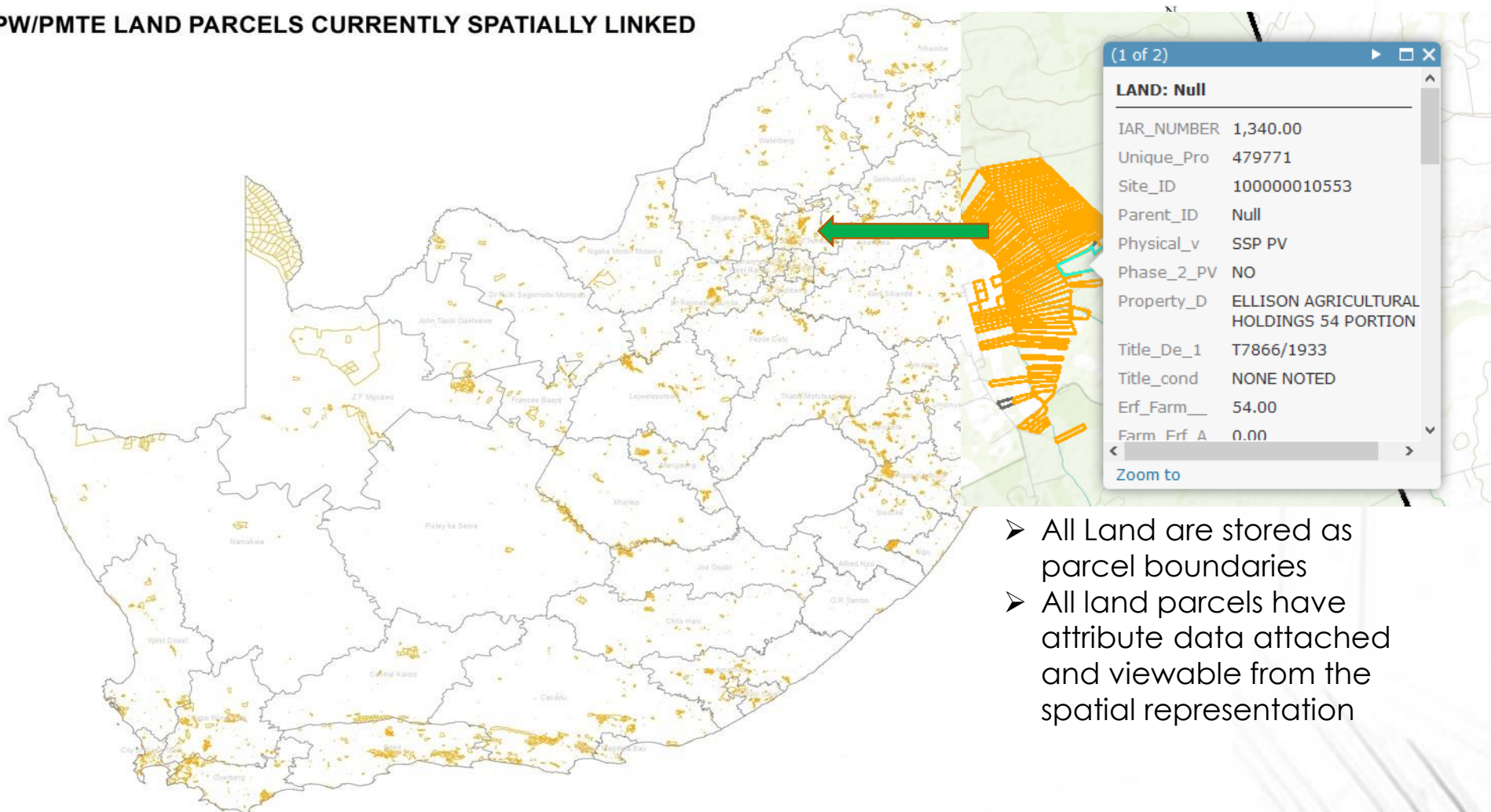
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# LAND PARCELS REPRESENTED SPATIALLY

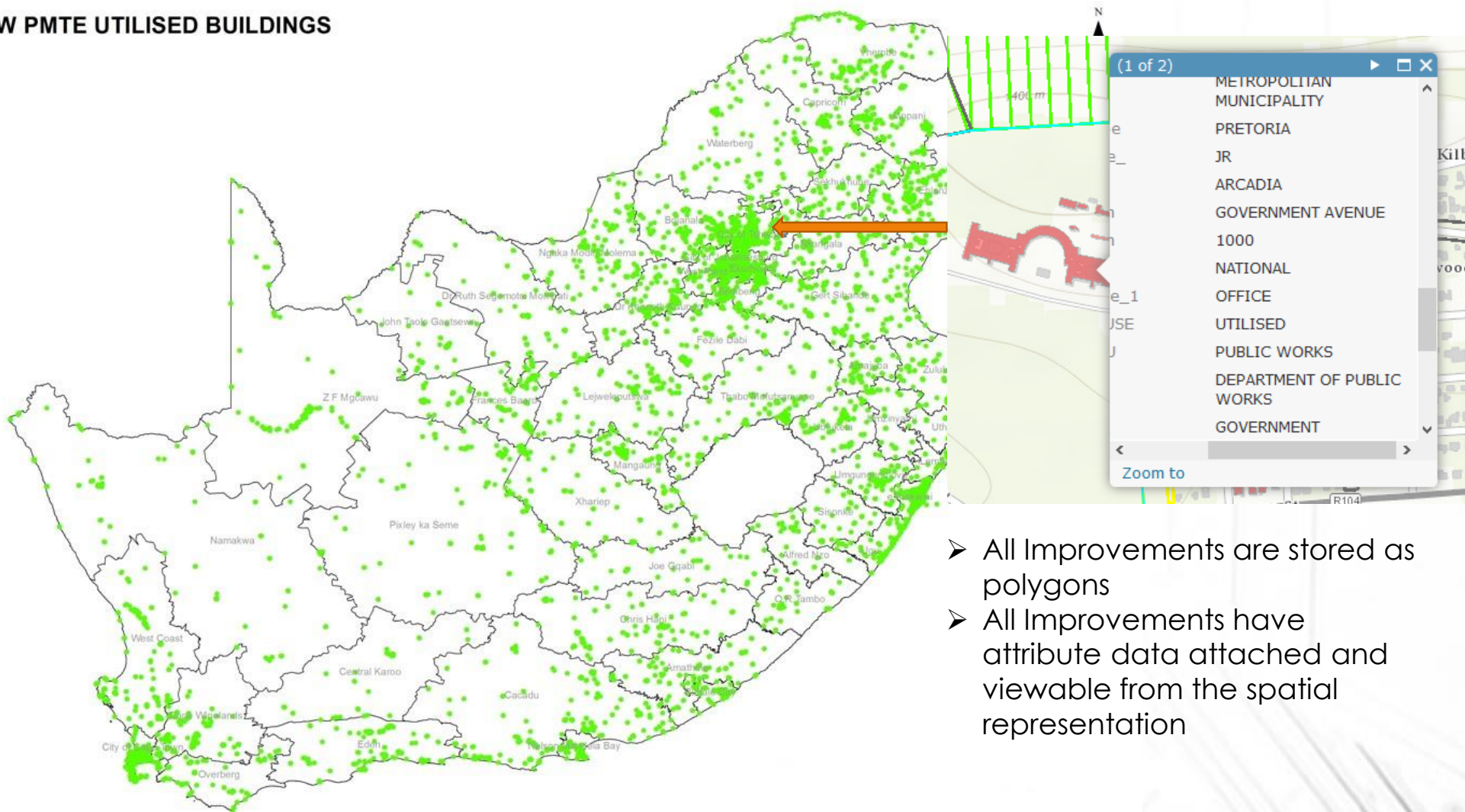
DPW/PMTE LAND PARCELS CURRENTLY SPATIALLY LINKED



- All Land are stored as parcel boundaries
- All land parcels have attribute data attached and viewable from the spatial representation

# IMPROVEMENTS REPRESENTED SPATIALLY

## DPW PMTE UTILISED BUILDINGS



- All Improvements are stored as polygons
- All Improvements have attribute data attached and viewable from the spatial representation

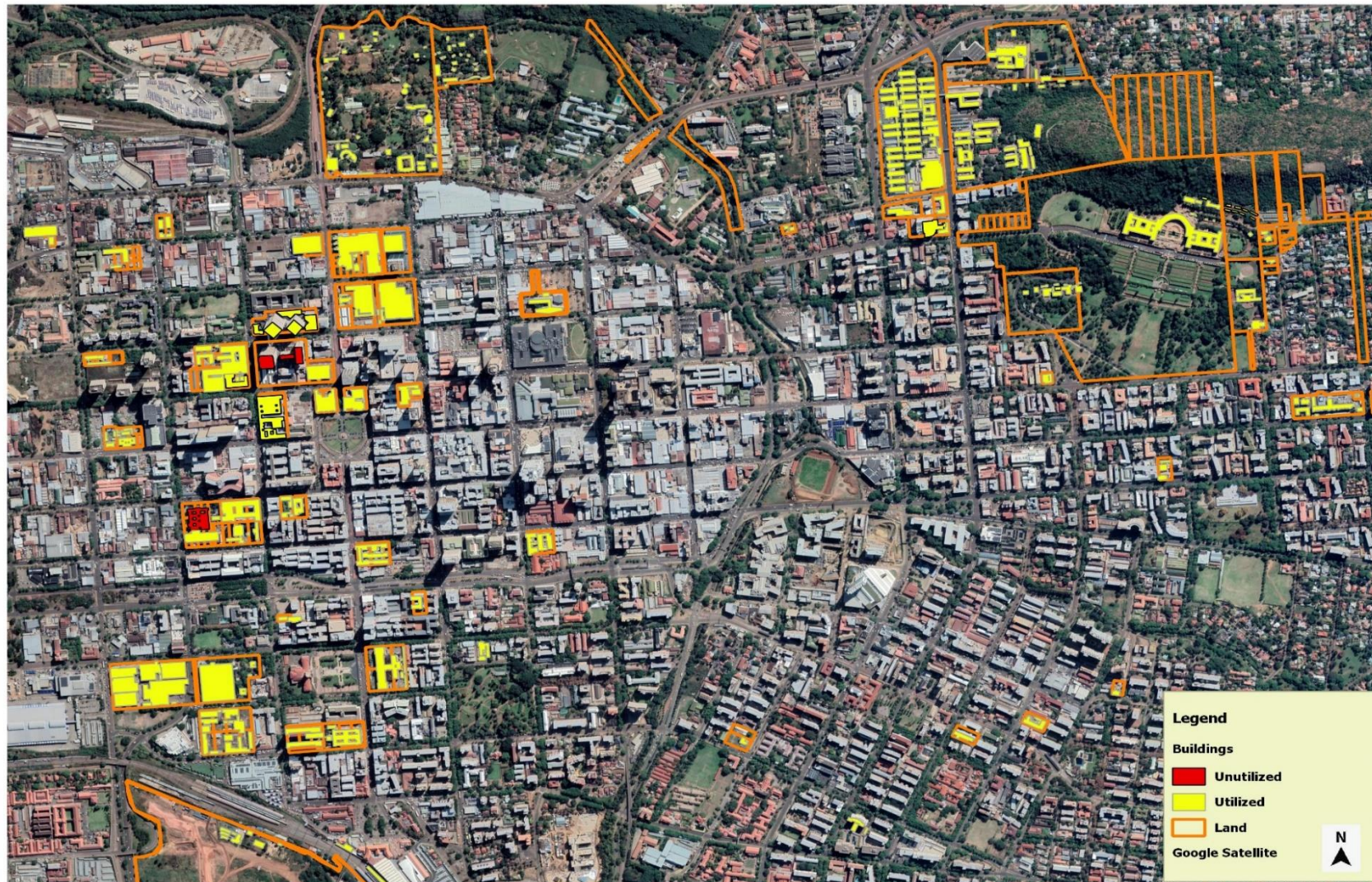


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# THE USE OF DIGITISED IMMOVABLE ASSET REGISTER



The digitised IAR allows us to visually locate the assets and present them spatially for various purposes.



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# THE USE OF DIGITISED IMMOVABLE ASSET REGISTER con't



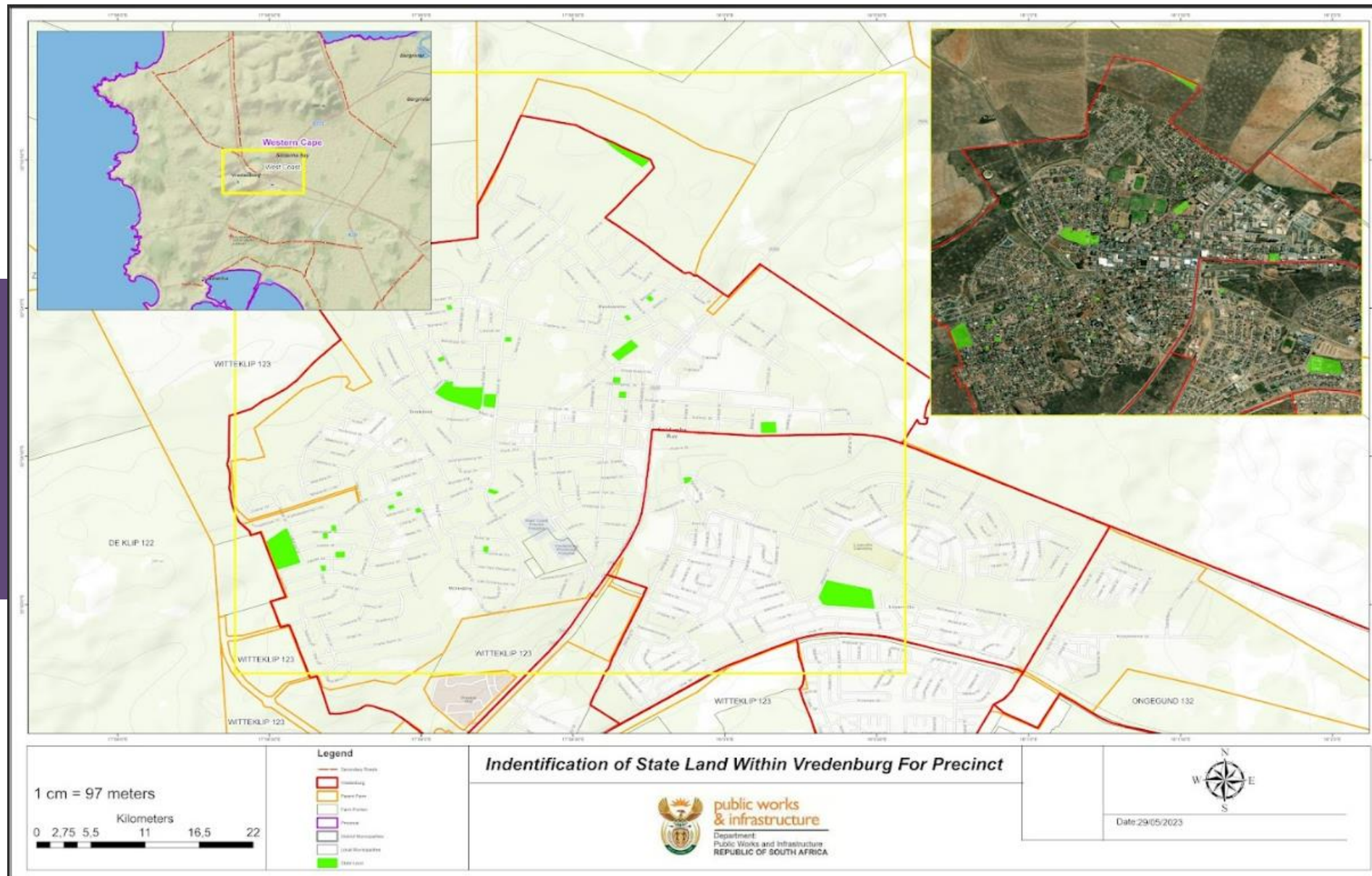
The digitised Immovable Asset Register allows us to visually locate each asset with a unique identifying ID



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# THE USE OF DIGITISED IMMOVABLE ASSET REGISTER con't



Through a spatially represented Immovable Asset Register, we are able to identify suitable state assets that can be used for Precinct Planning purposes.

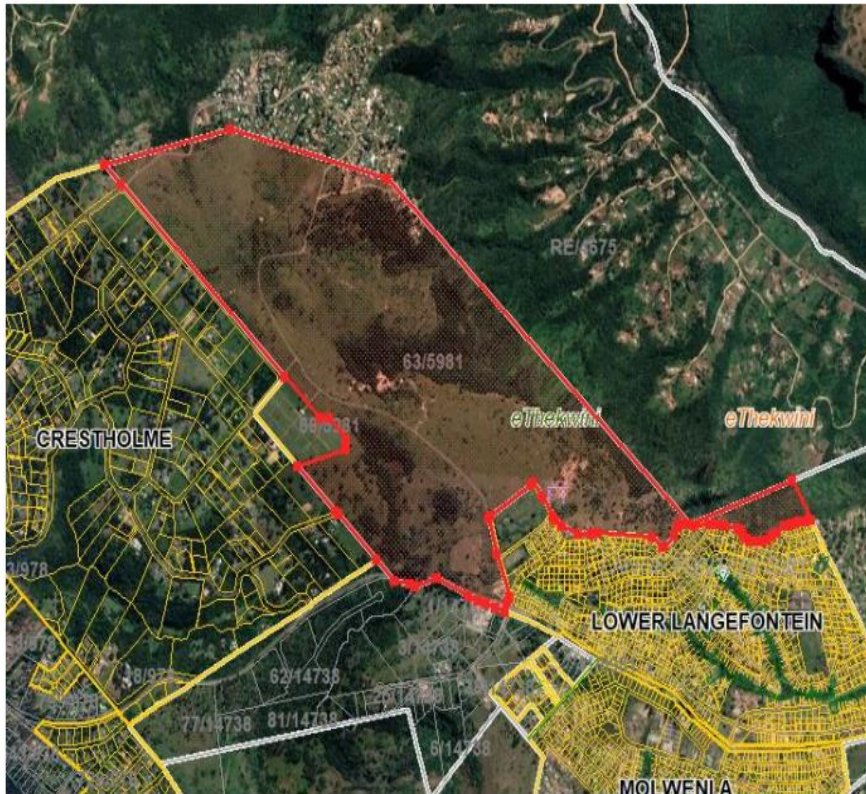




# THE USE OF DIGITISED IMMOVABLE ASSET REGISTER con't

## State land identified in EThekweni : Western region

(1) Farm 5981 Portion 63 Of Ft-Lange Fontein



- Registered under the ownership of RSA
- **Extent: 1992075,79ha**

(2) Farm 978 Portion 60 Of Ft-waterfall



- Registered in the ownership of RSA
- **Extent: 24144,09ha**

DPWI digitalized IAR was also used to identify State Owned land in Kwa-Zulu Natal Province to assist with the relocation of residents who were affected by the floods.

In identifying the suitable State land, consideration is given to the environmental and physical attributes of the land parcels.

Elements that will determine the suitability of the land for the proposed resettlement and associated developments includes: flood plain, topography, access to engineering services and proximity of the settlement to public transport

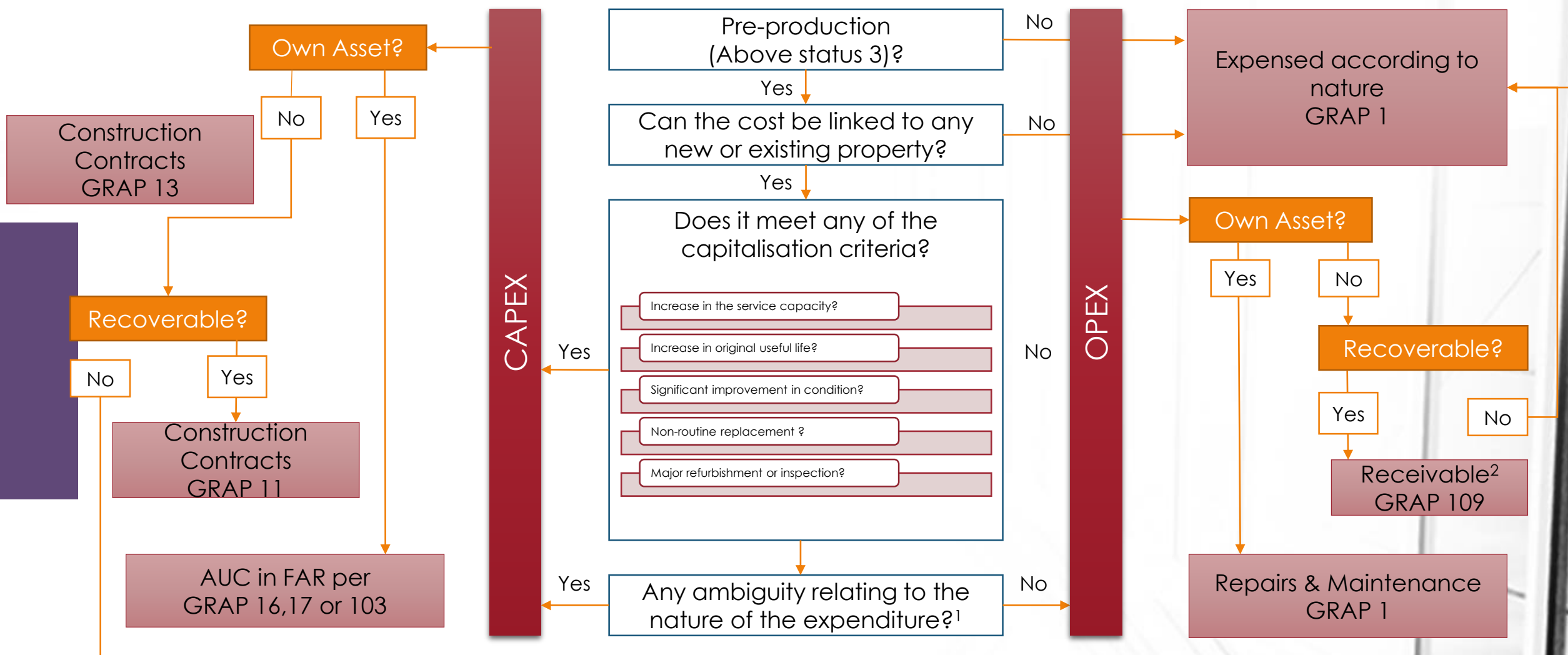


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# ASSETS UNDER CONSTRUCTION (AUC) - ASSESSING PROJECT EXPENDITURE FOR GRAP CLASSIFICATION PURPOSES

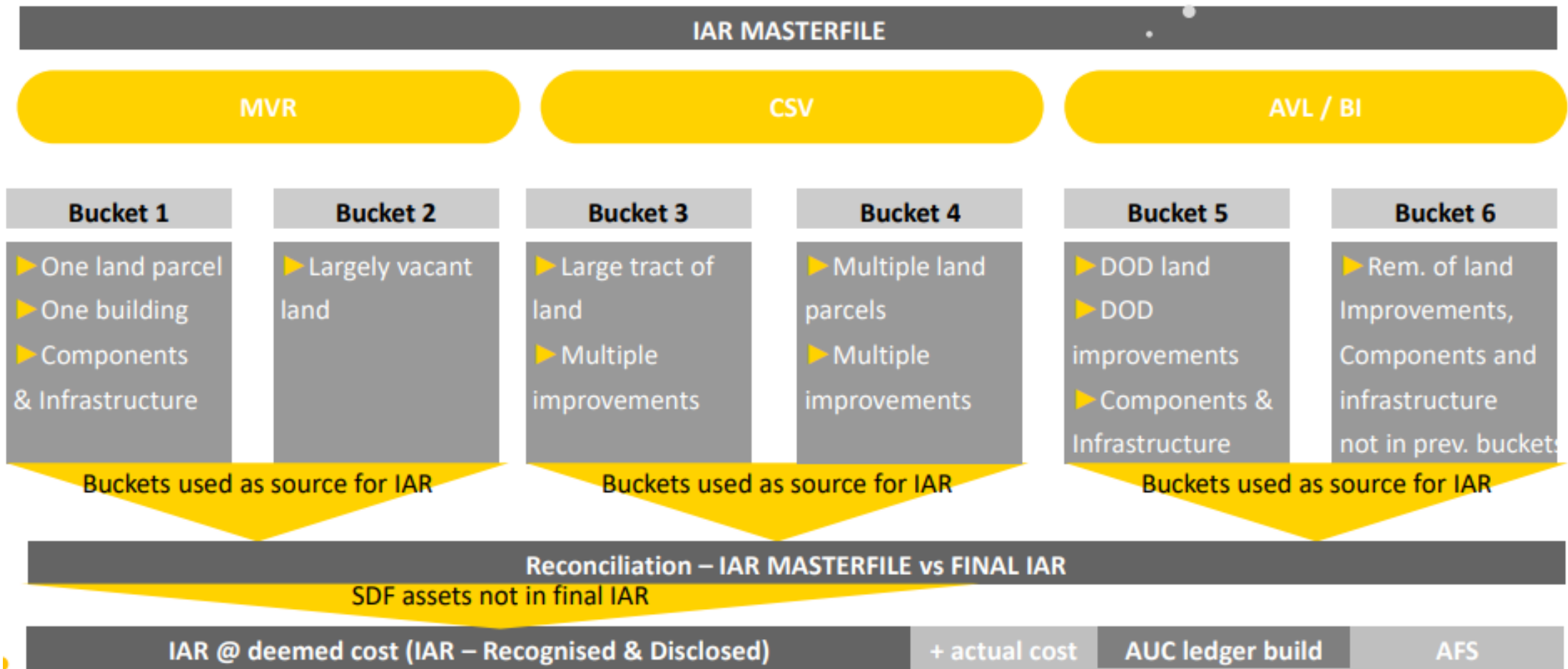


# APPLICATION OF THE FAIR VALUE / DEEMED COST MODEL

	(1) Municipal Values ("MVR") – Default method	(2) Comparison Approach	(3) Replacement cost
<b>Motivation:</b>	<ul style="list-style-type: none"> <li>•Default to be used where criteria have been met:</li> <li>-Qualifications of valuer</li> <li>-No audit qualification</li> <li>-No previous objection to values</li> <li>-Checks &amp; balances in industry</li> </ul>	<ul style="list-style-type: none"> <li>•To be used in the absence of Municipal values</li> <li>•Used for vacant land, farms &amp; some residential properties</li> </ul>	<ul style="list-style-type: none"> <li>•To be used in the absence of reliable Municipal values</li> <li>• To be used for certain specialised properties e.g. Military, Police Stations etc</li> </ul>
<b>Requirements:</b>	<ul style="list-style-type: none"> <li>•Valuation rolls compiled by professional valuers</li> <li>•MVR's comply with the requirements stated in the Municipal Property Rates Act 6 of 2004.</li> <li>•Evidence in support of the above will be compiled</li> </ul>	Comparable properties that are in the same area & are similar: <ul style="list-style-type: none"> <li>• Location</li> <li>• Size</li> <li>• Shape</li> <li>• Layout</li> </ul>	<ul style="list-style-type: none"> <li>•Location</li> <li>•Title deed number</li> <li>•Extent of land</li> <li>•Description of property</li> <li>•Usage (Current &amp; intended)</li> <li>•Extent of property</li> <li>•Vacant land Ratio</li> <li>•Construction Cost Indices</li> </ul> NB: Where info is unavailable, will need to use professional judgement – must have evidence for audit
<b>Used for</b>	<ul style="list-style-type: none"> <li>•As far as possible given above requirements</li> </ul>	<ul style="list-style-type: none"> <li>•Vacant land</li> <li>•Farms</li> <li>•Residential</li> </ul>	<ul style="list-style-type: none"> <li>•Specialised properties / complexes</li> </ul>



# VALUATION OF IMMOVABLE PROPERTIES







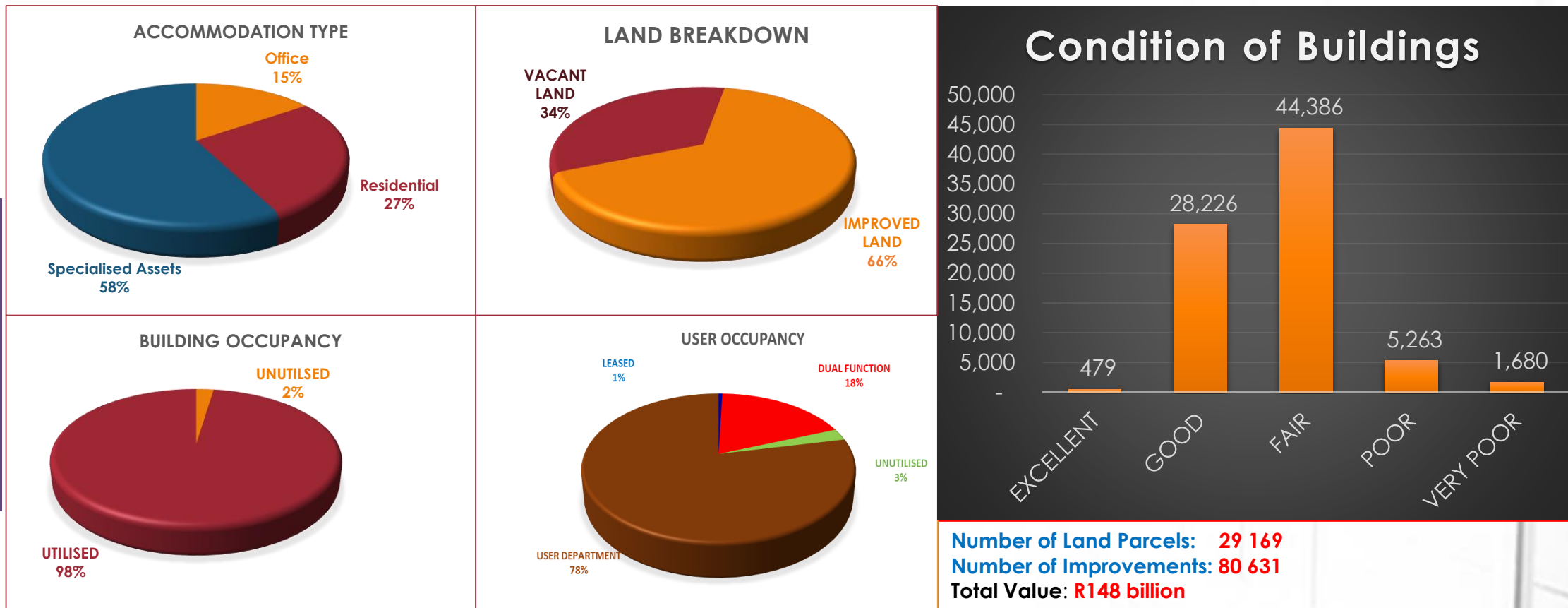
South African Reserve Bank

## Balance sheet project

Public finance



# DPWI IMMOVABLE ASSET PORTFOLIO BREAKDOWN



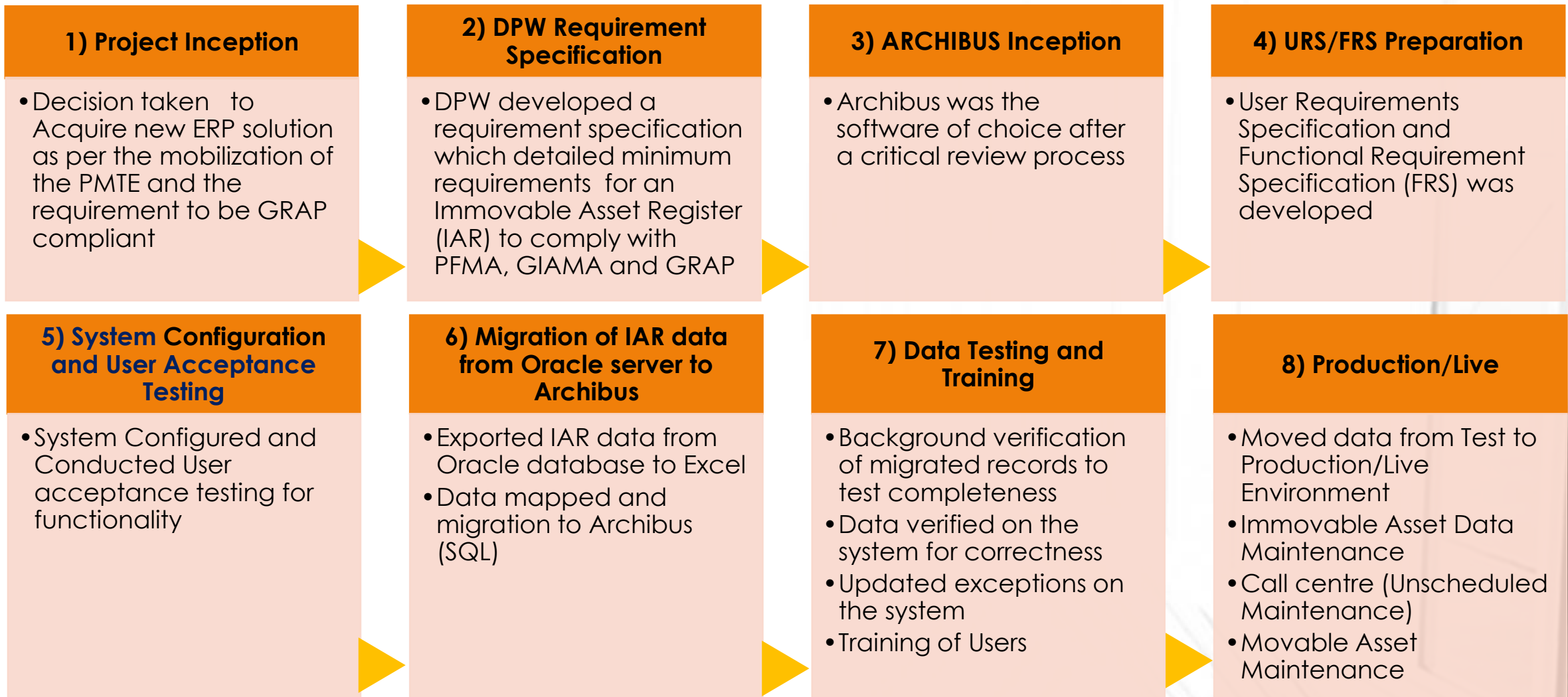
Specialised assets comprise of Police stations , Prisons , Courts & Defence facilities  
 Dual function = buildings with both user departments & leases



# ACHIEVEMENTS

- Land Register compiled by considering the following:
  - Initial DPWI Immovable Asset Register (Property Management Information System - PMIS)
  - Reconciliation to other National Custodians and Provinces
  - Reconciliation to the Deeds records
- Improvements to Immovable Asset Register (IAR)
  - Compiled an Improved register based on GIS Maps and Physical Verification
  - Properties where Rates & Taxes were paid
  - Properties rental revenue was being generated as per GRAP 16
- DPWI made a significant contribution to the G20 Balance Sheet Project (Deemed Cost Valuation model eliminated assets recorded at R1 values, **assets valued at R148 billion as at 31 March 2023**)
- Development of the IAR Operating Model and sourcing of in-house capacity and resources to reduce / progressively eliminate reliance on consultants (recruitment of young graduates, experienced project managers and other specialists including Accountants, Data Analysts, GIS professionals & Technicians)
- Ongoing contribution and support to the OBB programme by identifying fraudulent/illegal transactions in order for DPWI to secure custody of the State's immovable assets (**total value of recovered land parcels is R144 million**)
- Accounting for State immovable assets has improved due to the ongoing collaborative efforts between National and Provincial custodians. Workshop with DPE and SOEs was held on 8 March 2023.

# PRACTICAL STEPS TAKEN TO MIGRATE DATA TO ARCHIBUS



# IMMOVABLE ASSET REGISTER VIEW



Asset Management

Asset Portal

Asset Reports

- Asset Register Extract
- Facilities Report
- Facility and Buildings
- Number Of Assets per Facility
- Buildings and Facilities
- Asset Occupation
- Facilities with Multiple Uses
- Land Parcels Report
- Property Types Overview
- Additions
- Disposed

General Reports

- General Report
- Dashboard View

Assets by Location

- Manage Buildings by Location
- Manage Land by Location
- Buildings
- Movable Asset Register

General Report

Filter

Province Code  Region Code  Local Municipality   
 City  Facility Code  Asset Type   
 Zoning Type  Accommodation Type  Current Use   
 From Extent  From Asset Extent m<sup>2</sup>  Asset Status   
 To Extent  To Asset Extent m<sup>2</sup>  Vacant/ Improved

Report

Asset Code: 1[11111] 2[78935] 3[11111] 4[10103] 5[11063] 6[11037] 7[3656] 8[1111] 9[1111] All[139238] Page 1 of 1393 Next >>

Asset Code	Asset Description	Facility Code	Province Code	Region Code	Local Municipality	City
1	FARM 302 PORTION 1 OF IS-GOEDEHOOP	F0001654	MP	NEL	MP307	GOVAN MBEKI RURAL
2	FARM 357 PORTION 27 OF JT-TWEEFFONTEIN	F0001671	MP	NEL	MP314	HIGHLANDS RURAL
3	FARM 497 PORTION 7 OF IS-MOOIFONTEIN	F0001656	MP	NEL	MP304	PIXLEY KA SEME RURAL
4	FARM 21 PORTION 1 OF HT-ROODEKRAAL	F0001697	MP	NEL	MP303	MKHONDO RURAL
5	FARM 30 PORTION 2 OF HT-EERSTE GELUK	F0001701	MP	NEL	MP304	PIXLEY KA SEME RURAL
6	FARM 33 PORTION 48 OF JT-STERKSPRUIT	F0001824	MP	NEL	MP321	THABA CHWEU RURAL
7	FARM 342 PORTION 0 OF JT-MOUNTAIN VIEW	F0001906	MP	NEL	MP326	UMJINDI RURAL
8	FARM 453 PORTION 0 KT	F0002213	MP	NEL	MP321	THABA CHWEU RURAL
9	FARM 98 PORTION 14 JS	F0002336	MP	NEL	MP315	THEMBISILE RURAL
10	FARM 83 PORTION 1 HS	F0002374	MP	NEL	MP304	PIXLEY KA SEME RURAL
11	FARM 131 PORTION 0 HS	F0002378	MP	NEL	MP304	PIXLEY KA SEME RURAL
12	FARM 162 PORTION 45 JU	F0002440	MP	NEL	MP324	NKOMAZI RURAL
13	FARM 496 PORTION 0 IT	F0002516	MP	NEL	MP303	MKHONDO RURAL
14	FARM 82 PORTION 5 HS	F0002373	MP	NEL	MP304	PIXLEY KA SEME RURAL

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# ***WHAT ARE THE CHALLENGES?***



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# CHALLENGES

- Negative audit outcome/disclaimer
- \*\* **Restatement of opening balances for the prior year.**
- Limited capacity to execute the dual role of the REIRS and REIS division and to address the different aspects of the IAR
- Vesting of the land parcels due to the external dependencies and legacy challenges on State land
- Change of ownership / illegal transfer of State properties at the Deeds office
- Fragmented legacy systems – lack of an integrated asset management (Archibus not yet fully implemented)





# IAR OPERATING MODEL - APPROVED STREAMLINED STRUCTURE

## CD: REGISTRY SERVICES

**D: IAR Accounting and Verification**  
**Purpose:** To oversee the GRAP compliance of the IAR  
**Functions:**

1. Oversee design and implementation of Immovable Asset Register Management (IARM) policies and procedures
2. Ensure capitalization, de-recognition, impairment and all other accounting for Immovable Assets is in compliance with GRAP requirements
3. Ensure timely IAR reporting and management of key stakeholder expectations/ customer requirements
4. Ensure billing, lease and other customer transaction initiation information (base data) is appropriately managed in ARM
5. Ensure existence and accurate valuation of state assets reflected in the IAR through periodic verification, condition and impairment assessment
6. Ensure all improvements to state property are appropriate identified and recorded in the IAR
7. Liaise with technical and other units that inform GRAP compliance

<b>Posts:</b>	<b>PL</b>
1X D	13
4X DD	11
6X ASD	9
6X AO	7

**D: IAR Projects & Data Admin**  
**Purpose:** To oversee the maintenance of the accuracy, completeness and quality of the IAR database, manage special projects and the delivery of concurrent mandate  
**Functions:**

1. Render projects required to ensure IAR is always compliant and in line with industry practice
2. Oversee successful delivery of the Concurrent Mandate amongst the state land community
3. Implement and monitor the controls associated with management of the integrity of the IAR (Manual and Automated controls) based on the implementation of robust Standard Operating Procedures and control framework at Head Office and regions
4. Ensure Provinces and Regions are appropriately empowered with the tools to successfully execute the IAR responsibilities (Assessment, GIS etc.)
5. Oversee the management of IAR and related data and systems, and integration with wider business
6. Management data exchange and analysis with Deeds, CGS, LAW, PMTE ERP's etc.
7. Monitor completeness of IAR data in the context of U-AMPs, C-AMPs, WIP etc.

<b>Posts:</b>	<b>PL</b>
1x D	13
4x DD	11
5x ASD	10
9x AO	7

**Real Estate Registry Services: Regions**  
**Purpose:** To manage asset registry services.  
**Functions:**

1. Manage the GRAP compliance of the IAR
2. Manage the maintenance of the accuracy, completeness and quality of the IAR database, manage special projects and the delivery of concurrent mandate.

<b>Posts</b>	<b>PL</b>
11x DD: Asset Registry	11
22x AO Asset Registry	77



\* Posts filled except CD: REIRS and DD X2



# IAR OPERATING MODEL - CHALLENGES AND RISKS

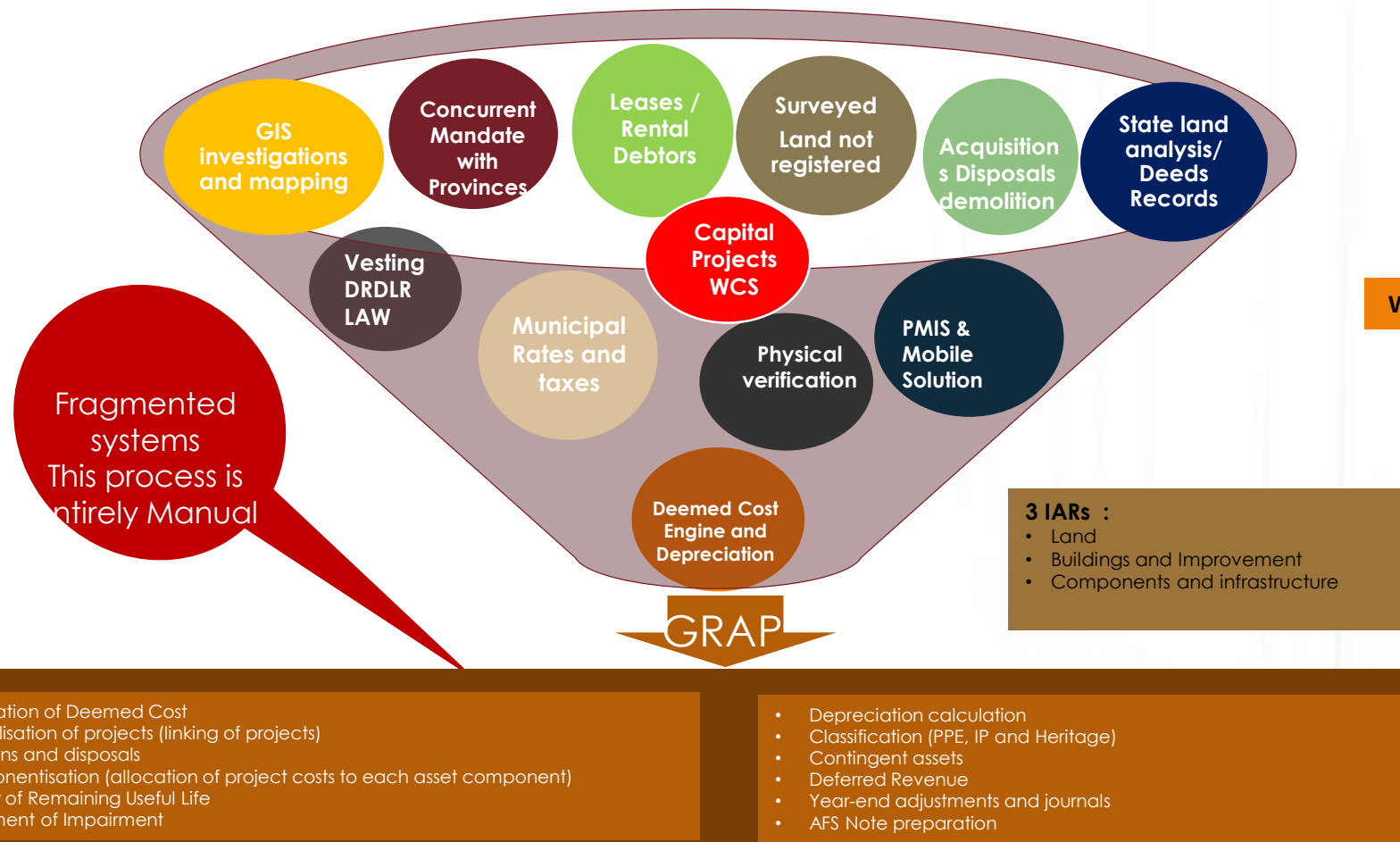
- Limited capacity to maintain the IAR (life cycle management of immovable assets through physical verification and condition assessment over a five-year cycle) and to provide guidance and support to the Provinces due to over reliance on consultants and contract workers –

## **Strategic Risk**

- Critical posts excluded from the streamlined structure including SMS
- Create and maintain the Expropriation Register for the State in line with the Expropriation Bill of 2019 which was approved by the National Assembly in 2022
  - ❖ **The Director-General of DPWI must ensure that a Register of all expropriations that are intended, effected and withdrawn, and of decisions not to proceed with a contemplated expropriation by all expropriating authorities, is opened, maintained and accessible to the public (clause 26.1)**

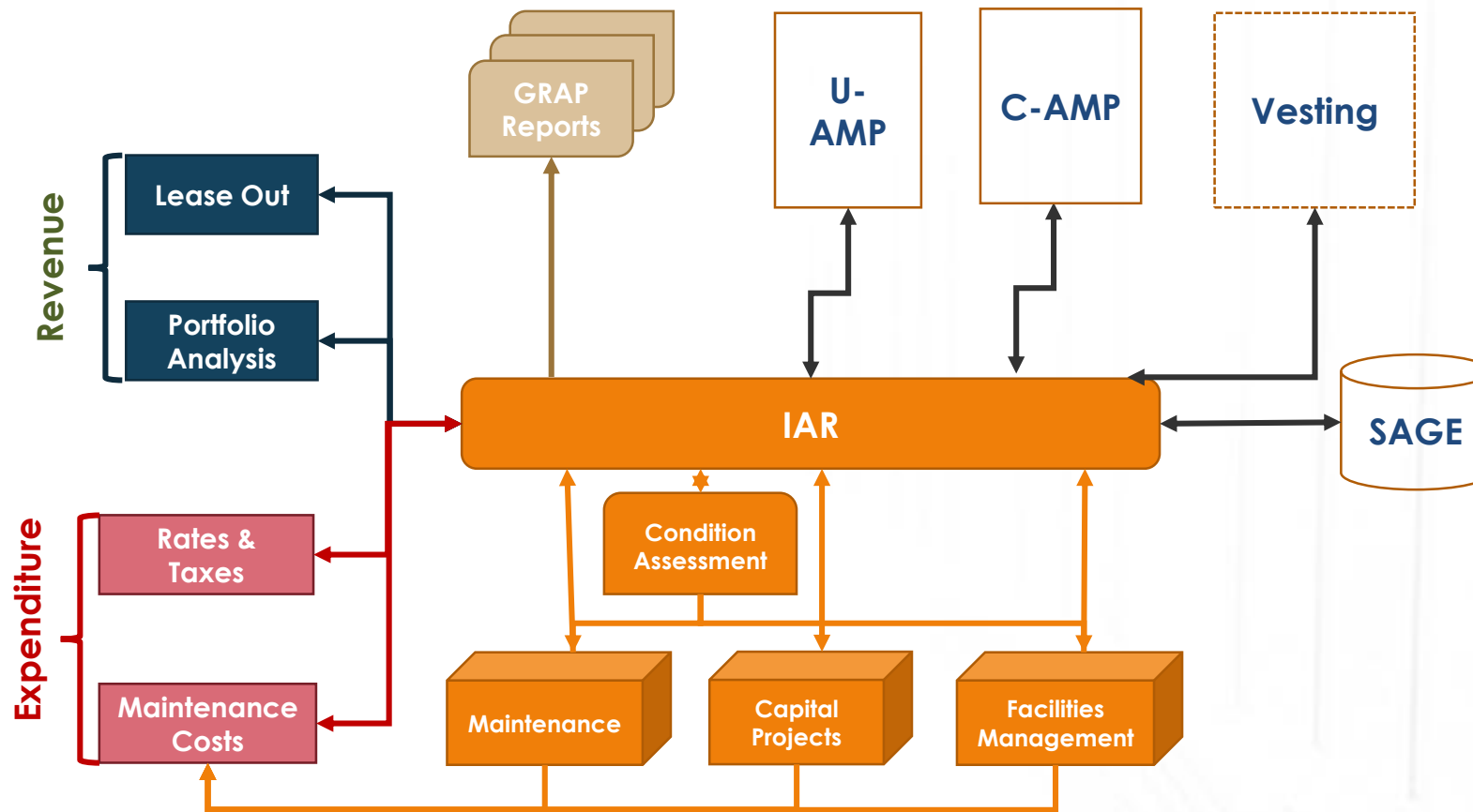


# KEY DEPENDENCIES / INPUTS FOR A GRAP COMPLIANT IAR



WCS Projects/AUC is one of the key risk areas

# THE CENTRALITY OF THE IAR TO THE DPWI MANDATE/PMTE OPERATIONS



# ***SOLUTIONS AND PLANS GOING FORWARD***



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## SOLUTIONS/CRITICAL SUCCESS FACTORS

- ❑ Implementation of the audit action plan to address AG findings and management assertions
- ❑ Full Implementation of the IAR Operating Model
  - Filling of contract positions including Senior Managers as additional to the establishment for 36 months (**medium term solution**)
  - Obtain approval of the recommended structure which is aligned to the PMTE Business Case/Operating Model and fill vacant posts (**long term solution**)
- ❑ Ensure that the IAR is linked to the Current & Future Business Processes
- ❑ Fragmented legacy systems – Full implementation of an integrated asset management system - Archibus
- ❑ Provide support to Operation Bring Back to recovery stolen assets
- ❑ Collaboration/continuous engagements with key stakeholders to address legacy challenges on State land



# PMTE AUDIT ACTION PLANS –PROPERTY PLANT AND EQUIPMENT (PPE)

Audit Finding/Risk	Root Causes	Planned Actions	Due Date	Progress
1) PPE – Limitation of scope (Prior Period Errors)	1) Late submission Delays in receiving completed projects information from SAPS.  2) Late receipt of the Deeds download.	1) Request Internal Audit to audit finalised reconciliation and supporting evidence for restatement of opening balances for year ended 31 Mar 22. 2) Request Department of Agriculture, Land Reform and Rural Development (DALRRD) to provide the Interim Deeds by the 15 November 2022 and Deeds Quarterly movements. 3) Engage SAPS to provide Assets Under Construction reports quarterly. 4) In conjunction with the Provinces and DALRRD, a review of the 2896 properties disclosed in the Deemed list register in line with the National Treasury Immovable Asset Guide will be undertaken. 5) Detailed analyses of the 2022 Interim deeds to identify additions and disposals . 6) Review and verification of the 139 land additions from Deeds to identify vacant or improved structures. 7) Appoint GRAP audit work stream Lead, Senior Data analyst and Deemed Cost Analyst.	1) 19 Aug 22  2) 15 Sept,15 Nov 22 & Quarterly  3) 30 Sept 22 & 15 April 23  4-7) 15 Dec 22	1) Internal Audit finalized the audit of the opening balances and no material findings were identified. The reconciliations and supporting evidence was submitted to the AGSA for audit. 2) Interim Deeds download was received on the 15 November 2022. REIRS is reviewing 29 deemed additions and 1040 deemed disposals. 3) Assets Under Construction reports for Q1 and Q2 has been submitted by SAPS. The Q3 report is outstanding. 4) 1 269 finalised and 1627 still under investigation. 5) Interim Deeds download received on the 15 November 2022. REIRS reviewing 29 deemed additions and 1040 deemed disposals. 6) The 139 land additions will be loaded to the system once the upgrade of the new GIS and PV system is finalised. 7) Approval for filling of positions was granted and recruitment process is underway.
2) Reassessment of useful lives and residual values of immovable assets not conducted.	Capacity constraints	1) Perform reassessments of useful lives of 680 refurbished buildings.	1) 15 Dec 22	1) Reassessments of the 680 refurbished buildings completed.





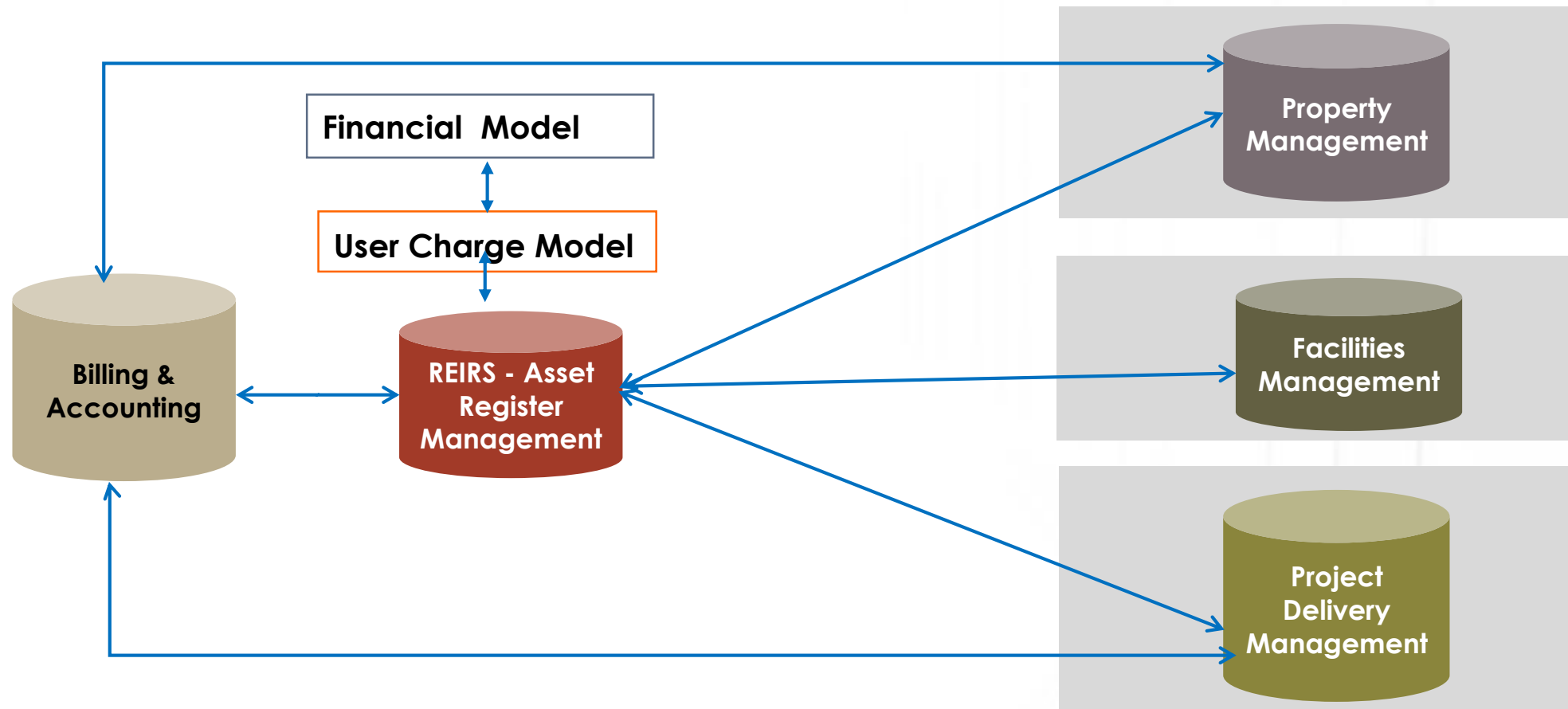
# PMTE AUDIT ACTION PLANS -PROPERTY PLANT AND EQUIPMENT (PPE)

Audit Finding/Risk	Root Causes	Planned Actions	Due Date	Progress
<p>3) Rights and Obligations</p> <p>4) Properties disposed off without prior approval from delegated official</p> <p>5) Properties not owned by PMTE</p>	<p>1) Illegal Transfers</p> <p>2) Land parcels recorded in the Deeds Office on various historical names, due to legacy issues , which result in recording of land parcels in the IARs by wrong custodians</p>	<p>1) Engage the Chief Registrar of Deeds to issue a circular to all the provincial Registrars of deeds outlining the disposal confirmation process pertaining to DPWI assets.</p> <p>2) Engage DALRRD to provide the Interim deeds ( 15 November ) and final Deeds download on or before 15 April 2023 to allow DPWI to perform detailed analysis on time.</p> <p>3) Perform a detailed analysis of the Interim and Final Deeds download consisting of all registered land parcels in South Africa in order to identify the rightful custodians of land parcels.</p> <p>4) Resuscitation of the IAR and Vesting task team with National and Provincial Custodians to address GRAP related issues and state land matters. Final submissions of all AFS will be tabled.</p> <p>5) Engage the SOEs which have properties registered in historical names to address possible Rights &amp; Obligation issues.</p>	<p>1) 19 Aug 22</p> <p>2) Nov 22 &amp; 15 April 23</p> <p>3) 30 Sept 22</p> <p>4-5) 15 April 23</p>	<p>1) The Chief Registrar of Deeds has referred the issue of preventing the illegal transfer of land parcels from PMTE to other entities to the Deeds Office Legal Services department. Legal opinion on how to treat illegally transferred land parcels from DPWI to private were sourced from DPWI Legal Services. Letter to DG DALRRD regarding circular on illegal change of ownership is being prepared for submission.</p> <p>2) Interim Deeds download received on the 15 November 2022. REIRS reviewing 29 deemed additions and 1 040 deemed disposals.</p> <p>3) 29 deemed additions and 1040 deemed disposal identified from the analyses of the interim deeds . REIRS investigating 56 suspected illegal transferred properties. Of the 29 additions, 13 Land parcels and 16 buildings to be recognized.</p> <p>4) The task team has addressed GRAP related issues and state land matters.1 269 from deemed list finalised and 1627 still under investigation. Follow-up arranged for March 2023.</p> <p>5) Workshop conducted with all Stakeholders including the one with AGSA held on 18 January 2023. Follow-up meetings were held with AGSA to discuss disputed COFFs as well as the audit approach for the 2022/23 audit. AGSA has committed to share a record of discussion for the disputed COFFs meeting in due course.</p>
<p>6) Impairment of state-owned buildings</p>	<p>1) Management did not provide evidence to the auditors to support the reason for non impairment and the condition disclosed in the IAR.</p> <p>2) Lack of engagements with auditors to discuss in detail the methodology used to assess the condition of the improvements for consistent application.</p>	<p>1) Schedules for condition assessment to be presented to the auditors which support the conditions disclosed in the IAR.</p> <p>2) Engage the auditors to discuss and share the condition assessment methodology prior to the commencement of the physical verification audit.</p> <p>3) Assess impairment indicators quarterly .</p>	<p>1) 31 Mar 23</p> <p>2) 31 Mar 23</p> <p>3) Quarterly</p>	<p>1) The schedules will be provided during the 2023 year end audit as part of the sample selected.</p> <p>2) The engagement will be conducted during the 2023 year end audit.</p> <p>3) Q1 and Q2 inputs received and currently being assessed for impairment.</p>



# VALUE CHAIN & DEPENDENCIES WITHIN PMTE

Core Business Processes: Asset Register Management , Property Management , Facilities Management and Project Delivery Management



# RECOVERY OF STATE ASSETS THAT WERE TRANSFERRED ILLEGALLY AT THE DEEDS OFFICE

## DRAFT ORDER

On ~~August 2022~~ 9 Sept 2022

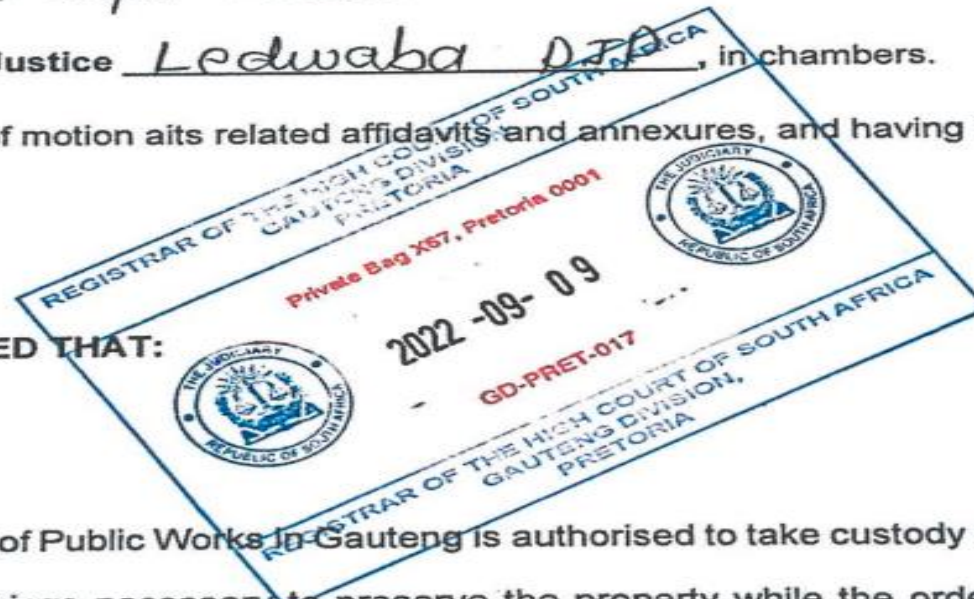
Before the Honourable Justice Ledwaba DJA, in chambers.

Having read the notice of motion aits related affidavits and annexures, and having heard counsel for the applicant,

IT IS HEREBY ORDERED THAT:

### The Property

1. The Department of Public Works In Gauteng is authorised to take custody and control and do any and all things necessary to preserve the property while the order is in place of Remaining Extent of Portion 442 (a portion of Portion 19) of the Farm 405 Randjesfontein, Registration Division JR, Province of Gauteng, measuring 124,9340 hectares, held by Deed of Transfer T7262/1986 ("Farm 405 Randjesfontein").

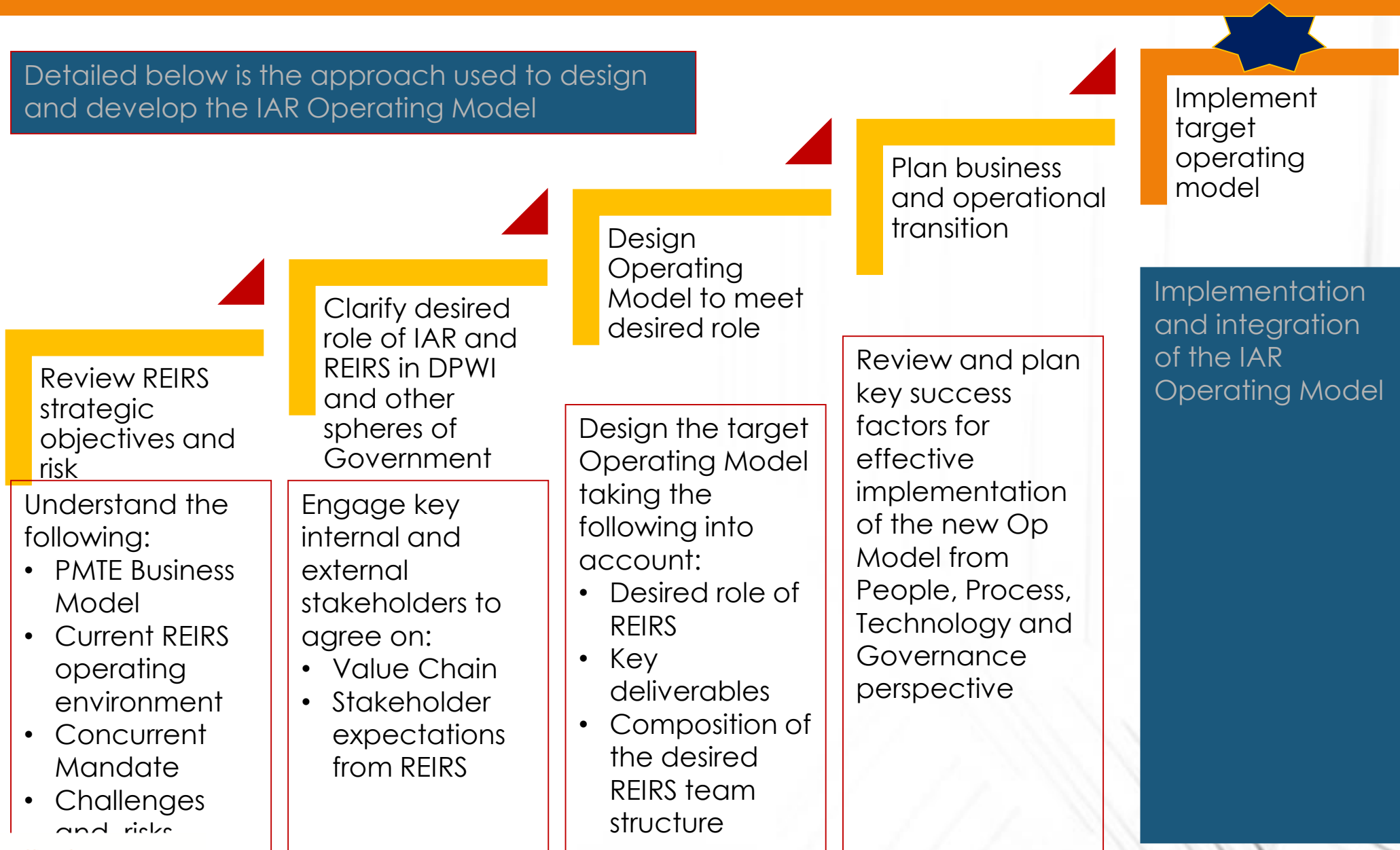


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# REIRS STRUCTURE – DEVELOPMENT OF THE IAR OPERATING MODEL

Detailed below is the approach used to design and develop the IAR Operating Model



Review REIRS strategic objectives and risk

- Understand the following:
- PMTE Business Model
  - Current REIRS operating environment
  - Concurrent Mandate
  - Challenges and risks

Clarify desired role of IAR and REIRS in DPWI and other spheres of Government

- Engage key internal and external stakeholders to agree on:
- Value Chain
  - Stakeholder expectations from REIRS

Design Operating Model to meet desired role

- Design the target Operating Model taking the following into account:
- Desired role of REIRS
  - Key deliverables
  - Composition of the desired REIRS team structure

Plan business and operational transition

- Review and plan key success factors for effective implementation of the new Op Model from People, Process, Technology and Governance perspective

Implement target operating model

Implementation and integration of the IAR Operating Model





# KEY CONSIDERATIONS OF THE IAR OPERATING MODEL

- ❑ The historical context of the IAR for the State and Complexity of the State Land Administration (legacy issues emanating from the pre and post 1994 dispensations)
- ❑ The strategic objectives of the REIRS Branch and its Dual Role (REIRS links to DPWI Branches and External Stakeholders/other National custodians, Provinces, Municipalities and SOEs)
- ❑ The magnitude of the PMTE property portfolio which includes State Domestic Facilities built on non-DPWI land, eg, Ingonyama Trust Land in KZN
- ❑ The significance of the IAR, that is, it is the core tool of DPWI to discharge its mandate to meet the State's service delivery and socio economic objectives
- ❑ The core operations of DPWI/PMTE revolves around the IAR including sustainability (core business processes, ERP/Archibus, user charge model & itemised billing)
- ❑ Different Aspects of the IAR
  - a. IAR for Compliance & Reporting
  - b. IAR for PMTE business and service delivery
  - c. IAR for the State (Vesting of land parcels, Single Repository, Expropriation Register, etc.)
- ❑ ***Dedicated and diverse teams of specialists, support staff and SMS members are required to manage the different aspects of the IAR, critical projects and to improve the audit outcome***





# IAR OPERATING MODEL – DIFFERENT ASPECTS OF THE IAR

## ***IAR for Compliance & Reporting***

- Public Finance Management Act of 1999
  - Applicable GRAP Standards
  - National Treasury guidelines
  - PMTE Immovable Asset Management Policy
- Life cycle management of properties through physical verification and condition assessment over a five-year cycle in terms of section 13 (d) of GIAMA
- Review useful life & impairment

## ***IAR for PMTE Business & Service Delivery***

- Provide essential information for the development of U-AMPS
  - Rental charged on lease out properties
- Municipal services and Rates & Taxes are paid based on properties
  - Core information for user charges/itemised billing
- Componentised IAR for Facilities Management

## ***IAR for the State***

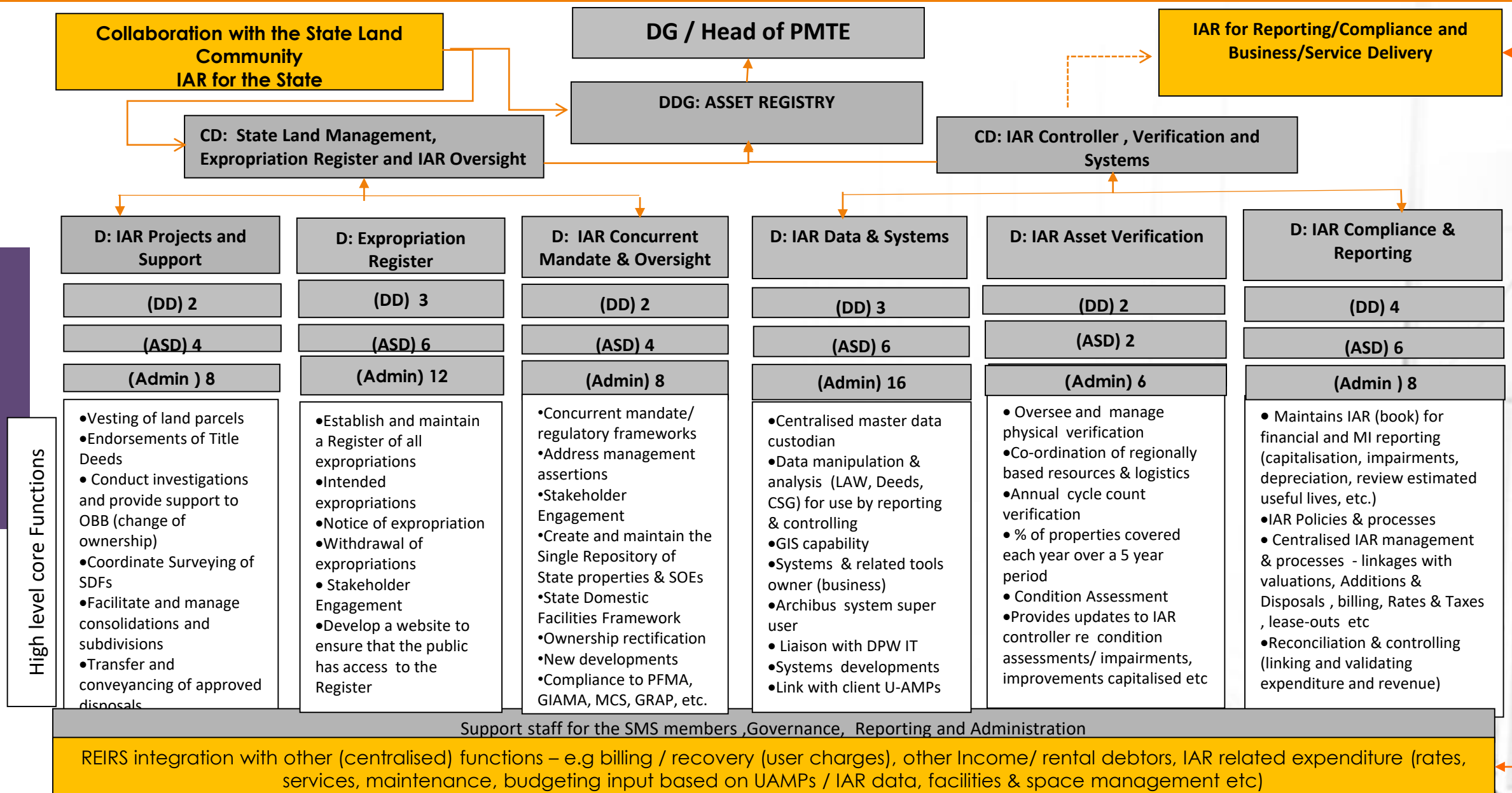
- Vesting of Properties under National and Provincial Government in terms of section 239 of the Constitution
  - Concurrent Functions in terms of Schedule 4 of the Constitution
- Immovable Asset life cycle guideline for National and Provincial custodians (GIAMA)
- Frameworks for the Public Works Sector
- Expropriation Register for all spheres of Government & SOEs
- National database/single repository of State properties



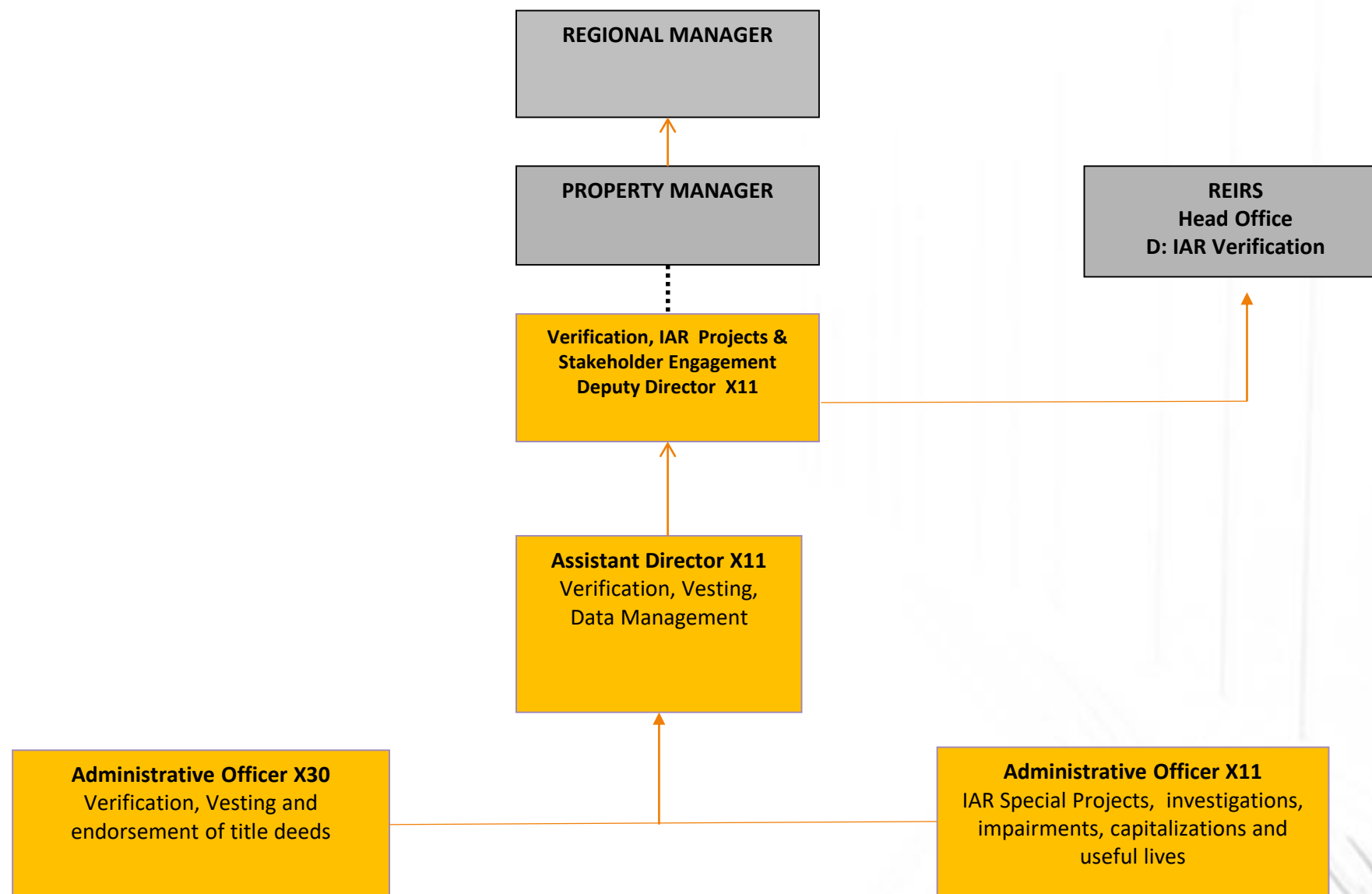
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# RECOMMENDED STRUCTURE OF THE ASSET REGISTRY DIVISION



# ASSET REGISTRY DIVISION - REGIONAL OFFICES



## LONG-TERM PERSPECTIVE

- a) Provide spatially enhanced immovable asset information that informs Integrated Planning and Coordination
- b) Development and maintenance of the Single Repository of all State properties and Expropriation Register in order to provide support to ISA and the Land Reform Programme of the State
- c) Provide strategic leadership in the development and the reviewing of legislation, strategies, frameworks, norms & standards and policies for the Asset Register



# DEMO



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# CONCLUSION

The Portfolio Committee to note the presentation of the updated IAR and Archibus demonstration



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# END

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- Head Office: Public Works  
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Cnr Bosman and Madiba  
Pretoria Central  
Private Bag X65  
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0001
- Website: <http://www.publicworks.gov.za>

# THANK YOU



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