

ESTATE AGENCY AFFAIRS BOARD

PORTFOLIO COMMITTEE FOR HUMAN SETTLEMENTS, WATER AND SANITATION



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA



**ESTATE AGENCY AFFAIRS BOARD
OF SOUTH AFRICA**



**ANNUAL
REPORT
2019 | 2020**



ANNUAL REPORT 2019/2020

Report in terms of section 11 (1) of the Estate Agency Affairs Act, (Act No. 112 of 1976)

Annual Report concerning the activities of
the Estate Agency Affairs Board for the year
ended

31 March 2020, in accordance with the
requirements of the Public Finance
Management Act, No. 1 of 1999, as
amended.

ESTATE AGENCY AFFAIRS BOARD

PRESENTATION ON
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



EAAB AND EAAF AUDIT OPINION AS PER AGSA AUDIT REPORT FOR 2019-20

PURPOSE

To present the following for the Estate Agency Affairs Board and Estate Agents Fidelity Fund:

- Audit opinion as per the AGSA's audit report for 2019-20
- Audited Annual Financial Statements as at 31 March 2020 for The Estate Agency Affairs Board and the Controlled Entity.
- Audited Annual Financial Statements as at 31 March 2020 for The Estate Agents Fidelity Fund

AUDIT OPINION FOR EAAB

- The EAAB received a QUALIFIED audit opinion for the 2019/2020 annual financial statements
- The basis of the qualified audit opinion was as a result of revenue and receivables from non-exchange transactions (ie fines and penalties);
- The AGSA raised a finding that revenue from penalties was not complete and that it was understated by R2 422 274, thus impacting on the reported surplus.

AUDIT OPINION FOR EAFF

- The EAFF received an UNQUALIFIED / CLEAN audit opinion for the 2019/ 2020 annual financial statements;
- This is an improvement from the 2018/19 financial year.



SUMMARY OF CONSOLIDATED AND EAAB ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020 AND ANALYTICAL REVIEW OF MATERIAL MOVEMENTS

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: GROUP

STATEMENT OF FINANCIAL POSITION (GROUP) FOR MARCH 2020

	2020	2019
Current Assets	695 245 591	709 450 592
Non Current Assets	111 788 145	113 217 351
Total Assets	807 033 736	822 667 943
Current Liabilities	90 378 723	77 644 977
Non Current Liabilities	4 937 000	18 587 000
Total Liabilities	95 315 723	96 231 977
Reserves & Total Net Assets	711 718 013	726 435 966

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: EAAB

STATEMENT OF FINANCIAL POSITION (BOARD) FOR MARCH 2020

	2020	2019
Current Assets	120 715 156	116 999 954
Non Current Assets	111 788 145	113 217 351
Total Assets	232 503 301	230 271 296
Current Liabilities	84 372 858	69 634 280
Non Current Liabilities	4 937 000	18 587 000
Total Liabilities	89 309 858	88 221 280
Reserves / Total Net Assets	143 193 443	141 996 016

ANALYTICAL REVIEW OF MATERIAL MOVEMENTS: STATEMENT OF FINANCIAL POSITION : EAAB

Current assets:

- increased by 3.2% from R117M to R120,7M and this is attributable to increase in **receivables from exchange transactions**.
- This was hugely offset by reduction in **cash and cash equivalents** of 67% from R21,3m to R7,1m. The reduction in cash and cash equivalents is attributable to lack of revenue collection from outstanding debtors and settlement of pension conversion costs.
- Loan fund decreased by 22% due to the payment by the Fund of the outstanding management fee, and a loan of R8,2m to settle the pension conversion costs.

Non current assets increased by 1.2% which was mainly due to acquisition of computer equipment and computer software during the financial year under review.

ANALYTICAL REVIEW OF MATERIAL MOVEMENTS STATEMENT OF FINANCIAL POSITION: EAAB (CONT)

- **Current liabilities** increased by 21,2% from R69,6m to R84.4m and this mainly due to increase in deferred revenue and debtors with credit balances
- **Non current liabilities** shows reduction of 73% from R18.6m to R4,9m which is attributable to the settling of pension conversion costs. Thus the Board only has obligations for Post retirement medical aid.
- **Reserves/ Net assets** increased by 0.8% and this is attributable to the reduction in surplus for the year from R21,5m to R1.2m

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: GROUP

STATEMENT OF FINANCIAL PERFORMANCE (GROUP) FOR MARCH 2020

	2020	2019
Revenue from exchange transactions	89 937 345	121 444 535
Revenue from non exchange transactions	73 957 232	104 548 496
Total revenue	163 894 577	225 993 031
Employee related costs	(88 218 928)	(86 215 781)
Board & ARC members	(4 083 471)	(3 834 957)
Other operating costs	(86 310 130)	(107 393 807)
Total Expenditure	(178 612 529)	(197 584 418)
(Deficit)/Surplus for the year	(14 717 952)	28 408 613

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: EAAB

STATEMENT OF FINANCIAL PERFORMANCE (BOARD) FOR MARCH 2020

	2020	2019
Revenue from exchange transactions	124 119 331	136 867 024
Revenue from non exchange transactions	19 889 680	54 773 051
Total revenue	144 009 011	191 640 075
Employee related costs	(88 218 928)	(86 215 781)
Board & ARC members	(4 083 471)	(3 834 957)
Other operating costs	(50 509 185)	(80 119 152)
Total Expenditure	(142 811 584)	(170 169 890)
Surplus for the year	1 197 427	21 470 185

ANALYTICAL REVIEW OF MATERIAL MOVEMENTS

STATEMENT OF FINANCIAL PERFORMANCE: EAAB

- **Total revenue** decreased by 24.9% from R191.6m to R144m. One of factors which attributed to the reduction in revenue was the correction of invoices overstated in 2018/19 which resulted in a prior year adjustment of R7.2m. Another factor was a decrease in fines and penalties. The lockdown also had an impact on revenue especially from CPD and exams fees.
- **Total expenditure** decreased by 16% from R170.2m to R142,8m. The decrease in expenditure is diluted by an increase in employee related expenses by 2.3% (from R86.2m to R88,2m) as well as increase in auditors remuneration by 104% from R2,3m to R4,6m.
- **Surplus for the year** : The above analysis of revenue and expenditure resulted in a reduction of the Board's surplus for the year of 94% from R21,5m to R1,2m

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: GROUP

STATEMENT OF CHANGES IN NET ASSETS (GROUP) FOR MARCH 2020

	Revaluation reserves	Accumulated Surplus	Total Net Assets
Opening balance as previously reported	42 615 551	682 693 247	725 308 798
Prior year adjustments		1 127 167	1 127 167
Restated balance as 01 April 2019	42 615 551	683 820 414	726 435 965
(Deficit)/ Surplus for the year	-	(14 717 953)	(14 717 953)
Balance at 31 March 2020	42 615 551	669 102 462	711 718 013

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: EAAB

STATEMENT OF CHANGES IN NET ASSETS (BOARD) FOR MARCH 2020

	Revaluation reserves	Accumulated Surplus	Total Net Assets
Opening balance as previously reported	42 615 551	97 547 060	140 162 611
Prior year adjustments		1 833 405	1 833 405
Restated balance as 01 April 2019	42 615 551	99 380 465	141 996 016
Surplus for the year	-	1 197 426	1 197 426
Balance at 31 March 2020	42 615 551	100 577 892	143 193 443

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: GROUP

STATEMENT OF CASHFLOW (GROUP) FOR MARCH 2020

	2020	2019
Net cash flows from operating activities	(26 551 947)	27 427 301
Net cash flows from investing activities	134 821 282	(31 885 764)
Net cash flows from Financing activities	-	-
Net increase(decrease) in cash and cash equivalents	108 269 335	(4 458 463)
Cash and cash equivalents at the beginning of the year	27 280 990	31 739 453
Cash and cash equivalents at the end of the year	135 550 325	27 280 990

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: EAAB

STATEMENT OF CASHFLOW (BOARD) FOR MARCH 2020

	2020	2019
Net cash flows from operating activities	(23 823 571)	41 550 846
Net cash flows from investing activities	(1 747 859)	(1 762 071)
Net cash flows from Financing activities	11 324 192	(46 405 875)
Net (decrease) in cash and cash equivalents	(14,247,238)	(6,617,100)
Cash and cash equivalents at the beginning of the year	21 353 835	27 970 935
Cash and cash equivalents at the end of the year	7 106 597	21 353 835

ANALYTICAL REVIEW OF MATERIAL MOVEMENTS

CASHFLOW STATEMENT : EAAB

- The Board's cashflow is in an unfavourable position as evidenced by net cash outflows from operating activities of (R23m) as opposed to net cash inflows from operating activities of R41,5m for 2018/19.
- There was a net cash outflow of cash from investing activities due to the acquisition of computer equipment and computer software during 2019/20
- The above was offset by net cash inflow of R11.3m from financing activities as a result of movement in loan accounts



SUMMARY OF THE ANNUAL FINANCIAL STATEMENTS AS AT 31 MARCH 2020 AND ANALYTICAL REVIEW: EAFF

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: EAFF

STATEMENT OF FINANCIAL POSITION (FUND) FOR MARCH 2020

	2020	2019
	RANDS	RANDS
Current Assets		
Other Financial Assets	482 835 752	632 018 833
Receivables from non-exchange transactions	3 043 888	5 577 681
Receivables from exchange transactions	5 262	49 365
Cash and Cash equivalents	128 443 729	5 927 154
Total Assets	614 328 631	643 573 033

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: EAFF

STATEMENT OF FINANCIAL POSITION (FUND) FOR MARCH 2020

	2020	2019
Description	RANDS	RANDS
Current Liabilities		
Loans from economic entities	39 798 195	51 122 387
Payables from exchange transactions	2 596 328	9 282
Other liabilities from exchange transactions	485 695	6 041 245
Provisions	2 923 843	1 960 170
Total Current Liabilities	45 804 061	59 133 084
Net Assets	568 524 570	584 439 949

ANALYTICAL REVIEW OF MATERIAL MOVEMENTS

STATEMENT OF FINANCIAL POSITION: EAFF

- Other financial assets is made up of all EAFF investments . The decrease is twofold :
 - Devaluation of the Liberty investment
 - Investec investment is classified as cash and cash equivalents hence increase in cash and cash equivalents
- Loan decreased due to payment of the management fee by the fund to Board as well as a payment to EAAB by the Fund to enable EAAB pay the pension fund shortfall (Approved by the Board)
- Increase in payables is a result of legal cost accrued at year end.
- Other liabilities from exchange transactions for 2018/19 included debtors with credit balance. There are no debtors with credit balance in the current year.
- Provisions are provision for claims and there were more claims provided for in the current year.

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: EAFF

STATEMENT OF FINANCIAL PERFORMANCE (FUND) FOR MARCH 2020

	2020	2019
Description	RANDS	RANDS
Revenue		
Revenue from exchange transactions	18 504 704	38 196 917
Revenue from non- exchange transactions	54 067 552	49 775 445
Total Revenue	72 572 256	87 972 362
Expenditure		
Other operating expenses	(88 487 635)	(81 033 935)
(Deficit) Surplus for the year	(15 915 379)	6 938 427

ANALYTICAL REVIEW OF MATERIAL MOVEMENTS

STATEMENT OF FINANCIAL PERFORMANCE: EAAF

- Revenue from exchange transactions decreased due to a R33mil reduction in the Liberty investment in March 2020. The devaluation negatively affected the fair value adjustment.
- Revenue from non-exchange transactions increased due to an increase in audit report submissions by the agents firms.
- The entity reported a deficit due to the R33m devaluation of the Liberty investment.
 - The Board took a resolution that authorised the investment service provider to investigate this matter further.
 - The view of the service provider and their legal team is that there was no basis for Liberty to reduce the value to below the guaranteed portion as outlined in the policy document
 - Their recommendation is to challenge this devaluation, and hence the EAAF has reflected a contingent asset in the notes to the AFS.

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: EAFF

STATEMENT OF CHANGES IN NET ASSETS (FUND) FOR MARCH 2020

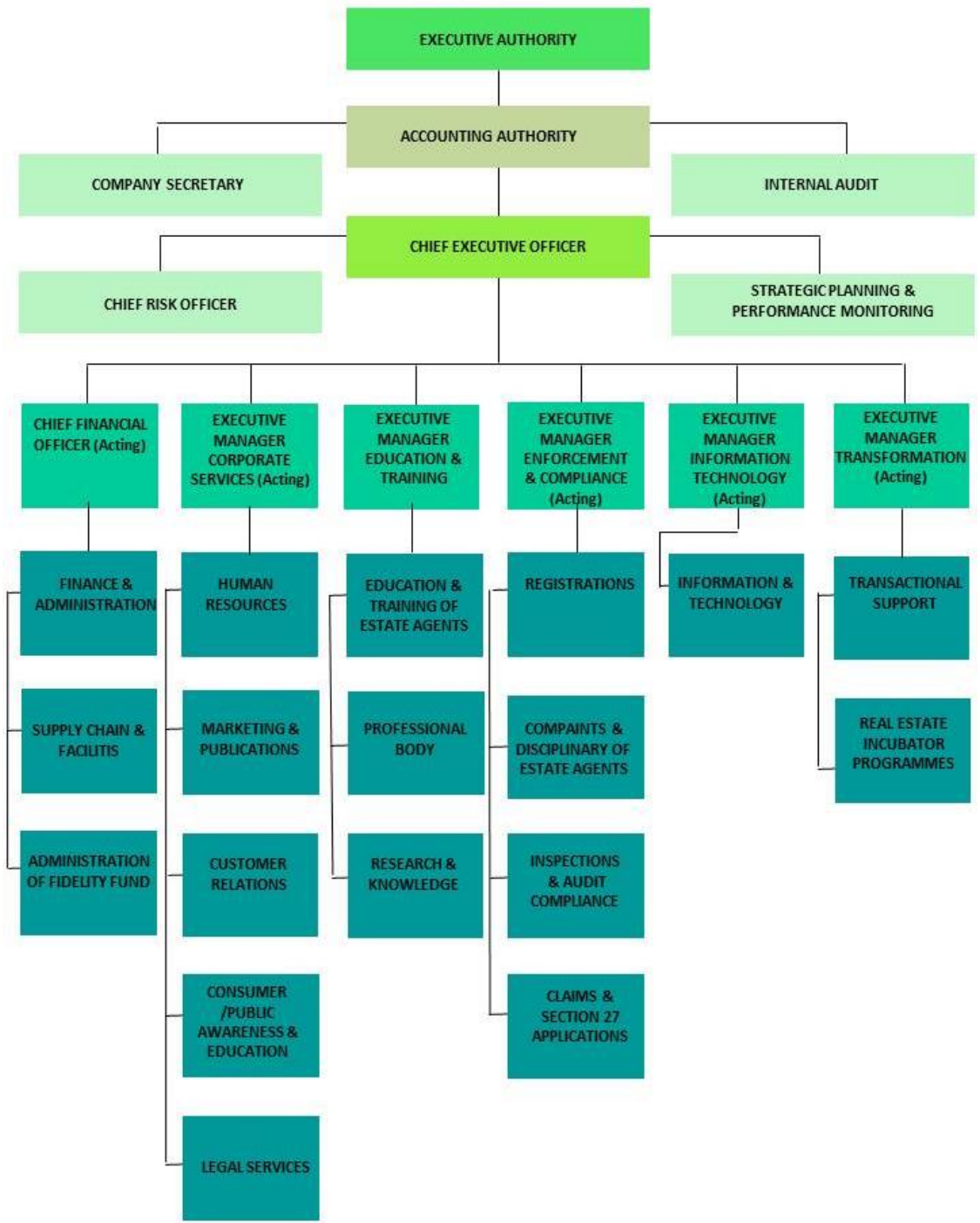
	Accumulated Surplus	Total Net Assets
Opening balance as previously reported	585 407 669	585 407 669
Prior year adjustments	(967 720)	(967 720)
Restated balance as 01 April 2019	584 439 949	584 439 949
Deficit for the year	(15 915 379)	(15 915 379)
Balance at 31 March 2020	568 524 570	568 524 570

SUMMARY OF OVERALL FINANCIAL PERFORMANCE: EAFF

STATEMENT OF CASHFLOW (FUND) FOR MARCH 2020

	2020	2019
Net cash flows from operating activities	(15 342 314)	(14 123 546)
Net cash flows from investing activities	149 183 081	(30 123 693)
Net cash flows from Financing activities	(11 324 192)	46 405 875
Net increase in cash and cash equivalents	122 516 575	2 158 636
Cash and cash equivalents at the beginning of the year	5 927 154	3 768 518
Cash and cash equivalents at the end of the year	128 443 729	5 927 154

ORGANISATIONAL STRUCTURE





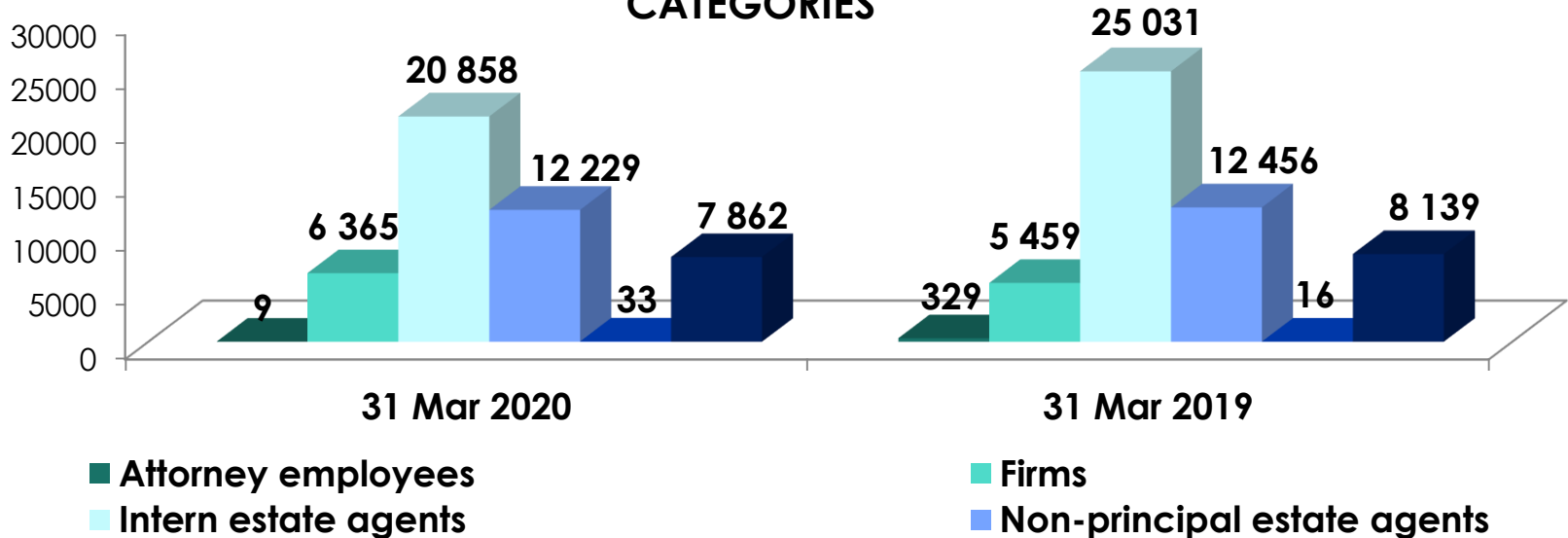
REGISTRATIONS DEPARTMENT

FIDELITY FUND CERTIFICATE REGISTRATIONS AND RENEWALS

During the 2019/20 financial year the EAAB issued a total of **47,356** Fidelity Fund Certificates and Registration Certificates to estate agents, estate agency firms and attorneys, a % increase compared to **51,430** FFC's issued in the previous financial year.

ALL CATEGORIES	31 March 2020	31 March 2019
Attorney employees	9	329
Firms	6 365	5 459
Intern estate agents	20 858	25 031
Non-principal estate agents	12 229	12 456
Non-executive directors (NEDs)	33	16
Principal estate agents	7 862	8 139
TOTAL	47 356	51 430

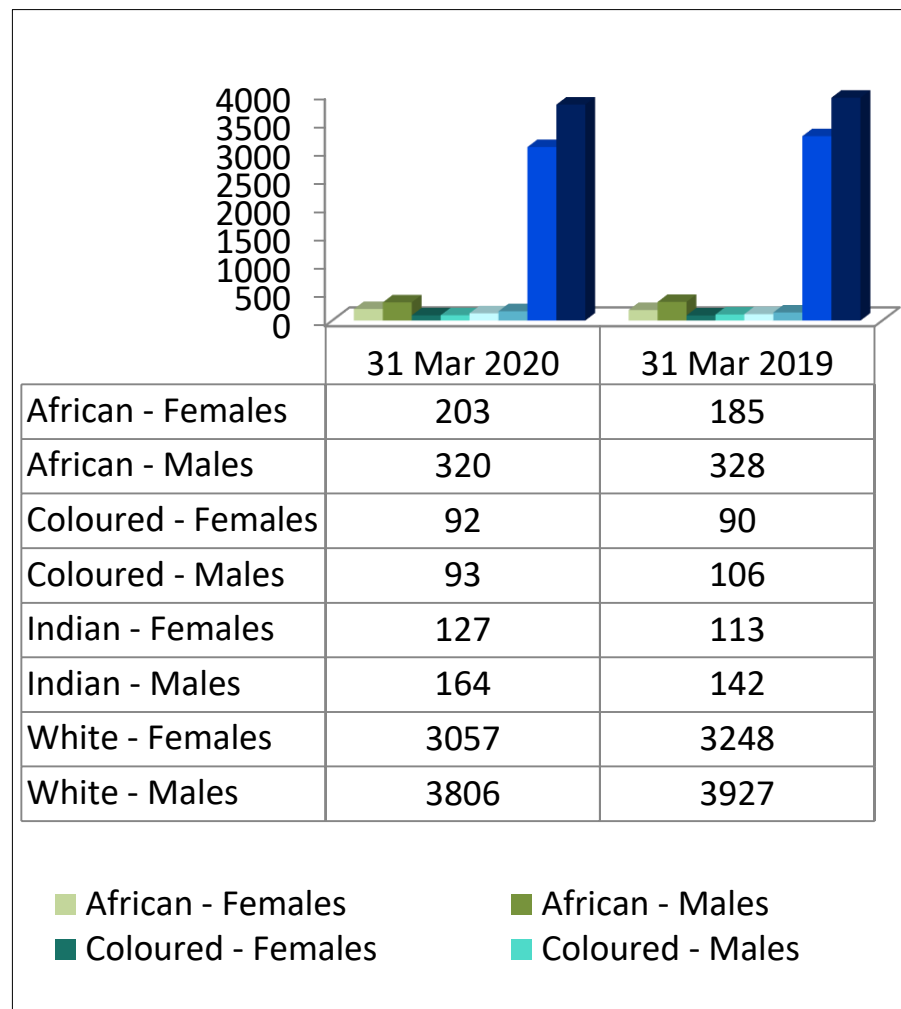
TOTAL FIDELITY FUND CERTIFICATE REGISTRATIONS AND RENEWALS ALL CATEGORIES



PRINCIPAL ESTATE AGENTS REGISTRATIONS AND RENEWALS

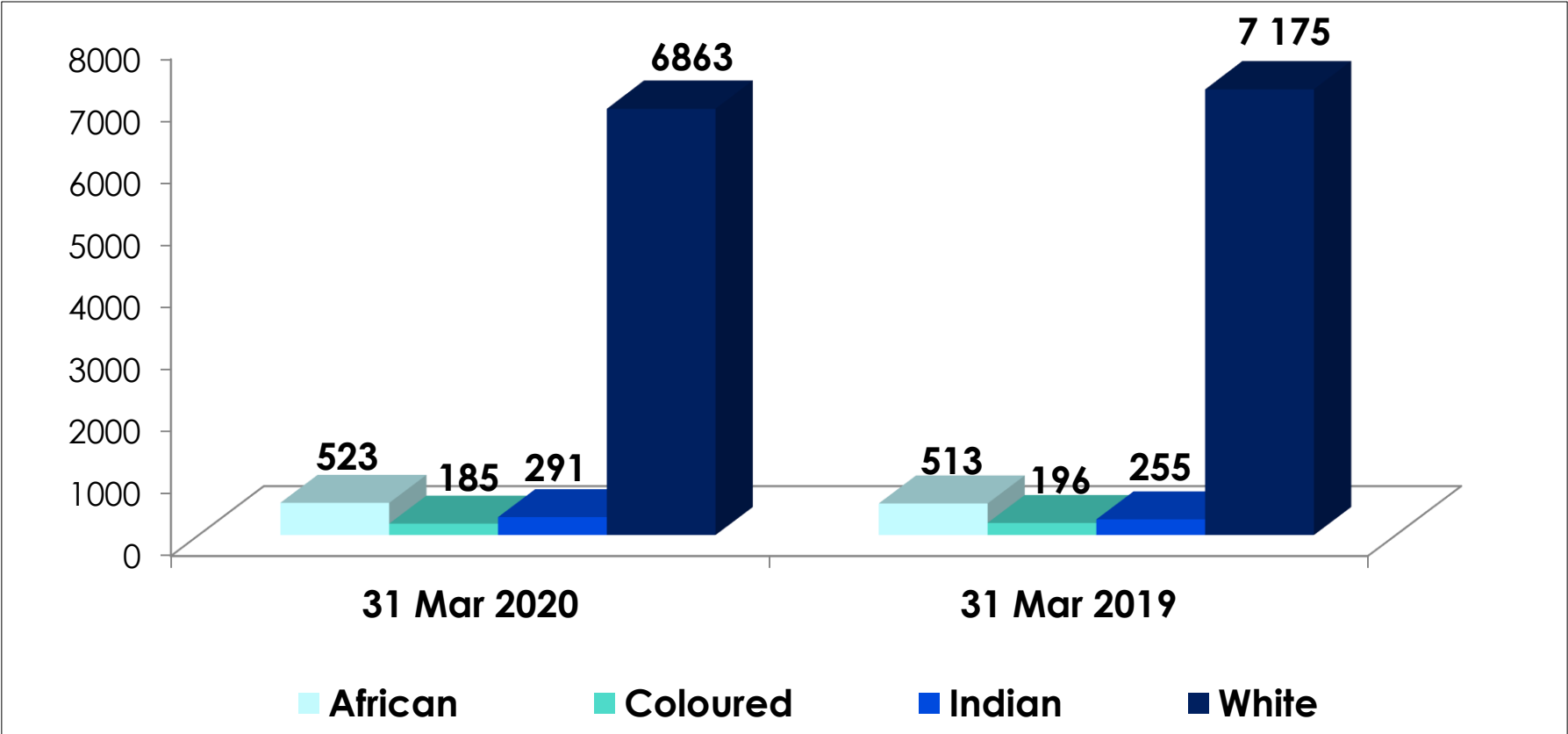
FIDELITY FUND CERTIFICATES ISSUED TO PRINCIPAL ESTATE AGENTS PER GENDER

GENDER	31 March 2020	31 March 2019
African - Females	203	185
African - Males	320	328
Coloured - Females	92	90
Coloured - Males	93	106
Indian - Females	127	113
Indian - Males	164	142
White - Females	3057	3248
White - Males	3806	3927
TOTAL	7862	8139



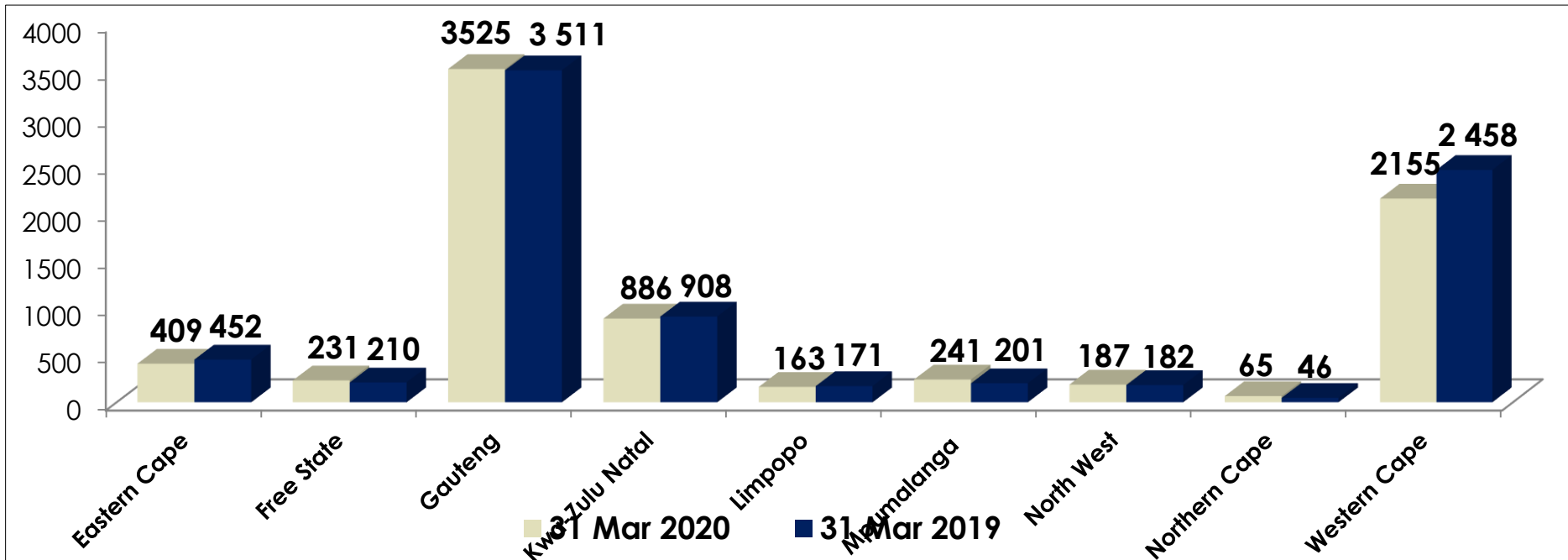
FIDELITY FUND CERTIFICATES ISSUED TO PRINCIPAL ESTATE AGENTS PER RACE

RACE	31 March 2020	31 March 2019
African	523	513
Coloured	185	196
Indian	291	255
White	6863	7 175
TOTAL	7862	8 139



FIDELITY FUND CERTIFICATES ISSUED TO **PRINCIPAL ESTATE AGENTS PER PROVINCE**

PROVINCE	31 March 2020	31 March 2019
Eastern Cape	409	452
Free State	231	210
Gauteng	3525	3 511
Kwa-Zulu Natal	886	908
Limpopo	163	171
Mpumalanga	241	201
North West	187	182
Northern Cape	65	46
Western Cape	2155	2 458
Total	7862	8 139

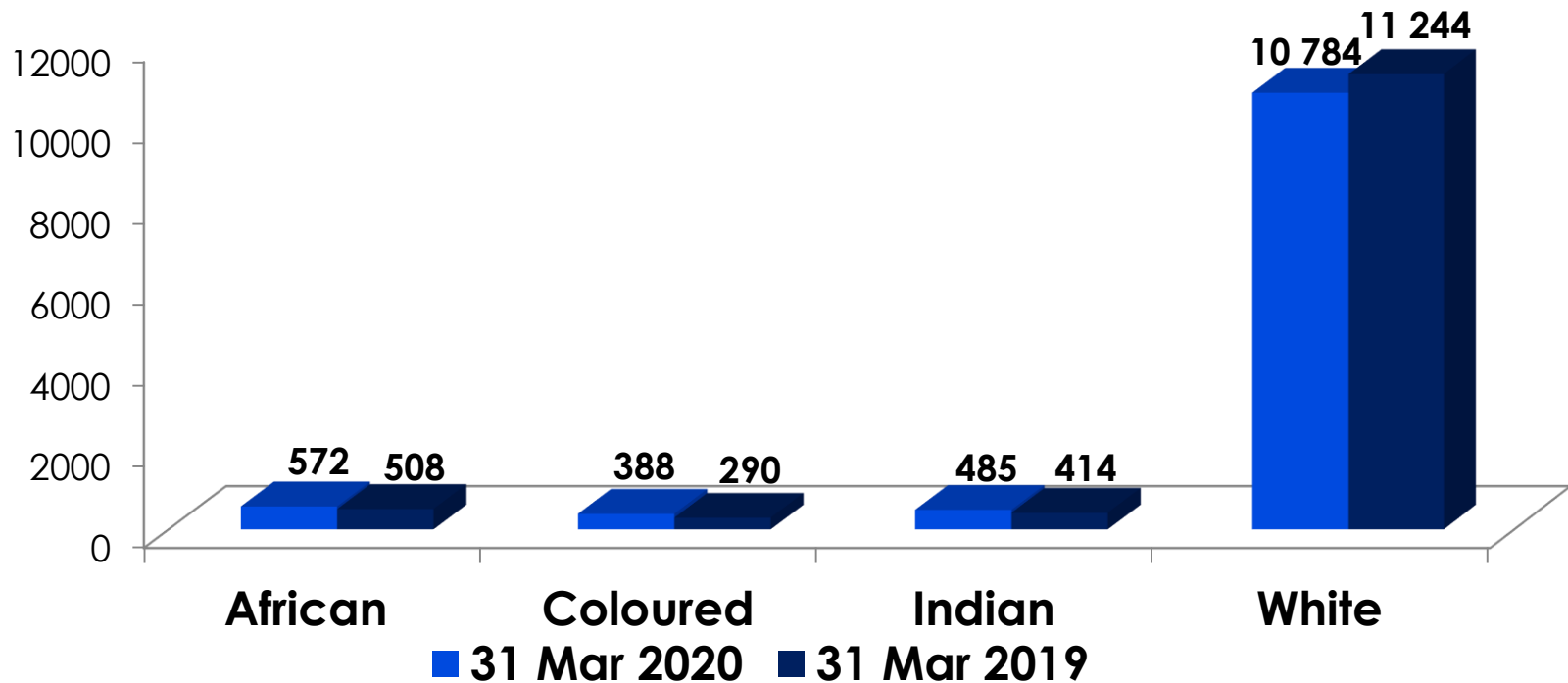


FIDELITY FUND CERTIFICATES ISSUED TO **PRINCIPAL ESTATE AGENTS** PER PROVINCE AND PER RACE

PROVINCE	31 March 2020 African	31 March 2019 African	31 March 2020 Coloured	31 March 2019 Coloured	31 March 2020 Indian	31 March 2019 Indian	31 March 2020 White	31 March 2019 White	31 March 2020 Total	31 March 2019 Total
Eastern Cape	20	17	10	9	6	8	373	418	409	452
Free State	23	21	1	1	-	-	207	188	231	210
Gauteng	387	367	50	46	110	84	2978	3 014	3525	3 511
Kwa-Zulu Natal	32	36	14	19	141	134	699	719	886	908
Limpopo	29	30	2	4	-	1	132	136	163	171
Mpumalanga	12	12	3	1	5	4	221	184	241	201
North West	7	4	1	1	3	3	176	174	187	182
Northern Cape	2	-	-	-	-	-	63	46	65	46
Western Cape	10	26	104	115	27	21	2014	2 296	2155	2 458
TOTAL	522	513	185	196	292	255	6872	7 175	7862	8 139

FIDELITY FUND CERTIFICATES ISSUED PER **NON-PRINCIPAL** **ESTATE AGENT PER RACE**

RACE	31 March 2020	31 March 2019
African	572	508
Coloured	388	290
Indian	485	414
White	10 784	11 244
TOTAL	12 229	12 456

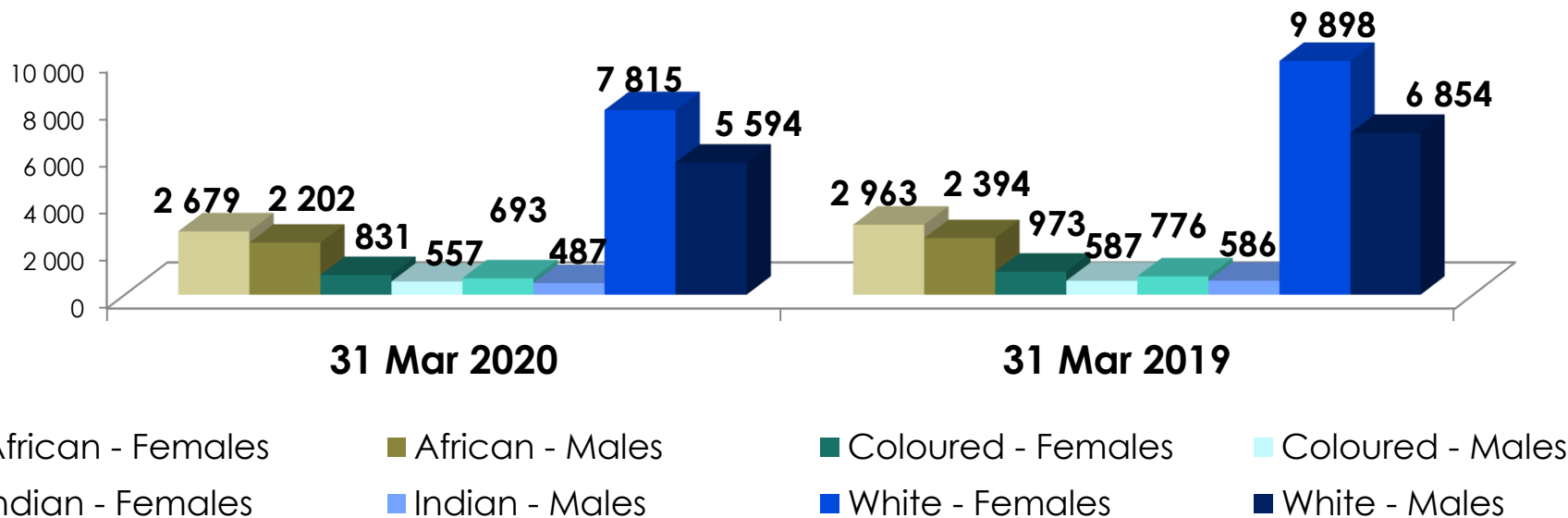


FIDELITY FUND CERTIFICATES ISSUED TO **NON-PRINCIPAL ESTATE AGENTS PER PROVINCE**

PROVINCE	31 March 2020	31 March 2019
Eastern Cape	608	631
Free State	232	276
Gauteng	4967	4 973
Kwa-Zulu Natal	1875	1 780
Limpopo	139	165
Mpumalanga	243	262
North West	222	223
Northern Cape	71	54
Western Cape	3872	4 092
TOTAL	12 229	12 456

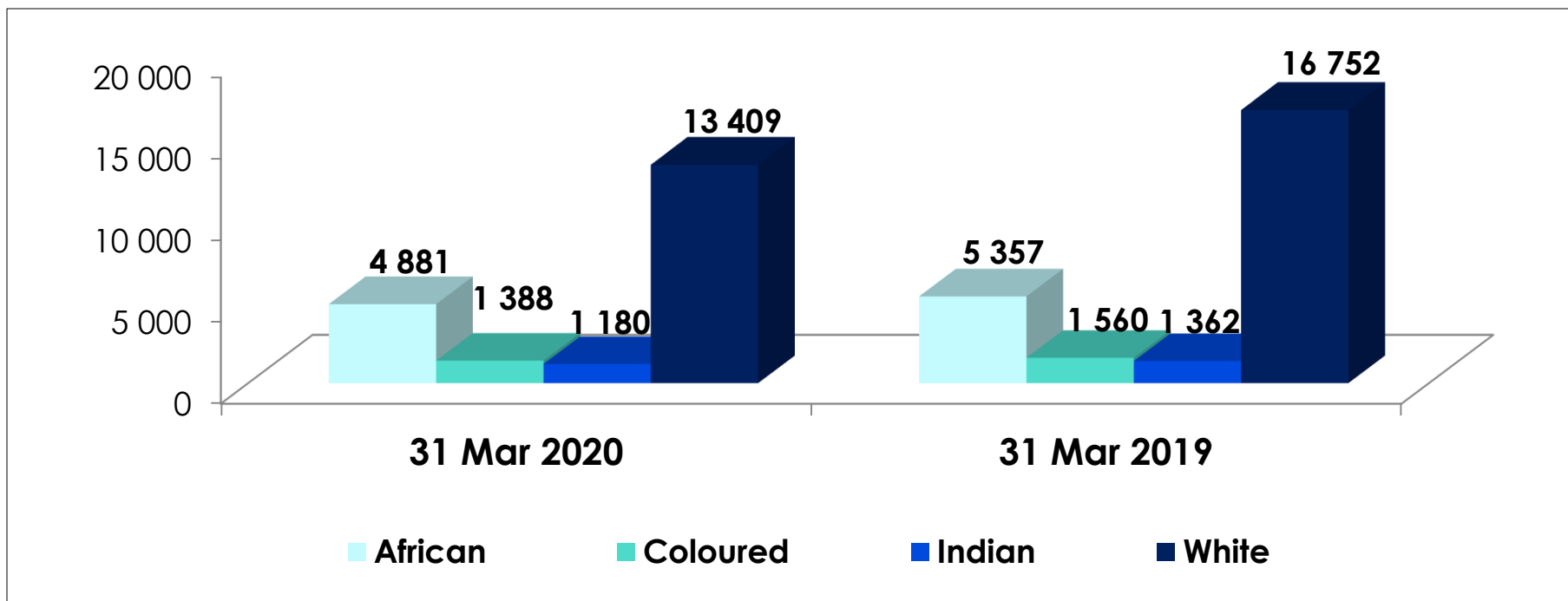
INTERN ESTATE AGENTS REGISTRATIONS AND RENEWALS FIDELITY FUND CERTIFICATES ISSUED TO **INTERN ESTATE AGENTS PER GENDER**

GENDER	31 March 2020	31 March 2019
African - Females	2 679	2 963
African - Males	2 202	2 394
Coloured - Females	831	973
Coloured - Males	557	587
Indian - Females	693	776
Indian - Males	487	586
White - Females	7 815	9 898
White - Males	5 594	6 854
TOTAL	20 858	25 031



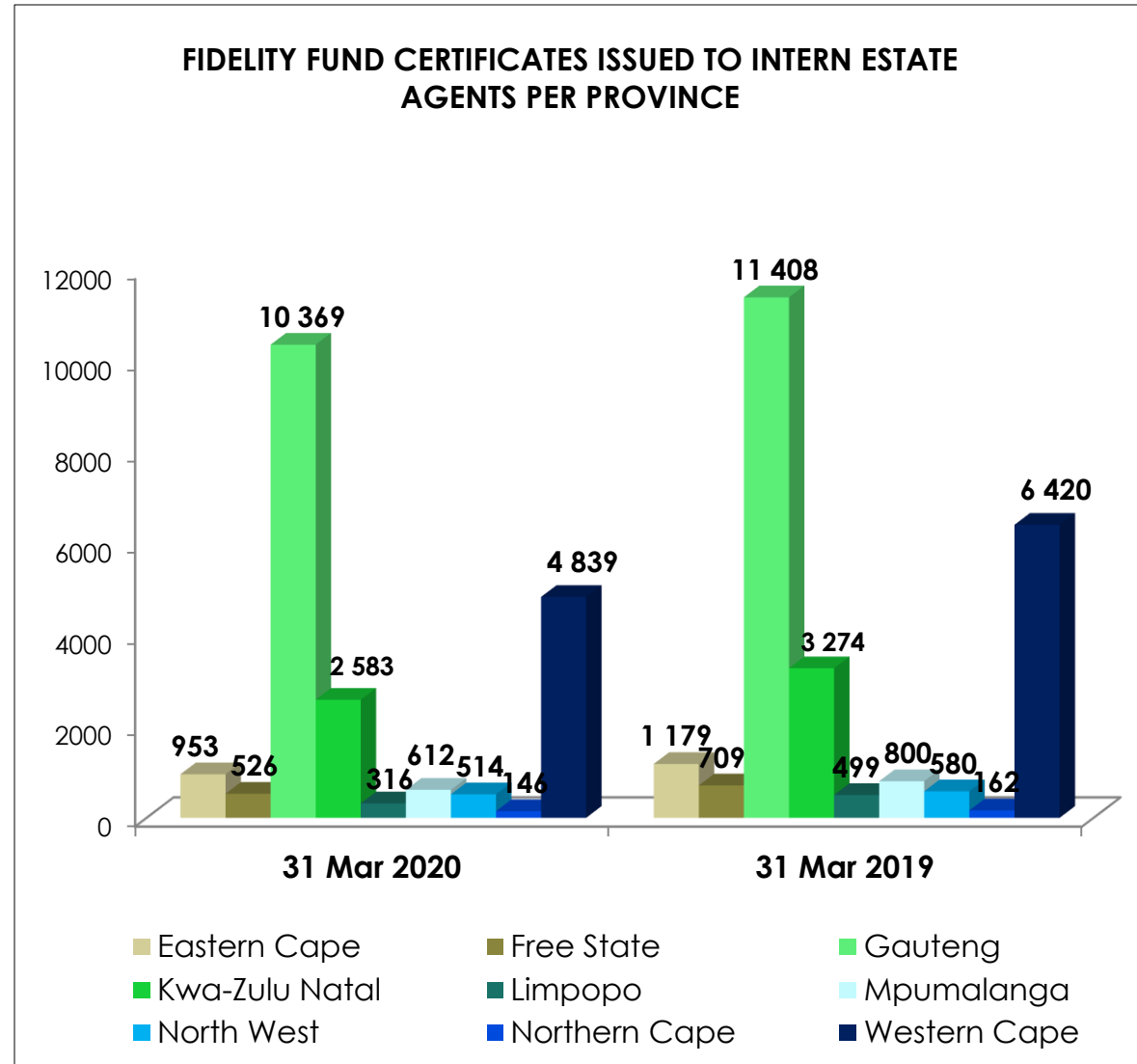
FIDELITY FUND CERTIFICATES ISSUED TO **INTERN** ESTATE AGENTS PER RACE

RACE	31 March 2019	31 March 2019
African	4 881	5 357
Coloured	1 388	1 560
Indian	1 180	1 362
White	13 409	16 752
TOTAL	20 858	25 031



FIDELITY FUND CERTIFICATES ISSUED TO INTERN ESTATE AGENTS PER PROVINCE

PROVINCE	31 March 2020	31 March 2019
Eastern Cape	953	1 179
Free State	526	709
Gauteng	10 369	11 408
Kwa-Zulu Natal	2 583	3 274
Limpopo	316	499
Mpumalanga	612	800
North West	514	580
Northern Cape	146	162
Western Cape	4 839	6 420
Total	20 858	25 031





EDUCATION & TRAINING DEPARTMENT

Education and Training Regulations on the compulsory 12 month internship period for new entrants in the sector

In terms of **Regulation 2** of the Education Regulations, all persons intending to become estate agents, i.e. **new entrants** who have never been registered with the EAAB and have never been issued with a Fidelity Fund Certificate for estate agents by the EAAB, **are required to first serve as intern estate agents for a continuous period of 12 months** from the date of the first issue of a FFC.

They are required to act under the supervision and control of a principal estate agent or a full status estate agent who has held a valid Fidelity Fund Certificate for a past period of not less than three (3) years.

Education and Training Regulations on the prescribed qualifications for full status non-principal and principal estate agents

In terms of **regulation 4(1)(a)** of the Education Regulations no person may perform the functions and activities of a non-principal estate agent unless that person has completed the **Further Education and Training Certificate: Real Estate (SAQA QUAL ID 59097)**.

The regulation also prescribes that no person may perform the functions and activities of a principal estate agent unless that person has completed the **National Certificate: Real Estate (SAQA QUAL ID 20188)**.

These qualifications, which are presently quality assured by the Services Sector Education and Training Authority (SSETA), are designed to enhance the provision of entry level service within the property and real estate professions.

During the year under review, **a total of 1892 practicing and aspirant estate agents** were recorded as having been **certificated by and or exempted from** completing the prescribed Services SETA qualifications.

Equivalency exemption applications assessed and granted

The implementation of the Equivalency Exemptions Policy – exemptions granted based on prior academic achievements

By resolution of the Board, adopted in 2008, all currently registered estate agents and aspirant estate agents who have achieved tertiary qualifications that are both relevant and meet the prescribed equivalency exemption matrices of the Estate Agency Affairs Board, may apply for the grant of an exemption from completing the prescribed NQF real estate qualifications as they would otherwise be required to do in terms of **regulation 4(1)(a)** of the Education Regulations.

During the year under review, a total of **800 equivalency exemptions** that were requested were also assessed and granted to qualifying applicants.

Equivalency exemption applications assessed and granted	31 March 2019	31 March 2020
Equivalency exemptions at NQF Level 4 (FETC: Real Estate) only	563	430
Equivalency exemption at NQF Level 5 (NC: Real Estate) only	484	370
Total	1047	800

The implementation of the prescribed Professional Designation Examination (PDE) for registered estate agents & the awarding of professional designations registered with SAQA

Regulation 4(3) of the Education Regulations provides that **no person may be registered as a full status estate agent unless that person has passed** the required Professional Designation Examination (PDE) conducted by the Board.

The PDE represents the final test of an estate agent's ability practically to integrate, implement and apply the learning that has been achieved in both the classroom and at the workplace.

All practicing estate agents, whether principals or non-principals, who have been certificated against the **National Certificate: Real Estate** or the **Further Education and Training Certificate: Real Estate**, as the case may be, are required to write and pass the **Professional Designation Examination (PDE)**.

Candidates who have written the examination for PDE4 & PDE 5

Professional Designation Examination conducted	31 March 2019		31 March 2020	
	PDE 4	PDE 5	PDE 4	PDE 5
Candidates who wrote the examination	1 421	125	1593	217
Candidates who passed the examination	1 038	96	1297	174
Candidates who failed the examination	383	29	294	43
Awarded professional designations	1038	96	1297	174
Achieved Pass rate	73%	77%	81%	80%
Averaged Pass rate achieved	75%		81%	

The EAAB successfully conducted Professional Designation Examinations in all nine provinces for both principal and non-principal estate agents, including intern estate agents. During the year under review, a total of **1810 estate agents have undertaken the prescribed professional designation exam (PDE)** and a total of **1471 estate agents who wrote the PDE have passed** and awarded the relevant professional designations.

On the award of the professional designation, the EAAB as a Professional Body has registered the three professional designations with the South African Qualifications Authority (SAQA), namely:

- Master Practitioner in Real Estate (MPRE) for principal estate agents;
- Professional Practitioner in Real Estate (PPRE) for non-principal estate agents; and
- Chartered practitioner in Real Estate (CPRE)

Continuing Professional Development Programme (CPD)

In accordance with the Standard of Training of Estate Agents Regulations, 2008, qualifying estate agents, namely, all full status non-principal and principal estate agents, **but excluding intern estate agents**, must complete their CPD requirements over a **rolling three-year cycle**. Each eligible CPD participant is required to register on-line for CPD purposes for the calendar year in question and to obtain fifteen verifiable and five non-verifiable CPD points in respect of the particular year of the applicable rolling three-year CPD cycle.

The following six categories of CPD activities are identified by the EAAB for all estate agents participating in the CPD programme, namely:

Education and Training (Compulsory – verifiable CPD points)

CPD points required: 15 points per year

Professional Development (Elective – non-verifiable CPD points)

Maximum CPD points permitted: 5 points over the three-year rolling CPD cycle.

Corporate Social Investment (Elective – non-verifiable CPD points)

Maximum CPD points permitted: 5 points over the three-year rolling CPD cycle.

Mentoring and Coaching (Elective – non-verifiable CPD points)

Maximum CPD points permitted: 5 points over the three-year rolling CPD cycle.

Reading and Publishing (Elective – non-verifiable CPD points)

Maximum CPD points permitted: 5 points over the rolling three-year rolling CPD cycle

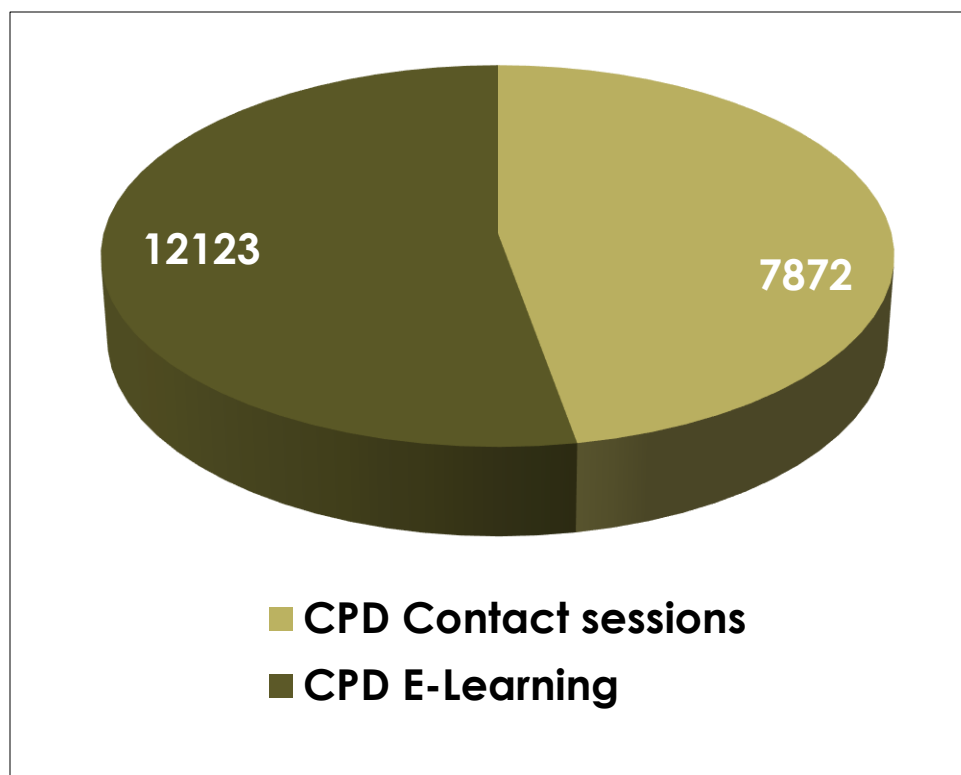
Personal Development (Elective – non-verifiable CPD points)

Maximum CPD points permitted: 5 points over the three-year rolling CPD cycle.

Number of CPD participants electing either contact CPD sessions or the use of E-learning platform

Participants may obtain the **required fifteen verifiable CPD points** for a particular year by attending one-on-one **contact sessions or accessing the EAAB's e-learning platform** or using a mixture of both of these methods by electing to attend contact sessions and also utilising available e-learning opportunities.

During the period under review **7,872 CPD participants attended the various contact CPD sessions** presented by the EAAB countrywide to obtain the necessary verifiable points whereas **12,123 participants chose to acquire the necessary verifiable CPD points through recourse to the e-learning programme.**





LEGAL COMPLIANCE DEPARTMENT

LEGAL COMPLIANCE

- The Legal Compliance Department is responsible for investigating all complaints received against estate agents.
- **The complaint may come from a consumer** who has been aggrieved by the actions or conduct of any estate agent, a professional organisation such as the South African Police force, the Law Society, or from a whistle blower.
- Sometimes an investigation into **the conduct of an estate agent may be triggered by the regulator itself** from its internal departments such as Audit, Inspection, and Registration & Section 27 which may raise a complaint itself.
- Sometimes information is passed from one regulator to another, or information is received by the regulator such as by the contents of a press report.

MEDIATIONS AND DISCIPLINARY HEARINGS

The Estate Agency Affairs Act (EAAA) and code of conduct of estate agents prescribes certain conduct for estate agents when conducting their work and all estate agents must adhere to the Act and code of conduct.

Every complaint received by the department is investigated and may end up before a disciplinary committee. Investigations are carried out by a team of legal officers who follow a vigorous, fair and objective process **based on a set standard operating procedures guided by the provisions of the EAAA and the Code of Conduct** in investigating and prosecuting matters.

Only serious cases and those that cannot be mediated upon are referred to a Disciplinary Committee (DC). The DC in sanctioning the respondent in terms of section, 30 (3) (b) may impose;

- A fine not exceeding R25 000
- Reprimand such estate agent
- Withdrawal of any fidelity fund certificate

Disciplinary hearings form an integral part of the department's performance in ensuring that it is effective in sanctioning and allowing parties to ventilate their issues through an independent objective process. **179 matters were enrolled for a hearing in the financial year 2019/2020.**



INSPECTIONS & INVESTIGATIONS DEPARTMENT

INSPECTIONS AND INVESTIGATIONS

The Estate Agency Affairs Board is responsible for the supervision and enforcement of compliance by estate agents with the provision of the FIC Act, or any order, determination or directive made in terms of the FIC Act. **The annual target was set at 150 FIC inspections** and these were duly conducted as follows:

21 FIC Inspections conducted in quarter one(1) of 2019/2020

54 FIC Inspections conducted in quarter two(2) of 2019/2020

38 FIC Inspections conducted in quarter three(3) of 2019/2020

37 FIC Inspections conducted in quarter four(4) of 2019/2020

FIC INSPECTIONS Q1-Q4

The FIC inspections are conducted per province to ensure oversight by the EAAB and compliance by estate agency firms with the Financial Intelligence Centre Act and to address any challenges with the implementation of the Financial Intelligence Centre Act.

CONTRAVENTIONS RELATING TO FIC ACT DURING THE FINANCIAL YEAR

A total of **150** FIC inspections were conducted during the financial year under review in all the provinces. **Out of 150 inspections conducted there were 81 contraventions identified.** The findings demonstrate that Western Cape has the highest FIC contraventions which ranged from:

- Failure to develop and implement Risk Management and Compliance Programme
- Failure to appoint a compliance officer
- Failure to register with FIC
- Failure to adequately conduct customer due diligence

All the FIC inspections reports, once the contraventions have been identified are referred to the Legal Department for investigation and prosecution.

PROVINCES	CONTRAVENTIONS
Eastern Cape	0
Free State	6
Gauteng	24
Kwa-Zulu Natal	0
Limpopo	16
Mpumalanga	3
North West	0
Northern Cape	6
Western Cape	26
TOTAL	81
CONTRAVENTIONS	

SELF -ASSESSMENT COMPLIANCE REVIEW

The EAAB's mandate includes having to regulate, maintain and promote the standard of conduct of estate agents having due regard to public interest.

Following the declaration of the unconstitutionality of **section 32A by the Constitutional Court**, the EAAB implemented measures to monitor compliance such as on-line self- assessment system (compliance Monitoring and Assessment Framework) to monitor whether estate agency firms complies with their obligation in terms of the Act.

This system is an interim measure until the Property Practitioners Act, 2019 come into operation.

During the financial year under review the annual target was set at 1,000 self- assessment compliance review, the EAAB **received and assessed approximately 944 self -assessment compliance reports.**

WHISTLE BLOWER REPORTS RECEIVED PER PROVINCE

Whistleblowers Fraud Hotline

The EAAB had established an independent fraud hotline (“the hotline”). The hotline is managed externally to the EAAB by the company known as **Whistle Blowers (Pty) Limited** (“Whistle Blowers”). The Whistle Blowers receives and manages, on an anonymous basis, all reports, disclosures and allegations of whatsoever nature, and howsoever arising, including reports of illegal operating estate agents that may be received whether by way of telephone, fax, e-mail or any other written form of submission.

GEOGRAPHIC SEGMENTATION	NUMBER OF WHISTLEBLOWER REPORTS	MATTERS RESOLVED	PENDING MATTERS
Western Cape	11	4	7
Gauteng	22	6	16
KwaZulu-Natal	7	2	5
Free State	4	1	3
Limpopo	1	0	1
Eastern Cape	4	0	4
Total	49	13	36



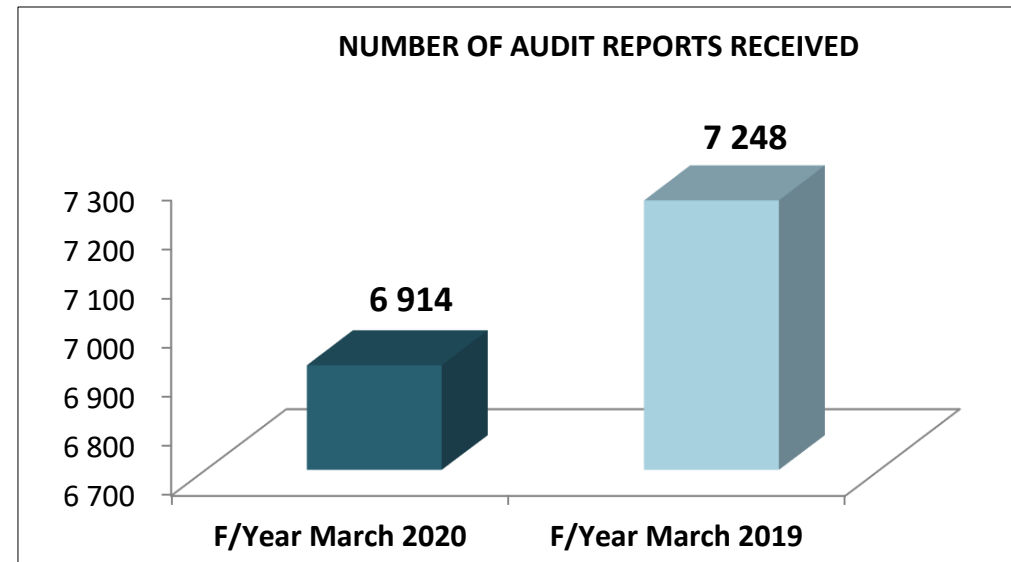
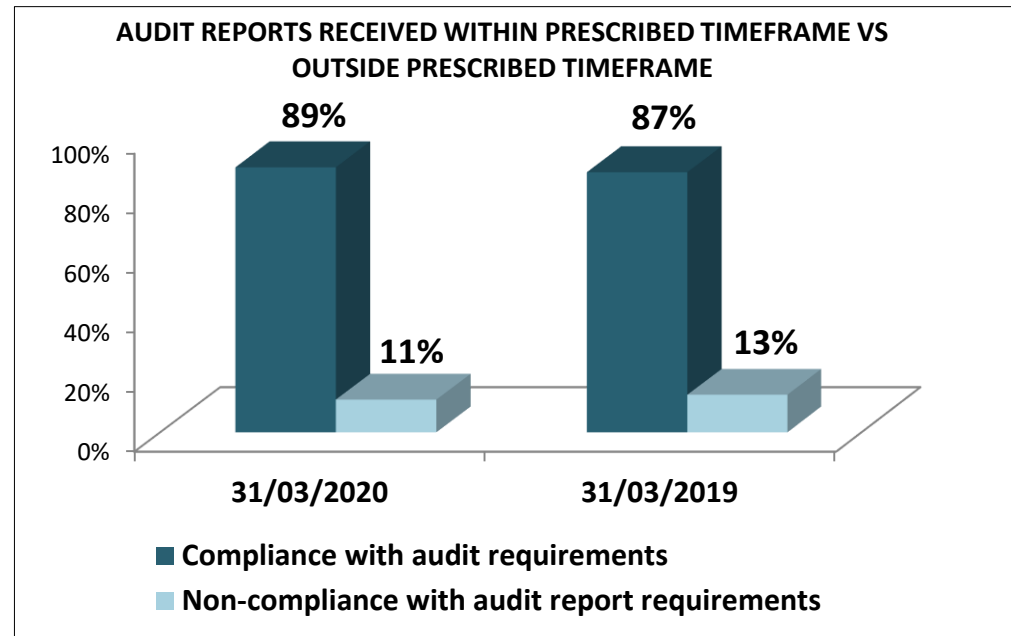
AUDIT COMPLIANCE DEPARTMENT

AUDIT COMPLIANCE & AUDIT REPORT SUBMISSIONS

Significantly increased compliance has been noted over the years with regards to the submission of estate agency audit reports by auditors **within the prescribed timeframe of four months after the financial year-end of the estate agencies.**

There is only a small number of estate agencies that are disqualified from being issued Fidelity Fund Certificates as a result of late and non-submission of audit reports.

For the financial year ended 31 March 2020, **only 11% of estate agencies were disqualified for late and non-submission of audit reports** to the EAAB.



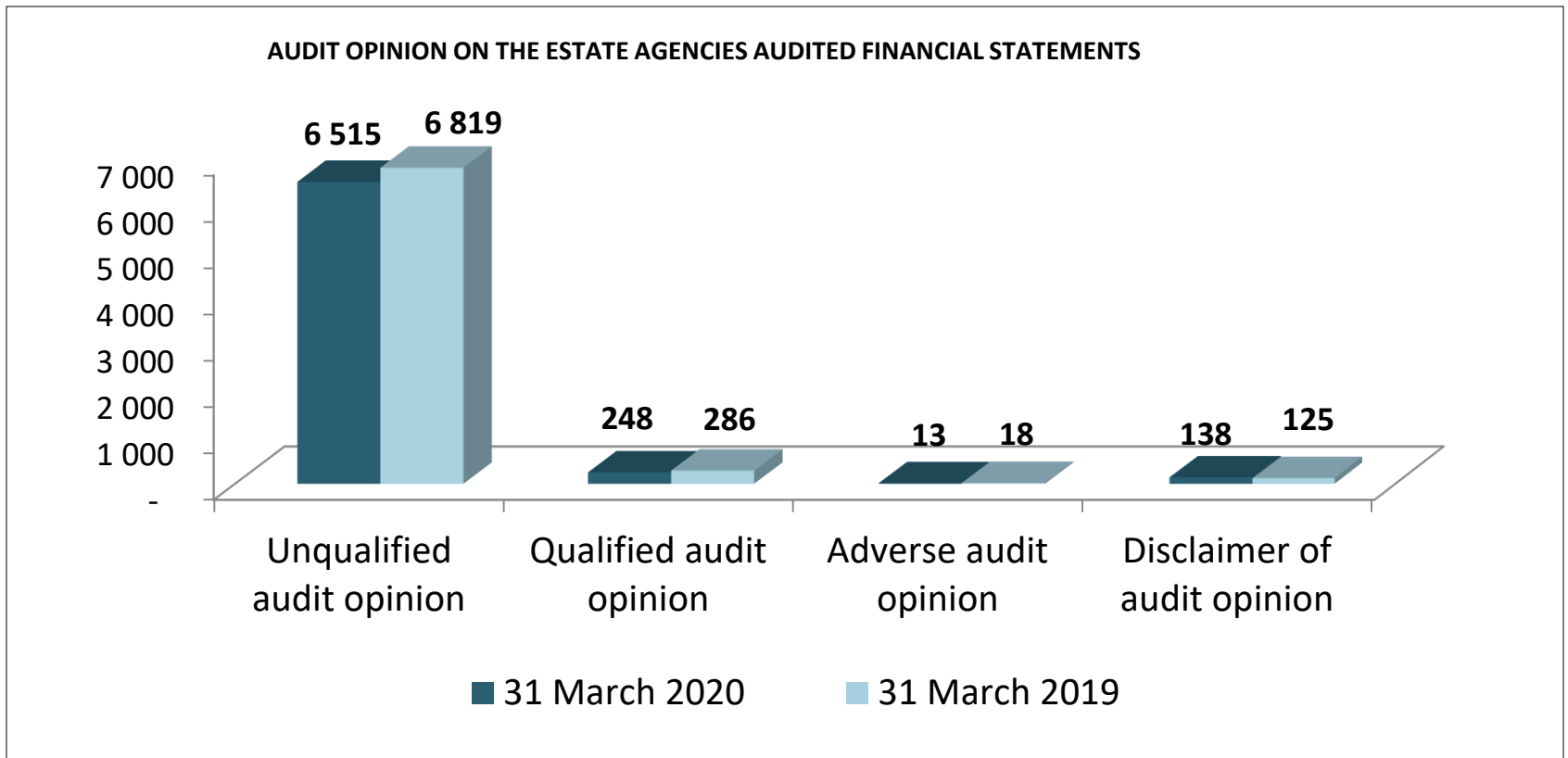
CONTRAVENTIONS REPORTED IN SUBMITTED AUDIT REPORTS

As indicated in the table and graph below, the total number of contraventions of the Estate Agency Affairs Act and the Financial Intelligence Centre Act reported by auditors of estate agencies in the submitted audit reports has decreased during this financial year as compared to the previous financial year and this is indicative of a slight improvement in the compliance levels:

	31 March 2020	31 March 2019
Trust account contraventions	611	531
FIC Registration Contraventions	2 562	2 919
FIC Cash Transactions Reporting Contraventions	77	582

UNQUALIFIED AUDIT OPINION

	31 March 2020	31 March 2019
Unqualified audit opinion	6 515	6 819
Qualified audit opinion	248	286
Adverse audit opinion	13	18
Disclaimer of audit opinion	138	125





CLAIMS DEPARTMENT

CLAIMS

Claims against the fidelity fund are considered in terms of **sections 18 and 19 Act 112/1976**.

The fund covers trust money losses occasioned by the activities of estate agents.

Claims are considered by the claims committee of the Board, and by the EXCO claims committee if they fall under R100 000.

	B/F	RECIEVED	APPROVED	INTEREST PAID	REJECTED	CLOSED OTHER	CARRIED FWD
Q1	37 923 187	1 397 987	951 218	80 214	0	0	38 369 956
Q2	38 369 956	1 713 079	790 000	32 005	1 488 267	837 494	36 967 274
Q3	36 967 274	11 062 036	1 066 214	2 991	1 148 123	0	45 814 973
Q4	45 814 973	1 219 867	2 095 503	0	295 557	0	44 643 780



SECTION 27 APPLICATIONS DEPARTMENT

SECTION 27 APPLICATIONS

The disqualification of agents from being issued with a fidelity fund certificate occurs by operation of law in terms of **section 27 of the Estate Agents Affairs Act 112/1976**.

The disqualifications department deals with applications to become compliant and the correction of such status. **Compliance requires payment of outstanding fees and penalties, generally for CPD and audit non-compliance.**

The board resolution providing **relief for PDI estate agents who experience compliance as a barrier to entry into the profession, will be implemented as from 27 July 2020**, in order to assist in transforming the industry to be more representative of South African demographics.

This process is enabled by the proviso to section 27 in the Act, and is a stop-gap measure until the new Property Practitioners Act comes into effect, when more comprehensive and far reaching transformational strategies are authorised.



CONSUMER AWARENESS DEPARTMENT

CONSUMER AWARENESS

The Consumer awareness unit serves to promote and create awareness of the Estate Agency Affairs Board mandate amongst South African's, NGO's, estate agents and the entire property sector in general.

Strategic Objectives of the Programme

The strategic objective of the programme is to mobilise support from all sectors of society, promote the mandate of the Board through various media platforms such as print, broadcast, online and social media to create a well-informed property consumer.

During the year under review the unit worked towards the following:

- Increase number of consumers accessing information about the Board;
- Create a culture of consumer rights within the sector;
- Facilitate a two way improved communications between the Board and stakeholders;
- Increase access to information about the Board's programmes in townships and rural areas;
- Educate the public about the importance of using a registered estate agents;

CONSUMER AWARENESS Cont/...

In ensuring that the above is achieved, the unit embarked on various broadcast and print media activities by conducting media interviews and partnered with the Department of Human Settlements on various consumer awareness activities.

During the year under review the Board was featured on a number of media houses such as:

Ukhozi FM, SAFM, Umhlobo Wenene FM, Lesedi FM, Motswedding FM, Metro FM, CNBC, ENCA, City Press, Sunday World, Sunday Times, Pretoria News, The Star, Daily News amongst others.

During the financial year we observed a huge interest on the Board from community newspapers and print media in general. **The Board reached over ten million consumers during 2019/20 financial year.**

CONSUMER AWARENESS Cont/...

BILLBOARD OUTDOOR ADVERTISING

For the year under review, Billboard advertising was implemented in the following provinces for a period of one or two months dependent on availability. **All site locations were considered to be high-traffic areas to provide the most exposure.**

Quarter 1 - East London outside the East London airport; Gauteng, Katherine Ave, Sandton; Durban situated approximately 2kms travelling to and from King Shaka Airport; Cape Town situated approximately 2.5 kms travelling to and from Cape Town International Airport;

Quarter 2 - East London travelling from the CBD to East London Airport; Gauteng, Rivonia Road, Sandton; Cape Town between Cape Town CBD and Cape Town International; Durban entrance to King Shaka Airport;

Quarter 3 - Kimberley; Mpumalanga; Gauteng, Pretoria Central; Durban travelling from the CBD towards King Shaka International Airport;

Quarter 4 – Polokwane; KwaZulu Natal, Umlazi; Western Cape, Gugulethu Taxi Rank.



TRANSFORMATION DEPARTMENT

TRANSFORMATION

STRATEGIC INTENT OF THE TRANSFORMATION DEPARTMENT

- To increase the number of Black Property Practitioners;
- To increase levels of participation and representation among youth, women and people with disabilities within the property and real estate sector;
- To reduce the number of illegal estate agents through the regularisation programme;
- To mitigate high levels of poverty, inequality and unemployment and promote and improve the employment prospects of previously disadvantaged persons;
- To provide opportunities for new entrants to the real estate sector and allow them to gain meaningful work experience;
- To build a pool of highly-skilled, trusted intermediaries in the form of Property Practitioners and implement a Skills Development Programme targeting unemployed youth and Previously Disadvantaged Individuals;
- To promote self-employment and to improve the delivery of real estate services; and
- To improve the quality of life of workers, their prospects of work and labour mobility.

KEY PLANNED STRATEGIC INTERVENTIONS TO DRIVE TRANSFORMATION

- “One Learner - One Estate Agency” Youth Brigade Programme;
- A Graduate Pipeline Development Programme (youth-specific programme);
- A Work Readiness Programme aimed at retention of new entrants;
- The Principalisation Programme aimed at increasing ownership and management control by Black people;
- The Incubation and Training Support Programme for the development and growth, retention and support of Black estate agents across all levels (firm level, intern estate agent, non-principal estate agent level and principal estate agent level) and across all specialisation fields (i.e. commercial, industrial, agricultural and residential);
- The Regularisation and Rehabilitation Programme targeted at estate agents who were previously registered;
- A Women Empowerment and Development Programme (women-specific programme to increase women participation at ownership and management control level);
- A Sector Entrepreneurship Skills Development Programme (in partnership with SSETA): Township Revitalisation Initiative;
- A concerted drive to identify and remove barriers to transformation internally and externally; and
- An aggressive Consumer Education and Awareness Programme.

REGULARISATION AND REHABILITATION PROGRAMME

- To **identify and regularise** operations of **illegally trading estate agents** through the Incubation Programme and to re-register them and then keep them practicing legally;
- This will **increase and retain** registered property practitioners within the real estate sector. For example, providing an **extension of time to comply** with and exemption from educational compliance and financial obligations;
- **Conduct research to identify barriers** to the entry and retention of property practitioners within the real estate sector;
- Conduct Provincial Public Participation and **Stakeholder Engagement** Road Shows;
- Set up **help desks in all provinces** to advise illegal operators and prospective estate agents on compliance with the Estate Agency Affairs Act (PPA);
- Implement an **Incubation and Training Support Programme**; and
- Implement a **Mentorship Programme**.

PRINCIPALISATION PROGRAMME

- Embark on the **aggressive recruitment** of all suitable qualifying Previously Disadvantaged Individuals and businesses and assist them to qualify as principal estate agents;
- **Support qualifying individuals in establishing their own estate agencies** within a period of 18 months from enrolment by providing financial and material support through a (Principal Fast-Track Programme aimed at those who meet the education exemption criteria). Implement a three-year programme for those who are required to complete the prescribe qualifications;
- **Recruit Graduates from “One Learner-One Estate Agency” Youth Brigade Programme**, Principals currently trading illegally as well as qualified and experienced business owners with interest to diversify into real estate;
- Implement a **dedicated Entrepreneurship Programme** aimed at increasing ownership by PDI’s;
- Set up **help desks in the provinces** to advise and support unregistered/deregistered estate agents (illegal operators) and prospective estate agents on the compliance with the Estate Agency Affairs Act and other related legislation;
- Implement an **Incubation and Training Support Programme**;
- Implement a **Mentorship Programme**; and
- Conduct Provincial Public Participation and **Stakeholder Engagement** Road Shows.



STAKEHOLDER MANAGEMENT

STAKEHOLDER MANAGEMENT

During the year under review the EAAB, through its extensive communication programme and strategy, endeavours to **keep estate agents abreast of legislative changes while emphasising legislative compliance** for the professional estate agent also concentrated on consumer awareness, transformation imperatives for the real estate sector, empowering **Women in particular Black Women** to become estate agents and moreover Principal estate agents.

The EAAB, as an integral function of its stakeholder awareness programme, continues to promote the importance of strict compliance with the **provisions of the Code of Conduct for Estate Agents**, applicable regulations and, of course, the **EAA Act and FIC Act**. In addition, the EAAB Transformation initiatives are also discussed and promoted i.e. the “One Learner-One Estate Agency” Youth Brigade Programme; Principialisation Programme.

Below is a brief summary of the many media platforms where the CEO Ms Mamadupi Mohlala has engaged with stakeholders.

DATE	MEDIA PLATFORM	TOPIC	BRIEF DESCRIPTION
28 February 2019	Property Professional	FFC Backlog cleared	In a short period, EAAB managed to issue 27 000 FFCs therefor clearing the backlog.
14 June 2019	SABC	Transformation in the real estate sector	Twenty-five years into democracy, the real estate agent has come under fire for its ability to transform. Allegations abound that cartels have limited the space to new entrants including the lack of sufficient black participation in the sector. This evening we are joined by the CEO of the Estate Agency Affairs Board, Mamodupi Mohlala.
16 June 2019	Startupafrica	EAAB One-Learner-One-Estate-Agency youth programme brings change to the property sector	Our vision for the real estate sector to be transformed, professional, well-regulated, and inclusive. This vision is what we have premised our Learnership programme on – to expand access into the real estate and property sector, broaden inclusivity, and meet the needs of both the underserved customer and real estate agent in the country,” says CEO, Mamodupi Mohlala-Mulaudzi of EAAB.
25 October 2019	City Press	Sectoral Shake-up for estate agents	Mohlala-Mulaudzi, in an interview with City Press earlier this week, said it was not a myth that the sector has remained highly untransformed. The organisation has about 43 000 registered estate agents of whom only 3 000 are black and, of those, only 400 are principal agents.

18 November 2019	Red Property Auctions	New Act ushers in new era	Mamodupi Mohlala-Mulaudzi, CEO of the EAAB, says there are key critical areas in the Act that need to be looked at immediately with specific mention of transformation, the licensing regime, public awareness and the structural issues of the Board. She said that the Board intends to engage with the property sector on these matters over the next couple of months.
28 January 2020		The importance of using registered estate agents and how to spot bogus ones	
27 January 2020	Thobela FM	Transformation of the real estate industry	EAAB transformation initiative to help diversify the industry.
29 January 2020	Ukhozi FM	Transformation of the real estate industry	EAAB transformation initiative to help diversify the industry.
30 January 2020	Ligwalagwala FM	Transformation of the real estate industry	EAAB transformation initiative to help diversify the industry.
31 January 2020	Sowetan	Plan to open doors to more black estate agents	EAAB resolution that will make it easier for PDIs to enter the industry.
31 January 2020	SAFM	Transformation of the sector	EAAB resolution that will make it easier for PDIs to enter the industry.
4 February 2020	YFM	Transformation of the sector	EAAB resolution that will make it easier for PDIs to enter the industry.

4 February 2020	Business Day	Holding estate agents to account, and making them more effective	Wide-ranging Q&A
19 February 2020	SA Affordable Housing	Previously disadvantaged individuals given a chance in real estate	EAAB resolution that will make it easier for PDIs to enter the industry.
27 February 2020	Transform SA	Previously disadvantaged individuals given a chance in real estate	EAAB resolution that will make it easier for PDIs to enter the industry.
1 March 2020	Sunday Times	Estate Agency Board probes Pam Golding dirty money	Pam Golding Properties investigation.
1 March 2020	EWN radio	Pam Golding Properties probed for allegedly aiding money laundering during sale	Pam Golding Properties investigation.
2 March 2020	Newzroom Afrika (405)	Pam Golding investigation	Pam Golding Properties investigation.
2 March 2020	Business Live	Estate Agency board to probe money laundering case against Pam Golding Properties	Pam Golding Properties investigation.

2 March 2020	SAFM	Pam Golding investigation	Pam Golding Properties investigation.
2 March 2020	Sowetan live	Pam Golding properties face huge fine for “breaking” laws	Pam Golding Properties investigation.
3 March 2020	IOL	Pam Golding is under intense scrutiny	Pam Golding Properties investigation.
3 March 2020	702 radio/Cape Talk	The role of estate agents in preventing money laundering Transformation of the sector	Pam Golding Properties investigation. EAAB Transformation initiatives.
12 March 2020	The Herald	Pam Golding Property face huge fine, accused of breaking laws	Pam Golding Properties investigation.
16 March 2020	Earthworks Magazine	Transformation in the real estate industry	Wide ranging Q&A on EAAB transformation initiatives.
21 March 2020	Transform SA	Transformation in the real estate industry	Wide ranging Q&A on EAAB transformation initiatives.
27 March 2020	SAFM	Covid-19 and its effects on real estate	We have to face the new normal and adjust how we do our work.
5 April 2020	Business Times	Deeds office closure hits estate agents	Effects of lockdown on the real estate industry.
11 May 2020	Property Professional	Mr Le Roux – I miss you too	

14 May 2020	SABC TV	Covid-19 relief support	Raft of relief measures for estate agents.
14 May 2020	eNCA	Impact of Covid-19 on real estate sector	We have to face the new normal and adjust how we do our work.
16 May 2020	IOL	Covid-19: Estate Agency board seeks relief for frustrated agents	Raft of relief measures for estate agents.
17 May 2020	Newzroom Afrika (405)	Covid-19 relief measures	Raft of relief measures for estate agents.
18 May 2020	SAFM	Covid-19 relief measures	
14 June 2020	IOL	Estate Agency Board publishes Level 3 guidelines for agents	Covid-19 guidelines for estate agents. The dos and don'ts of doing business during the pandemic.
14 June 2020	Newzroom Afrika (405)	Covid-19 guidelines for estate agents	Covid-19 guidelines for estate agents. The dos and don'ts of doing business during the pandemic.
14 June 2020	The World News	Estate Agency board publishes Level 3 guidelines for agents	Covid-19 guidelines for estate agents. The dos and don'ts of doing business during the pandemic.
15 June 2020	Polityorg	Estate Agents are encouraged to conduct virtual tours...	Covid-19 guidelines for estate agents. The dos and don'ts of doing business during the pandemic.

25 June 2020	Business Live	Vuyiswa Mutshekwane misleads on EAAB transformation inaction	CEO responds to claims that the EAAB has been slow on implementing transformation initiatives.
1 July 2020	Biz Community	Estate board waives penalties for late audit submissions	No penalties for estate agents who submit late audit reports due to lockdown.
12 July 2020	World Women Leading Change (WWLC)	Theme Boldness in Real Estate via a virtual meeting	Attended by delegates from Indonesia, Botswana, Nigeria, Lesotho, South Africa, Namibia and Kenya. n the EAAB to help fast-track transformation of the industry in South Africa and help remove barriers for black people to enter the profession.



CUSTOMER RELATIONS DEPARTMENT

CUSTOMER RELATIONS

The Customer Relations Department is a **support department** within Corporate Services Division with the aim of serving internal and external stakeholders by providing information, **resolving non-technical queries and liaising with the back office for fast-tracking of technical queries.**

The department therefore interacts with stakeholders (estate agents/general public) through different mediums like walk-ins, electronic communication, call centre and the back office in order to resolve and fast-track queries in an efficient and professional manner.



INFORMATION TECHNOLOGY DEPARTMENT

INFORMATION TECHNOLOGY

ICT provides support to the user departments to enable them provides services to the internal and external clients. Unfortunately, the EAAB ICT environment is not fully geared to support these business processes.

- This resulted in unnecessary ad hoc interventions which in most case don't resolve the underlying problems faced by the user departments and ultimately affects the services rendered to the EAAB clients to or stakeholders.
- A **stop-gap measure was developed** to stabilise the core ICT system to enable the EAAB to execute its mandate to issue FFCs to the estate agents.
- Due to the underlying challenges with the current Enterprise Resource Planning (ERP) system, the **EAAB went out on tender** to procure the services to develop a new ERP system.

INFORMATION TECHNOLOGY Cont/...

- The ERP solution will create a nationally accessible, digital ecosystem that transforms both the internal and external end user experience of our systems. The **new system will also cater for the expansion of the property sector as envisioned in the Property Practitioners Act.**
- It is anticipated that the **first phase of the project will be up and running before the end of the end of 2020/2021 financial year.** As part of the ERP project, we will also expand our business process automation capability to enhance the automation of core processes such as EAAB business administration, claims and registration management.
- Towards the end of the financial year, a national lockdown due to the Corona Virus 2019 pandemic was declared and resulted in the offices of the EAAB being closed.
- During the time of the lockdown, the employees were provided with the ICT tools and platform to enable them to work away from the office. A virtual private network was created to enable remote access to ICT systems for the employees to continue working from home. The employees were also provided with data cards to this effect.



PROPERTY PRACTITIONERS BILL

PROPERTY PRACTITIONERS ACT, 2019

The Property Practitioners Act was promulgated into law during October 2019. Its effective implementation will take place on the date to be determined by the President of the Republic of South Africa after consultation with the Minister of Human Settlements and Water and Sanitation.

The Property Practitioners Act, 2019 seeks to repeal the Estate Agency Affairs Act, 1976.

The main objectives of the Act are to:

- regulate the entire property market value chain;
- regulate the conduct of property practitioners when executing property related services;
- regulate the education and training dispensation of property practitioners; and
- transform the property market to be reflective of the South African demographics.

PROPERTY PRACTITIONERS ACT, 2019 Cont/...

Meanwhile, in preparation for the effective implementation of the Act, the Estate Agency Affairs Board (to be known as the Property Practitioners Regulatory Authority) having been implementing the following strategic measures:

- Finalisation of Regulations to support effective implementation of the Act;
- Development of branding and communication strategies for the Property Practitioners Regulatory Authority;
- Engagement of different kinds of stakeholders involved within the property market value-chain to be affected by the Act to determine areas of collaboration and common approaches;
- Development of appropriate strategies and measures to facilitate enforcement of the Act upon its implementation;



INTEGRATED HUMAN CAPITAL MANAGEMENT DEPARTMENT

SKILLS DEVELOPMENT

Human Capital Management is central to the achievement of strategic goals; the human element is the main factor driving productivity through implementation of the strategic objective.

Thus, the EAAB strives to ensure effective acquisition, development of capabilities, and retention of employees through strategic human resource practices and processes in order to continuously foster an organisational culture which embraces healthy and beneficial working relationship between the employer, staff and all other relevant stakeholders.

Training and development of employees remained a focal area for the organization. The EAAB continued to invest in staff training and development in an effort to enhance EAAB's overall performance.

The EAAB invested in Formal training (Pivotal Training) in the form of study bursaries and informal training (on-the-job skills training) programmes for employees. An amount of R697 336, 49 was spent towards employees training and development initiatives for the 2019 period. The EAAB remains committed to enhancing staff skills and development in continuous quest to improve organizational performance.

LEARNERSHIP AND INTERNSHIP PROGRAMME

The EAAB continued in its stride to contribute towards the National pledge on Skills Development programmes. In partnership with the Services SETA, the EAAB offered 10 internal employees 12 months Learnership programmes.

30 New graduates were offered 12 months Internship program with experiential learning and on-the-job training opportunities in various fields of work.

PERFORMANCE MANAGEMENT

Performance Management remains an integral part of the EAAB culture and a prerequisite for sustainable performance aligned with the organisation's strategic objectives and priorities.

- In the 2019-2020 financial year a service provider, was appointed to review the Performance Management System and Policy with the aim of ensuring that individual employee performance is aligned to the overall organisational strategy for the fulfilment of the EAAB mandate.
- A vigorous process was undertaken where employees were trained on the Performance Management system, assisted with aligning their Job profiles, performance compacts and performance contracts to the overall business objectives.
- This was concluded with the final report on findings and recommendations presented to EAAB Board, and Management.
- The revised Performance Management System will be implemented as a performance measuring tool.

MIGRATION OF EAAB STRUCTURE

The EAAB reviewed its organisational structure in the 2019/2020 financial year with a view to migrating to a structure providing greater support to the EAAB's overall strategy. New developments emerged in the 2019/2020 financial year with the approval of the new Property Practitioner's Act 22 of 2019.

The EAAB will now operate under the auspices of the new approved Act. Subsequently, a new exercise was commissioned to incorporate positions aligned to the Property Practitioner's Bill for submission to the Board of Directors for approval.

EMPLOYEE WELLNESS PROGRAMME (EWP)

The EAAB remains committed to addressing the wellness of employees, focusing on their overall health and well-being and related productivity. When employees are well, our organization is healthy, health-care costs are reduced, absenteeism is managed, ultimately boosting employee productivity and morale, and increasing retention.

Careways, the appointed Employee Wellness Programme service provider, has continued to provide wellness services for EAAB employees and their immediate family members. In 2019/2020 the organisation continued to engage staff on wellness topics and conducted a Wellness Day where voluntary testing and counselling took place. The initiative was successful in raising awareness and ensuring employees were informed about their health risks and progress made.

PLANNED ACTION FOR THE 2019/20 PERIOD

The following identified areas of the Human Capital will be prioritized to ensure effective support and alignment with the overall EAAB Strategy:

- Migration to the new structure
- Implementation of a reviewed Performance Management System
- Implement Change Management initiatives
- Conduct Organization-wide Skills Audit
- Create sound labour relations within the EAAB;
- Prioritize effective management of employees & all other stakeholders well-being in the wake of COVID 19 pandemic, through various wellness initiatives
- Enhancing employment equity to promote social justice and fairness within the EAAB;



ANNUAL PERFORMANCE REPORT 2019/2020

PROGRAMME 1: FINANCE AND ADMINISTRATION

Purpose

The programme seeks to maximise EAAB performance through effective and efficient management of its resources and systems thereby creating a world-class regulator.

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 1.1 Provide strategic management and support across the organization	1.1.1	Percentage achievement of EAAB pre-determined strategic objectives	New target for 2019/20	New target for 2019/20	80%	85%	Target over achieved by 5%
	1.1.2	Percentage alignment of operational plans to the APP	New target for 2019/20	New target for 2019/20	100%	100%	Target achieved
	1.1.3	Percentage of strategic risk mitigation action plans implemented	New target for 2019/20	New target for 2019/20	100%	100%	Target achieved
Strategic Objective 1.2 Ensure good governance and sound control environment	1.2.1	Percentage Implementation of management action plans to address internal and external audit findings	New target for 2019/20	New target for 2019/20	100%	90%	Target under achieved by 10%

PROGRAMME 1: FINANCE AND ADMINISTRATION Cont/...

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 1.2 Ensure good governance and sound control environment	1.2.2	Up to date policies and procedures across organization	New target for 2019/20	New target for 2019/20	100%	100%	Target achieved
	1.2.3	Compliance to laws and regulations	New target for 2019/20	New target for 2019/20	100% compliance to laws and regulations	85% compliance to laws and regulations	Target not achieved by 15%
	1.2.4	Percentage of Board resolutions implemented	New target for 2019/20	New target for 2019/20	100% of Board resolutions implemented	85% of Board resolutions implemented	Target under achieved by 15%
Strategic Objective 1.3 Ensure EAAB operations are efficient and effective.	1.3.1	100% development and implementation of the skill audit plan	New target for 2019/20	New target for 2019/20	Development and implementation of the skill audit plan	Development of Skill and audit plan started in the first quarter of 2020 and will be implemented in the first quarter of 2020	Target not achieved

PROGRAMME 1: FINANCE AND ADMINISTRATION Cont/...

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 1.3 Ensure EAAB operations are efficient and effective.	1.3.2	Percentage of implementation of approved ICT strategy	75% of implementation of the new ICT annual strategy	77% of implementation of the new ICT annual strategy	100% Percentage of implementation of approved ICT strategy	100% Percentage of implementation of approved ICT strategy	Target achieved
Strategic Objective 1.4 Maintain a Stakeholder-centered organisation.	1.4.1	Implementation of EAAB stakeholder management plan	New target for 2019/20	New target for 2019/20	100% Implementation of EAAB stakeholder management plan	100% Implementation of EAAB stakeholder management plan	Target achieved

PROGRAMME 1: FINANCE AND ADMINISTRATION Cont/...

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 1.4 Maintain a Stakeholder-centered organisation	1.4.2	Percentage rate of stakeholder query responded to within 48 hours	85% of queries received from stakeholders and resolved within 48 hours	85% of queries received from stakeholders and resolved within 48 hours	100% of stakeholder query responded to within 48 hours	85% of stakeholder query responded to within 48 hours	Target under achieved by 15%
	1.4.3	Number of partnerships SLAs with relevant partners	New target for 2019/20	New target for 2019/20	8 SLAs with relevant partners	8 SLAs with relevant partners	Target achieved

CORRECTIVE ACTION – FOR UNDER-ACHIEVED KEY PERFORMANCE INDICATORS

<u>Key performance Indicator</u>	<u>Reason for under performance</u>	<u>Planned Corrective action</u>	<u>Persons Responsible</u>
1.2.1 Percentage Implementation of management action plans to address internal and external audit findings	Main reasons were due to ICT challenges	Implementation of ERP system. Tender closing date is at the end of August 2020.	Acting CIO
1.2.3 Compliance to laws and regulations	This is mainly due non-compliance PFMA and Treasury Regulations (Irregular Expenditure)	Intensify Internal Control measures and monthly monitoring of compliance regulations as a whole	EXCO
1.2.4 Percentage of Board resolutions implemented	Not enough follow-ups were made on the outstanding matters due to capacity issues	Timelines will be set for every resolution made and weekly updates made on matters that need attention in order to ensure that all resolutions have been implemented.	Company Secretary.

CORRECTIVE ACTION – FOR UNDER-ACHIEVED KEY PERFORMANCE INDICATORS

<u>Key performance Indicator</u>	<u>Reason for under performance</u>	<u>Planned Corrective action</u>	<u>Persons Responsible</u>
1.3.1 100% development and implementation of the skill audit plan	The New Property Practitioners Bill and revision of the organisational structure which is awaiting approval. These 2 components will impact on the EAAB current positions and required skills set and qualifications. As a result the skills audit exercise has been temporarily put on hold pending finalisation of the 2 component	A holistic skills audit exercise will be implemented in the second quarter of the new financial year.	Acting Corporate Services Executive
1.4.2 Percentage rate of stakeholder query responded to within 48 Hours	A stop gap measure service provider is currently updating SAP to provide correct and complete information. There was a delay in securing the services of an accredited SAP service provider and the appointment only took place in March 2020.	An accredited SAP Service Provider has been appointed to fix the SAP system in order to increase the rate of stakeholder query response to 48hrs	Acting Chief Information Officer

PROGRAMME 2 COMPLIANCE

Purpose

To ensure that all Estate Agents and Agencies operating in the country are compliant to all relevant legislations.

Strategic objective/ Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance	Reasons for variances
Strategic Objective 2.1 Improve compliance with the EAA Act	2.1.1	Number of self-assessment received, evaluated and analysed (Report issued)	700 Self-assessment evaluations received	720 Self-assessment evaluations received	1000 of self-assessment received, analyzed and evaluation (Report issued)	944 of self-assessment received, analyzed and evaluation (Report issued)	Target under achieved by 56 self-assessments.	The EAAB offices closed on 13 th March 2020 due to a suspected COVID19 case and physical self-assessments could not be finalized due to Covid interruptions
	2.1.2	Percentage of compliant new registrations processed against those received within 21 days	95% of fidelity fund certificates issued (FFC) to new registered and compliant estate agents within 21 days	68% of fidelity fund certificates issued (FFC) to new registered and compliant estate agents within 21 days	85% of compliant new registrations processed within 21 days	97 % of compliant new registrations processed within 21 days	Target over achieved by 12%.	This is due to efficiency in the registration team by increasing personnel in the capturing of payments from finance

PROGRAMME 2 COMPLIANCE

Purpose

To ensure that all Estate Agents and Agencies operating in the country are compliant to all relevant legislations.

Strategic objective/ Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance	Reasons for variances
Strategic Objective 2.1 Improve compliance with the EAA Act	2.1.3	Percentage compliant renewals processed against those received within 5 days	95% of renewal Fidelity Fund Certificates (FFC's) issued to current registered and compliant estate agents issued within 5 days	70% of renewal Fidelity Fund Certificates (FFC's) issued to current registered and compliant estate agents issued within 5 days	85% of compliant renewals processed within 5 days	65% of compliant renewals processed within 5 days	Target under achieved by 20%	<p>The report on FFC generated within 5 days also includes non-compliant agents, hence distorting the information. The organisation is experiencing IT challenges mainly with regards to issuance of FFCs for firms which impacts on issuance of FFCs for other categories of agents linked to firms.</p> <p>Other SAP related challenges relate to accrual invoicing of all legible estate agents and uploading of bank statements which is currently being manually captured</p> <p>The source code has been acquired from the previous IT service provider and a new IT service provider has been appointed to assist in issuing FFCs and also assist in resolving accrual invoicing and bank download functionality of SAP.</p>

PROGRAMME 2 COMPLIANCE

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance	Reasons for variances
Strategic Objective 2.1 Improve compliance with the EAA Act	2.1.4	Percentage Disciplinary Hearings held against completed investigations	N/A Refer to note 1 on the last page	N/A Refer to note 1 on the last page	85% Disciplinary Hearings held against completed investigations	93% Disciplinary Hearings held against completed investigations	Target over achieved by 8%	The majority of disciplinary processes went through mediation and conciliation, hence additional disciplinary hearings were conducted
Strategic Objective 2.2 Improve compliance with the FIC Act	2.2.1	No of FIC Inspections performed	130 FIC Inspections performed	130 FIC Inspections performed	150 FIC Inspections performed	144 FIC Inspections performed	Target under achieved by 6 FIC inspections	FIC inspections were interrupted by COVID interruptions
Strategic Objective 2.3 Reduce number of illegally trading Estate Agents and Agencies	2.3.1	Percentage of cases investigated against the number reported	80% of complaints resolved within 6 months	85% of complaints resolved within 6 months	85% of cases investigated against the number reported	77% Disciplinary Hearings held against completed investigations	Target under achieved by 8%	Disciplinary Hearings held were interrupted by COVID interruptions

PROGRAMME 2 COMPLIANCE

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance	Reasons for variances
Strategic Objective 2.3 Reduce number of illegally trading Estate Agents and Agencies	2.3.2	Percentage of disciplinary outcomes enforced	New target for 2019/20	New target for 2019/20	85% of disciplinary outcomes enforced	0% of disciplinary outcomes enforced	Target under achieved by 85%	Disciplinary outcomes enforcement were interrupted during March by Covid interruptions
	2.3.3	Implementation of the strategic plan to combat illegal trading	New target for 2019/20	New target for 2019/20	Developed an illegal trading combating program	Developed a strategic plan to combat illegal trading	Target achieved	No applicable

CORRECTIVE ACTION – FOR UNDER-ACHIEVED KEY PERFORMANCE INDICATORS

<u>Key performance Indicator</u>	<u>Reason for under performance</u>	<u>Planned Corrective action</u>	<u>Persons Responsible</u>
<p>2.1.3 Percentage of compliant renewals processed within 5 days</p>	<p>The report on FFC generated within 5 days also includes non-compliant agents, hence distorting the information.</p> <p>The organisation is experiencing IT challenges mainly with regards to issuance of FFCs for firms which impacts on issuance of FFCs for other categories of agents linked to firms.</p> <p>Other SAP related challenges relate to accrual invoicing of all legible estate agents and uploading of bank statements which is currently being manually captured</p> <p>The source code has been acquired from the previous IT service provider and a new IT service provider has been appointed to assist in issuing FFCs and also assist in resolving accrual invoicing and bank download functionality of SAP.</p>	<p>The source code has been acquired from the previous IT service provider and a new IT service provider has been appointed to assist in issuing FFCs. The SAP IT service providers would also assist in resolving accrual invoicing and bank download functionality of SAP.</p>	<p>Acting CFO and Acting CIO</p>
<p>2.1.4 Percentage Disciplinary Hearings held against completed investigations</p>	<p>Some disciplinary hearings could not be done due to early office closure before year end due to Covid scare at the office and announcement by the President to stay at home during level 4 shut down statement.</p>	<p>Alternative online disciplinary hearings options to be implemented as an alternative</p>	<p>Active CIO and Enforcement Manager</p>

PROGRAMME 3 EDUCATION AND TRAINING

To build capacity for the estate agency sector by prescribing the standard of training and practical experience of estate agents and implementing continuous professional development for estate agents.

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 3.1 Facilitate increase in the number of qualified Estate Agents	3.1.1	Identified real estate sector skills and competency needs and participate in the development of skills programmes and qualifications for the sector	New target for 2019/20	New target for 2019/20	Conduct needs analysis Completed stakeholder liaison engagement to identify possible specialisation areas. Obtain stakeholder inputs	The needs analysis has been conducted and the real estate sector skills and competency needs has been identified	Target achieved
	3.1.2	Increase in percentage of registered Estate Agents with professional designation	New target for 2019/20	New target for 2019/20	5% increase on the baseline	10.4% increase on the baseline	Target achieved

PROGRAMME 3 EDUCATION AND TRAINING

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 3.1 Facilitate increase in the number of qualified Estate Agents	3.1.3	Increase in percentage Retention rate of Candidate Estate Agents enrolled for PDE4 & PDE 5	New target for 2019/20	New target for 2019/20	5% increase on the baseline	5% increase on the baseline	Target achieved
	3.1.4	Percentage of received intern logbooks are processed within the stipulated timeframes	85% of intern logbooks submitted have been processed	85% of intern logbooks submitted have been processed	100% of received intern logbooks are processed within the stipulated timeframes	100% of received intern logbooks have been processed within the stipulated timeframes	Target achieved
Strategic Objective 3.2 Ensure Continuous Professional Development of the Estate Agents	3.2.1	Increase in the percentage of Estate Agents who are registered for CPD and have met CPD requirements in full	75% of full status estate agents who have registered for CPD and have met the requirements	85% of full status estate agents who have registered for CPD and have met the requirements	55% Increase in the percentage of Estate Agents who are registered for CPD and have met CPD requirements in full	55% Increase in the percentage of Estate Agents who are registered for CPD and have met CPD requirements in full	Target achieved

PROGRAMME 3 EDUCATION AND TRAINING

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 3.3 Develop and harvest knowledge in the real estate market	3.3.1	Publications produced per annum (Agent Magazine)	4 agent magazines published and issued	4 agent magazines published and issued	4 publications produced per annum	4 publications produced per annum	Target achieved
	3.3.2	Design and implement a project plan for the establishment of the Knowledge and Research Centre/hub	N/A Refer to note 1 on the last page	N/A Refer to note 1 on the last page	Implemented Virtual library	No virtual library implemented	Target not achieved by 100%
	3.3.3	Accessibility of the information to real estate practitioners and consumers through implementation of communication strategy	New target for 2019/20	New target for 2019/20	Implemented multiple communication methods	Multiple communication methods implemented	Target achieved

CORRECTIVE ACTION – FOR UNDER-ACHIEVED KEY PERFORMANCE INDICATORS

<u>Key performance Indicator</u>	<u>Reason for under performance</u>	<u>Planned Corrective action</u>	<u>Persons Responsible</u>
3.3.2 Design and implement a project plan for the establishment of the Knowledge and Research Centre/hub	Implementation of the project plan could only be implemented in the next financial year 2020/21 due to procurement delays.	Implementation of the project plan will be done in the second quarter of 2021	Executive: Education and Training and Acting Executive Corporate Services

PROGRAMME 4. TRANSFORMATION

Strategic Outcome Goals: Transformed estate agency sector.

Goal Statement: The EAAB will ensure that 100% of the registered estate agents are fully qualified in terms of legislative requirements by the end of financial year 2019/20.

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 4.1. To increase the number of Youth, HDI, Black Women, People with Disabilities in the real estate sector	4.1.1	Number of youth intern placed with property industry host employers through the one learner one agency programme trainings.	2 000 of Youth, placed with host employers	370 of Youth placed with host employers	2000 youth intern placed with property industry host employers through the one learner one agency programme trainings.	1470 youth intern placed with property industry host employers through the one learner one agency programme trainings.	Target under achieved by 530 youths
	4.1.2	Percentage increase in the retention/success rate of youth intern placed with property industry host employers through the “One Learner - One Estate Agency” programme trainings.	New target for 2019/20	New target for 2019/20	50% Retention	20% retention	Target under achieved by 30%

PROGRAMME 4. TRANSFORMATION

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 4.1. To increase the number of Youth, HDI, Black Women, People with Disabilities in the real estate sector	4.1.3	Percentage increase of Black Women (excl. Youth category) that have been supported to increase economic participation through Principialisation.	New target for 2019/20	New target for 2019/20	10% increase of Black Women (excl. Youth category) that have been supported to increase economic participation through Principialisation.	11% increase of Black Women (excl. Youth category) that have been supported to increase economic participation through Principialisation.	Target over achieved by 1%
	4.1.4	Number of principals established through the Implementation of the Principialisation Programme.	250 Principals established through the Implementation of the Principialisation Programme.	0 Principals established through the Implementation of the Principialisation Programme.	250 Principals established through the Implementation of the Principialisation Programme.	260 Principals established through the Implementation of the Principialisation Programme.	Target over achieved by 10 Principals

PROGRAMME 4. TRANSFORMATION

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
	4.1.5	Number of SMME's placed through the Incubation Programme.	New target for 2019/20	New target for 2019/20	25 SMME's placed through the Incubation Programme.	20 SMME's placed through the Incubation Programme.	Target under achieved by 5 SMME's
Strategic Objective 4.2 To implement an impactful Amnesty Campaign for Estate Agents and Agencies	4.2.1	Percentage of Amnesty granted Estate Agents rehabilitated as a result of the Amnesty Campaign	New target for 2019/20	New target for 2019/20	100% of applied granted will be rehabilitated	0% of applied granted will be rehabilitated	Target under achieved by 100%
Strategic Objective 4.3 education and awareness of Consumers with regard to property transactions	4.3.1	Number of consumers reached through broadcast media campaigns	14 600 000 housing consumers reached through broadcast media campaigns	20 283 000 housing consumers reached through broadcast media campaigns	18 600 000 consumers reached through broadcast media campaigns	18 900 248 consumers reached through broadcast media campaigns	Target over achieved by 300 248 consumers

PROGRAMME 4. TRANSFORMATION

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 4.3 education and awareness of Consumers with regard to property transactions	4.3.2	Number of consumers reached through print media campaigns	800 000 housing consumers reached	4 336 456 housing consumers reached	700 000 of consumers reached through print media campaigns	1 353 541 of consumers reached through print media campaigns	Target over achieved by 653 541 consumers
	4.3.3	Number of consumer education campaigns using Billboards to raise awareness of property transactions and reach over 2million consumers	5 Bill boards set up per annum (Gauteng x 2, KZN x 2, Eastern Cape x 1)	3 Bill boards set up per annum (Gauteng x 2, KZN x 2, Eastern Cape x 1)	15 billboards set up in all 9 provinces and over 2millions consumers reached – 3 GP, WC, KZN & 1 per province	15 billboards set up in all 9 provinces and over 2millions consumers reached – 3 GP, WC, KZN & 1 per province	Target achieved

PROGRAMME 4. TRANSFORMATION

Strategic objective/Output		Performance indicator/measurement	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 4.4 To improve internal transformation in accordance with BBBEE, PPPFMA, EE, Skills Development, Property Sector Charter	4.4.1	Implementation of the BBBEE score cards, employment equity, skills development plan and property sector charter	New target for 2019/20	New target for 2019/20	100% achievement of internal targets of each plan/scorecard	100% achievement of internal targets of each plan/scorecard	Target achieved
Strategic Objective 4.5 To develop financial mechanisms and incentives for sustainable transformation initiatives.	4.5.1	Number of developed implementable financial mechanisms and incentive/s for transformation initiatives	New target for 2019/20	New target for 2019/20	Establish and start the development of 1 financial incentive/scheme.	1 developed financial mechanisms and incentive/s for transformation initiatives	Target achieved

CORRECTIVE ACTION – FOR UNDER-ACHIEVED KEY PERFORMANCE INDICATORS

<u>Key performance Indicator</u>	<u>Reason for under performance</u>	<u>Planned Corrective action</u>	<u>Persons Responsible</u>
4.1.1. Number of youth intern placed with property industry host employers through the one learner one agency programme trainings.	SETA pulled out of the programme	This programme will be revisited in the 20/21 financial year. SETA has stopped supporting this programme to EAAB.	Acting Transformation Manager
4.1.5 Number of SMME's placed through the Incubation Programme.	The total number of 25 SMME's could not be reached within 2019/20 financial year to factors like lockdown and general weak SA economy is 2019//29 factors	Different strategic programme in 2020/21 to get more SMME will be in place to achieve the target.	Acting Transformation Manager
4.2.1 Percentage of Amnesty granted Estate Agents rehabilitated as a result of the Amnesty Campaign	100% Amnesty Campaign could only be implement after all PDI resolutions processes have been implemented	This programme is being revisited in 2020/21	Acting Transformation Manager

CORRECTIVE ACTION – FOR UNDER-ACHIEVED KEY PERFORMANCE INDICATORS

<u>Key performance Indicator</u>	<u>Reason for under performance</u>	<u>Planned Corrective action</u>	<u>Persons Responsible</u>
4.1.2. Percentage increase in the retention/ success rate of youth intern placed with property industry host employers through the “One Learner - One Estate Agency” programme trainings.	The Black estate agents who registered for the PDE 5 exam were not permitted to write the exam due to the discrepancy between the policy and the Act (Estate Agency Affairs Act)	This programme will be reinforced in the 2020/21 financial year.	Acting Transformation Manager

PROGRAMME 5: FIDELITY FUND

Purpose: The Fidelity Fund is the accumulation of financial resources used as a protection mechanism for property consumers that are defrauded by estate agents.

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 5.1 To ensure that the Fidelity Fund is financially sustainable	5.1.1	Percentage Annual Net Asset Value Growth	New target for 2019/20	New target for 2019/20	1.25% Annual Net Asset Value Growth	-2.10% Annual Net Asset Value Negative Growth	-3.35% Net Asset Value Negative Growth
	5.1.2	Reviewed and approved investment strategy implemented	New target for 2019/20	New target for 2019/20	Investment Strategy approved	The Investment Strategy has been approved and implemented	Target achieved
	5.1.3	Re-insurance of Fidelity fund claims.	New target for 2019/20	New target for 2019/20	New Insurance Investigated and approved	Board to consider to approve or not approve the re-insurance of Fidelity fund claims on 30 July 2020	Target not achieved

PROGRAMME 5: FIDELITY FUND

Purpose: The Fidelity Fund is the accumulation of financial resources used as a protection mechanism for property consumers that are defrauded by estate agents.

Strategic objective/Output		Performance indicator/measure	Annual target for 2018/19	Actuals for 2018/19	Annual target for 2019/20	Actuals for 2019/20	Variance
Strategic Objective 5.2: To ensure that the Fund is effectively and efficiently managed	5.2.1	Percentage of interest receivable from estate agency trust accounts collected within 30 days of the due dates	95% Of interest from estate agency trust accounts collected within 30 days of due date	92% Of interest from estate agency trust accounts collected within 30 days of due date	95% of interest collected within 30 days of due dates	85% of interest collected within 30 days of due dates	Target under achieved by 10%
	5.2.2	Percentage of fully compliant claims paid within six months	80% of complaints resolved within 6 months	85% of complaints resolved within 6 months	85% of fully complaint claims paid within six months	75% of fully compliant claims paid within six month	Target under achieved by 10%

CORRECTIVE ACTION – FOR UNDER & OVER ACHIEVED KEY PERFORMANCE INDICATORS

Key performance Indicator	Reason for Under/ Over performance	Planned Corrective action	Persons Responsible
5.1.1 Percentage Annual Net Asset Value Growth	<p>The variance is a result of the loss for the year reported in the income statement in the management account as at 31 March 2020 which decreased the net assets value. The reason for decrease is due to devaluation of the Liberty investment in March 2020 due to Covid-19 which resulted in under performance (fair value adjustment).</p>	<p>To engage with the Investment advisory to advice in moving to the portfolio that is less risky taking into account the pandemic.</p>	<p>Acting CFO</p>
5.1.3 Re-insurance of Fidelity fund claims	<p>The submission with the proposal was made and submitted to the EXCO and FINCO to advice on the submission. Board will finalise on whether they approve the reinsurance or not</p>	<p>A decision by the Board will finalise this matter</p>	<p>Board</p>
5.2.1 Percentage of interest receivable from estate agency trust accounts collected within 30 days of the due dates	<p>Annually the target is under achieved by 10% due to the invoices that are still outstanding.</p>	<p>Debtor connect unit to be capacitate to ensure that all outstanding invoices are collected on time and followed up frequently. Recovery unit to be established to resolve the long outstanding debtors</p>	<p>Acting CFO</p>

THANK YOU



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA



ESTATE AGENCY AFFAIRS BOARD
OF SOUTH AFRICA