

# **REPORT OF THE PORTFOLIO COMMITTEE ON PUBLIC WORKS, ROADS AND TRANSPORT; COMMUNITY SAFETY, SECURITY AND LIAISON**

## **FIRST QUARTERLY PERFORMANCE REPORT FOR 2016/2017 OF THE DEPARTMENT OF COMMUNITY SAFETY, SECURITY AND LIAISON**

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### **1. INTRODUCTION**

The **Portfolio Committee on Public Works, Roads and Transport; Community Safety, Security and Liaison** (the Committee) has a Constitutional mandate, in terms of Section 114(2)(b) of the Constitution of the Republic of South Africa (Act 108 of 1996) read with Rule 190 and 131 of the Mpumalanga Provincial Legislature to oversee the performance of the Department of Community Safety, Security and Liaison (the department) and hold it accountable through various measures.

The consideration and scrutiny of the First (1<sup>st</sup>) Quarterly Performance Report for 2016/2017 of the department is the tool the Committee use to determine whether the department has proper plans and programmes to realise its strategic objectives and ultimately to deliver basic services to the citizens of Mpumalanga.

The Committee tables this report, in accordance with the provisions of the Rules and Orders of the Mpumalanga Provincial Legislature, as an account of its oversight work done for consideration and adoption in order to monitor the budget allocated to the department for the 2016/2017 financial year.

### **2. METHOD OF WORK**

The Honourable Speaker of the Legislature referred the 1<sup>st</sup> Quarterly Performance Report for 2016/2017 to the Committee for deliberations and report back to the House,

in accordance with Rule 190 (4) and Rule 131 of the Rules and Orders of the Mpumalanga Provincial Legislature.

The Committee sought to determine whether the department executed its mandate in terms of its Annual Performance Plan (APP) and if there was value for money. The Committee met with the department on 30 August 2016 to deliberate on the department's 1<sup>st</sup> Quarterly Performance Report for the 2015/2016 financial year. The Committee considered the draft Committee Report on 07 September 2016.

### **3. BRIEF OUTLINE ON STRATEGIC GOALS AND OBJECTIVES**

#### **3.1. Outcome Oriented Goals**

The department is directly linked to **Outcome 3** which states that '**All people in South Africa are and feel safe**'.

**Outcome 3** is linked to eight outputs, namely:

- Output 1 Address overall levels of crime and reduce the levels of contact and trio crimes
- Output 2 Improve effectiveness and ensure integration of the Criminal Justice System (CJS)
- Output 3 Combat corruption within the Justice, Crime Prevention and Security Cluster to enhance its effectiveness and its ability to serve as deterrent against crime
- Output 4 Manage perceptions of crime among the population
- Output 5 Ensure security at the border environment
- Output 6 Secure the identity and status of citizens
- Output 7 Integrate ICT Systems and combat cyber-crime
- Output 8 Corruption

As part of cooperative governance, the department further contributes to other outcomes which are led by different departments by implementing programmes that are in line with those outcomes through the following:

- **Outcome 1** Improve the quality of teaching and learning.
  - The department contributes to the realisation of the outcome by implementing School Safety Programmes
  
- **Outcome 4** Decent employment through inclusive growth.
  - The department will recruit and deploy 588 Tourism Safety Monitors who are deployed at tourist points in the province. This outcome is linked to the Mpumalanga New Growth Path which also pays attention to job creation to enhance economic development.
  
- **Outcome 7** Vibrant, equitable and sustainable rural communities and food security for all.
  - The department will implement Rural Safety initiatives.
  
- **Outcome 9** A responsive, accountable, effective and efficient local government system.
  - The department will ensure the functionality of Community Safety Forums in all municipalities and monitor the implementation of the developed Municipal Safety Plans.
  
- **Outcome 12** An efficient, effective and development oriented public service and empowered, fair and inclusive citizenship.
  - The department has planned to strengthen its financial and human resources capacity for effective service delivery.

#### **4. OVERVIEW BY THE MEC**

The MEC thanked the Committee for the invitation as well as the continued support provided by the Committee to the Department. He appreciated the wisdom displayed by the Committee and the excellent work done in trying to assist the department to achieve its mandate. The department continue to focus on the following programmes during the 2016/17 financial year:

- Mobilization of the judiciary to ensure improved conviction rates, thus encourage law enforcers.
- Holding a safety and security summit aimed at finding causes of violent crime in the province.
- Public Participation Programme to mobilize communities in the fight against crime.
- Youth development programmes aimed at educating the youth, e.g. Road Safety School debates.
- Halving the road fatalities by 50% as per the vision of the United Nation Decade of Action.

#### **5. GENERAL OBSERVATION**

The Committee observed that the department had **56** planned targets in the 1<sup>st</sup> quarter of the financial year and managed to achieve **51 or 91%** of the targets.

#### **6. DELIBERATIONS ON 1<sup>ST</sup> QUARTELY REPORT**

The Head of Department (HOD) and his management team made a presentation to the Committee on the department's 1<sup>st</sup> Quarterly Performance Report for the 2016/2017 financial year and further presented the responses to the findings made by the Committee, in respect of the departmental 1<sup>st</sup> quarterly performance.

## 6.1. PROGRAMME 1: ADMINISTRATION

The Committee noted that the department achieved **100%** (16 out of 16 planned targets) for the 1<sup>st</sup> quarter of the 2016/17 financial year. There were no material findings on this programme.

### Financial Performance: Programme 1

Programme Expenditure Programme	Main appropriation R'000	Actual Expenditure R'000	Actual Expenditure %
Administration	110 942	29 752	27%

Out of the total main appropriation of **R110 942 000.00** allocated for this programme for the 2016/17 budget, the actual expenditure amounted to **R29 752 000.00** or **27 %**.

### Economic Classification

	Main budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of employees	67 418	16 704	24.7
Goods and Services	41 214	11 718	28.4
Transfers and Subsidies	600	84	14
Payments for capital assets	1 710	1 246	72.8
<b>Total</b>	<b>110 942</b>	<b>29 752</b>	<b>26.8</b>

On programme 1: Administration, the department was appropriated **R67 418 000.00** and it has spent **R16 74 000.00 (25%)** by the end of 1<sup>st</sup> quarter on Compensation of Employees. On Goods and Services for programme 1; the department was appropriated **R41 214.00** and has spent **R11 718.00 (28.4 %)**; which shows an over

expenditure of 3.4% and is the above 2% acceptable variance according to the Treasury Guidelines. The department under spent by 11% on Transfers and Subsidies. On Capital Assets, the expenditure of the department was at 72.8%; which is above the bench mark of 25% by 47.8%.

The Committee requested the department to provide reasons for the under expenditure on Transfers and Subsidies. In response, it was indicated that the expenditure is dependent on terminations such as resignations, deaths, dismissals and retirement; therefore it is difficult to project the actual expenditure. Therefore, the expenditure for this economic classification will always fluctuate in all the quarters.

The Committee enquired on the reasons for the over expenditure on Capital Assets. It was indicated that the budget allocated was for the purchase of the MEC's car and other capital assets. The MEC's car was bought and paid for during the 1<sup>st</sup> quarter of the financial year, contributing to the 72.8% expenditure. The department will spend within the capital assets budget and will therefore not overspend its budget at the end of the financial year.

## **6.2. PROGRAMME 2: CIVILIAN OVERSIGHT**

The Committee noted that the department has achieved 17(89%) out of 19 planned targets for the 1<sup>st</sup> quarter of 2016/17 financial year.

### **The department failed to achieve the following performance targets:**

- 4 social crime prevention programmes were supposed to be implemented and only 3 were implemented and the reason for deviation is due to none availability of the MEC.
- Only 534 Tourism Safety Monitors (TSMs) should have been monitored and supported but only 496 TSMs were monitored and supported and reason for deviation is that TSMs have resigned.

It was noted that the same performance was reported for the 4<sup>th</sup> quarter of the financial year. The Committee then requested the department to explain when it will appoint the 38 outstanding TSMs who have been reported to have resigned and further enquired on the reasons for the resignation of TSMs. The department indicated that it started the financial year with accruals of about **R77 000 000.00** and had to prioritize the budget to fund the accruals and as a result, had to put on hold, the appointment of the TSMs. It was further indicated that most TSMs resigned due to permanent employment outside the department as well as others being deceased.

#### Financial Performance: Programme 2

Programme Expenditure Programme	Main appropriation R'000	Actual Expenditure R'000	Actual Expenditure %
Civilian Oversight	58 280	11 639	20

As at the end of the 1<sup>st</sup> quarter of the 2016/17 financial year, actual expenditure for this programme amounted to **R11 639 000.00 (20%)** out of the main appropriation of **R58 280 000.00**. The actual expenditure for Civilian Oversight is below the 25% National Treasury benchmark by 5%.

#### Economic Classification

	Main budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of Employees	38 302	9 674	25
Goods and Services	19 517	1 933	10
Transfers and Subsidies	-	-	-
Payments for Capital Assets	461	32	7
<b>Total</b>	<b>58 280</b>	<b>11 639</b>	<b>20</b>

The department was appropriated an amount of **R38 302 000.00** and has spent **R9 674 000.00 (25%)** on Compensation of Employees. The department has spent **R1 933 000.00 (10%)** of the **R19 517 000**, budgeted for Goods and Services. The department has spent **7%** of the main appropriation on Payments for Capital Assets.

The Committee requested the department to provide reasons for the under expenditure on Goods and Services as well as on Payment for Capital Assets. It was reported that the under expenditure for Goods and Services was a result of the planned Community Outreach Programme (Imbizo) that was not implemented and postponed and will only be conducted during the 2<sup>nd</sup> quarter of the financial. The departmental office equipment (laptops and Desktops) could not be purchased in the 1<sup>st</sup> quarter as was planned and will only be procured during the 2<sup>nd</sup> quarter of the financial. The department also reported that the purchase orders for the Laptops and Desktops have been issued.

### **6.3. PROGRAMME 3: TRANSPORT REGULATION**

The Committee noted that the department has achieved **14 (82%)** out of **17** planned targets for the 1<sup>st</sup> quarter of the 2016/17 financial year.

The department failed to achieve the following performance targets:

- 59 807 summons were supposed to be issued; however, only 57 891 were issued. The reason for deviation is that more vehicles and drivers were **found to have complaint**.
- 15 eNaTIS training sessions were supposed to be conducted; however, only 13 eNaTIS training sessions were conducted.
- 230 101 vehicles were supposed to be weighed but only 224 261 vehicles were weighed and reasons for deviation is that there were less vehicles found on the road.

On the establishment of the Traffic College, the department has indicated that the project is on track as per schedule; while the 1<sup>st</sup> quarter report of the Department of



Public Works, Roads and Transport is indicating that Phase 2D, which is Civil Works, is behind schedule. The Committee was informed that the contractor has applied for extension of time and penalties will be then have to be applied.

The Committee requested the department to explain reasons the contradicting reports on the status of the project as indicated above. The department acknowledged that phase 2(D) was actually behind schedule and indicated that the overall construction of the College is on track; as a result, the revised schedule of **30 September 2016** for phase 2(D) Civil Works, will not affect the completion of the project which is due in October 2016.

#### Financial Performance: Programme 3

Programme Expenditure Programme	Adjusted appropriation R'000	Actual Expenditure R'000	Actual Expenditure %
Transport Regulation	540 336	136 152	25

As at the end of the 1<sup>st</sup> quarter of the 2016/17 financial year; the actual expenditure for this programme amounted to **25%** or **R540 336 000.00** out of the **R136 152 000.00**; which is the main appropriation for 2016/17 financial year.

#### Economic Classification

	Main budget/appropriation R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of employees	309 514	78 288	25
Goods and Services	108 555	25 336	23
Transfers and Subsidies	2 176	211	10

Payments for capital assets	120 091	32 317	27
<b>Total</b>	<b>540 336</b>	<b>136 152</b>	<b>25</b>

The main budget for Compensation of Employees; after the budget adjustment, was **R309 514 000.00** and the department spent **R78 288 000.00 (25%)**. On Goods and Services, the department has spent **R25 336 000.00 (23 %)** of the main budget; whereas **10%** was spent on Transfers and Subsidies. The department has spent **27%** on Payments for Capital assets, which is 2% over expenditure and falls within the limits of the acceptable variance.

The Committee enquired on the reasons for the under expenditure on Transfers and Subsidies and was told that the expenditure depended on employees' terminations of service such as resignations, deaths, dismissals and retirement; which made it difficult to project the actual expenditure.

#### **6.4. PROGRAMME 4: SECURITY MANAGEMENT**

Programme 4 has achieved four (4) out of four (4) or 100% of the planned targets for the 1<sup>st</sup> quarter of the 2016/17 financial year.

##### **Financial Performance: Programme 4**

<b>Programme Expenditure</b>	<b>Adjusted</b>	<b>Actual</b>	<b>Actual</b>
<b>Programme</b>	<b>appropriation</b>	<b>Expenditure</b>	<b>Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>%</b>
Security Management	359 812	131 777	37

At the end of the 1<sup>st</sup> quarter of the 2016/17 financial year, actual expenditure for this programme amounted to **37%** or **R131 777 000.00** of the **R359 812 000.00** allocation; which shows an over expenditure of **12%**.

The committee raised a concern on whether the department has reserved the R20 000 000 from the 2015/16 financial year to settle the accruals. The department indicated that they couldn't reserve the R20 000 000 however the department try to raise funds from cost curtailment measures; and the department was unable to settle all the accruals due to insufficient budget and hence an amount of **R60 000 000** was carried over to 2016/17 financial year and the expenditure will on form part of the accruals, therefore the anticipated **R20 million** over expenditure is as result of the above mentioned accruals.

#### Economic Classification

	Main budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of employees	6 947	1 798	26
Goods and Services	350 865	129 960	37
Transfers and Subsidies	-	19	-
Payments for capital assets	2 000	-	0
<b>Total</b>	<b>359 812</b>	<b>131 777</b>	<b>37</b>

The main budget of the department, on Compensation of Employees was **R6 947 000.00** and an amount of **R1 798 000.00 (26%)** was spent. The department has spent **R129 960 000.00 (37%)** on Goods and Services from **R350 865 000.00** main budget. On Transfers and Subsidies, the department spent **R19 000.00** from a zero budget; whereas there was no expenditure under Payments for Capital assets.

The Committee sought clarity on the R19 000.00 expenditure which was not budgeted for under Transfers and Subsidies. The department indicated that the amount was spent on leave gratuity payment made to an official who resigned during the quarter.

## **7. FINDINGS**

### **The Committee made the following findings:**

- 7.1. The department did not achieve some of its planned targets in the 1<sup>st</sup> quarter of the financial year.
- 7.2. The department is projecting an over expenditure of **R20 000 000.00** on accruals on Security Management.
- 7.3. An extension was granted to the contractor responsible for the phase 2(D) - Civil Works construction of the Mpumalanga Traffic College and the revised date is now **30 September 2016**.

## **8. RECOMMENDATIONS**

### **The Committee made the following recommendations:**

- 8.1. The department must develop effective measures and systems that will ensure that they continue to improve on the performance of planned quarterly targets as well as ensuring that planned targets are aligned to the allocated budget.
- 8.2. The department must be developed systems and mechanisms to settle the other accruals amounting to **R20 000 000.00** and ensure that other does not affect the budget for the 2016/17 financial year. A progress made must be submitted to the committee.
- 8.3. The department must ensure that the phase 2D construction of the Mpumalanga Traffic College is completed on time as per the revised date and that penalties

are imposed to the contractor. The proof and progress report thereof must be provided to the Committee.

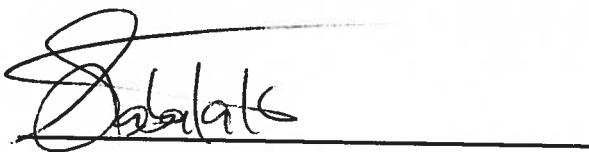
## **8. CONCLUSION**

The Chairperson takes this opportunity to thank the Members of the Portfolio Committee for their active participation and constructive contributions during the deliberations on the Department of Community Safety, Security and Liaison 1<sup>st</sup> Quarterly Performance Report for the 2016/2017 financial year.

In addition, the Chairperson extends a word of thanks to the MEC, HOD and senior management officials for availing themselves to deliberate on matters pertaining to the department.

The Chairperson would also like to thank the support staff for contributing to the production of this report. The Portfolio Committee tables this report to the House for adoption with its recommendations.

**The Department should provide the Committee with a progress report on the implementation of House Resolutions not later than the 30 September 2016.**



**HON GC SHABALALA**

**CHAIRPERSON: PORTFOLIO COMMITTEE ON  
PUBLIC WORKS, ROADS AND TRANSPORT;  
COMMUNITY SAFETY, SECURITY AND LIAISON**

08/09/2016

**DATE**