

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

FOURTH QUARTERLY PERFORMANCE REPORT FOR 2015/2016 FINANCIAL YEAR OF THE DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT

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 131 of the Rules and Orders of the Mpumalanga Provincial Legislature (the Rules), to oversee the performance of the Department of Public Works, Roads and Transport (the department) and hold it accountable through various measures.

The consideration and scrutiny of the Fourth (4th) Quarterly Performance Report for 2015/2016 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 2015/2016 financial year.

2. METHOD OF WORK

The Speaker of the Legislature referred the Fourth Quarterly Performance Report for 2015/2016 to the Committee for deliberations and report back to the House, in accordance with 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 4th quarterly Performance Report for 2015/2016 financial year. The Committee considered the draft Committee Report on the 2015/2016 on 07 September 2016.

3. BRIEF OUTLINE ON STRATEGIC GOALS AND OBJECTIVES

3.1. Outcome Oriented Goals

The department is directly linked to **Outcome 6** which states "an efficient, competitive and responsive economic infrastructure network". **Outcome 6** is linked to eight outputs, namely:

- Output 1 Improving competition and regulation
- Output 2 Ensure reliable generation, distribution and transmission of electricity
- Output 3 Ensure the maintenance and strategic expansion of our road and rail network and the operational efficiency, capacity and competitiveness of our sea ports
- Output 4 Maintenance and supply of availability of our bulk water infrastructure
- Output 5 Communication and information technology
- Output 6 Develop a set of operational indicators for each segment

4. OVERVIEW BY THE MEC

The MEC appreciated the opportunity to appear before the oversight Committee for the first time as an MEC and expressed her views on the importance of oversight bodies and indicated that she viewed them not as a compliance matter only, but a catalyst to the transformation agenda of the society and restoration of dignity of the people, particularly, tackling the triple challenge of unemployment, poverty and inequality.

She indicated that she appreciates constant perceptive and unbiased analysis exerted by the Committee into the performance of the department.

The MEC further presented the following highlights of the Department's 2015/16 achievements:

- Appointment of the Chief Financial Officer which will assist the department to achieve the envisaged clean audit.
- Finalisation of the rationalisation process for Senior Management services (SMS) members which helped the Department to match skills and potentials for the respective programmes of the Department.
- Ninety nine (99.98) expenditure of the appropriated budget.
- Unqualified audit opinion from the Auditor General for the financial year 2015/16.

The MEC also alluded to the increased mandate of the department in infrastructure delivery and indicated that the target has increased to 600 projects. She assured the committee that the department will strive for a balance between expenditure and performance.

5. SUMMARY OF THE FINANCIAL PERFORMANCE FOR THE 4TH QUARTER

The Department of Public Works, Roads and Transport had a final adjusted budget amounting to **R 4 400 049 000.00 (billion)**, for the 2015/16 financial year. At the end of the 4th quarter of the 2015/16, the actual expenditure of the department amounted to **R 4 390 224 000.00**, which is **99.8%**, that is **0.2% (R 9 825 000.00)** below the 100% benchmark norm.

The spending pattern per Programme indicates that Programme 4 and 5 are the highest in expenditure at **103.8% or R 40 545 000.00** and **109% or R 5 924 000.00** respectively, while all other Programmes spent below the 100% benchmark norm. Programmes 1 and 2 materially under spent allocated budget by **3% or R 7 202 000.00** and **6.2% or an amount of R 44 012 000.00** respectively, while programme 3 under-spent by **0.2% or an amount of R 5 080 000.00**; however, within the relevant range regarded as immaterial of **2%** over or under expenditure. In overall, the department has under-spent its budget in the 4th quarter by **0.2%** i.e. expenditure at **99.8%** which is regarded as immaterial by the Treasury Guide.

Table 1: DPWRT 2015/16 Actual Expenditure v/s Adjusted Budget

Budget Allocation	Main Appropriation	Adjustments As per AEPRE	Final Budget	Actual Expenditures	% Actual Allocation
R'000	2015/16	2015/16	2015/16	2015/16	2015/16
Administration	235,636	1362	236 998	229 796	97%
Public Works Infrastructure	710,200	1892	712 092	668 080	93.8%
Transport Infrastructure	2,285,291	33 334	2 318 625	2 313 545	99.8%
Transport Operations	1,060,749	5 416	1 066 165	1 106 710	103.8%
Community Based Programme	66,169	-	66 169	72 093	109%
Total	4,358,045	42 004	4 400 049	4 390 224	99.8%

Table 2: DPWRT Adjusted Budget v/s Expenditure per Economic Classifications

Budget Allocation	Main Appropriation	Adjustment As per AEPRE	Final Budget	Actual Expenditures	% Actual V/S Allocation
R'000	2015/16	2015/16	2015/16	2015/16	2015/16
Compensation of Employees	855,181	24 004	879 185	877 399	99.8%
Goods and Services	1,388,903	111 371	1 500 274	1 513 333	100.9%
Transfers and Subsidies	661,562	-	661 562	687 544	103.9%
Payments for Capital Assets	1,452,399	(93 371)	1 359 028	1 311 334	96.5%
Payments of Financial Assets	-	-	-	614	(614)
Total	4,358,045	42 004	4 400 049	4 390 224	99.8%

Table 1 is a summary of the actual expenditure per Programme and the Final adjusted budget per Programme as well as actual expenditure as a percentage of the adjusted budget per Programme, while Table 2 is a summary of actual expenditures per economic classification for the 4th quarter of the 2015/16 financial year versus the Final adjusted budget for the same period, with actual expenditure as a percentage of the final adjusted budget also included in the last column.

Table 1 gives an indication that the department under spent by 0.2%, hence, an overall spending of 99.8%. However, table 2 shows that funds allocated for Compensation of Employees and Payments of Capital Assets have been under-spent by 0.2% or R 1 786 000.00 and 3.5% or R 47 694 000.00 respectively, while funds for Goods and Services as well as transfers and payments have been over-spent by 0.9% or R 13 059 000.00 and 3.9% or R 5 982 000.00. An unauthorised expenditure

amounting to **R 614 000.00** was realised on Payments of Financial Assets for the financial year 2015/16 as the department spent funds not allocated for such.

The department did not indicate reasons for deviation or any motivation on what caused the spending of unallocated funds except that any over-expenditure of programmes in the financial year 2015/16 will be defrayed from programmes which has savings/under-spent its funds in 2015/16, hence the department planned to defray the total amount of **R 39 655 000.00** over-spent with the total amount of **R 49 480 000.00** under-spent and surrender the remaining **R 9 825 000.00** in the financial year 2015/16.

The Committee noted that the department surrender the unspent funds amounting to **R 9 825 000.00**. The department reported that funds were surrendered to Provincial Treasury by the end of April 2016. The Committee also requested the department to explain what caused the unauthorised expenditure of R 614 000.00 on Payments of Financial Assets. The Committee further requested the department to explain what caused the over- expenditure of **R 25 982 000.00** on transfers and subsidies, and whether it was caused by poor planning of the department; furthermore, if it could have not been avoided if proper planning was done.

6. OBERVATIONS AND COMMENTS

- The Committee congratulated the Hon SJ Manzini for her appointment and appreciated the fact that she also appointed the youth in her department.
- The Committee also recognized and welcomed the appointment of the CFO after the department had an acting Chief Financial Officer for a long time.
- The Committee also noted that some of the annexures attached in the documentation from the department are not clear.

7. DELIBERATIONS ON 4TH QUARTER PERFORMANCE 2015/16

7.1. Programme 1: Administration

It was noted that the programme has 3 sub-programmes namely: Office of the MEC, Management of the Department and Corporate Support. However; with regard to the performance indicators, the department managed to report only on sub- programme: Corporate Support.

Planned targets & achieved targets vs spending

Sub-programme	Performance Indicator	Planned for 4 th Quarter	Achieved for 4 th Quarter	Deviation	Performance at year –end	Spending Patten
Corporate Support	% of performance agreements signed	-	-	-	100%	
	Number of interns enrolled	-	-	-	100	
	Number of learners enrolled	-	-	-	50	
	Annual Performance Plan submitted for tabling	1	1	-	1	98.6%
	Annual Report submitted for tabling	-	-	-	1	
	Evaluation study conducted	-	-	-	1	
	% of invoices received and paid within 30 days	100%	100%	-	98%	
	Total amount of revenue collected	R5.5 Million	R7.7 Million	-	R28 Million	

Table 3 above illustrates that the department planned and achieved all three (3) planned targets for the 4th quarter. An over achievement of **R 2 200 000.00** was realised on collection of revenue, which

is due to the interest accrued on the department's bank account, auctions made and impound/collected fees.

Basically, the targets as set on the APP 2015/16 of the department under programme 1 were achieved at 100%, except for the payment of invoices in 30days, which stood at 98% and the reason for this as stated by the department is that some payments were not processed within 30days due to insufficient cash.

Initial allocated a budget for programme 1 amounted to R 235 636 000.00. This was revised by R 1 362 000 leading to a final budget of R 236 998 000.00 for the 2015/16 financial year. Out of the total final budget the Department has managed to utilise R 229 796 000.00, which is 97%, thus 3% or R 7 202 000.00 under-spending.

The Committee requested the department to explain how many invoices were not paid as at year-end 2015/16 as well as the reasons thereof. The department indicated that a total of 1 696 invoices valued at R89 320 000.00 could not be processed at year-end, due to insufficient cash in the departmental account.

7.2. Programme 2: Public Works Infrastructure

With regard to the performance for programme 2, Table 4 below illustrates the planned targets and achievement against the spending of the department. The programme had nine (9) planned targets and managed to achieve six (6) which is 66.6% and failed to achieve three (3) planned targets for the 4th quarter. The initial budget allocation for programme 2 amounted to R 710 200 000.00. This was revised by R 1 892 000.00 to total final budget of R 712 092 000.00 for the financial year 2015/16.

Table 4: Planned and achieved targets vs spending

Sub-programme	Client Department	Annual Planned Target	Planned for 4 th Quarter	Achieved for 4 th Quarter	Deviation	Achieved at year-end 15/16	Deviated at year-end 15/16	Spending Pattern
Design CAMP submitted to the	n/a	1	-	-	-	1	None	

relevant Treasury in accordance with GIAMA								90.2%
No of Infrastructure designs ready for tender	DoE	27	-	-	-	23	4	
	DoH	25	-	-	-	16	9	
	DSD	8	2	0	2	6	2	
	DCSR	11	-	-	-	6	5	
Construction No of capital Infrastructure projects completed within the agreed time period	DoE	74	9	6	3	16	58	
	DoH	28	22	0	22	1	27	
	DSD	10	-	-	-	1	9	
	DCSR	8	2	1	1	1	7	165.9%
No of capital infrastructure projects completed within agreed budget	DoE	74	9	6	3	21	53	
	DoH	28	22	0	22	2	26	
	DSD	10	0	0	0	2	8	
	DCSR	8	2	1	1	2	6	
Maintenance No of projects completed on agreed time			14	14	0	20	None	80.1%
	No of projects completed on agreed budget		14	14	0	20	None	
Property Management No of immovable assets verified in IAR		605	605	605	0	605	None	
	No of properties receiving facilities management	9	9	9	0	9	None	92.1%
No of condition assessments conducted on state-owned buildings		100	50	100	-	100	None	
No of leases concluded in respect of office accommodation		10	10	10	-	10	None	

A total amount of R 668 080 000.00 was spent on the programme, which translate to 93.8% for the 4th quarter for the 2015/16 financial year. On sub-programmes performance, the following was noted:

Report of the Portfolio Committee on Public Works, Roads and Transport; Community Safety ;Security and Liaison of the 4th quarter Performance Report 2016/17

7.2.1. Design

The sub-programme had one (1) planned target for the 4th quarter and this was not achieved. The budget expenditure was at **90.2%**, which marked is **9.8% or R 1 813 000.00** under expenditure

The Committee requested the department to clarify the differences between what can be evident from the four (4) quarterly reports.

The Committee noted that the department indicated that the completion timeframe for the Rob Ferreira Hospital projects on planning and design was April 2016. The Committee requested the department to indicate the status quo of the project as well as the projects in Mapulaneng Hospital. The department reported that the acquisition and confirmation of the sited for phase 1 was finalised- (i.e. fence, bulk services and the access road) and is out on tender construction is expected to commence in August 2016 for completion in December 2016. Further, the department indicated that phase 2; which is building works, is currently at the planning and design stage. The construction is planned to commence in the 2017/18 financial year.

Ehlanzeni Secure Care Centre and Nkangala Inpatient Centre

With regard to projects at Ehlanzeni Secure Care Centre and Nkangala Inpatient Centre, the department indicated that they could not be concluded in the current financial year 2015/16, thus it have been reprioritised for 2016/17 financial year.

The Committee requested the department to provide a revised date of completion and also reasons for non-completion of the projects in the planned dates. It was indicated that planning and design for the Nkangala Inpatient Youth Treatment Centre was completed in June 2016. However, the Ehlanzeni Secure Care Centre was deferred to the 2017/18 financial year by the department of Social Development due to insufficient budget.

The department further indicated that the Kanyamazane CHC is experiencing site challenges; while Nkangala District Offices completion date was rescheduled due to the extent of the scope. The department was required to share details with regard to the extent of the scope and revised completion date. Site challenges resulted to the revision of the completion date for the Kanyamazane CHC.

The department reported that planning and design for the Nkangala District Office was completed in April 2016 and the delay was as a result of a comprehensive assessment of the entire building as opposed to only the third floor, as originally planned. Further, the department indicated that the identified site for the construction of Kanyamazane CHC was deemed too small to house the project; as a result, the project layout had to be altered to fit the site. Planning and design is planned for completion in September of 2016.

7.2.2. Construction

The department planned to complete **33** capital infrastructure projects within agreed time and budget; however, only seven (7) of the planned target were achieved. The department has materially overspent its budget for the sub-programme by **165.9%** by end of the 4th quarter and still had **101 and 93** respectively of unachieved planned targets by the end of the financial year 2015/16.

The Committee had a concern that the sub-programme was not performing as planned and that there was no correlation between the planned and achieved targets versus the budget spent.

It was also noted that in total, the department had planned to construct 120 capital projects for the client departments, as per the table 4 above in the agreed timeframe and budget. However, only 19 targets were achieved on agreed time and 27 targets achieved on agreed budget by end of the financial year 2015/16 and this was a concern to the Committee.

The Committee noted that the department has overspent its budget for sub-programme 2: Construction (i.e. at 165.9%) in the 4th quarter and still had 101 targets to achieve by the end of the financial year 2015/16.

7.2.3. Maintenance

The committee commended the department on the good work done on completing maintenance projects on agreed time and budget:

The department was requested to provide the committee with names and profiles of the completed projects, as well as the project profiles of the 20 infrastructure projects that were maintained in the 2015/16 financial year for all client departments.

The committee noted that the department has materially under-spent its budget for this sub-programme by 19.1% at the end of the 4th quarter by spending of 80.1%; while all 12 months planned targets are achieved. It was noted as well that in the 3rd quarter, the spending was at 59.9%, which was an under spending of 15.1%. The department was asked reasons for the material under spending. It was responded that the budget is allocated for the 20 building maintenance projects which are planned for completion in the 4th quarter. Expenditure will mainly be incurred once the projects are completed. The allocated budget will therefore be spent as planned.

7.2.4. Property Management

The department managed to achieve all its planned targets for the 4th quarter as indicated in table 4 above and it has been noted that the department has achieved all planned targets for the financial year under sub-programme, Property Management; except for the material under expenditure of the budget during the 4th quarter by 7.9% (a total expenditure of 92.1%).

7.3. Programme 3: Transport Infrastructure

Table 5 below seeks to illustrate the planned and achieved targets against the spending of the department, whereby the programme has seven (7) planned targets and the department managed to achieve five (5) or 71.4% planned targets as per APP for the quarter under review.

Table 5: Planned and achieved targets vs spending

Sub-programme	Indicator	Annual Target	Planned for 4 th Quarter	Achieved for 4 th Quarter	Deviation	Achieved at year-end 15/16	Deviated at year-end 15/16	Spending Pattern
Infrastructure Planning	No of kilometres of surfaced and gravel roads assessed as per the applicable TMH manual	5 200	-	-	-	5200	None	138.9%
	No of kilometres of surfaced roads visually assessed as per the applicable THM manual	3500	-	-	-	2 495	(1005)	

Design Roads	No of infrastructure designs ready for tender	4	1	1	-	4	None	82.2%
Construction Roads	No of kilometres of gravel roads upgraded to surfaced roads	15	8	1	(7)	7	(8)	96.8%
Maintenance Roads	No of lane –km of surfaced roads rehabilitated (No of square metres of surfaced roads rehabilitated)	140 (615 000)	78 (293 360)	39 (208 120)	(39) (85 240)	137 (602 800)	3 (12 200)	102.7%
	No of square meters of surfaced roads resealed	1 138 925	250 000	542 798	292 798	828 016	(310 909)	
	No of kilometres of gravel roads re-gravelled	145	45	399	354	851	706	
	No of square meters of blacktop patching	97 810	18 810	56 331	37 521	182 675	84 865	
	No of kilometres of gravel roads bladed	23 460	4000	6 532	2 532	28 078	4 618	

Initially, the programme was allocated a budget of R 2 285 291 000.00, which was revised by R 33 334 000.00, which saw a final total budget amounting to R 2 318 625 000.00, for the financial year 2015/16. Out of the total allocated budget, the department managed to utilise an amount of R 2 313 545 000.00, which translate to 99.8% for the 4th quarter for the 2015/16 financial year. The department has spent below the treasury benchmark norm 0.2%, which is regarded as immaterial; therefore, there are no material findings. The department, however, shared the following to the committee:

5.3.1. Sub-Programme: Construction

Since the department remains with a backlog of eight (8) planned targets on indicator regarding the number of kilometres of gravel roads upgraded to surfaced roads; the Committee requested the department to share the plans it has put in place to ensure that those targets are achieved by the end of the 2016/17 financial year; indicating the project profiles of the eight (8) outstanding roads, completion dates and allocated budget. The department indicated that it planned to upgrade 8km of gravel roads to surfaced roads in the 4th quarter, however; only managed to complete 1km.

5.3.2. Infrastructure Planning

According to the 2015/16 APP, under sub-programme 1: Infrastructure planning, there are two performance indicators which are the number of kilometres of surfaced and gravel roads assessed annually, with a target number of 5200 and 3500 to be achieved in the 2nd quarter respectively.

During the 2nd quarter, the department indicated a 5 428 over achievement on assessed surface roads with and an 2 495 under achievement of assessed gravel roads; however, the reports from the department emanating from the 3rd quarter performance reports indicated that the remainder of 1005 targets on gravel assessed will no longer be assessed in the financial year 2015/16 and that an effort will be made in future to ensure that set targets are proportionate.

When considering the allocated budget for the sub-programme, the department has materially over-spent by 38.9% (i.e. 138.9%). The department indicated that the budget was used for the assessment of roads but also includes other operational activities i.e. Management of Maintenance Management System and the Road Asset Management System.

5.3.3. Maintenance Roads

With regard to sub-programme 3: Maintenance; under the performance indicator - number of square meters of surfaced roads rehabilitated, the department planned to achieve **293 360 square meters** and only achieved **208 120 square meters** for the 4th quarter, due to a contractors cash flow problems and extension of time granted on the basis of increased scope of work.

The department has planned 615 000 square metres of surfaced roads to be rehabilitated for the 12 months, however, only managed to rehabilitate only 602 800 and remaining with a backlog of 12 200. Also, on the same sub-programme, the department planned to achieve 1 138 925 square metres of surfaced roads resealed and only 828 016 square metres were achieved; thus have a backlog of 310 909 square metres for the financial year 2015/16 while the budget has been over-spent by 2.7%.

The department explained that it managed to rehabilitate 602 800 of 615 000 square meters (137km of the 140km) of roads planned for the 2015/16 financial year and planned to rehabilitate 649 300 square metres of surfaced roads in 2016/17 financial year. This target has increased by 47 300 square metres.

7.4. Programme 4: Transport Operations

Table 6 below seeks to illustrate the planned and achieved targets against the spending of the department, whereby the programme has **15** planned targets and the department has managed to implement only **eight (8)** or **53.3%** of its planned targets as per APP. Initially, the department was allocated a budget of **R 1 060 749 000.00**, which was revised with **R 5 416 000.00**; amounting to a total final budget of **R 1 066 165 000.00** for the financial year 2015/16.

Table 6: Planned and achieved targets vs spending

Sub-programme	Indicator	Annual Target	Planned for 4 th Quarter	Achieved for 4 th Quarter	Deviation	Achieved at year-end 15/16	Deviated at year-end 15/16	Sp
Public Transport Services	No of kilometres subsidised	577	577	577	None	577	None	
	No of routes subsidised	154	154	154	None	154	None	
	No of kilometres subsidised	27 752 362	6 938 092	6 388 602	549 490	26 654 741	(1 097 621)	
	Kilometres operated per vehicle	48 097	12 025	11 071	954	46 206	(1 891)	
	Passengers per vehicle	110 140	27 535	24 653	2 882	98 056	(12 084)	
	Passengers per trip operated	74.4	74.4	71.2	3.2	69.6	(4.8)	
	Staff per vehicle	2.1	2.1	2.1	None	2.1	None	
	No of subsidised passengers	56 454 793	14 113 699	12 800 349	1 313 350	51 747 797	(4 706 996)	
	No of unsubsidised passengers	7 096 061	1 774 016	1 425 031	348 985	5 757 278	(1 338 783)	
	No of trips subsidised	853 866	213 468	199 699	13 769	822 163	(31 703)	104
	No of bicycles procured	6500	-	-	-	-	(6500)	
	Number of PRE hearing conducted	48	12	12	None	48	None	
	No of scholar transport operators contracted	111	111	111	None	111	None	
	No of scholar transport routes monitored	1 364	341	341	None	1364	None	
Transport Safety and Compliance	No of learners eligible to benefit from learner transport	60 074	60 074	60 231	157	60 231	157	
	No of roadblocks conducted	2500	600	786	186	2 850	850	130.

Transport System								58
Infrastructure Operations	No of projects completed	4	-	-	-	4	None	92.

Out of the total budget allocated, the department managed to utilise an amount of **R 1 106 710 000.00**, which translate to **103.8%** for the 4th quarter for the 2015/16 financial year. The department has spent above Treasury benchmark norm by 3.8%. Being the second largest programme with regards to the total budget, the Committee is concerned to note that the budget has being spent at 103.8% whilst some targets remain unachieved, with a remaining back-log of **46.6%** on planned targets. Moreover, there was no correlation between achievements of planned targets as per APP and the expenditure.

7.5. Programme 5: Community Based Programme

Table 7 below seeks to illustrate the planned and achieved targets against the spending of the department, whereby the programme had ten (10) planned targets and the department has achieved only two (2) of its planned targets as per APP. Initially, the department was been allocated a budget of **R 66 169 000.00**, which was not revised for the financial year 2015/16.

Table 7: Planned and achieved targets vs spending

Sub-programme	Annually	Planned for 4 th Quarter	Achieved for 4 th Quarter	Deviation	Achieved for the year	Deviated for the year	Spending Patten
Community Development	No of EPWP opportunities created by the provincial DPWRT	17 770	4450	-	(4450)	5 372	108.7%
	No of full time equivalents (FTEs) created by the DPWRT	5 795	1 449	-	(1449)	1 817	3 975
Innovation and Empowerment	No of Beneficiary empowered interventions	3	3	3	-	3	None
	No of public bodies reporting on EPWP targets within the	31	31	31	-	30	1

	province						
	No of interventions implemented to support public in the creation of targeted number of work opportunities in the province	4	1	1	-	4	None
EPWP Co-ordination & monitoring	No of jobs created	57 599	12 716	-	(12 716)	15099	42 500
	No of full time equivalents (FTEs)	22 597	3 840	-	(3 840)	6 140	16 457
	No of youths employed (18-35)	31 679	6 344	-	(6 344)	7 651	24 028
	No of women employed	31 679	6 344	-	(6 344)	10 395	21 284
	No of people with disabilities	1 152	215	-	(215)	417	735

85%

Out of the total allocated budget, the department managed to utilise an amount of **R 72 093 000.00**, which translates to **109%** for the 2015/16 financial year. The department has materially over-spent its budget by **9% or R 5 924 000.00**.

Due to unpublished validation figures for the 4th quarter, the department only reported its performance for the 1st, 2nd and 3rd quarter. Since there was an indication given by the department that it takes a period of 3 months to validate and publish figures through the introduced system by the National Department of Public Works, Roads and Transport; it was therefore difficult to ascertain whether the targets for the 4th quarter were achieved or not.

7.5.1. Community Development

The department has reported performance for only the first three quarters; however, it is concerning that on the targets planned for the 3 quarters for both the **13 320** EPWP work opportunities created and **4 347** full time FTEs created; only **5 372** and **1 817** planned targets were achieved respectively; leaving a backlog of unachieved **7 948** and **2 530** targets respectively. The department has however, over spent its allocated budget by 8.7%.

The department emphasised that the achievement of targets for the sub-programme is highly contributed by the fact that there are strict validation criteria introduced by the NDPW who are also

the once who set targets for the department. Hence, the department always remain with an achievement of less than 100%.

7.5.2. Innovation and Empowerment

The Committee noted that the department performed well under the sub-programme as almost of the planned targets were achieved, with an exception of the number of public bodies reporting on EWPP targets within the province. Moreover, there is a material over-expenditure by **41.1%**.

6. FINDINGS

The Committee made the following findings:

- 6.1. The department is spending high expenditure on Compensation of Employees.
- 6.2. The department has been delaying implementation of most capital infrastructure projects it is implementing on being of client departments.
- 6.3. The department kept on carrying non-achieved 2015/16 targets forward to 2016/17 financial without actually incorporating them in the 2016/17 plan, this may compromise achieving 2016/17 targets that are actually planned.
- 6.4. The department delays in the awarding of the maintenance contracts for building maintenance caused 7.9% under spending.

7. RECOMMENDATIONS

The Committee made the following recommendations:

- 7.1. The department must develop a strategy to reduce its wage bill, which compromises the budget allocated to service delivery.

- 7.2. The department must develop effective measures and systems that will ensure the improvement of its performance on the planned capital infrastructure projects quarterly targets.
- 7.3. The department must ensure that infrastructure projects planned for the financial year are completed before the end of the financial year without compromising the quality of work.
- 7.4. The department must develop a strategy to tackle delays in awarding contracts, so that service delivery will not be compromised

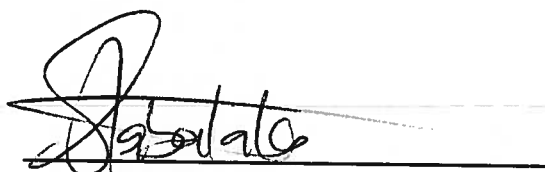
8. CONCLUSION

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 Public Works, Roads and Transport Second Quarterly Performance Report for the 2015/2016 financial year.

In addition, the Chairperson extends a word of thanks to the 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