

COMMITTEE REPORT OF THE PORTFOLIO COMMITTEE ON HEALTH AND SOCIAL DEVELOPMENT IN RELATION TO THE 2017/18 ANNUAL REPORT FOR DEPARTMENT OF SOCIAL DEVELOPMENT (DSD) – MEETING HELD ON 18 OCTOBER 2018

1. INTRODUCTION

The Portfolio Committee on Health and Social Development (the Committee) conducted an oversight over the Department of Social Development (the Department), as it is mandated by Section 114 of the Constitution of the Republic of South Africa (Act 108 of 1996), to determine whether the Department has a specific, measurable, achievable, realistic and timeous (SMART) Plan and a sufficient Budget to implement an efficient, effective, equitable and economic service delivery to all the people of the Province during the 2017/18 financial year.

2. METHOD OF WORK

The Speaker referred the Department's 2017/18 annual report to the Portfolio Committee on Health and Social Development for consideration and report back to the Legislature, as contemplated in rule 219 (4) of the Rules and Orders of Mpumalanga Provincial Legislature (the Rules).

On 12 October 2018, the administration (Cross-Functional Team) briefed the Committee on the analysis of the 2017/18 Annual Report; thereafter the Committee met with the Department on 18 October 2018 to deliberate and scrutinize in detail the aforementioned document. The Committee then met on 31 October 2018, to consider the draft Committee report.

3. GENERAL OBSERVATIONS

The Committee noted and observed the following from the 2017/18 annual report of the Department:

- ❖ The department obtained a **clean audit opinion** in **2015/16** financial year, in **2016/17** received an **unqualified audit opinion** with findings on predetermined objectives.

For the year under review, the department received an **unqualified audit opinion** with findings on predetermined objectives as in **2016/17** financial year;

- ❖ The department only managed to achieve **83.3 %** of its targets against the expenditure of **99.8%**;
- ❖ The department incurred an irregular expenditure of **R 95 692 000** in the year under review;
- ❖ The department incurred fruitless and wasteful expenditure of **R 1 000. 00** in the 2017/18 financial year as a result of interest charged due to late payments.

4. PART A: PERFORMANCE ANALYSIS: STRATEGIC OVERVIEW

Compliance to the Annual Report Guide

The DSD Annual Report (AR) adhered to the National Treasury Guide for the Preparation of the Annual Report for the year ended 31 March 2018. The report is compiled and signed by all relevant designated officials as required.

The vision, mission and values were clearly stated as per the Treasury Guide. The department also managed to outline the legislative and other mandates that govern its operations.

The MEC's foreword managed to give an overview of the department achievements and challenges for the year under review. It elaborated on progress around Early Childhood Development, Youth Empowerment, strides around people with disabilities and substance abuse.

Part A also has the Accounting Officer's foreword with more extensive overview of the Department's operations. The Accounting Officer (AO) managed to provide the financial breakdown to show the performance of each programme and the expenditure thereof for transparency and accountability.

PART B: DEPARTMENTAL PERFORMANCE

Service Delivery Environment

The department took into account the changing population trends in the province which had a positive impact as it assisted with proper planning of services for the vulnerable groups that fell within its scope and mandate. Special attention was given to the needs of women and children due to their socio-economic and cultural status and the high concentration of poverty amongst them.

Organizational Environment

The department faced a challenge with regards to supporting households that were affected by hail storm in and around Ehlanzeni District. Technologically, the department is reportedly in the process of moving towards paperless administration.

During 2017/18 financial year, the provincial government issued a directive that all vacant funded or unfunded posts must be abolished and that there is a moratorium on the filling of vacant funded posts.

PART C: FINANCIAL INFORMATION

Programme	Final Appropriation	Actual Expenditure	%	Final Appropriation	Actual Expenditure	%
	2016/17			2017/18		
	000'	000'		000'	000'	
Administration	271 633	265 772	98	273 194	271 792	99.5
Social Work Services	240 475	240 460	100	229 939	227 880	99.1
Children and Families	518 960	498 072	96	561 923	557 916	99.3
Restorative Services	223 696	196 867	88	247 212	246 808	99.8
Development and Research	181 327	168 672	93	172 170	171 730	99.7
TOTAL	1 436 091	1 369 843	95.3	1 484 438	1 474 275	99.3

Expenditure on Economic Classification

Programme	Final Appropriation	Actual Expenditure	%	Final Appropriation	Actual Expenditure	%
	2016/17			2017/18		
	000'	000'		000'	000'	
Compensation of employees	595 945	590 774	99	666 881	661 872	
Goods and services	188 238	183 764	98	164 570	169 967	
Transfers and subsidies	504 460	503 799	100	517 536	508 557	
Capital assets	145 460	90 385	62	135 451	133 878	
Payment of Financial assets	1 121	1 121	100	0	0	0
TOTAL	1 436 091	1 369 843	95.3	1 484 438	1 474 275	99.3

5. UPDATED PROGRESS REPORT ON THE 2016/17 ANNUAL REPORT HOUSE RESOLUTIONS

Resolution	Progress
<p>1. Effectively implement the measures put in place to address the Auditor General's findings, strengthen monitoring and evaluation in this regards for improved overall performance and also provide report by 28 February 2018;</p>	<p>An audit action plan was developed to address matters raised by Auditor General of which progress thereof is provided on monthly basis. Attached is the progress report for the period ended December 2017.</p>
<p>2. Outline the steps/measures put in place to address the fruitless and wasteful expenditure and provide progress report thereof on the implementation of the steps by 28 February 2018;</p>	<p>The amount incurred is irregular expenditure in respect of spending of multi-year social infrastructure projects implemented by DPWR&T as implementing agent. This emanates from non-compliance to supply chain management processes in awarding contracts for implementing departmental projects during 2014/15 financial year. These are multi- year infrastructure projects. In addressing this matter, departmental officials are now members of both evaluation and adjudication committees who represent the Department for departmental infrastructure projects. The process of condoning the expenditure is facilitated by the Office of the Premier working together with the Provincial Treasury which is now at a final stage.</p>
<p>3. Provide a progress report on the consultation and implementation of the Social Facilitation Policy to address the issue of site dispute and its effect on infrastructure development by 28 February 2018;</p>	<p>The site dispute in Mbusizi was resolved and construction will commence soon. Extensive consultations with the Traditional leadership and other stakeholders were held in view of some misunderstanding around the site for this project. However, the issue has since been resolved and construction is due to start.</p>

<p>4. Provide a detailed progress report on the infrastructure development of the 55 ECD centres that have benefited from the R5. 382 million inclusive of set time frames by 28 February 2018;</p>	<p>The amount of R5 185 million has been transferred to the ECD centres and most of the work is above 80% complete. All remaining ECD centres will be signed off by the end of February 2018. Completion certificates were signed at 21 ECD centres.</p>
<p>5. Provide a detailed progress report on the services by the Child and Youth Care Workers by 28 February 2018;</p>	<p>Currently there are 262 trainee child and youth care workers. The scope of practice of a trainee child and youth care worker may include the following activities practiced under the supervision of a Mentor (who is a qualified Child and Youth Care Worker):</p> <ul style="list-style-type: none"> • the provision of basic and developmental care of children and youth where their physical, emotional, spiritual, cognitive and social needs are protected • the application of behaviour management and support techniques • in routine child and youth care work • assistance with the implementation of programs and activities for children and youth on the basis of their identified developmental needs participation in the developmental assessment of children and youth • the implementation of life space work in the routine child and youth care work context • the promotion of the rights of children and youth. • participation in a multi-disciplinary team
<p>6. Provide progress report on the services provided in partnership with the Department of Health for the Mental Health Care patients at Siyathuthuka Centre by 28 February 2018.</p>	<p>The Department of Health is currently in the process of cleaning their data to determine the clients who would require integration. As soon as they have finalized the process the actual integration will start soon.</p>

6. ANALYSIS ON ANNUAL PERFORMANCE: 2017/18

Programme	Planned Targets	Achieved Targets	% Achieved Targets	% Budget Expenditure
Administration	27	26	93	99.5
Social Work Services	28	24	86	99.1
Children and Families	19	11	58	99.3
Restorative Services	20	17	85	99.9
Development and Research	36	30	83	99.8

PROGRAMME 1: ADMINISTRATION

The purpose of this programme is to provide policy and strategic direction by management. To improve on governance and institutional development, the Department focuses on research, planning, analysis and monitoring and evaluation capabilities. The Department declined in terms of achieving its planned targets, the programme in question had a total number of 27 targets and only 25 (93%) were achieved.

Irregular Expenditure

The committee noted that the department incurred an irregular expenditure of R 95 692 000 in the period under review, this indicates an increase of R 291 000.00 as it inclined from R 95 401 000 in the 2016/17 financial year. The committee enquired about the basis of the incline. The department reported that the escalation relates to the use of service providers appointed to handle litigation matters of the Province.

The department was then asked to provide progress with regard to the investigation in respect of the R 95 692 000 irregular expenditure. The department reported that the matter was referred to the Office of the Premier together with supporting documents for investigation of which the department was still awaiting the report. As preventative measures in this regard, the department reported that it is represented in the Bid Committees of the

Department of Public Works, Roads and Transport for evaluation and adjudication of Social Development infrastructure projects.

Fruitless and Wasteful Expenditure

It was noted that the department incurred fruitless and wasteful expenditure amounting to **R1 000 .00** in the period under review as a result of interest charged due to late payments; non-compliance with Treasury Regulation in terms of 30 days' payments as per Treasury Regulation 8.2.3. The department reported that the amount incurred as fruitless and wasteful expenditure as reported being under investigation in the annual financial statements amounts to **R 4 000.00**. An amount of **R 2 000.00** has been recovered, a balance of **R 2 000.00** is reflected in the annual financial statements which is still to be recovered. The expenditure was incurred in settlement of penalties for late payment of a court order. The department further reported that there are systems and internal controls in place to detect and prevent fruitless, wasteful, irregular and unauthorised expenditure such as maintenance of invoice registers, payment register and reports on fruitless and wasteful expenditure.

Performance Management

The department was asked to indicate the strategies put in place to improve adherence to timeous submissions of assessments by employees. The department reported that it would issue annual schedule for the mid-term and annual assessments wherein a function used for capturing of assessments would be removed immediately after the closing date and non-compliance would be dealt with in terms section 16 of the Public Service Act and provisions dealing with non-compliance in the PMDS policy shall be invoked.

Vacancy Rate

The committee noted with concern that the level of vacancies is affecting actual performance by the workforce resulting in poor service delivery, and enquired when the critical posts are envisaged to be filled. The department reported that it has made a submission to the Budget and Finance Committee seeking approval to fill critical posts. And outlined that once approval is granted, the department would begin the process of recruitment and selection.

PROGRAMME 2: SOCIAL WELFARE SERVICES

This programme deals with the integrated developmental Social Welfare Services rendered to the poor and vulnerable with the aim of poverty reduction for children, adults and older persons. The programme displayed a slight improvement in terms of performance in the financial year under review as it recorded a percentage of **86 %** as compared to **83%** from the previous financial year. Out of the **28** targets the department managed to achieve **24**.

Construction of Early Childhood Development Centres

The committee noted that out of the 7 planned ECDs facilities only 5 were completed. The delays are reportedly attributed to site disputes and late appointment of contractors by the implementing agent (Department of Public Works, Roads and Transport). The committee then requested for progress report. The department reported that the Standerton ECD is currently under construction and it is at 40% completion level and the planned completion date is set for February 2019. The construction of the Mbuzini ECD Centre has not commenced, however, the tender closed in June 2018. Masizila Construction is the service provider appointed and site-handover was reportedly done on 18 October 2018.

Nkangala Substance Abuse Treatment Centre

The committee wanted to know when the Nkangala Substance Abuse Treatment Centre was envisaged to be completed. The department reported that phase one of the Centre has been completed and the building was handed over to the department in August 2018, and the Health and Safety Occupational certificate from the municipality was also received by the department. The department further reported that a request for funding was submitted to Provincial Treasury (PT), the department is awaiting a response from Provincial Treasury.

PROGRAMME 3: CHILDREN AND FAMILIES

This programme is core in caring for children in ECD centres, partial care centres, drop-in centres, ISIBINDI centres community-based care centres. This programme further declined in terms of performance only achieving **58%** of total planned targets, from **61.5%** achieved in

the previous financial year. It should be noted that the department had achieved **81%** of total planned targets in 2015/16 financial year.

Foster Care

The committee asked about the processing of foster care applications and enquired if the forms are user friendly for applicants. The department reported that the foster care placement commences when cases of children in need of care and protection are reported to the department. A Social Worker is allocated the case for investigation and a report is presented to court in term of the Children`s Act 38 of 2005 as amended. The court in its determination will issue a court order placing the children in the care of the recommended guardian/care giver.

Early Childhood Development (ECD)

The committee asked if the department had noted any improvement since the implementation of interventions by the department with regards to issues of compliance to norms and standards for ECD registrations. The department reported that the department has noted some improvement as more ECD Centres have been registered and complying to the norms and standards as stipulated in the Children`s Act ,38 of 2005 as amended. The registered Centres are reportedly providing registered ECD programmes which are beneficial to the growth and development of the children.

The department was also asked how it was assisting or encouraging parent`s involvement to ensure that more children are reached through non-centre based ECD programmes. The department reported that it has appointed a service provider to train Non Profit Organizations on Non-Centre based ECD programmes and the implementation thereof. The department has also reportedly marketed the services provided by Non-Centre based ECD centres on media, creating an awareness to communities and parents on the benefits of the programme. A forum was also reportedly stablished with relevant stakeholders in the field of children services to promote the implementation of the programmes.

PROGRAMME 4: RESTORATIVE SERVICES

This programme deals with the provision of the integrated developmental social crime prevention and anti-substance abuse services to the most in partnership with stakeholders and civil society. There are three sub-programmes, namely; crime prevention and support, victim empowerment Programme (VEP) and substance abuse, prevention rehabilitation as well as management and support that deals with the administration of the programme.

The Department displayed a slight decline of **1.3%** in terms of performance as it is sitting at **85 %** compared to **86.3%** in the previous financial year.

Out-patient Treatment Services

The department was asked to outline the interventions put in place in ensuring that beneficiaries receive out-patient treatment services and that the services are effective. The department reported that substance abuse is a disorder which is not curable but manageable. It requires continuous therapy and support from significant others. It also requires a lifelong commitment from persons undergoing treatment to avoid relapse. The department emphasised that the programmes that are provided at the out-patient treatment Centres are accredited and user friendly.

PROGRAMME 5: DEVELOPMENT AND RESEARCH

This programme seeks to provide sustainable development programmes, which facilitate empowerment of communities, based on empirical research and demographic information. Women development and poverty alleviation and sustainable livelihoods are some of the sub-programmes. The MEC in her foreword made a commitment that with effect from 2017/18 financial year, emphasis will be put on the acceleration and expansion of services to children, youth and women. The department managed to achieve **83%** of its planned targets which indicates a decline of **11 %** from the **94%** obtained in the previous financial year (2016/17).

Food Parcels

The committee wanted to know if there is enough awareness raised by the department with regard to the service of people accessing food through the DSD feeding programme. The department reported that it uses a number of strategies towards the creation of awareness for the services of people accessing food parcels in the Province. The department outlined the following strategies amongst others: -

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- Education on food Security;
 - Provincial Learning Forums on Food Security and Nutrition Programme;
 - Involvement of the MMC for Social Development through the MuniMEC Forum Meetings;
 - Involvement of the sector department in the Operation Vuka Sisebente;
 - The department is also presenting talks over the radio stations throughout Mpumalanga including community radio stations to create awareness on the scourge;
 - Most of the poverty stricken households and individual are identified and verified during the household profiling process and referred accordingly.

The department further reported that it has strengthened the process identification and reporting by ensuring that all centre based feeding programmes that work with poverty stricken people and feeding programmes register and report on the services. There are registers updated on regular basis to ensure that the screening process is well coordinated. It was also reported that quarterly monitoring is undertaken to check if centres are complying and reporting.

Compliance with Ministerial Determination

The committee requested the department to indicate how it intends to ensure compliance with ministerial determination with regard to the registration of Non Profit Organizations in the Expanded Public Works Programme, taking into consideration the high number of unemployment in the province. The department reported that it has been over the years struggling to comply with the ministerial determination due to budgetary constraints and budget cuts. The allocation provided by the National Department of Public Works to incentivize the existing number of work opportunities created by the provincial DSD is far less to address the set minimum standards. However, the department reportedly continued to create and remunerate quiet a number of work opportunities through the Equitable Share

despite the failure for compliance. The Incentive Grant is the only share used to augment work opportunities in enabling the department meet the Ministerial Determination for certain work opportunities.

7. COMMITTEE FINDINGS

After the interaction with the Department, the Committee found that:

- a. For the year under review, the department received an unqualified audit opinion;
- b. The department has referred the matter of R 95 692 000 irregular expenditure to the Office of the Premier for investigation;
- c. The department reported that it has made a submission to the Budget and Finance Committee seeking approval to fill critical posts;
- d. Progress at Standerton ECD construction project was at 40% completion level and set for completion by 28 February 2019. The construction of the Mbuzini ECD Centre had not commenced, Masizila Construction is the service provider appointed and site-handover was reportedly done on 18 October 2018;
- e. Nkangala Substance Abuse Treatment Centre, phase one of the Centre was completed and handed over to the department in August 2018, the Health and Safety Occupational certificate from the municipality was also received by the department and the department has made a request for funding from Provincial Treasury (PT) for operation of the centre.

8. RECOMMENDATIONS

Based on the findings, the committee recommended that the department must implement the following and submit a detailed progress report by 28 February 2019:

- a) Strengthen the implementation of the measures put in place to address the all Auditor General's findings, with continuous monitoring and evaluation in this regard for improved overall performance;
- b) Provide a detailed breakdown of the R 95 692 000 irregular expenditure incurred, inclusive of a plan of action put in place to curb the recurrence of irregular expenditure and a detailed progress report thereof;
- c) Provide progress report on the submission made to the Budget and Finance Committee for approval to fill critical posts and a plan of action thereof;
- d) Provide a detailed progress report on the construction projects of Standerton and Mbuzini ECD centres;
- e) Provide a detailed progress report on the operation of Nkangala Substance Abuse Treatment Centre, inclusive of phase 02 of the construction project.

9. CONCLUSION

The Chairperson wishes to express her gratitude to the MEC Hon BP Shiba; the HOD and the senior officials of the Department of Social Development for their active involvement during the deliberations with the Department.

The Chairperson further wishes to thank the Hon. Members of the Committee for their sterling participation and input during the deliberations on the 2017/18 annual report of the

Department of Social Development and also thanked the Legislature staff for the support they provided during the deliberations.

Lastly, the Chairperson requests the august House to adopt the report with its recommendations and the Department to provide the progress report by **28 February 2019**.



HON. DP MANANA

**CHAIRPERSON: PORTFOLIO COMMITTEE ON
HEALTH & SOCIAL DEVELOPMENT**

31.10.2018

DATE