

REPORT OF THE PORTFOLIO COMMITTEE ON HEALTH AND SOCIAL DEVELOPMENT IN RELATION TO THE 3rd QUARTERLY PERFORMANCE REPORT FOR 2017/18 FINANCIAL YEAR - DEPARTMENT OF SOCIAL DEVELOPMENT – MEETING HELD ON 27 FEBRUARY 2018 IN COMMITTEE ROOM 07

1. INTRODUCTION

As stated in Rule 218 sub-rule (1) (2) and (3) of the Rules and Orders of the Mpumalanga Provincial Legislature, the Member of the Executive Council responsible for a provincial Department must table quarterly reports of the Department to the Speaker, within 30 calendar days after the end of a quarter.

The Committee considered the 3rd quarterly report of the Department of Social Development (the Department) for the 2017/18 financial year, reporting period October – December 2017. Interaction with the Department was aimed at assessing the Department's performance for the quarter, in relation to its 2017/18 Annual Performance Plan (APP).

2. METHOD OF WORK

The Speaker referred the Department's third (3rd) quarterly report to the Portfolio Committee on Health and Social Development for consideration and report back to the Legislature, as contemplated in Rule 218 (4) of the Rules and Orders of Mpumalanga Provincial Legislature (the Rules).

On 27 February 2018, the Committee met with the Department to deliberate and scrutinize in detail the aforementioned document. The Committee then met on 06 March 2018, to consider the draft Committee Report.

3. GENERAL OBSERVATIONS

- The total budget for the DSD is **R1 456 009 000** and the expenditure for the third quarter was recorded at **R 403 542 000**, reflecting an overspending of **9.2%**.

4. OVERVIEW BY THE MEC

The MEC Ms. BP Shiba appreciated the opportunity to present the 3rd quarter performance report of the Department. The following was noted in her overview:

- The quarter under review includes the social development month, October, during which various activities wherein the Department radically publicized its social upliftment programmes. Communities were reached through activities such as International Day for Eradication of Poverty which was observed at Mashiding in Dr JS Moroka Municipality, and the Crime Prevention Walk at Vosman in Emalahleni Municipality.
- Guided by the vision of 'building caring, humane and developed society', the Department continued to implement integrated and developmental services, prevention, early intervention, treatment, rehabilitation, and after-care services to vulnerable individuals, families and communities in the Province.
- The report shows that the overall expenditure by the end of the quarter was at 72, 8% instead of the 75% target. It also showed an over-expenditure on goods and services largely due to the massive activities that characterise the social development month.

5. DELIBERATIONS ON THE 3rd QUARTERLY REPORT

After the MEC's overview, the HOD was requested to brief the Committee on the progress made on the implementation of the Annual Performance Plan strategic objectives of the 3rd quarter. Thereafter the Committee interacted with the Department on the following:

Overall Expenditure

Programme	Adjusted budget R' 000	Amount spent R' 000	% of budget spent
Administration	282 599	211 347	74.8
Social Welfare Services	228 268	169 875	74.4
Children & families	575 228	412 127	71.6
Restorative Services	247 546	179 991	72.7
Development & Research	175 797	125 761	71.5
TOTAL	1 509 438	1 099 101	72.8
Economic classification			
Compensation of employees	675 543	487 107	72.1
Goods & services	157 254	134 141	85.3
Total transfers and subsidies	520 070	383 264	73.7
Payments for capital assets	156 571	94 589	60.4

PROGRAMME 1: ADMINISTRATION

Programme 1 is responsible for policy and strategic direction by the Member of the Executive Council and the support staff of the Department to ensure good governance. There are six (6) sub-programmes namely; strategic planning, monitoring and evaluation,

anti-corruption and risk management, corporate services, financial accounting, management accounting and supply chain management. There were **30** planned targets and **25** were achieved, which translate to **83.3%** achievement for the quarter. The table below indicates the targets that were not achieved.

Administration	Adjusted budget	Actual Expenditure	Total %
	R' 000	R' 000	
Total (s)	282 599	211 347	74.8

Expenditure

The total budget for the Department is **R1 456 009 000** and the expenditure for the third quarter is **R403 542 000**. According to Provincial Treasury Budget Projections, the Department projected to spend **R 383 504 000** and the Cash transferred by Provincial Treasury to the Department amounted to **R 369 354 000**. The Department has spent **R 403 542 000**, which is equivalent to **109.2%** with an overspending of **9.2%** exceeding the accepted **2%** overspending benchmark by **9%**.

Mindful of the above mentioned statement, the Committee then asked the Department to provide reasons which led to the 9.2 % overspending on the budget. The Department reported that there was no overspending of the budget. The bank account of the Department had a balance of **R53 417 304** as at 1 October 2017, then there was a total Provincial Treasury transfer of **R370 592 256** for the period October to December 2017. The total cash was therefore **R424 009 560** against an expenditure of **R403 542 000**.

The Committee further asked where the Department sourced the excess funds. The Department reported that the closing cash balance for the period ended 30 September 2017 amounted to R53 417 304.01 which became the opening cash balance for 01 October 2017. During the period of October to December 2017, Provincial Treasury transferred cash amounting to R370 592 256.43 to the Department. Added to the opening balance, the available cash was R424 009 560.44 and as a result the Department was able to spent

R 403 542 000.00.

The Department was also asked what corrective measures were been put in place to prevent recurrence of the over expenditure. The Department indicated that the items that largely contributed to the over expenditure were payments for social infrastructure projects (R15.777 million) and Microsoft for software licence assurance (R5.780 million). The Department reported that Bank reconciliation on the paymaster general account is prepared monthly to ensure that the cash available is adequate to cover the invoices at hand. Furthermore, cash-flow projections are estimates based on historical information and departmental plans.

The Committee also noted that extensive traveling by professionals during the Social Development month of October contributed to the over expenditure on travel and subsidies.

Unachieved Targets

Target	Reason for deviation & Remedial action
1. Implementation of level 1-12 performance management system	Provincial PMDS policy and tool has been put on hold. Office of the Premier to address and give guidance and way forward on the PMDS
2. Implementation of SMS Performance Management System (excluding HOD) was planned	3 SMS posts vacant. Office of the Premier to finalize the rationalization of 1 SMS post for district director Nkangala. 2 SMS posts advertised and profiling has been completed, currently waiting panel members.
3. Number of new facilities built	There were delays in the appointment of contractor. Msogwaba YDC delaying due to site disputes preventing contractor from entering the site. Contractor has been appointed and currently awaiting site handover. The matter is currently receiving attention by the MEC

4. Number of ECD facilities built	Under-achievement was due to site challenges; Standerton ECD is at 1%, the newly appointed contractor is recommended for termination due to failure to commence with work since October 2017. Project cost for Mbuzini ECD centre is too high due to the nature of the allocated site; the Department is in the process of sourcing second opinion.
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Mindful on the table above, the Committee asked the Department to provide progress report on the intervention made by the Office of the Premier to address and give guidance and way forward on the PMDS, noting that similar reasons were provided in the second quarter. The Department reported that the Office of the Premier issued a Directive on Transitional Measures outlining processes and procedures that must be followed during the implementation of the Performance Management and Development System for the financial year 2017/18 with the hope that the new PMDS Policy would be effective from the 01st April 2018.

The Committee asked the Department how long it envisaged sourcing the second opinion for the Mbuzini ECD Centre and for a way forward. The Department reportedly raised the concerns about the costs with the Department of Public Works, Roads and Transport. Engagements with Department of Public Works, Roads and Transport as well as with Provincial Treasury are reportedly underway, and the second opinion was being sort from the National Development Agency – an agency of DSD which has successfully constructed 6 ECDs at a lesser cost. These engagements should be concluded by mid-March 2018.

PROGRAMME 2: SOCIAL WELFARE SERVICES

The social welfare services programme forms the core function of the DSD; its purpose is to provide integrated development social welfare services to the poor and the vulnerable in partnership with stakeholders and civil society organizations. Its priorities stress the issue of poverty reduction for children, adults and older persons as well as social cohesion. The

Department managed to achieve **13** of the **18** planned targets, representing **72.2%** achievement for the quarter.

Social Welfare Services	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	228 268	169 875	74.4

Services for the Elderly

With regards to the number of older persons participating in active aging, the Department reported that the under-achievement in the second quarter was due to the weather. A different reason has been provided in the third quarter - the performance is dependent on the availability of older persons to participate in the programme. The Committee asked why the Department has a set target which they do not have control over. The Department reported that the programme of Active Ageing is one of the strategies that the Department uses to encourage older persons to interact with their peers in the communities. The target is set taking into consideration the number of older persons benefitting from the funded service centers. However, some service centers were discovered to have a narrow understanding of the whole Active Aging Programme by only confining it to Golden Games. The Department reported that this was going to change, given the intensification of marketing of the broader Active Aging concept to all the funded Service Centers for Older Persons.

Over Expenditure

The Committee requested the Department to outline the reasons that led to the 16.6% overspending under the Social Relief sub- programme. The Department reported that the Social Relief programme is a programme that provides assistance to families that have experienced distress due to natural and unnatural causes. This programme is largely influenced by unforeseen and unavoidable circumstances such as disasters. The main cost drivers for this sub-programme are food parcels, burial services and furniture items. Due to the increase in demand and costs escalation, the expenditure was thus affected.

People with Albinism

With concern the Committee asked what proactive strategies the Department has in place to deal with the scourge of the killing of people with albinism in the Province. The Department reported that in partnership with Albinism Society of South Africa, Disabled People's Organisations (DPOs), Traditional Leaders, Traditional Healers Organisations and Law Enforcement Agencies will conduct targeted prevention programmes to educate communities on the rights of persons with Albinism. The Department committed to continue to keep a database of persons with Albinism in order to know where they are and provide them with psycho-social and material support including Dignity Packs.

PROGRAMME 3: CHILDREN AND FAMILIES

The programme aims to provide for a comprehensive and integrated child and family care and support services to communities in partnership with stakeholders and civil society organizations. It focuses on providing alternative care and support to vulnerable children and to offer programmes and services to promote functional families. There were 18 planned targets only 11 were achieved which translates to 61.1% achievement for the quarter.

Children and Families	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	575 228	412 127	71.6

Non-Centre based Early Childhood Development Programme

The Committee noted that the number of children reached through the non-centre based ECD programmes was not achieved due to new organizations which were still in the process of recruiting caregivers. The Department indicated that the number was going to increase as soon as recruitment and training was finalized. The Committee then asked the Department to indicate when the recruitment process was planned to be concluded noting that the same

reason was provided in the second quarter. The Department reported that the recruitment of Child and Youth Care Workers was finalized during the 3rd Quarter. The delay in reporting was caused by NACCW (the training organization) which only sent the report few days after the 3rd Quarter Report was concluded. The Department reported to have engaged NACCW to request that submission of training reports should be submitted within 7 days after the end of the quarter.

The Department further reported that in order to improve reporting by the ISIBINDI sites, the Department has allocated Social Auxiliary Workers to support and assist with reporting. There are 44 Isibindi Project sites, benefitting 119 197 children since 2013; there is visible improvement in reporting as the January reports were received timeously.

Expenditure

The Committee noted that the Department recorded 3.4% underspending on programme 3. The Department reported that the under-spending for the period under review on this programme is largely due to slow progress on social infrastructure projects for ECD centres due to site challenges (Mbuzini ECD), community objections and contractor performance (Manzini ECD) and vacant replacement posts. The site dispute in Mbuzini has reportedly been resolved, and construction is set to start in the 2018/19 financial year. Construction of Manzini ECD is progressing and reportedly at 65% following intervention by DSD and Department of Public Works, Roads and Transport.

The Department also reported that the under-spending on Child and Youth Care Centres is due to relocation of professionals to Management and Support sub-programme. The relocation of professionals is done as they are no longer specializing but performing all functions within the programme due to staff shortage.

It was further reported that the overspending on Management and support is largely due to extensive traveling by professionals during the social development month of October 2017. The Department further reported that this will be addressed by ensuring proper planning and budgeting for activities to be carried out during Social Development month in October.

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 four sub-programmes, namely; management and support, crime prevention and support, victim empowerment (VEP) and substance abuse, prevention rehabilitation. There were **19** planned targets only **12** were achieved, that is **63.1%** achievement for the quarter.

Restorative Services	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	247 564	179 991	72.7

Awareness Sessions

The number of persons reached through prevention programs was not achieved due to clashes with exams which then led to cancellation of awareness sessions in the districts. The Committee then asked if awareness sessions have been rescheduled and conducted since then. The Department reported that the sessions that were cancelled were rescheduled in order to improve performance. Prevention services and awareness campaigns were in progress and all districts were implementing the activities. The Department reported that the total number of beneficiaries reached will be counted at the end of the fourth quarter.

Expenditure

The Committee noted the 2.3% underspending on this programme. The Department reported that the under-spending was due to slow progress on Nkangala Treatment Centre project which is attributed to community protests which adversely affected the progress of the project.

With regards to the 6% over expenditure on social crime prevention and support, the Department reported that the overspending is largely due to the movement of professionals from Sub-programme Management and Support to the Sub-programme Social Crime Prevention and Support, in line with the budget and programme structure. This is an ongoing project in particular considering staff shortage of professionals in order to match the requirements of the budget and programme structure.

Substance Abuse

The committee asked what strategies or campaigns the Department embarked on to deal with the scourge of substance abuse in communities. The Department reported that the use of psychoactive substances and substance abuse disorders continue to be among the major problems around the world, taking a toll on global health and on social and economic functioning. The Department indicated that South Africa, like many countries of the world, is adversely affected by substance abuse. The problem of substance abuse has health and socio-economic impact on individuals, families and the broader society. Substance abuse continues to threaten the democratic order, national safety and security, social cohesion, and destroys families, communities and society. The country is thus required to do what is necessary to address the negative impact of substance abuse.

The Department reported that it has facilitated the development of the Mpumalanga Anti-Drug Master Plan (MADMP) which was approved by the Executive Council in October 2015.

The MADPM focuses on three pillars which are:

- Supply Reduction (Prevention Strategies)
- Demand Reduction (Early Intervention Strategies)
- Harm Reduction (Treatment and Rehabilitation Strategies)

The Department has also reportedly embarked on Radio Talks, Awareness Campaigns in Schools and Communities generally.

Swartfontein Substance Abuse Treatment Centre

In the last Committee visit to Swartfontein Substance Abuse Treatment Centre, the Committee learned that the users moved into the new buildings in the absence of

compliance certificates. The Department reported that it received a temporary occupation certificate with an expiry date of 28 February 2018. However, a meeting between the municipality and Deputy Director General of Department of Public Works, Roads and Transport took a decision to extend / renew the temporary occupation certificate before it expired. The Department further reported that the rezoning was in progress in consultation with municipality.

PROGRAMME 5: DEVELOPMENT AND RESEARCH

This programme is aimed at the development and research in the province. It has the following sub-programmes:

- Professional and administrative support;
- Youth development;
- Sustainable Livelihood;
- Institutional capacity building;
- Research and demography;
- Population capacity development and advocacy.

There were **42** planned targets only **20** were achieved, that is **47.6%** achievement for the quarter.

Development and Research	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	175 797	125 761	71.5

Community Development

The number of people reached through mobilization programmes was not achieved; the Department cited that this was because more people were reached in the previous quarters.

The Committee enquired on the effectiveness of the mobilization programme. The Department reported that the current method of community mobilization by Community Development Practitioners is effective. Community mobilization is implemented through two Community Engagement and Enhancement methods; including:

- Community Awareness Campaigns (CAC) which seek to create awareness, distribute information, education and empowerment of communities on matters that affect daily lives, like various social ills;
- Community Social Dialogues (CSD), these are engagements intended to bring about a meaningful change to take place in the community, such as increased knowledge levels that is followed by Community Based Plans owned by the community for implementation and change.

Monitoring

The Committee enquired on the method (s) used for feedback with regards to the number of NPOs monitored for compliance with the NPO Act. The Department reported that the method of feedback to CDPs is through sessions where monitoring reports/ tools are verified for reliability and those that are found misrepresenting information are returned. The Department reported that this is conducted quarterly between the M&E Unit, Districts and Provincial managers. It was also indicated that feedback meetings have been held with targeted individuals and their supervisors to address specific challenges, such as unsigned and incomplete reports with incorrect dates.

Expenditure

The Committee noted that the main contributory factor for the under spending (3.5%) in Programme 5 was the delay in implementation of infrastructure projects under Youth Development programme due to sites challenges. The Implementing Agent has reportedly concluded the appointment of a service provider and the handover of the site for Daantjie - Youth Development Centre was done. On the Msogwaba Youth Development Centre project, the Department reported that the site dispute has also been resolved and the Implementing Agent was in the process of appointing the service provider.

The Committee noted that the Department recorded 35.1% underspending on the sub - programme; Community based research. The Department reported that the allocated budget was for the contractual obligation for Vodacom. The contract for gadgets used by Field Workers was renewed and Vodacom delayed to submit the necessary documentation for the Department to process payments accordingly. The Department reported that the documents have since been submitted and payments for the previous 2 quarters were made during January 2018. The programme was at 73.7% expenditure.

On the 81.8% overspending on the sub - programme; Community mobilization, the Department reported that the overspending was due to extra needs and increased demands for more dialogues and campaigns in communities. The Department through Community Mobilisation Programme reportedly conducts support and empower communities through community campaigns and social dialogues on social ills that affect communities; *e.g. substance abuse, teenage pregnancy, poverty, women development, victim empowerment, etc.*

The Department reported that Community Based Planning sessions are also held as follow ups where communities indicate the need for support. These would take more days of meetings with community structures to develop community based plans to be implemented in communities for the desired change. The campaigns and dialogues are conducted at a community level, using community buildings and therefore there is no cost for transport of community members and venues. However, due to the increased needs and demands for additional campaigns and training not anticipated and therefore not budgeted for, overspending is incurred. The main item of overspending for the campaigns is catering for community members.

6. COMMITTEE FINDINGS

After the deliberations on the 3rd quarterly report of the Department of Social Development for the 2017/18 financial year, the Committee found that:

- a) The Department expects to have concluded engagement with the National Development Agency by 31 March 2018 on the second opinion on the Mbuzini ECD Centre project;
- b) The Department in partnership with Albinism Society of South Africa, Disabled People's Organisations (DPOs), Traditional Leaders, Traditional Healers Organisations and Law Enforcement Agencies will conduct targeted prevention programmes to educate communities on the rights of persons with Albinism;
- c) Construction of Manzini ECD is progressing and reportedly at 65% following intervention by DSD and Department of Public Works, Roads and Transport, while Standerton ECD Centre projects is at 7%;
- d) The construction projects of Msogwaba and Daantjie Youth Development Centres were at 0%, however with an expenditure of 18% and 35% respectively;
- e) There was slow progress on construction project of Nkangala Treatment Centre project which is attributed to community protests;
- f) The occupancy certificate at Swartfontein Substance Abuse Treatment Centre expired on 28 February 2018, however there was a decision to renew/extend it.

7. RECOMMENDATIONS

Based on the findings, the Committee recommended that the Department must implement the following and **submit a detailed progress report by 30 April 2018:**

- a) Provide progress report on the engagements with the National Development Agency on the Mbuzini ECD Centre project;
- b) Provide progress report on the targeted prevention programmes to educate communities on the rights of persons with Albinism (inclusive of the areas visited and the issues raised and how they were addressed if ever);

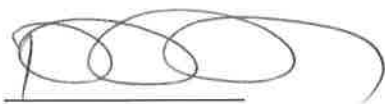
- c) Provide a detailed progress report on construction projects of Manzini ECD Centre and Standerton ECD Centre;
- d) Outline in detail as to what was exactly spent on, on both the projects;
- e) Provide a detailed progress report on construction of Nkangala Substance Abuse Treatment Centre;
- f) Outline the terms and conditions of the renewal and the next date of expiry.

Lastly, the Chairperson requests that the House adopts the report with its recommendations and request the Department to submit the progress report on 30 April 2018.

8. CONCLUSION

The Chairperson would like to thank the MEC, the HOD and the officials of the Department of Social Development for availing themselves for the deliberations on the 3rd quarterly report of the Department.

The Chairperson would further like to thank Members of the Committee for their active participation and contribution during the deliberations of the 3rd quarterly report of the Department and the Legislature staff for their support and contribution towards the production of this report.



HON P NGOBENI
CHAIRPERSON: PORTFOLIO COMMITTEE ON
HEALTH AND SOCIAL DEVELOPMENT

08/03/18

DATE