

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

THIRD QUARTERLY PERFORMANCE REPORT FOR 2017/2018 OF THE DEPARTMENT OF COMMUNITY SAFETY, SECURITY AND LIAISON

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 third (3rd) Quarterly Performance Report for 2017/2018 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 and relevant 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 2017/2018 financial year.

2. METHOD OF WORK

The Honourable Speaker of the Legislature referred the 3rd Quarterly Performance Report for 2017/2018 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 27 February 2018 to deliberate on the department's 3rd Quarterly Performance Report for the 2017/2018 financial year. The Committee considered the draft Committee Report on 20 March 2018.

3. GENERAL OBSERVATIONS

- The Committee observed that the Department of Community Safety, Security and Liaison has achieved **41** or **87.2%** 3rd quarter targets out of **47** planned targets and they must try to achieve all targets as planned.

The department reported that the College was hit by hailstorm on 31 December 2017, which damaged the College properties such as cars, carports and buildings. The Committee enquired on whether the damages in the Mpumalanga Traffic Training College were quantified. It was reported that the College has been under the Department of Public Works Road and Transport and that the process of repairing the damages in the buildings is on the pipeline (quantification from the Department of Public Works Road & Transport is attached). The damages on the identified 13 vehicles has also been quantified. Standard Bank is in the process of repairing the vehicles and the bill will be sent to the department and that in future, any incidences occurring at the Mpumalanga Traffic Training College will be reported to the Chairperson of the Portfolio Committee. The latter commitment regarding challenges on the Traffic College was acknowledged by the Committee..

- **DELIBERATIONS ON 3rd QUARTELY REPORT**

The Honourable MEC of the department tendered an apology for his absence, which was accepted by the Committee. The Head of Department (HOD) and his management team made a presentation to the Committee on the 3rd Quarterly Performance Report for the 2017/2018 financial year. He was further requested to present the responses to the

findings made by the Committee. Thereafter, the committee interact with the department on its performance per programme in the following manner:

4. ANALYSIS OF PROGRAMME PERFORMANCE AND FINANCIAL PERFORMANCE

5.1 SUMMARY OF THE THIRD QUARTER PERFORMANCE REPORT

| Departmental summary R'000 | Main Appropriation | Adjusted budget | Actual expenditure | % | Budget variance | Budget variance % |
|----------------------------|--------------------|------------------|--------------------|-------------|-----------------|-------------------|
| Administration | 116 235 | 120 500 | 104 743 | 86.9 | 15 757 | 18.6 |
| Civilian oversight | 57 458 | 54 243 | 39 813 | 73.4 | 14 430 | 25.6 |
| Transport regulation | 516 772 | 529 874 | 414 462 | 78.2 | 115 412 | 23.4 |
| Security management | 462 634 | 474 105 | 365 341 | 77.1 | 108 764 | 23.0 |
| Total | 1 153 099 | 1 178 722 | 924 359 | 78.4 | 254 363 | 22.9 |

It was noted that the actual expenditure of the department for the quarter under review was **R924 359 000.00** or **78.4%** against the adjusted budget of **R1 178 722 000, 00**, (it has been adjusted up by **R25 623 000.00** or **2.2%**). An over-expenditure of **1.3%** or **R15 800 000** was noted. Civilian Oversight had a positive variance with the exception of Transport Regulations, Security Management and Administration which all had a negative variance. During budget adjustment, the Provincial Treasury approved a rollover of **R4 100 000** for the retention of the Traffic College and **R2 000 000** for the CCTV Cameras for SAPS. The department also received **R10 000 000** from the departmental Revenue Adjusted to Programme 3 for MTTC. An amount of **R7 700 000** was allocated for Goods and Services and **R2 300 000** was appropriated to increase money for the retention of the Traffic College.

Economic Expenditure

| Economic Classification MAIN APPROPRIATION | | Adjusted APP | Actual Expend | % | Over/under | % |
|--------------------------------------------|------------------|------------------|----------------|-------------|----------------|-------------|
| Compensation of Employees | 498 107 | 492 092 | 381 372 | 77.5 | 110 720 | 24.9 |
| Goods and Services | 632 143 | 655 258 | 521 700 | 79.6 | 133 558 | 21.9 |
| Transfers and Subsidies | 3 823 | 3 823 | 1 024 | 26.8 | 2 799 | 22.0 |
| Capital Assets | 19 026 | 27 549 | 20 263 | 73.6 | 7 286 | 10.3 |
| Total | 1 153 099 | 1 178 722 | 924 359 | 78.4 | 254 363 | 22.9 |

Compensation of Employees (CoE) has been adjusted down by **R6 015 000(1, 2%)** from **R 4498 107 000** to **R492 092 000** and the actual expenditure at the end of the 3rd quarter was **R381 372 000** or **77.5%**, which indicated a **R11 685 000 (2%)** over-expenditure due to the payment of the upgraded posts, payment of current and overdue acting allowances. Goods and Services adjusted budget was **R 655 258 000** from **R632 143 000** and the actual expenditure was **R521 700 000** or **79.6%**. A **R10 130 000** or **4.6%** overspending is reflected on Administration, Transport Regulation and Security Management. Transfers and Subsidies budget was not adjusted, and remained at **R3 823 000**, with the actual expenditure of **R1 024 000(26.8%)**. On Capital Assets, the budget has been adjusted up to **R27 549 000** from **R19 026 000** and, with a **R20 262 000** or **73.5%** actual expenditure. The reason for overspending of CoE on the payment of the upgraded posts, payment of current and overdue acting allowances was noted.

The department was requested to give a breakdown of all the upgraded post and the cost there off. It was reported that 25 posts were upgraded from level nine (9) to ten (10) in terms of the PSCBC resolution 1 of 2012 from November 2016. The list of the currently approved posts was attached as Annexure: A. The upgrade of posts will not be complete as it is dependent on the request by employees for job evaluation depending on the perceived workload. Twelve (12) officials acting on post level 11, 12, 13, 14 were paid their acting allowances in terms of the EXCO Resolution of 02 August 2017 (Annexure B) which indicates that all Departments must pay all outstanding acting allowances to the eligible officials. The department was requested to explain reasons that led to overdue acting allowances and how many employees were affected. It was reported that the allowances were not paid due to the freezing of all vacant funded posts (moratorium) and 12 officials were affected

An explanation was further sought on the over-expenditure of **R10 130 000 (4.6%)** on Goods and Services. The department reported that the reason for the overspending in the line items were the following:

- *Bank charges*: as a result of the six (6) municipalities taken over for the licensing function, regarding additional speed points that have to be installed, increased transactional fees because of the high volume of transactions;
- *Auditor General fees*: as a result of increased scope on additional programme (Programme 2);

- *Legal fees*: increased legal fees due to payment of legal fees for defending the department against litigations;
- *Operating leases*: increase on operating leases costs as a result of additional labour saving devices that have to be provided to the DLTCs that have been taken over;
- *Office Space*: the rental costs in Riverside (Cascade Buildings) were expensive compared to the previous one in the CBD (21 Murray Street). The officials had to be moved from the previous offices due to safety occupational health reasons.
- Municipal services with less budget;
- Catering for students at MTTC which did not have enough budget;
- Property maintenance relating to landscaping services for the MTTC which was not fully funded;
- Stationery (face value forms, cartridges, photocopying papers) for the DLTCs which were taken over which were not fully funded;
- *Security invoices*: historical accruals relating to the underfunding of security services; and
- *Fleet management*: as a result of high maintenance as a result of the ageing fleet

5. PROGRAMME 1: ADMINISTRATION

Programme 1 achieved **100%** or ten (10) out of ten (10) planned targets for the 3rd quarter of the 2017/18 financial year.

6.1. Financial expenditure

| Programme Expenditure | Main appropriation R'000 | Adjusted Budget R' 000 | Actual Expenditure R'000 | Actual Expenditure % |
|-----------------------|-----------------------------|---------------------------|-----------------------------|-------------------------|
| Administration | 116 235 | 120 500 | 104 743 | 86.9 |

Out of the total main appropriation of **R116 235 000** allocated for this programme for the 2017/18 budget, adjusted up by **R4 269 000** or **3.6%**, to a total of **R120 500 000**. The actual expenditure amounted to **R104 743 000** or **86.9 %** of the total main budget appropriation.

6.2. Economic Classification

| | Main budget R'000 | Adjusted budget R'000 | Actual Expenditure R'000 | Actual Expenditure % |
|-----------------------------|----------------------|--------------------------|--------------------------------|----------------------------|
| Compensation of employees | 75 654 | 76 654 | 60 237 | 78.6 |
| Goods and Services | 38 749 | 41 964 | 43 366 | 103.3 |
| Transfers and Subsidies | 358 | 408 | 350 | 85.8 |
| Payments for Capital Assets | 1 474 | 1 474 | 790 | 53.6 |
| Total | 116 235 | 120 500 | 104 743 | 86.9 |

Programme 1 (Administration) on Compensation of Employees has been appropriated **R75 654 000.00** and it has been adjusted up by **R1 000 000** to **R76 654 000**, the expenditure was at **R60 237 000 (78.6%)** by the end of 3rd quarter. On Goods and Services, the department was appropriated **R38 749 000** and adjusted up by **R3 215 000** to **R41 964 000** with an expenditure of **R43 366 00 (103.3 %)**. On Transfers and Subsidies, the main appropriation was **R358 000** and is adjusted up by **R50 000** to **R408 000** with the expenditure of **R350 000 (85.8%)**. On Payments of Capital Assets, the main appropriation was **R1 474 000** and it not adjusted and the actual expenditure was at **R790 000(53.6%)**.

The Committee noted the overspending of 103.3% on Goods and Services which was as a result of operating leases (additional labour saving devices for the Municipalities where the licensing function has been taken over by the department, office rental which was higher than the original site which has been vacated for occupational safety reasons), audit fees increasing audit fees due to additional scope of work), bank charges the six (6) municipalities whose licensing function has been taken over and fleet management (Annexure B),

The committee raised a concern on the completed budget of the line item and sought clarity on will transpire until the end of the financial year. The department reported that it has already minimized accommodation and travelling on top of the prevailing cost curtailments that are being implemented.

5.2. Programme 2: Civilian Oversight

Programme 2 has achieved twelve (**12**) or **75%** out of sixteen (**16**) planned targets for the 3rd quarter of 2017/18 financial year. The department failed to achieve its target on the following:

- Under **Monitoring and Evaluation** the sub-programme had six (**6**) planned targets and achieved four (**4**), where they failed to achieve during the quarter, however, both targets were achieved during the 2nd quarter.
- Under **Promotion of Safety**, the sub-programme had three (3) planned targets and achieved only one (1). The department was supposed to develop, implement and monitor the Provincial Integrated Crime Prevention Strategy and the reason for deviation is that they are awaiting approval of Provincial Integrated crime prevention strategy.

5.2.1. Financial expenditure

| Programme Expenditure Programme | Main appropriation R'000 | Adjusted appropriation R'000 | Actual Expenditure R'000 | Actual Expenditure % |
|------------------------------------|-----------------------------|------------------------------------|--------------------------------|----------------------------|
| Civilian Oversight | 57 458 | 54 243 | 39 813 | 73.4 |

The programme achieved **100%** or ten (**10**) out of ten (**10**) planned targets for the 3rd quarter of the 2017/18 financial year. There are no over achievement or under achievement on this programme, everything is as planned.

5.1.1. Financial expenditure

| Programme Expenditure Programme | Main appropriation R'000 | Adjusted Budget R' 000 | Actual Expenditure R'000 | Actual Expenditure % |
|------------------------------------|-----------------------------|---------------------------|-----------------------------|-------------------------|
| Administration | 116 235 | 120 500 | 104 743 | 86.9 |

Out of the total main appropriation of **R116 235 000** allocated for this programme for the 2017/18 budget, there was a **R4 269 000** or **3.6%** adjustment, to **R120 500 000**. The actual expenditure amounted to **R104 743 000** or **86.9 %** of the total main budget appropriation.

5.1.2. Economic Classification

| | Main budget R'000 | Adjusted budget R'000 | Actual Expenditure R'000 | Actual Expenditure % |
|-----------------------------|----------------------|--------------------------|-----------------------------|-------------------------|
| Compensation of Employees | 75 654 | 76 654 | 60 237 | 78.6 |
| Goods and Services | 38 749 | 41 964 | 43 366 | 103.3 |
| Transfers and Subsidies | 358 | 408 | 350 | 85.8 |
| Payments for capital assets | 1 474 | 1 474 | 790 | 53.6 |
| Total | 116 235 | 120 500 | 104 743 | 86.9 |

Clarity was sought on when the department will develop and monitor the implementation of Provincial Integrated Crime Prevention Strategy. It was reported that a draft has been developed, presented and recommended by Technical Cluster and PCF and is awaiting approval by EXCO.

Further clarity was sought on when the department will install CCTV Cameras in all the Crime Hot Spots, where an indication was that the project was a pilot and there is no budget available to roll out the implementation to all Crime Hotspot.

5.2.1. Financial Expenditure

| Programme Expenditure Programme | Main appropriation R'000 | Adjusted appropriation R'000 | Actual Expenditure R'000 | Actual Expenditure % |
|------------------------------------|-----------------------------|---------------------------------|-----------------------------|-------------------------|
| Civilian Oversight | 57 458 | 54 243 | 39 813 | 73.4 |

At the end of the 3rd quarter of the 2017/18 financial year, an actual expenditure for this programme amounted to **R39 813 000 (73.4%)** out of the adjusted appropriation of **R54 243 000**. The budget for this programme was adjusted down by **R3 215 000 (5.5%)**.

5.2.2. Economic Classification

| | Main budget R'000 | adjusted budget R'000 | Actual Expenditure R'000 | Actual Expenditure % |
|-----------------------------|----------------------|--------------------------|--------------------------------|----------------------------|
| Compensation of Employees | 41 364 | 38 149 | 27 753 | 72.7 |
| Goods and Services | 15 138 | 15 138 | 11 603 | 76.6 |
| Transfers and Subsidies | 140 | 140 | | 0.0 |
| Payments for Capital Assets | 816 | 816 | 457 | 56.0 |
| Total | 54 243 | 39 813 | 73.4 | |

The adjusted budget of **R38 302 000** and the expenditure of **R27 753 000 (72.7%)** on Compensation of Employees as well as the actual expenditure of **R11 603 000 (76.6%)** on the adjusted budget of **R15 138 000** on Goods and Services was noted. There was no expenditure on Transfer and Subsidies during the period under review. There was an actual expenditure of **R457 000(56%)** from the adjusted budget of **R816 000** on Payments for Capital Assets.

The department was requested to explain the low expenditure on Payment of Capital Assets and they provided a reason stating a delay in the delivery of the procured furnisher, thus payments could not be paid in line item.

5.3. Programme 3: Transport Regulation

Programme 3 achieved sixteen (**16**) out of seventeen (**17**) planned targets for the 3rd quarter of the 2017/18 financial year.

- Under Safety Engineering the department had nine (**9**) planned targets and achieved eight (**8**), where **450 000** vehicles were supposed to stopped and checked; however, only **400 572** underwent the process and the reason for deviation beingless vehicles were stopped, due to the fact that the department

experienced a huge volume of vehicles compared to the previous year, making it impossible to stop more vehicles as this would have endangered the Law Enforcement Officers and Road User travelling as a convoy. Despite under-performance on this target the 3rd quarter, the department will meet the set new annual targets. The program prioritised moving violations, such as:

- Overtaking in solid barrier lines.
- Reckless or negligent driving.
- Cell phone utilisation whilst vehicle is in motion.

The Committee further requested a briefing on the Festive Season Road Death Toll Report for Mpumalanga. It was reported that there has been an increase of crashes, slight and serious injuries and a decrease in fatalities. Furthermore, on the categories of victims of crashes, there was an increase in pedestrians, cyclists and decrease in drivers and passengers. The department stated that it is playing an active role in implementing Road Safety Education Programmes, otherwise, the situation would have been worse without the implemented interventions to improve responsible road usage. **(Annexure D)**

5.3.1 Financial expenditure

| Programme Expenditure Programme | Main appropriation R'000 | Adjusted appropriation R'000 | Actual Expenditure R'000 | Actual Expenditure % |
|------------------------------------|-----------------------------|---------------------------------|-----------------------------|-------------------------|
| Transport Regulation | 516 772 | 529 874 | 414 462 | 78.2 |

At the end of the 3rd quarter, the actual expenditure for this programme amounted to **78.2%** or **R414 462 000** out of the **R529 874 000** adjusted appropriation for 2017/18 financial year. The budget was adjusted up by **R13 102 000 (2.5%)**.

5.3.2. Economic Classification

| | Main budget R'000 | Adjusted budget R'000 | Actual Expenditure R'000 | Actual Expenditure % |
|-----------------------------|----------------------|--------------------------|-----------------------------|----------------------------|
| Compensation of Employees | 373 682 | 371 182 | 288 951 | 77.8 |
| Goods and Services | 123 169 | 132 369 | 105 887 | 80.0 |
| Transfers and Subsidies | 3 285 | 3 235 | 674 | 20.8 |
| Payments for Capital Assets | 16 636 | 23 088 | 18 950 | 82.1 |
| Total | 516 772 | 529 874 | 414 462 | 78.2 |

The adjusted budget on Compensation of Employees for this programme was **R371 182 000.00** with the actual expenditure of **R288 951 000.00 (77.8%)**. Goods and Services was adjusted to **R132 369 000** with the actual expenditure of **R1 05 887 000 (80.0%)**, which showing an over-expenditure of **5%** when compared to the 75% bench mark .The Transfers and Subsidies classification spent **R674 000.00(20%)** from an adjusted budget of **R3 235 000.00**, also showing a low expenditure of **5%**. The department spent **R414 462 000 00 (78.2%)** from the adjusted budget of **R529 874 000.00** on Payments for Capital Assets.

The Committee requested the department to explain the high expenditure on Goods and Services as well as Payments for Capital Assets. It was indicated that the high expenditure was as a result of the payment of catering services for the Mpumalanga Traffic College, Fleet Management for vehicles for Law Enforcement Officers, calibration of weighbridges and speed enforcement devices and face value documents (Annexure E).

The Committee further enquired on the low expenditure on Transfers and Subsidies and why virements on the programme were not done during budget adjustments and delays in submission of claims for injury on duty by service providers (medical practitioners) were cited as reasons for the expenditure pattern and that virements could not be done during the budget adjustment because of the high risk associated with the Programme, due to the nature of its work.

5.4. Programme 4: Security Management

Programme 4 has achieved three (3) out of four (4) (75%) targets planned for the 3rd quarter of the 2017/18 financial year.

- The department was supposed to monitor 718 sites and managed 676 sites due to the fact that one official responsible was on extended sick leave and the resignation of the other official.

The department assured the Committee that the programme will recover from the previous quarter's underperformance in the 4th quarter.

5.4.1 Financial expenditure

| Programme Expenditure Programme | Main appropriation R'000 | Adjusted appropriation R'000 | Actual Expenditure R'000 | Actual Expenditure % |
|------------------------------------|-----------------------------|---------------------------------|-----------------------------|-------------------------|
| Security management | 462 634 | 474 105 | 365 341 | 77.1 |

At the end of the 3rd quarter, actual expenditure for this programme amounted to **77.1%** or **R365 341 000** out of the adjusted budget of **R474 105 000** from the main budget of **R462 634 000**.

5.4.2. Economic Classification

| | Main budget R'000 | Adjusted budget R'000 | Actual Expenditure R'000 | Actual Expenditure % |
|-----------------------------|----------------------|--------------------------|-----------------------------|-------------------------|
| Compensation of employees | 7 407 | 6 107 | 4 431 | 72.6 |
| Goods and Services | 455 087 | 465 787 | 360 844 | 77.5 |
| Transfers and Subsidies | 40 | 40 | - | 0 |
| Payments for Capital Assets | 100 | 2 171 | 66 | 3.0 |
| Total | 462 634 | 474 105 | 365 341 | 77.1 |

The adjusted budget on Compensation of Employees was **R6 107 000.00** and actual expenditure was **R4 431 000.00 (72.6%)**. The actual expenditure was **R360 844 000.00 (77.5%)** on Goods and Services from the adjusted budget of **R465 787 000.00**. On Transfers and Subsidies, the actual expenditure of **zero (0)** from the adjusted budget of **R2 171 000.00**, was noted.

An explanation on why Payments for Capital Assets budget adjusted up from **R100 000.00** to **R2 171 000.00**, while there was only a **R66 000(3.0%)** actual expenditure was sought. The department indicated that budget was a result of the rollover for the payment of the installation of Close Circuit Camera in crime hotspots in Mbombela City.

The Committee noted that to the Provincial Treasury's Budget and Expenditure Report as in 31 December 2017 indicated that there will be a shortfall on February invoice amounting to **R14 000 000.00**. The Committee enquired on what contingency measures were put in place to deal with the matter, given that the challenge was not addressed during adjustments. The department indicated that the request was forwarded for additional budget to Provincial Treasury during the Second Adjustment, which will be in March 2018.

9. FINDINGS

The Committee made the following findings:

1. The installation of CCTV Cameras to all crime hotspot areas was a pilot and the department has no budget to roll out the implementation of the project..
2. There has been an increase of crashes, slight and serious injuries and a decrease in fatalities within the Province. Furthermore, there was an increase on the categories of victims of crashes on pedestrians and cyclists and a decrease in drivers and passengers.
3. There will be a shortfall amounting to **R14 000 000.00**, on February invoices of the department.

4. The draft Provincial Integrated Crime Prevention Strategy has been developed, presented and recommended by Technical Cluster and PCF and approval by EXCO is awaiting.

10. RECOMMENDATIONS

The Committee made the following recommendations:

- 8.1. The department must ensure that the project for installation of CCTV to all crime spot areas must be budgeted for in the 2018/19 financial year.
- 8.2. The department, together with all the municipalities must develop programmes to educate road users (including pedestrian) on Road Safety.
- 8.3. The department must provide the progress report on whether additional budget has been provided by Provincial Treasury during the Second Adjustment.
- 8.4. The department must provide the progress on when the Provincial Integrated Crime Prevention Strategy will be implemented.

11. 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 3rd Quarterly Performance Report of the Department of Community Safety, Security and Liaison for the 2017/2018 financial year.

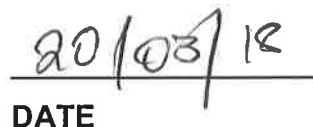
In addition, the Chairperson extends a word of thanks to the HOD and Senior Management and officials for availing themselves to deliberate on matters pertaining to the department.

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 April 2018.



HON GC SHABALALA



DATE

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