

REPORT OF THE PORTFOLIO COMMITTEE ON HEALTH AND SOCIAL DEVELOPMENT IN RELATION TO THE 1ST QUARTERLY PERFORMANCE REPORT FOR 2017/18 FINANCIAL YEAR - DEPARTMENT OF SOCIAL DEVELOPMENT – MEETING HELD ON 22 AUGUST 2017 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 1st quarterly report of the Department of Social Development (the Department) for the 2017/18 financial year, reporting period April – June 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 first (1st) 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 15 August 2017, the Committee was briefed by the cross functional team on the 1st quarterly report of the Department. The Committee met with the Department of Social Development on 22 August 2017 to deliberate and scrutinize in detail the aforementioned document. The Committee then met on 30 August 2017, to consider the draft Committee Report.

3. GENERAL OBSERVATIONS

- The 1st Quarterly report of the Department is aligned with its 2017/2018 Annual Performance Plan.
- The Department planned **111** targets and achieved **53**, which translates to **48%** of the planned target for this quarter.
- The Department has spent **R324 805 000** or 22.3% from the budget of **R 1 billion 456 million 009 thousand** during this quarter.

4. BROAD OVERVIEW BY THE MEC

MEC BP Shiba appreciated the oversight conducted by the Committee over her Department. In her overview she reported that the first quarter report will have detailed activities performed by the various sections of the Department. She further reported the following;

- ❖ The average expenditure was at 22.3% against the actual target of 25% for the quarter under review;
- ❖ The under expenditure was recorded on goods and services, as well as the capital assets. The under expenditure is also due to the activities planned massively for the Social Development month in October;
- ❖ The slow delivery on machinery and equipment, as well as the slow progress on the construction of youth development centres;
- ❖ The Department has also performed above expectations on services to older persons, services to persons with disabilities, victims' empowerment and community mobilisation;
- ❖ The Department received an unqualified audit outcomes for 2016/2017 financial year;

- ❖ The MEC thanked the Portfolio Committee for providing guidance and support to the Department and indicated that the Acting HOD, Ms TE Mhlongo will give detailed information on the 1st Quarterly Performance of the Department for 2017/2018 financial year;

5. DELIBERATIONS ON THE 1st QUARTERLY REPORT

| SOCIAL DEVELOPMENT | | | | | | | | | | | | | | | | |
|---------------------------------|---------------------|-------------------|------------------|-------------------------------|---------------------|--------------------------------|-------------------------|--------------------------|---------------------|-------------------|------------------|-------------------------------|---------------------|--------------------------------|-------------------------|--------------------------|
| R Thousands | Main Budget 2017/18 | Total Adjustments | Adjusted Budget | Actual to the end of Jun 2017 | Outcome as % Budget | Projections to end of Mar 2018 | (Over) / under spending | %(Over) / under spending | Main Budget 2016/17 | Total Adjustments | Adjusted Budget | Actual to the end of Jun 2016 | Outcome as % Budget | Projections to end of Mar 2017 | (Over) / under spending | %(Over) / under spending |
| Programme | | | | | | | | | | | | | | | | |
| ADMINISTRATION | 280 099 | - | 280 099 | 57 037 | 20.4% | 223 062 | - | 0.0% | 271 196 | - | 271 196 | 60 934 | 22.5% | 210 264 | - | 0.0% |
| SOCIAL WELFARE SERVICES | 229 787 | - | 229 787 | 60 340 | 26.3% | 169 540 | (1 931) | -0.0% | 284 642 | - | 284 642 | 53 657 | 18.6% | 231 585 | - | 0.0% |
| CHILDREN AND FAMILIES | 558 089 | - | 558 089 | 126 546 | 22.7% | 431 450 | 53 | 0.0% | 543 628 | - | 543 628 | 116 123 | 21.4% | 427 505 | - | 0.0% |
| RESTORATIVE SERVICES | 212 237 | - | 212 237 | 46 374 | 21.9% | 165 863 | - | 0.0% | 158 913 | - | 158 913 | 31 597 | 19.9% | 127 316 | - | 0.0% |
| DEVELOPMENT AND RESEARCH | 175 797 | - | 175 797 | 34 506 | 19.6% | 141 289 | - | 0.0% | 196 335 | - | 196 335 | 36 019 | 18.3% | 160 316 | - | 0.0% |
| TOTAL | 1 456 009 | - | 1 456 009 | 324 806 | 22.3% | 1 131 204 | - | 0.0% | 1 454 716 | - | 1 454 716 | 297 730 | 20.5% | 1 156 986 | - | 0.0% |
| Economic Classification: | | | | | | | | | | | | | | | | |
| Compensation of employees | 661 424 | - | 661 424 | 153 712 | 22.6% | 527 712 | - | 0.0% | 606 202 | - | 606 202 | 146 092 | 24.1% | 460 110 | - | 0.0% |
| Goods and services | 161 424 | - | 161 424 | 29 357 | 18.2% | 132 067 | - | 0.0% | 186 736 | - | 186 736 | 39 845 | 21.3% | 146 891 | - | 0.0% |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total transfers and subsidies | 510 526 | - | 510 526 | 124 389 | 24.4% | 386 157 | - | 0.0% | 494 749 | - | 494 749 | 109 675 | 22.2% | 385 074 | - | 0.0% |
| Payments for capital assets | 102 635 | - | 102 635 | 17 367 | 16.9% | 85 268 | - | 0.0% | 167 029 | - | 167 029 | 2 118 | 1.3% | 164 911 | - | 0.0% |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 1 456 009 | - | 1 456 009 | 324 806 | 22.3% | 1 131 204 | - | 0.0% | 1 454 716 | - | 1 454 716 | 297 730 | 20.5% | 1 156 986 | - | 0.0% |

SUMMARY OF THE PERFORMANCE OF THE DEPARTMENT

The Committee also noted that the performance of the Department for the first quarter in the below Table as per the Planned Targets (PT) and Actual Output (AO)

SUMMARY OF THE OVERALL PERFORMANCE OF THE PROGRAMMES

| Programmes | Planned Targets | Actual Outputs | As % of targets Achieved | As % of Total Expenditure of 25% |
|-----------------------------|-----------------|----------------|--------------------------|----------------------------------|
| 1. Administration | 30 | 20 | 67% | 20.4% |
| 2. Social Welfare Services | 18 | 10 | 56% | 26.3% |
| 3. Children and Families | 16 | 02 | 12.5% | 22.7% |
| 4. Restorative Services | 19 | 07 | 37% | 21.9% |
| 5. Development and Research | 28 | 14 | 50% | 19.6% |
| Total | 111 | 53 | 48% | 22.3% |

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 for the quarter and 20 were achieved, which translate to **67%** achievement.

The table below indicates the programme expenditure

| Administration | Adjusted Final Budget R'000 | Actual Expenditure | Percentage % |
|----------------|--------------------------------|---------------------|-----------------|
| Total(s) | R 280 099 000 | R 57 037 000 | 20.4% |

The Committee requested an explanation from the Department on how irregular expenditure, unauthorised Expenditure, fruitless, wasteful expenditure has been recorded in this quarter and what measures has been taken upon identifying such expenditures. In its response the Department reported that there is no irregular, fruitless and wasteful, and unauthorised expenditure recorded for the period under review. The Department also reported that the expenditure is identified through reports from Departmental units and Districts. Quarterly reports are also compiled on unauthorised, irregular, fruitless and wasteful expenditure.

Accruals

The Committee also wanted to know if the Department was able to settle any accruals from the previous financial year in this quarter, if yes, indicate how much accrual have been settled and which budget has been used to settle the accruals. In its response, the Department reported that Accruals from the previous financial year were settled in this quarter amounting to R 794 534. These accruals were paid from the 2017/18 financial year budget.

The Committee further requested the Department to provide an explanation on programmes that are affected by the accruals. In its response the Department reported that Programmes 1, 2, 3 and 5 were affected by accruals. However, it should be noted that the department is implementing stringent cost curtailment measures in order to realise savings which funded the accruals (such as reduction of kilometres travelled by Admin staff; reduced catering for meetings and reduction of cellphone allowance by 10% from each qualifying official).

Shortage of Social Workers

The Committee wanted to know how the Department is affected by the issue of the moratorium especially with regard to the shortage of social workers; the Committee further needed clarity if the honourable MEC has elevated the matter of the moratorium to the Executive Council. In its response the Department reported that it has a Conditional Grant on Absorption of Social Work Graduates, **46** social workers were appointed this financial year. The social workers were appointed in the three districts as follows: **19** in Ehlanzeni; **12** in Gert Sibande and **15** in Nkangala.

Kanyamazane office for Social Workers

The Committee raised a concern on the following matters in the Kanyamazane office:

- ❖ Untidiness of the office;
- ❖ Poor filing system;
- ❖ Late arrival by the staff in the office; and
- ❖ Patience to wait for long hours without assistance; sometimes two days

In its response, the Department reported that a meeting has been scheduled for Monday the 28 August 2017 with the affected Social Workers. The social workers will be reprimanded for late coming and unprofessional conduct. The Department further reported that it will procure a filing cabinet and ensure that a proper filing system is in place. Currently, the department does not have cleaners and relies on cleaners from Msogwaba Office who come twice in a week to clean the offices. The Department cannot appoint staff due to the moratorium. The Department will consider allocation of Expanded Public Works Programme (EPWP) workers for cleaning the office once their appointment has been finalised.

Facility Management

The Committee also wanted to know what measures has the Department put in place to ensure facility management sub-programmes performed its planned targets. In its response the Department reported that an infrastructure and maintenance plans been developed as a measure to guide the facility management sub-programme to perform its planned targets. In addition to this, the Department also participated in the bid evaluation and adjudication committees as members in the procurement of delivery of social infrastructure projects.

The Committee further wanted to know how the Department plans to achieve the unachieved targets under this programme. In its response, the Department reported that Social infrastructure projects affected by community unrests and other disruptions which were subsequently resolved, catch up plans were developed and implemented through the assistance and support of the Implementing Agent. The Department further reported that Intervention from Local Municipalities are also being pursuit to resolve the challenges still confronted with for other social infrastructure projects.

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 **10** of the **18** planned targets.

The table below indicates the programme expenditure

| Social Welfare services | Main Budget R'000 | Actual Expenditure | Expenditure % |
|-------------------------|----------------------|-----------------------|------------------|
| TOTAL | R229 787 000 | 60 340 000 | 26.3% |

The Committee raised a concern that it is unjustifiable on how the programme spent 26% of its budgets while failing to deliver the basic service to the people. The Committee requested explanation if did the Department establish the impact for failure to achieve the targets in this programme and how is the impact mitigated. In its response the Department reported that the programme has minimally achieved seven (7) targets out of 19 planned targets wherein there is high reliance on referrals and participation from other stakeholders.

Regarding the mitigating factors, the Department reported that the officials in this programme will encourage communities through radio talks and community dialogues to participate in programmes that seek to empower people with disabilities and older persons.

Social Relief of Distress Programme

The Committee wanted to know how long does it take to assess a vulnerable family in order to get food relief and how does the Department assist the families after three (3) months of receiving the food relief. The Department in its response reported that the assessment of home circumstances of clients applying for Social Relief differs from household to household, however the longest could be three to four days. The Department further reported that there are programmes such as Sustainable Livelihoods which aims to assist clients to discover their abilities and make a living.

The Committee was also informed by the Department that working with other departments and refers clients who may be in need of further assistance. For example, clients may be referred to the Department of Agriculture, Rural Development and Land Administration for programmes such as Masibuyele Emasimini and Masibuyele Esibayeni.

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 **16** targets planned for the quarter and only two (**2**) were achieved. The Committee noted with serious concern that this programme has underperformed as compared to other programmes.

The table below indicates the programme expenditure

| Children and Families | Adjusted Final Budget R'000 | Actual Expenditure | Percentage % |
|-----------------------|--------------------------------|----------------------|-----------------|
| Total(s) | R558 089 000 | R 126 546 000 | 22.7% |

This programme takes over 50% of the budget of the department and is the biggest programme of the department with sixteen service delivery targets and only two of these targets were achieved. The failure of the Department to perform in this programme was reported as follows:

- ❖ 1 383 families failed to participate in family prevention programmes;
- ❖ 35 families re-united with their families;
- ❖ 382 families failed to participate in parenting programmes;
- ❖ 580 orphaned and vulnerable children not receiving psychosocial services;

- ❖ 348 children not yet placed in foster care;
- ❖ 16 children still awaiting foster care placement;
- ❖ 39 817 children not accessing registered Early childhood Development (ECD) programmes;
- ❖ 2 694 subsidised children not accessing registered ECD programmes;
- ❖ 1 538 ECD practitioners not registered in ECD programmes;
- ❖ 1061 children not reached through non-centre base ECDs;
- ❖ 93 children in need of care and protection in funded CYCCs but not taken care of or protected in CYCC;
- ❖ 5 915 children not accessing services through the Isibindi Model;
- ❖ 218 youth care workers could not be trained;

The Committee noted that these failures of the Department hamper negatively the service expected particularly by children and youth. The failure of this programme directly attack efforts for early childhood development and youth development further dampening the youth and children into deep vulnerability.

The Committee wanted to know what measures are put in place to ensure the performance of the Department in this programme considering its dismal performance in this quarter. In its response the Department reported that the under-performance is due to the late submission of performance information at district level. The Department further reported that measures were put in place to ensure that performance information is submitted and verified on a monthly basis.

The Committee further needed clarity if the Department did take measures against officials who dismally performed under this programme and what actions were taken thereof. The Department reported that Districts will intensify supervision services and it will also be reflected in the individual quarterly performance assessments.

Standerton ECD

The Committee wanted to know if the Standerton Early Childhood Development (ECD) initial contractor was terminated, and another contractor was appointed. The Committee further needed clarity if the department is not faced with litigation regarding this matter. In its response, the Department indicated that initial contractor was terminated and another contractor was appointed. It was reported that it has not received any notification of litigation from the implementing agent thus far.

South Africa Social Security Agency (SASSA)

The Committee wanted to know what is the Department doing about numerous reports of illegal deductions on social grants payment by SASSA. In its response the Department reported that SASSA has a toll free number whereby all grant recipients who have challenges of illegal deductions can call; grant recipients are also encouraged to visit SASSA office to report such cases. The Committee also raised a concern that some of the SASSA pay points are not conducive to older persons as they stand in long queues and some even fall sick in long queues whilst waiting to be paid.

The Committee further wanted to know if there is a first aid kit in the pay point's areas. In its response, the Department reported that SASSA has embarked on a campaign to improve pay points, whereby they ensure that there are chairs, toilets and water at each pay point. The Committee also informed the Department that some of the grant recipients allege that once they have lost their Identity documents, they receive new ones with changed years of birth. The Department was requested to explain what causes the challenge. In its response the Department reported that the identity documents are applied for in the Department of Home Affairs. However, this matter will be escalated to Local Municipalities Speakers Office for them to raise it during their regular meeting with the Home Affairs Department.

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 and **07** were achieved, that is, **37%**.

The table below indicates the programme expenditure

| Restorative Services | Adjusted Final Budget R'000 | Actual Expenditure | Percentage % |
|----------------------|--------------------------------|-----------------------|-----------------|
| TOTAL | R212 237 000 | R 46 374 000 | 21.9.% |

The Committee noted that there were seven (07) targets that were not achieved and that the non-achievement was attributed to the following factors;

- ❖ 92 children in conflict with the law not being accessed;
- ❖ 11 children in conflict with the law not referred to a diversion programme;
- ❖ 362 victims of crime and violence not accessing services from Victim Empowerment (VEP);
- ❖ 6 391 children under 18 years on substance abuse not reached through the preventative programme;
- ❖ 3 893 people over 18 years not reached through the preventative programme and
- ❖ 213 persons did not access social worker services

The Committee wanted to know why the Department failed to achieve all the targets of this programme. In its response the Department reported that the programme has an average performance on eight (8) targets. This programme is also heavily depended on referrals from the courts and the South African Police Services (SAPS). The Department further reported that fewer referrals might imply that there is less arrest on children who are committing serious crimes. The Committee requested the Department to further explain the response on Programme 4 indicators that are dependent on other stakeholders such as SAPS, did not give recommendations.

The Committee further wanted to know what other strategies the Department would embark on to improve the performance. In its response the Department reported that it participates in structures such as the Justice, Crime Prevention System (JCPS) cluster and PROVJOINTS which are focusing on Crime Management in the Province. The Department also reported that crime cases and referrals are discussed during the meetings. The Portfolio Committee should also note that the underperformance in some of the indicators which are considered to be “negative” is an achievement even though the Department would not like, for example, to see many children in conflict with the law.

The Committee further requested the Department to explain what measures have the Department put in place to ensure that all planned targets in this programme are achieved. In its response, the Department reported that the programme will intensify its prevention services targeting schools and youth centres to create awareness and stakeholder collaboration on social crime and the scourge of substance abuse.

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.

The table below indicates the programme expenditure

| Development and Research | Adjusted Budget R'000 | Actual Expenditure | Percentage % |
|--------------------------|--------------------------|-----------------------|-----------------|
| TOTAL | R175 797 000 | R34 508 000 | 19.6% |

There were **28** targets planned for the quarter and only **14** achieved, that is, **50%** of the planned targets achieved. The Committee also noted that under this programme the Department failed to do the following;

- ❖ Conduct a community dialogue;
- ❖ Capacitate 287 Non-Profit Organisation (NPO);
- ❖ Capacitate five community development practitioners;
- ❖ Ensure that 126 NPO are compliant to the NPO Act;
- ❖ Provide food to 12 346 people through the Social Development programme;
- ❖ Create 6 710 job opportunities;
- ❖ Profile 270 households and
- ❖ Conduct 27 life skills workshops

The Committee requested an explanation if the Departments target had any practical research study under this programme in line with the purpose of this programme. In its response the Department reported that the primary mandate or purpose of the Research and Demography sub-programme within the Directorate: Population Policy Promotion is to undertake Population Research as well as demographic analysis which are both forms of empirical research. The Department also reported that in the first quarter the following projects were completed; One Client Satisfaction Survey on Departmental Stores, which is a requirement for the Management and Performance Management Tool (PACT) evaluation and one demographic profile to inform Departmental Planning. The Department further reported that Projects that are targeted for the rest of the year included: Evaluation of DSD Interventions on Sustainable Livelihoods Initiatives in Profiled Households; Evaluation of ISIBINDI Projects and Four additional demographic profiles on vulnerable groups which are Youth; Women, Older persons and Children.

The Committee further needed the Department to indicate the reasons of failing to achieve planned targets and the extent of the impact of failure to achieve targets under this programme. In its response the Department reported that the failure to achieve targets is attributed to reasons including: Delays in submission of required or reliable documentation – administrative processes taking longer than anticipated and poor attendance in some planned activities.

The outstanding activities will be implemented in the subsequent quarter to achieve the annual targets. The impact therefore is the delay for beneficiaries to receive the services planned. The Committee also requested the Department to explain why the Department spend low in this programme. The Department reported that the following are reasons for under expenditure in the programme and that the programme will improve spending in the next reporting period:

- ❖ The main indicators with more financial implications are planned for the 2nd quarter, these include campaigns, dialogues, training of Community Development Practitioners (CDPs) and funding of households;
- ❖ The delay in the registration and submission of claims for Extended Public Works Programme (EPWP) conditional grant.
- ❖ The slow progress on infrastructure for DSD Youth Development Centres

6. COMMITTEE FINDINGS

After the deliberations on the 1st quarterly report of the Department of Social Development for the 2017/18 financial year, the Committee found that:

- a) Failed to comply with the PFMA during the reporting period as the department managed to spend 22.3%.
- b) There was slow delivery on machinery and equipment, as well as the slow progress on the construction of youth development centres;
- c) There is poor planning in the department, hence Programmes 1, 2, 3 and 5 were affected by accruals;
- d) An infrastructure and maintenance plans has been developed;

7. RECOMMENDATIONS

After the findings, the Committee recommended that the Department must:


- a) Strengthen its monitoring system to ensure that the under expenditure does not occur in the next quarter and to provide a progress report by 30 September 2017.
- b) Fast-track and monitor the delivery of machinery and equipment as well as the construction of the youth development centres. A progress report must be provided by 30 September 2017.
- c) Strengthen its planning section and ensure effective monitoring on the budget expenditure to prevent the same occurrence during the 2018/19 financial year. A progress report to be submitted on a quarterly basis.
- d) Ensure that infrastructure and maintenance plans are implemented and monitored. A progress report to be submitted on a quarterly basis.

8. CONCLUSION

The Chairperson would like to thank the MEC, Ms BP Shiba, the Acting HOD, Ms TE Mhlongo, representative of Public Service Commission, South African Local Government Association (SALGA), Auditor General of South Africa, representatives from Office of the Auditor General)) and the officials of the Department of Social Development for availing themselves for the deliberations on the 1st 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 1st quarterly report of the Department and the Legislature staff for their support and contribution towards the production of this report.

Lastly, the Chairperson requests that the House adopts the report with its recommendations and request the Department to submit the progress report on 30 September 2017.


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HON P NGOBENI

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

30/08/2017
DATE