

REPORT OF THE PORTFOLIO COMMITTEE ON PREMIER'S OFFICE; FINANCE; ECONOMIC DEVELOPMENT AND TOURISM

2017/18 FOURTH QUARTER PERFORMANCE REPORT OF THE OFFICE OF THE PREMIER (VOTE 01)

1. INTRODUCTION

Rule 218 (1)(2) and (3) of the Rules and Orders of the Mpumalanga Provincial Legislature requires the Member of the Executive Council responsible for a provincial department to table quarterly reports to the Speaker, within thirty (30) calendar days after the end of the quarter.

The Portfolio Committee on Premier's Office, Finance, Economic Development and Tourism has a mandate in terms of Section 114 (2)(b) of the Constitution of South Africa, 1996 to oversee the performance of the Office of the Premier (the office) and hold it accountable.

The consideration and scrutiny of the Fourth Quarter Performance Report for 2017/18 of the office is the tool the Committee uses to determine whether the office has proper plans and programmes to realise its strategic objectives.

2. METHOD OF WORK

The Premier Tabled the Third Quarter Performance Report to the Legislature. Subsequently, the Speaker of the Legislature referred the 2017/18 Fourth Quarter Performance Report 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 rules).

On 30 May 2018, the Committee considered a detailed analysis of the 2017/18 Fourth Quarter Report and raised key observations and questions that were sent to the office for written responses. Thereafter, on 01 August 2018, the Committee interacted with the Acting Director General and the Senior Management team of the office on the 2017/18 Fourth Quarter Report. The Committee met again on 01 August 2018 to consider its draft report.

3. GENERAL OBSERVATION

- a) The 2017/18 Fourth Quarter Report was correctly Tabled by the Honourable Premier within 30 days after the quarter as required by the Rules and Orders of the Mpumalanga Provincial Legislature;
- b) Questions that were raised by the Committee were sent to the office for written responses.

4. ANALYSIS PER PROGRAMME

4.1. PROGRAMME 1: ADMINISTRATION

The Committee noted the following on Programme 1:

a) Spending Pattern

Table 1: Spending per Economic Classification

	Adjusted budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of employees	59 542	60 352	101.4
Goods and Services	82 399	86 234	104.7
Transfers and Subsidies	62	53	85.5
Payments for capital assets	32 600	29 777	91.3
Total	174 673	176 486	101

The adjusted budget for the programme is **R174 673 000.00**. The office spent (101%) **R176 486 000.00** of the budget during the fourth quarter of the financial year.

a) Programme Performance

This programme achieved 80% (12 of the 15) targets during the fourth quarter of the 2017/18 financial year.

i. Cases received on the Presidential Hotline

The Committee noted that the office managed to resolve 95.17% instead of 100% of the calls received on the Presidential Hotline. The Committee requested the office to provide an update in dealing with the backlog of cases received on the Presidential Hotline. The office reported that as at 31 March 2018, the total cost received by the province were 6 386 and the total cases that were resolved are 6 098, which is 95.17%. This figure is cumulative since the inception of the Presidential Hotline. The open calls as at 31 March 2018 were at 288. The Committee requested the department to undertake a vigorous training programme or give a deadline for departments to have trained personnel.

ii. Irregular Expenditure

The office reported that investigations of irregular expenditure in provincial departments were concluded in the fourth quarter. The Committee raised a concern on the amount of irregular expenditure incurred by the provincial departments. Irregular expenditure amounting to **R8 257 000 000.00**. The Committee requested the office to come up with a mechanism that will curb the irregular expenditure. Furthermore, the Committee requested the office to pay more focus on the Department of Human Settlements as it had incurred **R1 755 149 654.19**.

4.2. PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

The Committee noted the following on Programme 2:

a) Spending Pattern

Table 2: Spending per Economic Classification

	Adjusted budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of employees	49 297	48 646	98.7
Goods and Services	20 950	21 333	101.8
Transfers and Subsidies	4 831	4 272	88.4
Payments for capital assets			
Total	75 078	74 251	98.9

Programme 2 had an adjusted budget of **R75 078 000.00** for the 2017/18 financial year and spent (98.9%) **R74 251 000.00** of the budget during the fourth quarter.

b) Programme Performance

This programme achieved 89.4% (17 of its 19) targets in the fourth quarter of the 2017/18 financial year.

i. Service Delivery Models for the Provincial Government

The Committee noted that the programme failed to develop service delivery models for Provincial Departments due to human resource constraints. The office reported that filling of vacant positions in the Organisational Design and Job Evaluation Section has been prioritised. The office will request for permission to fill all critical and funded positions from the Executive Council. Furthermore, the office reported that in the interim, the office has adopted a project matrix approach which entails the structuring of key functions into three internal clusters to improve the overall performance.

4.3. PROGRAMME 3: POLICY AND GOVERNANCE

The Committee noted the following on Programme 3:

a) Spending Pattern

This programme has an adjusted budget of **R61 484 000.00** for the 2017/18 financial year and spent 98.3% (**R60 461 000.00**) of the budget in the fourth quarter of the 2017/18 financial year.

b) Programme Performance

This programme achieved 60% (12 of its 20) targets in the fourth quarter of the 2017/18 financial year.

i. Youth Development and Special Programme

Given the challenges of failure to achieve planned targets by the Youth Development and Special Programme, the Committee enquired on what strategies the office will put in place to ensure that the

targets are achieved. The office reported that the filling of vacant positions in the Youth Development Section has been prioritised. For the implementation of the Youth Portal Project, the office will co-implement the project with the current service provider as part of the Service Level Agreement. Furthermore, the office reported that in the interim, it has adopted a project matrix approach which entails the structuring of key functions into three internal clusters to improve overall performance.

ii. Youth Development Portal

The Committee requested the office to clarify what the Youth Portal entails. The office reported that the Youth Portal entails the creation of an effective real-time and interactive free online platform that provides access to development and economic information to the youth. This would provide strategic information about youth development, funding opportunities, tools to help youth access community assets and generate maps on available resources. The Committee requested that the Youth Development Portal be extended to municipalities.

5. FINDINGS

After the deliberations, the Committee made the following findings:

- 5.1. The province incurred irregular expenditure amounting to **R8 257 000 000.00**.
- 5.2. The OTP achieved 75.9% (41 of its 54) planned targets during the fourth quarter of the 2017/18 financial year.
- 5.3. The office failed to resolve 100% of calls received on the Presidential Hotline because departments do not have trained personnel to use the system.
- 5.4. The office has prioritised the implementation of two projects namely; Youth Portal and Youth Development Coordinating Committee.

6. RECOMMENDATIONS

The Committee recommends that:

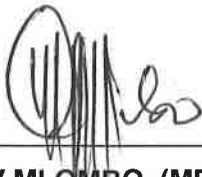
- 6.1. Regarding the irregular expenditure, the Committee recommends that:

- a. The office must submit a report detailing the consequence management to those employees implicated on the irregular expenditure.
 - b. The report must also detail the intervention strategy implemented to prevent the re-occurrence of irregular expenditure in the 2018/19 financial year.
 - c. The office must strengthen its monitoring strategy over provincial department.
- 6.2. The Office must put more focus on Security Management, Forensic and Integrity Management and Youth Development and ensure that all planned targets are achieved.
- 6.3. The Office of the Premier must undertake a vigorous training programme or give a deadline for departments to have trained personnel.
- 6.4. The office must ensure that the two projects are implemented without delay for the benefit of the youth of the province.

7. 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 Office of the Premier's Fourth Quarter Performance Report for the 2017/18 financial year. In addition, the Chairperson extends a word of appreciation to the Acting Director-General and senior management officials for availing themselves to deliberate on matters pertaining to the Office of the Premier. The Chairperson would also like to thank the Committee support staff for contributing to the production of this report.

Unless otherwise stated a report detailing progress in the implementation of all recommendations in this report should be forwarded to the Committee by 31 August 2018, unless stated otherwise, and thereafter on a quarterly basis.



HON FV MLOMBO, (MPL)

**CHAIRPERSON: PORTFOLIO COMMITTEE ON
PREMIER'S OFFICE; FINANCE, ECONOMIC
DEVELOPMENT AND TOURISM**

01. 08. 2018

DATE