

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

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

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### **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 fourth (4<sup>th</sup>) 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 4<sup>rd</sup> 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 12 June 2018 to deliberate on the department's 4<sup>th</sup> Quarterly Performance Report for the 2017/2018 financial year. The Committee considered the draft Committee Report on 02 August 2018.

### **3. GENERAL OBSERVATIONS**

- The Committee observed that the Department of Community Safety, Security and Liaison has achieved **46** or **85%** 4<sup>th</sup> quarter targets out of **54** planned targets .and they must try to achieve all targets as planned.
- The Committee noted that in terms of the achieved target versus budget the department was not doing well.

- **DELIBERATIONS ON 4<sup>th</sup> 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 4<sup>th</sup> Quarterly Performance Report for the 2017/2018 financial year. He was further requested to present the responses of the findings made by the Committee. Thereafter, the committee interacted 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 FOURTH QUARTER PERFORMANCE REPORT**

Departmental summary R'000	Main Appropriation	Adjusted budget	Actual expenditure	%
Administration	116 235	120 500	133 561	110.8
Civilian oversight	57 458	54 243	49 632	91.5
Transport regulation	516 772	529 874	536 886	101.3
Security management	462 634	474 105	446 205	94
<b>Total</b>	<b>1 153 099</b>	<b>1 178 722</b>	<b>1 166 284</b>	<b>98.9</b>

The main budget was **R1 153 099 000 adjusted to R1 178 722 000.00** and the actual expenditure is **R1 166 284 000** or **98.9 %** during the financial year 2017/18. There is an overspending on Administration and Transport Regulations by **R13.0 million (10.8%)** and **R7 .01million (1.3%)** respectively.

#### Economic Expenditure

Economic Classification MAIN APPROPRIATION		Adjusted APP	Actual Expend	%
<b>Compensation of Employees</b>	<b>498 107</b>	492 092	505 491	102.7
<b>Goods and Services</b>	<b>632 143</b>	655 258	636 064	97.9
<b>Transfers and Subsidies</b>	<b>3 823</b>	3 823	1 293	33.8
<b>Capital Assets</b>	<b>19 026</b>	27 549	23 436	85.1
<b>Total</b>	<b>1 153 099</b>	<b>1 178 722</b>	<b>1 166 284</b>	<b>98.9</b>

Compensation of Employees expenditure is at **R505 491 000** of the **R492 092 000** adjusted budget or **102.7%** which shows an over expenditure of **13.3** million. Goods and services has an adjusted budget of **R655 258 000** and the expenditure is at **R636 064 000(97.1)**.Expenditure on Transfers and Subsidies is **R1 293 000 (33.8%)** against the budget of **R3 823 000** which shows an underspending of **R2 530 000** or **66.2%**. Capital assets expenditure is at **R23 436 000(85.1%)** of the adjusted budget of **R27 549 000** resulting on the budget variance of **R4 113 000** or **14.1%**.

## 5. PROGRAMME 1: ADMINISTRATION

**Programme 1** achieved **100%** or eighteen (**18**) out of eighteen (**18**) planned targets for the 4<sup>rd</sup> quarter of the 2017/18 financial year.

### 6.2. Expenditure Report

Economic Classification	Main budget R'000	Adjusted budget R'000	Actual Expenditure R'000	%
Compensation of employees	75 654	76 654	79 900	104.2
Goods and Services	38 749	41 964	51 357	122.4
Transfers and Subsidies	358	408	470	115.2
Payments for Capital Assets	1 474	1 474	1 834	124.4
<b>Total</b>	<b>116 235</b>	<b>120 500</b>	<b>133 561</b>	<b>110.8</b>

The total adjusted budget for this programme is **R120 500.00** and the actual **R133 561.00. (110.8)** which shows an over-spending of **10.8%**. Compensation of employees adjusted budget is **R76 654 000.00** and the expenditure is at **R79 900.00(104.2)** which shows an over-spending of **4.2%**. Goods and Services adjusted budget is **R41 964 000.00** and the actual expenditure is **R51 357 000.00** which shows an over expenditure of **22.4%**. Transfers and Subsidies adjusted budget is **R408 000.00** and the actual expenditure is **R470 000.00(115.2%)** it also shows an over-spending of **15.2%**.Capital Assets adjusted budget is **R1 474 000.00** and the actual expenditure is **R1 834 000.00(124.4%)** which

shows an overspending of **24.4%**. All sub- programmes have over- spent and all over- spending are way above the **2%** acceptable variance from National Treasurer.

(i) The Committee enquired on why programme 1 has overspent in all line items. The department reported that overspending on Compensation of Employees is as the result of payment of acting allowances retrospectively as Per EXCO resolution and upgrading of certain post in terms of PSBC resolution and there budget was insufficient. Further the overspending has been curbed by virements from programme 4 on Goods and Services in terms of PFMA section 43. On Goods and Services the department stated that overspending on this item can be attributed increased bank costs, operating leases on office accommodation and labour saving devices which were acquired for the DLTCs that were taken over and municipality services such as water and electricity. On Transfer and Subsidies the department reported that the overspending relates to registration and renewal of motor vehicle license discs for the Government vehicles. Furthermore on Payments for Capital Assets the department stated that the overspending is as the result of VIP vehicle that was purchased for Member of Executive Council as the old one had started having mechanical problems.

## **5.2. Programme 2: Civilian Oversight**

**Programme 2** has achieved twelve (12) or **75%** out of sixteen (16) planned targets for the 4<sup>rd</sup> quarter of 2017/18 financial year. The department failed to achieve its target on the following:

- Under **Monitoring and Evaluation** the sub-programme had five (5) planned targets and achieved three (3), the reason for failure is that most targets were achieved in the previous quarters.
- Under **Promotion of Safety**, the sub-programme had five (5) planned targets and achieved three (3). The department was supposed to develop, implement and monitor the Provincial Integrated Crime Prevention Strategy and the reason for failure is that the strategy is awaiting approval by Executive Council, they also

failed to conduct eight (8) educational awareness workshops and only two (2) were conducted due to budget constraints.

### 5.1.2. Expenditure Report

Economic classification	Main budget R'000	Adjusted budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of Employees	41 364	38 149	36 165	94.8
Goods and Services	15 138	15 138	13 003	85.9
Transfers and Subsidies	140	140		00
Payments for capital assets	816	816	464	56.9
<b>Total</b>	<b>57 458</b>	<b>54 243</b>	<b>49 632</b>	<b>91.5</b>

The total adjusted budget for this programme is **R54 243.00** and the actual **R49 632. 00. (91.5%)** which shows an under-spending of **8.5%**. Compensation of employees adjusted budget is **R38 149 000.00** and the expenditure is at **R36 165 000.00(94.8)** which shows an under-spending of **4.2%**. Goods and Services adjusted budget is **R15 138 000.00** and the actual expenditure is **R13 003 000.00** which shows an under expenditure of **14.1%**. Transfers and Subsidies adjusted budget is **R140 000.00** and the actual expenditure is **R000.00**. Capital Assets adjusted budget is **R816 000.00** and the actual expenditure is **R464 000.00(56.9%)** which shows an underspending of **43.1%**. All sub- programmes have under-spent and all underspending are way below the **2%** acceptable variance from National Treasurer.

The Committee noted Under Promotion of Safety the department had 5 planned targets and achieved 3, the department failed to conduct 8 educational awareness' workshops and only 2 were conducted due to budget constraints but the sub-programme Promotion of safety shows an underspending of R1.497 000.00(8.7%).

The department was requested to explain on why they are indicating budgetary constraints as their reason for failure to achieve targets while they have an underspending

on this programme. The department reported that the underspending relates to the Compensation of Employee where the Senior Manager transferred in the financial year to the Department of Culture, Sports and Recreation thus the saving in line item.

### 5.3. Programme 3: Transport Regulation

Programme 3 achieved fourteen (14) 77.7% out of eighteen (18) planned targets for the 4<sup>th</sup> quarter of the 2017/18 financial year.

- Under **Traffic Law Enforcement** the department had 7 planned targets and achieved 5, they were supposed to have 5 training sessions on firearm handling conducted but only 2 were conducted and the reason for deviation is that more were done in the previous quarters.

#### 5.3.2. Expenditure Report

Economic Classification	Main budget R'000	Adjusted budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of Employees	373 682	371 182	383 600	103.3
Goods and Services	123 169	132 369	133 441	100.8
Transfers and Subsidies	3 285	3 235	773	23.9
Payments for Capital Assets	16 636	23 088	19 072	82.6
<b>Total</b>	<b>516 772</b>	<b>529 874</b>	<b>536 886</b>	<b>101.3</b>

The total adjusted budget for this programme is **R529 874 000.00** and the actual **R536 886 000. 00. (101.3%)** which shows an over-spending of **1.3%**. Compensation of employees adjusted budget is **R371 182 000.00** and the expenditure is at **R383 600 000.00(103.3)** which shows an over-spending of **3.3%**. Goods and Services adjusted budget is **R132 369 000.00** and the actual expenditure is **R133 441 000.00** which shows an expenditure of **100.8%** which falls within the acceptable variance of **2%**. Transfers and Subsidies adjusted budget is **R3 235 000.00** and the actual expenditure is **R 773**

000.00(23.9%).Capital Assets adjusted budget is **R23 088 000.00** and the actual expenditure is **R19 072 000.00(82.6%)** which shows an underspending of **7.4%**.

#### 5.4. Programme 4: Security Management

**Programme 4** has achieved two (2) 100% out of two (2) targets planned for the 4<sup>th</sup> quarter of the 2017/18 financial year.

##### 5.4.2. Expenditure Report

Economic Classification	Main budget R'000	Adjusted budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of employees	7 407	6 107	5 826	95.4
Goods and Services	455 087	465 787	438 263	94.1
Transfers and Subsidies	40	40	50	125.0
Payments for Capital Assets	100	2 171	2 066	95.2
<b>Total</b>	<b>462 634</b>	<b>474 105</b>	<b>446 205</b>	<b>94.1</b>

The total adjusted budget for this programme is **R474 105 000.00** and the actual **R446 205 000. (94.1%)** which shows an under-spending of **5.9%**. Compensation of employees adjusted budget is **R6 107 000.00** and the expenditure is at **R5 826 000.00(95.4)** which shows an under-spending of **4.6%**. Goods and Services adjusted budget is **R465 787 000.00** and the actual expenditure is **R438 263 000.00** which shows an expenditure of **94.1%** which is below that acceptable variance.. Transfers and Subsidies adjusted budget is **R40 000.00** and the actual expenditure is **R 50 000.00(125%)** which shows an overspending of **25%**.Capital Assets adjusted budget is **R2 171 000.00** and the actual expenditure is **R2 066 000.00(95.2%)** which shows an underspending of **4.8%**.

The Committee noted that during the meeting with the department on their APP the department indicated a shortfall of R12 million on this programme that might lead to



accruals and looking at the current spending the programme has an underspending of R27 900 000.00(5.9%).

- (i) Clarity was sought with regards to 12million in department 2018/19 APP while the programme still have unspent R27 million. The department reported that the underspending on Programme 4 was aimed at addressing the overspending in both Programme 1 and 3 on Compensation of Employees and overspending on Good and Services in Programme 1.

The Committee noted that the department have achieved 46 or 85% 4<sup>th</sup> quarter targets out of 54 planned targets. The department spending is at 98.9% and the achievement of targets is at 85%.

- (ii) The Committee enquired on what will happen to the unachieved targets given that the budget expenditure is at 98.9% and the achieved targets are at 85%. The department reported that the department achieved 98% of the planned targets by the end of the financial year. Further the under achievement in quarter 4 is compensated by the overachievement in the other previous quarter.

## **9. FINDINGS**

**The Committee made the following findings:**

- 9.1 The department failed to conduct eight (8) educational awareness workshops and only two (2) were conducted due to budget constraints.
- 9.2 The Committee noted that the department failed to develop, implement and monitor the Provincial Integrated Crime Prevention Strategy.
- 9.3 The Committee noted that the department still has outstanding accruals for financial year 2017/18

## **10. RECOMMENDATIONS**

**The Committee made the following recommendations:**

- 10.1 The department must ensure that all planned targets are achieved and monitoring

overspending in both Programme 1 and 3 on Compensation of Employees and overspending on Good and Services in Programme 1.

The Committee noted that the department have achieved 46 or 85% 4<sup>th</sup> quarter targets out of 54 planned targets. The department spending is at 98.9% and the achievement of targets is at 85%.

- (ii) The Committee enquired on what will happen to the unachieved targets given that the budget expenditure is at 98.9% and the achieved targets are at 85%. The department reported that the department achieved 98% of the planned targets by the end of the financial year. Further the under achievement in quarter 4 is compensated by the overachievement in the other previous quarter.

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- 9.2 The Committee noted that the department failed to develop, implement and monitor the Provincial Integrated Crime Prevention Strategy.
- 9.3 The Committee noted that the department still has outstanding accruals for financial year 2017/18

## **10. RECOMMENDATIONS**

**The Committee made the following recommendations:**

- 10.1 The department must ensure that all planned targets are achieved and monitoring measures must be put in place to ensure all service delivery targets are achieved.
- 10.2 The department must reprioritised and finalise the Provincial Integrated Crime Prevention Strategy as a matter of urgency.
- 10.3 The department must come up with mechanism to deal with accruals that are not cashback.

## 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 4<sup>th</sup> 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 31 August 2018.**



HON GC SHABALALA

01/08/2018

DATE

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