

REPORT OF THE PORTFOLIO COMMITTEE ON HEALTH AND SOCIAL DEVELOPMENT IN RELATION TO THE 4TH QUARTERLY PERFORMANCE REPORT FOR 2018/19 FINANCIAL YEAR - DEPARTMENT OF SOCIAL DEVELOPMENT

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 4th quarterly report of the Department of Social Development (the department) for the 2018/19 financial year, reporting period January – March 2019. Interaction with the department was aimed at assessing the department's performance for the quarter, in relation to its 2018/19 Annual Performance Plan (APP).

2. METHOD OF WORK

The Speaker referred the department's third (4th) 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 25 June 2019, the committee met with the department to deliberate and scrutinize in details the aforementioned document.

3. GENERAL OBSERVATIONS

The committee noted that the total adjusted budget for the DSD was R 1 538 468 000 and the total expenditure at the end of the period under review was R 1 526 214 000. According to Provincial Treasury Budget Projections, the Department projected to spend R 353 157 000, however the actual expenditure was R 385 587 000 from

the R 361 402 000 cash transferred by Provincial Treasury to the Department in the 4th quarter.

5. OVERVIEW BY THE EXECUTIVE (MEC)

The MEC, BT Shongwe appreciated the oversight being done by the portfolio committee. The following was noted from her political overview:

4th Quarter 2018/19 Financial Year

The committee noted that the 4th quarter report of the department aims to highlight achievement of deliverables of the department programmes. The department consistently tracks its performance against the commitments and set targets as contained in the 2018/19 APP.

The recently concluded 2018/19 financial year has reportedly given the department the basis on which to launch the 2019/20 year's performance plan. The department has designed its plan to be effective and achievable, within the available resources and budgetary requirements. The department performed fairly well in pursuing the planned objectives for the quarter under review.

6. DELIBERATIONS ON THE 4th QUARTERLY REPORT

After the MEC's overview, the Chief Financial Officer, Ms BM Mojabelo was requested to present the progress made on the implementation of the Annual Performance Plan strategic objectives of the 4th quarter. Thereafter the committee interacted with the department on the following:

Overall Expenditure

Economic classification	Adjusted budget R' 000	Amount spent R' 000	% of budget spent
Administration	311 490	304 695	97.8
Social Welfare Services	246 309	250 742	101.8

Children & families	598 986	587 809	98.1
Restorative Services	189 132	193 542	102.3
Development & Research	192 551	189 426	98.4
TOTAL	1 538 468	1 526 214	99.2
Economic Classification			
Compensation of employees	701 409	697 651	99.5
Goods & services	213 697	216 137	101.1
Total transfers and subsidies	527 068	528 673	100.3
Payments for capital assets	96 294	83 735	87

Expenditure

This amounted to an overspending of 6.6%. Overall the department underspent by 0.8% of its total allocation after the second adjustment as the expenditure amounted to R 1 526 212 000 translating to 99.2%, indicating an improvement of 1.2% compared to the 4th quarter of the 2017/18 financial year.

The committee wanted reasons which led to the overspending of 6.6% in the quarter under review. In responding the department indicated that the spending for the fourth quarter amounting to R385 587 000 which is above the cash transfer of R361 402 000 for the period under review is due expenditure in respect of annual renewal of Microsoft licence (R 5 979 million) and sanitary towels (R7.844 million). The Department closed the month of December 2018 with a favourable bank balance of R37.986 million which resulted in total available cash of R399.488 million for the fourth quarter.

The committee sought clarity on whether there has been engagements with the protesting communities at the construction site of Msongwaba and Daantjie Youth Development Centres, to establishing the root causes so as to come up with solutions.

The committee noted that there were engagements with protesting communities, whereby the community demanded a minimum labour rate of R230 per day whereas the contractor

priced for R150 per day in the Bill of Quantity, even when the Implementing Agent agreed to R170. But the contractor ended up paying the labour rate of R230 per day for work to continue.

Daantjie Youth Development Centre: The community demanded a minimum labour rate of R200 per day whereas the contractor priced for R150 per day in the Bill of Quantity, even when the Implementing Agent agreed to R170. But the contractor ended up paying the labour rate of R200 per day for work to continue.

PROGRAMME 1: ADMINISTRATION

Unachieved targets for Programme 1

Target	Reason for deviation & Remedial action
1. Number of SMS performance management development system implemented (excluding HOD)	Six (6) vacant posts due to moratorium
2. Implementation of Level 1 –12 Performance Management System	Underachievement is caused by the delay by employees and supervisors to submit assessments
3. Embalenhle 45% constructed	a) Progress delayed by Local Business Forum. A meeting was held on 29 March, 2019 with the Local Municipality b) Site temporarily closed by the Local Municipality pending the approval of drawings. c) Site establishment is taking longer than anticipated. A meeting was held on 29 March 2019 to resolve the problematic issues.
3. Msogwaba YDC at 30% constructed	a) Delays in appointing the contractor by the Implementing agent b) Three-month delay in the commencement of the project due to delay in appointing a certified earthworks contractor c) Earthworks nearing completion and building work on other structures is

	<p>ongoing.</p> <p>d) Water supply also is a challenge and Silulumanzi to be engaged.</p> <p>e) Labour unrest on site has also delayed progress on site.</p> <p>Revised programme of works in place. Close monitoring of project.</p>
4. Mbuzini is at 38% construction	<p>Mbuzini ECD was delayed by the late appointment of contractor. Constant excessive rain is delaying project progress; making access to the site a challenge.</p> <p>-Close monitoring required</p>

The committee sought reasons which led to this programme to under spend by 2.2% and noted that the underspending is as a result of projections and anticipation of occurrence of injuries in the department.

Further the committee requested the department to provide information of the final investigation and financial reports of the injury on duty cases which contributed to the overspending on transfers and subsidies and noted that some investigations are mainly done by the Compensation Commission, whereby any compensation would be paid by them and in this case the Department pays either direct to the Medical Aid or to the employee in instances where an employee paid from his own purse

Furthermore; the committee wanted to know if payments of injury on duty are budgeted for under the sub-programme; transfers and subsidies. In response, the department indicated that Payments of injury on duty are never budgeted since their occurrence are unpredictable hence the overspending which is very difficult to plan for. As indicated above, the Department always strive to have an injury free environment in which case budgeting for such an item might seem that the Department is doing nothing to curb injuries on duty.

The committee wanted clarity whether the reasons for failure to spend the total budget allocated to this programme are common in all the four quarters and noted that expenditure is the same that is, similar or applicable to all four quarters because it depends on occurrence of injuries in the work place.

Performance Management System

The committee sought clarity on whether there are any consequences implemented on employees and supervisors for the failure to timeously submit assessments. In response the committee noted that no consequences or steps have been taken on both the employees and supervisors. The Transitional Measures and the New PMDS systems brought a number of challenges such as new time frames for finalization of assessments and the payment of both pay progression and incentive bonuses; however it is hoped that the challenges would be minimized effectively for the 2019/20 assessments.

Infrastructure Development Projects

Mindful of the slow progress on infrastructure development projects, the committee requested the department to provide a detailed report on the outcomes of the meeting held on 29 March 2019 regarding the construction of Embalenhle ECD. In responding the department indicated that:

- Part of the outcomes of the meeting held on 29 March 2019 regarding the construction of Embalenhle Branch Office, was to allow the continuation of the project whilst DPWRT facilitates compliance to outstanding issues relating to conditions linked to the subdivision of ERF 4066 Embalenhle Ext 5.
- Finalization of the transfer of the land from Govan Mbeki LM to the DPWRT.
- Submission of building plans to the Municipality for approval.
- Issuance of Council Resolution approving the transfer of the land from Govan Mbeki LM to DPWRT.

Further; the committee wanted the department to indicate the envisaged period of completion of Mbuzini ECD provided the appointment of the new contractor and noted that the revised completion period be 11 December 2019.

Therefore, it would be of significant to ensure that submission of quarterly reports is monitored closely and where lack of compliance is identified, consequence management should take its course. With regards to infrastructure, the department has a monthly POMM

meetings with the Implementing Agent, and attend bi-weekly site meetings for close monitoring of capital infrastructure projects.

Expenditure

Administration	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	313 490	304 697	97.8%

Services for Older Persons

The committee enquired on the retired older persons who received retirement pension but do not qualify for indigent benefits and how the DSD assist in this regard.

The committee noted that the Department does not discriminate in its service provision. Support is provided guided by the necessary prescripts and qualifying criteria. Therefore, each case is treated on its own merit to determine the level of support required.

Social Behavior Change Services

The committee raised a serious concern on problems experienced by parents and guardians when parents die due to lack of information and wanted to know what the department is doing to ensure that there is enough awareness created on the available support.

The department in responding noted a concerns raised by the committee with acknowledgement and indicated that it does conduct awareness to foster parents through foster care fora. This is a platform to share information and capacitate foster parents on their roles and responsibilities as foster parents. The department also has child and youth care workers that implement the Community-Based Prevention and Early Intervention Programmes (Isibindi) where they work with children and their caregivers at home. They assist with documentation and referrals for different services. Drop in Centres provide this support as well. This financial year the department has prioritized training on parenting. This

will assist in capacitating parents with their roles and responsibilities which is key in their day to day parenting.

Sanitary Towels Project

Quintile schools catered = 242; Girls who have received them are = 69 443, Budget spent R 7 844 million in the 2018/19.

PROGRAMME 2: SOCIAL WELFARE SERVICES

The purpose of Social Welfare Services is to provide integrated developmental Social Welfare Services to the poor and vulnerable in partnership with stakeholders and civil society organizations. 20 targets have been planned and budget for as follows:

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Management and Support	169 999	54 792	46 884	51 971	51 971	51 971	60 643	58 302	62 715
2. Services to Older Persons	45 159	65 023	63 313	67 105	67 105	67 105	70 572	75 720	80 522
3. Services to the Persons with Disabilities	48 971	54 295	55 112	54 730	54 730	54 730	59 434	66 652	70 872
4. HIV and AIDS	8 839	52 777	53 844	54 120	54 120	54 120	59 554	61 439	65 228
5. Social Relief	5 413	13 573	8 728	29 769	29 769	29 769	29 569	28 772	30 804
Total payments and estimates: Programme 2	278 381	240 460	227 881	257 695	257 695	257 695	279 772	290 885	310 141

Unachieved targets in Programme 2

Target	Reason for deviation & Remedial action
1. Number of older persons accessing funded residential facilities	Residential facilities report on all the residents admitted. The target was informed by the number of residents funded by the Department. Revisit the target for the next financial year; considering to use the bed capacity in funded residential facilities.

2. Number of support group sessions conducted.	Under achievement is due to drop outs in the reporting period. Therefore, contributing to some of the session not conducted. To continue empowering the community about issues surrounding disability and the benefits of support groups. To monitor trends and review the target.
3. Number of beneficiaries who benefited from Social Relief of Distress programme	The indicator is depended on the demand for services and referrals from stakeholders to support individuals and families in distress. While services are planned for depending on the previous year performance, however there are natural occurrences that cannot be planned for and service cannot be anticipated.

The committee raised a concern on whether awareness programmes are conducted to encourage the public to attend support group sessions. In responding the department indicated that awareness programmes are conducted to inform targeted communities about services provided by the department and to encourage them to form part of support groups. However, some of the support groups' sessions could not take place due to external factors (instability in the communities where they are held). Some of the group members however do not attend the support group sessions once their situations are resolved, they drop out of the support groups.

Programme expenditure

Administration	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	246 309	250 742	100.8 %

The committee wanted reasons which led to the 29% underspending on the social relief sub – programme. And noted that the Under-expenditure is due to referral to SASSA for immediate support of beneficiaries requiring social relief of distress.

PROGRAMME 3: CHILDREN AND FAMILIES

Unachieved targets in Programme 3

Target	Reason for deviation & Remedial action
1 .Number of children awaiting foster care placement	<p>This is a negative indicator and is linked to the indicator on number of children placed in foster care.</p> <p>The underachievement is as a result of being able to attend to more cases and therefore reduce the amount of time that cases await finalization in courts.</p>
2. Number of children placed in foster care	Underperformance is due to non-functionality of some offices as a result of labour related dispute
3. Number of children in foster care linked to sustainable social protection programmes	<p>Delays in issuing of unabridged birth certificates causes delays in finalization of foster care placements</p> <p>Strengthen collaborations with department of Home Affairs to ensure that the process of issuing unabridged birth certificates is expedited</p>
4. Number of fully registered ECD sites	Some ECD Centres do not meet the norms and standards due to infrastructural challenges and can thus not be fully registered.

5. Number of partially registered ECD sites	Underachievement due to fewer centres complying with norms and standards.
6. Number of subsidized children accessing registered ECD programmes	Underachievement is due to children who were enrolled in grade R during the beginning of the year. Organizations are busy with recruitment of new children
7. Number of registered ECD programmes.	Under-achievement is due to the fact that there are ECD centres that were earmarked for funding through conditional grant but when further assessed they were found to be privately managed and therefore not eligible for subsidy Other ECD centres have been identified that would benefit from the grant. This will ensure that there is no underachievement in the next quarter.
8. Number of subsidised children accessing registered ECD programmes through conditional grant	Underachievement is due to the fact that there are ECD centres that were earmarked for funding through conditional grant but when further assessed they were found to be privately managed and therefore not eligible for subsidy Other ECD centres have been identified that would benefit from the grant. This will ensure that there is no underachievement in the next quarter.

9. Number of Children reached through non-centre based ECD programmes	Under achievement due to poor response to the programme and poor reporting by all the non-centre based centres. Intensify the marketing of the non-centre based programme and improve support to the organizations implementing the programme.
10. Number of ECD practitioners in registered ECD programmes.	Training programme not yet completed by practitioners
11. Number of Children in need of care and protection in funded CYCCs	Underachievement due to service being dependent on need The department will intensify the market of children's services particularly those in need of care and support
12. Number of child and youth care worker trainees who received training through Isibindi model	Underachievement due to learner drop outs, deaths, loss of interest and better opportunities Create awareness on the benefits of the programme

Compliance on ECD

The committee requested the department to indicate the general compliance challenges experienced by the centers, noting that the majority of the centers are failing to comply with the set norms and standards and to further indicate the type of support offered by the department in this regard. In responding the department reported that the general compliance challenges experienced includes:

- The challenges on compliance mostly relate to ECD infrastructure which is very poor and puts the lives of children at risk.

- ECD centres also do not meet the norms and standards due to lack of qualified ECD practitioners.
- The department is supporting ECD centres through the ECD Conditional maintenance grant which assists ECD centres to improve their infrastructure to enhance compliance.
- DSD is also working closely with DOE regarding the training of ECD practitioners through the ECD Institute where intake for trainees is sourced from community based ECD centres. The department is also constructing ECD centres together with other departments (Human Settlement and Rural Development). These are model centres which reflect the nature of compliance required in ECD centres.

Furthermore; the committee asked the department whether there are noticeable improvements with regards to compliance to norms and standards by centers to be eligible for ECD funding and when is the training of ECD practitioners envisaged to be finalized. In responding to the question, the department indicated that there is improvement although minimal. The improvement is also due to the ECD conditional grant that the department received for improvement of ECD infrastructure. The department also funds conditionally registered ECD centres although they comply partial. They are also monitored and supported as they move towards full compliance

On the training of practitioners, the department indicated that it takes a period of at least 12 months. The current group of 200 is completing this month (June). However, the fact that ECD practitioners are not properly remunerated discourage them to stay long after they have attained their qualification and they look for greener pastures.

The committee wanted plans put in place to ensure that all planned targets for the 2019/20 financial year are achieved and noted that the 2019/20 targets were informed by thorough analysis of the previous year's performance as well as the current capacity available. The department is monitoring performance through monthly monitoring sessions. NGOs funded by the department have signed Service Level Agreements that require them to report their performance regularly. This is monitored through the forums that take place between the department and NPOs.

Child and Youth Care Centers (CYCC)

Administration	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	598 986	587 809	98.1%

The department was asked to provide reasons which led to the 1.9% underspending on the sub – programme; child and youth care centers. The department reported that the under-expenditure is mostly due to the fact that the transfers to Child and Youth Care Centres is informed by the number of children admitted. The admission to the CYCCs is based on identified need and is always viewed as the last option when foster care and adoption is not possible.

Further, the committee wanted reasons which led to the 17% under spending on the sub – programme; Child and youth care Centres. The committee noted that the underspending relates to the transfer budget to Child and Youth Care Centres admitting children in need of care and protection. The funding to these NPOs is dependent on the number of children admitted. The admission to the CYCCs is based on the identified need and is always viewed as the last option when foster care and adoption is not possible.

The committee noted overs pending on the sub-programme; Management and support by 6% and sought reasons thereof. The department in responding indicated that Over-expenditure on management support is due to the implementation of the budget structure where officials that belong to other sub-programmes are paid within this sub-programme. The process of aligning personnel to specialty sub-programmes is an on-going process in particular in view of moratorium on filling of vacant replacement posts which results in movements of employees to close on staff shortages.

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 only **14** were achieved, that is **74%** achievement for the quarter, a regression against 2nd quarter performance.

The committee noted the awareness and prevention programmes conducted by the department to curb or reduce the number of children in conflict with the law and wanted to know what kind of awareness was conducted. The committee noted that the department implemented the following programmes to curb or reduce the number of children in conflict with the law

- Silence the violence programmes
- Substance abuse programme
- Wakeup call programmes
- Sexual offenses programme
- Through the forest programme (teaches coping skills to young people)

These programmes are implemented in schools to children who have been identified to be at risk of falling into crime. These are conducted through group sessions.

The department also integrate/collaborate with other crime prevention structures in the province to commemorate the Crime Prevention Week in September every year. The focus was on underperforming schools and schools that are plagued by bullying and gangsterism.

Expenditure

Restorative Services	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	189 132	193 542	102.3%

The committee enquired on the reasons which led to the 2.3% over spending on this programme. In responding Increase in Value Added Tax (VAT) of one percent with affect from 1 April 2018 after budgets were finalised resulted in excess spending on items in particular of provision of meals at welfare centres. Furthermore, spending on installation of security systems at the new Nkangala Treatment Centre which was not included in the original project scope, but being part of the norms and standards also contributed to overspending for this programme. Final virements from savings realised at year end when preparing the annual financial statements have been effected to cover the overspending.

Nkangala Substance Abuse Treatment Centre

The committee raised a concern on the basis of excess spending at the Nkangala Treatment Centre; and wanted to know whether proper SCM procedures followed during the deviations.

The committee noted that the excess spending is attributed to less cash flow estimates than actual at the end of the financial year on the project as provided by the Implementing Agent for the financial year. There are no deviations on the total project scope as the excess spending is part of the total project cost,

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 programme expenditure was 98.4% (R 189 426 000) with an underspending of 1.6% (R 3 125 000) as a result of slow spending on the Msogwaba youth development centre project which is attributed to poor contractor performance. The biggest spender in this programme is Community based research with 105.5% (R 1 718 000).

Target	Reason for deviation & Remedial action
1. Number of NPOs capacitated	Reason for underachievement is caused by non-reporting by Bushbuckridge and Victor Khanye sub districts due to labour action/disputes. Labour action will be addressed.
2. Number of NPOs monitored for compliant with the NPO Act	Reason for underachievement is cause by non-reporting by Bushbuckridge and Victor Khanye sub districts due to labour action/dispute. Labour action will be addressed.
3. Number of population advocacy, information, education and communication (IEC) activities implemented	The target of over 60 has been achieved in the previous quarters.
4. Number of research projects in progress	Implementation of one research report was interrupted by the delays with appointment of a research service provider. The project is scheduled to be completed in 2019/20. Research processes will be fast-tracked once the

	service provider is appointed.
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NPOs

The committee wanted to know what the department doing to ensure that there are no delays in the transfer of funds to NPOs. The committee noted that the department acknowledges the delays in the transfer of funds to NPOs and the impact this has on the people reliant on the subsidy. The department has issued a media statement committing to paying the subsidy by the end of June as they do not anticipate further delays in the following quarters.

The committee wanted the department to provide a progress report on the resolution of labor disputes in Bushbuckridge and Victor Khanye sub districts. In responding to the question, the department indicated that the labor disputes which resulted in performance assessment reports not submitted at the end of the reporting period have been resolved and performance assessment reports are now submitted as expected.

The committee wanted to know in which quarter of the 2019/20 financial year is the research project envisaged to be concluded and noted that due to the delays, the project on "Needs and Experiences of Population 35 - 44 Years Old" is due to be completed in the fourth quarter.

Expenditure (Community base Research)

The committee noted the 5.5% overspending on the sub - programme; Community based research and wanted reasons of which the department responded that the cause was the un-anticipated vat increase on goods and services which affected the allocated budget for Vodacom contract, however; the over expenditure was off set during the final budget adjustment.

7. COMMITTEE FINDINGS

After the deliberations on the 4th quarterly report of the Department of Social Development for the 2018/19 financial year, the committee found that:

- a) There are delays in the implementation of Level 1 –12 Performance Management System caused by employees and supervisors late submissions of performance assessments.
- b) There are delays in the completion of infrastructure development projects; Embalenhle 45%; Msogwaba at 30% and Mbuzini YCD is at 38% due to labour dispute.
- c) The number of children placed in foster care underperformed due to non-functionality of some offices as a result of labour related dispute within the department.
- d) Delays in issuing of unabridged birth certificates causes delays in finalization of foster care placements
- e) Payments of injury on duty are never budgeted since their occurrence are unpredictable;
- f) There are delays in the transfer of funds to NPOs and this has an impact on the people reliant on the subsidy.

8. RECOMMENDATIONS

Based on the findings, the committee recommended that the department must implement the following and **submit a detailed progress report by 15 August 2019:**

- a) Consequence management must be put in place to all the employee and supervisors who delay the process of implementing Level 1 –12 Performance Management System.
- b) The department must ensure contract management is done to ensure that projects are completed as planned as well as monitoring to detect lack of compliance

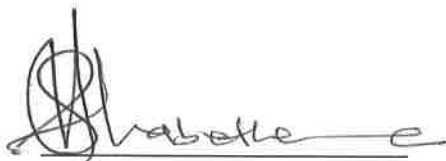
timeously. The labour dispute must be resolved with the labour unions as a matter of urgency to avoid underspending in this programme.

- c) There must be a regular consultation with union representative to avoid labour related dispute within the department.
- d) Strengthen collaborations with department of Home Affairs to ensure that the process of issuing unabridged birth certificates is expedited.
- e) Consider budgeting injury on duty as a baseline since injury occurrence are unpredictable.
- f) Payments to NPOs should be closely monitored and be done on time a progress report on all payments made to be provided to the committee.

Lastly, the Chairperson requests that the House adopts the report with its recommendations and request the Department to submit the progress report on 15 August 2019.

9. CONCLUSION

The Chairperson would like to thank the MEC, the Chief Director and the officials of the Department of Social Development for availing themselves for deliberations on the 4th 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 4th quarterly report of the department and the Legislature staff for their support and contribution towards the production of this report.



HON JL THABETHE
CHAIRPERSON: PORTFOLIO COMMITTEE ON
HEALTH AND SOCIAL DEVELOPMENT

03/07/2019
DATE