

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

## 2019/20 FIRST (1<sup>st</sup>) QUARTER PERFORMANCE REPORT OF THE DEPARTMENT OF COMMUNITY SAFETY, SECURITY AND LIAISON (VOTE 9)

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### 1. INTRODUCTION

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

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) to oversee the performance of the Department of Community Safety, Security and Liaison (the department) and hold it accountable.

The consideration and scrutiny of the First (1<sup>st</sup>) Quarter Performance Report for the 2019/20 financial year is a tool the Committee uses 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.

### 2. METHOD OF WORK

The MEC tabled the First (1<sup>st</sup>) Quarter Performance Report to the Legislature. Subsequently, the Speaker referred the report to the Committee for deliberations and report back to the House, in accordance with rule 190 (4) and 131 of the Rules and Orders of the Mpumalanga Provincial Legislature.

The Committee considered a detailed analysis of the 2019/20 First Quarter Report and raised key observations and questions that were sent to the department for written responses. Thereafter, on 27 August 2019, the Committee interacted with the MEC, HOD and the Senior Management

team of the department on the First Quarter Performance Report after which, considered and adopted the Committee Report.

### 3. GENERAL OBSERVATIONS

- The 2019/20 First Quarter Report was correctly tabled by the MEC within 30 days after the quarter as required by the rules.
- The department spent **R394 711 000** or 29.1% of the budget during the First quarter and achieved 97.5% (37 out of 41) planned targets during the quarter under review.
- The department has overspent by **R58 000 000** in programme 4.
- Programme 4 achieved four (4) out of eight (8) planned targets during the quarter due to changes in the Sixth Administration.

### 4. OVERVIEW BY THE MEC

The MEC presented a brief overview on the performance of the department for the quarter under review.

The MEC highlighted the following:

- It has been four (4) months she's been in the office and the Annual Performance Plan has been a road map to implement the mandate of the department.
- Within the four (4) months; eight (8) police stations in the province have been visited and a number of challenges has been identified. Some of the challenges includes among others, lack of resources such as budget and vehicles, which are not in good state.
- Crime has gone up in terms of percentage and there has been a drug bust in Breyten, in the Gert Sibande Region.
- The province has experienced more increase in drug activities and violence. In the latest violence in Masoyi, there was a discovery of killings of five (5) people. The department also appreciated the undertaking to intervene by the National Police Minister, Hon B Cele, during the recent Imbizo held in the province.
- Revenue for the Mpumalanga Traffic College is still a challenge and it puts more pressure for the department.
- The department had a Basadi roadblock, which only involved woman officers as a commemoration of women's day.

#### 4.1 PROGRESS IN THE IMPLEMENTATION OF 4<sup>TH</sup> QUARTER 2018/19 HOUSE RESOLUTIONS

The Committee considered the progress report in relation to the implementation of the House Resolutions emanating from the Committee Report for the department Fourth (4<sup>th</sup>) Quarter Performance Report for the 2018/19 financial year. The Committee had to check the relevance of the progress that department submitted against the resolutions of the house made and they were as follows:

RESOLUTION	PROGRESS	STATUS
1. The department should indicate how the targets that were not achieved are going to be incorporated in the new APP. The D	The old target will not be incorporated to the new 2019/20 plan as the new plan has similar targets. Some of the targets were achieved in the third quarter hence the department was able to be on par in terms of performance by the end of the financial year.	Ongoing
2. The department must ensure that accruals are reduced by only committing on activities or items where commitments are cash backed.	The current budget allocation will not be sufficient to deal with the accruals, the department may have challenges of paying Security invoices in the First quarter hence the department submitted budget pressures to Provincial Treasury 2019/20 financial year to address accruals on Security Management.	Ongoing
3. The department must ensure that the position of the Supply Chain Senior Manager and all other relevant critical posts are filled in order for the department to have full capacity to provide quality service delivery	The department has submitted motivations to the Office of the premier to request the filling of the critical post including the position of the Supply Chain Senior Manager.	ongoing

## 5. ANALYSIS OF THE FIRST QUARTER REPORT

### 5.1 FINANCIAL PERFORMANCE

During the first quarter of the 2019/20 financial year, the department spent **R394 711 000.00** from the **R1 354 331 000.00** allocated at the beginning of the financial year indicating an overall expenditure of 29.1%. The department remains with a budget of **R959 620 000.00**.

#### Spending of the Programme

The table below indicates the spending of the department per programme

Programme	Main Appropriation	Actual expenditure as at 30 June 2019	Percentage Expenditure %	Budget variance	Budget variance %
	R'000	R'000	%		%
1. Administration	151 953	35 045	23.1	20	1.9
2. Civilian Oversight	61 840	11 283	18.2	687	1.1
3. Transport Regulation	672 190	146 421	21.8	3 120	0.5
4. Security Management	468 348	201 962	43.1	(58 264)	-12.4
Total	1 354 331	394 711	29.1	(54 437)	-4.0

The Committee noted that the department had an overspending of **4%** which is above the acceptable variance of **2%**. The department had Security Management accruals of **R121 000 000.00** incurred in the previous financial year. The department also overspent by **R58 000 000.00** in programme 4 (Security Management) and also projecting to underspend by **R3 800 000.00** on programme 1, 2 and 3 respectively.

a) The Committee required clarity from the department regarding the payment of accruals amounting to **R121 000 000.00**, which led to overspending of 4%, which meant the accruals were not cash backed and how the department was planning to recoup the money in order to avoid the projected over-spending of **R58 000 000.00** by the end of financial year. The department reported that it continues with cost curtailment measures to assist in curbing the anticipated over-expenditure. However, it was noted that the savings projected will not be sufficient to deal with Security accruals. The department's cost curtailment measures include, amongst others, the following:

- Limitation on kilometres to be travelled at 1800km for officials below level 13 and 2000km for officials on level 13 and above, monthly.
- Sleep over within 500 km radius is restricted.
- Restriction on catering for internal meetings.
- Promotional items are restricted.
- Overtime not allowed.
- Limitation on kilometres on government garage vehicles.
- Accommodation limited to an amount of R1.400.00 per official.
- Usage of state conference centres and venues for meetings and events are first preference.
- The department reported that it continues to identify other areas of inefficiencies especially on procurement and usage of state resources. Government printers are utilised where possible to procure photocopying papers.

The main budget allocated to the department was **R1 222 822 000.00** for the financial year under review and the actual expenditure was **R1 244 202.00** or **99%**, which is within the acceptable

The Committee requested the department to indicate if they have taken over the Mbombela and Nkomazi Local Municipalities' Drivers Learning and Testing Centre (DLTC) and if not, when they are intending to take over. The department reported that it has taken over the Nkomazi Local Municipality licensing function as from 01<sup>st</sup> August 2019 after a long consultation process. The department further reported there are facing resistance from Mbombela Municipality and have implored an intervention of the Office of the Premier and letter has since been submitted for such a request.

(a) Spending per Economic Classification

Economic Classification	Main Appropriation	Actual expenditure	%	Budget variance	%
Compensation of employees	618 841	147 068	23.8	2 280	0.4
Goods and Services	714 713	245 021	34.3	(57 342)	-8.0
Transfers and subsidies	4 073	175	4.3	402	9.9
Capital assets	16 704	2 447	14.6	223	1.3
Total	1 354 331	394 711	29.1	(54 437)	-4.0

**i. Compensation of Employees**

The Committee noted that on Compensation of Employees, the department's budget was at **R618 841 000.00** and the actual expenditure was **R147 068 000.00** or **23.8%** and an underspending was noted due to the delay in the take-over of Mbombela and Nkomazi Local Municipalities' Drivers Learning and Testing Centre (DLTC).

**ii. Goods and Services**

The department was allocated **R714 713 000.00** for Goods and Services and the actual expenditure was **R245 021 000.00** or **34.3%** and the overspending is due to payment of accruals on Security Operations, which has spent over **R200 000 000.00** alone against an amount of **R457 000 000.00**. The bank charges showed an escalation for the financial year under review, with about **R1 800 000.00** of the **R2 300 000.00** budget. The department is also envisaging an overspending of **R5 500 000.00** on costs such as catering, contractors, stationery and travelling.

The Committee noted that on Goods and Services, the department is relating the main cause of overspending to payment of accruals on Security Operations, bank charges, and items such as catering, contractors, stationary and traveling. The Committee requested that the department explain how they planned to deal with these problems as they are recurring from the previous financial years. The department reported that the cost curtailment measures identified are assisting to curb the anticipated over expenditure on the items indicated, except for security management, which is huge. The reallocation of revenue from the Mpumalanga Traffic Training College to the departmental budget will assist to deal with the overspending on catering and contractors.

The Committee noted that the department has indicated an overspending of R 7 400 000.00 on communication due to allocated pool phones to be used 24 hours to cost centres in 2018/19 financial year first quarter.

The Committee requested the department to give updates on how these phones are monitored given they no longer form part of the cost drivers. The department reported that it is implementing the new National Treasury contract on cell phones and that all cell phones under this contract are being managed by putting limitation through soft locks on the mount to be used.

### **iii. Underspending on Transfers and Subsidies**

The Committee noted the department's budget of **R4 073 000.00** on Transfers and Subsidies and the actual expenditure of **R175 000.00 (4.3%)**; and the reason for underspending is the delays on the submission of invoices for injury from suppliers. The Committee requested the department to provide an explanation on why they are paying invoices for injury from suppliers. The department reported that these invoices were from medical facilities/practitioners on services provided to officials especially traffic officers who were injured while on duty. The department further attached proof of these invoices from suppliers and details of the injury and the amount to be paid as per the request of the Committee.

### **iv. Underspending on Capital Assets**

The Committee noted that the budget of **R16 704 000.00** for Capital Assets and the actual expenditure of **R2 447 000.00** or **14.6%** for the period under review. The underspending is as a result of the **R1 700 000.00** spending for the Mkhondo VTS, because funds are still waiting for approval for roll-over. Machinery and equipment are low due to delays on delivery motor vehicle and commitment is at **R3 300 000.00** as of the end of June 2019.

## 5.2 PROGRAMME 1: ADMINISTRATION

The programme has 5 sub – programmes namely: financial management, Planning and Programme Management, Human Resources management and Capacity Development, Special programmes and Legal Services.

### a. Spending for Programme 1

Programme	Planned Targets			Expenditure per quarter		
	Planned Targets	Target Achieved	% Target Achieved	Budget '000	Expenditure	% of Expenditure
Administration	12	12	100%	151 953	35 045	23.1%

The programme has an allocated budget of **R151 953 000.00** and spent **R35 045 000.00** or **23.1%** during the first quarter, which is at an acceptable variance.

### b. Programme performance

Programme 1 achieved all 100% or 12 out of 12 planned targets in the first quarter of 2019/20 financial year.

## 5.3 PROGRAMME 2: CIVILIAN OVERSIGHT

The programme has 4 sub-programmes namely; Policy and Research, Monitoring and evaluation, Promotion of Safety and Community Police Relations, which all managed to achieve all planned targets.



The Committee noted that under Monitoring and Evaluation, the department had four (4) targets and two (2) were not achieved and the reason provided was that the department is still waiting for the monitoring tool from the Civilian Secretariat for Police Service.

Under Promotion of Safety, the department had one (1) target, which it was not achieved. The department was supposed to implement four (4) Social Crime Prevention programmes and only three (3) were implemented and the fourth one could not be done due to changes in the Sixth Administration and it will be conducted in the 2<sup>nd</sup> quarter of the financial year.

#### a. Spending for Programme 2

Programme	Planned Targets			Expenditure per quarter		
	Planned Targets	Target Achieved	% Target Achieved	Budget '000	Expenditure	% of Expenditure
Civilian oversight	8	4	50%	61 840	11 283	18.2%

The budget for the programme was **R61 840 000.00** and the actual expenditure was **R11 283 000.00** or **18.2%**.

#### b. Programme performance

The programme has achieved four (4) or **50%** targets out of eight (8) planned targets.

The Committee requested the department to provide an explanation on the underspending of 18.2% on this programme. The department reported that it could not implement programmes that require stakeholder consultation. The Civilian Secretariat for Police Service delayed to release the monitoring tool that should be used to evaluate the performance of the implementation of the provisions of Domestic Violence Act.

### 5.4 PROGRAMME 3: TRANSPORT REGULATION

The programme has 6 sub-programmes namely; Programme support, Safety Engineering, Road Safety Education, Transport Administration and licencing, Traffic Law Enforcement and overloading control has achieved all targets.

**a. Spending Pattern**

programme	planned targets			expenditure per quarter		
	planned targets	target achieved	% target achieved	budget '000	expenditure	% of expenditure
transport regulation	19	19	100%	672 190	146 421	21.8

The budget for the programme is **R672 190 000.00** and the actual expenditure is **R146 421 000.00** or **21.8%**.

**b. Programme performance**

The programme has achieved **19** out of **19** or **100%** targets planned targets.

**5.5 PROGRAMME 4: SECURITY MANAGEMENT**

The programme does not have sub-programmes.

**a. Spending Pattern**

Programme	Planned Targets			Expenditure per quarter		
	Planned Targets	Target Achieved	% Target Achieved	Budget '000	Expenditure	% of Expenditure
Security Management	2	2	100%	468 348	201 962	43.1

The budget for the programme is **R468 348 000.00** and the actual expenditure is **R201 962 000.00** or **43.1%**, which is above the benchmark of **25%** due to payment of accruals amounting to **R121 000 000.00**.

**b. Programme performance**

The programme has achieved two (2) out of two (2) planned targets or **100%** targets.

## 6. FINDINGS

### The Committee made the following findings:

- 6.1. The department has achieved 97.5% or 37 out of 41 planned target on the 1<sup>st</sup> quarter of 2019/20 financial year.
- 6.2. The department has introduced the cost curtailment measures for the financial year under review due to budgetary constraints.
- 6.3. The delays on the take-over of the Mbombela Local Municipality Drivers Learning and Testing Centre (DLTC).
- 6.4. The department failed to achieve its planned target in Programme 2 because it was waiting for a monitoring tool from the Civilian Secretariat for Police Service.
- 6.5. In Programme 4, the department paid accruals amounting to **R121 000 000.00**, which led to the overspending that is above the acceptable variance of 2%.
- 6.6. The department had an overspending amounting to **R7 400 000.00** on Communication due to allocated pool phones.

## 7. RECOMMENDATIONS

### The Committee made the following recommendations:

- 7.1. The department must ensure that all the targets that are not achieved in the first quarter are achieved in the second quarter of the 2019/20 financial year.
- 7.2. The department must provide the Committee with a detailed report on savings to be made as a result of the cost curtailment.
- 7.3. The department must ensure that the takeover process for the Mbombela Local Municipality Drivers Learning and Testing Centre (DLTC) is finalised without delay.
- 7.4. The department must ensure that the monitoring tool on the performance of Programme 2 is in place for the achievement of targets as planned.
- 7.5. The department must ensure that all accruals are cash backed and that all the relevant Treasury Regulations are adhered to in order avoid over-spending.
- 7.6. The department must put in place a monitoring system for all communication tools (pool phones) to monitor unnecessary overspending.

## 8. 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 First (1<sup>st</sup>) Quarter Performance Report of the Department of Community Safety, Security and Liaison for the 2019/20 financial year.

In addition, the Chairperson extends a word of thanks to the MEC, 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 Department should provide the Committee with a progress report on the implementation of House Resolutions not later than the 31 October 2019.**



**HON SK MASHILO**

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

11/09/19  
DATE