

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

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

1. INTRODUCTION

The **Portfolio Committee on Premier's Office; Finance; Economic Development and Tourism** (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 131 of the Mpumalanga Provincial Legislature to oversee the performance of the Office of the Premier (the Office) and hold it accountable through various measures. The consideration and scrutiny of the 2017/18 Second Quarter Performance Report of the Office of the Premier is the tool used by the Committee to determine whether the Office has proper plans and programmes to realise its strategic objectives and ultimately to deliver basic 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 performance of the Office of the Premier for the 2017/18 second quarter.

2. METHOD OF WORK

The Honourable Speaker of the Legislature referred the 2017/18 Second 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.

On 08 November 2017 the Committee considered a detailed analysis of the 2017/18 Second Quarter Report and raised key observations and questions that were sent to the department for written responses. Thereafter, on 14 November 2017, the Committee interacted with the Senior Management team of the office on the 2017/18 Second Quarter Report. The Committee met again on 22 November 2017 to consider its draft report.

3. GENERAL OBSERVATION

- a) The 2017/18 Second 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.
- c) The Committee urged the office to ensure that responses to questions raised to the Committee are submitted to the Legislature at least a day before the office appears before the Committee.
- d) The Premier and the Director General tendered an apology for the meeting. The DDG, Mr. JS Mgidi, led the delegation and made a presentation to the Committee.

4. ANALYSIS OF THE SECOND QUARTER PERFORMANCE REPORT

4.1. ANALYSIS PER PROGRAMME

4.1.1. PROGRAMME 1: ADMINISTRATION

The Committee noted the following on Programme 1:

a) Spending Pattern

	Main Appropriation R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of employees	59 542	30 615	51.4
Goods and Services	72 425	48 234	66.6
Transfers and Subsidies	50	13	26.0
Payments for capital assets	22 650	22 573	99.7
Total	154 667	101 435	65.6

This programme received a budget of **R154 667 000.00** for the 2017/18 financial year and spent 65.6% of the budget during the second quarter.

i. Over Expenditure on Goods and Services

The Committee noted that the office spent 66% on the budget for Goods and Services. The office reported that the over expenditure is attributed to payment of the maintenance and support costs for the case management system which is a once off payment for the financial year.

a) Programme Performance

This programme achieved 80% (12 of its 15) targets in the second quarter of the 2017/18 financial year.

i. Draft Integrated Security Master Plan

The Committee noted that the Office could not do consultation with stakeholders on the 1st Draft Integrated Security Master Plan. The same target was not achieved in the 2016/17 financial year and the first quarter of the 2017/18 financial year and the same reason was provided. The Committee enquired if consultation will be done in the third quarter, when was the First draft developed, given the fact that the same target was not achieved in the past financial year. Furthermore, the Committee enquired who these stakeholders are and the reasons they are always unavailable and the reason for their unavailability. The Office acknowledged the slow progress in relation to the development of the First Draft Integrated Security Master Plan. Furthermore, the office reported that a process has been initiated to correct the situation, already a first draft has been produced in August 2017 and consultation is scheduled for 24 November 2017.

In addition, the office reported that the stakeholders that need to be consulted include Head of Departments and Security Managers of all departments. External stakeholders include the Security Cluster and Municipalities. The reason for the unavailability is due to changes on the dates of the Makgotla that affected negatively the scheduled dates for consultation with stakeholders.

In responding to what the Security Master Plan entails, the office reported that the Security Master Plan standardise the issue of security in the Province for all departments and municipalities. The

office anticipates that the plan will be finalised in the next quarter and implemented the following financial year.

ii. Calls Received on the Presidential Hotline

The Office failed to resolve 100% calls received on the Presidential Hotline and reported that the reason for deviation is that only one forum was held in Nkangala for community development workers which assisted in reducing the number of complain to presidency. The Committee enquired on how the forum that was conducted in Nkangala for community development workers assisted in reducing the number of complaints to presidency. The Office reported that the forum assist in sharing best practices that improves the effectiveness of PLOs and efficiency in responding to complaints. Nkangala overall performance has improved from 88.69% to 90.02%.

iii. Training of PLOs

The Committee appreciated that PLO responsibilities have been assigned in all departments and municipalities. The Committee enquired on when the workshop for PLOs will be conducted. The office reported that it is currently busy with the process of finalisation of the duties of the PLOs. The office is engaging the Presidential Hotline to finalise the turnaround time in resolving cases that are received on the Presidential Hotline, and then the workshop will be conducted. Furthermore, the office reported that the schedule on the training of PLOs will be finalised with the Presidency on Monday, 20 November 2017.

iv. Achievement of Targets

The Committee raised a concern that the office was not leading by example in terms of achievement of targets. The concern of the Committee is that by the third quarter of the 2017/18 financial year, there are still targets that were shifted from the previous financial year that are still not achieved. The Committee emphasised on the review of planned target to ensure that they conform to the SMART principle. The office appreciated the guidance of the Committee and committed that planned targets will be reviewed to ensure that they adhere to the SMART principle.

4.1.2. PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

The Committee noted the following on Programme 2:

a) Spending Pattern

	Main Appropriation R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of employees	51 267	25 343	49.4
Goods and Services	20 866	9 339	44.8
Transfers and Subsidies	6 900	3 414	49.5
Payments for capital assets			
Total	79 033	38 096	48.2

This programme has a budget allocation of **R79 033 000.00** for the 2017/18 financial year and spent **R38 096 000.00** (48.2%) of the budget in the second quarter.

i. Expenditure on Goods and Services

The Committee noted that the programme spent 44.8% on the budget for Goods and Services. In responding, the office reported that the low expenditure on Goods and Services is attributed to a slow take-off of planned projects (regional service delivery model, Vodacom Smart Citizen and Broadband PPP) which were scheduled to commence during the first quarter of the financial year. Expenditure on these projects is picking up in line with the project plan.

b) Programme Performance

This programme achieved 100% (19 of its 19) targets in the second quarter of the 2017/18 financial year.

4.1.3. PROGRAMME 3: POLICY AND GOVERNANCE

The Committee noted the following on Programme 3:

a) Spending Pattern

	Main appropriation	Actual Expenditure	Actual Expenditure
	R'000	R'000	%
Compensation of employees	33 083	17 482	52.8
Goods and Services	22 986	8 929	38.8
Transfers and Subsidies	-		
Payments for capital assets	-		
Total	56 069	26 411	47.1

This programme has a budget allocation of **R56 069 000.00** for the 2017/18 financial year and spent **47.1%** of the budget in the second quarter of the 2017/18 financial year.

b) Programme Performance

This programme achieved 90% (18 of its 21) targets in the second quarter of the 2017/18 financial year.

i. Provincial Evaluation Plan (PEP)

The Committee noted that the office was supposed to have a final draft 2017-19 Provincial Evaluation Plan (PEP) and requested the office to provide progress made in the implementation of the final draft 2017-2019 Provincial Evaluation Plan (PEP). The office reported that due to delays on the finalisation of the agreement with National School of Government, the training could not take place in September 2017 as planned. However, all contracting processes have since been finalised.

The first block of training session is commencing on Monday, 20 November 2017, targeting 25 participants (2 representatives per department). This block will complete their training programme in February 2017. Part of the training sessions will includes practical exercises on how to develop

credible Departmental Evaluation Plans. The final draft Provincial Evaluation Plan will be finalised after the training sessions, by end of March 2017.

5. FINDINGS

After the deliberations, the Committee made the following findings:

- 5.1. The Office is struggling in terms of achievement of planned targets.
- 5.2. The Office could not do consultation with stakeholders on the 1st Draft Integrated Security Master Plan. The same target was not achieved in the 2016/17 financial year and the first quarter of the 2017/18 financial year.
- 5.3. PLO responsibilities have been assigned in all departments and municipalities.
- 5.4. The schedule on the training of PLOs will be finalised with the Presidency on Monday, 20 November 2017.

6. RECOMMENDATIONS

The Committee recommends that the Office of the Premier must:

- 6.1. The office must lead by example and improve in the achievement of targets during the two remaining quarters. Furthermore, the Office must ensure that all planned targets adhere to the SMART principle.
- 6.2. The office must ensure that the target is achieved before the end of the third quarter.
- 6.3. The office must ensure that the duties of the PLO are added to the Key Performance Areas (KPAs) of the officials the responsibilities have been assigned to.
- 6.4. The office must finalise the schedule on the training of PLOs with the Presidency and ensure that PLOs are trained as per the schedule. Furthermore, the office must ensure that the target of resolving 100% of complaints received on the Presidential Hotline is achieved.

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 Second Quarter Performance Report for 2017/18. In addition, the Chairperson extends a word of appreciation to the Deputy 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 January 2018, unless stated otherwise, and thereafter on a quarterly basis.

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HON FV MLOMBO, (MPL)

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

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