

REPORT OF THE PORTFOLIO COMMITTEE ON HEALTH AND SOCIAL DEVELOPMENT IN RELATION TO THE 3rd QUARTERLY PERFORMANCE REPORT FOR 2018/19 FINANCIAL YEAR - DEPARTMENT OF SOCIAL DEVELOPMENT – MEETING HELD ON 01 MARCH 2019 IN COMMITTEE ROOM 4/5

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 3rd quarterly report of the Department of Social Development (the department) for the 2018/19 financial year, reporting period October – December 2018. 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 (3rd) 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 01 March 2019, the committee met with the department to deliberate and scrutinize in detail the aforementioned document. The committee then met on 19 March 2019, to consider the draft Committee Report.

3. GENERAL OBSERVATIONS

- The department's budget was reduced by **R 2 548 000-00** during the budget adjustment process;
- The adjusted budget for the DSD is **R 1 549 036 000** and the expenditure for the third quarter is **R 1 140 629 000**, which is equivalent to **73.6%** with an underspending of **1.4% when using the straight line treasury benchmark of 25 % expenditure per quarter** on the overall budget allocation;
- With regard to infrastructure development and maintenance, the department is not complying with some or most regulations and procedures hence the protests by the public as a result of public involvement on community development projects. This negatively affects service delivery.

4. OVERVIEW BY THE EXECUTIVE (MEC)

Hon BP Shiba appreciated the oversight being done by the portfolio committee. The following was noted from her political overview:

- In terms of infrastructure development projects – two treatment centres have been completed; phase 2 of Swartfontein Substance Abuse Treatment Centre is already operational and phase 1 of Nkangala Substance Abuse Treatment Centre is complete and being prepared for operation in the beginning of the 2019/20 financial year. The department has also completed the construction of five Early Childhood Development Centres (ECD); in Dr JS Moroka, Thembisile Hani and Mbombela local Municipalities, set to be opened officially and handed over to the department within March 2019. The following ECD centres are reportedly at satisfactory levels of construction: Mbuzini and Standerton ECD Centres and Msogwaba and Daantjie Youth Development Centres;
- After the National launch of the Sanitary Towels Project on 28 February 2019 at Mkhondo, the department plans to strengthen deliberate interventions for the first part of deliveries to be done within the first two weeks of March 2019 to needy girl children in schools in the province.

5. DELIBERATIONS ON THE 3rd QUARTERLY REPORT

After the MEC's overview, the HOD was requested to brief the committee on the progress made on the implementation of the Annual Performance Plan strategic objectives of the 3rd quarter. Thereafter the committee interacted with the department on the following:

Overall Expenditure

Programme	Appropriated budget R' 000	Adjusted budget R' 000	Amount spent R' 000	% of budget spent
Administration	310 527	304 490	227 046	74.6
Social Welfare Services	257 695	256 877	181 921	70.8
Children & families	598 829	605 986	436 845	72.1
Restorative Services	176 121	189 132	152 984	80.9
Development & Research	208 412	192 551	141 833	73.7
TOTAL	1 551 584	1 549 036	1 140 629	73.6
Economic classification				
Compensation of employees	703 957	701 409	527 372	75.2
Goods & services	186 599	213 265	145 001	68.0
Total transfers and subsidies	556 472	527 068	401 356	76.1
Payments for capital assets	104 556	107 294	66 900	62.4

Expenditure

The committee noted that the reported overall underspending of 1.5% which is below the spending norm of the reporting period due to none expenditure on the special allocation, amounting to R19 million for provision of sanitary towels to school girl children which is attributed to longer procurement processes than anticipated.

The department reported that the main delay was as a result of the National Department of Social Development declining a request made to participate in the national contract (for the Provincial Food Distribution to CNDCs implemented by KYF) and Provincial Treasury advising against deviation to appoint Ntirhisano Sanitary Towels Cooperative and recommending for a 30 days' open tender process to be followed. The compulsory briefing session on 23 July 2018 was reportedly disrupted and later cancelled. The tender was extended to 28 August 2018 and was subsequently re-advertised as the tenders received were not responsive. The department further reported that it was re-advertised in December 2018 and closed on 15 January 2019. A pool of service providers has been appointed and procurement is reportedly underway to ensure delivery of sanitary towels in time for the Sanitary Dignity Programme National launch in the Province on 28 February 2019 and thereafter.

The department also reported that slow progress on the following infrastructure projects contributed to the under expenditure, a request to use the projected underspending for infrastructure maintenance has been forwarded to Provincial Treasury:

- Mbuzini ECD;
- Thulamahashe Children's home;
- Embalenhle branch office;
- Verena Mobile Office.

Budget Adjustment

The department was asked to ascertain that the budget cut as a result of the budget adjustment did not affect programme performance and service delivery. The department reported that the budget cut did not affect programme performance and service delivery as it was on compensation of employees' item from savings on vacant replacement posts. The posts are reportedly vacant due to natural attrition (deaths and retirement) and transfers to other organisations.

PROGRAMME 1: ADMINISTRATION

Programme 1 is responsible for policy and strategic direction by the Member of the Executive Council and the support staff of the Department to ensure good governance. There are six (6) sub-programmes namely; strategic planning, monitoring and evaluation, anti-corruption and risk management, corporate services, financial accounting, management accounting and supply chain management. There were **23** planned targets and **21** were achieved, which translate to **91.3%** achievement for the quarter.

Administration	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	304 490	227 046	74.6

Performance Management System

The committee requested the Accounting Officer to ensure that implementation of Level 1 – 12 Performance Management System is addressed and that a similar finding is not reported in the 1st quarter of 2019/20 financial year, mindful that training in this regard is reportedly set to be conducted during the 4th quarter of 2018/19 financial year. The department reported that training/workshops on the PMDS policy and assessment tools will be conducted with all employees to ensure 100% compliance or adherence to policy. Also, Circulars will be issued to remind employees on due dates for submission of PA's and assessments as stipulated in the policy, to eliminate the challenges and non-compliance.

Infrastructure Development Projects

Mindful of the slow progress on infrastructure development projects, the committee noted that the community unrest issues that affected the Embalenhle Branch Office project were resolved, site hand over took place on 22 November 2018, the contractor is reportedly on site and has commenced with the works.

The committee enquired on the basis of the community unrest in the first place, citing that community involvement is necessary on community development projects, through community consultation and involvement for successful implementation of the projects. The department reported that the community demanded to have joint venture agreement with the appointed service provider; with the assistance of the implementing agent – Department of Public Works, Roads and Transport and the local municipality, the joint venture agreement with the service provider is in place.

PROGRAMME 2: SOCIAL WELFARE SERVICES

The social welfare services programme forms the core function of the DSD; its purpose is to provide integrated development social welfare services to the poor and the vulnerable in partnership with stakeholders and civil society organizations. Its priorities stress the issue of poverty reduction for children, adults and older persons as well as social cohesion. The Department managed to achieve 12 of the 18 planned targets, representing 67% achievement for the quarter, and a regression against the 2nd quarter performance.

Social Welfare Services	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	256 877	181 921	70.8

Services for Older Persons

The committee enquired on the marketing strategies put in place to ensure that older persons are reached through prevention services. The department reported that it will strengthen awareness through media platforms, distributing of pamphlets and brochures and also through structures like the older persons' forums to alert both older persons and the community at large regarding available services.

Social Behavior Change Services

The committee wanted to know what the causes of the delay in funding and training of organizations on the social behavior change services were. The department reported that the National Department of Social Development is funding 3 organizations to rollout social and behavior change in the province, the funding is administered by South African National Aids Council (SANAC) over a period of three years' contract. The contracts are reportedly renewed annually based on performance, however there were delays by SANAC to assess the funded organization for renewal of contracts; that led to the delay in transfer of funds and implementation of the programmes.

Sanitary Towels Project

The committee noted that in their 2nd quarter report, the department indicated that the sanitary towels project could not be implemented as a result of delayed procurement processes, and requested for progress report; noting the reported huge underspending on goods and services and the abovementioned project bears effect on that. The department reported that the procurement process has since been finalized and service providers have been appointed. The roll out of the dignity sanitary towel was set to commence at the National launch held at Mkhondo on 28 February 2019, and thereafter the delivery will continue at all the Quintile 1, 2, 3 schools.

PROGRAMME 3: CHILDREN AND FAMILIES

The programme aims to provide for a comprehensive and integrated child and family care and support services to communities in partnership with stakeholders and civil society organizations. It focuses on providing alternative care and support to vulnerable children and to offer programmes and services to promote functional families. There were **17** planned targets, only **07** were achieved which translates to **41%** achievement for the quarter.

Children and Families	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	605 986	436 845	72.1

Compliance

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

- Poor infrastructure: The department has received a conditional grant to provide maintenance support to the centers that are not meeting the norms and standards. In 2017/18 55 centers were renovated and in 2018/19, 32 centers would have been renovated to improve compliance;
- Unqualified practitioners: Department of Education is training practitioners through the ECD Institute;
- Lack of Learner Teacher Support Material (LTSM): Department of Education is providing support, however the budget is not enough to cater for all community based ECDs that need the LTSM.
- High rezoning fees: the department is engaging with municipalities to address this challenge.

Sustainable Programmes

The committee wanted to know the specific stakeholders which should engage the children in sustainable programmes. The department reported that the following are the stakeholders which engage children in sustainable programmes:

- Department of Safety and Security and Liaison for driver's licenses;
- Department of Human Settlement for Housing;
- FET Colleges, University, Sasol, NSFAS for bursaries;
- SAPS for employment opportunities.

The committee requested for clarity on the nature of the Sustainable Programmes target and its indicator being negative. The department reported that the negative indicator in this instance means that if the number of children awaiting foster care is higher than the number of children placed on foster care would be lower thus implying that fewer numbers of children benefited from the foster care system. Therefore, if the number of children awaiting foster care is less then it means that the process of placing children in foster care has been quicker in the quarter.

Early Childhood Development Practitioners

The committee noted that the training programme for Early Childhood Development Practitioners was still ongoing, as it's reportedly an annual programme; set to be completed by 31 March 2020.

Child and Youth Care Centers (CYCC)

The department was asked to provide reasons which led to the 18.4% underspending on the sub – programme; child and youth care centers. The department reported that the under-expenditure is due to the fact that funding of CYCCs is based on the actual numbers of children admitted in the CYCCs in the quarter. During the period in question, a fewer number of children were admitted while others were discharged or reunited with families which resulted in the centers claiming for lesser number than the number approved for.

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.

Restorative Services	Adjusted budget R' 000	Actual Expenditure R' 000	Total %
Total (s)	189 132	152 984	80.9

In-patient Treatment Services

The department reported to have conducted radio talks, awareness campaigns to educate communities on the scourge of substance abuse and available services offered by the department in efforts to intensify their interventions.

In terms of out-patient treatment services, the department reported that it is funding 4 Outpatient Treatment Centres to increase access to out-patient services, namely: SANCA Lowveld, SANCA Witbank, SANCA Thembisile and Mkhondo Alathia. And 3 Community Based Care Centres which are: Lepeng Foundation operating in Kabokweni, Greater Nkangala operating in Middelburg, and Kasi Development in Msukaligwa to be operational soon.

Expenditure

The committee enquired on the measures put in place to curb the recurrence of over expenditure on traveling costs by officials. The department reported that further cost curtailment measures will be introduced by reducing the monthly current traveling limit from 2 000 kilometers to 1750 kilometers.

The committee expressed concern that this might later have effect on service delivery, and requested the department to consider other alternatives but not to reduce official traveling kilometres on social welfare services.

Nkangala Substance Abuse Treatment Centre

The committee requested for progress report on the Nkangala Substance Abuse Treatment Centre project. The department reported that phase 1 of the treatment centre was completed in August 2018 and handed over to the department.

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.

There were **31** planned targets, only **23** were achieved, that is **74.1%** achievement for the quarter, a regression against 2nd quarter performance.

Development and Research	Adjusted budget	Actual Expenditure	Total %
	R' 000	R' 000	
Total (s)	192 551	141 833	73.7

Expanded Public Works Project (EPWP)

The committee wanted to know the compliance issues relating to EPWP job opportunities created if any. The department reported that the main noncompliance issue is the remuneration - stipend which is below the set minimum wage in terms of the ministerial determination.

Profiled Households linked to Interventions

The Accounting Officer was asked to provide clarity on the contradiction of the reasons for deviation provided for the non-achievement of the target and the number of profiled households linked to interventions. The department reported that the reasons for the contradiction on the under-achievement was based on the set target of output planned for the 2nd and 3rd quarter, however the 3rd quarter was not reached due to under reporting. The department has reportedly put in place catchup plans for the fourth quarter in order to reach the annual target.

Expenditure

The Accounting Officer was asked to provide reasons which led to the 5.3% overspending on sub-programme: community mobilization and 9.5% underspending on the sub-programme: Youth Development. The department reported that the 5.3% over-expenditure was as a result of incorrect debiting between sub-programmes in the districts, thus journals will be made to correct the expenditure. The underspending on the sub-programme: Youth development is due to infrastructure projects which experienced site disputes. These have since been resolved and the projects are now continuing, though still behind schedule.

6. COMMITTEE FINDINGS

After the deliberations on the 3rd quarterly report of the Department of Social Development for the 2018/19 financial year, the committee found that:

- a) Phase 2 of Swartfontein Substance Abuse Treatment Centre is complete and already operational;
- b) Phase 1 of Nkangala Substance Abuse Treatment Centre is complete and being prepared for operation in the beginning of the 2019/20 financial year;
- c) The department has completed construction of five Early Childhood Development Centres (ECD) in Dr JS Moroka, Thembisile Hani and Mbombela local Municipalities, set to be opened officially and handed over to the department within March 2019;
- d) Mbuzini and Standerton ECD Centers and Msogwaba and Daantjie Youth Development Centers are reportedly at satisfactory stages of construction;
- e) The first part of deliveries on the Sanitary Towels Distribution Project is set to be done within the first two weeks of March 2019.

7. RECOMMENDATIONS

Based on the findings, the committee recommended that the department must implement the following and **submit a detailed progress report by 30 April 2019:**


- a) Outline the effect of the operation of the newly completed phase 2 of the Swartfontein Substance Abuse Treatment Centre on service delivery and noted challenges (inclusive of remedial actions in place) if any;

- b) Provide progress report on the operationalizing of Nkangala Substance Abuse Treatment Centre – inclusive of financial implications;
- c) Provide progress report on the official opening and hand-over of the five Early Childhood Development Centres (ECD) in Dr JS Moroka, Thembisile Hani and Mbombela local Municipalities;
- d) Provide a detailed progress report on all infrastructure development projects, inclusive of financial reports and set completion dates;
- e) Provide a detailed progress report on the Sanitary Towels Distribution Project, inclusive of the list of schools visited, the number of the benefiting girl children and the recorded expenditure.

Lastly, the Chairperson requests that the House adopts the report with its recommendations and request the Department to submit the progress report on 30 April 2019.

7. CONCLUSION

The Chairperson would like to thank the MEC, the HOD and the officials of the Department of Social Development for availing themselves for deliberations on the 3rd 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 3rd quarterly report of the department and the Legislature staff for their support and contribution towards the production of this report.



HON. DP MANANA

19.03.2019

DATE

**CHAIRPERSON: PORTFOLIO COMMITTEE ON
HEALTH AND SOCIAL DEVELOPMENT**