

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

THIRD QUARTERLY PERFORMANCE REPORT FOR 2018/2019 OF THE DEPARTMENT OF COMMUNITY SAFETY, SECURITY AND LIAISON

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 Third (3rd) Quarterly Performance Report for 2018/2019 of the department is the 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.

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 2018/2019 financial year.

2. METHOD OF WORK

The Honourable Speaker of the Legislature referred the 3rd Quarterly Performance Report for 2018/2019 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 28 February 2019 to deliberate on the department's 3rd Quarterly Performance Report for the 2018/19 financial year. The Committee considered the draft Committee Report on 13 March 2019.

3. GENERAL OBSERVATIONS

- The Committee observed that the Department of Community Safety, Security and Liaison has achieved **44** or **95.6%** 3rd quarter targets out of **46** planned targets.
- The Committee noted that the position of Chief Financial Officer has been filled as of 01 December 2018. It was reported that a motivation has been made to PMC to fill other critical vacant posts.
- It was noted that the department is still facing accruals from 2017/18 financial year.

4. OVERVIEW BY THE MEC

The MEC appreciated the opportunity provided by the Committee to come and account on the performance of the department for the third quarter. He indicated that for the third quarter, the department has done well on the performance with some few challenges that the Accounting Officer outlined.

The MEC highlighted the following challenges:

- The province still experience challenges with regard to road safety.
- The department had a number of crashes that involve mini-bus taxis on Friday 26 October 2018. Fifteen (15) people lost their lives when a crash occurred on N4 toll road near Matsulu, when a minibus collided with a truck and a sedan. It was alleged at the time that poor decision making on the part of the sedan driver may have played a hand in this tragic crash.

- There was head on collision that occurred between a mini-bus taxi and an articulated truck led to the death of 11 people on R575 Road near Middelburg in December 2018
- During the Festive Season, the province recorded 1 022 crashes from 1 December 2018 to 23 January 2019 as compared 1017 crashes during the same period last year. About 208 people lost their lives during the same period, while in 2018 only, 193 deaths resulting from these crashes were noted.
- 161 people sustained serious injuries, while 1059 escaped with slight injuries. Fatalities and serious injuries increased by 7,2% and 13,2% respectively. There was a decrease of 4,07% in slight injuries.
- There was a decrease of 27% in pedestrian deaths for the period under review while the number of drivers who lost their lives in crashes went up from last year's 56 to 76 during the past holiday season. Nkangala region has recorded 95 fatalities, Ehlanzeni region, 63 deaths and Gert Sibande region, 50 people dying on the road.
- These crashes also impact the economy harmfully because of the costs associated with health care and also compensation linked to Road Accident Fund (RAF).

5. ANALYSIS OF PROGRAMME PERFORMANCE AND FINANCIAL PERFORMANCE

5.1 SUMMARY OF THE QUARTER PERFORMANCE REPORT

Departmental summary R'000	BUDGET '000	Expenditure'000	% of Expenditure
Administration	140 876	109 314	77.6
Civilian oversight	58 957	42 448	72.0
Transport regulation	603 131	432 946	71.8
Security management	453 329	412 734	91
Total	1 256 293	997 442	79.4

Report of the Portfolio Committee on Public Works, Roads and Transport; Community Safety, Security and Liaison on the Department of Community Safety, Security and Liaison 3rd Quarterly Performance for 2018/19

The department had a total budget of R1 256 293 000.00 after the adjustment and the actual expenditure is at R997 442 000.00 (79.4%). The department has an overspending of 4.4% against the benchmark of 75%. Security Management (91%) shows the highest overspending followed by Administration (77.6). The Committee noted that the department has overspend in two (2) of its programme, where Security Management is the highest spender, followed by Administration.

The Committee noted that the department is left with R 40 595 000.00 or 9% on Security Management.

- (i) The department was requested to indicate whether the budget will be enough for the fourth quarter. It was reported that the department is still faced with accruals from the 2017/18 financial year.
- (ii) The department was requested to explain the overspending on Good and Services. The department reported that the overspending on Goods and Services was as a result of the accruals and the taking over of the Registration and Licensing function of Mkhondo, Chief Albert Luthuli, Govan Mbeki, Lekwa, Thaba Chweu and Emakhazeni Local Municipalities, which was not fully funded.
- (iii) The department was also requested to explain the underspending on Transfers and Subsidies and Payment of Capital assets. It was reported that the expenditure on the Transfers and Subsidies were dependant on terminations and injury on duty incident. Also, all these expenditures were unforeseen and were determent by previous expenditure. Furthermore, the department reported that during the adjustment budget, the department received an additional budget of R7 000 000.00 for the Mkhondo Testing Center. Furthermore, there was delays in the procurement process, which resulted in the underspending, but the Department of Public Works, Roads and Transport already has appointed a contractor.

Economic Expenditure

Economic Classification	Adjusted Budget	Actual Expenditure	%
Compensation of Employees	564 892	412 553	73
Goods and Services	666 665	575 165	86.3
Transfers and Subsidies	3 821	2 582	67.6
Capital Assets	20 915	7 142	34.1
Total	1 256 293	997 442	79.4

Compensation of Employees (CoE) has an adjusted budget of R564 892 000.00 and the actual expenditure is at R412 553 000.00 or 73%, which shows an underspending of R9 500 000.00 which falls within the 2% acceptable variance according to National Treasury guidelines.

Goods and Services was at R666 665 000.00 and the actual expenditure is R575 165 000.00 or 86.3% and the department overspent by R78 200 000.00 or 11.3%, which is above the 25% acceptable variance. The overspending on Goods and Services is from payment of accruals amounting to R70 000 000 as well as Security Payments and the upgrade from category D to C for the Department of Health. Transfer and Subsidies has a budget of R3 821 000.00 and the actual expenditure is R2 582 000.00 or 67.6%, which shows an underspending of 7.4%, which is above the acceptable variance. Payment of Capital Assets has a budget of R20 915 000.00 the actual expenditure is R7 142 000.00 or 34.1%, which is below the benchmark by 40.9%.

6. PROGRAMME 1: ADMINISTRATION

Programme Expenditure Programme	Main appropriation R'000	Adjusted Budget R' 000	Actual Expenditure R'000	Actual Expenditure %
Administration	134 611	140 876	109 314	77,6

Out of the total main appropriation of **R134 611 000** allocated for this programme for the 2018/19 budget, it has been adjusted up by **R6 265 000** or **4.4%**, which is currently **R140 876 000**. The actual expenditure amounted to **R109 314 000** or **77.6 %** of the total main budget appropriation which is **2.6%** above the **75%** benchmark.

Economic Classification

	Main budget R'000	Adjusted budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of Employees	86 709	87 209	65 065	74.6
Goods and Services	45 815	51 580	42 633	82.7
Transfer and Subsidies	379	379	564	148.8
Payments for Capital Assets	1 708	1 708	1 052	61.6
Total	134 611	140 876	109 314	77.6

Compensation of Employees has been appropriated an amount of R86 709 000.00 and it been adjusted up by R500 000.00 to R87 209 000.00 during the adjustment period and the expenditure was at R65 065 000.00 (74.6%) by the end of 3rd quarter. On Goods and Services, the department was appropriated R45 815 000.00 and it is currently adjusted up by R5 765 000.00 to R51 580 000 and the expenditure is at R42 633 000.00 (82.7%), which is above the benchmark of 75% by 7.7%. The expenditure on Transfers and Subsidies in terms of the main appropriation was R379 000 and was not adjusted, and the expenditure was R564 000.00 (148.8%), which is above the benchmark of 75% by 73.8%. On Payments of Capital Assets, the main appropriation was R1 708 000.00 and was not adjusted and the actual expenditure was at R1 052 000.00 (61.6%), which is below the bench mark of 75% by 9.4%.

Under programme 1, the department was requested to explain the overspending on Transfers and Subsidies. It was reported that the department has experienced a higher number of terminations than expected, hence the over expenditure.

7. Programme 2: Civilian Oversight

Programme Expenditure Programme	Main appropriation R'000	Adjusted appropriation R'000	Actual Expenditure R'000	Actual Expenditure %
Civilian Oversight	60 222	58 957	42 448	72

Programme 2 has achieved **11 (75%)** out of **12** planned targets for the 3rd quarter of 2018/19 financial year. The department has failed to achieve its target on the following:

- Under **Community Police Relations**, the sub-programme had three (3) planned targets and achieved one (1) and failed on the following: the department was supposed to assess four (4) Community Safety Forums (CSFs) and only three (3) was assessed, except for Ehlanzeni District Municipality which was not assessed as there is a vacancy for the public safety council.

Economic Classification

	Main budget	adjusted budget	Actual Expenditure	Actual Expenditure
	R'000	R'000	R'000	%
Compensation of employees	44 356	43 856	31 480	71,8
Goods and Services	15 133	14 273	10 618	74,4
Transfers and Subsidies	160	25	58	232,0
Payments for capital assets	573	803	292	36,4
Total	60 222	58 957	42 448	72,0

On Compensation of Employees, the department's main appropriation was R44 356 000.00 and it is adjusted down by R500 000.00(1.1%) and the expenditure is at R31 480 000.00 (71.8%). On Goods and Services, the main appropriation was R15 133 000.00 and was adjusted down by R860 000(6, 0%), and actual expenditure is R10 618 000(74.4%). On Transfer and Subsidies, the main budget was R160 000.00 and was adjusted down by R135 000.00(540%) to R25 000.00(232%), which is above the 75% benchmark by 157%. On Payments for Capital Assets, the main appropriation was R573 000 and was adjusted up by R230 000(28, 6%) to R803 000.00 and the actual expenditure is R292 000.00 (36.4%), which is below the 75% benchmark.

The department was asked to explain the high spending on Transfer and Subsidies as well as the low expenditure on Payment of Capital Assets. The department reported that in the quarter under review, the Programme has experienced a high number of terminations than expected, hence the over expenditure.

On the low expenditure on Payment of Capital Assets, it was reported that there was a delay in the procurement process during the quarter under review, however the goods have been delivered.

8. Programme 3: Transport Regulation

Programme 3 has achieved eighteen (18) out of nineteen 19 planned targets for the 3rd quarter of the 2018/19 financial year.

Under Traffic Law Enforcement, the department had seven (7) planned targets and achieved six (6), where they were supposed to stop and check 550 000 vehicles and only 501 460 were stopped and checked. The reason for deviation is that more vehicles could not be stopped as this could endanger law enforcement officers due to high volume of cars. The department reported that the targets were not going to be reduced, but will be achieved in the fourth quarter.

Programme Expenditure Programme	Main appropriation R'000	Adjusted appropriation R'000	Actual Expenditure R'000	Actual Expenditure %
Transport Regulation	574 660	603 131	432 946	71,8

At the end of the 3rd quarter of the 2018/19 financial year, the actual expenditure for this programme amounted to 71.8% or R432 946 000 out of the R574 660 000 adjusted appropriation and the budget was adjusted up by R28 471 000 (4.7%)

Economic Classification

	main budget R'000	Adjusted budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of employees	409 883	426 807	311 422	73
Goods and Services	155 606	154 786	113 894	73.6
Transfers and Subsidies	3 417	3 417	1 960	57.4
Payments for capital assets	5 754	18 121	5 670	31.3
Total	574 660	603 131	432 946	71.8

9. Programme 4: Security Management

The programme has achieved four (4) out of four (4) (100%) targets planned for the 3rd quarter of the 2018/19 Financial Year.

Programme Expenditure Programme	Main appropriation R'000	Adjusted appropriation R'000	Actual Expenditure R'000	Actual Expenditure %
Security management	453 329	453 329	412 734	91

At the end of the 3rd quarter of the 2018/19 Financial Year, actual expenditure for this programme amounted to **91%** or **R412 734 000** out of the main budget **R453 329 000** and the budget was not adjusted during budget adjustments.

Economic Classification

	Main budget R'000	Adjusted budget R'000	Actual Expenditure R'000	Actual Expenditure %
Compensation of employees	7 020	7 020	4 586	65,3
Goods and Services	446 026	446 026	408 020	91,5
Transfers and Subsidies	50	50	-	
Payments for capital assets	233	283	128	45,2
Total	453 329	453 329	412 734	91

The department's budget on Compensation of Employees is **R7 020 000.00** and actual expenditure is **R4 586 000.00 (65, 3%)**. On Goods and Services, the budget was **R446 026 000.00** and the expenditure is **R408 020 000.00**, which is above the **75%** benchmark by **16.5%**. On Transfers and Subsidies, the departmental actual expenditure is **zero** from the budget of **R50 000.00**. On Payments for Capital assets, the main budget was **R233 000.00** and it was adjusted by **R50 000.00 (17.6%)** to **R283 000.00** and the actual expenditure is **R128 000.00 (45.2%)** which below the benchmark of **75%** by **29.8%**.

The Committee enquired on why was Payments for Capital Assets budget adjusted up from R50 000.00 to R283 000.00, while there actual expenditure was 45.2%; whereas the budget for Goods and Services was not adjusted even when the over expenditure started from the first quarter. It was reported that during the quarter under review, commitments were made and clearly indicated a need for additional funds. The department further indicated that the Programme was not able to offset the over expenditure due to the non-availability of savings.

10. FINDINGS

The Committee made the following findings:

- 10.1. The department managed to achieve 44 or 95.6% of its third quarter targets out of 46 planned targets with the variance of only two (2) targets.
- 10.2. The department is still facing accruals from 2017/18 Financial Year.
- 10.3. The position of the Chief Financial Officer has been filled on 01 December 2018, however the Senior Manager: Supply Chain as well as other critical posts are still not filled.

11. RECOMMENDATIONS

The Committee made the following recommendations:

- 11.1. The department must ensure that all planned targets are achieved and monitoring measures must be put in place to ensure that all service delivery targets are achieved as planned.
- 11.2. The department must ensure that accruals are reduced by only committing on activities or items where the commitments are cash backed.
- 11.3. The department must ensure that the positions of the Supply Chain Senior Manager and all other vacant critical posts are filled in order for the department to have the full capacity to provide quality service delivery.

12. 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 3rd Quarterly Performance Report of the Department of Community Safety, Security and Liaison for the 2018/2019 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.

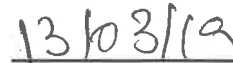
The Chairperson would also like to thank the support staff for contributing to the production of this report. The Portfolio Committee tables this report to the House for adoption with its recommendations.

The Department should provide the Committee with a progress report on the implementation of House Resolutions not later than the 30 April 2019.



HON GC SHABALALA

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



DATE