



**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA



*Parliament: Following up on Our Commitments to the People*

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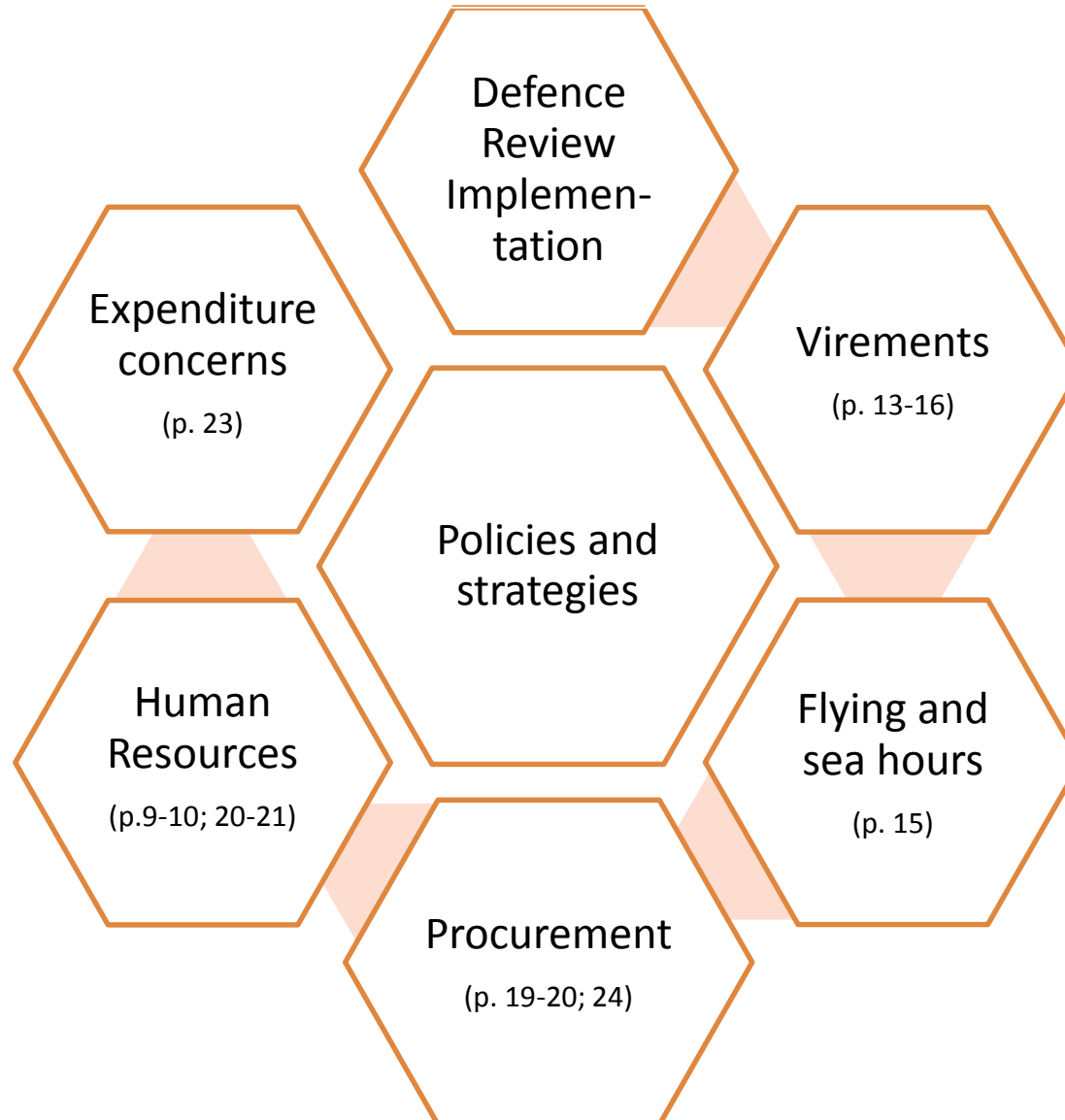
**Analysis of the DOD 2015/16 Annual Report**

Date: 11 October 2016

# Key focus areas



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Page numbers indicated reflect the corresponding sections in the Analysis document.

## Substantial virements away from these programmes:

- Force Employment (196 million or 5.16%)
- Air Defence (R81 million or 1.14%)
- Maritime Defence (R36 million or 0.96%)

## Important shifts to note:

- Air Defence shifted funds away from all core business subprogrammes
- Maritime Logistic Support Capability which saw its allocation reduced by R55.847 million



Force employment *flying hours* and *sea hours* targets not achieved for 2015/16.

- Flying hours: 4 785 of 6 500 hours flown (lower than 5 026 hours flown in 2014/15).
- Sea hours: 10 710 sea hours achieved against a target of 12 000.



Broad concerns with procurement as evident from the PCDMVs recent oversight visit. Lengthy procurement processes.

- The procurement Policy has not been updates
- Target for 90-day procurement not achieved (94%)



Human resource renewal highlighted as a MoD priority for 2015/16, but major concerns remain:

- *Force rejuvenation* (2 862 personnel appointed while 3 278 left)
- *Critical skills shortages* (Notably engineers, aircrew and technical skills)
- *Finalisation of disciplinary hearings* (Only 41 completed in 2015/16; May be due to impact of military judge appointments)





## Key expenditure concerns:

- *R671.889 million irregular expenditure* (Largest contributor: Deviation from the Procurement Process which contributed R439.122 million)
- *R7.18 million fruitless and wasteful expenditure* (Mostly related to cancellation fees and penalties)
- *High cost of Human Resources* (55 per cent of DOD budget utilised for personnel cost)



- Slow progress with finalisation and updating of policies and strategies:
- Policies/strategies not completed during 2015/16 include:
  - Policy Research Unit Concept document; DOD Ethics Policy; Defence Foreign Relations Policy; Updating of the DOD Performance Monitoring and Evaluation Policy; Updating of the Procurement Policy; Review of the Defence Information Strategy; Human Resources Development Strategy; Cyber Warfare strategy; and the Overarching Logistic Strategy.





# Defence Review Implementation



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- 2015/16 was to plan for the Defence Review implementation. The Defence Review Implementation Plan is yet to be presented to Parliament. Key issues to take forward from 2015/16 include:
  - Funding (of operational commitments, personnel and equipment)
  - Human resources and force rejuvenation
  - Procurement policies to address future SANDF needs





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**Thank you**

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**Questions of clarity are welcome**