

## **BUDGETARY REVIEW AND RECOMMENDATION REPORT OF THE PORTFOLIO COMMITTEE ON WOMEN IN THE PRESIDENCY, DATED 18 OCTOBER 2017.**

The Portfolio Committee on Women in the Presidency, having considered the performance and submission to National Treasury for the medium term period of the Department of Women in the Presidency and the Commission for Gender Equality, reports as follows:

### **1. Introduction**

#### **1.1. Mandate of Committee**

The mandate of the Portfolio Committee on Women is to legislate, conduct oversight of the Executive, promote public participation, facilitate international agreements and review matters of public interest in relation to the Department of Women in the Presidency and the Commission for Gender Equality.

#### **1.2. Description of core functions of the Department and the Commission for Gender Equality**

The mandate of the Department of Women in the Presidency is to champion the advancement of women's socio-economic empowerment and the promotion of gender equality.

#### **1.3 Commission for Gender Equality**

The Commission for Gender Equality (CGE) was established in 1996 according to the Commission for Gender Equality Act 39 (1996) to promote gender equality. In its efforts to monitor, lobby, educate citizens and encourage the equitable development of women and men, the CGE is compelled to undertake the following:

- To monitor and evaluate policies and practices of organs of State at any level, statutory bodies or functionaries, public bodies and authorities, and private businesses, enterprises and institutions;
- To cultivate an understanding of gender equality and the role and activities of the Commission through developing, conducting and managing information and education programmes;
- To evaluate whether Acts of Parliament (existing or proposed), systems of personal and family law or custom, systems of indigenous law, custom or practices or any other law, will affect the status of women, and to make recommendations to Parliament in this regard;
- To recommend to the National and Provincial Legislatures, any new legislation that would promote gender equality;
- To investigate on its own initiative or due to a complaint, any gender-related issue;
- To maintain close relations with institutions that undertake similar work, and to facilitate cooperation in handling complaints;
- To interact with civil society to further the work of the Commission;
- To monitor compliance to international conventions, covenants and charters related to gender issues, and to submit reports to Parliament in this regard;
- To conduct research on gender-related issues; and
- To consider recommendations, suggestions and requests made with regards to gender equality as received from any source.

Based on its Constitutional mandate, the CGE's vision is to strive for "a society free from all forms of gender oppression and inequality", while its mission includes to "advance, promote, protect, monitor and evaluate gender equality through undertaking research, public education, policy development, legislative initiatives, effective monitoring and litigation". Its values remain independence; professionalism; accountability; ethical behaviour; and teamwork.

The Commission's Strategic Framework translates its Constitutional mandate into four strategic objectives, which are:

- Strategic Objective 1: To ensure the creation and implementation of an enabling legislative framework that promotes the attainment of gender equality.
- Strategic Objective 2: To protect and promote gender equality by engaging with relevant stakeholders to educate and raise awareness on issues of gender equality, challenge

patriarchal perceptions and stereotypes and take actions against infringements of gender rights through the implementation of appropriate redress.

- Strategic Objective 3: To monitor State compliance with regional and international conventions, covenants and charters which have been acceded to or ratified by the Republic, relating to the objects of the Commission.
- Strategic Objective 4: To build an effective, efficient and sustainable institution that will fulfil its constitutional mandate on gender equality.

#### **1.4. Purpose of the Budget Review and Recommendations Report**

The Money Bills Procedures and Related Matters Amendment Act (No. 9 of 2009) sets out the process that allows Parliament to make recommendations to the Minister of Finance to amend the budget of a national department. Section 5 (1) of the Money Bills Amendment Procedure and Related Matters Act, (No. 9 of 2009) requires that the National Assembly, through its Committee, must annually assess the performance of each national department. Section 5 (2) makes provision for the annual submission of the budgetary review and recommendations report (BRRR) for tabling in the National Assembly for each department. It is expected of the BRRR to report on the following:

- Assessment of the department's service delivery performance given the available resources;
- Assessments on the effectiveness and efficiency of the department's use and forward allocation of available resources; and
- May include recommendations on the forward use of resources.

In order to enable the Committee to take informed decisions on the performance of the Department of Women in the Presidency (hereafter referred to as the Department) for the financial year 2016/2017, the Committee consulted the following reports and documents: Section 32's reports of National Treasury, the Department of Women's Annual Report 2016/2017, Reports of the Auditor-General of South Africa (AGSA), the 2016 State of the Nation's Address and oversight reports on departments and the Commission for Gender Equality (CGE). All this information assisted the Committee in providing a holistic assessment of the Department and the CGE's performance for 2016/17.

#### **1.5. Method**

In complying with Section 5 (2) of the Money Bills Amendment Procedure and Related Matters Act, (Act No 9 of 2009), the Portfolio Committee on Women in the Presidency held a meeting on the 11 October 2016 to consider the 2015/2016 Annual Report of the Department of Women. The Office of the Auditor-General of South Africa (AGSA) was also invited to give input during the budget review and recommendation report process on 4 October 2017. The Committee was also briefed and deliberated on the quarterly reports for 2016/2017 and the first quarter report for 2017/2018 of the Department of Women in Presidency and the Commission for Gender Equality. As such, this report therefore includes key issues that were identified by the Committee. The Committee also held meetings to consider the Annual Reports of the Department of Women in the Presidency and the Commission for Gender Equality for 2016/17.

#### **1.6. Outline of the Contents of the Report**

This report provides an analysis of the financial and programmatic performance of the Department of Women in the Presidency. The analysis takes cognisance of what Government's key priorities are and how these affect women in the country in order to determine what progress has been made as well as identify the gaps and challenges that have to be addressed.

### **2. Overview of the key relevant policy focus areas**

#### **2.1 Implications of the 2016 State of the Nation Address**

Overall, as in the 2015 State of the Nation Address, there was limited mention of women or mention of gendered implications. Although it can be inferred that plans mentioned in the address will impact on and/or benefit women, no concrete plans and targets have been outlined in this regard.<sup>1</sup>

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<sup>1</sup> Research Unit, Annual Report Analysis 2016/17

In the 2016 State of the Nation Address, there were 3 instances where progress and plans in relation to women were directly mentioned. This relates to the following:

- The partnering of big business with new manufacturers including businesses owned by women and the youth, as part of broadening the ownership and control of the economy.
- The empowerment of women farmers through agricultural programmes
- The benefits of international cooperation - mention was made of how South Africa's relations with the USA and Canada continue to strengthen, especially in the areas of economy, health, education, energy, water, safety and security, capacity building and the empowerment of women.

In terms of incorporating some of these plans outlined in the SONA, the Department has outlined a number of activities it will undertake as part of engendering the Nine-Point Plan. The Department indicates that it aims to ensure that women are placed at the centre of the development of the Nine-Point plan, that they are beneficiaries of job creation, and have access to economic opportunities as well as ensuring that the delivery of the Nine- Point plan feeds back into women's lives.<sup>2</sup>

Its programme focussing on Social, Political and Economic Participation and Empowerment of Women (programme 2) is envisaged to promote the accessibility of economic opportunities for women, as well as undertake oversight of the implementation of policies and programmes for women's empowerment and economic participation. The Department has committed itself in its 2015-2020 Strategic Plan to ensuring that women's socio-economic empowerment and rights are mainstreamed across all sectors of society through its identified strategic objectives.

The Department's 2016/17 Annual Report indicated that it "planned programmes (and) has paid special attention to the eradication of inequalities and all related intolerances in our country by strengthening and supporting initiatives on awareness raising and monitoring of gender-based violence, including social cohesion and nation-building initiatives." And went on to state that, "The departmental focus is on gender mainstreaming and ensuring the financial inclusion of women in the economy."<sup>3</sup>

## **2.2 Budget Review, MTBPS**

The Department of Women came into existence in July 2014. In 2016/17, the Department was allocated R196.9 million of which R69.9 million was transferred to the Commission for Gender Equality (CGE). As such, the Department was left with an operating budget of R 127 million. This was approximately R6 million more than the previous financial year.

## **2.3 Outcome-based approach - Delivery agreement targets for 2016/17**

According to the 2016/17 Annual Report, "In the year under review, the following strategic objectives were prioritised in the revised Strategic Plan 2015–2020, which was tabled in 2016:

- Promotion of strategic leadership; good governance; and the effective, efficient and economical use of public resources for the socio-economic empowerment of women and the promotion of gender equality;
- Promotion of gender mainstreaming of socio-economic and governance programmes such that they accelerate a just and equitable society for women;
- Promotion of gender knowledge and analysis of policy and policy implementation for the socio-economic empowerment of women; and
- Promotion of monitoring, evaluation and reporting systems as a mechanism for ensuring timely interventions aimed at the socio-economic empowerment of women and gender equality."<sup>4</sup>

## **2.4 Overview of Revised Strategic Plan and Annual Performance Plans**

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<sup>2</sup> Portfolio Committee meeting, 12 April 2016

<sup>3</sup> Department of Women in the Presidency, Annual Report 2016/17, p. 25

<sup>4</sup> Department of Women in the Presidency, Annual Report 2016/17, p. 11

The Strategic Plan 2015-2020 of the Department of Women in the Presidency indicates the following strategic priorities for that period:

- a) Policy and implementation analysis and advice to ensure engendered transformation for socio-economic empowerment of women and gender equality.
- b) Monitoring, evaluating and making recommendations for advancing women's economic empowerment.
- c) Monitor, evaluating and making recommendations for enhancing women's access to justice, safety and security.
- d) Monitor, evaluating and making recommendations for advancing women's access to social empowerment.
- e) Development of a gender monitoring framework to evaluate progress made on women's socio-economic empowerment and gender equality
- f) Conducting outreach initiatives, stakeholder coordination, dissemination and gathering of information to promote women's socio-economic empowerment and gender equality.

## **2.5 Overview of key developments in the organisational and service delivery environments of Department for 2016/17 MTEF cycle**

In its presentation on the Strategic Plan, the Department identified the following strategic priorities for the 2015/16 financial year:

### **2.5.1. Strategic Priorities - Overview 2016/17**

The Department revised its Strategic Plan and Annual Performance Plan (APP) for 2016/17. A revised Annual Performance Plan for 2016/17 was submitted near the end of the financial year (28 February 2017), a repeat of the year before (2015/16).

Therefore, the Annual Report for 2016/17 reports on two annual performance plans. The performance information of Quarter 1 & 2 are informed by the initial 2016 annual performance plan tabled in March 2016 in Parliament and Quarter 3 & 4 are informed by the revised Annual Performance Plan for 2016/17 which was tabled on 28 February 2017. The Department prioritised the following strategic objectives to achieve its mandate.

#### **a) Analysing and monitoring policy, and providing knowledge**

This will be achieved by:

- Analysing existing policies on the socioeconomic empowerment of women and their implementation.
- Identifying gaps in implementation of these policies and determining the need for interventions in this regard.
- Monitoring and evaluating progress on the socioeconomic empowerment of women in relation to national laws, as well as regional, continental and international treaties.
- Intensifying efforts to acquire knowledge on the socioeconomic empowerment of women by conducting audits of existing information and the establishment of an information knowledge management system.

#### **b) Mainstreaming women's socioeconomic empowerment**

The Department aims to develop mechanisms to address identified gaps in the implementation of existing policies on women's socioeconomic empowerment. These mechanisms include, among others:

- Interventions for skilling women in the economy.
- A gender-responsive planning and budgeting framework.
- A prevention strategy for the integrated programme of action on violence against women and children.

#### **c) Awareness raising and outreach**

The Department indicates that it will host a number of awareness and outreach initiatives on a quarterly, annual and once-off basis. These initiatives will take the form of national and community dialogues and campaigns and will focus on women's economic empowerment, gender-based violence, women's health and harmful cultural, religious and traditional beliefs.

The two targets that were achieved related to the third focus area only for 2016/17.

Of importance to note was the changes in the revised APP of 2016/17 for the second 6 months of the year as some targets were discarded whilst others were merged and or replaced with a new target.

### **2.5.2 Medium-Term Strategic Framework (MTSF)**

According to the Department, in the MTSF it is responsible for driving Outcome 14 Sub-outcome 2 and for supporting the deliverables of Outcomes 2, 3, 4, and 13. To this end, the Department maintains it contributes to Outcome 14 which relates to promoting social cohesion and national building through the outreach programmes, communication strategy, partnerships and leadership work.

In terms of the work to be implemented under Outcome 14: Social Cohesion Sub- Outcome 2: Equal opportunities, inclusion and redress; Change attitudes and behaviour in relationship gender issues and xenophobia a number of sustained and visible outreach initiatives or campaigns are to be conducted throughout the year to address social cohesion and nation building, specifically 6 outreach initiatives or gender campaigns per year namely;

- Women's month, including National Women's Day
- Girl Learner and Young Women Work Exposure Programme
- 16 Days of Activism for No Violence against Women and children
- National Dialogues and Advocacy Programme
- International Women's Day
- #365 Days Campaign for a non-violent South Africa

## **3. Reflection of 2016 BRRR**

### **3.1 2016 BRRR recommendations for the Department of Women in the Presidency**

The Minister of Finance did not respond to any of the recommendations made by the Committee as noted in the 2016 BRRR.

Despite the Department briefing the Committee during its quarterly report presentations that the audit plan was developed and implemented, the AGSA has found that there was insufficient monitoring thereof. Hence, this is in contrast to what the Department has briefed the Committee on for 2016/17 during IYMR.

### **3.2 BRRR 2016 for CGE**

The CGE briefed the Committee during all the quarterly reports on its finances. The Committee was informed that the CGE had an action plan in place and was kept abreast of progress in this regard during quarterly report briefings. A commissioner's report was submitted to the Committee at every quarter.

## **4. Overview and assessment of financial performance**

This section provides an overview and assessment of reported financial performance for 2015/16 to 2016/2017; overview of finances for 2016/2017 as well as projected financial needs or areas needing improvement in terms of spending for the 2016/17 MTEF.

### **4.1 Overview of Vote allocation and spending**

Given the NMOS process and the establishment of the new Department of Women in the Presidency, a comparison on 2013/14 to 2016/17 cannot be done as the programmes and targets were different

given the changes in strategic direction. Moreover, even a comparison between the 2014/15 and 2015/16 as well as 2016/17 and 2017/18 financial years is challenging given the changes to programmes, sub-programmes and targets. The Department maintains that there were no financial implications incurred as a result.

The Department of Women received a final appropriation of R189.102 million in the 2015/16 financial year and R196.9 million in 2016/17. In both years, this included the transfer to the CGE. In the year under review, the transfer amount for the CGE was R69.9 million, leaving the Department with an operating budget of R127 million. The Department reported an under-expenditure to the amount of R2.1 million for 2016/17.

**Table 1: Appropriated budget 2016/17<sup>5</sup>**

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
	2015/16	2016/17	2017/18	2018/19	2015/16-2016/17		2015/16-2016/17	
<b>R million</b>								
<b>Programme 1: Administration</b>	80.5	89.4	87.4	90.5	8.9	3.4	11.06 %	4.18 %
<b>Programme 2: Social Transformation and Economic Empowerment</b>	87.2	84.4	98.9	104.4	- 2.8	- 8.0	-3.21 %	-9.20 %
<b>Programme 3: Policy, Stakeholder Coordination and Knowledge management</b>	19.4	23.1	21.2	21.1	3.7	2.3	19.07 %	11.70 %
<b>TOTAL</b>	187.1	<b>196.9</b>	207.5	216.0	9.8	<b>- 2.4</b>	<b>5.24 %</b>	<b>-1.28 %</b>

The above table indicates the overall budget and budget allocation per programme for the 2016/17 financial year. The 2015 figure for Programme 3 is the amalgamated totals for the previous programme 3 and 4 which were allocated R 6.2 million and R13.2 million respectively. As noted previously, due to the change in programmes between 2015/16 and 2016/17, the comparison between programmatic budgets is difficult and the R19.4 allocated to Programme 3 is therefore based on a very basic comparative calculation.

Table 1 indicates that despite a nominal increase of R9.8 million in the allocation between 2015/16 and 2016/17, there has in fact been a real decrease by R2.4 million, i.e. when inflation is taken into account, the Department has 1.2% less to spend than it did in the previous financial year. From its initial budget presentation, it was noted that there have been increases in the Administration Programme (R8.9 million) and the Policy, Stakeholder Coordination and Knowledge Management Programme (R3.7 million). Programme 2, Social Transformation and Economic Empowerment sees a R2.8 million decrease.<sup>6</sup>

When looking at key cost drivers, 57% (R72.6 million) of the Department's operating budget (R127 million) is allocated for compensation of employees and 39.9% is allocated for goods and services.

Table 2 below provides an overview of the final appropriation and expenditure per programme as at 31 March 2017. Please note that the CGE's budget allocation has been excluded from the budget for programme 2 so as to better depict Departmental spending. From this figure it is clear that the bulk of the Department's budget was allocated to its Administration programme (Programme 1). There has been a significant decrease in the allocation for Programme 2 and a R3.5 million increase for Programme 3. Overall, the Department has spent 98.9% of its budget.

<sup>5</sup> **Research Unit:** Department of Women: Annual Report 2016/2017

<sup>6</sup> **Research Unit:** Department of Women: Annual Report 2016/2017

**Table 2: Financial Performance per Programme (2016/17)**

	<b>Programme 1</b>	<b>Programme 2</b>	<b>Programme 3</b>	<b>Total</b>
<b>Allocation as presented in April 2016</b>	R 88.3m	R14.5m	R24.2m	R127 million
<b>Final Appropriation</b>	R 88.6m	R 10.5m	R27.7m	R127m
<b>Actual Expenditure</b>	R88.459m	R9.591m	R26.732m	R124.7 million
<b>Percentage Expenditure</b>	99.7%	90.4%	96.3%	98.2%

The Department reports no over-expenditure and indicates a surplus/ saving of R2.1 million for the financial year. There is also no over-expenditure in terms of the budgets allocated per programme. The key cost drivers are compensation of employees and goods and services.

Virements were made between programmes to off-set expenditure on Compensation of Employees. A R4 million virement was made from programme 2 to programme 3 for goods and services.

#### **4.2 Financial Performance 2016/17**

##### **4.2.1 Quarterly spending trends, Adjustments for 2016/17, Post adjustment virement, Final total and programme expenditure**

The Department indicates in its 2016/17 Annual Report, that as at 31 March 2017, it had spent 98.2% of its budget (i.e. R124.7 million). This percentage includes the transfer to the CGE. The Department reports no over-expenditure and indicates a surplus/saving of R2.1 million for financial year 2016/17. The Department ascribes the under-expenditure primarily due to savings on capital assets. The key cost drivers are Cost of Employment (CoE) and Goods and services. This correlates with the spending patterns noted by Treasury in the quarterly expenditure reports of 2016/17. Table 3 below reflects Programme expenditure and variance.

**Table 3: Programme expenditure**

<b>Per programme</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation R'000</b>
Administration	88 680	88 459	221	0%
Social Transformation and Economic Empowerment	80 468	79 548	920	1%
Policy, Stakeholder Coordination and Knowledge Management	27 739	26 732	1 007	4%

The finances for each programme is discussed below.

##### **4.2.2 Donor funding/Conditional grant**

In addition to the allocated appropriation, the Department also received additional funding (R11 million) from Treasury for the creation of awareness about the reduction of gender-based violence. However, the Department only spent R9.719 million and indicates that the remaining balance of R1.433 million.

### **4.2.3 Programme 1: Administration**

The purpose of this programme is to provide effective leadership, management and administrative support services to the department.

The Department aims to achieve these objectives through sub-programmes namely;

- Departmental Management
- Financial Management
- Corporate Services (consisting of Human Resource Management, Strategic Management, Risk Management, Communication and Legal Services).

This programme spent 99.7% of its budget of R88 680 million. The main cost drivers for this programme was CoE and Goods and Services. An under-expenditure of R221 000 was incurred.

### **4.2.4 Programme 2: Social, Political and Economic Participation and Empowerment (SPEPE)**

The purpose of this programme as per the Annual Report of 2016/17 is to provide oversight over the implementation of policies related to women's empowerment and the elimination of all forms of discrimination against women. The Department aims to achieve these objectives through sub-programmes namely;

- Management: Social, Political and Economic Participation and Empowerment
- Social and Related Functions
- Justice and Public Order
- Governance and Administration
- Economic Empowerment

The Department lists the strategic objectives for this programme as oversight of the implementation of policies/programmes for women's empowerment and economic participation and oversight of the implementation of mechanisms that promote women's empowerment and social transformation.

This programme was allocated R 80.468 million, however R69.9 million of this amount constitutes the transfer payment to the CGE, leaving the programme with an operating budget of approximately R10.568 million.

This programme spent 98.9% of its budget of R80.468 million. The main cost drivers for this programme is CoE and Goods and Services. An under-expenditure of R920 000 was incurred.

### **4.2.5 Programme 3: Research, Policy Coordination and Knowledge Management**

The purpose of Programme 3 is to conduct research, policy reviews, and knowledge management in respect of women's socio-economic empowerment and rights. The strategic objectives of this Programme is to conduct evidence-based research to inform the planning and effective implementation of policies and programmes for women's socio-economic empowerment, conduct analysis and coordination of policies to inform measures for women's economic empowerment and gender equality, and to manage information and knowledge on women's socio-economic empowerment and rights.

The Department has identified three sub-programmes, namely; research management, policy analysis and coordination, and information and knowledge management.

This programme spent 96.3% of its budget of R27.739 million. The main cost drivers for this programme is Cost of Employment (CoE) and Goods and Services. An under-expenditure of R1.007 million was incurred.

## **4.3 Director General's report on funding situation and Auditor General of South Africa (AGSA) report**

### **4.3.1 DG's report**

The Director-General indicates that during the year under review 63% of planned targets were not achieved and the Department spent 98.9% of its budget (R194.7 million). The department incurred irregular expenditure of R8.556 million in 2015/2016 and R6.305 in 2016/2017. Fruitless and wasteful expenditure for these periods amounted to R12.455 million.

Condonement of R804 thousand was received from the Executive Authority for compensation of employees.

The irregular expenditure was mainly the result of partial compliance with SCM processes. The fruitless and wasteful expenditure was due to duplicate billing by a supplier that rendered comprehensive travel services to the Department from 2011-2014.

#### **4.3.2 AGSA report**

The Department received an unqualified audit opinion from the AGSA, with findings. Herewith the key concerns as highlighted by the AGSA.

The Department has received an unqualified audit opinion from the Auditor-General of South Africa (AGSA), with findings on compliance with legislation and internal control deficiencies.

A list of key concerns as highlighted by the AGSA is presented below.

##### ***Procurement and contract management***

- Goods and services below R500 000 were procured without obtaining the required quotations
- Goods and services above R500 000 were procured without inviting competitive bids
- The Preferential Procurement Policy Framework Act and its regulations were not complied with.

##### ***Expenditure Management***

- The AGSA found that effective steps were not taken to prevent fruitless and wasteful expenditure, as well as irregular expenditure.

##### ***Leadership***

- Adequate oversight was not effectively and timeously exercised by the accounting officer and senior management regarding performance reporting and compliance with laws and regulations.
- Action plans to address audit findings were developed but not always effectively implemented and monitored.

##### ***Financial and performance management***

- Non-compliance with laws and regulations could have been prevented had compliance been properly reviewed and monitored by senior management.

In addition to the findings by the AGSA the Department's Audit and Risk Committee finds that:

- It is not satisfied that internal controls of the Department of Women were working as intended in all material aspects throughout the year under review
- The Committee is of the opinion that the system of internal control in the Department of Women requires significant improvement.
- It has noted with concern the increase in the number of the findings that were not resolved adequately by the Department of Women in the previous financial year.

The AGSA recommended the honouring of commitments by the Minister for integrated planning, supply chain management and investigations and consequence management which is to be finalised by the end of the financial year 2017/18.

The AGSA also proposed the following to the Portfolio Committee on Women:

- a) The Portfolio Committee must request management to provide feedback on the implementation and progress of the action plans to address poor audit outcomes during quarterly reporting
- b) The Portfolio Committee must request management to provide quarterly feedback on status of key controls, especially around SCM compliance and performance information reporting.

- c) The Portfolio Committee must request feedback and track progress of filling of key vacancies at Department of Women.
- d) List of action taken against transgressors must be provided quarterly to PC for follow up for all irregular and fruitless and wasteful expenditure incurred.

The AGSA has committed to brief the Portfolio Committee on a quarterly basis with regards to monitoring the implementation of the recommendations made to the Department.

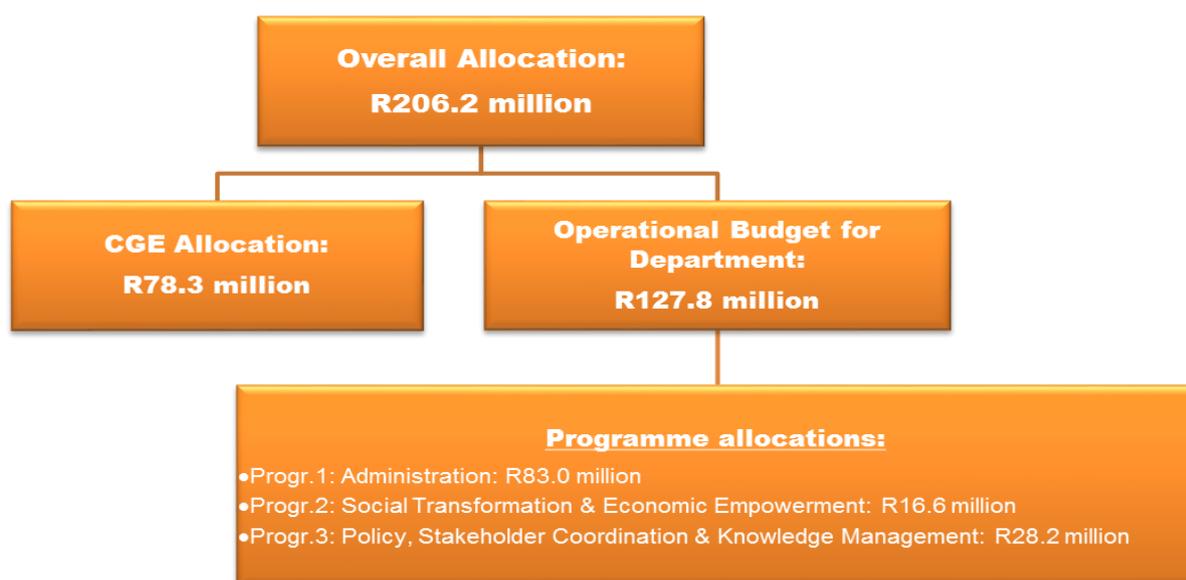
The CGE received an unqualified audit opinion from the AGSA

- a) There was insufficient audit evidence to measure the achievement of the following performance indicator: 900 complaints received attended to in terms of the CGE complaints manual (as prescribed by the complaints manual). The AGSA indicates that there were inadequate technical indicator descriptions and formal standard operating procedures to determine how the achievement of the target would be measured, monitored and reported.
- b) Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support performance reporting (This relates to strategic objective 2).

#### 4.4 Department's Financial performance for 2017/18

The 2017 Estimates of National Expenditure indicates that the Department receives a budgetary allocation of R206.2 million for the 2017/18 financial year. Of this, R78.3 million constitutes the transfer payment to the Commission for Gender Equality, leaving the Department with an operating budget of R 127.8 million. This is only an R800 000 increase in the Department's operating budget as compared to the previous financial year. (See Figure 1 below)

**Figure 1: Budget appropriation for 2017/18**



The Department records that as at 30 June 2017 it has spent R33.4 million or 20.5% of its allocated budget. This excludes the first quarter transfer payment to the CGE. As at June 2017 the Department has transferred R19.5 million to the CGE.

The table 4 below reflects the Department's spending per programme as at 30 June 2017. Please note that the transfer payment to the CGE has been excluded to focus on the Department's operating budget only.

**Table 4: Programme Expenditure as at 30 June 2017**

Programme	Annual programme allocation	Projected quarter 1 expenditure	Actual expenditure	% of annual budget spent
Programme 1 (Administration)	R83.0m	R23.0m	R18.3m	22%

Programme 2 (Social Transformation & Economic Empowerment)	R16.6m	R4.6m <sup>7</sup>	R1.8m	10.8%
Programme 3 (Policy, Stakeholder Coordination & Knowledge Management)	R 28.2m	R5.8m	R6.1m	21.6%
Reasons for variance	R127.8	R33.4m	R26.2m	R20.5%

- The Department has not overspent in quarter 1 and has in fact spent R7.2 million less than anticipated.
- It has underspent by R4.7 million in Programme 1 and R2.8 million in Programme 2. It has overspent by R300 000 in Programme 3.
- It has spent less than 11% of the budget for programme 2. This is concerning as this is the programme responsible for the facilitation and promotion of socio-economic empowerment and gender equality through the provision of intervention mechanisms.
- Under-expenditure is attributed to vacancies, as well as various consultations and dialogues that did not take place in quarter 1. In addition, planned spending on a motor vehicle and other office equipment did not occur. It is assumed that these activities and outstanding procurement will take place in quarter 2. The Department must take care not to overspend in quarter 2 given the outstanding matters.
- The Department reports two instances of irregular expenditure amounting to R432 000 as at 30 June 2017. It does not provide detail in this regard.
- Overall, the department had planned 32 targets for the first quarter of 2017 however; it has only managed to achieve 13 targets or 41%.
- During quarter 1, performance in Programme 2 and 3, which form the core of the Department's mandate, remained a concern, with only 3 out of 10 targets for Programme 2 being met, and only 4 out of 8 targets for Programme 3 being met. See table below.

**Table 5: Programme Performance 01 April – 30 June 2017<sup>8</sup>**

Programme	Planned targets	Achieved targets	% Achieved
Administration	14	6	42.8%
Social, Political and Economic Participation and Empowerment	10	3	30.0%
Policy, Stakeholder and Knowledge Management	8	4	50.0%
<b>Totals</b>	<b>32</b>	<b>13</b>	<b>40.6%</b>

#### 4.5 2017/18 MTEF financial allocations

The Department indicated that it requires adequate funding in order to function optimally and that the current resource allocation was insufficient.

#### 4.6 Concluding comments on financial performance

The Committee concurs with the findings of the AGSA and the relevant recommendations made in this regard. The Department manages to spend its budget but is unable to efficiently deliver on targets within its core programmes which is largely reliant on competent staff to deliver. Most of the

<sup>7</sup> Please note that the CGE allocation has been removed from Programme 2's allocation to give an accurate reflection of spending within the operating budget of the Department.

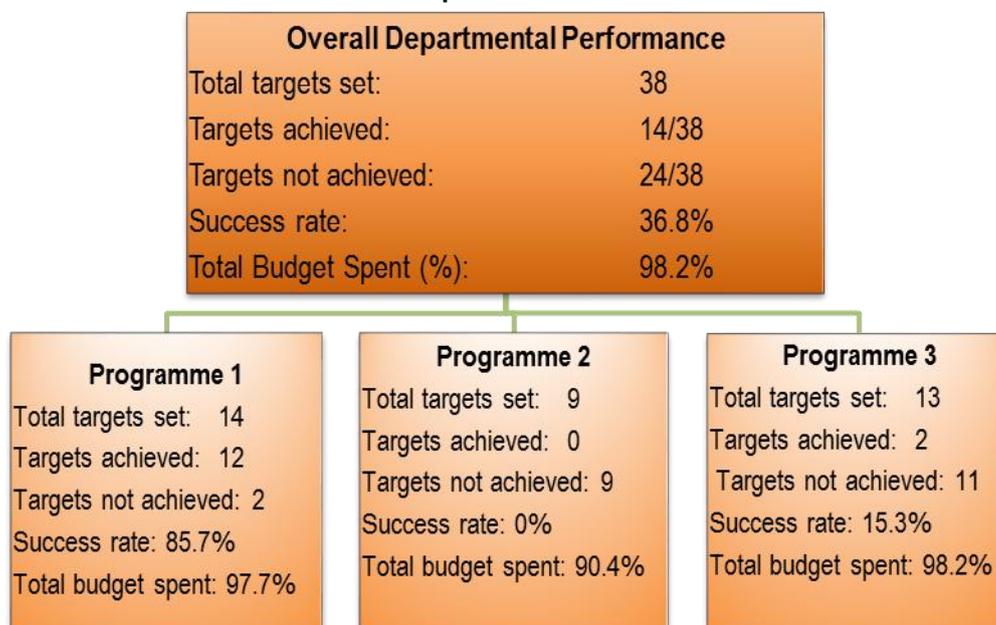
<sup>8</sup> Department of Women, 2017, Presentation to Portfolio Committee on Women, 1st Quarter Expenditure 2017/18, Presentation dates 22 August 2017

expenditure incurred is for CoE, Goods and Services and Capital payments. The issue raised by Treasury in terms of the CoE and the strained placed on the Department's fiscus is concerning.

## 5. Overview and assessment of service delivery performance

### 5.1 Service delivery performance for 2016/17

Diagram 1: Overall Performance of the Department for 2016/17



Although it has managed to spend 98% of its appropriated budget, it has only managed a 36.8% success rate in the attainment of its indicated targets – only 14 out of the 38 targets were met during the period under review. The majority of targets (12) that were met were under the Administration Programme. Targets in the core service delivery programmes (Programmes 2 and 3) were not met.

The Department indicates that as part of measures to overcome areas of under-achievement, the following has been undertaken:

#### Programme 2:

- Staff from the Department of Traditional Affairs have been partially seconded to assist in developing the National Policy Framework on Sanitary Dignity.
- The department has identified operational planning weaknesses, which when addressed will significantly improve the management of performance.
- The delivery by programme 2 will be positively impacted on by the finalization of the M&E

#### Programme 3:

- M&E Experts were appointed to finalise the draft M&E Framework.
- The department has identified operational planning weaknesses, which when addressed will significantly improve the management of performance.

### 5.2 Concluding comments on service delivery performance

In examining the significant achievements which the Department noted in the 2016/17 Annual Report, its amounts to the following:

- achievements related specifically to HR matters,
- achievements related to finance matters,
- achievements related to events and
- achievements related to the producing a report/documents.

Thus of the notable achievements, nearly half relate to administrative matters and the rest events with reports.

The report on the Status of Women in SA Economy is a noteworthy achievement in terms of outlining recommendations. However, the current annual report remains silent on what if any of the recommendations were monitored and evaluated in terms of its implementation.

Of concern is the impact of the unmet targets from 2016/17 which totals 24 and the impact on the financial and programmatic performance of 2017/18. The performance of the Department within the 1<sup>st</sup> quarter of 2017/18 was not optimal as it was only able to achieve 13/32 (40%) targets. Hence there 19 targets which was rolled over to the 2<sup>nd</sup> quarter. The pressure on the Department to thus deliver in the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2017/18 would be increased given the number of outstanding targets from previous quarters which also have to be met.

## **6. Finance and Service delivery performance assessment**

This section provides a synopsis of the service delivery performance against spending patterns for 2016/17 and 2017/18 and 1<sup>st</sup> quarter of 2017/18 of the Department.

- a) The Department spent R124.7 million (98.9% of final appropriation) and achieved 14 targets (36.8%).
- b) A direct comparison between 2016/17 and 2017/18 cannot be made given the change in the strategic direction with a reduction of programmes and changes to targets. Notwithstanding that, the Administration programme remained largely the same.
- c) The Department underspent by R2.1 million in 2016/17 which it cites as a saving.

## **7. COMMITTEE'S OBSERVATIONS AND RESPONSE**

### **7.1 General**

- a) The Committee noted that the Annual Reports of the Department and the Commission for Gender Equality were submitted on time which is commendable.
- b) The Committee concurred with all of the findings and recommendations of the AGSA.
- c) The Committee observed that only 36.8% of the Department's targets were met and 63.2% were not met whilst 98.9% of the budget was spent and raised this as a concern. In addition, the Committee questioned what the financial implications were of targets that were discarded and targets not met. The Committee questioned the nature of expenditure by the Department given that little or no targets were met in Programme 2 and 3, knowing full well that the main cost drivers are for Cost of Employment and Goods and services. With no deliverables – what evidence is there to motivate this expenditure.
- d) The Committee was concerned that the Department submitted a revised APP towards the end of the 2016/17 financial. Notwithstanding the attempts of the Department to try and address the objectives that were not SMART the performance outcomes were still poor.
- e) The changes in the strategic direction by the Department as alluded to in the revised APP of 2016/17, in which programmes and targets changed, posed a problem for the Committee to assess performance against agreed upon targets which were budgeted for.
- f) The Committee observed that the Department was not responding adequately to the AGSA findings and raised this as a concern.
- g) Whilst the Committee welcomes the response to questions and reports that were requested from the Department these were sent very late for work that should have been completed 7 months ago. In addition, the Committee notes with concern despite repeated requests for documents/reports to be submitted to the Committee for consideration these were not forthcoming in the year under review.
- h) The Committee noted with concern that even though the Department's mandate is to promote gender equality and the economic empowerment of women, it failed to ensure BBBEE compliance in terms of women service providers as noted by the AGSA.
- i) The Committee noted with concern the AGSA finding which relates to the lack of accountability by the accounting officer.

### **Observations with respect to the Department of Women in the Presidency**

The Committee noted with concern when conducting its oversight through engaging with various departments/entities the poor progress with respect to gender mainstreaming and the overall the lack of understanding of the Department's mandate as the key driver in this regard.

The Committee commends the Department for achieving the majority of its targets within Programme 1 but remains concerned that it only managed to achieve 2/22 targets in its core Programmes 2 and 3. The Committee notes the highlights of achievements listed in the Annual Report of 2016/17.

The Committee commends the CGE for attaining most of its targets for the year under review given the funding constraints and vacancies.

## 7.2 Policy imperatives

- a) The Committee acknowledged the Department's reference to the National Development Plan (NDP) priorities but was unclear as to what the tangible outcomes were based on the work undertaken by the Department during 2016/17 that enabled progress towards achieving these priorities.
- b) The Committee having engaged with several departments for the year under review focusing on gender mainstreaming found that these departments still used the National Gender Policy Framework as a point of reference. However, the Department's current Annual Report makes no reference to this policy which is concerning. In the absence of a gender mainstreaming framework which has yet to be implemented, the Committee was concerned as to what policy the Department was using to drive gender mainstreaming. The M&E framework has yet to be completed and implemented by the Department.
- c) The Committee noted that during the year under review, the Department received additional funding from National Treasury for gender-based violence initiatives in addition to the fund appropriated for campaigns in Programme 3. The Committee was concerned that without the relevant documentation that details the impact and outcome of such initiatives, the Committee was unable to assess the cost effectiveness and benefit of such initiatives. Moreover, these appeared to be once off initiatives limited to a particular province only.

## 7.3 Governance and operational issues

- a) *AGSA findings*: The Committee noted with concern the repeat findings by the AGSA and the repeated calls by the Committee itself for the Department to address particular matters which appeared not to be taken seriously as these recommendations were not acted upon.
- b) *Compliance*: The Committee noted with concern the irregular expenditure, unauthorised, fruitless and wasteful expenditure incurred by the Department and questioned whether disciplinary measures were taken against the transgressor/s. In addition, the Committee noted with concern the non-compliance with Treasury Regulations and the Public Finance Management Act. The specific matters related to Supply Chain Management in terms of procurement and contract management were unacceptable and should not have occurred.
- c) *Forensic investigation*: The Committee noted with concern the investigations referred to by the AGSA and the time it took before these were initiated. The Department is commended for having implemented these investigations. However, the Committee required more information in this regard as well as a report on previous investigations that have been concluded for which had previously been requested.
- d) *Internal Audit*: The Committee noted with concern the Audit Committee's report which indicates that the "system of internal control in the Department of Women requires significant improvement". Moreover, the Committee was also concerned that the "Internal Audit Unit did not implement the entire annual audit plan as approved by the (Audit) committee." In addition, the Committee notes that the Internal Audit Unit was not well capacitated and therefore was not operating optimally and goes on to state that the Committee was "not satisfied that internal controls of the Department of Women were working as intended in all material aspects throughout the year under review". This was concerning for the Committee and it seeks clarity from the Department as to what the implications are then for the 2017/18 financial period. The Committee calls on the Department to strengthen the Internal Audit with human resource and material capacity.
- e) *Internal Controls*: The Committee notes with concern that the Audit Committee was "not satisfied that internal controls of the Department of Women were working as intended in all material aspects throughout the year under review". This is in contrast to what the Department had presented to the Committee during its quarterly reviews for 2016/17 as the Department

merely informed the Committee of compliance matters e.g. Risk mitigation was cited as a standing item on the agenda during Audit and Risk Committee meetings, and that it met on 15 August 2016. The Committee has not been informed as to what the outcome was of the meeting, The Internal Audit progress report was approved by the DG and presented to the ARC but no details provided about challenges identified and recommendations made. A risk assessment report was compiled however it is not clear what measures have been put in place to strengthen internal control and risk management.

- f) *Risk management*: The Committee notes with concern that the Department official responsible for risk management for the “larger part of 2016/17 financial year had no previous experience of risk management”. The Committee concurs with the finding of the Audit and Risk Committee that “risk management in the Department of Women requires immediate and serious attention of management.” Furthermore, the Committee notes with concern the AGSA’s finding of significant internal control deficiencies for the year under review. All these findings bring into question the Department’s targets on risk assessment, risk management plan and annual risk implementation plan.
- g) *Role of Audit and Risk Committee*: The Committee commends the Audit Committee for consistently monitoring and bringing to the attention of the Department matters that require attention. But despite these early warnings received the Committee is concerned that the recommendations by the AGSA and the Audit Committee was not implemented by senior management and consequence management appears to be non-existent despite the regular meetings between the Audit and Risk Committee and senior management at the Department. The Audit and Risk Committee should continue to monitor the implementation of the AGSA recommendations, intervene when necessary with the senior management of the Department and report to the Committee on a quarterly basis in this regards.
- h) *Leadership*: The Committee noted with serious concern the AGSA’s findings that the accounting officer and senior management did not exercise adequate oversight responsibility regarding financial, performance reporting and compliance; that the audit action plan was not adequately monitored to address internal and external audit findings and recommendations this despite the Department presenting to the Committee during quarterly reviews and indicating that an audit action plan was developed and implemented. In addition, the leadership of the Department was found by the AGSA as not having addressed non-compliance by initiating investigations to determine who should be held accountable. Moreover, non-compliance with laws and regulations could have been prevented had compliance been properly reviewed and monitored by senior management. This finding is in contrast to what the Department had presented to the Committee during the quarterly reviews in which it reassured the Committee that compliance matters were being addressed.
- i) *Consequence Management*: The Committee raised its concerns about the lack of consequence management for employees who fail to comply with supply chain management or performance prescripts. The Committee raised concerns over the lack of consequence management which has become a systemic problem. The Committee noted that the leadership of the Department should take much more stringent actions to enforce compliance and implement consequence management for employees who fail to comply, especially in relation to the senior management structure.
- j) *Ineffective Monitoring of Internal Controls*: The Committee noted with concern the AG’s findings of “significant internal control deficiencies”. This is in contrast to the quarterly report briefings by the Department to the Committee as no major concerns were brought to the attention of the Committee for the year under review.
- k) *SCM*: The Committee noted with concern the number of invoices paid outside the 30-day period and was unsure about what this amounted to and for what this was.

## **7.4 Administration**

### **7.4.1 Human Resources**

- a) *Top-heavy structure*: The Committee noted that the structure of the Department continues to be top-heavy.
- b) *Vacancies*: The Committee noted with concern the CFO position which was still not filled with a permanent appointee beyond the 6 months’ requirement as per the PFMA which this brings the Department in contravention of it.
- c) *Suspensions*: The Committee was concerned about the cost implications of staff on suspension of a long period and why these matters have still not been concluded. More clarity was sought in this regard. The Department failed to address these matters within 90 days as per its policies.

- d) *Use of consultants:* The Committee noted the use of M&E consultants by the Department which was concerning given the request from National Treasury to curtail costs in terms of consultancy. More clarity was sought in this regard from the Department clearly indicating the nature of consultancy, cost, deliverables required and time frame. However, the Committee still enquired as to what measures the Department would implement to avoid the use of consultants in future in a bid to contain costs.
- e) *Structure of Department:* The Committee was still concerned about the top-heavy structure of the Department in the Administration programme with the core programmes functioning on far less staff. This despite an organisational review implemented by the Department.
- f) *Resignations/termination of contracts:* The Committee noted with concern the number of resignations and queried whether the Department had a retention strategy in place.

#### 7.4.2 Financial performance including donor funding

- a) *Fruitless and wasteful expenditure:* The Committee noted that fruitless and wasteful expenditure amounted up to R32 000 and questioned how far the investigation was in this regard. Committee was concerned about the fruitless and wasteful expenditure of R12.5 million from the 2014/15 financial year.
- b) *Conditional grant:* The Committee noted that the Department received funding from National Treasury for gender-based violence initiatives but was unclear what the money was spent on and what the impact and outcome of the initiatives were as very little detail was provided in this regard. In addition, the Committee also noted that donor funding was received from UN Women, and Denmark and more detail is required in this required.
- c) *Irregular Expenditure:* The Committee noted with concern the irregular expenditure incurred (R6.3 million). This was mainly due to non-compliance with procurement processes. The Committee questioned what type of internal controls were in place to avoid irregular expenditure.
- d) *Virements:* The Committee was concerned about the large number of virements between programmes as this indicated poor planning. In addition, the Committee noted with concern the virement of R1.6 million without National Treasury approval.

#### 7.5 Service delivery performance

- a) *Unmet Targets:* The Committee was concerned about the large number of unmet targets (14/36) from 2016/17 as well as Quarter 1 of 2017/18 and the impact this would have on the rest of the 2017/2018 financial year.
- b) *Performance outcomes:* The Committee was concerned that despite the Department's intentions it was not addressing the socio-economic challenges faced by women in the country in order to bring about gender equality.
- c) *Impact of events/campaigns:* The Committee welcomed the additional information submitted to the Committee on cost of campaigns and international travel as the information provided in the Annual Report for 2016/17 was insufficient to assess the effectiveness and efficiency of the two campaigns implemented during the year under review. The Committee questioned whether the Department measured the impact of the campaigns and requested the outcomes of the campaigns conducted. The Committee requested for all outstanding reports which it stated as achievements in the current Annual Report. To date, the Committee has only received the Status of Women in the Economy Report.
- d) *International Travel:* The Committee was concerned about the increase in expenditure incurred for internal travel from an initial R11.4 million to R17.1 million and noted that 54% of this was spent on foreign travel. The Committee has not received any details as to what the nature of the costs incurred were for these trips.
- e) *National Dialogues:* The Committee noted with concern that the proposed dialogues that the Department intends undertaking would be merely a duplication of existing initiatives such as that of the CGE and its legal clinics which have been found to be successful. Instead a focus should be on complimenting the work of the CGE. The Committee was also concerned about the lack of appropriate officials to refer matters to other departments. The Committee acknowledges the report received from the Department on dialogues but this has come in response to the Committee's request for additional information having deliberated on the Annual Report for 2016/17.
- f) *Country reports:* The Committee acknowledged the work done by the Department in developing the country reports (e.g. South Africa's 5<sup>th</sup> Periodic Report on CEDAW and SADC Minister's Responsible for Gender Women's Affairs report) during the year under review but noted it was not merely about submission of reports but progress hereto.

- g) *Outstanding Reports*: The Committee noted in its highlights of achievements reference made to business cases, draft reports and the like. Whilst, the Committee commends the Department for the work undertaken it has not yet received any of these reports nor was it briefed.
- h) *Policy and Law Reform*: The Committee was concerned that the Department has not yet briefed the Committee on work related to policy and law reform it had undertaken.

## **7.6 CGE Matters**

Notwithstanding the fact that the CGE is a Chapter 9 Institution, it only accounts to Parliament vis-a-vis the Portfolio Committee on Women in the Presidency and that the Department merely transfers its funds, the Committee deemed it important to note the following observations:

### **7.6.1 General**

- a) The CGE was commended for achieving a significant amount of its targets.
- b) The Committee is aware of the importance of the process related to the review of Chapter 9 institutions currently underway.
- c) The Committee takes heed of the CGE's concerns raised about the pending vacancies for 2018 and the potential impact on service delivery if not attended to in time.
- d) The Committee concurs with the findings and recommendations of the AGSA.

### **7.6.2 Governance**

- a) The Committee commends the CGE for addressing the key findings noted by the AGSA previously but still urged the Commission to attend to any findings raised to ensure that a clean audit can be maintained.

### **7.6.3 Finance**

- a) The Committee noted the savings of R582 000 in Q1 for 2017/18.
- b) The Committee noted the irregular expenditure of R338 126.
- c) The Committee acknowledged the immense strain placed on the CGE's budget in trying to give effect to its mandate.

### **7.6.4 Human Resources**

- a) *Vacancies*: The Committee noted that there was a high rate of vacancies especially in the Legal Unit and enquired as to the reasons for not filling vacancies and whether exit interviews were conducted. In addition, the Committee queried whether there were any retention strategies to ensure that staff do not leave the Commission.
- b) *Disciplinary cases*: The Committee noted that 2 employees were subject to disciplinary processes and requested more information on the cases.
- c) The Committee acknowledged that the turnover of staff at the CGE is attributed to remuneration packages which are not in line with other Chapter 9 institutions. As a result, the CGE staff attrition is often due to other Chapter 9 Institutions that are able to offer staff better remuneration packages for which the CGE is unable to make counter offers due to constraints on its fiscus.

### **7.6.5 Programme**

- a) *Case management*: The Committee requested the Commission to explain the closing of files and to what extent it assists complainants with referral to other Government structures.
- b) *Manual to electronic case management system*: The Committee noted that the CGE has yet to implement an electronic case management system.

## **8. Recommendations**

The Minister of Women in the Presidency should ensure that the following recommendations are implemented.

### **8.1 Audit Action Plan**

- a) The Committee recommends that the Department must develop an audit action plan and implement the recommendations made by the AGSA and improve on the MPAT results. These action plans should address the root cause of the problems, clearly articulate specific actions with key persons responsible at a senior management level and specify time frames. All action plans should be submitted to the Committee with the 2<sup>nd</sup> Quarterly Report for 2017/2018 on 14 November 2017.
- b) The Committee recommends that the Department should monitor and evaluate the implementation of action plans and progress reports should be submitted to the Committee on a monthly basis until the end of the 2017/18 financial year.
- c) The Committee recommends that the Department must report monthly to the Committee on progress made with regards to implementing the recommendations made by the AGSA, the Audit and Risk Committee and the DPME via the MPAT 2016. A clear explanation should be provided in instances where recommendations have not been implemented and what the remedial action is. The key person/s responsible for implementing recommendations must be submitted to the Committee.
- d) The Committee recommends that the Department provides a detailed list of names of officials who have contravened the PFMA, National Treasury Regulations and SCM policies during 2016/17, indicate the nature of the contravention, the cost incurred and the consequence management implemented by the respective manager.
- a) The Department should provide quarterly reports on the consequence management it will take to remedy the poor performance of members at the SMS level.

## 8.2 Financial performance

- a) *In-Year Monitoring Reports*: The Department is requested to continue to submit quarterly reports to the Committee in line with National Treasury Regulations.
- b) *Spending Trends*: The Committee recommends that the Department should monitor spending patterns and ensure that this is in keeping with what has been outlined in the respective Strategic Plans and Annual Performance Plans. To this end, the Department is requested to provide the Committee with detailed financial reports for activities on a quarterly basis. These financial reports should clearly indicate the purpose of the activity as it relates to the objectives outlined in the APP and the expenditure incurred. In instances, where the Department incurs expenditure for events nationally and internationally, the size of the delegation should be included and details pertaining to Travel and Subsistence.
- c) *APP*: The Department must ensure that its APP is costed appropriately with a clear indication as to how and when it intends undertaking activities with corresponding costs.
- d) *Irregular expenditure*: The Committee recommends that the Department should provide a comprehensive report on the investigations into irregular expenditure incurred during 2016/17 as well as the previous financial year. The report should clearly indicate the sanctions brought against members responsible for irregular expenditure. The Department should further develop an action plan on steps to prevent irregular expenditure, through a skills audit, training, skills development and consequence management.

## 8.3 Internal control and risk management

- a) The Committee recommends that the Department should provide the Committee with a detailed report on the implementation of risk management controls which should include the staffing structure, risk management systems, challenges identified and remedial action.
- b) The Committee requires the Department's Audit and Risk Committee to brief the Committee in the 2<sup>nd</sup> Quarter of 2017/18 (14 November 2017) on the challenges identified and recommendations made.
- c) The Committee recommends that the Department must provide the Committee with a detailed outline of the measures in place to strengthen internal control and risk management.
- d) The Committee recommends that the Department should brief the Committee on risk mitigation measures it has applied to ensure that targets are reached within the core programmes.

## 8.4 Human Resource

- a) *Vacancies*: All key funded vacancies, particularly the CFO position, should be filled within the specified time allocation, in instances where this is not complied with, the Department should clearly identify within the quarterly reports to the Committee reasons for failure to comply and

remedial action taken. The Committee recommends that all vacancies, including acting positions, especially those in which the incumbent is on longstanding suspension, should be filled permanently in the next six months. The Department should provide quarterly reports on this to the Committee.

- b) *Skills Audit*: The Committee recommends that the Department should provide the outcome of skills audit, an action plan of what is required to address the skills deficit and the impact on the new structure of the Department. This must be submitted as part of the Department's Annual Performance Plan and revised Strategic Plan to National Treasury for the coming financial year.
- c) *Resignations/Dismissals/Termination of contracts*: The Committee recommends that the Department should provide a written report on the reasons for dismissal of staff, resignations, termination of contracts and its subsequent impact on service delivery. A contingency plan should also be developed to focus on staff retention.
- d) *Performance management*: The Committee recommends that the heads of Programme 2 and 3 provide quarterly reports of consequence management for the non-delivery of targets with a clear indication of the remedial action implemented. Each programme and sub-programme will be required to present progress to the Committee on a bi-monthly basis.
- e) *Longstanding suspensions*: The Committee recommends that all vacancies, especially those in which the incumbent is on longstanding suspension, should be filled permanently in the next six months. The suspension should be dealt with expeditiously and reported on every month until resolved.
- f) *Use of consultants*: The Committee recommends that the Department provides more clarity regarding the use of M&E experts by clearly indicating the nature of the consultancy, cost, deliverables required and time frames. Information to be provided in a report at Q2 briefing of 2017/18 (14 November 2017). In addition, the Committee requests the Department to indicate what measures the Department would implement to avoid the use of consultants in future in a bid to contain costs. Furthermore, the Committee recommends that skills transfer occurs when using consultants so as to capacitate staff within the Department.
- g) *Top-heavy structure*: The Committee recommends that the Department indicates how it intends utilising its top-heavy structure more optimally to ensure that targets are met.

## 8.5 Governance

- a) The Committee reiterated the importance of compliance with the Public Finance Management Act and National Treasury Regulations by the Department and that failure of officials in this regard must be dealt with expeditiously. To this end, the Committee recommends that the Department reports on how it deals with transgressors and what remedial action is taken. This should be presented in the quarterly reports.
- b) For the year under review, the Committee recommends that the Department submits a report clearly outlining the officials that contravened the PFMA by authorising transactions that should have been done by the accounting officer.
- c) The Committee recommends that the Department report on the forensic investigation/s referred to by the AGSA to be submitted to the Committee on completion and Committee to be briefed on progress with regards to new investigations underway.
- d) *Supply Chain Management (SCM)*: The Committee recommends that the Department provides a monthly report on the Supply Chain Management (SCM) deviations and transgressions and what action steps were taken against officials who fails to comply with SCM policies.

## 8.6 Performance related recommendations

### 8.6.1 SMART principle

- a) The Committee recommends that the Department must ensure the alignment between the Strategic Plan and its Annual Performance Plan which includes objectives and targets that are SMART and costed accordingly. Any changes to the APP must be brought to the attention of the Committee as soon as these are done with a clear indication of the HR impact and financial implications.
- b) The Committee urges the Department to desist from embarking on activities that do not fall within its mandate and are more service delivery orientated.

### 8.6.2 Collaboration

- a) The Committee recommends that the Department should ensure improved collaboration with the CGE and all other relevant organs of State as well as civil society. The Department should

explore how its proposed national dialogues can be linked with the CGE's legal clinics as a cost saving measure and to avoid duplication.

- b) The Committee recommends that specific emphasis should be placed on developing relationships with GFP within government departments, Premiers Offices and municipalities.

### **8.6.3 Monitoring and evaluation**

- a) The Committee recommends that the Department should present the approved monitoring and evaluation framework to the Committee along with the indicators identified.
- b) The Department should be requested to present its findings on all analysis, monitoring and evaluations undertaken. To this end, reports compiled should be referred to the Committee for consideration.

### **8.6.4 Events/Campaigns/Conferences**

- a) The Committee recommends that the Department should inform the Committee in advance of all initiatives it intends undertaking in order for Portfolio Committee Members to attend where possible.
- b) The Committee recommends that the Department should provide the Committee with reports of all initiatives undertaken by outlining the cost incurred (as per the recommendation on spending trends), the purpose of initiatives and its relation to the APP, the outcomes of the initiative, number of intended beneficiaries and an action plan as to how resolutions/outcomes will be implemented.
- c) The Committee recommends that a year plan be submitted of all key events with forecasted costs.

### **8.6.5 Gender-responsive budgeting**

- a) The Committee recommends that the Department should brief the Committee on the gender-responsive budgeting framework.
- b) The Committee recommends that the Department should brief the Committee on what progress has been made by municipalities to implement gender-responsive budgeting within the specific pilot sites that were identified. A list of the respective municipalities should be provided along with a progress report.
- c) The Committee recommends that the Department should not only limit the application of the GRB with municipalities but also extend the focus on departments/entities within the economic cluster.

### **8.6.6 Gender Focal Points**

- a) The Committee recommends that the Department should update the Committee on the progress with the Department of Public Services and Administration insofar as gender focal points are concerned.
- b) The Committee recommends that the Department should brief the Committee on a regular basis on its work and relationship with Gender Focal Points within departments and local government at every quarter.

### **8.6.7 Treaty compliance framework and timeframes**

- a) The Committee recommends that the Department should ensure that country reports are submitted within the specified timeframes as required by the relevant reporting bodies.
- b) The Committee recommends that the Department should report back to Parliament on feedback received on country reports, action plans developed in this regard as well as progress in terms of implementing recommendations.
- c) The Committee recommends that the Department must present all reports to be presented at an international level to the Committee before it undertakes the international trip. This is a repeat recommendation the Committee has made since 2014.

## **8.7 Legislative and Policy Reform**

- a) The Committee recommends that the Department should brief the Committee on gaps identified within policies and laws on a regular basis.
- b) The Committee recommends that the Department should table all reports developed within 30 days of completion for the Committee to consider.
- c) The Committee recommends that the Department should brief the Committee on its policy position with regards to gender mainstreaming and clearly indicate what, if any, changes are required to the existing National Gender Policy Framework.

## **8.8 Outstanding responses and reports**

- a) The Committee requests that the Department briefs it on all outstanding responses to questions posed in relation to the Annual Report for 2016/17 as well as reports submitted.
- b) The Committee recommends that the Department submit all reports within 30 days of completion for consideration.
- c) The Committee recommends that the Department submit all documentation for meeting at least 7 working days in advance. Failure to do so – the Committee should be informed in writing as to the reasons.

## **8.9 CGE**

The CGE should ensure that the following recommendations are implemented.

### **8.9.1 Finance**

- a) *Action plans:* The CGE should develop action plans that relate to the recommendations made by the AGSA. These action plans should address the root cause of the problems. All action plans must be submitted to the Committee with the 2<sup>nd</sup> Quarterly Report for 2017/18.
- b) The CGE should update the Committee regarding the R33 million which is meant to be condoned by National Treasury.
- c) The CGE should ensure that it maintains tight control over its fiscus and avoid over-expenditure in 2017/18.
- d) The CGE should update the Committee on its pursuit for funding to install an electronic case management system.

### **8.9.2 Governance**

- a) The CGE should continue with its compliance with legislation and National Treasury regulations.
- b) The CGE should inform the Committee what actions have been taken to deal with transgressors of policies and laws and overall poor performance delivery. This should be reported back to the Committee within quarterly reports.

### **8.9.3 Programme and performance**

- a) The CGE should continue to monitor and evaluate the impact and outcome of the initiatives it implements.
- b) The CGE should report back on progress to the Committee regarding the AG's finding in terms of cases.
- c) The Commission should explore training and mentorship initiatives as a means of capacity building to strengthen government institutions with the National School of Government.
- d) The Commission is encouraged to develop a coordination plan of training initiatives and awareness raising and report back to the Committee on a quarterly basis in this regard.
- e) The CGE should continue to provide the Committee with an account of the performance of Commissioners on a quarterly basis and this should also be reflected in the following annual report.
- f) The Commission should explore and advocate if PEPUDA can be amended to introduce stronger provisions to address gender equality, as well as discuss with National Treasury on how to fund such provisions through the Act.

#### **8.10 National Treasury**

- a) The CGE's funding model should be aligned with the rest of the Chapter 9 institutions.
- b) The CGE's should be provided with additional funds in order to retain existing staff and attract new staff. Specific emphasis should be placed on the funding of staff for legal clinics, public education and information, communication and legal support. To this end, provinces with the largest case load should be prioritised where offices require additional support.
- c) The CGE should receive additional funding to enable it to transition from a manual case management system to an electronic system. This will help to facilitate improve tracking of cases in order for these to be finalised.

## 9 Summary of reporting requests

**Table 6: Reporting requests**

Reporting matter	Action required	Timeframe	Dept.	CGE
Quarterly reports	Written report Briefing	Briefing at end of every quarter	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Audit outcomes - Details of audit action plan	Written report of audit action plan Briefing	At briefing of 2 <sup>nd</sup> quarterly report for 2017/18 on 14 Nov 2017	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Progress report on audit action plan Briefing	At briefing of 3 <sup>rd</sup> and 4 <sup>th</sup> quarterly report	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Forensic investigations	Written report Briefing	On completion of the investigation/s	<input checked="" type="checkbox"/>	
HR: vacancies, dismissals, termination of contracts	Written report Briefing	At every quarterly report briefing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Gender mainstreaming framework	Written report Briefing	Briefing in January 2018	<input checked="" type="checkbox"/>	
Gender-responsive budgeting	Written report (progress report) Briefing	Briefing in February 2018	<input checked="" type="checkbox"/>	
	Written report on pilot sites Briefing	At briefing of 2 <sup>nd</sup> quarterly report	<input checked="" type="checkbox"/>	
Country reports	Written report Briefing	Progress update at quarterly briefings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Impact reports of initiatives (campaigns, events, workshops, conferences etc.)	Written report	30 days after an event has taken place	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Commissioner's performance per quarter	Written report Briefing	At every quarterly report briefing		<input checked="" type="checkbox"/>

## 10. Conclusion

The Committee will continue to monitor the Department with respect to the implementation of recommendations made by the AG and urges the Department to take its recommendations seriously and implement these expeditiously.

**Report to be considered.**