

BUDGETARY REVIEW AND RECOMMENDATION REPORT OF THE PORTFOLIO COMMITTEE ON WOMEN IN THE PRESIDENCY, DATED 23 OCTOBER 2018.

The Portfolio Committee on Women in the Presidency, having considered the annual & financial performance of the Department of Women in the Presidency and the Commission for Gender Equality on 09 & 17 October 2018, reports as follows:

1. Introduction

The Department presented its budget and annual performance plan to the Portfolio Committee on Women in May 2017. The Department had submitted an erratum to the 2017/18 Annual Performance Plan, dated 7 February 2018. It indicates that no financial implications were incurred in this regard, however, targets relating to the development of a policy framework on the provision of sanitary dignity to indigent girls and women a number of targets were reframed. This target has been replaced with a *Draft Framework for Sanitary Dignity*. The reason cited for the change was that the target needed to be revised “in order to align with the new Cabinet decision imperatives” (relating to sanitary dignity). The Department noted that an erratum is not only used for correcting an error, it is also used to communicate a change in strategic direction.

2. Strategic Overview 2017/18

2.1. Mandate and Purpose of the Department

The purpose of the Department of Women (henceforth “the Department”) is to lead, coordinate and oversee the transformation agenda on women’s socioeconomic empowerment, rights and equality. It derives its mandate from the Constitution and the presidential proclamation following the 2014 national elections. The mandate of the Department is to champion gender equality and the achievement of women’s socioeconomic empowerment and rights.

The Department indicates in its 2017/18 Annual report that it is not mandated to deliver services directly to the public but works in partnership with other government departments, civil society and the private sector to promote the socio-economic empowerment of women.

2.2 Mandate of the 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;

- To consider recommendations, suggestions and requests made with regards to gender equality as received from any source¹.

2.3. Strategic Focus for 2017/18

The Commission for Gender Equality aims to ensure that gender equality is promoted and unfair discrimination is eradicated within the policies and practices of Government, other state institutions, and private organisations, in line with outcome 3 (all people in South Africa are and feel safe) and outcome 11 (create a better South Africa, a better Africa and a better world) of Government's 2014-2019 Medium Term Strategic Framework.

The CGE's focus over the medium term will be on ensuring that gender equality is promoted and unfair discrimination is eradicated within the policies and practices of Government. This will be achieved through, amongst others:

- (i) Hosting quarterly gender transformation hearings on a selection of organisations across economic sectors and,
- (ii) Assessing the performance of the country in implementing policies and programmes geared towards ending the marginalisation of women.

3. 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.

4. 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.

5. 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.

6. Overview of Key Policy Focus Areas - Strategic Priorities of Government

6.1 National Development Plan

The Department's mandate finds itself aligned to the National Development Plan in terms of measures to promote social equity. The plan states specifically that:

- The Commission on Gender Equality and the Ministry for Women (formally Women, Children and People with Disabilities) should jointly set clear targets for the advancement of women's rights and report on progress annually, and that
- The transformation of the economy should involve the active participation and empowerment of women. The role of women as leaders in all sectors of society should be actively supported. Social, cultural, religious and educational barriers to women entering the job market should be addressed.²

6.2 Medium-Term Strategic Framework (MTSF)

The Department notes that its work is directly linked to Outcome 14 of the Medium-Term Strategic Framework, i.e. the attainment of a diverse, socially cohesive society with a common national identity and highlights that its budget allocation will be strategically positioned so as to enable the Department to continue to fight against structural gender imbalances and patriarchy in all its forms and manifestations. However, given its mandate, and focus on socio-economic empowerment, it should also consider aligning itself to the strategic priority on radical economic transformation by focusing on expanded opportunities for historically excluded and vulnerable groups, small businesses and cooperatives.

6.3 State of the Nation Address 2017

The focus on women in the 2017 State of the Nation Address (SONA) was largely in relation to the economy.

Specific mention of women by the President in the 2017 SONA:

- More women should be encouraged to farm.
- Government will continue to mainstream the empowerment of women in all programmes.
- Government will continue to prioritise women's access to economic opportunities and, in particular, to business financing and credit.
- Government will also continue to pursue policies that seek to broaden the participation of black people and SMMEs, including those owned by women and the youth, in the information and communications technology sector.

In 2017 the President indicated that in terms of the nine-point plan to reignite economic growth, Government will be focussing on the areas of industrialisation, mining and beneficiation, agriculture and agro-processing, energy, Small Medium and Micro Enterprises (SMMEs), managing workplace conflict, attracting investments, growing the oceans economy and tourism. In addition, President Zuma noted that the State would also be focussing on cross-cutting areas including science and technology, water and sanitation infrastructure, transport infrastructure, and broadband rollout. As in 2016, the President did not make clear any specific indicators for women, however the importance of involving women in agriculture and Information Communications Technology (ICT) was mentioned.

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.

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.

7. Strategic Priorities of Department

The priority of the Department will be to ensure that women's socio-economic empowerment and women's rights are mainstreamed across all sectors of society through:

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

8. Policy Priorities for 2017/18

In its 2017/18 Annual Performance Plan the Department indicates that it has determined that there is sufficient policy and legislation to address gender equality, and has resolved to focus on policy and legislative implementation, as well as conducting reviews and gap analyses. The overarching outcome for the Department is the achievement of an informed society that upholds the socio-economic empowerment of women and gender equality and which implements gender-sensitive policies. The Department has prioritised the following strategic objectives from its 2015-2020 Strategic Plan:

- 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;
- 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; and
- Promotion of public participation in the work of the Department through outreach and advocacy work.

In support of these strategic objectives, the Department indicates in the 2017 Estimates of National Expenditure that its focus over the medium-term will be directed at three core areas as highlighted below.

(a) Analysing, evaluating and monitoring policy and programme implementation

This will be achieved by:

- Utilising the newly developed 'Women's Empowerment and Gender Equality Monitoring and Evaluation Framework' to provide guidance to Government departments to ensure that their plans, programmes and projects consider women's socio-economic empowerment and gender equality.
- Assessing the contribution of Government incentive schemes to the empowerment of women in terms of employment, socio-economic empowerment and development.

(b) Mainstreaming women's socioeconomic empowerment

The Department states that it works with Government clusters, in particular those in the economic cluster, to assess and make recommendations for gender sensitive service delivery models. In this regard, it aims to:

- Develop a gender-responsive planning and budgeting framework to guide Government on its priorities and allocation of resources; and
- Lead a multi-departmental task team to develop a policy framework for the provision of free sanitary towels to indigent girls and women.

(c) Raising awareness and public participation

The Department indicates that over the medium term it will host 6 public dialogues hosted by the Minister, for the 365 Days of Activism for No Violence Against Women and Children campaign in six provinces. In addition, one report on the outcome of these dialogues will be produced annually over the medium term.

9. Overview and Assessment of Financial Performance

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.

Table 1: Appropriated budget 2017/18 (including the CGE transfer)

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
	2016/17	2017/18	2018/19	2019/20	2016/17-2017/18		2016/17-2017/18	
R million								
Programme 1: Administration	89,4	83,0	86,3	92,2	- 6,4	- 11,3	-7,16 per cent	-12,66 per cent
Programme 2: Social, Political and Economic Participation and Empowerment	84,4	94,9	107,7	114,0	10,5	4,9	12,44 per cent	5,78 per cent
Programme 3: Policy, Stakeholder and Knowledge Management	23,1	28,2	40,0	42,3	5,1	3,4	22,08 per cent	14,84 per cent
TOTAL	196,9	206,1	234,0	248,5	9,2	- 3,0	4,67 per cent	-1,53 per cent

Table 1 indicates that despite a nominal increase of R9.2 million in the allocation between 2016/17 and 2017/18, there has in fact been a real decrease of R3 million, i.e. when inflation is taken into account, the Department has 1.53% less to spend than it did in the previous financial year.

When looking at key cost drivers, 56.2% (R71.9 million) of the Department's operating budget (R127.8 million) is allocated for compensation of employees and 40.8% (R52.1 million) is allocated for goods and services. In the 2016/17 financial year, the Department allocated 57% and 39.9% of its

operational budget to compensation of employees and goods and services respectively. In terms of spending under goods and services, the main cost drivers are travel and subsistence (R16.2 million), property payments (R15.8 million) and expenditure for external audit costs (R3.5 million). These 3 line items consume 68.1% of the goods and services budget.

Figure 1: Budget allocation 2017/18 (including CGE transfer payment)

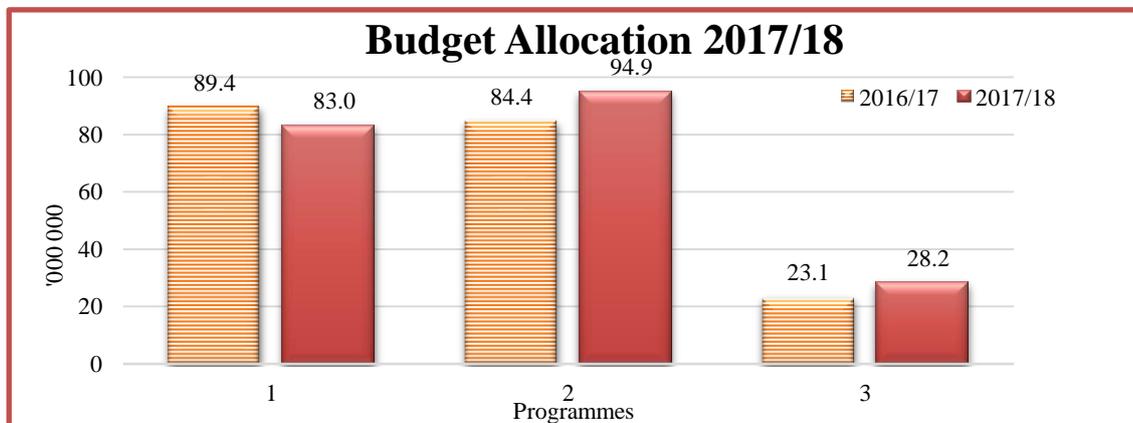


Figure 1 above provides a

diagrammatic representation of the allocated funds.

Figure 1 shows that there has been a year-on-year decrease in the Administration Programme (less R6.4 million), while there have been increases in Programme 2: Social Transformation and Economic Empowerment (increase of R10.5 million) and Programme 3: Policy, Stakeholder Coordination and Knowledge Management (increase of R5.1 million). However, it must be noted that the increase in Programme 2 is inclusive of the Commission for Gender Equality's transfer payment.

Table 2: Appropriated budget 2017/18 (excluding the CGE transfer)

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
	2016/17	2017/18	2018/19	2019/20	2016/17-2017/18		2016/17-2017/18	
R million								
Programme 1:	89,4	83,0	86,3	92,2	- 6,4	- 11,3	-7,16 per cent	-12,66 per cent
Programme 2:	14,5	16,6	24,9	26,6	2,1	1,1	14,48 per cent	7,70 per cent
Programme 3:	23,1	28,2	40,0	42,3	5,1	3,4	22,08 per cent	14,84 per cent
TOTAL	127,0	127,8	151,2	161,1	0,8	- 6,8	0,63 per cent	-5,33 per cent

When removing the CGE transfer payment from the allocation, the real rand change in the Department's budget is R6.8 million less, meaning that when inflation is taken into account, the Department has 5.3% less to spend than it did in 2016/17. Programme 2 in fact only has a R2.1 million increase when the CGE transfer allocation is removed from the programme budget. This is likely to impact on the Department's ability to meet its targets. The Department in its 2017/18 Annual Report indicates that "inadequate baseline allocation has resulted in numerous mandated functions not being effectively delivered, such as government-wide gender-responsive planning and budgeting, government-wide gender-responsive policy, knowledge and information management, gender statistics, gender-based violence and sanitary dignity. The challenge remains to maintain a balance between effective administration and the ability to deliver on the core functions."

Table 3 below provides an overview of the final appropriation and expenditure per programme as at 31 March 2017. 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 percent of its budget.

Table 3: Programme Expenditure as at 31 March 2018

	Programme 1	Programme 2		Programme 3	Total
Allocation as presented in May 2017	R 83.0m	R94.9m	Excl. CGE (R16.6m)	R28.2m	R206.1 million
Final Appropriation	R 83.3m	R 94.218m	(R15.952m)	R28.613m	R206.1 million
Actual Expenditure	R82.5m	R94.215m	(R15.949m)	R27.933m	R204.7 million
Variance	R773 000	R3000		R680 000	R1.4 m
Percentage Expenditure	99.1%	100%	100%	97.6%	99.3%

The Department indicated that the R773 000 under-spending was due to:

- a) Funding that would have been used to write off irrecoverable debts – as the Department was still in the process of approving its debt management policy, this did not happen.
- b) Delayed acquisition relating to upgrading and procurement of software licences
- c) The R680 000 were funds earmarked for replacement and procurement of computer equipment for existing and newly recruited officials which were not utilised

The Department reports no over-expenditure and indicates a surplus/ saving of R1.4 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 offset expenditure on Compensation of Employees, payment for goods and services as well as payments for capital assets and transfers and subsidies. A R6.3 million virement was made from programme 2 to programmes 1 and 3 for goods and services, compensation of employees and transfers and subsidies.

The Department indicates that it had appropriated R4.03 million for Consultants: Business and Advisory Services, however actual expenditure as per the appropriation statement in the Annual Report is recorded at R5.3 million. This figure needs to be clarified against the R6.3 million indicated on pages 97-98 of the report which provides a “Report on consultant appointments using appropriated funds for the period 1 April 2017 to 31 March 2018”. Out of 26 projects noted, the Department only provides details regarding the total number of consultants contracted for 9 projects and details regarding estimated project duration for 16 projects, 3 of which are stated as ongoing and 2 as intermittent. Overall the Department states that the total number of consultants, as well as estimated duration of projects, is not determinable.

9.1 Financial statements

9.1.1 Irregular Expenditure

- For the year under review, the Department incurred irregular expenditure to the amount of R6.1 million. This was primarily as a result of non-compliance with procurement processes.

9.1.2 Fruitless and wasteful expenditure

- The Department incurred fruitless and wasteful expenditure amounting to R 114 000 for the period under review.

9.2 2018/19 MTEF financial allocation

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

9.3 Concluding comments on financial performance

The Committee concurs with the findings of the AGSA and the relevant recommendations made in this regard. The Department managed to spend nearly its entire budget but was unable to efficiently deliver on targets within its programmes that would give effect to its mandate. A significant amount of work was outsourced to consultants to deliver on targets and expenditure incurred despite a large cohort of staff within programmes. Most of the expenditure incurred was for Compensation of Employees and Goods and Services.

10. COMMISSION FOR GENDER EQUALITY

The CGE briefed the Committee during all the quarterly reports on its finances. A commissioner's report was submitted to the Committee at every quarter.

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 are independence; professionalism; accountability; ethical behaviour; and teamwork.

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

10.1 Strategic Objective 1:

The purpose of Strategic Objective 1 is to ensure the creation and implementation of an enabling legislative framework that promotes the attainment of gender equality. This Strategic Objective planned to achieve 8 targets and this was achieved. This Strategic Objective spent R10 554 687 for 2017/18 financial year. These has been achieved through the following sub-strategies:

- (i) To monitor and evaluate the promotion of gender equality and any relevant policies and practices of the public and private sector and report to Parliament.
- (ii) To initiate and review for the improvement of the legislative framework in all spheres of government that impacts on priority areas of gender equality.
- (iii) To conduct periodic performance assessments of priority Ministries, State institutions, Government departments, political parties and the private sector on the implementation of applicable legislation and policies that impact on gender equality.
- (iv) To evaluate the implementation and the effectiveness of the national justice facilities for gender discrimination.
- (v) To convene direct dialogues with relevant policy makers at national and provincial level on recommendations to promote gender equality contained in research reports and research activities.

10.2 Strategic Objective 2:

The purpose of this Strategic Objective is 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. This Strategic Objective planned to achieve 8 targets and achieve targets. This Strategic Objective spent R20 968 654 for financial 2017/18. These Strategic Objective has the following sub-strategies:

- To timeously investigate complaints of violations of gender rights and identify appropriate redress.
- To initiate investigations of systematic violations of gender rights in the public and private sector and identify appropriate redress.

- To develop a coordinated programme to promote equality
- To initiate intervention for sustainable development and promotion of gender equality by addressing violations in the social cultural, political and economic security and human rights dimension.
- To collaborate with organs of state, civil society and other institutions for the effective development, protection, promotion and attainment of gender equality.

10.3 Strategic Objective 3:

The purpose of this Strategic Objective 3 is 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. This Strategic Objective planned to achieve 6 targets and these were achieved. This Strategic Objective spent R11 258 333 for financial year 2017/18. This has been achieved through the following sub-strategies:

- To conduct annual reviews and audits of state compliance with obligations under the conventions, covenants and charters and to report a regular basis to Parliament and the Office of the Speaker of Parliament.
- To interact with and report to national, regional and international bodies on state compliance with conventions, covenants and charters acceded to or ratified.

10.4 Strategic Objective 4:

The purpose of Strategic Objective 4 is to build an effective, efficient and sustainable institution that will fulfil its constitutional mandate on gender equality. This Strategic Objective plan to achieve 15 targets and 13 were achieved. This Strategic Objective spent R35 484 336. This will be achieved through the following sub-strategies:

- To maintain optimal governance and oversight structures and policies between Commissioners and the Secretariat.
- To develop a financial management strategy that promotes effective, efficient and economic utilisation of resources as well as accountability.
- To develop and maintain an IT infrastructure that supports and promotes the organizational objectives of the CGE.
- To develop comprehensive HR policies, procedures and practices.
- Implement an effective communication strategy and policy that promotes and enhances a positive public image of the CGE.

10.5 CGE'S BUDGET FOR 2017/18

For the 2017/18 period, the Commission for Gender Equality received a budgetary allocation of R78.2 million. This is an R8.4 million increase from the 2016/17 financial year. R53.9 million of the budget was allocated to compensation of employees. The Commission has previously indicated that most of its work is carried out by internal personnel and thus the main driver of spending is the compensation of employees. R24.3 million was allocated for goods and services. The Commission indicated that they augmented their income by R5.4 million through interest received, proceeds from sale of assets, sundry income and donations received in cash and kind. This brings the total income to R83.7 million. As at the end of March 2018 the Commission recorded an operational surplus of R3.4 million. This is commendable considering that in the 2016/17 it recorded an operational deficit or over-expenditure of R2.2 million. The CGE indicates that it will retain R2.8 million of the surplus funds as National Treasury directed the surrender of R600 000. Savings were recorded as a result of under-expenditure on travel and subsistence (actual spending of R5.3 million against annual planned budget of R7.5m) as well as savings on personnel costs and donations in kind from the South African Broadcasting Corporation (SABC) to the value of R4 million. In terms of irregular expenditure, R641 635 was incurred for the 2017/18 financial year, however R33.7 million irregular expenditure from previous financial years (2008-2011) has not yet been regularised/condoned by National Treasury.

10.6 Human Resources

The Commission indicated that they had 112 funded posts during 2017/18 and a vacancy rate of 10 percent. (11 vacancies). The Commission had 101 employees during the period under review, of

which 95 were permanent and 6 were temporary employees or interns. Personnel expenditure amounted to R53.8 million, of which R52.6 was expenditure on salaries. A total of 77 employees received performance related rewards during the period under review resulting in expenditure of R2 million. The Commission indicated that a total of 12 employees left the CGE during 2017/18. The reasons for leaving primarily related to contracts which had expired (5), whilst 7 personnel members resigned. The majority of members who had resigned were within the “skilled, technical and academically qualified” occupational band.

11. Findings of the Auditor General of South Africa (AGSA)

AGSA indicated that the Department of Women in the Presidency received an unqualified audit opinion from the Auditor-General of South Africa (AGSA), with findings on compliance with legislation/regulations, in particular procurement and contract management, and internal control deficiencies. Discrepancies between planned and stated targets were also highlighted.

AGSA highlighted the following key concerns with regards to the Department:

11.1 Procurement and contract management

- AGSA indicated that sufficient appropriate audit evidence could not be obtained that:
 - invitations for competitive bidding were advertised in the government tender bulletin
 - invitations for competitive bidding were advertised for a required minimum period
 - bid adjudication was done by committees which were composed in accordance with the policies of the Department (as required by relevant Treasury regulations) contracts were awarded to bidders based on points given for criteria stipulated in the original invitation for bidding.
- Some of the quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
- Some of the quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations. Some of the commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content as required by the 2017 Preferential Procurement Regulation.

11.2 Expenditure Management

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

11.3 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.

11.4 Financial and performance management

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

Overall the AGSA found that there were “significant internal control deficiencies”. This is concerning given that during the quarterly report briefings by the Department to the Committee, no major concerns were brought to the attention of the Committee for the year under review. In addition to the findings by the AGSA the Department’s Audit and Risk Committee finds that:

- a) It was not satisfied that internal controls of the Department of Women were working as intended in all material aspects throughout the year under review as several instances of non-compliance were reported by both internal audit and the AGSA.
- b) In addition, the Department was unable to effectively and fully resolve matters raised by the AGSA in its 2016/17 annual audit and that some matters reoccurred in 2017/18

- c) The Audit Committee is of the opinion that the system of internal control in the Department of Women requires significant improvement.

With regards to the CGE, AGSA indicated CGE received an unqualified audit opinion. The following matters were raised by the AGSA:

11.5 Procurement and contract management

AGSA found that some contracts were extended or modified without approval of a properly delegated official as required by the PFMA and Treasury regulations

11.6 Expenditure management

AGSA found that effective and appropriate steps were not taken to prevent irregular expenditure.

11.7 Leadership

The AGSA noted that there was insufficient responsibility exercised with regards to compliance and related internal controls.

In addition, the Commission for Gender Equality’s Audit Committee noted that there were instances of internal control deficiencies and non-compliance with legislation. However, this had not resulted in a total breakdown of functioning of internal control measures. The system for internal control was therefore considered effective for the period under review.

12. Overview and assessment of service delivery performance

Diagram 1: Overall Performance of the Department for 2017/18

Figure 2: Use of operational budget vs targets achieved



Although the Department has managed to spend nearly 98% of its appropriated budget, it has only managed a 59.2% success rate in the attainment of its indicated targets – only 16 out of the 27 targets were met during the period under review. The majority of targets that were met were under Programme 3. Unmet targets were primarily in the Administration programme, which effectively saw a decrease in performance from 85.7% in 2016/17 to 54% in 2017/18. The Department also reports that

overall it has seen a performance improvement year on year with a success rate of 59.2% in 2017/18 as compared to 36.8% in 2016/17. While this is commendable, it must be noted that there were 11 fewer targets in the 2017/18 financial year.

12.1 Programme 1: Administration

The purpose of the Administration programme is to provide strategic leadership, management and support services to the Department. The total allocation for this programme is R83 million. This allocation is R6.4 million less than in the 2016/17 financial year, however it still consumes the highest proportion of the Department's budget. This remains a concern as the Department's core mandate is carried out in Programmes 2 and 3. There are no listed objectives for the programme in the 2017/18 ENE, however the 2017/18 Annual Performance Plan (APP) indicates that the strategic goal for the programme is the promotion of strategic leadership, good governance, effective, efficient and economical use of public resources for the socio-economic empowerment of women and the promotion of gender equality.

Sub-programme objectives are:

- Strengthened good governance that ensure the Department delivers on its mandate
- Improved strategic financial management system in Department, enabling delivery on the mandate
- Effective and appropriate Human and Information Communication and Technology (ICT) and Physical Resource management, enabling delivery on its mandate

The Department indicated that they plan to achieve 13 targets of which 7 were achieved and 6 were not achieved. This Programme was allocated R83 332 million and spent R82 559 million for 2017/18 financial year.

12.2 Programme 2: Social Transformation and Economic Empowerment

The purpose of the programme is to facilitate and promote the attainment of women's socioeconomic empowerment and gender equality. The programme objective is to promote gender mainstreaming and governance programmes such that they accelerate a just and equitable society for women.

The programme consists of 4 sub-programmes namely;

- **Management: Social Transformation and Economic Empowerment** provides overall strategic leadership and management to the programme.
- **Social Empowerment and Transformation:** the purpose of the sub-programme is to provide intervention mechanisms on policies and programme implementation for mainstreaming the social empowerment and participation of women towards social transformation.
- **Governance Transformation, Justice and Security** provides guidance for enhancing existing systems and procedures and addresses gaps that create barriers to the equal participation of women in the private and public sectors. This sub-programme also contributes to the elimination of gender based violence.
- **Economic Empowerment and Participation:** the purpose of the sub-programme is to provide intervention mechanisms on policies and programme implementation for mainstreaming the economic empowerment and participation of women towards economic transformation and development.

Sub-programme Objectives are as follows:

- Intervention mechanisms on policies and programme implementation for mainstreaming the economic empowerment and participation of women towards economic transformation and development.
- Intervention mechanisms for gender mainstreaming for women's social empowerment and participation developed.
- Mechanisms for engendered transformation through advancing measures for the empowerment of women towards a just society developed.

The Department plan to achieve 6 targets and achieved 3 for 2017/18 financial year. This Programme was allocated R94 218 million and spent R94 215 million. R78. 266 million is transfers to the Commission for Gender Equality.

12.3 Programme 3: Policy, Stakeholder Coordination and Knowledge Management

The purpose of programme 3 in 2017, as per the Annual Performance Plan, is to undertake:

- research
- policy analysis
- knowledge management
- monitoring and evaluation
- outreach and stakeholder coordination for women’s socio-economic empowerment and gender equality

The programme consists of 5 sub-programmes, namely:

- **Management: Policy, Stakeholder Coordination and Knowledge Management** provides overall strategic leadership and management to the programme.
- **Research and Policy Analysis** promotes the development of gender-sensitive research and conducts policy analysis to intervene in transformation for women’s socio-economic empowerment and gender equality.
- **Information and Knowledge Management** positions the department as the knowledge hub on the socioeconomic empowerment of women and gender equality.
- **Stakeholder Coordination and Outreach:** the purpose of the sub-programme is stakeholder management, international relations and to conduct outreach activities which promote women’s socio-economic empowerment and gender equality coordinates stakeholder participation in women’s empowerment and the promotion of women’s rights initiatives at the national, regional and international levels. This sub-programme also ensures compliance with international treaty obligations, and conducts outreach initiatives which promote women’s socioeconomic empowerment and gender equality.
- **Monitoring and Evaluation** monitors and evaluates progress on the empowerment of women in line with national laws, regional, continental and international treaties and commitments.

This Programme planned to achieve 8 targets and achieved 6. It was allocated R28.613 million and spent R27.933 million for financial year 2017/18.

12.4 Human Resources

In terms of key human resource, the Department indicated they have 107 post that are approved, 101 posts has been approved. 70 personnel are employed in Programme 1: Administration out of 101 posts. 47 of 107 is also at senior management level. An additional 4 posts were added to the establishment (including interns and temporary contract workers. The Department also indicated that 10 support staff has left the Department with 4 staff member resigned, 1 dismissed, 1 retired and 3 were transferred to other Public Service departments and 4 staff were on precautionary leave. The Department also indicated that no performance awards were presented during 2017/18 financial year, however an amount of R44 000 is reflected against performance awards. Two employees were recorded as receiving salaries exceeding the level determined by job evaluation. The Department indicates that this is as a measure to retain/attract services. A total of 62 employees received notch progression within their salary levels, i.e. 62.6% of employees.

Table 3: Personnel breakdown and salary costs

Programme	Number of approved posts	Number of filled posts	Personnel expenditure (salaries)
Administration	70	66	R42.3m
Social transformation and economic empowerment	15	15	R7.8m
Policy, Stakeholder Coordination and Knowledge Management	22	20	R13.4m

	107	101	R63.5m
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12.5 Future plans

The Department outlines numerous activities that it will undertake/ products that it will develop in the future. These include:

- A diagnostic report with recommendations on strengthening the National Gender Machinery and develop a revised Inter-Ministerial Committee Integrated Plan of Action for addressing violence against women and children.
- It will establish a National (Council) Committee on Gender Based Violence to oversee the National 365 days Programme of Action involving partnership between government and civil society.
- The development of a framework on sanitary dignity for indigent women and girls and implementation thereof will also be done under this scope of work.
- The Development of gender synergies between the public and private sectors to advocate and network, prioritisation of sound and non- discriminatory practices and regulations to expand opportunities for women in business and enterprises, including the informal sector.
- Conduct and facilitate programmes on the 365 days Programme of Action
- Commission a Country Gender Policy Review for past 25 years
- Review South Africa's National Policy Framework for Gender Equality and Women's Empowerment
- Gender Knowledge Hub and Gender Observatory
- Identify SA Gender Policy Priorities 2019-2024
- Gender Analysis of Sectoral Policies
- International engagements and reporting
- Government-wide gender-responsive planning, budgeting, monitoring, evaluation and auditing
- Gender planning framework
- Gender Evaluation Plan
- Gender Performance Reviews
- Gender Audit
- International Relations Strategy
- Programme of country-to-country engagements to share best practice, develop mutually beneficial relations etc.

While these plans are commendable and much needed, given the Department's performance and budget allocation it is not clear what the feasibility of these future planned outputs and activities are. In addition, some of these planned outputs such as the review of the National Gender Policy Framework and Gender Equality and Women's Empowerment and positioning the Department as a "gender knowledge hub", has been in the Annual Performance Plan of the Department in previous years and has not yet been achieved.

12.6 Concluding comments on service delivery performance

In examining the significant achievements which the Department noted in the 2017/18 Annual Report, its amounts to the following:

- i. achievements related specifically to HR matters,
- ii. achievements related to finance matters,
- iii. achievements related to events/outreach initiatives and
- iv. achievements related to the producing a draft report/documents.

Thus of the notable achievements, many relate to compliance matters in the Administration programme and the development of draft reports which have yet to be finalised and implemented with only year left in the MTSF cycle.

The report on the Status of Women in SA Economy was 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 2017/18 which totals 14 and the impact on the financial and programmatic performance of 2018/19 including the unmet targets from Quarter 1 of 2018/19. The performance of the Department within the 1st quarter of 2018/19 showed slight improvement. The Department indicated that out of 30 planned targets, 18 were achieved and 12 were not achieved. In terms of Programme 1, the Department indicated that out of 15 planned targets, 7 were achieved while 8 targets were not achieved. In terms of Programme 2, 6 targets were planned of which 4 were achieved and 2 were not achieved. Programme 3 plan to achieve 9 targets of which 7 were achieved and 2 were not achieved. Hence there 12 targets which was rolled over to the 2nd quarter. The pressure on the Department to thus deliver in the 3rd and 4th quarter of 2018/19 would be increased given the number of outstanding targets from previous quarters which also have to be met.

12.7 Summary: 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 1st quarter of 2018/19 of the Department.

- a) The 2017 Estimates of National Expenditure indicates that the Department received 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.
- b) The Department spent R204.7 million (99.3% of final appropriation) and achieved 14 targets (36.8%) with a surplus/savings of R1.4 million.
- c) Despite a nominal increase of R9.2 million in the allocation between 2016/17 and 2017/18, there has in fact been a real decrease of R3 million, i.e. when inflation is taken into account, the Department has 1.53% less to spend than it did in the previous financial year.
- d) The key cost drivers are Compensation of employees and goods and services. As such, 56.2% (R71.9 million) of the Department's operating budget (R127.8 million) is allocated for compensation of employees and 40.8% (R52.1 million) is allocated for goods and services. In the 2016/17 financial year, the Department allocated 57% and 39.9% of its operational budget to Compensation of Employees and Goods and services respectively. In terms of spending under goods and services, the main cost drivers are travel and subsistence (R16.2 million), property payments (R15.8 million) and expenditure for external audit costs (R3.5 million). These 3 line items consume 68.1% of the goods and services budget.
- e) In terms of the financial performance for the 1st Quarter of the Department for 2018/19, the Department indicated that the total allocation for the 2018/19 financial year was R230 207 million and the actual expenditure was R47.7 million for the 1st quarter. The budget for compensation of employees was R85.5 million and the actual expenditure of R18.1 million with an under-expenditure of R3.3 million due to the following:
 - i. Vacancies in the department
 - ii. Cost of living adjustments not yet implemented.
 - iii. Payments for Compensation of employees for Ministry for the month of April 2018 was paid by the Department of Social Department (DSD), however the department will refund DSD upon receipt of a claim from DSD.

In terms of transfers and subsidies, the Department indicated that the budget was R80. 7 million with an actual expenditure of R20.4 million. The Department had an over-expenditure between the projected expenditure of R20.2 million and R20.4 million is R200 000 due to the following:

- i. Payment of leave gratuity amounting to R200 000 paid in the current financial year for employees who resigned in February 2018.

The Department indicated that it will request an application for virement to transfers and subsidies from National Treasury for approval during the 2018 Adjusted Estimates of National Expenditure (AENE) process to cover the anticipated over-spending.

- f) Erratum to APP 2018/19: The Committee noted that the Department submitted an erratum on the APP for 2018/19 and requested the Department to define what an erratum was and what informed the erratum. To this end, the Committee requested the reasons for shifting targets from Programme 2 to Programme 3 as the targets that were shifted were best placed in Programme 2 and not 3 necessarily. The Committee also raised its concerns about the lack of capacity in Programme 3 and what then the implications were for moving these targets without the requisite personnel to achieve these targets.

13. COMMITTEE'S OBSERVATIONS

Having interacted with AGSA, ARC and CGE, the Committee made the following observations:

3.1 General

- a) The Committee commends the Department and the Commission for Gender Equality for tabling the Annual Reports within the specified time.
- b) The Committee concurred with all of the findings and recommendations of the AGSA and ARC.
- c) The Committee observed that 59.2% (16/27) of the Department's targets were met and 40.8% (11/27) were not met, whilst 99.3% of the budget was spent (R204.7 million) with a surplus/saving of R1.4 million. Whilst the performance appears to have improved from 39% in the previous financial year (2016/17) to 59.2% in 2017/18, the Department actually only achieved 2 more targets than the previous financial year. However, it had 11 less targets to focus on in the year under review. Hence in 2016/17 the Department achieved 14/38 targets and did not achieve 24/38 targets. Even though the Department had less to do, its improvement was not that significant and it had revised its APP for 2017/18 before the end of the financial year.
- d) As with the previous financial years, the Committee questioned the nature of expenditure by the Department given that a few targets were met in Programme 2 and 3 with many of the deliverables in draft form and undertaken by consultants. Yet the main cost drivers are for Cost of Employment and Goods and Services.
- e) The Committee remains particularly concerned with no tangible deliverables by the Department that have been implemented in its final state that fulfils its Strategic Objectives as the MTSF cycle is nearing the end. As such, the Committee questions what evidence is there to motivate this expenditure.
- f) The Committee was concerned that the Department submitted a revised APP towards the end of the 2017/18 financial (February 2018) this despite reassurances to the Committee at the time of tabling the APP that it was confident it could implement all the targets and would not be changing targets as it did in the two previous financial years. Notwithstanding the attempts of the Department to try and address the objectives that were not SMART, the performance outcomes were still poor.
- g) The changes to the targets by the Department as noted in the revised APP of 2017/18 posed a problem for the Committee to assess performance against agreed upon targets which were budgeted for and voted on.
- h) The Committee observed that the Department was not effectively implementing the AGSA recommendations and those of the ARC, hence the repeat findings. The Committee raised this as a major concern.
- i) 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. This compromises the ability of the Committee to conduct effective oversight of the Department.
- j) 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.
- k) The Committee noted with concern the AGSA and ARC finding which relates to the lack of accountability and the implications in the change to leadership within the Department.

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 more of its targets (9/14) within its core Programmes 2 and 3 as compared to the previous financial year. The Committee notes the highlights of achievements listed in the Annual Report of 2017/18 but questioned why many of these deliverables are still in draft form and do not reflect against the respective Key Performance Indicators as targets achieved in the tables under each Programme. The reporting of achievements thus remains inconsistent within the Annual Report. All of these deliverables have yet to be presented to the Committee in the form of a report. The Committee also noted that the Administration programme

achieved 5 less targets as compared to the previous financial year i.e. 7/13 (53.8%) versus 12/14 (85.7%) targets. As such, 2017/18 has seen the worst performance for Programme 1 since the inception of the Department.

The Committee commends the CGE for attaining most of its targets for the year under review given the funding constraints and vacancies. The CGE strove to implement innovative means to achieve its targets through partnerships, commitment and dedication by staff to give effect to the Commission's mandate.

13.2 Policy imperatives

- a) As noted in the previous financial year, 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 2017/18 that enabled progress towards achieving these priorities.
- b) The Committee notes that the Department intends reviewing the National Gender Policy Framework as part of its "Future Plans" which is concerning given that Government Departments that the Committee has interacted with to date makes reference to the country's outdated gender policy. As such the Committee maintains that 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 as the current M&E framework which the Department noted as an achievement in the Annual Report was meant for internal use only within the Department.
- c) The Committee noted with concern the discrepancies within the Department's Annual Report in reference to the fact that it is not a service delivery implementing department, yet within the same document it notes the provision of sanitary products and the roll out hereto as a key aspect of the Sanitary Dignity Project. Thus reflecting the Department as a front line service delivery department.
- d) The Committee noted that the Department had changed its target in relation to the Sanitary Dignity project from the development of a policy to a framework.

13.3 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) *Audit and Risk Committee (ARC)*: The Committee commends the Audit Committee for consistently monitoring and bringing to the attention of the Department matters that require attention. However, despite these early warnings received the Committee is concerned that the implementation of recommendations made by the AGSA and the ARC were not always forthcoming by senior management and consequence management appears to be questionable despite the regular meetings between the ARC and the Department's senior management. Furthermore, the Committee notes that the ARC concurred with the findings and recommendations of the AGSA. The Committee acknowledges the ARC's sentiments that the change in leadership had impact on the performance of the Department and the constant changes to the APP was concerning. Furthermore, the Committee concurs with the ARC sentiments that the Department should be relooking at its Strategy in order to give effect to its mandate by choosing a select few priorities. In addition, the Committee agrees with the ARC that the capacity constraints of the Department should be addressed and informed by the Strategy. The Committee concurs with the ARC insofar as questioning how optimally the Department is utilising its budget and whether it was focussing on the key issues that gives effect to its mandate.
- c) *Debt Management and UIF Policy*: The Committee noted with concern and questioned how the Department has operated since its inception if the Debt management policy and the UIF policy was in the process of being developed by the end of 2017/18.
- d) *Compliance*: The Committee noted with concern the persistent irregular expenditure, unauthorised, fruitless and wasteful expenditure incurred by the Department and questioned whether the Departments efforts to deal with the root cause of the problems and its ability to take strong decisive action against transgressors. Consequence management does not appear to be a deterrent as problems persist. To this end, 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 but has continued from year-to-year.

- e) *Forensic investigations*: The Department is commended for having implemented investigations but still awaits reports in this regard and a briefing.
- f) *Internal Audit*: Moreover, the Committee was also concerned that the “Audit and Risk Committee reports that Internal Audit function did not timely complete the annual audit plan approved by the Audit and Risk Committee due to delays in the provision of information by management for audit purposes and limited human and financial resources within Internal Audit Division”, this too is a repeat finding from the previous financial year which is concerning to the Committee. Notwithstanding the fact that the Internal Audit Unit was not well capacitated and therefore was not operating optimally the delay in providing the requisite information is unacceptable. As indicated in the previous financial year, the Committee seeks clarity from the Department as to what the implications are then for the 2018/19 financial period given that the “Audit and Risk Committee has noted with concern that the Department was unable to resolve all the matters that were raised by AGSA in the previous audit as some have reoccurred in the 2017/18 annual audit by AGSA.” The Committee calls on the Department to strengthen the Internal Audit with human resource and material capacity.
- g) *Internal Controls*: The Committee noted with concern the AG’s findings of internal control deficiencies which was a repeat finding from the previous financial year. 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. The Committee noted with concern the Audit Committee’s report which indicates that “it was identified that the system of internal control was not entirely effective during the year under review, as several instances of non-compliance with internal controls were reported by both Internal Audit and the AGSA. The Department was also unable to effectively and fully resolve the matters previously raised by AGSA in its 2016/17 annual audit” which was a similar finding in the previous financial year.” This is in contrast to what the Department had presented to the Committee during its quarterly reviews for 2017/18 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, so despite the meetings and recommendations made the problems persisted.
- h) *Risk management*: The Committee commends the Department for the appointment of a Director: Risk management and Internal Auditors as a means of strengthening risk management. However, despite the filling of this post and a fully functional Risk Mitigation Committee, the APP for 2017/18 was still amended and targets were still not met which brings into question the extent to which risks were properly identified at the inception of the APP and plans in place to avoid non-delivery of targets. 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 notes with concern that the Department did not achieve the “90% target of high rated risks in the Department risk profile reduced in risk rating’ but could only attain 85% due to capacity challenges to implement projects. No explanation provided by the Department outlining what the 5% variance entailed.
- i) *Leadership*: The Committee noted with serious concern the AGSA’s findings that the Department exercised ineffective oversight regarding performance reporting and compliance with laws and regulations. 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. Based on the findings of the AGSA and ARC of the Department, in particular the accounting officer and senior management, did not exercise adequate oversight responsibility with regards to financial (expenditure management) performance reporting and compliance with legislation (procurement and contract management). The audit action plan was inadequately implemented by responsible managers 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. This is a repeat finding from the previous financial year.
- j) *Consequence Management*: The Committee raised its concerns as it done in the previous financial year about the lack of effective consequence management for employees who fail to comply with supply chain management or performance prescripts. The Committee raised concerns with the effectiveness of the consequence management which the Department implemented given the systemic nature of problems that have persisted since the inception of the Department. 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 and particularly the accounting officer, the DG.

13.4 Administration

13.4.1 Human Resources

- a) *Top-heavy structure*: The Committee noted that the structure of the Department continues to be top-heavy.
- b) *Vacancies*: The Committee commends the Department for keeping the vacancy rate below 10%. While the vacancy rate at the beginning of the financial year was 4.7%, this remained stable throughout the financial year and was 5.6% by the end of the fourth quarter.
- c) *Suspensions*: The Committee was concerned about the cost implications of staff on precautionary suspension (R1.593 million) for an average of 110.5 days and why these matters have still not been concluded. Of the 4 officials that were suspended 3 official's suspensions exceeded 30 days. The Department failed to address these matters within 90 days as per its policies which reflected in the Quarter 1 2018/19 briefing to the Committee.
- d) *Use of consultants*: The Committee noted the extensive use of consultants by the Department which was concerning given the request from National Treasury to curtail costs in terms of consultancy. The Department indicates that it had appropriated R4.03 million for Consultants: Business and Advisory Services, however actual expenditure as per the appropriation statement in the Annual Report is recorded at R5.3 million which is in contrast to the R6.3 million indicated on pages 97-98 of the report which provides a "Report on consultant appointments using appropriated funds for the period 1 April 2017 to 31 March 2018". Out of 26 projects noted, the Department only provides details regarding the total number of consultants contracted for 9 projects and details regarding estimated project duration for 16 projects, 3 of which are stated as ongoing and 2 as intermittent. This brings into question what the role of officials were within the respective programmes who are responsible for the delivery of these targets that were then undertaken by consultants yet many of these officials earn between a half a million or just under a million rand per annum. Even more concerning to the Committee was that overall the Department states that the total number of consultants, as well as estimated duration of projects, is not determinable which is unacceptable. 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 & Capacity with Department*: The Committee still remains 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 and the skills audit undertaken. Of particular concern, the Committee noted the following findings by a consultant in the report Monitoring and Evaluation Framework for the Socio-economic Empowerment of Women and Gender Equality:
 - i. None of the current employees have in-depth technical knowledge and skills on planning, implementation and management of M&E.
 - ii. None of the employees have a professional qualification in M&E, which is a pre-requisite to manage the M&E function.
 - iii. Employees cannot be considered as M&E practitioners due to inadequate technical expertise in M&E practice.
 - iv. The current level of technical expertise poses a challenge in the ability of the unit to implement and sustain a M&E system.
 - v. One of the employees have completed a credit-bearing short course in Aligning, Planning, Budgeting, Implementation, Monitoring and Evaluation at a post-school education institution.

This brings into question how staff were recruited and on what basis if the fundamental requisite skills are not in place in order for the Department to give effect to its mandate.

- 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.
- g) *Performance awards, Promotion in salary bands*: The Committee noted with concern the discrepancies with regards to stipulation of performance awards within the Annual Report. Even though the Department stipulates that no performance rewards were issued (p.90) an amount of R44 000 is still cited under Compensation of Employees, Salaries and Wages (p.151) as well as on p. 167 under Employee Benefits an amount of R1.282 million as performance awards in the financial statements. In addition, Service bonus (thirteenth cheque)

amounting to R1.816 million is also reflected under the Employee benefits. Of particular concern to the Committee, was the observation that 62 officials still received a promotion in a salary band (notch increase) see p.84-85 reflected in the financial statement in addition to a service based – but this is not explained. It is unclear on what basis the performance awards were allocated or notch increases were awarded to the majority of senior staff in the Department when the performance over the past two financial years has been poor, many of the deliverables in draft form, with no tangible evidence of impact and a significant amount of the work within the Department been outsourced to consultants.

13.4.2 Financial performance

- a) *Unauthorised expenditure*: The department did not incur unauthorised expenditure for the 2017/18 financial year.
- b) *Fruitless and wasteful expenditure*: The Committee noted that fruitless and wasteful expenditure amounted to R114 000 for the year under review. Committee was concerned about the fruitless and wasteful expenditure of R12.5 million from the 2014/15 financial year which has still not been resolved.
- a) *Irregular Expenditure*: The Department disclosed irregular expenditure amounting to R 1 419 000.00 in the 2017/18 financial year relating to non-compliance to Supply Chain Management applicable regulations. This was a similar finding in the previous financial year in which the Committee noted with concern the irregular expenditure incurred (R6.3 million) which was mainly due to non-compliance with procurement processes. As such, the Committee questioned what type of internal controls were in place to avoid irregular expenditure. The transactions for irregular expenditure incurred for the financial year under review were referred to National Treasury for an investigation; these investigations were still in progress as at 31 March 2018. Furthermore, according to the AGSA, effective and appropriate steps were not taken to prevent irregular expenditure amounting to R6 186 664 as disclosed in note 26 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.
- b) *Virements*: The Committee was concerned about the perpetual virements between programmes as this indicated poor planning. Virements were made between programmes to offset expenditure on Compensation of Employees, payment for goods and services as well as payments for capital assets and transfers and subsidies. A R6.3 million virement was made from programme 2 to programmes 1 and 3 for goods and services, compensation of employees and transfers and subsidies.

13.4.3 Supply Chain Management

- a) 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.
- b) Even though the department indicated that it “did not have unsolicited bids proposals concluded in the financial year under review” the AG in its report still noted that one of the most common findings on supply chain management. To this end, the Committee was concerned that sufficient and appropriate evidence could not be obtained for the following:
 - i. invitations for competitive bidding that should have been advertised in the government tender bulletin as required by Treasury Regulation 16A6.3(c) and for a required minimum period;
 - ii. bid adjudication was done by committees which were composed in accordance with the policies of the Department, as required by Treasury Regulations 16A6.2(a), (b) and (c);
 - iii. contracts that were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding, as required by Treasury Regulations 16A6.3(a);
- c) The Committee was also particularly concerned by the Department’s lack of adherence to the Preferential Procurement Framework Act and Regulations in light of the following findings by the AGSA namely:
 - i. Some of the quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
 - ii. Some of the quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act and Preferential Procurement Regulations.

- iii. Some of the commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content as required by the 2017 Preferential Procurement Regulation.

This is concerning for the Committee as the Department is mandated to promote gender equality in the country in so doing should be focussed on ensuring marginalised sector of society are not discriminated against which brings into question the Department's practice in not complying with legislation that is aimed at Preferential Procurement through redress.

- d) Despite the review of the SCM policy in 2016/17 which was revised and approved in 2017/18 in order to strengthen compliance with SCM prescripts and prevent possible occurrence irregular expenditure, the AG notes that "100% of irregular expenditure incurred in the current financial year was as a result of contravention of SCM legislation" amounting to R6.187 million which is concerning to the Committee.
- e) Notwithstanding, the vacancy of the Director in SCM, the contraventions of SCM policy was at the behest of officials within the Department. The Committee remains concerned about perpetual transgressions that occur and the lack of effective consequence management implemented that would deter officials from offending in this regard.
- f) In addition, the Committee noted the vacancy of the CFO during the year under review and questioned the impact this had on financial performance

13.5 Service delivery performance

- a) *Unmet Targets*: The Committee was concerned about the 11 unmet targets from 2017/18 as well as Quarter 1 of 2018/19 and the impact this would have on the rest of the 2018/19 financial year. Unmet targets were primarily in the Administration programme, which effectively saw a decrease in performance from 85.7% in 2016/17 to 54% in 2017/18. The Department also reports that overall it has seen a performance improvement year on year with a success rate of 59.2% in 2017/18 as compared to 36.8% in 2016/17. While this is commendable, it must be noted that there were 11 fewer targets in the 2017/18 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 as there was no tangible evidence to prove this.
- c) *Outstanding Reports*: The Committee noted in its highlights of achievements reference made to draft reports and the like. Whilst, the Committee commends the Department for the work undertaken it has not yet received any of these updated reports as requested nor was it briefed.
- d) *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 but notes these as achievements.
- e) *Draft Frameworks*: In the Overview of Departmental Performance p.24, the Department notes that it developed the following draft frameworks in 2017/18, namely; Draft Gender Responsive Planning and Budgeting Framework is approved, Draft Women Financial Inclusion Framework is approved and the Draft Framework on Sanitary Dignity. However, under Programme 2 in the Annual Report (p.48-50), the Women's Financial Inclusion framework is captured as developed and cited as an achievement. Similarly, the GRB framework is captured as developed and finalised and also cited as an achievement, thus giving the impression that these frameworks are not draft but finalised. The Committee remains concerned that the Department has yet to finalise these frameworks and that consultations have been ongoing for the GRPB since 2014 with implementation questionable at the end of the MTSF cycle.
- f) *National Gender Policy Framework*: The current Annual Report makes no mention of the overarching policy that is meant to drive gender mainstreaming in the country namely the National Gender Policy Framework as an area work during 2017/18. Reference is however made in terms of what the Accounting Office refers to as Future Plans that a Country Gender Policy Review for past the 25 years will be commissioned and that South Africa's National Policy Framework for Gender Equality and Women's Empowerment will be reviewed. In the absence of an updated overarching policy that drives gender mainstreaming in the country, alongside a monitoring and evaluation framework with a clear set of indicators, it is unclear how the Department will aim to achieve its priorities as the MTSEF period draws to a close which is concerning to the Committee.
- g) *Monitoring and Evaluating Impact of Government Policies and Programmes*: The Department noted (p.29) that it conducted via the M&E Unit gender analysis of Annual Reports from 2015-2017 of the IDC, NEF and PID to measure economic empowerment of women in the implementation of its mandates and that reports were produced in this regard. However, these achievements are not reflected in the tables of performance for Programme 3. Similarly, the

Monitoring and Evaluation Framework is cited as one of Programme 3's Highlights of significant achievements but this does not appear as a target achieved in the tables of performance for Programme 3 either. The Committee commends the Department for undertaking the work but notes that that these reports have not yet been submitted to the Committee for consideration and that the discrepancies within the annual report reflecting these as achievements is concerning.

- h) *Impact of events/campaigns*: Whilst the Department is to be commended on the various campaigns and outreach initiatives undertaken during the year under review, the Committee has not received a comprehensive report outlining the outcomes and cost incurred for these making it difficult to assess. Furthermore, besides the VAWC Dialogues, initiatives focussed on gender-based violence and the Commemoration of National Women's Day it is unclear as to what informs the Department's choice for pursuing an initiative from an Imbizo to Cancer Awareness to Mandela Day Participation and Moral Regeneration. The Committee was unable to assess the effectiveness and efficiency of the campaigns and outreach initiatives implemented during the year under review as the additional information requested on cost of campaigns and international travel was not forthcoming and the information contained in the Annual Report for 2017/18 was insufficient in this regard. 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.
- i) *International Travel*: Of the 4 international engagements listed as achievements in the Annual Report (see p.61-62), the Committee was made aware of only one report namely the 61st session at UNCSW during the quarterly briefings for the year under review. The other 3 engagements were meetings in which mainly Ministers were invited or involved high level delegations. Furthermore, the Committee has not received any details as to what the nature of the costs incurred were for these trips.
- j) *National Dialogues*: The reporting on the national dialogues within the Annual Report is not coherent. For example, in the section, Overview of Departmental Performance, the tables reflect that Social Mapping Profiles for the National Dialogues were conducted for the Northern Cape (NC), Eastern Cape, Mpumalanga and North West (p.28) but on p.30 Violence Against Women and Children (VAWC) Dialogues were conducted in the Western Cape (WC), North West (NW) and NC. So it is unclear why the social mapping was not done for the WC if dialogues were subsequently held there. Furthermore, on p.33 under Highlights of significant achievements, National Dialogues on VAWC were held and a report on MP, LP, EC and NW is available. Under Programme 3, in the Annual Report, National Dialogues on VAWC for NC, MP, EC and NW was reported under the performance indicator for 365 days Campaign for No VAWC rolled out. However, the WC Dialogue on VAWC was reflected as one of the 12 public participation outreach initiatives performance indicator on p.57. The Committee still questions the efficacy of the dialogues that the Department held and its impact. Unlike the existing initiatives such as that of the CGE and its legal clinics which have been found to be successful. The Committee maintains that the Department should instead focus on complimenting the work of the CGE. The Committee was also concerned about the exorbitant costs incurred and use of consultant and questioned whether there was adequate referral and follow-up after the dialogues.
- k) *Country reports*: The Committee noted with concern that 3 out of 4 country reports for international multi-lateral forums were not completed due to a lack of inputs by national departments to enable Department to consolidate inputs/ data into a report. This points to a lack of proper risk identification and risk mitigation strategy which should have been planned for. Furthermore, what remains concerning to the Committee was that the Department had proposed that further systems need to be put in place to improve Departments' planning, monitoring and reporting in line with South Africa's international obligations – this after 4 years after being established there was nothing in place to guide the development of a country report. In addition, the Committee noted that in terms of CEDAW, the country was due to deliver its 5th periodic report to the relevant Committee at the United Nation but no reference is made to this in the Annual Report to indicate whether the report been finalised and submitted. In terms of the Combined 2nd 3rd and 4th periodic report on CEDAW, the country submitted received Concluding Observations, responded to the Observations and the List of issues and questions with regard to the consideration of periodic reports. The Committee on the Elimination of Discrimination against Women has been very specific in terms of its recommendations to South Africa and timeframes for which to report back. It is unclear whether the Department has been able to monitor and evaluate progress in this regard when it lacks firstly an updated overarching policy for gender quality and secondly has no monitoring and evaluation framework to not only assess the country's progress in terms of gender mainstreaming but also no guide to assist government

departments in terms of what indicators are most relevant for data collection – vital information necessary when compiling a country report.

- l) *Policy analysis provided on government policies*: The Department notes in its Annual Report for 2017/18 that policy inputs were made into several draft documents received from government departments and covered a broad spectrum which included research (StatsSA and SALRC), SMMEs, legislation (Liquor Amendment Bill), higher education, housing and disability. This is commendable to the Committee. However, it is unclear to the Committee as to what strategy the Department uses to decide on which policies to provide input into within a given financial year given the broad spectrum which it has covered. Furthermore, the Department also indicates that it provided input into projects such as the Literature review on Top 100 JSE listed companies, DTI's analysis, establishment of Young Women's Directorate, GRB, Sanitary Dignity Project and Policy Framework, Women's Financial Inclusion Framework, Social mapping for dialogues on VAWC and the National Youth Policy Framework. This reporting is confusing as it is unclear as to what the "inputs" entail and by who this was done as this has not been submitted to the Committee for consideration.
- m) *Unmet targets*: The Committee noted with concern that the Department had not met its target as it relates to the 9-point plan and had not implemented the recommendations of the Status of Women in the Economy report and highlighted the importance of these outputs for the economic empowerment of women, which forms part of the Department's mandate.

Observations with respect to the Commission for Gender Equality

13.6 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:

13.6.1 General

- a) The CGE was commended for achieving a significant amount of its targets, 34/37 targets met (92%).
- b) The Committee commended the Commission, support staff and previous Commissioners for the work done over the years and for an unqualified audit opinion.
- c) The Commission was requested to comment on the Kader Asmal's report and also to share ideas with the Department of Women in the Presidency on implementing their programmes with limited support staff.
- d) The Committee is most pleased with the decision that the CGE should not be amalgamated with other Chapter 9 institutions.
- e) The Committee takes heed of the CGE's concerns raised about the pending vacancies for 2018 and 2019 the potential impact on service delivery if not attended to in time. But acknowledged Parliament's process currently underway with the establishment of the ad Hoc Committee for the appointment of Commissioners.
- f) The Committee concurs with the findings and recommendations of the AGSA. In addition, the Committee indicated that AGSA indicated that the findings are the same as last. As such, the Commission was urged to resolve findings made by AGSA.

13.6.2 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. To this end, the Committee noted the following concerns:
 - i. The AGSA found that some contracts were extended or modified without the approval of a properly delegated official as required by the PFMA and Treasury regulations.
 - ii. Effective and appropriate steps were not taken to prevent irregular expenditure.
 - iii. The AGSA notes that there was insufficient responsibility exercised with regards to compliance and related internal controls.

Notwithstanding that, the Commission for Gender Equality's Audit Committee notes that there were instances of internal control deficiencies and non-compliance with legislation. However, this had not resulted in a total breakdown of functioning of internal control measures. The system for internal control was therefore considered effective for the period under review.

13.6.3 Finance

- a) The Committee noted the savings of R582 000 in Q1 for 2017/18.
- b) The Committee noted the irregular expenditure of R641 635 was incurred for the 2017/18 financial year. The Committee noted the response by the CGE on the condonement of R33 million irregular expenditure from previous financial years (2008-2011) and urged the Commission to further engage National Treasury and submit more information to National Treasury with regards to the condonement.
- c) The Committee acknowledged the immense strain placed on the CGE's budget in trying to give effect to its mandate.

13.6.4 Human Resources

- a) *Vacancies*: The Committee noted a vacancy rate of 9% for permanent employees for the period under review.
- b) *Disciplinary cases*: The Committee noted that 3 employees were subject to disciplinary processes for the period under review.
- 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.
- d) *Employment of Persons with Disabilities*: The Committee also queried whether the Commission employed people with disabilities as part of its staff complement.

13.6.5 Programme

- a) *Case management*: The Committee still remains concerned about the pending files between quarters and financial years and the challenges faced by the CGE to attend to this expeditiously.
- b) *Manual to electronic case management system*: The Committee commended the CGE for implementing an electronic case management system.
- c) *Maternal health*: The CGE is commended for the research and work done in this regard. Of particular concern is the CGE's finding that the "maternal Health investigation could not be completed because the complainants have become unavailable and untraceable" and as such this target could not be achieved. Given the challenges faced within the public health sector at present, it will be important for the Committee to consider the research report in a conferral meeting with the PC on Health. Furthermore, it would be important for the CGE to keep the Committee abreast of progress and developments in this regard.
- d) *Court monitoring*: The CGE's court monitoring report identifies the following key findings:
 - i. Service delivery is a challenge in maintenance and domestic courts due to staff shortages.
 - ii. Not all courts monitored are declared sexual offences courts and this hampers access to justice. The DNA results delay finalisation of sexual offences matters.
 - iii. There are delays in issuing protection orders in domestic violence courts.

This is concerning to the Committee as it indicates that the NDP imperatives in this regard are not being achieved if access to justice is hampered. It will be important for the Committee to consider the court report by the CGE in a conferral meeting with PC on Justice and the Department of Justice.

- e) *Gender-based Violence (GBV)*: The CGE has identified various initiatives it has undertaken be it awareness raising, case management, litigation, court monitoring and research. It will be important for the CGE to follow-up on the work within the criminal justice arena and in higher education as well as matters related to assaults on LGBTI community and sex workers.
- f) *Mining*: The CGE is commended for work done in the mining sector on gender transformation. The research report indicates a lack of gender transformation in the mining industry. This highlights what is still required for the advancement of women in priority areas for Government as one of the means for economic emancipation. A conferral meeting with the PC on Mineral Resources on this research report will be important for the Committee to consider.
- g) *Gender transformation in institutions of higher learning*: The CGE is commended for the research and work done in this regard. The hearings conducted revealed challenges related to the lack of gender-related policies and clear measures to promote women and persons with disabilities to senior management positions. It would be important for the Committee to consider the research report in a conferral meeting with the PC on Higher Education and for the Department of Higher Education to respond to the findings.
- h) *Law reform*: The CGE is commended for the submissions made during the year under review. These include, amongst others, the Draft Agricultural Land Holdings Bill, the legal practice amendment Bill, the Communal Land Tenure Bill and the sex Work Discussion paper. It would be

important for the CGE to track what of its recommendations were incorporated and report back to the Committee accordingly.

- i) *Litigation*: The CGE is commended for the litigation it has pursued in the year under review.
- j) *Gender Mainstreaming & Training*: Whilst the CGE is commended for the various training initiatives undertaken through the country within government and the private sector, the follow-up of is important in addition to ensuring that the policy provisions are in place. Moreover, in planning the way forward it would be imperative to determine strategically which areas the CGE will be targeting for training and to ensure continuity e.g. identifying municipalities, provincial and national departments etc.
- k) *Treaty compliance*: As noted in the previous financial year, the CGE is commended for its participation at the United Nations Commission on the Status of Women 61st session and the 58th Ordinary session of the African Union Commission on Human and People's Rights, it would be important for the Committee to ascertain how the CGE is monitoring the implementation of the Resolutions that arise from these engagements at a domestic level. Moreover, the CGE states in its Annual Report that the "country has erratic compliance reporting on international instruments". It will be important for the Committee to ascertain from the CGE what its recommendation to improving this situation would be.
- l) *Forced marriages*: The Commission was also requested to update the Committee on forced marriages in the Eastern Cape Province.
- m) *Widows*: The Committee requested the Commission to intervene on challenges faced by widows who are public servants and are experiencing challenges with regards to SARS in Mpumalanga.

14. RECOMMENDATIONS

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

14.1 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 2nd Quarterly Report for 2018/2019 in November 2018.
- 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 2018/19 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 2017. 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 2017/18, indicate the nature of the contravention, the cost incurred and the consequence management implemented by the respective manager.
- e) The Department must provide quarterly reports on the consequence management it will take to remedy the poor performance of members at the SMS level.

14.2 Financial performance

- a) *In-Year Monitoring Reports*: The Department must continue to submit quarterly reports to the Committee in line with National Treasury Regulations.
- b) *Spending Trends*: The Committee recommends that the Department must 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 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 must 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 2017/18 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.

14.3 Internal control and risk management

- a) The Committee recommends that the Department must 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 concurs with the recommendation by the ARC that “Management should improve the system of internal control to prevent the Department from reaching the undesirable level.”
- c) The Committee requires the Department’s Audit and Risk Committee to brief the Committee in the 2nd Quarter of 2018/19 (??November 2018) on the challenges identified and recommendations made.
- d) 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.
- e) 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.

14.4 AGSA & Audit and Risk Committee

- a) 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 regard. The Committee in turn will provide the ARC with feedback on the outcome of meetings held with the Department and what recommendations are expected to be implemented with specific time frames.
- b) AGSA should submit a separate presentation for the Department of Women and CGE when presenting the outcome of its audit at the end of a financial year in order to assist the Committee to understand their work in future.
- c) ARC to submit its quarterly reports to the Committee for consideration after every meeting it has with the Department.

14.5 Human Resource

- a) *Vacancies*: All key funded vacancies 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 2018/19 (November 2018). 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 must occur 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, rather than using consultants. The Committee also recommends that programmes 2 and 3 which encompass the core delivery mandate of the Department be capacitated. The Committee welcomes an opportunity to engage with the Department on its strategic plan and organogram/structure going forward.

14.6 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.
- e) *Investigations*: The Committee recommends that the Department briefs it (at Quarter 2 briefing for 2018/19) on the outcome of investigations that have been completed for 2017/18 and indicate what progress has been made in terms of implementing recommendations and consequence management. Furthermore, the Department is expected to brief the Committee on progress with regards to investigations currently underway.

14.7 Performance related recommendations

14.7.1 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. The Department must update the Committee on the status of targets on a quarterly basis.
- 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.

14.7.2 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 (OSWs), Mayor's offices and municipalities.

14.7.3 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.

14.7.4 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.

14.7.5 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.

14.7.6 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.
- c) The Committee recommends that Gender Focal persons must be placed in decision-making positions and placed within the office of the Director-General within government departments.

14.7.7 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 at least one month before it undertakes the international trip. This is a repeat recommendation the Committee has made since 2014.

14.8 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.

14.9 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 2017/18 as well as reports submitted.
- b) The Committee recommends that the Department must submit all reports within 30 days of completion for consideration.
- c) The Committee recommends that the Department must 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.

14.10 CGE

The CGE should ensure that the following recommendations are implemented.

14.10.1 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 2nd Quarterly Report for 2018/19.
- b) The CGE to further engage National Treasury and submit more information to National Treasury on condonment of R33 million irregular expenditure relating to previous financial years (2008 - 2011)
- c) The CGE should ensure that it maintains tight control over its fiscus and avoid over-expenditure in 2018/19.
- d) The CGE should update the Committee on its pursuit for funding to install an electronic case management system.

14.10.2 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.

14.10.3 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 CGE should explore training and mentorship initiatives as a means of capacity building to strengthen government institutions with the National School of Government.
- d) The CGE 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 2018/19 annual report.
- f) The CGE 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.

14.11 National Treasury

- a) The CGE's funding model should be aligned with the rest of the Chapter 9 institutions, in particular the Public protector, to enable it to optimally give effect to its mandate.
- 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.

15. 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 nd quarterly report for 2017/18 on ?? Nov 2018	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Progress report on audit action plan Briefing	At briefing of 2 nd quarterly report	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Forensic investigations	Written report Briefing	Progress report at 2 nd quarterly briefing and on completion of new 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 nd 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"/>

16. CONCLUSION

The Committee will continue to stringently monitor the Department with respect to the implementation of recommendations made by the AGSA as well as the ARC. Thus, the Committee urges the Department to take its recommendations seriously and implement these expeditiously.

Report to be considered.