

2. The Legacy Report of the Ad Hoc Committee to Inquire into the North West Section 100 Intervention – 2019

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GLOSSARY TERMS

Acronym	
AGSA	Auditor General of South Africa
CASP	Comprehensive Agriculture Support Programme Grant
CFO	Chief Financial Officer
DPSA	Department of Public Service Administration
EXCO	Executive Council
FEED	Department of Finance, Economy and Enterprise Development (provincial)
GRAP	Generally Recognised Accounting Practice
GTAC	Government Technical Advisory Centre
HOD	Heads of Department
HR	Human Resources
ICT	Information, Communication and Technology
IMTT	Inter-Ministerial Task Team
MFMA	Municipal Finance Management Act No. 56 of 2003
NCOP	National Council of Provinces
NT	National Treasury
NTCE	National Tourism Career Expo
NWDC	North West Development Cooperation
OCPO	Office of the Chief Procurement Officer
OOP	The Office of the Premier
PAAP	Post Audit Action Plan
PEGA	People Economic Growth Agency
PFMA	Public Finance Management Act No. 1 of 1999
PMU	Project Management Unit
PT	Provincial Treasury
READ	Department of Rural, Environment and Agricultural Development (provincial)
SCM	Supply Chain Management
SDIP	Service Delivery Implementation Plan
SITA	State Information Technology Agency
SOP	Standard Operating Procedure

The Ad Hoc Committee to inquire into the North West intervention (Committee) having completed its work hereby report as follows in its legacy report:

1. INTRODUCTION AND BACKGROUND

The Ad Hoc Committee to inquire into the North West intervention (Committee) was established by the National Council of Provinces (NCOP) to facilitate inquiries and also to conduct oversight in terms of Section 100 of the Constitution of the Republic of South Africa, 1996 (hereinafter referred to as the Constitution) in order to pronounce on whether the intervention in the North West Provincial Government is warranted or not. The adopted Committee report dated 30 October 2018, resolved that the intervention was indeed warranted and contains recommendations proffered by the Committee in order to give meaningful effect to its purpose and mandate, as well as the implementation, monitoring and evaluation of the intervention. This report provides a summary of the progress made in implementing the Executive directives and Committee recommendations, sets out key achievements since the inception of the intervention and highlights critical issues to be followed up by the sixth Parliament. This will further ensure continuous engagement between Parliament, Inter-Ministerial Task Team (IMTT) and the North West Government until the intervention addresses most of the challenges set out in the diagnostic reports.

2. LEGISLATIVE FRAMEWORK THAT GUIDES THE NORTH WEST INTERVENTION, SECTION 100(1)(a) and 100(1)(b)

In terms of Section 100 of the Constitution, national intervention in a provincial administration may take place when a province cannot or does not fulfil an executive obligation in terms of the Constitution. The Constitution provides that national executive may intervene by taking

any appropriate steps to ensure the fulfilment of the obligation. The steps taken by the national executive may impose the following sections:

- 100 (1) (a) – where a directive is issued to the provincial executive, describing the extent of the failure to fulfil its obligations and stating any steps required to meet its obligations; and
- 100 (1) (b) – where a responsibility is assumed for the relevant obligation in that province to the extent necessary to maintain essential national standards or meet established minimum standards for the rendering of a service; maintain economic unity; maintain national security; or prevent that province from taking unreasonable action that is prejudicial to the interests of another province or to the country as a whole.

Departments under Section 100 (1)(a)	Departments under Section 100 (1)(b)
<i>1 North West Department of Social Development</i>	<i>1 North West Office of the Premier</i>
<i>2 North West Department of Local Government and Human Settlements</i>	<i>2 North West Department of Health</i>
<i>3 North West Department of Finance, Economy and Enterprise Development</i>	<i>3 North West Department of Education and Sport Development</i>
<i>4 North West Department of Tourism</i>	<i>4 North West Department of Transport and Community Safety</i>
<i>5 North West Department of Rural Economy and Agricultural Development</i>	<i>5 North West Department of Public Works and Roads</i>

Rule 254 of the NCOP provides that whenever the national executive intervenes in a provincial executive in terms of section 100 (1) (b) of the Constitution, the national executive responsible for provincial affairs must submit a written notice of the intervention in the Council within 14 days after the intervention began. Furthermore, Rule 254(4) of the NCOP also provides that the Committee appointed by the Chairperson must investigate and report whether or not the intervention is necessary.

3. DASHBOARD OF THE SEQUENCE OF EVENTS AND MILESTONES OF THE NORTH WEST INTERVENTION SECTION 100 (1) (a) AND 100 (1) (b)

The section below seeks to provide a summary of events and milestones which have taken place since the inception of the Section 100.1 intervention in the North West Provincial Government.

Month	Activities
April 2018	<ul style="list-style-type: none"> • <i>The province was characterised by service delivery and labour unrests.</i> • <i>On 25 April 2018, Cabinet invoked Section 100.1.b for the North West Department of Health.</i> • <i>On 30 April - 17 May 2018, the Inter-Ministerial Task Team (IMTT) was established and there were further engagements around the challenges of labour unrest faced by the North West Province.</i>
May 2018	<ul style="list-style-type: none"> • <i>On 09 May 2018, Cabinet invoked Section 100(1) and also specified each intervention for all the 10 Departments which were involved.</i> • <i>On 17 May 2018 following the notice on an intervention by the President to North West province in terms of section 100(1) the Committee was established by the NCOP.</i> • <i>On 21 May 2018, agreements were reached with organised labour for the staff to return to work for both Department of Health and Social Development.</i> • <i>On 23 May 2018, the Premier resigned and further details for the intervention in the 10 departments were outlined.</i>

	<ul style="list-style-type: none"> • On 29 May 2018 members of the Committee were appointed and the committee held the first meeting. • On 30 May 2018 members of the Committee had the first meeting to elect the Chairperson and also develop the Committee program.
June 2018	<ul style="list-style-type: none"> • On 07 June 2018, the IMTT briefed the Provincial leadership in Mahikeng on the decision for intervention. • On 14 June 2018, the IMTT briefed the Committee about the North West intervention. • On 22 June 2018 the new Premier was sworn in, • On 27 June 2018, the North West Provincial Executive briefed the Committee. • On 28 June 2018, the Memorandums of Understanding (MOUs) were signed between the National and the North West Province.
July 2018	<ul style="list-style-type: none"> • On 10 July 2018, Administrators were appointed and introduced to the management of North West Government.
August 2018	<ul style="list-style-type: none"> • On 02 August 2018, there was a first meeting of the intervention coordinating team in Mahikeng. • On 16 August 2018, the second IMTT progress report was presented to the Committee.
October 2018	<ul style="list-style-type: none"> • From 15 – 19 October 2018, the Committee undertook a visit to the North West Province, and thereafter submitted its report to the House. • On 31 October 2018, the NCOP approved the intervention.
December 2018	<ul style="list-style-type: none"> • On 06 December 2018, the Premier of North West reshuffled his Executive members. • From 12 -13 December 2018, the intervention workshop for the new Exco took place.
February 2019	<ul style="list-style-type: none"> • 06 February 2019, the IMTT presented a progress report to the Committee. The details of this report are discussed in the sector departments below.

4. DEPARTMENTS THAT FALL UNDER SECTION 100(1)(a)

4.1 DEPARTMENT OF SOCIAL DEVELOPMENT - SECTION 100(1)(a)

This section aims to provide a progress report on the implementation of the Executive directives. It also provides progress on Committee Recommendations and a summary of achievements since the inception of the intervention as a direct response to the challenges outlined in the diagnostic reports done by IMTT and North West Government.

4.1.2 Achievements made since the intervention started in 2018

Directive	Progress as reported in February 2019
Compliance with the Occupational Health and Safety Act.	<ul style="list-style-type: none"> - The Department is currently implementing the recommendations of the report compiled by the Joint Technical Task Team to address non-compliant OHS conditions. Implementation is over the MTEF period.
Development of the Service Delivery Improvement Model Plan (SDIP) as well as the implementation and Monitoring of a Catch up or Recovery Plan.	<ul style="list-style-type: none"> - Monitoring of implementation of the Service Delivery Improvement Plan 2018/19 - 2020/21 was conducted. The 3rd Quarter is due on the 29th January 2019. - The SDIP focuses on provision of care and protection to older persons; provision of state run residential care and protection services to children in need of care and protection; and provision of care and support to victims of GBV.

Directive	Progress as reported in February 2019
Strengthening of Financial management and Supply chain management, which include urgent employment of the Director, Supply Chain Management, monitoring of the post audit action plans, Management of both contracts and lease agreements.	<ul style="list-style-type: none"> - A Progress Report on implementation of the PAAP for 2016/17 financial year will be submitted to the Provincial Internal Audit for review before uploading on the Provincial Monitoring System as the audit was concluded in December 2018. Whilst implementation continues and preparation for 2018/19 financial year end.
Compliance with statutory reporting requirements.	<ul style="list-style-type: none"> - The draft annual financial statement and the annual reports to be finalised and submitted to AGSA by the 29th January 2019. - APP 2018/19 third quarter performance is at 41 per cent. - The overall third quarter expenditure of the Department is at 75 per cent.
Effective management of statutory services focusing on the eradication of the foster care backlog.	<ul style="list-style-type: none"> - The recovery plan for addressing the foster care backlog was developed and implementation to be monitored in four Districts.
Effective and efficient management of all conditional grants allocated to the Province, including EPWP, absorption of scholarship graduates, ECD and Substance Abuse.	<ul style="list-style-type: none"> - The overall spending as on 28 January 2019 was 62 per cent.
Assessment of business plans, transfer payments and subsidies to NPO's and monitoring of the implementation of the activities as outlined in the Service Level Agreement.	<ul style="list-style-type: none"> - The overall spending as at 28 January 2019 was 82 per cent to date. - A total of 828 (95 per cent) business plans were signed out of a total of 872 (where 44 business plans were not compliant).

4.1.3 Other achievements since the intervention started in 2018

- The formation of a Joint Infrastructure Technical Task Team (Department of Social Development and Department of Public Works and Roads) and a report on all OHS non-compliant buildings has been received. Discussions are on-going for the implementation of recommendations.
- The B.5 table was revised to reprioritized allocated funds to the most urgent infrastructure needs.
- Reviewed court orders for children legible to remain in foster care is at 2 981 to date - out of the target of 9 975.
- Annual placement of new children in the foster care system is at 925 - out of the target of 1 842.
- The process of procurement of additional office space for Provident House (Mahikeng DSD offices) is at the adjudication stage. Process of adjudication to be finalized by end January 2019.
- APP 2018/19 third quarter performance is at 41 per cent
- Signed SLA are at 95 per cent, while the number of signed business plans to date are 828 out of 872 and payment is on-going (the 44 business plans were non-compliant).
- Conditional grants for the third quarter was at 55 per cent and total expenditure on 6 February 2019 was reported at 80 per cent.
- 80 per cent of the maintenance work at Provident House has been completed by the landlord.
- All issues raised at the Matlosana Service Point have been addressed.

4.1.4 Outstanding issues to be followed up by the sixth (6th) Parliament

The sixth Parliament should make follow up on the following areas:

- Ongoing labour unrest.

- Inadequate tools of trade, particularly ICT equipment and vehicles due to limited financial resources.
- Limited resources for office space that requires upgrades and additions.

4.2 DEPARTMENT OF LOCAL GOVERNMENT AND HUMAN SETTLEMENTS– 100(1)(a)

There are currently eight municipalities which are under intervention in terms of Section 139 of the Constitution and Section 137 of the Municipal Finance Management Act of 2003. However, the following milestones have been achieved.

4.2.1 Achievements since the intervention started in 2018

Improved Municipal Infrastructure Grant Expenditure	<ul style="list-style-type: none"> - The MIG expenditure has improved in the following municipalities since the intervention: Ditsobotla, Ngaka Modiri and Molema District Municipalities. - In Ngaka Modiri Municipality MIG is no longer used for operations since the intervention.
Stable Governance and Institutional System	<ul style="list-style-type: none"> - The governance and institutional systems have been stabilised in the Ramotshere Moilwa Municipality.
On VBS Mutual Bank	<ul style="list-style-type: none"> - Consequence management is being implemented to officials implicated with VBS investments in the following municipalities - Mafikeng, Moretele and Madibeng. - The Municipal Managers of Mafikeng and Madibeng resigned after the investigation started. - The Municipal Manager for Moretele has been suspended. - Criminal cases have been opened with the law enforcement agencies.
Improved Municipal Water Capacity	<ul style="list-style-type: none"> - Ditsobotla Municipality has improved water capacity from 40 per cent to 70 per cent, after two transformers were donated by business chamber.

4.2.2 Outstanding issues to be followed up by the sixth (6th) Parliament

The sixth Parliament should make a follow up on the following areas:

- Given that administrators for Maquassi Hills Municipality and Kagisano Molopo Municipalities have been prevented to enter the municipal premises by community members, the follow up is required on the progress made through political interventions and legal processes.
- Follow up on the work of the task team, which is appointed by the MEC to conduct an assessment and intervention mechanism on the regressing municipalities.
- Department of Cooperative Governance and Traditional Affairs should make sure that:
 - The political interference is resolved to improve performance in Ratlou Municipality;
 - The water challenges including water spillage in Dr Ruth SM District is resolved and monies invested in VBS are recovered; and
 - That drastic action is taken to address the collapse of the JB Marks Municipalities which is a merger of Tlokwe and Ventersdorp Municipalities.

4.2.2.1 DEPARTMENT OF HUMAN SETTLEMENTS - SECTION 100(1)(a)

This section aims to provide a progress report on the directives which are not yet achieved. It also provides a summary of the achievements since the inception of the intervention as a response to the challenges outlined in the diagnostic reports.

4.2.2.2 Progress made in the Implementation of the Committee Recommendations

Directive	Progress as reported in February 2019.
Beneficiary Management and Community Outreach	- The 1500 beneficiaries to be recorded by Provincial and Municipal officials is underway. The 1500 cases are envisaged to be completed in March 2020.
Reposition the Department to be fit for purpose.	- The approval of the new organisational structure is still pending.

4.2.2.3 Achievements made since the intervention started in 2018

Housing backlogs	- About more than 1500 housing cases have been resolved for beneficiaries.
Second Draft Implementation Plan	- The Second Draft Implementation Plan for 2019/20 Statutory has been completed.
Community Outreach programme	- There is about 15 successful community outreach session with 3500 beneficiaries, consumer education, projects updates, title deed checks and national housing needs registration concluded.

4.2.2.4 Outstanding issues to be followed up by the sixth (6th) Parliament (Recommendations)

The sixth Parliament should make follow up on the following areas:

- The implementation of measures such as a Community Outreach programme which is aimed to address stalling housing projects and community unrests.
- NCOP should follow up on the 1500 cases to be completed in March 2020.
- NCOP should follow up on the approval of the new organisational structure.

- The implementation of measures taken to address the poor workmanship of contractors on various sites need to be followed up.
- Measures taken to address the sporadic community unrests which impede on progress of the housing projects need to be followed up.

4.3 DEPARTMENT OF TOURISM - SECTION 100 (1) (a)

This section aims to provide progress report on the directives which are not yet achieved. It also provides a summary of the achievements since the inception of the intervention which as a response to the challenges outlined in the diagnostic reports.

4.3.1 Progress made in the Implementation of the directives

Directive	Progress as reported in February 2019
Resolve the delays in infrastructure projects to avoid further cost escalations.	- The request for approval of the variation order has been sent to Provincial Treasury. The extension of time has been granted to secure guarantees and to allow for payment of approved certificates.
Resolve incidences of misalignment between job evaluation outcomes and appointment levels in the structure.	- In consultation with the PSC and DPSA the DG has requested documents from the HoD in order to advise on applicable route, and these documents are still pending.
Assess capacity of staff to function as a standalone department.	- The skills audit questionnaire was provided. The process of data analysis to match the post requirements against the skills is underway.
Ensure appropriate levels of financial management. Takes steps to eliminate irregular expenditure.	- The revision of the financial delegation is intended to provide better controls to contain irregular expenditure. Some issues raised under the infrastructure actions still require attention.
Address audit findings	- Post Audit Action Plan (PAAP) developed and being discussed with the PT.

Provide adequate office accommodation.	- No report has been received on the status of the office accommodation.
Correct the appointment procedure for the North West Tourism Board Members and CEO.	- The national team has assisted in redesigning procedures of appointment of the Board to inform the next appointment of a new Board.
Capacity of the NWTB	- The assessment has been completed, and a number of concerns were raised by the task team report. Therefore, the North West Tourism Board will be amalgamated with the Parks Board as part of SOE rationalisation.

4.3.2 Achievements made since the intervention started in 2018

Audit Findings for Projects	<ul style="list-style-type: none"> - There were five projects which had audit findings, of which three of these have been corrected. - More capacity to address audit findings has been created.
Financial Delegation	- Financial delegation has been approved and communicated to staff to reduce the risk of irregular expenditure. The approved delegations are aiming at strengthening the internal control environment.
Assessment of North West Tourism Board	- The assessment of North West Tourism Board has been concluded and the state of the Board is concerning in the area of governance, financial management and potential duplication.

4.3.3 Outstanding issues to be followed up by the sixth (6th) Parliament (Recommendations)

The sixth Parliament should make a follow up on the following areas:

- The amalgamation of the North West Tourism Board with Parks Board as part of SOE rationalisation process.

- The implementation of the Risk Management Plan, which is not yet implemented.
- The misalignment between job evaluation outcomes and appointment levels in the organisational structure.
- The investigations that are currently underway in relation to irregular expenditure incurred by the Tourism Board and ensure that Section 84 and 85 of the Public Finance Management Act of 1999 is implemented.

4.4 DEPARTMENT OF FINANCE, ECONOMY AND ENTERPRISE DEVELOPMENT – SECTION 100 (1) (a)

This section aims to provide a progress report on the directives which are not yet achieved. It also provides a summary of the achievements since the inception of the intervention as a response to the challenges outlined in the diagnostic reports.

4.4.1 Achievements made since the intervention started in 2018

Directive	Progress as reported in February 2019
Configure the SCM operating systems in the Province to the SCM blueprint by standardising, simplifying and automating procedures and processes.	<ul style="list-style-type: none"> - A draft Provincial SCM Policy Framework was presented at I-Develop engagement sessions, with inputs currently being incorporated into the framework. - A draft Municipal Blueprint will be presented to the CFO Forum for awareness and input. - The OCPO in NT will meet with SITA and discuss how to assist the PT on the procurement of g-Commerce system by February 2019.
Implement the approved organisational structure and fill vacancies within the PFMA and MFMA units immediately.	<ul style="list-style-type: none"> - The PT organisational structure was approved. - Critical vacant posts were advertised in October 2018 and HR is currently profiling the applications.

<p>Finalise the approval of additional positions in the new structure for MFMA unit.</p>	<ul style="list-style-type: none"> - DPSA has yet to respond to PT regarding the proposed MFMA structure. - The first batch of MFMA vacant posts was advertised in October 2018 and HR is currently profiling the applications.
<p>Undertake a skills audit of the MFMA unit and structure a programme for upskilling the officials where necessary.</p>	<ul style="list-style-type: none"> - A skills audit report was developed. - NW University to provide PT with a comprehensive programme, based on the report, which is suitable for MFMA officials for up-skilling purposes.
<p>Reduce dependency of consultation on financial management and reporting by implementing new structure and fill the posts with competent and skilled personnel.</p>	<ul style="list-style-type: none"> - Awaiting OOP and DPSA to approve the new MFMA structure. - Critical vacant posts were advertised in October 2018 and HR is currently profiling the applications. - Office of the Auditor-General conducted a skills assessment of provincial and public entity officials and provided GRAP training to participants in August 2017. GRAP Training will be concluded at the end of February 2019. - Municipal skills audit report has been submitted to the HOD for approval.
<p>Review all ICT and software contracts and the implementation thereof in the Province and follow the National Treasury's Guideline and prescripts in respect of findings and recommendations.</p>	<ul style="list-style-type: none"> - The PT handed over ICT and software contracts to NT' OCPO to review and assess any irregularities. - More documents on contract were submitted to the OCPO on 30 January 2019 for assessment. - Once the assessment of all the documentation is complete, OCPO will advise accordingly.
<p>Implementation of discounted rates available through centrally negotiated agreement for software, Telecommunications, travel and accommodation.</p>	<ul style="list-style-type: none"> - Phase one of the Telkom cost saving has been implemented. Rental costs were reduced from R100 000 to R60 000 per month. - Phase two of the Telkom cost savings is in the process of negotiations. - Departments are submitting cost containment reports on a quarterly basis as part of NW Finance monitoring and compliance mechanism.

<p>Issue a moratorium on the establishment of Projects/Program Management Units (PMUs).</p>	<ul style="list-style-type: none"> - The Moratorium was issued in July 2018. - SOP for the appointment of PMUs was developed and incorporated into the NW Provincial SCM Policy Framework.
<p>Strengthen SCM oversight capability of the PT for both PFMA and MFMA compliant institutions in the Province.</p>	<ul style="list-style-type: none"> - An instruction note on the valuation of tenders above R10 million was developed. - The instruction note will be communicated to departments and public entities for compliance, once approved by the HOD. - Awareness sessions on the proposed SCM competency assessment project for provincial departments, public entities and municipalities were held from 15 to 22 November 2018. - Training of SCM practitioners is in progress, with the first week of the project producing 133 self-assessments, which represents 44 per cent of the number of invitees.
<p>Current irregular expenditure to be identified, assessed and cleared within 6 months.</p>	<ul style="list-style-type: none"> - The NT received 12 cases for condonation of irregular expenditure; however, some applications were incomplete and returned. - The application by the Department of Culture, Arts and Traditional Affairs has not been condoned, while the Department of Community Safety and Transport Management case is still outstanding pending clarification. - The PT and the NT to meet on the 30 January 2019 to discuss the issue of investigating prior year's irregular expenditure. - A Central Consequence Management Committee located in the OOP will be resuscitated and chaired by an official from DPSA.

<p>Develop and institute measures to monitor and guide institutions to implement efficient contract management processes and procedures.</p>	<ul style="list-style-type: none"> - The PT is currently consolidating documents received to compile a comprehensive contract register. - The PT also handed over contracts to the NT to review and assess with the aim of reducing cost of contracts. The meeting has been scheduled for 30 January 2019 with the NT to discuss the matter. - Three workshops on the implementation of MFMA Regulation 32 was conducted by the PT.
<p>Support the finalisation of the 2017/18 financial year audit process with the Auditor-General.</p>	<ul style="list-style-type: none"> - 2017/18 financial year audit completed for all departments. - The contract of the six service providers that assisted with the 2017/18 audit lapsed in July 2018. - A new tender is in process to obtain service providers to assist with the 2018/19 financial year audit.
<p>Institute measures to assist institutions to comply with the audit process and improve audit outcomes.</p>	<ul style="list-style-type: none"> - Draft PAAP reports for 10 departments were reviewed. - The PAAP report for the Health Department is being developed.
<p>Facilitate the relocation of the NWDC from the OOP to EED.</p>	<ul style="list-style-type: none"> - Gazette amending the reporting line of NWDC to EED published.
<p>Suspend the rationalisation of public entities (that is the merging into PEGA) until a sound business case for each proposed change is made.</p>	<ul style="list-style-type: none"> - The EXCO still to finalise the suspension resolution to merge public entities into PEGA. - This matter has been escalated to the EXCO. - The PT submitted a request to the NWCC to rationalise public entities and subsidiaries and are awaiting approval. - The GTAC to advise on the rationalisation of NW public entities.

<p>Support and facilitate the referral of irregular contracts/projects within provincial departments, public entities and municipalities for forensic investigations.</p>	<ul style="list-style-type: none"> - Contracts that were identified as irregular were handed over to the NT's Forensic Unit for investigation and investigations are reportedly in progress. - Upon the recommendation of AGSA, unauthorised, irregular, fruitless and wasteful expenditure registers have been requested from municipalities directly. - PT will submit unauthorised, irregular, fruitless and wasteful expenditure documents to NT once received from municipalities.
<p>Support the criminal investigations and disciplinary procedures on officials being conducted by the relevant institutions.</p>	<ul style="list-style-type: none"> - The AGSA officials are part of the team undertaking forensic investigations.
<p>Ensure that provincial departments, public entities and municipalities are appropriately funded.</p>	<ul style="list-style-type: none"> - A benchmark engagement between the PT and the National Treasury took place on the 12 December 2018. The 2019 MTEF budget allocations and budget growth of the departments and the budget credibility was discussed in detail. - Further discussion will take place in the month of February between the NT, the PT and the Health department. - The Municipal Financial Plan Tool together with the approved budget circular Chapter 4 of the MFMA was issued to municipalities on 2 December 2018.
<p>Implement revenue enhancement strategies and put measures in place to improve revenue collections.</p>	<ul style="list-style-type: none"> - The Provincial Revenue Enhancement Strategy was finalised and submitted to the Legal Directorate for inputs. - A revenue enhancement project is underway at five local municipalities (i.e. Tswaing, Maquassi hills, Mamusa, Kgetlengrivier and Ramotshere Moiloa). - A process is underway for procuring a service provider for three local municipalities (i.e. Mahikeng, Madibeng and Lekwa-Teemane).

Appoint Administrators for all provincial departments which are under section 100 (1) (b) of the Constitution as Accounting Officers as per Section 36 (3) of the PFMA.	<ul style="list-style-type: none"> - Administrators were appointed in all five departments placed under Section 100 (1) (b) administration.
Put measures in place to improve Infrastructure Procurement.	<ul style="list-style-type: none"> - The SIPDM was reviewed and shared with all sectors for input.
Ensure that the reconfiguration of provincial departments result in efficiencies and cost savings.	<ul style="list-style-type: none"> - The proposal for the reconfiguration of provincial departments was submitted to OOP for implementation.

4.4.2 Outstanding issues to be followed up by the sixth (6th)

Parliament

The sixth Parliament should make follow up on the following areas:

- Finalisation of the Provincial SCM Policy Framework and its distribution to the sector departments.
- The PT has advertised critical vacant SCM posts in October 2018 and HR is currently busy profiling the applications. Progress in filling the posts to be monitored.
- The PT to provide the National Treasury with information required to finalise the application of irregular expenditure for condonation.
- The PT to submit unauthorised, irregular, fruitless and wasteful expenditure documents to the National Treasury, once received from municipalities.
- The filling of the advertised critical vacant posts within the PFMA and MFMA units.

- Progress with the procuring of the service providers for data cleansing at Mahikeng, Madibeng and Lekwa-Teemane municipalities.
- Procure service providers to assist on 2018/19 financial year audit.

4.5 DEPARTMENT OF RURAL, ENVIRONMENT AND AGRICULTURAL DEVELOPMENT – SECTION 100(1)(a)

This section aims to provide a progress report on the directives which are not yet achieved. It also provides a summary of the achievements since the inception of the intervention as a response to the challenges outlined in the diagnostic reports.

4.5.1 Achievements made since the intervention started in 2018

Directive	Progress as reported in February 2019
READ to share a PMU close out report.	<ul style="list-style-type: none"> - A written update on the court process is awaited from READ.
READ to halt the appointment of NWDC as a PMU of the department.	<ul style="list-style-type: none"> - The Department agreed to rescind its decision to have the NWDC appointed as its PMU. - The documentation to this effect has yet to be submitted.
READ to submit a list of Designs and Bill Quantities it has or requires in relations to its 2018/19 DORA (CASP) Business Plan.	<ul style="list-style-type: none"> - The list of Designs and Bill Quantities is yet to be submitted. - There was a commitment that the list would be submitted on 28 November 2018.
READ to present its Procurement Plans for the 2015/16, 2016/17, 2017/18 and 2018/19 financial years as well as the linked projects completion and expenditure reports.	<ul style="list-style-type: none"> - The plans will now be submitted as part of the Forensic Investigation.

<p>READ to provide a formal report on the four Agriparks and the massive production initiatives in and around the parks as well as the money spent on the parks.</p>	<ul style="list-style-type: none"> - An engagement with the Department of Rural Development and Land Reform on the Agriparks is yet to be finalised.
<p>READ to formalize the areas where they were not ready to take over the implementation of projects.</p>	<ul style="list-style-type: none"> - The report listing the projects that were too complex for implementation was expected to be tabled at the end of November 2018.
<p>READ to submit a report on the ‘unintended consequences’ associated with the handing over mechanisation packages.</p>	<ul style="list-style-type: none"> - The detailed comprehensive report on all mechanisation and related assets acquired was submitted in November 2018 and is currently being analysed.
<p>READ to submit a turnaround strategy on the implementation of projects that were initially handed over to NWDC for implementation.</p>	<ul style="list-style-type: none"> - The turnaround strategy was due for submission during the scheduled meeting in November 2018.
<p>READ to submit a Planting Season costed state of readiness plan.</p>	<ul style="list-style-type: none"> - The meeting on the implementation plan was due on 30 November 2019.
<p>READ to present a comprehensive report on the status of Springbokpan AgriPark.</p>	<ul style="list-style-type: none"> - The comprehensive report was due for submission during the scheduled meeting in November 2018.
<p>List projects funded through equitable share and the Ilima/Letsema Grant.</p>	<ul style="list-style-type: none"> - The assessment report on projects was finalised and the funding recommendations for projects for 2018/19 was finalised.

4.5.2 Outstanding issues to be followed up by the sixth (6th) Parliament

The sixth Parliament should make follow up on the following areas:

- A meeting of the Political Principals needs to be scheduled to address issues regarding implementation of Directives.
- The Department to obtain a progress report from the courts on the AgriDelight matter.
- The Department to devise a strategy in dealing with outstanding claims emanating from contracts initiated by AgriDelight.
- DAFF, READ and DRDLR to meet and discuss AgriParks with the specific purpose of outlining roles and responsibilities relating to the establishment of AgriParks.
- The department to provide progress report with regard to all the outstanding issues referred to above.

5 DEPARTMENTS THAT FALL UNDER SECTION 100 (1) (b)

5.1 DEPARTMENT OF HEALTH – SECTION 100(1) (b)

This section provides a progress report on the implementation of the Committee recommendations by the North West Provincial Government in relation to the intervention. It further provides a summary of achievements since the inception of the intervention as a direct response to the challenges outlined in the diagnostics.

5.1.1 Progress made in the Implementation of the Committee Recommendations

Committee Recommendations	Progress as reported in February 2019.
Disciplinary action to be instituted against officials who conducted serious financial misconduct, fraud and corruption.	<ul style="list-style-type: none"> - Head of the Department of Health has been suspended and disciplinary action is underway for the financial misconduct. - Five officials are facing disciplinary action linked to fraud, transgression of Treasury Regulations for an amount of more than R350 million.
Criminal proceedings to be instituted against the officials who committed criminal conducts.	<ul style="list-style-type: none"> - Currently, the Hawks are handling about 49 cases involving theft, fraud and contravention of Corruption Activities Act of 2004. - The Special Investigation Unit (SIU) is also handling 44 cases and these cases involve a total amount of R2.497 billion.
Compliance with legislations, enhance good governance, sound financial management and robust M&E function.	<ul style="list-style-type: none"> - A war room to direct and coordinate efforts to address service delivery has been established in the Premier's Office M&E section. - The war room is inclusive of the District Offices and Community Development Workers.
Expedite payment verification process made to Mediosa, Buthelezi and High Care and other implicated service providers.	<ul style="list-style-type: none"> - Mediosa contract was cancelled before intervention took place, which makes it difficult to recover funds. - Efforts to obtain credit notes from Buthelezi and High Care have not succeeded. Hence these companies have been debited against the unpaid invoices.
The insufficient budget in Mahikeng hospital as a major contributor to slow progress	<ul style="list-style-type: none"> - Although there is no improvement in this area for both 2019/20 and MTEF period, discussions are underway with the PT and at a level of National Department of Health and the National Treasury.

<p>Good governance systems is critical to ensure effective and efficient procurement process for hospitals.</p>	<ul style="list-style-type: none"> - Good governance has been eroded by the absence of the CEO and other critical vacant positions. - The CEO has been appointed and will resume his duties on the 1st of March 2019. - The other critical vacancies can only be filled once the hospital receives the required budget.
<p>Need to improve the public health care system in South Africa.</p>	<ul style="list-style-type: none"> - Section 100.1.b is being implemented to improve the health system in the North West Province.
<p>Due to the lack of maintenance, there was a need to balance the building of new facilities, while maintaining the existing ones.</p>	<ul style="list-style-type: none"> - The lack of capacity in the maintenance unit of the Department of Health is being addressed. A ten year plan has been completed to address the severe maintenance backlog in the system. - Funding remains a challenge, discussions are still underway with both the Provincial and the National Treasury.
<p>Need to delegate the authority to district offices to establish their own SCM Committees to expedite procurement for clinics and hospitals.</p>	<ul style="list-style-type: none"> - A technical assistant has been appointed with the NGO funding to ascertain as to why SCM structures in the districts and larger hospitals are ineffective and this should be completed by June 2019.

5.1.2 Other achievements since the intervention started in 2018

<p>The availability of Medicine</p>	<ul style="list-style-type: none"> - Medicine has increased from 67 per cent to 83 per cent in hospitals. - This has also increased from 53 per cent to 74 per cent in the depot.
<p>Payment of Accruals</p>	<ul style="list-style-type: none"> - About 96 per cent of accruals to suppliers have been cleared (amounting to R952, 764,450 of the R992, 462,969).
<p>Mahikeng Hospital</p>	<ul style="list-style-type: none"> - Four out of five theatres have been returned to functionality and the fifth one needs some additional staff and equipment. - A permanent CEO has been appointed.

Vacant posts	- 35 out of the 2 198 positions advertised has been filled, and 85 posts are in the recruitment process.
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5.1.3 Outstanding Committee Recommendations and other sector issues to be followed up by the sixth (6th) Parliament

The sixth Parliament should make follow up on the following areas:

- Make sure all funds lost due to financial misconduct, corruption, transgression of the PFMA, irregular contracts, overpayments (Mediosa, Buthelezi and High Care etc) are recovered and consequence management is implemented.
- Make sure that all cases which are handled by both the Hawks (49 cases) and the SIU (44 cases) are finalised and implicated officials or persons are charged.
- Make sure that all the critical vacant posts and 2 198 advertised posts are filled without delays to address the capacity challenges, particularly around the maintenance unit and other critical areas.
- Make sure that the discussions between the North West Department of Health, the National Department of Health, the Provincial Treasury and the National Treasury to address the budget shortages are concluded. This will assist to resolve the issue of staff and equipment shortage in Mahikeng Provincial Hospital and will enable the fifth theatre to become functional.
- Make sure that the investigation of the poor performance of the SCM structures at the District levels and bigger hospitals is concluded by June 2019.
- Make sure that the invoice tracking mechanism is established as a way to improve payment turnaround time. This will reduce backlog of unpaid invoices and further reduce accruals.

5.2 DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT – SECTION 100(1) (b)

This section provides a progress report on the implementation of the Committee recommendations by the North West Province. It further provides a summary of the achievements since the inception of the intervention as a direct response to the challenges outlined in the diagnostic reports.

5.2.1 Progress made in the Implementation of the Committee Recommendations

Committee Recommendations	Progress as reported in February 2019.
Institute disciplinary action to officials who have conducted serious financial misconduct, fraud and corruption.	<ul style="list-style-type: none"> - Although there are no formal charges for implicated employees but the investigations by Hawks and SIU are underway.
The Department should finalise route verification and recover all the monies lost due to over payments.	<ul style="list-style-type: none"> - The route verification process has been concluded, pending final audit of the process. - The SIU is tasked with the matter of overpayments. The list of all affected service providers has been compiled.
Department of Transport and Education should resolve the issue of Scholar Transport function.	<ul style="list-style-type: none"> - The discussions are underway between the National Department of Transport and the National Basic Education to resolve the location of the function.
The Department of Transport should investigate irregularities in the Scholar Transport function.	<ul style="list-style-type: none"> - Although no one has been formally charged, but the SIU is tasked with the matter and the report is expected to be tabled soon.

The Department should review the Scholar Transport Funding Model.	<ul style="list-style-type: none"> - There indications that with accurate and verified routes, real time online tracking mechanism and other innovative technologies the cost of Scholar Transport will be reduced below R468.6 million.
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5.2.2 Other achievements since the intervention started in 2018

Scholar Transport Programme in the North West Province.	<ul style="list-style-type: none"> - Provincial Executive recently approved the movement of the Scholar Transport function from the Northwest Transport Investment (NTI) to the Transport Department, route monitoring and verification has been completed, however, the final audit process is still pending. - The audit will be undertaken in March 2019.
Irregular Contracts.	<ul style="list-style-type: none"> - Possible irregular expenditure has since been avoided through the cancelation of three bids that were not compliant with the SCM.
Irregular Expenditure Framework	<ul style="list-style-type: none"> - Departmental officials have been trained on the Irregular Expenditure Framework to reduce non - compliance.
Bid Committees	<ul style="list-style-type: none"> - The restructuring process of the departmental bid committees to ensure effectiveness has been completed.
Action Plan	<ul style="list-style-type: none"> - Action plans to address the internal control weaknesses have been developed and are being monitored.
Site visits	<ul style="list-style-type: none"> - Site visits undertaken by the Department has uncovered a number of discrepancies such as differences in the number of kilometres, types and capacity of vehicles used by service providers.

5.2.3 Outstanding Committee recommendations and other issues to be followed up by the sixth (6th) Parliament

The sixth Parliament should make follow up on the following areas:

- Ensure that the audit process for the scholar transport routes is concluded by March 2019 as per their target. This will enable the Department to rectify all the incorrect information for kilometres travelled and recover monies that have been overpaid.
- Make sure that the online tracking of transport and other new innovative mechanisms are implemented to reduce the cost of the scholar transport programme.
- North West Department of Transport and Community Safety should conclude the investigations for the financial misconduct and criminal acts within the reasonable timeframe and implement the consequence management for the implicated persons.
- The discussions between the National Department of Transport and Education to resolve the Scholar Transport function should be concluded sooner.
- The SIU should conclude its investigations on the Scholar Transport irregularities, and consequence management should be implemented with immediate effect.

5.3 NORTH WEST OFFICE OF THE PREMIER - SECTION

100(1)(b)

This section aims to provide a progress report on the implementation of the Committee recommendations by the Executive. It also provides progress on Committee Recommendations and a summary of achievements since the inception of the intervention as a direct response to the challenges outlined in the diagnostic reports done by IMTT and North West Government.

5.3.1 Progress made in the Implementation of the Committee

Recommendations

Committee Recommendations	Progress as reported in February 2019
<p>Compliance with legislation should be enforced to enhance good governance, sound financial management, accountability, robust oversight of monitoring and evaluation function of the intervention housed in the Office of the Premier and extended to the District Offices to improve coordination between all departments in terms of the Intergovernmental Relations Act, as well as restore service delivery in the Province.</p>	<ul style="list-style-type: none"> - Legislative compliance is a core focus of the intervention and is being advanced through the various intervention protocols and directives. - A war room to direct and coordinate efforts to address service delivery breakdowns has been established in the Office of the Premier. - This war room incorporates the District Offices and the Community Development Workers and is located in the monitoring and evaluation function of the Office of the Premier, under the direction of the Administrator.

5.3.2 Achievements made since the intervention started in 2018

Intervention Required	Progress as reported in February 2019
<p>Invoke Section 100 (1)(b) in relation to North West Office of the Premier</p>	<ul style="list-style-type: none"> - A Protocol for the intervention in OOP was developed. - An Administrator was appointed and an office was established for the Administrator.
<p>A detailed planning and risk assessment of the intervention needs to be undertaken</p>	<ul style="list-style-type: none"> - The assessment of the functional areas of Performance Monitoring & Evaluation; Policy & Planning; Strategic Planning & Transformation; Office Support & Auxiliary Services; Security Management;

Intervention Required	Progress as reported in February 2019
	<p>Integrity management; as well as Human Resource Management.</p> <ul style="list-style-type: none"> - The consolidated report, with improvement plans is being finalised for submission. - The outstanding performance assessments of staff in the office of the Premier has been completed after a two year period of stalling
<p>Assess all PMU contracts and outsourced government business in the province.</p>	<ul style="list-style-type: none"> - Assessment of the PMUs within the OOP has been completed. - Legal process to deal with the OOP PMU contracts has been approved by the administrator and is underway. - The multi-disciplinary internal team appointed by the administrator, has undertaken ongoing working sessions to ensure matters are finalised. - All the key activities under this specific intervention will be discontinued once the Co-ordination Model has been implemented.
<p>Immediately attend to the breakdown of relations with workers and communities.</p>	<ul style="list-style-type: none"> - All departments were instructed to address consequence management through disciplinary procedures. - The coordinators met NEHAWU, specifically to set up processes of providing regular feedback to NEHAWU with regard to work being done to address their demands, it was agreed in one meeting that NEHAWU will receive bi-monthly progress reports on the memorandum. The first progress report was given to NEHAWU on 8 October 2018. - A draft communication plan to be developed to strengthen the appropriate communication and feedback on the issues

Intervention Required	Progress as reported in February 2019
	of the intervention with both workers and communities.
Provide frequent feedback on the status of the OOP intervention to prevent speculation and misinformation.	<ul style="list-style-type: none"> - A draft communication plan incorporating the three pillars of: Supporting Premier's National Key Projects; providing support to NWPB programs and initiatives; and providing communication support to Section 100 intervention was developed. - Discussion and engagement with the Administrator on the draft Communication Plan will take place.
Provide transversal support services in order to turn around service delivery.	<ul style="list-style-type: none"> - A root cause analysis of the Provincial Complaints and Compliments management is underway which will form part of the implementation progress of the SDIP. - Efforts to inculcate a culture of compliance to HR and Financial delegation have commenced. This will include a presentation to EXCO and the development of a delegations register in line with the Public Service & Treasury Regulations. - Engagements with all departments on outstanding organizational structures is being prioritised to fast-track their consultation and approval. - Alleged cases of misconduct are being investigated and the process to be followed in administering discipline are being reviewed. - Financial and procurement matters: SCM Processes are being strengthened to ensure closure of identified weaknesses. - A complete process of following up on irregular, wasteful and unauthorised expenditure has been completed.

5.3.3 Outstanding issues to be followed up by the sixth (6th) Parliament

The sixth Parliament should make follow up on among others the following areas:

- Engage with the Provincial Treasury and the National Treasury on issues at NWDC.
- Improve coordination between the National Treasury, the JCPS and the Administrators on forensic investigations.
- Strengthen the war room to direct and coordinate efforts to address service delivery breakdowns.
- Implement the Post Audit Action Plan for the Auditor General findings.
- Assess the capacity needs and develop a capacity-building plan to mitigate the vacuum that may arise through the disengagement of the ICT PMU.
- Engage with all programmes on budgeting to ensure alignment to National Treasury Guidelines.

5.4 DEPARTMENT OF EDUCATION AND SPORTS DEVELOPMENT - SECTION 100 (1) (b)

This section aims to provide a progress report on the implementation of the Committee recommendations by the Executive. It also provides progress on Committee Recommendations and a summary of achievements since the inception of the intervention as a direct response to the challenges outlined in the diagnostic reports done by IMTT and North West Government.

5.4.1 Progress made in the implementation of the committee recommendations

Committee Recommendations	Progress as reported in February 2019
Vacant positions which exist at management-level (HODs) at the school should be filled with immediate effect.	<ul style="list-style-type: none"> - Two HOD posts have been advertised and are currently being processed.
On creating awareness of the opportunity/social cost relating to the vandalism of existing public assets during the unrest.	<ul style="list-style-type: none"> - A Quality Learning Teaching Committee (QLTC) has been established through the mobilisation of stakeholders in ensuring the protection of schools and teaching and learning. - Meetings were also held to address the concerns of the community.
On the school infrastructure needs.	<ul style="list-style-type: none"> - Two mobile classrooms were delivered on 1 February 2019.
On Alabama P.S employing a level 4 ECD educator.	<ul style="list-style-type: none"> - The school has been encouraged to employ qualified ECD educators. The District to monitor progress in this regard in the first term.
On resuming the disciplinary process against all implicated officials relating to irregular expenditure.	<ul style="list-style-type: none"> - The Department is investigating the procurement processes followed in appointing the service provider as well as the cost of building and demolishing the old school.
On the issue of security and maintenance.	<ul style="list-style-type: none"> - Security in schools remains a challenge. - The National Treasury has been approached on increasing the allocation for operations and maintenance. - The contractor on-site to address issues raised by the principal during Committee oversight visit.

5.4.2 Other achievements since the intervention started in 2018

Scholar Transport	<ul style="list-style-type: none"> - An investigation by the department has identified 8 503 deserving learners from 64 schools who are without transport. - An audit of the route and efficient use of the service will be undertaken in March 2019.
Overcrowding in schools	<ul style="list-style-type: none"> - Mobile classrooms have been ordered to address identified overcrowding in schools. - Infrastructure delivery is in progress.
Undocumented learners	<ul style="list-style-type: none"> - The number of undocumented learners has been reduced from 51 705 to 37 347.
Performance improvement strategy	<ul style="list-style-type: none"> - Turnaround strategies are being developed and will be rolled out to schools that underperformed in the 2018 NSC exams.
Learning and Teaching Support Material (LTSM)	<ul style="list-style-type: none"> - The Department has put plans in place to the extent that stationery deliveries to schools is at 100 per cent. The distribution of textbooks from publishers to the warehouse is at 93.3 per cent and the distribution to schools is at 88 per cent.

5.4.3 Other sector issues to be followed up by the sixth (6th) Parliament

The sixth Parliament should make follow up on the following areas:

- Disruption of schooling - Protests for services not related to schools continue to disrupt teaching and learning. Learners at Ramokokastad could not attend classes from July – December 2018. Schooling resumed from January 2019, and a recovery plan is being implemented at the school.
- Safety in Schools - Drugs and gangsters in schools threaten the programmes of teaching by educators.
- Integration and transformation - There are areas in the Province where integration and transformation is still a challenge.

5.5 DEPARTMENT OF PUBLIC WORKS AND ROADS – SECTION 100(1)(b)

This section aims to provide a progress report on the implementation of the Committee recommendations by the Executive. It also provides progress on Committee recommendations and a summary of achievements since the inception of the intervention as a direct response to the challenges outlined in the diagnostic reports done by IMTT and North West Government.

5.5.1 Progress made in the implementation of the Committee recommendations

Committee Recommendations	Progress as reported in February 2019.
The Ayamah Consulting contract should be one of the contracts that are submitted to the law enforcement agencies for officials who are found to have breached the rules with immediate effect.	<ul style="list-style-type: none"> - The contract is subject to a forensic investigation led by the National Treasury. - The investigation report will be handed over to law enforcement agencies. - The HOD has been suspended and criminal investigations are ongoing.
North West Department of Public Works and Roads should address its governance and internal control challenges, put measures in place to prevent irregular, wasteful and fruitless expenditure as required by section 38 of the PFMA with immediate effect.	<ul style="list-style-type: none"> - The administration team has revised the delegation frameworks and reconstituted all governance structures to ensure that there are internal controls in the department. - The Administrator has recently established Variations and Sketch Plan Committee to consider all project variations and make recommendations to the departmental acquisitions council.

5.5.2 Other achievements since the intervention started in 2018

Improved Audit Outcomes	<ul style="list-style-type: none"> - The intervention team has started to implement the audit action plan which is already at 22 per cent in terms of implementation. - The Department has processed irregular expenditure of approximately R660 million out of R3.2 billion and submitted to the National Treasury.
Improved Service Delivery	<ul style="list-style-type: none"> - Client and Building Construction Management: Client management unit established in the office of the HOD to attend to customer complaints. - Property management: Assessment done to evaluate the provincial space requirements including utilisation levels, costs and savings. - The Administrator and the team prepared a submission to the National Treasury (through Provincial Treasury) for a special dispensation in renegotiating expired and month- to -month leases. This will standardise all leases, reduce costs and strengthen lease agreements. - Road Maintenance Recovery Plan: The revival of the provincial road maintenance recovery programme is attended to. - Contractors have established sites and commenced with the works between November 2018 and January 2019. - Acquisition, Donation and Disposal Immovable Properties: The Department has identified immovable properties that it intends to acquire, donate and dispose as part of enhancing the Immovable Asset Register.
Improved Human Resource Management	<ul style="list-style-type: none"> - The Department has reviewed the interim organisational structure and a draft of the structure was tabled to the Office of the Premier and is awaiting submission to the Provincial Treasury and the Department of Public Service and Administration for final approval. The

	<p>intention is to standardise functions across the sector.</p> <ul style="list-style-type: none"> - About 199 posts have been advertised including two executive management positions. Posts should be filled by January 2019. - A firm of attorneys have been appointed to review disciplinary cases that have been ongoing for more than three years.
Improved Financial Management	<ul style="list-style-type: none"> - The position of the Chief Financial Officer has been advertised. - The Administrator and team have established committees to assist with decision making on critical operational areas. - A Budget Committee has been revised to assist with budget preparations and monitoring expenditure.
Stabilise Management and Governance	<ul style="list-style-type: none"> - Engagements continue between the provincial EXCO, Portfolio Committee, Standing Committee on Public Accounts, Internal Audit Committee and other provincial structures. - Public hearings conducted by the NCOP have provided insight on the critical areas that need intervention.

5.5.3 Other sector issues to be followed up by the sixth (6th) Parliament

The sixth Parliament should make follow up on the following areas:

- Outstanding legal and disciplinary cases.
- Outstanding and disputed claims and invoices.
- Disgruntled communities as a result of unfunded commitments made for upgrading of roads.
- Province under-budgeting for upgrading and maintenance of roads.

6 Progress on the Cross Cutting Matters Reported in February 2019 (Findings)

- The Internal control environment has been improved by establishing irregular expenditure and loss control committees, invoice tracking system, supply chain management training.
- The following contracts which were found to be irregular has been terminated namely: Mediosa, Ayama consulting, Nepo Data Dynamics, Buthelezi, High Care etc.
- The process for consequence management and to condone the historic irregular expenditure and audit findings is underway.
- The Post Audit Action Plans to prevent future occurrences is being implemented.
- Currently the Hawks are investigating about 46 cases at various stages in the North West Government and these cases involve R2.497 billion.
- The SIU is investigating 44 cases for criminal conducts in the North West Provincial Departments.

7 Cross Cutting issues to be followed up by the sixth (6th) Parliament (Recommendations)

- a. The Department of Public Service and Administration, the Cooperative Governance and Traditional Affairs, the National Treasury and the Department of Planning, Monitoring and Evaluation should develop legislation to guide the implementation of the intervention, in terms of Section 100(3) of the Constitution.
- b. The IMTT should ensure the sustainability of the intervention post the intervention referring to:
 - sound financial management systems,
 - internal controls, governance and accountability systems,

- supply chain management processes are improved,
 - improved service delivery,
 - Prevention of irregular expenditure, unauthorised, fruitless and wasteful expenditure
 - Audit findings are addressed on a continuous basis
- c. The NCOP should monitor all the disciplinary actions taken and criminal investigations.
- d. The IMTT should table a financial report for all the 10 Departments under the intervention during the 6th Parliament since it was unable to do so in the fifth Parliament. This will assist Parliament to have a complete picture for both performance and the fiscal position of the North West Province.
- e. The intervention is now in its implementation phase of the action plan to be followed by the recovery phase. The exit phase and strategy has to be done in such a way that it ensures sustainability of the intervention post the intervention and that the set objectives are met.
- f. The Ad Hoc Committee having visited the North West Province the following recommendations were submitted to the House:
- i. That based on the evidence presented by the North West Provincial Government, Inter-Ministerial Task Team, National Treasury, the Auditor General, and the Committee oversight visit the intervention should be approved by the NCOP; and
 - ii. That the Ad Hoc Committee as established by the Council must while the intervention continues, review the intervention regularly and make any appropriate recommendations to the national executive.

8. Conclusion

Great strides have been made since the NCOP approved the intervention for the North West Provincial Government on 31 October 2018. The various sector departments have engaged in the process of implementing both the Executive directives and Committee recommendations by rebuilding the supply chain management systems and internal controls management processes which had collapsed before the intervention. Steps have been taken to terminate irregular contracts, the Hawks are investigating 49 cases, while the SIU is investigating 44 more cases. Some officials who were implicated in the wrong doing have resigned and some have been suspended, disciplinary actions are underway. The list of the service providers who were overpaid has been compiled and the consequence management process is underway. This incident should serve as a case study and a lesson for other provinces and other spheres of government, where they need to ensure that financial management systems, supply chain management and internal controls are sound and solid. It should also serve as a lesson that there is a need to further strengthen the monitoring and evaluation function across government as well as the internal audits unit and ensure the appointment of the independent audit committees. Provincial Legislatures should implement closer monitoring and evaluation and ensure robust oversight over provincial government departments and provincial entities, including proper political oversight. This calls for a collaborative and synergic effort from all the relevant bodies be it internal or external oversight bodies to join hands and work together to push back the frontiers of poverty and ensure a better life for all North West citizens.

Report to be considered.