

**PORTFOLIO COMMITTEE ON HOME AFFAIRS BUDGETARY REVIEW AND RECOMMENDATION REPORT- 2019/20 FINANCIAL YEAR, DATED 15 OCTOBER 2019**

**1. INTRODUCTION**

As specified by section 5 of the Money Bills Amendment Procedures and Related Matters Act (MBAP) of 2009, the National Assembly, through its Committees, must annually assess the performance of each national department. A Committee must submit the Budgetary Review and Recommendation Report (BRRR) annually to the National Assembly which assesses the effectiveness and efficiency of the department’s use and forward allocation of available resources and may include the recommendations on the use of resources in the medium term.

The Committee must submit the BRRR after the adoption of the budget and before the adoption of the reports on the Medium Term Budget Policy Statement (MTBPS) by the respective Houses in November of each year. The Committee were briefed by the Auditor General (AG) and Department of Home Affairs on the 2018/19 Annual Report on 8 October 2019. This was followed by the Electoral Commission (IEC) 2018/19 Annual Report in the afternoon. The Government Printing Works (GPW) requested a postponed 2018/19 Annual Report tabling in order to finalise the audit process. The Portfolio Committee on Home Affairs (the Committee), considered and adopted its draft BRRR on 15 October 2019

**1.1 The Portfolio Committee on Home Affairs**

In line with the core objectives of Parliament, the mandate of the Committee is to consider and pass legislation; oversee and scrutinise executive action; facilitate international participation; and facilitate co-operative government and facilitate public participation and involvement. On the basis of the oversight and legislative encounters of the Committee from the end of 2018, the two 2019 State of the Nation Addresses and within the broader National Development Plan 2030; key issues in the DHA, IEC and GPW are put forward by the Committee:

**The Report of the Committee is based primarily on the following activities:**

- 22 Committee Meetings and deliberations since the last BRRR which includes briefings by the national and provincial DHA, the IEC and GPW. In addition, the committee met with the Department of Public Works, the Auditor General and informants in a State Capture Inquiry and Fireblade Aviation.
- Drafting, public submissions by several public and private stakeholders, consideration and voting on three pieces of legislation and internal Committee reports.
- Scrutinising Strategic and Annual Performance Plans, the State of the Nation Addresses, policy documents, Estimates of National Expenditure, Medium Term Expenditure and budget allocations, as well as other external briefings and reports.
- Conducting an oversight visit to Gauteng and public engagement during constituency periods.

**1.2 The Department of Home Affairs**

The mission of the DHA is to ensure the efficient determination and safeguarding of the identity and status of citizens and regulation of migration to ensure security as well as to promote and fulfil South Africa’s international obligations. This mandate is administered through the following three overarching budget programmes:

**Programme 1 - Administration:** The programme provides leadership, management and support services to the Department of Home Affairs.

**Programme 2 – Citizen Affairs:** The programme provides secure, efficient and accessible services and documents for citizens and lawful residents. This programme also includes the transfers to the IEC and GPW.

**Programme 3 - Immigration Affairs:** The programme facilitates and regulates the secure movement of people into and out of the Republic of South Africa through ports of entry; determines the status of asylum seekers and regulates refugee affairs. It also confirms and provides enabling documents to foreign visitors legally residing within the Republic of South Africa and enforces immigration legislation and effects deportations.

**2. THE DEPARTMENT’S STRATEGIC PRIORITIES AND MEASURABLE OBJECTIVES**

National government has fourteen outcomes and the DHA contributes to four of these outcomes, which comprise three Strategic Outcome Orientated goals for the 2015-2020 period. These in turn translate into 9 Strategic Objectives as follows:

<b>STRATEGIC</b>	<b>Strategic Outcome Oriented (SOO) Goal 1: Secure South African citizenship &amp; identity.</b>	
	1.1	All eligible citizens are issued with enabling documents relating to identity and status.
	1.2	An integrated and digitised National Identity System (NIS) that is secure and contains biometric details of every person recorded on the system.
	<b>SOO Goal 2: Secured &amp; responsive immigration system.</b>	
	2.1	Movement of persons in and out of the country managed according to a risk-based approach.
	2.2	Refugees and asylum seekers are managed and documented efficiently.
	2.3	Enabling documents issued to foreigners efficiently and securely.
	<b>SOO Goal 3: Services to citizens &amp; other clients that are accessible &amp; Efficient.</b>	
	3.1	Secure, effective, efficient and accessible service delivery to citizens and immigrants.

3.2	Good governance and administration.
3.3	Ethical conduct and a zero tolerance approach to crime, fraud and corruption.
3.4	Collaboration with relevant stakeholders in support of enhanced service delivery and core business objectives.

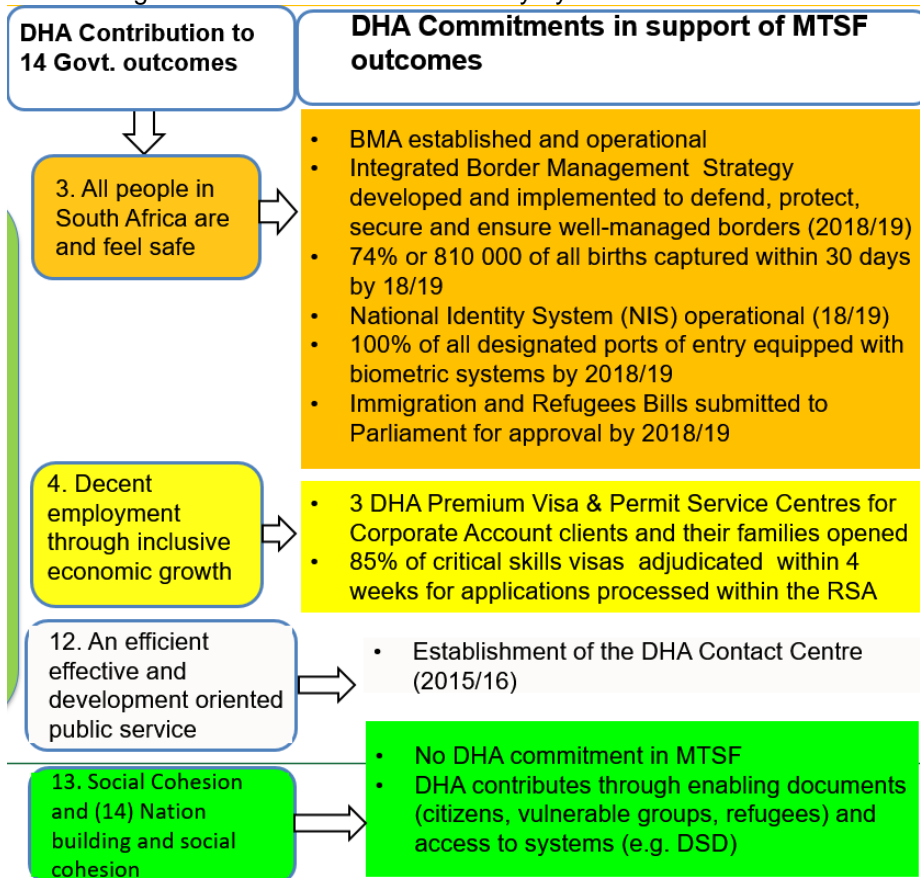
## 2.1 The Department's Contribution to the National Development Plan (NDP)

The major focus of the NDP is to confront the triple challenge of poverty, inequality and unemployment by achieving higher growth rates. The DHA contributes the following to the NDP:

- Facilitating the acquisition of the critical skills so as to facilitate the building of a capable state.
- Playing a role in enabling regional development by working with SADC countries to improve the efficient, secure and managed movements of people.
- Providing citizens with identity documents that give them access to rights and services.
- Through the modernization programme, seeking to reduce fraud and the cost of doing business.

## 2.2 Medium Term Strategic Framework 2014 to 2019 Commitments

In support of achieving the strategic objectives of the DHA, government priorities and the NDP, the DHA identified the following MTSF commitments for delivery by the end of 2019:



## 3. 2019/20 ANNUAL PERFORMANCE PLAN (APP) AND BUDGET OF THE DHA

The DHA, IEC and GPW presented on their strategic priorities for the 2015-2020 MTSF, an overview of proposed targets for the next MTSF, planned objectives and targets for the 2019/20 APP as well as the related budget on 2 July 2019. The 2019/20 financial year is the last year of the 2014 to 2019 Medium Term Strategic Framework cycle – it is therefore imperative for the DHA to meet its MTSF commitments. Specific focus and attention is to be placed on the identified strategic challenges and implementation of strategic responses to mitigate challenges as well as improvement in organisational and financial performance. The mandate of the DHA is derived from the Constitution and various acts of Parliament and policy documents. The Acting Director General (DG) went through the vision, mission, mandate and values of the DHA, which remain consistent with previous years as well as proposed targets for the next 2020 to 2025 MTSF.

### 3.1 Budget Vote 2019/20

#### 3.1.1 Department of Home Affairs

The DHA programme structure is along the following three main programmes: Administration, Citizen Affairs, and Immigration Affairs. The Citizen Affairs programme is the biggest of the three main programmes, constituting 57 percent of the overall departmental expenditure. The DHA's 2019/20 budget increase, especially the allocation to the Electoral Commission, can be attributed to preparations towards the general elections held in June 2019.

Over the medium term, the DHA will focus on repositioning itself as a modern and secure organisation; improving and expanding client interfaces and service delivery imperatives; establishing and operationalising a border

management agency; streamlining and securing international migration; and establishing public private partnership (PPP) in support of key infrastructure projects.

The 2019/20 budget supports the long-standing policy priorities of the DHA. Some of the key highlights of Vote 5 include:

- The modernisation programme of DHA is allocated an estimated amount of R1.8 billion over the medium term.
- Improving and expanding client interface is allocated an amount of R2.2 billion over the medium term for issuing of an estimated 11.9 smart Identity (ID) cards.
- To improve and expand client interface, the DHA requires adequate and skilled personnel. Therefore, R7.1 billion is set aside over the medium term for expenditure on compensation of employees.
- The DHA is still planning to establish the Border Management Agency (BMA). The BMA Bill was set to be finalised by 2019/20. However, the BMA Bill lapsed before the Select Committee on Social Services due to contention with National Treasury on the BMA taking over customs payments at border posts. To establish the Agency, amounts of R16 million in 2019/20, R28 million in 2020/21 and R40 million in 2021/22 have been earmarked. These allocations are earmarked for compensation of employees, system development, and various goods and services items.
- The DHA aims to streamline and secure international migration. In this regard, the DHA is introducing an advanced passenger processing system, which would enable passenger screening at the point of departure, instead of arrival. Over the medium term, an estimated R498 million will be spent mainly on service fees for the DHA 's use of the system.
- Over the medium term, DHA will continue its infrastructure projects of the redevelopment and modernisation of 6 ports of entry, as well as moving the refugee reception centres closer to the country's borders. Amounts of R72.1 million in 2019/20, R76.6 million in 2020/21, and R80.4 million in 2021/22 have been allocated for the improvement of residential and office accommodation at ports of entry and refugee reception offices.

Overall budget of DHA 2019 to 2022

Programme	Budget				Nominal Rand Change	Real Rand Change	Nominal % Change	Real % Change
	2018/19	2019/20	2020/21	2021/22				
R Million					2018/19 -2019/20		2018/19-2019/20	
1. Administration	2525..1	2340..2	2490.5	2694.5	-184.9	-300.6	-7.32	-11.9
2. Citizen Affairs	5448..7	4736..7	4922.4	5535.1	-712	-946.1	-13.07	-17.36
3. Immigration Affairs	1073..6	1262.8	1330.6	1383.1	189.2	126.8	17.62	11.81
<b>Total</b>	<b>9047..4</b>	<b>8339.7</b>	<b>8743.5</b>	<b>9612.7</b>	<b>-707.7</b>	<b>-1119.9</b>	<b>-7.82</b>	<b>-12.38</b>

The DHA plays a crucial role in safeguarding the identity and status of citizens and regulating immigration to ensure security, promote development and fulfil South Africa's international obligations. However, its budget is relatively small taking into account the growing demand from citizens for DHA services.

The voted budget allocation for the 2019/20 financial year is R8.339 billion. In comparison with the 2018/19 adjusted allocation of R9.047 billion, in Rand value, it shows a nominal decrease of R707.7 million (but when the cost of inflation is taken into consideration, the budget shows a real decrease of R1.119 billion). It should be noted, however, that over the past five years (2014/15 – 2018/19), there has been a trend for the DHA voted allocation to invariably be adjusted upward in the adjusted allocation during October.

With inflation, the DHA 2019/20 voted budget declines with 12.38 per cent from the adjusted budget the previous year. Of its three main programmes, only the *Immigration Affairs* programme increases in both nominal and in real terms. In nominal terms (before inflation is taken into account), *Immigration Affairs* increases by R189.2 million (17.62 per cent). However, with the inflationary effect (real terms), this increase translates into R126.8 million (11.81 per cent).

The *Administration* and *Citizen Affairs* programmes experience decreases in their respective allocations in both nominal and real terms.

In terms of Economic classification about 26.1 per cent of the DHA budget is in the form of **transfers and subsidies**, totalling R2.176 billion. This is primarily transfers to the *Independent Electoral Commission* (IEC) (R2.012 billion) and to the *Represented Political Parties' Fund* (R157.7 million). **Capital assets** (machinery and equipment) constitutes 0.15 per cent of the DHA budget, and totals R12.6 million in 2019/20.

The DHA budget is dominated by **current payments**, which totals R6.15 billion. This represents 73.75 per cent of the Department's voted budget, which caters for compensation of employees, as well as goods and services. Compensation increases from R3.3 billion previously, to R3.55 billion in 2019/20. This represents an above inflation increase (real terms) of 2.27 per cent. On the other hand, the DHA's budget for goods and services declines with 31.1 per cent in real terms. Goods and services decreases to R2.59 billion, from R3.6 billion in 2018/19. The significant decline in goods and services are directed by amongst others:

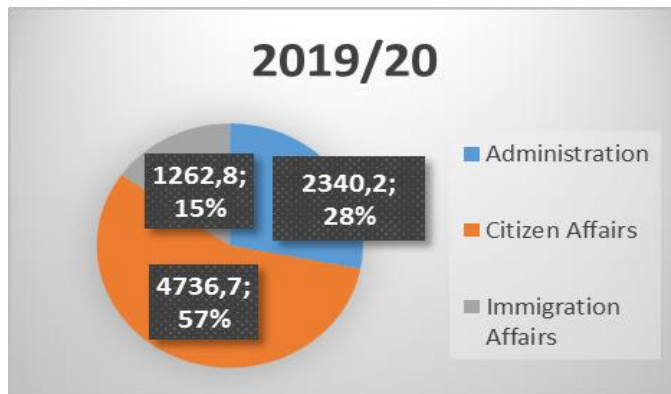
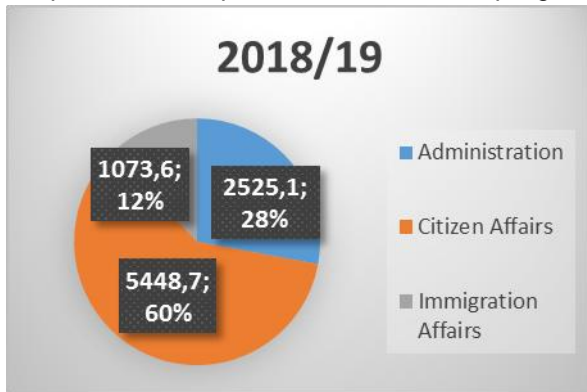
- Stationary, printing and office supplies: from R902 million previously to R73.75 million in 2019/20.

- Travel and subsistence: from R499.98 million previously to R83.16 million in 2019/20.
- Property payments: from R397.32 million previously to R181.25 million in 2019/20.
- Operating payments: from R65.96 million previously to R22 million in 2019/20.
- Computer services: from R848 million previously to R696.14 million in 2019/20.

In contrast, the following items increases significantly in 2019/20:

- Minor assets: from R32.7 million previously to R152.48 million in 2019/20.
- Contractors: from R96.4 million previously to R341.87 million in 2019/20.
- Agency and support/ outsourced services: from R40.37 million previously to R120.77 million in 2019/20.
- Fleet services: from R14.48 million previously to R46.77 million in 2019/20.
- Operating leases: from R333.74 million previously to R464.67 million in 2019/20.

Proportional comparison of three main programmes, 2018/19 and 2019/20 in Rand (Millions)

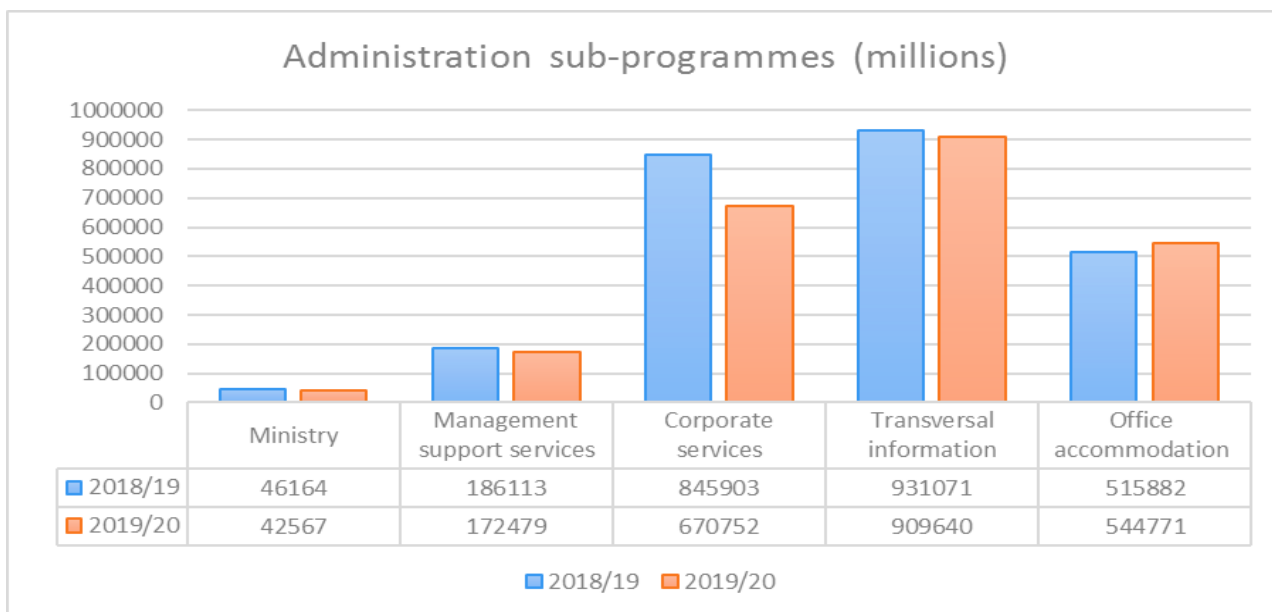


The above tables allow

comparison of the proportional allocations per programme between 2018/19 adjusted and 2019/20 voted funds. While *Administration* retains 28 per cent of the DHA allocation in both years, there is a 3 per cent shift between the *Immigration* and *Citizen* functions. In 2019/20, the *Immigration* programme proportionally increases with 3 per cent, while the *Citizen* function declines with 3 per cent.

### Programme 1 Administration

Administration sub-programme expenditure



Taking into

account the costs of inflation, the *Administration* programme decreases by R300.6 million (11.9 per cent). While its adjusted budget was R2.525 billion in 2018/19, it is reduced to R2.34 billion currently.

Of its five sub-programmes, *Transversal Information* continues to dominate the expenditure, but shows strong decline in expenditure from the previous year. Since 2017/18 financial year, this sub-programme's budget has been in decline.

The *Corporate Services* sub-programmes shows strong decline, from R845.9 million in 2018/19, to R670.7 million at present. *Office Accommodation* continues to grow in both nominal and in real terms. Since 2018/19, it nominally increases with 5.6 per cent.

After inflation, the following **real** increases/ decreases are recorded per sub-programme:

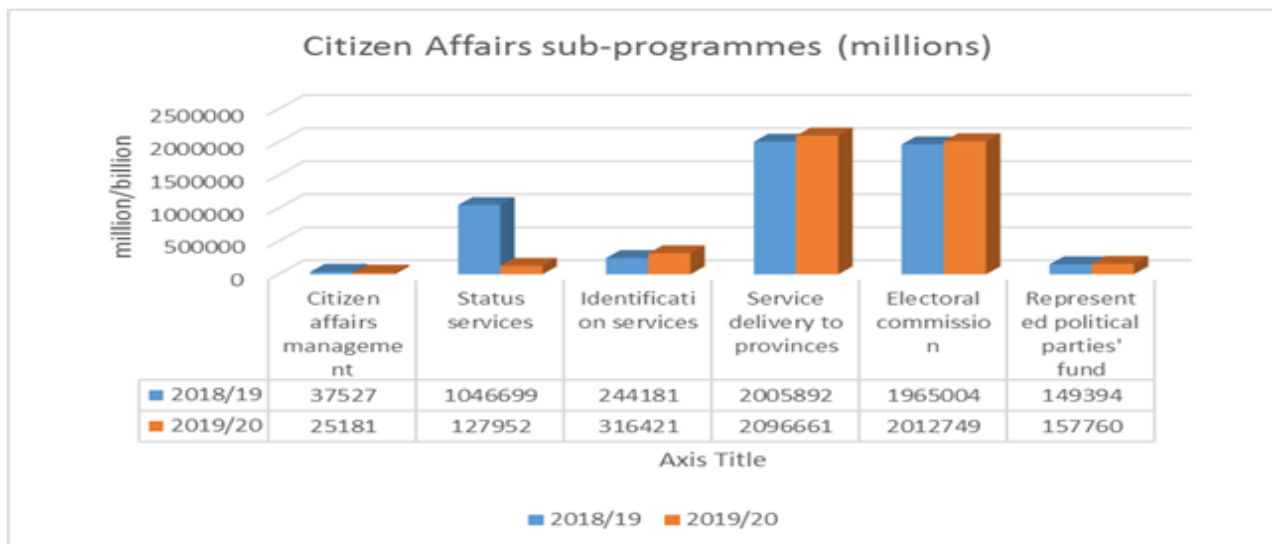
- *Ministry*: 12.36 per cent **decrease**.
- *Management Support Services*: 11.91 per cent **decrease**.

- *Corporate Services*: 24.63 per cent **decrease**.
- *Transversal Information*: 7.13 per cent **decrease**.
- *Office Accommodation*: 0.38 per cent **increase**.

## Programme 2: Citizen Affairs

Citizen Affairs provides secure, efficient and accessible services and documents to citizens and lawful residents. The budget of this programme is allocated to 6 sub-programmes, namely: Citizen Affairs Management, Status Services, Identification Services, and Service Delivery to Provinces, Electoral Commission, and Represented Political Parties' Fund.

Citizen Affairs sub-programme expenditure



Source: Calculated by Research Unit from National Treasury (2019b)

The *Citizen Affairs* programme remains the biggest of the three main programmes in the DHA, constituting 57 per cent of the overall departmental expenditure. This programme receives an allocation of R4.736 billion for 2019/20, compared to the allocation of R5.448 billion in 2018/19. This represents a nominal decrease of R711.9 million or 13.1 per cent (before cost of inflation). After cost of inflation, it represents a real decrease of R946.1 million or 17.36 per cent.

The *Identification Services* sub-programme receives a solid budget increase in both nominal and real terms. The budget share of this sub-programme shows a nominal increase of R72.2 million (or 29.58 per cent). Calculating for inflation, it shows a real increase of R56.5 million (or 23.18 per cent).

As in the previous financial year, the *Electoral Commission* allocation shows a marginal real increase – for 2019/20, it increases with 0.38 per cent. The increase can be attributed to preparations towards the general elections held in May 2019.

After inflation (calculated at 5.2 percent), the following real increases/ decreases are recorded per sub-programme:

- *Citizen Affairs Management*: 36.22 per cent **decrease**
- *Status Services*: 88.38 per cent **decrease**
- *Identification Services*: 23.18 per cent **increase**
- *Service Delivery to Provinces*: 0.64 per cent **decrease**
- *Electoral Commission*: 2.63 per cent **decrease**
- *Represented Political Parties' Fund*: 0.38 per cent **increase**

The real decrease recorded for the *Service Delivery to Provinces* sub-programme may pose a challenge with respect to the DHA priority of maintaining its footprint, which requires adequate and skilled personnel. In addition, functions such as client interface are funded under this sub-programme.

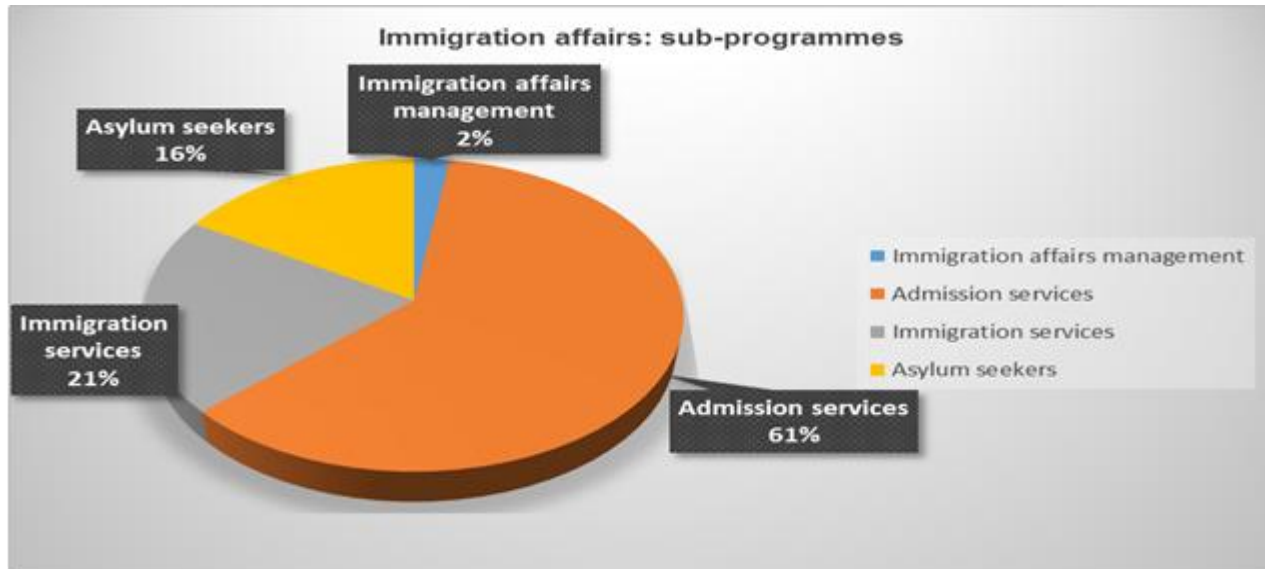
The *Status Services* sub-programme continues to experience major decline in its funding – as was the case the previous year. For 2019/20, it declines with 88.38 per cent (real terms), while 2018/19 financial year recorded 88.92 per cent real decline. This sub-programme is tasked with one of the main mandates of the DHA. This includes maintaining an accurate register of all citizens and immigrants who have acquired the right to permanent residence; registering births, deaths and marriages; providing travel and citizenship documents; providing financial assistance to citizens abroad who wish to return to South Africa, but have no means of doing so; and determining and granting citizenship.

### Programme 3: Immigration Affairs

This programme is responsible for facilitating and regulating the secure movement of people through the ports of entry into and out of South Africa. It is also responsible for determining the status of asylum seekers and regulate refugee affairs. Spending on compensation of employees is the main cost driver in the programme, accounting for an estimated 63.5 percent (R2.5 billion) of its total budget over the medium term.

The *Immigration Affairs* programme is the smallest of the three main programmes in terms of budgetary size. Unlike in the previous financial year when it experienced a real decrease of 16.62 per cent, the programme grows with 11.8 per cent. In monetary terms, *Immigration Affairs* increases in real terms with R126.7 million. Its budget allocation grows from R1.073 billion in 2018/19 to R1.262 billion in the current year. The budget under the programme is shared amongst the 4 sub-programme as outlined in the pie chart below.

Immigration affairs sub-programmes



The

*Admission Services* sub-programme continues to dominate the budget share of this programme; i.e. 61 per cent. Its allocation in 2019/20 is R768.7 million, up from R609.2 million previously. The sub-programme's allocation should be viewed in the context of past concerns about the turnaround times for processing of permits and visas. After inflation, the following real increases/ decreases are recorded per sub-programme for 2019/20 financial year:

- *Immigration Affairs*: 14.65 per cent **decline** (compared to 4.04 per cent decline in 2018/19).
- *Admission Services*: 19.95 per cent **increase** (compared to 25.85 per cent decline in 2018/19).
- *Immigration Services*: 0.78 per cent **increase** (compared to 2.23 per cent decline in 2018/19).
- *Asylum Seekers*: 14.06 percent **increase** (compared to 3.49 percent increase in 2018/19).

The increases in Asylum seekers, Admission Services, and Immigration Services sub-programmes is commendable given the current challenges with regard to asylum seekers and refugee management in the Department.

#### 3.1.2 Electoral Commission Budget 2019/20

The IEC received an allocation of R2,052 billion for 2019/20 compared to R1,963 billion in 2018/19. The IEC allocation shows a marginal real increase – for 2019/20, it increases with 0.38 per cent. The increase can be attributed to preparations towards the general elections held in May 2019. In 2019/20 IEC expenditure focused on its preparations for the 2019 national and provincial elections, and in the medium term it prepares for the 2021 local government elections.

Over the MTEF period, as part of the commission's *Electoral operations* programme, the IEC indicated that it will be involved in updating of addresses on the voters roll in line with court judgments, the registration of new voters, and the procurement of ballot papers, ballot boxes and stationery. This is expected to result in spending of R541 million. An additional R126 million has been allocated in the *Administration* programme to update databases in line with electoral requirements, update and roll out the commission's IT infrastructure, and erect 15 prefabricated offices for commission staff, increasing the number of these offices from 28 in 2018/19 to 43 in 2021/22. The has enter into a finance lease agreement to the value of R510 million to replace its zip-zip machines (voting registration devices) as they have exceeded their lifespan and are not compatible with smart ID cards.

In preparation for the August 2021 local government elections, the IEC will conduct two registration weekends aimed at increasing the number of voters, particularly young people between the ages of 18 and 25. R295 million additional funding has been allocated in 2020/21 for this purpose. This includes compensation of about 488 000 permanent, fixed-term and temporary electoral employees to work on election days at an estimated 23 000 voting stations during the main electoral events. About 68 000 of these employees are to be compensated for registration activities as well. This allocation is expected to enable commission to improve the quality of training it provides through its *Electoral operations* programme by increasing the number of training days for electoral staff from 2 to 3. Spending on the

compensation of employees is expected to increase at an average annual rate of 5.4 per cent, from R780.4 million in 2018/19 to R913.5 million in 2021/22.

The commission undertakes extensive civic and democracy education and communication campaigns to protect the credibility and integrity of electoral processes. Through these campaigns, the commission keeps the electorate informed and aims to attain higher voter turnouts on election days. For these campaigns, R655.7 million over the MTEF period has been allocated in the *Outreach* programme.

Transfers to the IEC include an additional R72.1 million allocated over the MTEF period to fund a new unit to administer the Political Party Funding Bill to regulate private funding to political parties, which is expected to be finalised in 2019/20.

The commission expects to generate R15 million per year over the MTEF period through the sale of goods and services, and interest on investments.

#### IEC Budget Allocation Overview

Sub-programmes (R'000)	Audited Outcome				2019 MTEF		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Programme 1: administration	496,057	597,820	537,463	618,832	714,136	698,206	795,910
Programme 2: electoral operations	664,188	1,205,108	649,697	1,099,951	1,154,647	1,042,041	1,432,979
Programme 3: outreach	255,029	214,931	108,644	244,301	183,402	271,581	200,704
<b>TOTAL</b>	<b>1,415,274</b>	<b>2,017,859</b>	<b>1,295,804</b>	<b>1,963,084</b>	<b>2,052,185</b>	<b>2,011,828</b>	<b>2,429,593</b>

#### 3.1.3 GPW Budget for 2019/20 Financial Year

The GPW indicated that it generates its own revenue, which is expected to increase at an average annual rate of 9.4 per cent, from R1.5 billion in 2018/19 to R2 billion in 2021/22. It expects to improve its ability to generate revenue by increasing the production of passports and identity documents with the new equipment it is set to acquire. In the short term its overall average profit however is set to decline from above R500 million in the last three years to under R200 million as it plans to focus on replacing old equipment and machinery, refurbishing its production facility, and developing and attracting specialised skills. Purchased machinery will also attract depreciation costs once installed in new facilities.

By upgrading its equipment, the entity will be able to do printing that used to be outsourced to private companies. This includes 2 machines to print smart identity cards, 1 machine to personalise special documents, 1 machine to print secure examination materials, and 1 offline serialisation system machine to enable document numbering. R972 million over the MTEF period has been allocated in the Production and operations programme for the purchase of this specialised equipment and machinery. A further R400 million has been set aside for the construction of a polycarbonate plant to enable the production of smart ID cards.

GPW is currently importing the plastic required to produce these cards from overseas companies. This will be insourced as part of the construction of a new security printing division in Pretoria that is expected to be completed by 2023/24 at an estimated cost of R542 million over the MTEF period as part of the organisation's Production and operations programme. The project is managed by the Department of Public Works.

#### GPW Budget Overview 2019 to 2022

R'000	2019/20	2020/21	2021/22
<b>Income</b>			
Revenue	1.532.442	1.749.280	1.960.157
Other operating income	104.954	110.726	121.799
Interest received	3.814	4.092	4.501
<b>Total income</b>	<b>1.641.210</b>	<b>1.864.098</b>	<b>2.086.457</b>
<b>Expenditure</b>			

Compensation of employees	366.667	395.293	423.235
Goods and Services	1.038.003	1.166.811	1.290.836
Depreciation	83.295	127.067	176.369
<b>Total expenditure</b>	<b>1.487.965</b>	<b>1.689.171</b>	<b>1.890.440</b>
<b>Profit</b>	<b>153.245</b>	<b>174.927</b>	<b>196.017</b>

As a significant portion of the entity's personnel are nearing retirement, it will aim to institute a comprehensive strategy to develop and attract the specialised skills required for its work through an internship programme and recruitment. As a result, the number of personnel is set to increase from 760 in 2018/19 to 899 in 2021/22, driving an increase in spending on compensation of employees at an average annual rate of 8.5 per cent, from R331 million in 2018/19 to R423.2 million in 2021/22.

### 3.2 2019/20 Annual Performance Plans

#### 3.2.1 Department of Home Affairs

A delegation from the DHA was led and introduced by the newly appointed Minister of Home Affairs and the presentation was made by the Acting Director-General (DG) (Deputy Director General for Immigration) on 2 July 2019.

The Minister made an introduction indicating that the several acting positions in the DHA were outstanding including the DG since August 2018; the Deputy Director General Civic Services since August 2017 and DDG's of Information Systems and Counter Corruption since late 2014. The appointment of DG and DDG's was in part due to a moratorium on appointment till after the 2019 elections and the latter two were due to not being able to find suitable candidates and will now be head hunted.

The DG reported that the following are the priorities of the DHA for 2014 – 2019 MTSF:

- Establishment of the Border Management Authority (BMA).
- Complete the Modernisation Programme.
- Upgrade key ports of entry (6).
- Comprehensive review of Immigration Policy; and
- Improved client experience through leadership (Moetapele).

The DG reported that the BMA Bill was still with Parliament at the National Council of Provinces (NCOP). The BMA was supposed to be operational by 2017/18. This commitment has not been met. The DHA encouraged Parliament to revive the BMA bill in the 6<sup>th</sup> Parliament.

The total number of targets for 2019/20 compared to 2018/19 have decreased from 31 to 26.

Programme	Number of targets			
	2016/17	2017/18	2018/19	2019/20
1.Administration	19	13	17	15
2.Civic Affairs	5	5	3	3
3.Immigration Affairs (including BMA)	8	10	11	8
<b>Total</b>	<b>32</b>	<b>28</b>	<b>31</b>	<b>26</b>

Programmes and number of targets of the DHA 2016-20

The DHA indicated that the overall targets in the APP for 2019/20 had been reduced from 31 to 26 for the following reasons:

- The Request for Proposal submitted to National Treasury for approval for Refugee Reception Centres) was removed from the APP due to funding constraints. One selected refugee reception centre with improved infrastructure was shifted to Property Management and placed in DHA Ops Plan and thus not allocated as earmarked funding in 2019/20.
- Three selected ports of entry with improved infrastructure were also shifted to Property Management and placed in DHA Operations Plan and thus not allocated as earmarked funding in 19/20.
- Integrated Border Management Strategy (IBMS) was placed in DHA Operations Plan and implementation is underway but with numerous dependencies.
- The Passport indicator experienced a changed formulation due to insertion of parent's details in child passports and the focus now is on adult passports in the APP.
- New target added of Official Identity Management Policy to be submitted to Cabinet for approval for public consultation



- Target on networks Architecture Design and Investment Plan was placed in DHA Operations Plan.

Overview of APP Targets 2018 vs 2019			
Area	2018/19	2019/20	Targets Removed / Added / Amended
Immigration Affairs	9	8	Request for Proposal submitted to National Treasury for approval (Public Private Partnership for Refugee Reception Centres) – Target removed from APP due to funding constraints; included in errata for 2018/19.
			3 selected ports of entry with improved infrastructure as per approved implementation plan – Ownership shifted to Property Management and placed in DHA Ops Plan; not allocated as earmarked funding in 19/20.
			1 selected refugee reception centre with improved infrastructure as per implementation plan - Ownership shifted to Property Management and placed in DHA Ops Plan; not allocated as earmarked funding in 19/20.
			Integrated Border Management Strategy (IBMS) placed in DHA Operational Plan – implementation underway, numerous dependencies.
Citizen Affairs	3	3	Passport indicator – change to formulation due to insertion of parent's details in child passports and focus now on adult passports in APP; included in errata for 2018/19.
Administration	18	15	Official Identity Management Policy submitted to Cabinet for approval for public consultation – new target added Target on networks (Reference Architecture Design and Investment Plan implemented (phased approach) – placed in DHA Ops Plan.
<b>Total</b>	<b>30</b>	<b>26</b>	

A summary of the targets per branch/ budget programme is as follows:

#### Administration

- i. NIS developed in respect of: Request for Proposal published.
- ii. Biometric MCS (full biometric solution) piloted at additional 2 ports of entry.
- iii. E-gate piloted at 1 port of entry.
- iv. E-permit system (phase 1) rolled out to 6 missions.
- v. 500 managers trained in leadership and management development programs.
- vi. Vacancy rate maintained at 10% or below.
- vii. 70% of reported misconduct cases submitted to a presiding officer for consideration.
- viii. Official Identity Management Policy submitted to Cabinet for approval for public consultation.
- ix. Final draft of the DHA Bill submitted to Cabinet for approval for public consultation.
- x. Revised DHA Access Model approved by Minister's Management Meeting.
- xi. 20 awareness initiatives on ethics, fraud prevention & counter corruption conducted.
- xii. 166% of reported cases on fraud & corruption finalised within 90 working days.
- xiii. 60 Threat & Risk Assessments conducted.
- xiv. 416 vetting files referred to SSA.
- xv. Communication strategy & action plan implemented – 28 media engagements, 3 campaigns and 6 izimbizo.

#### Citizen Services

- i. Early Birth Registration: 810 000 births registered within 30 calendar days.
- ii. Smart ID Cards: 3 million smart ID cards issued to citizens 16 years of age and above.
- iii. Adult Passports: 90% of machine readable passports (new live capture system) for adults issued within 13 working days for applications completed and processed within the RSA (from branch process complete date until passport is scanned at office of application).

#### Immigration

- i. Draft Immigration Bill (including amendments to the Refugees Act) submitted to Minister for approval.
- ii. 160 Law enforcement operations/ inspections conducted to ensure compliance with immigration and departmental legislation.
- iii. 85% of permanent residence applications adjudicated within 8 months (selected categories for applications collected within the RSA).
- iv. 90% of business and general work visas adjudicated within 8 weeks (applications processed within the RSA).
- v. 85% of critical skills visas adjudicated within 4 weeks (applications processed within the RSA).

- vi. National Targeting Centre business case submitted to Minister for approval (BMA).
- vii. Draft Request for Proposal (RfP) submitted to National Treasury (BMA).
- viii. BMA operational as per BMA Road Map (Phased Approach).

The newly appointed Minister made an introduction indicating that the several acting positions in the DHA were outstanding including the DG since August 2018; the Deputy Director General Civic Services since August 2017 and DDG's of Information Systems and Counter Corruption since late 2014. The appointment of DG and DDG's was in part due to a moratorium on appointment till after the 2019 elections and the latter two were due to not being able to find suitable candidates and will now be head hunted.

Salary Level	Post Establishment						Salary Level / Total Ave (%)
	2019/20						
	Filled	Funded	Total	Critical Unfunded Posts	Unfunded posts	Total DHA establishment	
3 – 6	6003	0	6003	0	6 506	12 509	65.48%
7 – 8	2187	0	2187	16	4 058	6 261	23.85%
9 – 12	755	0	755	18	1 092	1 865	8.25%
13 – 16	133	4	137	50	78	265	1.50%
99	85	0	85	0	0	0	0.92%
<b>TOTAL</b>	<b>9163</b>	<b>4</b>	<b>9167</b>	<b>84</b>	<b>11 734</b>	<b>20 900</b>	<b>100%</b>

The DG then reported on other vacancies in the DHA as follows:

The DG then gave an overview of the service delivery footprint as follows:

Channel	Quantity
Number of DHA offices (Small, Medium and Large Offices) <ul style="list-style-type: none"> <li>• Urban (164)</li> <li>• Rural (248)</li> </ul>	412
Number of modernised offices (live capture offices) <ul style="list-style-type: none"> <li>• Rural (81)</li> <li>• Urban (112)</li> </ul>	193
Banks hosting DHA service points using an online “e-Home Affairs” <ul style="list-style-type: none"> <li>• Gauteng (13)</li> <li>• Western Cape (1)</li> </ul>	14
Health facilities equipped for birth and death registration <ul style="list-style-type: none"> <li>• Urban (203)</li> <li>• Rural (188)</li> </ul>	391
Designated ports of entry (PoEs)	72
DHA represented abroad at South African missions	30
Refugee Reception Centres	5
Repatriation Centre	1
Premium visa and permit centres	4

### 3.2.2 IEC Annual Performance Plan for 2019/20

The Acting Chief Electoral Officer (CEO) made the presentation indicating that the Political Party Funding Bill was approved by Parliament in July 2018. The President assented to the Act on 23 January 2019.

- The Act provides for the regulation of the funding of political parties including requiring the disclosure of sources of party funding. The Electoral Commission will have to table a report on party funding annually to Parliament.
- The Act mandates the Electoral Commission to implement this legislation and regulations.
- Public hearings on the draft regulations are scheduled for early August 2019 on conclusion of the regulations the Electoral Commission will publish the commencement date of the new party funding regime.

The CEO added that the following are some of the key challenges facing the Electoral Commission in the medium term:

**Voters' roll clean up:** Since March 2016, the Electoral Commission has made significant headway in updating the voters' roll to include the addresses of all voters and has continued to work to narrow this gap by the November 2019 deadline.

**Funding shortages:** The current fiscal challenges and austerity measures come at a very difficult time for the Electoral Commission which is facing its most significant budget demands since inception. Among the funding requirements facing the Electoral Commission in the medium term are:

- a) the replacement of the outdated zip-zip machines with new online voter registration technology;

- b) deployment of technology to facilitate real time live voters' roll
- c) intensified social media response mechanism. Additional resources to rebut false information on social media;
- d) improved results and recon processes to minimize mistakes as a result of staff fatigue;
- e) enhanced training requirements for election staff and party agents – introduce e-learning, videos, etc;
- f) new strategies for outreach and democracy development and
- g) implementation of party funding legislation and regulations.

The Following are the summarised strategic goals and related objectives of the IEC for the 2019/20 financial year:

**Strategic Goal 1:** Strengthening governance, institutional excellence, professionalism and enabling business processes, at all levels of the organisation.

Strategic objectives

- 1.1 Exercising oversight (monitoring, evaluation and leadership) to ensure the effective implementation of the Electoral Commission's core mandate, strategic goals and objectives, aligned with the corresponding budget allocation.
- 1.2 Exercise efficient oversight (monitoring, evaluation and support) by the provisioning of assurance and risk management services.
- 1.3 Build institutional capacity to enable the Electoral Commission to deliver on its constitutional mandate.
- 1.4 Manage financial resources efficiently to protect the public image of the Electoral Commission as an accountable institution.
- 1.5 Provide and maintain a stable, secure and scalable ICT environment that meets the functional needs of the Electoral Commission to ensure the credibility of electronic electoral processes.

**Strategic Goal 2:** Achieving pre-eminence in the area of managing elections and referenda, including the strengthening of a cooperative relationship with political parties

Strategic objectives

- 2.1 Manage free and fair elections in accordance with the applicable electoral timetables to ensure the efficient and credible execution of the mandate of the Electoral Commission;
- 2.2 Maintain an accurate national common voters roll to ensure the credibility of elections;
- 2.3 Ensure efficient election delivery by the timely establishment of accessible and suitable voting facilities and processes and by applying infrastructure and logistical resources to meet operational demands for main electoral events;

**Strategic Goal 3:** Strengthening electoral democracy

Strategic objectives

- 3.1 Encourage the electorate's engagement with, and participation in, electoral processes in order to facilitate the right to vote as enshrined in the Constitution;
- 3.2 Achieve a low rate of spoilt ballots as a measure of the effectiveness of balloting education;
- 3.3 Enhance the Electoral Commission's reputation as a credible and trustworthy Electoral Management Body;
- 3.4 Provide thought leadership in the field of electoral management and related fields as per Vision 2018 in order to strengthen electoral democracy.

**4.2.3 The Government Printing Works (GPW) Annual Performance Plan for 2019/20**

The Acting CEO made the presentation indicating the mission and vision of the GPW was still the same and that ICT is a critical element of GPW. GPW will procure eight new high tech pieces of equipment in the current and next financial year. The GPW was also producing the Smart ID Cards in relation to client (DHA) specifications. Government Gazettes, both digital and electronic, are also still issued timeously.

It is the mandate of the GPW to deliver security printing and related services to the Government of South Africa. On 9 October 2009, GPW became a Government Component reporting to the Minister of Home Affairs with oversight by the Parliamentary Portfolio Committee. The Core Services of the GPW include:

- 1. Security Printing: Conceptualisation, design and production of face-value documents (Passport, Identification Documents, Examination papers, Vehicle licensing/registration forms & distribution to local authorities; Road Traffic Infringement blank documents; Firearm licenses; etc.
- 2. Non-Security Printing: Layout, design and production of government official stationery and related documents (police case dockets, hospital registers, Annual Reports, Brochures, Posters, Information Pamphlets, etc.
- 3. Gazette Publication Services: The administration and publishing of official government notices in the Government Gazette

GPW retains the three overall strategic outcome oriented goals as follows:

Strategic outcome oriented goal 1	<b>Reposition the GPW business processes</b>
Goal statement	Reposition the GPW business processes to ensure stability, sustainability and viability of the organization as a critical national security facility

Strategic outcome oriented goal 2	<b>Optimise processes and facilities</b>
Goal statement	Optimize processes and facilities to increase operational effectiveness and improved customer service
Strategic outcome oriented goal 3	<b>People management and development</b>
Goal statement	Recruit, develop and retain effective and efficient human capital

GPW commits to deliver on outcomes for 2019/20 as follows:

1. Reposition the GPW business processes to ensure stability, sustainability and viability of the organization as a critical national security facility.
2. Continue to implement the MTEF Strategic Plan and APP commitments.
3. Ensure return on investment, sound financial management and sustainability.
4. Long term vision – State security printer of choice (Vision 2030) that will allow GPW to pursue SADC and African Union member states to utilize GPW as a service provider for State and non-state printing services.
5. Capacitate and train the workforce to meet market and client demands.

GPW was also reported to be marketing itself to most African countries, however, many countries still have contracts with their former European colonial countries. There are promising discussions with Swaziland and Namibia to produce documents.

### 3.3 Committee Observations

After the presentation by the DHA, GPW and IEC; the Committee raised matters including the following

#### 3.3.1. Department of Home Affairs

- i. There continue to be network challenges at the DHA offices and long queues in some offices and offices were no longer opening on weekends.
- ii. Although the issue of vacancies was explained by the DG as due to lack of funds, the Committee felt that vacant funded posts should nonetheless be filled urgently.
- iii. The Committee enquired on the status of the amendment relating to Section 34 of the Immigration Act called for by the Constitutional Court Ruling (CCT 38/16) by July 2019 and the lapsed Civil Union Amendment Bill.
- iv. The Committee noted the planned introduction of an e-visa regime but enquired as to why so many counters for immigration officials were vacant at airports even during peak season.
- v. The Committee enquired as to whether the mentioned 160 immigration inspections were sufficient given the amount of businesses not paying taxes and underpaying staff in various sectors.
- vi. The committee was curious about the capacity in Refugee Reception Offices especially in Musina, given the long delays adjudicating applications.
- vii. There was an enquiry on the non-recognition of Muslim, Jewish and Hindu religious marriages in terms of why they can't use dowry certificates for proof like African traditional religious lobola.
- viii. The e-Gates system where trusted travellers will be allowed to pass through immigration at the Airports was raised as a potential security risk.
- ix. The issue of fraudulent marriages was raised as a major concern.
- x. The mobile trucks were noted to not have been modernized to issue Smart ID Cards and passports, especially to rural areas.
- xi. There was a concern with respect to the children born from undocumented migrants because there were unable to go to school since they did not have birth certificates.
- xii. There are South African children who do not have birth certificates because their births were not registered.
- xiii. The DHA services offered in 14 was encouraged but a concern from the Committee was the issue of security of information.
- xiv. It was noted by the committee that the delegation of senior officials of the DHA are mostly males.

#### 3.3.2 The Electoral Commission of South Africa

- i. The Committee was concerned about the low young voter turnout during election days for National and Provincial Elections despite significant expenditure on outreach and communication.
- ii. The Committee was concerned with the use of private property as venues for election registration and voting given that campaigning by political parties had been blocked.
- iii. The IEC was asked if they foresee setting a "clean audit" rather than the current "unqualified audit" target as a realistic target in the forthcoming strategic plan.
- iv. It was enquired what additional capacity and funding will be needed for the administration of the Political Party Funding Act.
- v. There was concern that the filling of vacancies target was set at 90% rather than 100%.

- vi. The Committee was concerned about the alleged double voting in the 2019 National and Provincial Elections, the removal of indelible ink by voters and the number of spoilt ballot papers.
- vii. The IEC was reported in the 2019 elections to not have Section 24A forms to complete in some voting stations for voters who needed to vote in different voting stations. The Zip-zip machines were not able to assist in real time to warn of potential double voting.
- viii. There was a gap in communication between the IEC and the political parties and the media at the Results Operations Centre.

### **3.3.3 The Government Printing Works**

- i. The Committee commended the efficiency and profitability of the GPW despite the difficulties in the economy. It was asked how the amount of profit submitted to National Treasury was determined.
- ii. The Committee was concerned about the vetting of staff in and around the production of secure enabling documents.
- iii. The Committee was encouraged in discussions with the Minister on the provision of printing solutions for SADC countries including Swaziland.
- iv. The committee enquired why GPW does not print all planning and report documents for Government Departments.
- v. The committee asked what had led to the long term vacancy of the position of Chief Executive Officer of Government Printing Works.
- vi. There was concern that client specifications for security documents did not seem to include expected delivery times.

## **4. SECTION 32 EXPENDITURE REPORTS**

### **4.1 First Quarter Performance and Expenditure Report of 2019/2020**

The Portfolio Committee on Home Affairs (the Committee), met with the Department of Home Affairs on 20 August 2019 on the First Quarter Performance and Expenditure Report of 2019/2020. The Minister of Home Affairs, Dr PA Motsoaledi, together with the Deputy Minister of Home Affairs, Mr. N Nzuza, led the delegation from DHA and the Acting Director General (DG) briefed the Committee on the First Quarterly Report of 2019/2020. The report covers the period from 1 April 2020 – 30 June 2020 showing the following progress:

- The DG reported that the Work Order for the piloting of the Biometric Movement Control System (BMCS) was approved by the CFO on 30 April 2019 for OR Tambo International Airport and King Shaka International Airport. The BMCS pilot was reported to be underway at Lanseria Airport.
- The e-Permit to be rolled out at 6 missions. The plan was to assess the network infrastructure which was completed. The networks of the foreign missions needed to be upgraded to at least 2 MB. The DHA engaged with the Department of International and Cooperation to upgrade the networks in New Zealand, China, India, United Kingdom and Nigeria.
- Of the 100 managers to be trained in leadership and management development programme, it was reported that there 128 managers trained.
- The DHA draft bill to repositioned the DHA in line with the Home Affairs White Paper was revised and approved by the Chief Director: Policy and Strategic Management.
- The vacancy rate has always been below one percent. There were no vacancies that had been filled.
- Of the 42 cases of misconduct, 35 of the cases were presented to the Presiding Officer, which represent 90 percent achievement.
- In terms of the awareness programmes fraud prevention and counter corruption, the DHA conducted seven as against five planned. The initiatives were conducted in the Northern Cape.
- The DHA achieved 81 percent of the cases that were investigated and finalized within 90 days.
- There were 124 cases that were referred to State Security Agency (SSA) and the SSA in the Free State helped with the fieldwork investigations on 16 files.
- With regards to communication, the DHA had 14 media engagement, two campaigns and four Imbizo. The Imbizo were conducted in Sterkspruit and Swaruggens, Postmansburg. This engagement assists with the collection of Smart ID Cards because there were about 3000 uncollected Smart ID Cards.
- The DHA registered 2019 196 births within 30 days. The Minister of Home Affairs indicated that all births should be registered within 30 days after births.
- There were 61 operations conducted with the Department of Tourism in Mpumalanga and in Gauteng, Beitbridge and Kwazulu-Natal.
- With regards to Permanent Residency, there were 1903 out of 1961 that were adjudicated within 8 months, which represented about 97 percent. The business and general work visas, there 441 adjudicated out of 442 which represented 99.8 percent. The critical skills visas, there 1652 out of 1671 which were adjudicated within 4 weeks

There were targets that were not achieved, however, the DG indicated that there was some work which had been done and these are some of the targets that were not achieved:

- Request for accreditation for possible bidders published. The Acting Director-General reported that the development of the National Identification System (NIS) was not completed, however, the draft specifications were done.

- Ensure that integration between the Biometric Movement Control System (BMCS) and Automated Biometric Information Systems (ABIS). The BMCS and ABIS are not yet operational because of the dependency on the finalization of the delayed e-Gate automated visa system at airports.
- Access norms and standards approved by the Minister's Management Meeting. The Acting DG reported that there was a delay in the development to measure the population threshold. This will ensure that those DHA offices are opened where there is demand.
- The DHA was supposed to conduct 10 Threat and Risk Assessments (TRAs) according to the Minimum Information Security Standards. The DHA only conducted 8 because of the shortage of personnel including three Heads of Security at Western Cape, Limpopo and North West Provinces remained unfilled.
- The issuance of 780 000 Smart ID Cards to replace the Green ID Books. The DHA only managed to issue 717 729 due to system instability which was experienced during April and May 2019. The Acting Director-General reported that production of approximately 172 000 IDs was lost during this time. Also, only 193 of 412 DHA offices can issue Smart ID Cards with the required Live Capture system.
- 90 percent of the readable passports are issued within 13 working days. The DHA only manage to achieve 86.2 percent because of the system instability, downtime and error messages on the passport dispatching system and the increasing numbers of passport applications requiring image enhancement.
- Service provider appointed to develop a business case for the National Targeting Centre (NTC). The Acting DG reported that the DHA had approached the Government Technical Advisory Centre (GTAC) to assist with the development of the NTC. GTAC was not appointed because the proposal was over the budget and their envisaged scope of proposed work differed to that proposed of the BMA: Project Management Office.

The CFO made the presentation on the budget and he indicated that the DHA received R8, 339 704 billion and during the first term the DHA had spent R2,583 801 billion which represented an expenditure of 31 percent. The transfer to the Electoral Commission and the Represented Political Parties Fund contributed to the expenditure of 31 percent. The DHA budget vote only is R5, 589, 438 billion excluding the transfers to IEC and Represented Political Parties Fund and the WHO AM I ONLINE.

<b>Programmes</b>	<b>Budget R'000</b>	<b>Expenditure R'000</b>	<b>% Budget Spent</b>
Programme 1: Administration	R2, 381, 394	R 438,787	18.4%
Programme 2: Citizen Affairs	R4, 706, 597	R1, 839, 051	51.2%
Programme 3: Immigration Affairs	R1, 251, 713	R 305, 963	31%

In terms of the linear projections, the DHA should have spent 25 percent as at end of June 2019 and the variance of 6 percent is due to payments to Self-Financing expenditure. The spending on programme 1: Administration was at 18.4 percent and the underspending was due to the Counter Corruption budget is R190 million and the expenditure as at 30 June 2019 was R40.9 million. The lower expenditure on the item was due to a delay in awarding bids for guarding security services.

The Border Management Agency (BMA) was R42.3 million and the expenditure was R1.1 million and it was due to the delay in the finalizing of the BMA Bill by Parliament and the postponement of the BMA pilot launches.

The budget for State-owned leases was R516.1 and the expenditure was R55.4 and the underspending was due to the Department of Public Works invoices which get invoiced on a quarterly basis.

The spending on Programme 2: Citizen Affairs was 39.1 percent which was higher than the linear projection of 25 percent. It has been reported that the DHA will request an amount of R1.188 million for self-financing expenditure during the 2019 Adjusted Estimates of National Expenditure. The self-financing is for the printing of passports and Identity Books. The DHA also transferred funds to the Electoral Commission and Represented Political Parties Fund.

Programme 3: Immigration Affairs had spent 24.4 percent which is closer to the linear projection.

The provinces had been allocated R2,115,919,000 and so far, has spent 24 percent of the budget, which is below the linear projection of 25 percent.

The DHA has collected R42, 692 000 at the end of June 2019 which excludes eHomeAffairs and revenue from foreign missions.

#### **4.2 First Quarter 2019/20 Observations**

The Portfolio Committee on Home Affairs observed the following in relations to the presentation by the DHA:

- The function of the DHA in relation to the undocumented immigrants: The DHA indicated that the function of the Department in the operations that took place in Johannesburg is to verify the documentation of apprehended persons and conduct deportation if the person is found to be undocumented. The Acting Director-General reported that there was one deportation facility, which is Lindela Repatriation facility in Gauteng. In provinces closer to the borders, the DHA conducts direct deportation and some police stations have been designated as the holding facilities.

- The matter of fraud and corruption and the recoup the funds and the cleaning of the National Population Register (NPR): The DHA indicated that the matter of fraud and corruption is big a challenge within the DHA. The DHA ensures that persons involved in corruption activities are arrested and lifestyle audits are conducted for officials of the DHA. The cleaning of the NPR is also conducted. The matter is that children still apply for the IDs at the age of 16, and sometimes corrupt officials allocate their ID numbers to foreign nationals because the ID number is not linked to the biometrics of the child. When the owner of the ID number applies, they can find that the ID number has already been allocated. The biometrics are only taken at the age of 16. That is the reason that the first time applicant must come with their mother.
- The kind of training for frontline staff: The Acting Director-General indicated that the training to frontline staff is on the understanding of the legislation.
- The issuance of an emergency passport or to expedite the issuance of the passport in case of an emergency: The DG indicated that the DHA does issue emergency travel documents in exceptional circumstances but it encourages South Africans to always have a passport. He also said that most countries do not accept these travel documents but only machine-readable passports. The emergency travel certificates are issued to South Africans who have travelled outside the country and lost their passports.
- Network instability: there should be a penalty to the service provider.
- With regards to the 61 operations that were conducted during the quarter: the DHA to indicate how many took place in the Metro areas.
- There was an issue of the status of the birth of the child born of the undocumented migrants: The DHA does not issue births certificates to children born from foreign nationals. The DHA issues notice of births which should be presented to the embassies of the country of origin to issue out birth certificates. Child of asylum seekers takes the status of their parents.
- The Immigration Colloquium: the DHA to furnish the Committee with the documentation regarding the colloquium.
- The visit by the Minister of Home Affairs to the Desmond Tutu Reception Office: The Deputy Director-General: Immigration Services, indicated that the challenges at the Desmond Tutu Reception Office are the applicants who apply for refugee status meanwhile they are economic migrants.

## **5. DHA AND IEC 2018/19 ANNUAL REPORTS**

The PCHA met with the Auditor-General of South Africa (AG) to receive training and an overview of the audit outcome for the DHA, GPW and IEC and on 8 October 2019. The DHA then briefed the Committee on their Annual Report for the 2018/19 followed by the IEC. The GPW had requested the Speaker of Parliament for a postponed tabling due to the delays in its audit.

### **5.1 The Department of Home Affairs (DHA):**

In total, the DHA has ten (10) strategic objectives to report on. In terms of the performance of the DHA from 2014-15 to 2017-18, the performance increased each year until 2018/19, where the performance has regressed to 73 percent or 22 out of 30 Targets compared to 86% in 2017-18.

The DG reported that the poor performance was as a result of the dependencies on third parties such as the Department of Public Works for office accommodation and the State Information Technology Agency (SITA) on ICT and network connectivity and the delay in enactment of the enabling legislation, the lack of resources, the non-availability of datacentres and the complexities in relation to the conducting of a Socio-Economic Impact Assessment (SEIA) which affect the target regarding the Immigration and Refugees Bills.

In terms of performance highlights, the DG indicated that of the 412 front offices, 193 were converted to issue Smart ID Cards and passports. The Live Capture system was rolled out to nine more offices and one bank. The target to issue Smart ID Cards for 2018/19 was to issue 3 million Smart ID Cards and the DHA exceeded this by 127 217.

The target for the registration of birth within 30 days was 810 000 and the DHA exceeded the target by 6 698. The DG reported that the turnaround for key enabling documents in the immigration also improved. The on time adjudication of permanent residence applications, business and general work visas and critical skill visas varied between 89 percent and 97 percent in 2018/19.

The DHA recorded over 42.1 million movements through the 72 ports of entry and daily processed about 100 000 people. There are visa exemption agreements for diplomatic and official passports with Liberia, Uganda, Niger, Mali and China with the agreement for the relaxation of the requirements for tourists however it was indicated that China has only four officials for the processing of the visas which exceeds demand.

Cabinet approved the DHA White Paper in 2018 and the DHA began the process of developing a Home Affairs Bill. The Bill provides for the repositioning of the DHA within the security system. The Bill was submitted to the Minister for approval.

The DG indicated the following as challenges in 2018/19:

- Network connectivity. The dependency on SITA is problematic. This reliance on SITA is a mandatory service as prescribed by the SITA Act.

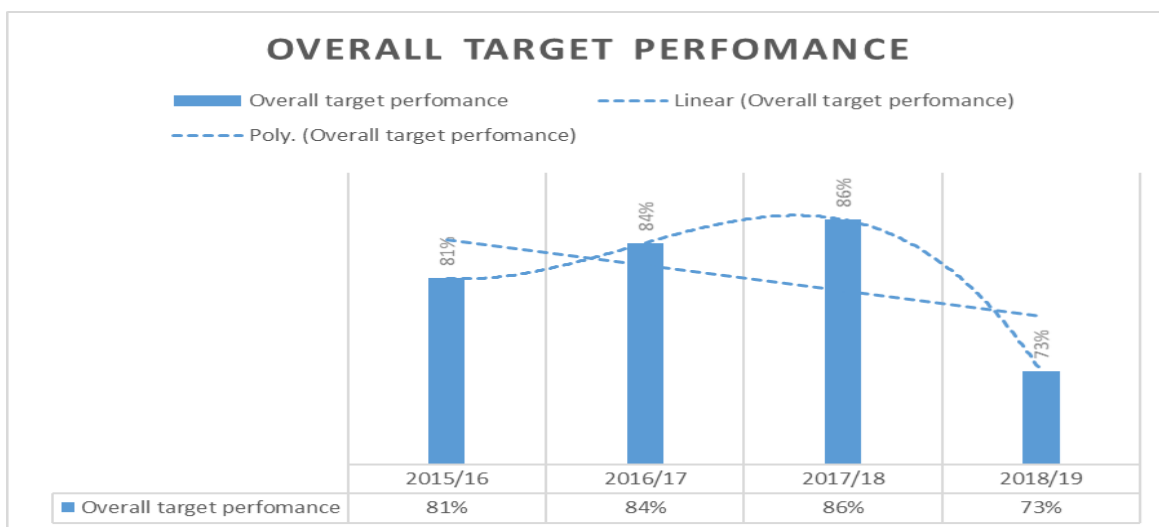
- Long queues. The long queues emanate from high client volumes which the DHA attributed to a decision to close offices on Saturdays. The then Minister of Home Affairs, Mr Malusi Gigaba launched a “War on Queues”.
- Provision of Office Accommodation. The DHA is also dependent on the Department of Public Works for office accommodation. This creates problems for the DHA to modernize some of the offices. The DHA reported it spends about R300 million per year on leases.
- Human Resources capacity constraints. The DHA is unable to fill posts when officials exist the services due to the Compensation of Employees (COE) ceiling. It was reported that the DHA was operating at 44 percent of its ideal establishment.
- Records Management. The IT system at DHA is not fully integrated and digitized. The old records have to be retrieved manually.
- The African Global Operations (AGO) voluntary liquidation. The relation with AGO formerly known as Bosasa commenced in 2002 for the provision of detention of illegal immigrants at Lindela Repatriation Centre, pending their removal from the Republic. If the liquidation is successful, it means that the DHA would not have an alternative facility in the immediate to short term.

For 2018/19, DHA had 30 planned performance targets and achieved 22 (73%). This simply means that DHA could not achieve eight planned targets for the year under review. Over the past five years, DHA has been gradually improving its target performance. However, the target performance declined for the year under review as the chart below indicates.

As can be seen from the below figure, the only financial year, which significantly declined in target performance over the 2014 – 2019 MTSF period, is the 2018/19 financial year whereby the DHA only achieved 73% of its planned targets. The decline is concerning considering the fact that the DHA spent 100% of its allocated budget for 2018/19. There should be a correlation between the budget spent and the targets achieved.

Programme	No. targets	Achieved	Not achieved
Administration	18	12 (67%)	6
Citizen Affairs	3	3 (100%)	0
Immigration Affairs	9	7 (78%)	2
<b>Total</b>	<b>30</b>	<b>22 (73%)</b>	<b>8</b>

2018/19 Performance



The above,

Table

indicates that the DHA overall target performance for 2018/19 financial year is 73%, a decline compared to the 86% achieved in 2017/18 financial year.

The programme that underperformed of the three programmes of DHA is the Administration programme. This programme achieved 12 targets of the planned 18 targets. This is concerning for a programme that consumes the second largest portion of the departmental budget.

### 5.1.1 Performance per programme

This section focuses on the performance of the three programmes of the DHA for 2018/19.

#### Programme 1: Administration

The administration programme is responsible for strategic leadership, management and support to the department and consists of five (5) sub-programmes, namely: Ministry; Management Support Services; Corporate Services; Transversal Information Technology Management; and Office Accommodation.

#### Performance of programme 1: Administration

Performance targets	2017/18	2018/19
Number of targets as per	13	18



annual performance plan		
Number of targets achieved or overachieved	11	12
Number of targets not achieved	2	6
Percentage level of achievement	<b>85%</b>	<b>67%</b>

The programme achieved 12 (67%) of the planned 18 targets for 2018/19. This indicates a regression of 18 percent compared to the 85 percent achieved in 2017/18 financial year. Out of the overall eight targets that were not achieved across the three (3) DHA programmes, the Administration programme contributed by six targets. Parliament should note that the DHA increased the targets under the programme from thirteen in 2017/18 to eighteen in 2018/19 financial year.

The notable targets that were not achieved under the programme during the period under review include the following:

- Automation of Asylum Seeker Management process as per specifications – this target was not achieved due to uncertainty on the agreement between DHA and the South African Revenue Services (SARS).
- The DHA planned the migration of the Automated Finger Identification System (AFIS) data into Automated Biometric Identification System (ABIS). The DHA states that it could not achieve this target due to unavailability of data centres and delays due to copying of HANIS data.
- The DHA planned to pilot the Biometric Movement Control System (full biometric solution) at one port of entry – this target was not achieved and the Department states that the piloting of the BMCS will be rolled over to 2019/20.
- The DHA planned to equip 62 ports of entry with interim biometric functionality – the interim biometric functionality was installed in only 10 ports of entry in 2017/18 and there was no further roll out.
- Approval of DHA Access Model by the Executive Committee (EXCO) – the Access model was not approved as planned by the DHA. If approved, the DHA Access Model would improve the footprint of the DHA and access to DHA services.
- A preferred bidder or private party for the development of six (6) ports of entry was not appointed. Had the DHA achieved this target, it would have complied with the Treasury Regulations in respect to a Public-Private Partnership (PPP) for the development of ports of entry.

The final appropriation for the programme was R2.326 billion and DHA spent R2.325 billion (100%) for 2018/19 financial year. However, there is an under-expenditure of R100 000. The under-expenditure was under the Corporate Services Sub-programme (R99 000) and Transversal Information Technology Management sub-programme (R1000).

## **Programme 2: Citizen Affairs**

The Citizen Affairs programme provides secure, efficient and accessible services and documents to citizens and lawful residents. The budget of this programme is shared amongst six (6) sub-programmes, namely: Citizen Affairs Management, Status Services, Identification Services, and Service Delivery to Provinces, Electoral Commission, and the Represented Political Parties' Fund.

This programme achieved 100% of the planned targets for 2018/19. There is a reduction of two (2) targets compared to the five (5) targets set for 2017/18 under this programme. This programme consumes 60.2% of the total budget of DHA. For 2018/19 financial year, this programme had a share of R5.447 billion and spent R5.447 billion (100%).

There is an under-expenditure of R100 000, particularly within the Status Services sub-programme.

### **Performance of programme 2: Citizen Affairs**

<b>Performance targets</b>	<b>2017/18</b>	<b>2018/19</b>
Number of targets as per annual performance plan	5	3
Number of targets achieved or overachieved	4	3
Number of targets not achieved	1	0
Percentage level of achievement	<b>80%</b>	<b>100%</b>

The notable achievements under the programme include:

- Number of births registered within 30 calendar days – the DHA planned to register 810 000 within 30 days and exceeded this target by 6000 births registered within 30 calendar days. This is one of the targets that DHA has had a challenge with over the MTSF 2014 – 2019.
- The DHA planned to increase the number of smart ID cards issued to citizens 16 years of age and above from 2 864 111 million in 2017/18 to 3 000 000 million (target) in 2018/19. The DHA exceeded the target by 127 000 smart ID cards issued. This brings the number to 3 127 217 smart ID cards issued between 2014/15 and 2018/19.

### Programme 3: Immigration Affairs

This programme is responsible for facilitating and regulating the secure movement of people through the ports of entry into and out of South Africa. It is also responsible for determining the status of asylum seekers and regulate refugee affairs.

#### Performance of programme 3: Immigration Affairs

Performance targets	2017/18	2018/19
Number of targets as per annual performance plan	10	9
Number of targets achieved or overachieved	9	7
Number of targets not achieved	1	2
Percentage level of achievement	<b>90%</b>	<b>78%</b>

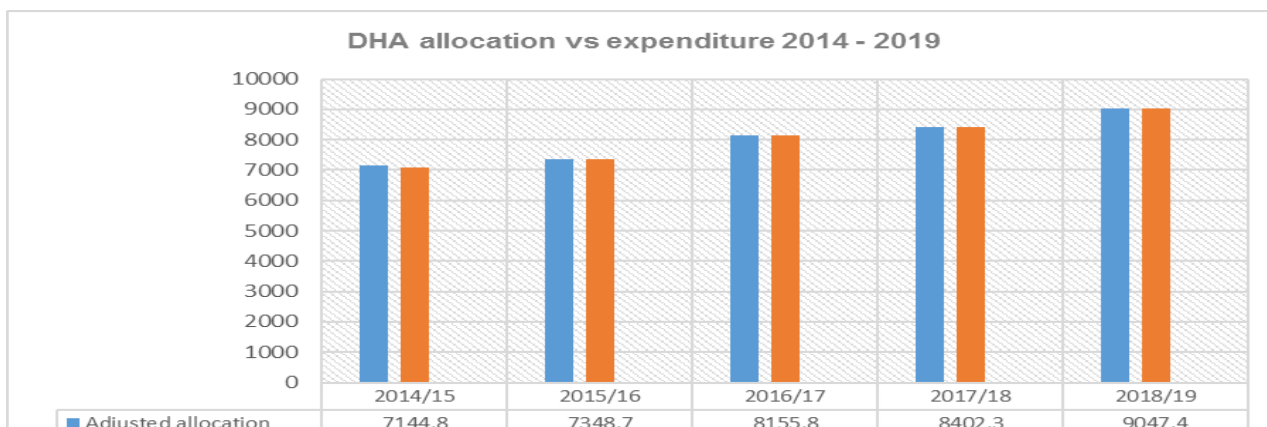
The Immigration Affairs programme is the smallest of the three main programmes in terms of budgetary size. For the year under review, the programme received a total budget of R1.273 billion and spent R1.273 billion (100%). This programme had nine (9) planned performance targets and achieved seven (7) indicating 78% achievement rate. The two (2) targets that were not achieved under this programme include the submission of the Immigration and Refugees Bills to Parliament for approval and the establishment of the Border Management Authority (BMA) as per project plan.

#### 5.1.2 DHA Financial Report

As can be seen from the graph below, DHA's adjusted allocation increased from R6.6 billion in 2014/15, to R9 billion by 2018/19. Over the past five years, the strongest growth was experienced in the 2018/19 financial year when voted funds increased 6.3% above inflation.

On expenditure, the Department has been doing well, for four years; it spent almost 100% of its allocated budget except for 2014/15 financial year wherein it spent 98.9%. The table below provides DHA's expenditure for the year under review:

#### DHA historical overview of allocations and expenditure form 2014 - 2019



2018/19 Financial year				
Programme	Final Appropriation	Actual Expenditure	Variance in R	Expenditure as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	2 326 056	2 325 956	100	100%
Citizen Affairs	5 447 520	5 447 420	100	100%
Immigration Affairs	1 273 863	1 273 863	-	100%
<b>Total</b>	<b>9 047 439</b>	<b>9 047 239</b>	<b>200</b>	<b>100%</b>

The DHA's allocation is adjusted significantly higher from its voted allocation. This is due to the self-financing mechanism created by National Treasury wherein the DHA is allocated part of the revenue it collects during the financial year - allocated after the adjusted appropriation. For example, during the 2017/18 and 2018/19 financial years, its budget was adjusted upwards with R1.3 billion and R1.1 billion respectively from the allocation it received at the start of the financial year. However, actual expenditure by end of the financial year usually remains within its adjusted budget; hence, it is close to 100% expenditure rate.

The Table above indicates that the DHA spent R9.047 billion (100%) of the final appropriated budget for 2018/19 financial year, indicating an under expenditure of just R200 000. Compared to the previous financial years, DHA has reduced its under expenditure from R660 000 and R12.281 million in 2017/18 and 2016/17 respectively.

The DHA received an initial budget allocation of R7.915 billion as voted funds. However, during the Adjustment Estimates of National Expenditure (AENE), additional funding of R1.132 billion (self-financing) was allocated to the DHA. Additional funding is mainly used to pay for items expenditure such as:

- Smart ID cards for first time applicants and elderly citizens older than 60 years.
- Infrastructure to implement the Who Am I online (WAIO) project.
- Fees for cash in transit.
- Printing costs for enabling documents.

During the year under review, the Department approved Treasury Regulation 16A6.4 deviations (sole supplier contracts) to the value of R602 million. The deviations are as follows:

- Department requested National Treasury for approval to deviate and appoint NEC Africa (Pty) Ltd and Bytes as substitutes for Marples for the maintenance and support of the Home Affairs National Identification System (HANIS) system for a 24-month period, while the new Automated Biometric Identification System (ABIS) system is being developed and implemented. The deviation is for a 24-month period and the contract value is R298 million.
- Linked to this deviation above was the substitution of Marples with Dimension Data for maintenance and support of the National Identity System (NIS) for a period of twenty-four months for the amount of R51 million per annum.
- The third major deviation that was approved is for the renewal of the Microsoft Enterprise licensing Agreement to the value of R219 million.

#### Irregular, Fruitless and Wasteful Expenditure

DHA has an opening **irregular expenditure** balance of R552.96 million. There is an amount of R1.58 million relating to the prior year and for the current year (2018/19), the incurred total amount was R28.622 million. The rest of the amount related to un-condoned amounts from previous years. There were funds that were condoned (R328.27 prior years) and (R21 000 current year) and this brings the closing balance of DHA's irregular expenditure to R253.29 million for 2018/19. The contributing factors to the current irregular expenditure include:

- Services rendered without valid contract to the value of R 20 000
- Cleaning services (split orders) to the value of R2.59 million
- Exceeded 15% threshold of current extension without National Treasury (NT) approval to the value of R21.77 million
- Exceeded compensation of employees (COE) ceiling to the value of R2.671 million
- Deviation not supported by NT (deportation services) to the value of R1.577 million.

The current irregular expenditure (R28.622 million) does not include the potential irregular expenditure of R278 million that is under investigation. The split of the irregular expenditure under investigation is as follows:

- Security services on quotation is R550 000.
- Supply Chain Management processes not followed is R2 487 000.
- Furniture procured not compliant with local content is R1 071 000.
- Exceeded petty cash threshold without National Treasury approval is R 8 000.
- State Information Technology Agency (SITA) ABIS procurement is R274 579 000.

The Auditor General of South Africa reported that effective and appropriate steps were not taken by DHA to prevent the irregular expenditure amounting to R28 622 000 for the current year. Also, the Internal Audit Committee of DHA is not satisfied with the state of the internal control environment and recommended that more effort needs to be put in place to ensure internal control environment is effective.

In terms of **fruitless and wasteful expenditure**, the DHA had an opening balance of R184 000. For the current year (2018/19), DHA incurred fruitless and wasteful expenditure to the value of R73 000 (against R46 000 incurred in 2017/18). The closing balance of fruitless and wasteful expenditure by DHA is R249 000 which is higher than the closing balance of R184 000 incurred in 2017/18.

The contributing factors to fruitless and wasteful expenditure are due to staff no shows and interest paid on late payments and on arbitration awards. The no shows occur when officials fail to make use of bookings without a valid reason or, at times, where circumstances are beyond their control.

It should be noted that the department did not incur any unauthorised expenditure during the year under review.

#### 5.1.3 Findings of the Auditor General (AG)

The AG compared the outcomes of the portfolio over the last five (5) year period, starting from 2014-15 to 2018/19. It was reported that the audit outcomes of the IEC have remained stagnant with unqualified with findings for the past five (5) year period. GPW received a clean audit in 2014-15 and regressed in 2015-16 to unqualified with findings until the 2017-18 financial year. The DHA was at qualification from 2014-15 to 2015-16 and improved to unqualification from 2017-18 until the year under review, 2018/19. The DHA only received unqualification only because they corrected all misstatements.

It was reported that the DHA needed intervention on IT governance and review and the monitoring of compliance. Of concern to the AG was the oversight responsibility by the leadership, and action plans were not implemented. It was reported that there was no improvement in the IT environment and the position of the Chief Information Officer had

not been filled. In terms of assurance, it was reported that the senior management, the accounting officer and the executive authority provided some level of assurance meanwhile the Internal audit unit and the Audit Committee provided assurance.

The AG further reported that all auditees in the portfolio were a going concern. The issue raised was the revenue management. The DHA was not able to collect all monies owed timeously.

With regards to fruitless and wasteful expenditure, it has increased from R108 000 in 2017-18 to R151 000 in 2018/19 which was attributed to late payments of invoices, which resulted in the interest charged. Both the DHA and IEC are investigating the matters. The Irregular Expenditure increased from R122 million to 2017-19 to R161 million in 2018/19. It was reported that the IEC irregular expenditure was due to a contract that was awarded to a bidder who did not comply with the evaluation.

On Supply Chain Management (SCM), it was reported that all findings should be investigated. The most common findings on SCM were uncompetitive and unfair procurement by the DHA and the IEC. The IEC awarded a contract to the amount of R164 million to a bidder that did not comply with the evaluation criteria that were not stipulated in the original invitation for bidding.

The DHA made considerable progress with its audit findings from qualified opinions granted by the Auditor-General of South Africa (AGSA) in 2014/15 and 2015/16, to unqualified opinion with findings in 2016/17, 2017/18 and 2018/19. It should be noted that in 2013/14, DHA received a disclaimer. Whilst it is commendable that the DHA received unqualified audit opinions for the past three years, of concern is the recurrence of matters of emphasis such as uncertainty relating to the future outcome of litigation, impairment of accrued departmental revenue, and irregular expenditure.

For 2018/19, the DHA received an unqualified audit opinion. However, the Auditor General (AG) of South Africa made the following findings:

- Uncertainty relating to the future outcome of litigation – the department is the defendant in various claims. The department is opposing the claims. The ultimate outcome of the matters cannot currently be determined.
- Impairment of accrued departmental revenue – an amount of R156 544 000 was impaired as a result of the department not taking effective and appropriate steps to collect the penalties due.
- Irregular expenditure – there were cases that were not yet confirmed as irregular by the Loss Control Committee amounting to R278 million. This amount consists of R4 million Supply Chain Management transgressions and R274 million for ABIS project which the DHA has disclosed as irregular expenditure (under investigation/determination)

#### **DHA history of audit opinions from 2014 - 2018**

<b>Year</b>	<b>Opinion</b>	<b>Description</b>
2013/14	Disclaimer	<ul style="list-style-type: none"> <li>• Inability to obtain sufficient appropriate audit evidence (foreign revenue)</li> <li>• Capital assets</li> <li>• Intangible assets</li> <li>• Immovable assets</li> <li>• Commitments</li> </ul>
2014/15	Qualified	<ul style="list-style-type: none"> <li>• Departmental revenue</li> <li>• Accruals and payables not recognized</li> <li>• Intangible capital assets</li> </ul>
2015/16	Qualified	<ul style="list-style-type: none"> <li>• Departmental revenue and NRF receipts to be surrendered to the Revenue Fund</li> <li>• Accruals and payables not recognized</li> </ul>

<b>Year</b>	<b>Opinion</b>	<b>Description</b>
2016/17	Unqualified	<b>EMPHASIS OF MATTERS</b> <ul style="list-style-type: none"> <li>• Restatement of corresponding figures</li> <li>• Uncertainty relating to the future outcome of litigation</li> <li>• Irregular expenditure</li> </ul>
2017/18	Unqualified	<b>EMPHASIS OF MATTERS</b> <ul style="list-style-type: none"> <li>• Restatement of corresponding figures</li> <li>• Uncertainty relating to the future outcome of litigation</li> <li>• Irregular expenditure</li> </ul>
2018/19	Unqualified	<b>EMPHASIS OF MATTERS</b> <ul style="list-style-type: none"> <li>• Uncertainty relating to the future outcome of litigation</li> </ul>

- Impairment of accrued departmental revenue
- Irregular expenditure

## Compliance with specific matters in key legislations

### Procurement and contract management

- Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting officer. This means that the accounting officer did not follow the requirements of treasury regulation 16A6.1 and 16A6.4. This issue was also raised in the previous financial year.
- Some contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the Public Finance Management Act and treasury regulation 8.1 and 8.2.
- Some of the bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).

### Expenditure management

- Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R27 045 000, as required by section 38(1)(c)(ii) of the Public Finance Management Act and treasury regulation 9.1.1. The AG states that the majority of the irregular expenditure was caused by non-compliance with Supply Chain Management (SCM)-related legislation.

### Revenue management

- Effective and appropriate steps were not taken to collect all penalties and other long outstanding receivables due, as required by section 38(1)(c)(i) of the PFMA. This resulted in the significant portion of the debtors being provided for impairment.

## 5.2 The Electoral Commission of South Africa (IEC)

Ms J Love, the Vice-Chairperson of the IEC led the delegation. She indicated that the CEO and CFO would make the presentation on the performance and expenditure of the Commission.

The CEO reported that the IEC has received an unqualified material adjustment from the AG. The IEC has three programmes; namely programme 1: Administration; programme 2: Electoral Operations and programme 3: Outreach. There were 25 targets for all the programmes, 18 of the 25 targets were achieved and seven (7) of the targets were not achieved. The overall achievement of the targets was 72 percent.

In programme 1: Administration, there were ten (10) targets and seven (7) were achieved. The targets that were not achieved under programme 1 were: the 100 percent performance agreements of qualifying staff members and it was reported that 85 percent of the staff completed the agreements by 1 April 2018. The non-achievement was due to the activity leading to the National and Provincial Elections 2019. The other target which was not met was the IT upgrade and was not met due to the delay in the procurement process and the last target not achieved is the filing of all 930 posts. The actual achievement was 922 and was due to delays in the organizational review processes.

In programme 2: Electoral Operations, there were ten (10) targets and six (6) were achieved. Those that were not achieved were: The target did not have the number of elections set aside by the Electoral Court and it was reported that two (2) elections were set aside. These were the results of the by-election in Dr JS Moroka and Mtubatuba on 4 December 2018. The second target of 27 653 820 of registered voters reflected on the voters was not achieved. The IEC only had 26 749 557 (903 763 short). The third target not met was 1 600 000 registered voters whose addresses did not appear on the voters roll and the actual achievement is 3 882 773 so there were 1 411 487 more voters than planned. The last unachieved target is only 22924 of the 23 000 voting stations for the purpose of the weekend registration and general election days, however this was due to a more efficient and convenient structure for voters was devised.

The IEC budget was about R2 billion and R1.5 billion was spent on goods and services, lease rentals and employee costs. This resulted in a surplus of R455 million. The amount was a result of the delayed IT refreshment of voter registration devices.

## 5.3 Committee Observations on 2018/19 Annual Reports

The Committee observed the following during its oversight over the Department of Home Affairs, the Government Printing Works and the Electoral Commission of South Africa:

### 5.3.1 Department of Home Affairs

- It appears that the DHA and IEC lack general accountability because the AG raises the same issues in each and every financial year.
- The issue of repeat offenders and the amount that the DHA and IEC were able to recover as a result of irregular expenditure.

- The matter raised by the AG on the filing of positions was a concern because government departments do not have funds to fill the posts.
- The DHA to provide the Committee with the list of repeat offenders and officials who are doing business with other government departments.
- The matter of consequence management for those responsible for irregular wasteful and fraudulent expenditure is not being implemented. The AG has reported that there were repeat offenders that were identified during the audit outcomes and it appears that there was no consequence management from the DHA.
- The issue of filling of vacant funded posts such as the Chief Information Officer was a concern as the AG raised the matter of IT governance in the audit outcomes. Although the DHA reported that the post was advertised four times and could not get suitable candidates.
- The long queues at high volume offices such as the Soweto, Alexander, Umgeni, Pietermaritzburg. The school children have to queue during school times to apply for enabling documents.
- The list of those DHA officials doing business with another government department has not been provided to the Committee.
- The dependency on the DPW for office accommodation and on SITA on the network connectivity was a major concern. Although the Minister of Home Affairs indicated that there were no law forcing government departments to use accommodation sourced by DPW. The Committee should meet with DPW and SITA. The DHA have started investigations into getting their own buildings.
- The amount of approximately R2 billion on contingency liabilities was a very serious concern.
- The audit action plans are not being implemented fully by DHA.

### 5.3.2 Electoral Commission

- The delayed IEC IT refresh for procuring new registration machines resulted in an under-expenditure/surplus.
- The matter of alleged double voting which happened in the National and Provincial Elections 2019 was reported as under investigation
- The IEC expenditure on leases each year is too high.
- The audit action plans are not being implemented fully by the IEC

### 5.3.3. Government Printing Works

- The GPW should table its annual report as soon as possible before the 2019/20 Medium Term Budget Policy Statement (MTBPS)

## 6. CONSIDERATION OF OTHER SOURCES OF INFORMATION

### 6.1 Two State of the Nation Addresses 2019

Key Remarks by the President: February 2019

- “We are pleased to report that significant progress has been made in restoring policy certainty on mining regulation and the visa regime, crafting the path towards mobile spectrum allocation, and reviewing port, rail and electricity prices.
- “Our highest priority this year will be on the introduction of a world class eVisa regime”.
- “... we will focus on further strengthening the capacity of the state”.
- “I have engaged with the Independent Electoral Commission and also with the Premiers of all provinces, and intend to proclaim the 8th of May 2019 as the date of the election”.

Key Remarks by the President: June 2019

- “We will make good on our ambition to more than double international tourist arrivals to 21 million by 2030. This will be achieved through the renewal of the country’s brand, introducing a world-class visa regime and a significant focus on Chinese and Indian markets and air arrivals from the rest of our continent. We are determined to ensure that tourists who come to our country are safe”.

**The Priorities emanating out of the state of the nation address include:**

#### **Economic transformation and job creation:**

- Continue with the simplification of visa application procedures for selected investment and low risk countries to benefit from visa waivers and / or relaxation of conditions.
- The White Paper on International Migration and subsequent legislation will facilitate investment and ease of entry for bona fide visitors, business persons and investors.
- DHA is investing into enabling infrastructure and the development of IT systems that will enhance efficiency at the point of application, processing of traveller movements and providing for the verification of identity.
- The development of the new biometric movement control system (BMCS) and e-Permitting system are key enablers to achieving such efficiencies.
- The latter part of 2018/19 and the 2019/20 FY will see the prioritisation of a progressive rollout of these new technologies. This will also give way to the implementation of a pilot programme on e-gates at our international airports recognising trusted travellers and creating a seamless facilitation of migratory movement whilst still maintaining a risk managed approach.

#### **A capable, ethical and developmental state**

- The repositioning programme of the DHA is a critical component of strengthening the capacity of the state. The DHA is central to e-Government and realising the benefits of the fourth industrial revolution. The DHA could play a central role in improving efficiencies in general and lower the cost of doing business.
- The DHA will develop a “corps of skilled and professional public servants of the highest moral standards – and dedicated to the public good” through its re-skilling programme and recruitment practices as part of repositioning.

## 6.2 Sustainable Development Goals

The outcome of the 2030 Sustainable Development Agenda outlining the 17 Sustainable Development Goals pays particular attention to the people, planet and prosperity. The SDGs recognises the positive contribution migration makes to inclusive growth and development and therefore call on United Nations (UN) member states to strengthen their international support and cooperation to ensure safe, orderly and regular migration with full respect for human rights and fundamental freedoms. In this regard, the South African government has embarked on a comprehensive process of re-examining the role that migration plays in its society and economy through an extensive review of the international migration policy outlook currently underway. The objective of this policy framework is to better equip South Africa to manage the challenges presented by migration and harness its opportunities for both the local communities as well as immigrants.

## 6.3 African Union Agenda 2063

At the African Union Assembly in June 2015, Members adopted Agenda 2063 as both vision and action plan for the integration of Africa. The White Paper on International Immigration Policy acknowledges at least two resolutions adopted by the Assembly, which set clear parameters for South Africa’s immigration policy, namely, the establishment of a Continental Free Trade Area (CFTA) and a continent-wide visa-free regime, including the issuing of visas on arrival at ports of entry for African citizens. As a result, visa-free entry should be the norm provided that bilateral return agreements are concluded. In fact, DHA has been issuing 10-year multiple entry visas to frequent travellers from other African countries. Where visas are still required, entry is easy as possible for bona fide travellers.

In addition, South Africa’s White Paper on International Migration Policy acknowledges at least two resolutions adopted by the Assembly, which set clear parameters for South Africa’s immigration policy, namely, the establishment of a Continental Free Trade Area (CFTA) and a continent-wide visa-free regime, including the issuing of visas on arrival at ports of entry for African citizens.

## 6.4 Oversight Visit to DHA, IEC and GPW headquarters and facilities

The Committee conducted an oversight visit to the DHA, the IEC and the GPW on 27 – 29 August 2019 including the Desmond Tutu Refugee Reception Office. The purpose of the oversight visit was to familiarise the Committee on the work of the DHA, the IEC and the GPW because all members of the Committee were new to the Committee in the 6<sup>th</sup> Parliament.

### 6.4.1 DHA Head Office and Population Register

The DHA indicated in its overview of the Department Head Office in Pretoria, that it had 9163 positions that were filled in 2019/2020 and four were vacant. Some positions the DHA would not be able to fill because of the national ceiling on the Compensation of Employees. The DG indicated that the DHA was in discussion with National Treasury to provide the DHA with additional capacity. In 2018, the DHA lost 500 positions which it cannot fill. He gave an example that foreign missions such as in China had four officials to process documentation and these officials are not able to adjudicate on time. Nigeria had three officials and these officials had to process between 300 – 400 applications per day. He reported that it costs about R1 million per year to deploy one official in a mission. He reported that DHA needed funding to fill critical positions.

In addition to information present elsewhere in this report, the DHA indicated that South Africa has 72 ports of entry and is represented in 30 missions abroad. There are 114 old mobile units which can process and print birth, marriage, death certificates, however, there no Smart Card system capabilities. Out of the 114 mobile units, 59 will be refurbished. There were 41 new mobile units of which 9 are installed with the Live Capture System. There are 391 connected health facilities to register births within 30 days. In terms of the law, birth registration should be done within 30 days after birth. The DHA is working with the Department of Health to ensure that all children born at hospitals are registered.

The DHA has a partnership with the banks for their clients to apply for Smart ID Cards and passports. The partnership is with 13 banks in Gauteng and one in the Western Cape. The banks have processed over a million documents. He further reported that the DHA was in discussion with the National Treasury to review tariffs of the services that the DHA was charging. An example was that it costs the DHA R545 to produce passports and the Department charges the citizens R400.

South Africa has five Refugee Reception Offices, namely, Musina Refugee Reception office in Limpopo, Desmond Tutu Refugee Reception in Gauteng, Durban Refugee Reception in Kwazulu-Natal, Port Elizabeth Refugee Reception in the Eastern Cape and the Cape Town Refugee Reception Centre. The DHA was in the process of

reopening the Cape Town office but intends relocating the Refugee Offices to the Northern part of the country. This will ensure that asylum seekers are processed closer to the borders.

The DHA has now been located in the security cluster and the Border Management Authority (BMA) Bill was finalized in the National Assembly in 2017 and now it needed to be completed by the National Council of Provinces (NCOP).

The IEC accounts directly to Parliament as a Chapter 9 Institution. The DHA transfers funds to the IEC and the Represented Political Parties Fund (RPPF). The GPW is currently self-funding, although it has strong links with the DHA and the Minister of Home Affairs exercises oversight over it. The DG reported that the following challenges not mentioned elsewhere:

- Need for the effective and efficient management of migration and the asylum seeker/refugee environment to embrace global opportunities while safeguarding the sovereignty and ensuring public safety and national security.
- Lack of an integrated approach to border management and inadequate provision of acceptable port infrastructure.
- Footprint and infrastructure (DHA uses physical office infrastructure as the main delivery channel for its services. There is a dependency on the Department of Public Works (DPW) for the acquisition and maintenance of its offices. Currently, the department is accommodated in 412 Civic Services front offices across the country, which is inadequate considering that the DHA provides civic services to all SA citizens, permanent residence holders and refugees. The footprint of the DHA does not meet the minimum accessibility norms (distance to be travelled by clients to access services) of 50 km in the Northern Cape and 25 km in other provinces, as set by the Department of Public Service and Administration (DPSA). There is a lack of DHA purpose-build infrastructure.
- Non-integration of IT systems across the DHA and running of dual systems (digital and manual) in the same environment.
- Lack of efficient records management in support of key services to clients.
- Lack of capacity in critical support areas such as Legal Services, Risk Management, Information Services, Counter Corruption and Security Services and Inspectorate.
- Need to professionalize the DHA cadre (ensuring staff are appropriately trained, professional and caring with the required leadership and management capabilities).
- Challenges with increasing working hours for services due to labour protests.
- Long queues in offices.

The delegation was taken on tour to the PR Section and it was reported that the DHA was managing migration by risk. The high risks include acquiring of PR through marriage, accompanying spouse permits, relatives permit and retirement permits and low risk is the issuing of visas. Some of the high risks countries for PR are Nigeria, Pakistani and Bangladesh. Nationals of these countries tend to have a marriage of convenience. In the high-risk category, it tends to take long to finalize the processing of the PR. Applicants tend to submit fraudulent documents and when rejected, they appeal to the higher authority with the same fraudulent documentation.

The delegation was shown the Advanced Passenger System (APP). The APP is a system where the DHA extends its borders to foreign country. The Airline traveling to South Africa sends passengers information to the DHA to check if there is an undesirable person at the point of embarkation. The DHA would notify the airline if there is an undesirable person on the list. The airline is not allowed to board that person and if it does, the DHA would ensure that airline takes the person back and a fine imposed. Once the Operation Centre receives the list from an airline, it can respond in three ways; namely it is fine to board, do not board and the check against records if a ban has been removed. It was reported that there about 120 000 'do not board' cases per year. The system deals with 49 airlines and 25 maritime partners. There are always people per shift to advise airlines.

The delegation was taken to the New Corporation Population Register Building. The first part was to visit the postal receipt section. It was reported that all manual applications from provinces and missions are received here. This includes the application of Green Barcoded IDs. The applications are recorded and sorted out in terms of business units and use track and trace system. It was reported that the timeframe for the issuance of Green Barcoded ID Books is 54 working days and 47 workings for the re-issue. The applications of the Green Barcoded ID Books have gone done due to the Smart ID Cards.

The delegation was also shown the Document Management archive and it was indicated that documents that have not been digitized are kept. It was further reported that the DHA use to have Namibian documents, which had been sent to Namibia. The delegation was taken to amendments section as well.

The DHA is able now to resolve the issue of duplicate cases. Duplicates cases is a situation when an individual has two ID numbers or two individuals share one ID number. It was further reported that with the Smart ID Cards, there are two challenges that it is not able to accommodate long names and special characters.

The timeframe for the applications of the Unabridged Birth Certificates is between 3 – 4 weeks and the DHA was also doing pre-modification for children below the age of 18 years. The Unabridged Birth Certificates was introduced



in 2013. All children born after 2013 are always issued with Unabridged Birth Certificates. Unabridged Birth Certificates are certificates with particulars of both or one parent.

#### **6.4.2 Tour of the Desmond Tutu Refugee Reception Office**

On 29 August 2019, the delegation went to Desmond Tutu Refugee Reception Office (formerly the Marabastad Refugee Reception Office). The Chief Director for the Asylum Seeker Management took the delegation through the tour. The delegation started at the self-service (ABT) machines where extensions and new appointments are made. On Thursdays, it was reported that the Office deals with nationals from Somalia, Cameroon, Senegal, Eritrea and Ethiopia. The office opens at 7:30 until 16:00 every day, however, there are officials at 6:00 to start assisting with extensions and renewals at the ABTs. Mondays and Wednesdays are their busiest days and the office assists an average of 1000 people daily. The people who were assisted at the ABT machines are supposed to have the transit visa issued at the port of entry and a passport, however, it was reported that 99.9 percent of them do not have the transit visa. They only have a passport. It was mentioned that the transit visa is issued at the port of entry.

With regards to the camera at the entrance of the complex, the Chief Director, it had not been installed as advised in the last visit by the Committee in 2018. He reported that there are 24-hour security personnel for the premises. The DHA discourages clients to come at night for security reasons.

He also indicated that South Africa had 88 000 recognized refugees and the rest are asylum seekers who are awaiting decisions by the Standing Committee on Refugees (SCRA) and the Refugee Appeals Board (RAB). The United Nations High Commission on Refugees (UNHCR) was assisting the DHA on backlogs of approximately 150 000 at the RAB. The Director of the Asylum Seekers Management reported that the challenge was with the capacity at the SCRA and RAB.

The delegation was taken inside the building and it was reported that there were off-site interpreters based at the Head Office of the DHA. The rationale of off-site interpreters was to curb the issue of corruption. On the question of the First Safe Country principle, the DHA reported that South Africa needed to have formal agreements with neighbouring countries. South Africa only has an agreement with Tanzania.

The delegation was shown the control room which monitors the interviews by the 41 adjudicators and the challenge is that it can only record video but there is no audio. While in the control room, the delegation noted that there was an official who was busy on his phone in front of the client. The delegation requested that a report is required on this by 30 August 2019.

#### **6.4.3 The Electoral Commission (IEC).**

The delegation met with the IEC on 28 August 2019 at its Head Office in Centurion. The leader of the delegation made the opening remarks and indicated that the Committee was conducting oversight in order to enhance operations of the IEC. The IEC and the delegation made an introduction. After the introduction, the IEC Chairperson made introductory remarks and he indicated the IEC has just concluded an internal review of the 2019 National and Provincial Elections. According to the review, the IEC was ahead of most of its peers and South African democracy was maturing because there was less of intra-political conflict. South Africa should embrace digitization of processes that would eliminate a number of challenges. There was an improvement in the training of party agents and improved communication but the downside of the social media was the disinformation.

The Chief Electoral Officer (CEO) made the briefing on the overview of the Electoral. The CEO indicated that the IEC was established as an independent institution which was mandated to:

- Manage elections of national, provincial and municipal bodies.
- Ensure that those elections are free and fair; and
- Declare the results of those elections within a period prescribed by a national election which is within 7 days.

The CEO further indicated that the vision of the IEC is to be a pre-eminent leader in electoral democracy with Mission and Values. The Commission has five Commissioners appointed for seven years with a maximum of two terms. The prospective Commissioners are interviewed by a panel headed by the Chief Justice and heads of other Chapter 9 Institutions. The shortlisted candidates are sent to Parliament and the National Assembly recommends to the President the preferred candidates. The President designates the Chairperson and Vice-Chairperson.

He reported that there was 1020 permanent staff based at the National Office, nine provincial offices and local offices in the municipality (eight metropolitans and 226 local municipalities). The current vacancies are about 120. Of the 1020 staff, 534 were females which represented about 58 percent and 411 were males. Africans, Indians and Coloureds together represented 867 staff/ 94 percent and Whites were 55, which represented about 6 percent.

The IEC has already conducted six National and Provincial elections and four Municipal elections with an average of 100 by-elections per year. The next elections would be Municipal Elections between August and November 2021.

The IEC has already met with the Local Government to commence on the preparations for the general elections of municipal councils. Cabinet has appointed an Inter-Ministerial Committee on local government elections in order to support the IEC in the conduct of those elections. It was reported that the Minister determined and published the

formulae on 5 July 2019 for the determination of the number of councillors per municipal council. The MEC will now apply the formulae based on the number of registered voters and the MEC has until September 2019 to perform this function. Once this is done, the Municipal Demarcation Board (MDB) will start with the delimitation process and hand-over of the final wards by August 2020. The current five-year term of municipal council expires on 3 August 2021. The elections should take place between 4 August – 1 November 2021.

The Deputy Chief Electoral Officer responsible for Electoral Operations made the presentation. He indicated that the electoral operations are the core business of the IEC and interfaces with the public, including voters and political parties. He indicated that the election value chain is as follows: Voting district delimitation, voter registration, register political parties, administer contesting candidates and parties, voting and special voting, counting of ballots and lastly announcing elections results. He reported that there were 22 924 Voting Districts (VDs) which are servicing about 26,7 million registered voters. Each VD in urban areas has 3000 registered voters and no more than 7,5 kilometres walking to the station and rural VDs which has about 1200 registered voters and 12,5 kilometres walk to the voting station.

He further indicated that a person is eligible to register to vote if he or she is a South African citizen and must be 16 years and above. The citizen should be in possession of an ID document and must be ordinarily resident in a ward with an address. It was reported that voter details are verified against the National Population Register (NPR). The IEC continuously verifies voter's details against the NPR to determine any change changes such as Non-South African Citizen, those underage and deceased.

The Deputy Chief Electoral Officer responsible for Outreach Programme made the presentation and he indicated the programme is divided into two broad programs:

- Communication including media liaison;
- Civic, voter and democracy education including research on democracy and electoral processes.

In terms of the Communications, the Deputy Chief Electoral Officer outlined the following:

- Internal Communications: To promote knowledge and understanding of internal stakeholders through monthly awareness publications and email communications.
- External Communications: To promote knowledge and awareness of electoral processes through the mix of the following platforms: Outdoor Media. Digital media. Print. Television; and Radio.

The communication campaign was based on a theme and focus on the sector of RSA citizens while reaching everyone. For Elections 2019 the campaign was focused on young voters with the campaign slogan "XSE" Feedback on the campaign is very good and a number of young voters were able to relate to the campaign. XSE campaign featured in all our communication platforms in print, digital productions and voice radio. There is also an ongoing engagement with the following stakeholders:

- Stakeholder engagements and interactions with various community structure.
- Community education programs focusing on civic responsibility and civic participation including balloting.
- Sector focused on civic education and continuous liaison and interaction.
- Disability.
- Commercial Farmers.

Civic Education Research is conducted in areas of Electoral Democracy, documentation, areas of management, elections, democracy and politics. The voter turnout in the NPE was 66.05 percent and the target was 70 percent. Spoilt ballot paper was 1.25 percent against the target of 1.85 percent. It was reported that there was declining voter turnout for the general elections and it worsens with by-elections. The voter registration figures for youth was still below the desirable level.

The Deputy Chief Electoral Officer for Corporate Services made the presentation and indicated that the Corporate Services' functions are the following:

- Human Resources and Development
- Legal services
- Support services
- Information Technology

Human Resources and Development is responsible for maintaining the organogram, recruitment and selection of staff, recruitment and payment of electoral staff, employee assistance programs, performance management, labour relations, training of permanent staff, development of election training materials and training of electoral staff. It was reported that only 91 percent of the posts on the organogram were funded. There are currently 917 permanent staff and 59 fixed-term staff. During the electoral period, there were 198 721 staff appointed including 4 908 area managers.

Legal Services is responsible to:

- Institute and defend legal proceedings
- Draft and vet contracts and other legal documents
- Provide legal advice and draft opinions as required
- Draft legal notices and amendments to legislation and manage the process of publication thereof

- Investigate section 65 objections in respect of by-elections and make recommendations to the Commission

South Africa had no regulatory framework for the private funding of political parties before the Political Party Funding Act (PPFA) was approved by the President on 21 January 2019. Amongst other things, the PPFA was to:

- Prohibit certain donations made directly to political parties.
- To regulate disclosure of donations.
- To provide for administrative fines and criminal sanction.
- Establish a Multi-Party Democracy Fund (MPDF).

Regulations on PPFA were published in March 2019 for public comments and received 4 300 responses from the public, some substantive and some merely acknowledging the initiative. The Party Funding Committee sat on 26 August 2019 to look at all the recommendations made by the legal unit and once the regulations are finalized, they will be presented at the Political Liaison Committee (PLC). The Commission anticipates implementing the Act on the date to be agreed with the Presidency. The position of the Head of the unit has already been filled and the recruitment process of the next level of positions is currently underway.

The delegation was shown the servers and it was reported that there were 92 servers. During the National and Provincial Elections 2019, it was reported that there were several attacks, which were reported to be around 3000 from the United State of America, Canada and South America. All of them were unsuccessful.

The building also has also two Uninterrupted Power Supply units (UPS) and a generator. The generator kicks in within 3 seconds after the UPS when the power goes off.

#### **6.4.4 The Government Printing Works (GPW)**

The delegation met with the GPW on 29 August 2019 at its head office. The leader of the delegation made an introductory remark, then introductions were made which was followed by the briefing by the GPW management.

The GPW indicated it is a Government Component reporting to the Minister of Home Affairs. It was established in 1888 and it has 130 years' experience in government security printing. The mandated of GPW is to provide printing services to all Organs-of-State in South Africa and it receives no funding from Government. Its vision is to be the State's mandated security printing. The core business of GPW is security printing, non-security printing and gazette publications services

- Security Printing: Conceptualisation, design and production of face-value documents (Passport, Identification Documents, Examination papers, Vehicle licensing/registration forms & distribution to local authorities; Road Traffic Infringement blank documents; Firearm licenses; etc.
- Non-Security Printing: Layout, design and production of government official stationery and related documents (police case dockets, hospital registers, Annual Reports, Brochures, posters, information Pamphlets.
- Gazette Publication Services: The administration and publishing of official government notices in the Government Gazette.

It was reported that in 2013/14 and 2014/15, GPW received clean audits and from 2015/16 to 2017/18 it received unqualified audit opinions, however, it should be noted that in 2016/17 and 2017/18, the GPW paid a total amount of R400 million back to National Treasury. The top 10 customer of GPW as of 31 March 2019 are:

- Department of Home Affairs.
- South African Police Service (SAPS) Logistics Pretoria.
- Department of Education Limpopo.
- Department of Roads and Transport.
- Department of Basic Education National Head Office.
- Department of Higher Education & Training.
- Department of Education Kwa-Zulu Natal.
- eGazette Cash Sales Account.
- SAPS Division Visible Policing.
- State Information Technology Agency SOC Ltd (SITA SOC Ltd).

The main client for GPW is the DHA for which it prints the Identity documents and Smart ID Cards. It has the capacity to print 3 million Smart ID Cards annually on day shift and can also print 9 million Smart ID Cards per annum with more shifts. It can also print 1.2 million booklets per annum on day shift and 3 million booklets per annum on the day and night shifts. GPW can also print 276 000 examination scripts per day and package 840 000 scripts per day. GPW also published automated digital eGazette and converted manual processing to eGazette in 2015.

It was reported that GPW has begun to expand their footprint to SADC countries, however most countries have contracts with their former colonial occupiers. GPW partner with DHA and attend engagements from international visitors that would expose GPW to more business. GPW also conducts international visits to gain exposure and market GPW to targeted customers in order to increase their revenue base.

GPW is working with the DHA to finalize and tabling of the Security Printing Bill to Parliament. This will ensure that all security printing was ring-fenced. GPW is encouraging government departments to procure printing services from it so that it could increase its revenue base.

The delegation was taken on a tour of the Printing Factory, starting with the section of the DHA sections where: passport photos are enhanced, quality assurance of the passports is done, and documents are dispatched. This was followed by the tour of the passports printing and the Smart ID Cards printing section. The delegation was also taken to the high quantity printing section and examination sections. In all the sections, the security is very tight with cameras, security personnel and only staff that have been vetted.

The delegation was further taken to Bosman Street Printing Factory, where the non-security printing is done. In this factory, GPW prints and designs the eGazette and stationary. It was further reported that both the buildings at Visagie and Bosman Streets like all state buildings are owned by the DPW.

#### **6.4.5 Committee Observations.**

The Portfolio Committee on Home Affairs observed the following:

##### **The Department of Home Affairs.**

- The DHA was dependent on the DPW for office accommodation
- The DHA was dependent on SITA for ICT services and far too often the system was down at the frontline offices which impacts on service delivery.
- The DHA was underfunded by National Treasury, which also has an impact on service delivery.
- Some foreign nationals submit fraudulent documentation in the application for Permanent Residency and kept the same documents on appeals to high authority.
- The committee noted the 5<sup>th</sup> Parliament recommendation to proactively monitor the procurement and renewal process of contracts under the DHA and investigate related irregularities particularly in relation to Visa Facilitation Service (VFS), EOH and Fireblade Aviation.
- The Committee noted the need for an update on the Bosasa liquidation and appointment of new service providers as it relates to the operation of Lindela repatriation centre.

##### **The Electoral Commission.**

- The Committee was concerned about the municipal demarcation into wards every municipal election. Although an explanation was provided by the IEC. The Committee felt that some communities might not want to vote because of the demarcation.
- It appears that the IEC was not countering the fake news on social media.
- The zip zip machines are obsolete and needed to be replaced.
- The Committee was concerned about reports of double voting during the National and Provincial Elections 2019.
- The printing of ballot papers is subject to the PFMA.

##### **The Government Printing Works.**

- The Security Printers Bill was being prepared by the GPW and DHA to ensure that security printing for the state is ring-fenced and done by GPW.
- The GPW was marketing itself into the African continent to print its security documents.

## **7. COMMITTEE'S RECOMMENDATIONS**

Based on findings mentioned in this report during the oversight and engagement with the Department of Home Affairs (DHA), the Electoral Commission (IEC) and the Government Printing Works (GPW); the Portfolio Committee on Home Affairs recommends that the Minister of Home Affairs should:

### **7.1 Issues outstanding from the 2018 Budget Review and Recommendation Report**

#### **The Department of Home Affairs**

- 7.1.1. Submit budget and planning proposals to National Treasury to address the continued inability of the State Information Technology Agency to improve Information Technology challenges at the DHA, in particular the network downtimes and reliable power supply, for consideration in the Medium Term Budget Policy in 2019. In the interim, SITA is to report to the Committee on its interventions.
- 7.1.2. Report on the consequence management, as per the Public Finance Management Act, in relation to staff not complying with Supply Chain Management regulations; involved in corruption; irregular and fruitless expenditure, before the tabling of the 2018/19 Annual Report.
- 7.1.3. Report back on its investigations in relation to the AG provided list of persons with involvement in companies whilst in the employ of the DHA within seven days after the adopting of this report.
- 7.1.4. With regards to operations at Desmond Tutu Refugee Reception Office, report back on Counter Corruption Directorate investigations as well as engaging the Hawks to investigate and address syndicates that operate outside and within the office by June 2019.

- 7.1.5. Install a camera and microphone focusing outside the entrance of the Desmond Tutu Refugee Reception Office to address corrupt activities along with the relevant monitoring and counter corruption capacity by June 2019.
- 7.1.6. Report on the full reopening of refugee offices in Port Elizabeth and Cape Town as per court orders as a matter of urgency.
- 7.1.7. Prioritise the roll out of fully functioning mobile offices to improve service delivery.

### **The Government Printing Works**

- 7.1.8. The GPW should make a submission to Parliament to introduce a legislative provision for a governance structure before the end of 2019 given the organisation is remaining a Government component.
- 7.1.9. The DHA should be approached to sponsor the legislation needed by the GPW to formalise its status as a government component before the end of 2018/19 financial year.
- 7.1.10. The GPW should report on the implications of introducing legislative provisions for ring-fencing of certain government printing work prior to the tabling of such legislation at Parliament.
- 7.1.11. Continued failure to support the completion of GPW facilities beyond 2018/19 will result in the City of Tshwane and DPW being called to account to Parliament for their delays.
- 7.1.12. The appointment of the CEO of the GPW should be prioritised and reported to the Committee by the end of 2018.

## **7.2 Recommendations 2019/20**

Based on the continuous engagement with the Department of Home Affairs, the Government Printing Works and the Electoral Commission for the 2019/20 financial year, the Committee recommends the following to the Minister of Home Affairs:

### **Department of Home Affairs**

- 7.2.1 Resolve the matter of the system downtime by SITA with the Minister of Communications to address front office service delivery by the DHA and provide alternative solutions and related budget implications if not resolved by the end of the 2019/20 financial year.
- 7.2.2 Initiate the process to be exempted from the requirement to use the Department of Public Works and Infrastructure with regards to the procurement of DHA offices that are suitable for the Live Capture System prior to the 2019/20 Budget Allocation.
- 7.2.3 Engage more urgently with the Ministers of Finance regarding the cutting of funding to the already constrained DHA which is operating at less than half its ideal capacity, since it is significantly effecting service delivery, the correct statement of audit figures, as well as national security.
- 7.2.4 Outcomes of these deliberations to be reported to the Committee within one month of the tabling of this report.
- 7.2.5 Effect administrative and legislative changes to facilitate laying criminal charges against foreign nationals who submit fraudulent documentation in the application for Permanent Residence and report back in this regard by the end of the 2019/20 financial year.
- 7.2.6 Ensure that all undocumented migrants should be registered with the DHA and those who do not want to register are deported to their country of origin. Increased budget allocations for recruitment of Inspectorate Officials in the adjusted 2019/20 budget is critical in this regard.
- 7.2.7 Further motivate for funding over the Medium Term Expenditure period for completing the digitizing of paper based population records and cleaning of the National Population Register of duplicate, fraudulent and other irregular records.
- 7.2.8 Provide for funding for training of front office staff on the legislation governing the DHA, including for Department of International Relations and Cooperation staff at foreign missions handling visa and other DHA applications.
- 7.2.9 Provide the Committee with a written response, within 30 days of tabling this report, on the matter of the repeat offenders amongst staff and the related consequences as raised by the AG.
- 7.2.10 Ensure that the progress report on the litigation against the DHA should be forwarded to the Committee within 30 days, including categorization of cases which could be settled rather than going to court; in order to mitigate the trend of wasteful legal expenses and address large contingent liabilities.
- 7.2.11 Strive towards a clean audit opinion and better adhere to in-year audit plans. In particular, the impairment of departmental revenue in collecting of penalties and the reduction of irregular expenditure. Progress on audit plans and the Auditor General Management Letter must form part of all future quarterly performance reporting to the Committee.
- 7.2.12 Revive the need for working and providing services to clients on Saturdays in negotiation with National Treasury for funding and trade unions for staff interests prior to the end of the 2019/20 financial year. Consideration, in this regard should be given to the lost productive time for learners, businesses and employees as well as the essential nature of the services.
- 7.2.13 Address the issue of late payments to cut the cost of interest on late payments and report on this during the quarterly performance reports to the Committee.
- 7.2.14 IT governance issues should be addressed including, but not limited to, the urgent appointment of a Chief Information Officer before the end of the 2019/20 financial year.

- 7.2.15 Ensure as much increase in provision of services through banks as possible to ease congestion for the applications and collections of ID Cards and passports in the medium term expenditure period.
- 7.2.16 Rather than the proposed increase in funding to outsourced contractors from around R40 million to R120 million, consider employing more permanent staff in 2020/21.
- 7.2.17 Ensure that all trusted travellers are registered and all international airports are equipped with the e-Gate system by 2021 to improve efficiency without compromising on security.
- 7.2.18 Ensure funding in the medium term expenditure period for all mobile trucks to be modernised to issue Smart ID Cards and passports in the rural areas.
- 7.2.19 More health facilities should be equipped in the medium term expenditure allocations to register births within the required 30 days, ideally prior to the child leaving the hospital. Arrangements should also be made for the documentation provided to children of foreign migrants to be acceptable by schools.

### **The Electoral Commission**

- 7.2.20 Conduct more effective and extensive outreach programmes to youth in communities regarding the importance of voting in elections before the Municipal Elections in 2021.
- 7.2.21 Continue to engage with National Treasury for allocating sufficient funding for completing the harvesting of voter addresses before the Municipal Elections in 2021.
- 7.2.22 Increase efforts towards achieving a *clean audit* rather than continued *unqualified audits* in the plans of the IEC for 2021/22 onwards.
- 7.2.23 Move towards the roll out of live results and ensure constant communications with political parties and the media at the results operations centre by the end of the 2020/21 financial year.
- 7.2.24 Engage with the Municipal Demarcation Board (MDB) on the matter of minimizing the negative impact on voters during wards demarcation well before the Municipal Elections in 2021.
- 7.2.25 Improve on countering the proliferation of fake news during upcoming elections by 2021.
- 7.2.26 Engage with the Minister of Finance on the issue of the PFMA requirement for three quotations in relation to the printing of ballot papers considering the security concerns. The GPW should rather be considered for the 2021 Municipal Elections, in this regard, given its security printing credentials.
- 7.2.27 Ensure the IT refresh and purchase of new registration machines are procured and ready for use prior to the first registration weekends ahead of the 2021 Elections.
- 7.2.28 Provide detailed motivation and budgets for the procurement of permanent headquarters rather than continued payment of considerable rent prior to the end of the current lease agreement and in view of medium to long term financing.

### **The Government Printing Works.**

- 7.2.29 Ensure that the State Security Printers Bill is submitted to Parliament by the end of the 2019/20 financial year.
- 7.2.30 Engage with the Leader of the Government Business to ensure that all national government departments and state organs are encouraged to print their documents with the GPW prior to the passing of the State Security Printers Bill. Consideration should however be given to not negatively impact on small and medium size businesses in this regard.
- 7.2.31 Engage with counterparts in the Trade and Industry and International Cooperation departments to market the security printing capacity of the GPW on the African continent.
- 7.2.32 Ensure the GPW table their 2018/19 annual report in Parliament as a matter of urgency, if possible prior to the 23rd of October 2019 and also ensure timeous submission of future audits to not again miss the annual report deadline.
- 7.2.33 Consider the ring-fencing of GPW profit within the Home Affairs budget vote along the lines of the self-financing model introduced in the DHA.
- 7.2.34 Fund and fill the positions of CEO and CFO as soon as possible and no later than the end of the of the 2019/20 financial year.

Report to be considered.