

Portfolio Committee on Home Affairs 2021/22 Budgetary Review and Recommendation Report Dated 23 November 2021

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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 that 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. In this regard, the Portfolio Committee on Home Affairs (the Committee) oversees the Budget and Performance of the Department of Home Affairs (DHA), the Government Printing Works (GPW) and Electoral Commission (IEC).

The 2020/21 financial year Vote 5 budget allocation of R8.787 billion shows a decrease of 8% compared to the already reduced allocation of R9.527 billion in the previous financial year. The COVID-19 pandemic had an impact on some operations in particular on the Immigration and Civic Services. The Immigration branch had to downscale its operations in permitting and asylum seeker management. Further, there was an impact on VFS Global partnership when their offices were also closed because of lockdown regulations. Similarly, Civic services had to reduce services and implement COVID-19 regulations and protocols. This resulted in reduced capacity and space due social distancing. The closure of some offices and health facilities affected negatively on birth registration targets that we were achieved due to the implementation of overtime towards the end of the financial year. Overall the department was able to achieve 68% of its Annual Performance Plan targets although the targets had already been adjusted downwards albeit under very difficult conditions.

The DHA submitted its annual report on time as required by the Public Finance Management Act presenting to the Committee on 9 November with its third consecutive qualified audit with findings after late submission in 2020. The IEC in correspondence with the Committee indicated that they would submit their financial statements later than the end of September as required by the PFMA. The IEC tabled their report by 11 November 2021 presenting to the Committee on 16 November with an improvement in findings to a clean audit from a previous qualified report. In communication from the Minister of Home Affairs with the Committee at the end of September 2021, it was indicated that the GPW would again submit its financial statements significantly later (May 22, almost 9 months late) reportedly because of loss of financial data due to a power surge. The GPW instead presented its previous 2019/20 financial report to the Committee, one year later than required and with a disclaimer audit opinion.

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. Based on the oversight and legislative review of the Committee by November 2021, the 2021 State of the Nation Address, Annual Performance plans and Budgets within the broader National Development Plan 2030; the 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:

- 24 Committee Meetings and deliberations since the last BRRR, which includes briefings by the DHA, the IEC and GPW. In addition, the committee met with the Select Committee on Security and Justice, the State Information Technology Agency (SITA) and the Department of Communications and Digital Technologies (DCDT), the United Nations High Commissioner for Refugees (UNHCR), the South African Human Rights Commission (SAHRC) and the City of Cape Town (CoCT)
- Briefing and submissions by several public and private stakeholders and related consideration on 2 Electoral Amendment Bills as well as an Electoral Policy Reform workshop deriving from a Constitutional Court ruling requiring the allowance of independent political candidates.
- Scrutinising Strategic and Annual Performance Plans, the State of the Nation Addresses, policy documents, Estimates and revised estimates of National Expenditure, Medium Term Expenditure and budgets, quarterly reports and revised allocations, as well as other external briefings and reports.
- Conducting 2 oversight visits to Kwazulu Natal and Gauteng after incidents of civil unrest as well as to the Government Printing Works in Pretoria after issues raised by staff about management.
- Committee Members' engagement in their constituencies and electronically.

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's budget 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

2.1 Strategic Plan Outcome Targets 2020 to 2025

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 2025:

Outcome	Indicator	Baseline 31 March 2020	5 Year Target (2025)	Responsible
Secure management of international migration resulting in South Africa's interests being served & fulfilling international commitments	Risk-based & strategic immigration approach implemented against predetermined measures that ensure sovereignty, national security, public safety, stability & development	BMA legislation enacted.	BMA incrementally rolled out as per the BMA Roadmap 2032 to: <ul style="list-style-type: none"> • 36 ports of entry • 10 segments of the land borderline & 2 community crossing points 	Border Management Authority (BMA)
		Transaction Advisor appointed for the redevelopment of 6 priority land ports of entry.	Construction & redevelopment of six land ports of entry as one-stop border posts completed by 2025.	BMA
		<ul style="list-style-type: none"> • BMCS piloted at 2 additional ports of entry • Draft Immigration Bill (including amendments to the Refugees Act) submitted to Minister for approval 160 law enforcement operations/ inspections conducted to ensure compliance with immigration & DHA legislation.	A risk-based & strategic approach to immigration implemented in respect of: <ul style="list-style-type: none"> • Legislation implemented to support the White paper on International Migration Secure entry, documented stay & departure of persons through the rollout of biometric functionality & law enforcement operations.	(Immigration Services & Information System (IMS / IS))
Secure management of international migration resulting in South Africa's interests being served & fulfilling international commitments	Risk-based & strategic issuing of visas & permits against predefined, percentage-based targets to grow the economy by 2024/25	100% compliance with set service standards for: <ul style="list-style-type: none"> • Permanent residence permits • Business & general work visas • Critical skill visas 	100% compliance with set service standards for risk-based & strategic issuance of visas & permits to grow the economy by 2024/25 as outlined in the annual performance plans for: <ul style="list-style-type: none"> • Permanent residence permits • Business & general work visas • Critical skill visas 	IMS

Outcome	Indicator	Baseline 31 March 2020	5 Year Target (2025)	Responsible
	Risk-based & strategic visa system implemented	The pilot of e-Visa (Phase 1 - temporary residence visa for tourist module) in 6 missions	E-Visa rolled out to all selected countries (106) by 2025	IS
Secure & efficient management of citizenship & civic registration to fulfil constitutional & international obligations	Percentage of identified citizens & holders of PR permits to which enabling documents are issued by 2024/25.	100% (3 810 000 - Smart ID cards)	Enabling documents issued to 100% of identified citizens (including naturalized citizens) & holders of permanent residence permits (births registered within 30 calendar days & smart ID cards issued to a projected 19 050 000 by 2025).	Civic Services (CS)
	Legislation in operation in respect of the new Marriage Act	Green Paper on the recognition of marriages submitted to the Minister for approval.	New Marriage Act implemented to regulate all marriages.	Infrastructure Planning & Support (IPS)
	Percentage of compliance with service standards set for adult passports issued (new live capture system) by 2024/25.	100% compliance with set service standard	100%	CS
Efficient asylum seeker & refugee system in compliance with domestic & international obligations.	Effective & efficient recording & monitoring of asylum seekers & refugees.	New PI	Asylum Seeker & Refugee System implemented	IS
Secure population register to empower citizens, enable inclusivity, economic development & national security.	National Identity System (NIS) operational as per requirements.	Specifications for NIS approved by DG.	NIS is operational by 2025.	IS
	Legislation in operation to regulate the collection, storage, accessing & processing of personal information.	Official Identity Management Policy submitted to Cabinet for public consultation	Population Register Act implemented to regulate the collection, storage, accessing & processing of personal information	IPS
DHA positioned to contribute positively to a capable & developmental state.	Measures implemented to reflect a repositioned DHA that contributes positively to a capable & developmental state.	White Paper on Home Affairs approved by Cabinet for implementation in December 2019.	DHA Act implemented to effect the repositioning of the department as a secure & modern department.	IPS
		A final draft of the DHA Bill submitted to Cabinet for approval for public consultation.		
		New PI	Service Delivery Model implemented in line with repositioned DHA.	IPS
		DHA Access model approved by MMM	DHA Access Model implemented in support of the repositioning of the DHA.	IPS

Outcome	Indicator	Baseline 31 March 2020	5 Year Target (2025)	Responsible
		Communication Strategy implemented as per the communication plan.	Communication Strategy implemented as per the communication plan.	IPS
		Counter corruption strategy implemented as per set targets	Counter Corruption Strategy for DHA implemented in terms of initiatives outlined in Annual Performance Plans.	Counter Corruption & Security Service (CCSS)

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

The major focus of the NDP remains the same from previous years given the long term, 2030, scope of the NDP and 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 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.

3. 2021/22 ANNUAL PERFORMANCE PLAN (APP) AND BUDGET OF THE DHA

3.1 The implications of the COVID-19 pandemic on the mandate of the DHA

The declaration of a national state of disaster and the implementation of a risk adjusted strategy to deal with the COVID-19 pandemic in March 2020 impacted on the strategic planning process for the 2021 to 2024 period as well as the day-to-day operations of the DHA. In addition to the COVID-19 pandemic, which brought about its own level of complexity and risks, a number of other factors were also considered in the 2021/22 annual and 2021/24 strategic planning process namely:

- a) The reduction of the DHA vote baseline for 2021 to 2024 by R3.2 billion over the MTEF period. This includes a R2.4 billion cut in the compensation of employees' budget. The capacitation of certain critical areas in the DHA (such as Information Services, Policy and Legal Services) remain a top priority if the DHA is to meet its strategic agenda.
- b) The emerging of new priorities, for example developing a new policy on Nationality (Citizenship), International Migration and Refugee Protection.
- c) The assenting to of the Border Management Authority (BMA) Act by the President in July 2020 and the impact thereof on the DHA.
- d) The continued implementation of the DHA Repositioning Programme and specifically the proposed introduction of a repositioning programme management office (PMO) to drive this programme.

For the 2021/22 strategic planning cycle, the DHA continued with the scenario approach for target setting due to the prolonged effect of the COVID-19 pandemic. The setting of civic and immigration service targets is accompanied by a high level of risk such as the possibility of the country or sections of the country reverting back to previous lockdown levels, a second or even further spikes in the infection rate and the possible closure of a significant number of DHA offices / health facilities / offices of business partners due to the prevalence of COVID-19.

The centrality of DHA service delivery to government was once again realised during the COVID-19 pandemic with certain DHA services being rendered despite the lockdown level. Under lockdown level 5, the following services were rendered, namely:

- Registration of deaths at local Home Affairs' offices.
- Issuing of Temporary Identity Certificates (TICs) at local Home Affairs' offices. Those who had lost or misplaced their identity documents / smart ID cards had to apply for the TICs in this period as applications for identity documents / smart ID cards were not accepted.
- Reissuing of birth and death certificates for those who had misplaced or lost their documents.
- Ports of entry operations for delivery of cargo for essential economic and medical supplies as well as the repatriation of South African and foreign nationals to their respective countries to re-unite with loved ones to cope with the pandemic.

In the rendering of limited DHA services, the Department reported in its Annual Plan for 2021/22 that they had a significant impact on the lives of ordinary citizens. The onset of the pandemic has tested the DHA's ability to respond quickly and effectively to any threat to its services. Balancing the safety of employees and clients whilst rendering essential services proved to be a challenging experience in the absence of any blue print to deal with similar situations. The importance of good communication channels and practices to communicate with all levels of staff in

the absence of physical contact was realised. The client base of the DHA is huge and diverse. Every South African citizen and foreigner is a client of the DHA as the DHA is the sole provider of official identity and immigration services. The DHA maintains a large footprint to serve its client base with:

- More than 400 frontline offices of which 195 have been modernised to issue smart ID cards and passports;
- Services rendered at 391 health facilities equipped for birth and death registration;
- 26 banks hosting DHA service points using an online “e-Home Affairs”;
- A presence at 72 ports of entry and 32 missions abroad;
- 4 premium visa and permit centres;
- 5 refugee reception offices and 1 repatriation centre; and
- A fleet of 100 mobile offices to service rural and remote areas. The fleet is equipped with a new live capture system for processing and issuance of smart ID cards and passports.

A key realisation from the COVID-19 pandemic is that the DHA will need to review its service delivery and operating model as well as its access strategy to adapt to the “new normal” brought about by the pandemic. These models must find ways in which the DHA is to service its clientele in a more effective, efficient and secure manner. The focus on technology will be central for the DHA going forward.

3.2 Annual Performance Plan 2021/22

The DHA has set out several strategic priorities in the Strategic Plan for 2019 – 2024 and a set of planned annual targets in the APP for 2021/2022. This section analyses the Departments 2021/22 APP per programme and the budget allocated to achieve the annual targets. In addition to identifying projects, targets and performance indicators were analysed to determine whether they are specific, measurable, achievable, relevant and time-bound (SMART). The annual targets for the 2021/2022 financial year are presented below.

Programme 1: Administration

The Administration programme covers all functions of the DHA that support its core business, such as policy, governance, finance, human resources (HR) management and security. It is also responsible for the provision of Information Communication Technology (ICT) infrastructure, accommodation, transport and the keeping of records.

The table below provides the analysis of selected Programme 1 performance indicators and targets for the 2021/22 financial year. It should be noted that for 2021/22, programme 1 has 15 annual targets, but only 8 annual targets and performance indicators were selected for analysis.

The Department had already commenced with the piloting of the e-Visa regime in Kenya. As a result, the e-Visa system outcome appears for the second year running in the APP. The ongoing phase 2 implementation was supposed to have been implemented during 2020/21. However, due to the Covid-19 restriction, this performance indicator was postponed to the 2021/22 financial year.

The Department also target to roll-out the Biometric Movement Control System (BMCS) in 23 ports of entries by the end of the financial year. The BMCS is a new system that will replace the Enhanced Movement Control System (eMCS) used to track the movement of citizens and foreign travelers entering and departing South Africa at all ports of entry. The new system will interface with the e-Visa system which will confirm visa compliance, where applicable. It will further identify undesirable travellers and confirm citizens against the Automated Biometric Identification System (ABIS).

The introduction of the National Identity System (NIS) in the table below is intended to replace the outdated National Immigration Information System (NIIS). The NIS will be developed into a live capture system and integrated with other DHA systems. This system will register the demographics and biometrics of asylum seekers and facilitate the adjudication of their cases with the option of referral to other bodies if denied. This performance indicator complies with the SMART principle as per Treasury guidelines. As a result, the Department target is to complete the drafting of the technical specifications by the end of the third quarter and the live capture prototype to have been completed by the end of the financial year.

Programme 1 performance indicators and annual targets.

Strategic Outcome: Secure management of international migration resulting in South Africa's interests being served and fulfilling international commitments			
Output	Output Indicator	Estimated Performance 2020/21	Annual Target 2020/21
Biometric functionality implemented at ports of entry equipped with Enhanced Movement Control System	Number of selected ports of entry with biometric movements (BMCS) implemented as per approved specification	BMCS partially rolled out to 4 airports	23
e-Visa system designed and implemented (Phased approach)	e-Visa modules quality assured as per approved specifications (phased approach).	e-Visa phase 1 (Tourist TVR) integrated with: Advanced Passenger Processing (APP) Payment Gateway Central List Orchestration	<ul style="list-style-type: none"> • e-Visa phase 2 module development onto live capture and deployment in Quality Assurance (QA) environment: • Temporary Residence Visas • Critical skills and Business visa • Permanent Residence

Source: DHA APP (2021)

Strategic Outcome: Efficient asylum seeker identity and refugee system in compliance with domestic and international obligations			
Output	Output Indicator	Estimated Performance 2020/21	Annual Target 2020/21
Components of the National Identity System (NIS) designed and operationalised.	<ul style="list-style-type: none"> • Implementation of Asylum Seeker and Refugee system by 2023/24 • ABIS in full operation by 2022/23 • Case management system quality assured as per specifications (2023/24) 	Service provider contracted to develop Asylum Seeker and Refugee System	Asylum Seeker and Refugee system developed onto live capture-Prototype.

Strategic Outcome: Efficient asylum seeker identity and refugee system in compliance with domestic and international obligations/Secure population register to empower citizens, enable inclusivity, economic development and national security			
Output	Output Indicator	Estimated Performance 2020/21	Annual Target 2020/21
Policy and Legislation developed in support of repositioned DHA	Promulgation of DHA Bill	DHA Bill gazetted for public consultation	DHA Bill submitted to Cabinet for Approval
	Submission of Official Identity Management Policy to Cabinet for approval	Official Identity Management Policy submitted to Minister for submission to Cabinet	Official Identity Management Policy submitted to Cabinet for approval
	Submission of the Citizenship, Immigration and Refugees Bill to Cabinet for approval	Policy Discussion Paper on Citizenship and Civil Registration submitted Minister for approval. Policy Discussion Paper on International Migration and Refugee Protection submitted to Minister for approval	Green Paper on the Management of Citizenship, International Migration and Refugee Protection submitted to Cabinet to request approval for public consultation

Source: DHA APP (2021)

The three output indicators and annual targets in table 4 above comply with the SMART principles as per Treasury regulations because they are measurable. In the quest to improve the policy and Legislation in support of repositioning the DHA, the Department has estimated that it would have gazetted the DHA Bill for public consultation by the end of the previous financial year. The Annual Report is due in September 2021 and it will confirm if the Department has achieved this annual target or not. For the current financial year, the Department's annual target is to submit the DHA Bill to Cabinet for approval.

In line with repositioning the DHA agenda, the Department also planned to submit the Official Identity Management Policy to Cabinet for approval and also submit the Green Paper on management of Citizenship, International Migration and Refugee Protection to Cabinet for approval and public consultation. These three performance indicators and annual targets are also compliant with SMART principles.

The DHA Bill is intended to be the anchor legislation in the form of Home Affairs Act which is aimed to provide a coherent legal framework for a repositioned DHA to deliver on a mandate appropriate for a sovereign state that has a constitution founded on democracy, inclusion, social justice, development, peace and security. On the other hand, the identity management framework (policy and Legislation) is needed to address how the DHA will regulate the manner in which personal information will be processed by establishing conditions that meet the minimum threshold requirement for lawful processing of personal information.

Programme 1 Performance indicators and annual targets

Strategic Outcome: DHA positioned to contribute positively to a capable and developmental state			
Output	Output Indicator	Estimated Performance 2020/21	Annual Target 2020/21
Strategic communication interventions implemented through the DHA Communication Strategy and Action Plan	Compliance with a set number of interventions implemented in support of Communication Strategy and Action Plan	DHA Communication Strategy and Plan implemented through: 20 Media engagements 6 Outreach engagements 3 Campaigns	DHA Communication Strategy and Plan implemented through: 20 Media engagements 6 Outreach engagements 3 Campaigns
Revised Service Delivery Model implemented in line with a repositioned DHA	Phased implementation of the revised Service Delivery Model	Tender for the appointment of the service provider for the development of the Service Delivery Model advertised	Revised Service Delivery Model approved by Minister
DHA Gender-based Violence and Femicide Strategy implemented	Number of awareness sessions on gender-based violence and femicide, gender and disability mainstreaming conducted	New Performance Indicator	13

Source: DHA APP (2021)

The DHA is in the quest of improving its image by positively positioning itself to its stakeholders. Consequently, the Department communication unit plans to have 20 media engagements, 6 outreach engagements and 3 media campaigns. These annual targets are the same as the previous financial year and comply with the SMART principles of the Treasury regulation.

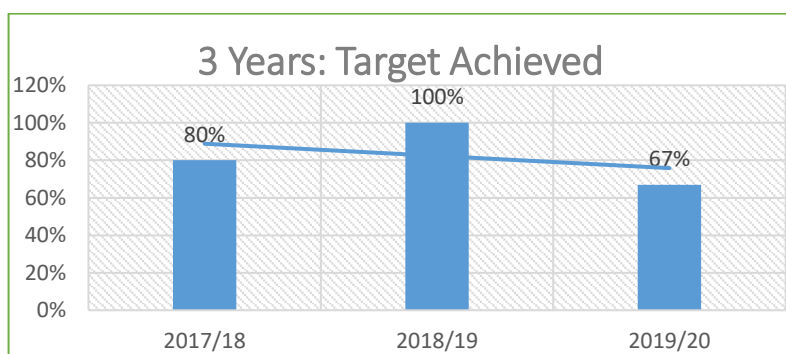
The DHA also intends to revise its Service Delivery Model and have it approved by the Minister by the end of the financial year. The Department should be commended for introducing a new output indicator which is to conduct 13 awareness sessions on gender-based violence and femicide, gender and disability mainstreaming as mandated by the Presidency that all government departments must comply with the National Strategic Plan on Gender Based Violence and Femicide: 2020-2030.

Programme 2: Citizen Affairs

This programme aims to provide secure, efficient and accessible services and documentation for the citizens and lawful residents. Citizen Affairs covers the activities of the Civic Affairs Branch at the national and provincial level. This involves providing and managing identity and status services for citizens, permanent residents, and persons accorded refugee status.

The Civic Affairs branch has achieved two (2) out of the planned three (3) annual targets during the 2019/20 financial year, translating to 67% annual performance target achievement. During this financial year, the Civic Affairs programme was not successful in achieving 33% of its annual targets. Compared to the two previous financial years (2017/18 and 2018/19), the Civic Affairs branch performance has declined significantly as it had achieved 80% and 100% of its annual planned performance targets, respectively, as illustrated in figure 1 below.

3 years Civic Affairs annual target performance (2017/18 -2019/20)



Source: DHA, adapted by Research Unit

The tables below provide the analysis of programme 2 outputs indicators and targets for the 2021/22 financial year. Programme 2 (Civic affairs) strategic outcome is **to secure and efficiently manage citizenship and civil registration to fulfil constitutional and international obligations**. Unlike in the previous financial year when the programme had a total of 3 output indicators and 3 annual targets, in 2021/22, it has 4 output indicators and 4 annual targets.

All indicators on programme 2 comply with the SMART principle. The first three output indicators, as depicted in table 9 below, remain the same as the two previous financial years, but the last indicator is a new indicator in the programme.

For the 2021/22 financial year, the programme has revised its annual targets in response to Covid-19. During the start of the 2020/21 financial year, the programme had targeted to register 810 000 birth within the first 30 days of birth. However, this target was revised down to 700 000 due to Covid-19 related adjustments in the revised APP for 2020/21. It is not clear if the Department has managed to achieve the previous year, adjusted annual target, as the Annual Report is only due in Parliament in September 2021.

Taking Covid-19 restrictions into consideration when planning for 2021/22, the Department has reduced its annual target of registering birth within 30 days to 700 000 for 2021/22 if it operates at 100% staff capacity. However, this target is reduced in various levels of Covid-19. For instance, if the Department is forced to operate at 75% functional capacity, the target is reduced to 525 000 and 233 100 at 33% functional capacity.

Programme 2 performance indicators and annual targets.

Output Indicator	Annual Target Achievement 2019/20	Estimated 2019/20 Achievement	Annual Target 2021/22
Number of birth registered within 30 days	845 253	700 000	700 000
Number of smart ID cards issued to citizens (including naturalised and holders of permanent residence permits) 16 years of age and above	2 816 544	750 000	1 600 000
Percentage (%) of machine-readable adult passports (new live capture) issued within 13 working days (from date of receipt of the application until the passport is scanned at the office of application)	95.88%	70%	90%
Submission of Marriage Bill to Parliament for approval	N/A	Draft Marriage Policy Gazetted for Comments	Marriage Policy submitted to Cabinet for approval

Programme 2 had planned to issue 3 million smart identity documents in the 2020/21 APP but revised the target to 700 000 in response to Covid-19 when it revised its APP. The Annual Report is expected to be tabled during September 2021, and it will indicate if the Department was able to achieve its revised annual target.

For the 2021/22 financial year, the DHA has decreased its annual target to 1.6 million in anticipation of Covid-19 related interruptions. The 1.6 million smart identity cards is an increase from the last financial year revised annual target of 700 000 as demand is expected to increase due to Local Government Elections on 27 October 2021. The

DHA has also planned for various scenarios of Covid-19 related interruptions. Should the Department be operating at 75% functional capacity, the annual target will be reduced to 1.2 million; 50% capacity reduces the target to 800 000, and 33.3% reduces the target to 532 800. No smart identity documents will be offered during alert level 2 to 5.

Programme 2 had also planned 90% of machine-readable adult passports to be issued within 13 working days in the previous financial year, but this annual target was revised down to 70% due to Covid-19. The actual performance for the 2020/21 financial year will be available once the Annual Report is tabled during September 2021.

For the current financial year, the DHA has kept the annual target at 90% of machine-readable adult passports to be issued within 13 working days should it operate at 100% capacity. The targets are reduced according to Covid-19 alert levels and available staff capacity. For instance, this service will not be rendered during alert level 4 and 5.

The new performance indicator for Programme 2 is the submission of the marriage policy to Cabinet for approval by the end of the 2021/21 financial year. The new Marriage Act will enable South Africans of different sexual orientation, religious and cultural persuasions to conclude legal marriages that will accord with the doctrine of equality, non-discrimination and human dignity as encapsulated in the Constitution of RSA.

Programme 3: Immigration Affairs

This programme aims to facilitate and regulate the secure movement of people through the ports of entry into and out of the Republic of South Africa. The programme is also responsible for determining the status of asylum and regulate refugee affairs.

Programme 3 (Immigration affairs) strategic outcome is **to secure and efficient management of international migration resulting in South Africa's interests being served and fulfilling international commitments**. Unlike in 2020/21, when the programme had 6 output indicators, it has 4 output indicators for the 2021/22 financial year (table 11 below).

As reported in the 2019/20 DHA Annual Report, the Immigration Affairs programme was the best performing and most improved branch in the Department. It had planned six (6) annual performance targets for 2019/20, and it achieved all its targets. This translates to 100% target achievement. Compared to the two previous years, the Immigration Affairs branch achieved 90% during 2017/18 and 78% in 2018/19, indicating an above average performance for three consecutive years. The annual targets for 2021/22 financial year are depicted on the table below.

For 2021/22, the Department set itself an annual target of 220 law enforcement operations/inspections. This indicator aims to ensure that undocumented persons are documented and are not unlawfully employed in South Africa, as they do not comply with the law. This target will remain the same in all Covid-19 alert levels.

The Department also targeted 85% and 90% of critical skills and business visas adjudicated within 4 weeks and weeks of application. These visas should have been applied within the country, and the application process is facilitated through the VFS. All the performance indicators comply with the SMART principles and their measurable.

Programme 3 Immigration: Strategic Outcomes and Annual Targets

Output	Output Indicator	Estimated Performance 2020/21	Annual Target 2021/22
Enforcement of compliance of departmental Legislation through law enforcement operations/inspection	Number of law enforcement operations/inspections conducted to secure compliance with immigration legislation	220	220
Permanent residence permits adjudicated according to set standards	Percentage (%) of permanent residence applications adjudicated within 8 months for applications collected within the RSA(from date of receipt of the application until outcomes is in scan at VFS Centre-office of application)	20%	85%
Temporary residence visas adjudicated according to set standards	Percentage (%) of critical skills visas adjudicated within 4 weeks for application processed within the RSA (from date of receipt of application until outcomes is in scan at VFS Centre-office of application)	82%	85%

	Percentage (%) of business and general work visas adjudicated within 8 weeks for application process within the RSA (from date of receipt of application until an outcome is in scan at VFS Centre-office of application)	90%	90%
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Source: DHA APP (2021)

Programme 4: Institutional Support and Transfers

The Institutional Support and Transfers appears for the first time as a stand-alone programme. Funding of the BMA was budgeted for in programme 1 while the Electoral Commission and Represented Political Parties fund was previously planned and budgeted for on Programme 2, *Institutional Support* sub-programme. The purpose of this new programme is to transfer funds to the Electoral Commission and Represented Political Parties Fund, which manages national, provincial and local government elections to ensure those elections are free and fair. The programme will also transfer funds to the Border management Authority to ensure south Africa's borders are effectively defended, protected, secured, and well-manged.

The BMA Act (No 2 of 2020) has finally assented into law, and it is effective as of 1 January 2021. The annual target for the 2021/22 financial year is to incrementally roll out BMA to 11 land ports of entry by integrating frontline immigration personnel, port health, etc. In line with the BMA roll out, the Department target to gazette the One Stop Border Post (OSBP) policy for public comments and finalise the contractual agreement with the contracted bidders to develop the six priority borders where the OSBP will commence. The OSBP concept is an infrastructure intervention aimed at improving efficiencies and security at ports of entry in respect of goods and people movement, and promoting economic development through the establishment of the OSBP.

Programme 4 Institutional Support: Border Management Strategic Outcomes and Annual Targets

Output	Output Indicator	Estimated 2020/21 Performance	Annual Target 2020/21
BMA incrementally rolled out at selected ports of entry, designated segments of the land border law enforcement area and community crossing	Number of ports of entry, land border law enforcement area segments and community crossing points with incremental BMA roll-out	BMA Act No 2 of 2020 assented by the President	<ul style="list-style-type: none"> BMA incrementally established BMA incrementally rolled out at 11 ports of entry by incorporating frontline immigration, port health, border facility management and agriculture functions into the BMA BMA incrementally rolled out in phases along 5 segments of the land border law enforcement area (RSA/Zimbabwe; eManguzi; skukuza; KZN/eSwatini; and Mpumalanga/eSwatini) BMA rolled out to 1 community crossing point
Measures introduced to drive intelligence and risk-led border management	The incremental roll-out of the National Targeting Centre (NTC) as per the NTC Establishment Plan	NTC business case approved by Minister	NTC incrementally established commencing with the establishment of an interim NTC
Public-Private Partnerships (PPP) concluded to redevelop six land ports of entry	Development of the six (6) land ports of entry	Multiple preferred bidders appointed for the redevelopment of six priority land ports of entry	Financial and contractual closure reached with the appointed bidders regarding the redevelopment of the six priority land ports of entry.
Policy and legislation development in support of risk-based and developmental approach to immigration	Submission of OSBP Bill to Parliament for approval	One-Stop –Border-Post (OSBP) Policy gazetted for public comments	One-Stop Border Post (OSBP) policy gazetted for public comments

Source: DHA APP (2021)

3.3 DHA BUDGET 2021/22

In this budget allocation, the Department of Home Affairs (hereinafter the DHA or the Department) is located on Vote 5 of the Estimates of the National Expenditure (ENE). The Minister of Finance delivered the 2021/22 financial year budget outlining government priorities on 24 February 2021. The budget vote and the DHA's Annual Performance Plans (APP) assist Parliament to effectively perform its oversight function over the department for the financial year ahead and forecast the probability of success in relation to its strategic objectives in the MTEF.

Over the medium term, the DHA will focus on establishing and incrementally operationalise the BMA to secure international migration, continue with its IT modernisation programme to expand its client interface, and ensure the timeous issuing of permits and visas.

The 2020/21 financial year budget supports the long-standing policy priorities of the DHA. Some of the key highlights of Vote 5 are summarised below.

The DHA will incrementally implement the BMA during the MTEF. The BMA Act (No.2 of 2020) has since come into effect on 1 January 2021. Consequently, the BMA budget has been doubled from R 20 million in the previous financial year to R 40 million for the 2021/22 financial year. An amount of R 124.9 million has also been set aside over the MTF period.

In line with the implementation of the BMA, the DHA plans to redevelop and modernise six priority land ports of entries in the form of the One-Stop Border Post concept. The priority borders are Beitbridge, Maseru Bridge, Kopfontein, Lebombo, Oshoek and Ficksburg. An amount of R 1.8 billion has been set aside in the Administration programme to ensure related activities are carried out to complete this project over the MTF.

The DHA will continue with the modernisation project of its IT systems. The department has been able to automate its business processes and products. Most significantly, this has made capturing information and images, digitising supporting documents, and issuing enabling documents more efficient. The department will continue with the modernisation programme and has allocated R3 billion over the MTEF.

The DHA has continued to prioritise the timeous issuing of permits and visas. The timeous issuing of permits and visas enables economic growth and removes impediments to foreign investment. Accordingly, the department plans to continue implementing the visa simplification process, through which certain low-risk countries will benefit from visa waivers and relaxed conditions and rolling out electronic visas.

For the 2021/22 financial year, the Department receives an allocation of R 8.7 billion compared to the R 8.8 billion special adjusted allocations of 2020/21. As stated previously, the adjusted budget includes revenue generated through the issuance of civil documents. Without inflation (nominally), the Department's budget decreases by 1.1 % from the previous year. This allocation is much lower in real terms as the Department allocation is 5.1 % lower than the previous year's budget. This allocation translates into a decrease of R 447.3 million in real rand value. The Department's responsibilities keep increasing considering the BMA, One-Stop-Boarder-Post and modernisation of its IT infrastructure; however, its budget has decreased in real terms for the past three financial years.

Overall Budget 2020/21 and 2021/22 – Department of Home Affairs Source: National Treasury (2021)

Programme	Budget		Nominal Increase / Decrease in 2021/22	Real Increase / Decrease in 2021/22	Nominal Percent change in 2021/22	Real Percent change in 2021/22
R million	2020/21	2021/22				
1. Administration	R2 358,8	R2 266,6	-R92,2	-R183,6	-3,91%	-7,78%
2. Civil Affairs	R2 832,9	R2 552,4	-R280,5	-R383,4	-9,90%	-13,53%
3. Immigration Affairs	R1 304,4	R1 454,3	R149,9	R91,3	11,49%	7%
4. Institutional Support and Transfers	R 2 291,3	R 2 417,1	R125,8	R28,4	5,49%	1,24%
TOTAL	R 8 787,4	R8 690.4	-R97,0	-R447,3	-1,10%	-5,09%
Nominal Increase/Decrease		Is when inflation is not taken into account				
Real Increase/Decrease		Is when inflation is taken into account				

Only two of the Departments four programmes show a real increase in the current financial year. The Immigration Affairs branch shows a real increase of R 91.3 million or 7%, while the Institutional Support and Transfers Programme shows a slight real increase of R 28.4 million or 1.2%. The slight budget increase in the Institutional Support and Transfers could be attributed to the implementation of the One-Stop Border Post, BMA and the Electoral Commission hosting Local Government elections, whilst the increase in the Immigration Affairs could be attributed to the implementation of the E-Visa regime and the procurement of the Advanced Passenger Processing System.

Both Administration and Civil Affairs programmes have been allocated a smaller budget compared to the last financial year. However, given that the Department's revenue collected will be appropriated in September 2021, its respective programme budgets will likely increase.

The Administration Programme budget is reduced by R 183.6 million or 7.78% in real terms when considering inflation. Programme 2: Civil Affairs experiences a significant budget reduction by R 383.4 million or 13.53 % in real terms.

In terms of economic classification, the Vote's main cost drivers are the compensation of employees (COE), which cost the Department R 3. 469 billion or 39.9% and goods & services at R 2,824 billion or 32.49%.

Both SONA 2021 and the Budget Speech have indicated the government's dire fiscal constraints; therefore, it is not surprising that government expenditure is reduced almost across the board. Therefore, Parliament should request mitigating measures to the potential risk due to budget cuts, especially with the implementation of the BMA, One-Stop Border Post and its modernisation project. The Department should explain how it would fund the recruitment of the personnel requirements at the BMA considering Cabinet's decision to reduce the COE by an average of 0.6% over the MTEF from R 3.6 -13824 in 2020/21 R3.5 billion in 2022/23.

3.3.2 DHA Budget per Programme

Programme 1: Administration

As Table 3 below depicts, the Administration programme receives R 2.3 billion for 2021/22 compared to an adjusted appropriation of R 2.4 billion the previous year. The current allocation translates into a decrease of 3.9% or R 92.2 million in nominal terms and 7.8% or R 183,6 million in real terms. The Management Support Services and Office Accommodation sub-programme is the only sub-programme that receives an increase under programme 1. The former receives an increase of R 10.9 million or 6.2%, while the latter receives R 112.1 million or 25.1%. The Office Accommodation sub-programme increases are intended to fund the BMA and One-Stop Border Post office space requirement.

The other three sub-programmes receive a reduced allocation in both nominal and real terms for the current financial year. The Corporate Services and the Ministry sub-programmes receives the biggest decreases in real terms as they decrease by R 162.4 million or 26.9% and R 7.1 million 19.6%, respectively. The Transversal Information sub-programme also receive a reduced budget from R 1.1 billion in the previous year to R 1 billion in the current year. This decrease translates to R 137.1 million or a 12.4% budget cut in real terms.

Programme 1: Administration

Programme	Budget		Nominal Increase/ Decrease in 2021/22 (Rand)	Real Increase/ Decrease in 2021/22 (Rand)	Nominal Percent change in 2021/22	Real Percent change in 2021/22
R million	2020/21	2021/22				
Ministry	36,4	30,5	-5,9	-7,1	-16,21%	-19,59%
Management Support Services	175,6	194,3	18,7	10,9	10,65%	6,19%
Corporate Services	601,7	475,8	-143,9	-162,4	-23,92%	-26,98%
Transversal Information	1098,4	1001,7	-96,7	-137,1	-8,80%	-12,48%
Office Accommodation	446,7	582,3	135,3	112,1	30,36%	25,10%
TOTAL	2 358,8	2 266,6	-92,2	-183,6	-3,9%	-7,78%

Programme 2: Citizen Affairs

The Citizen Affairs branch is responsible for providing secure, efficient and accessible services and documents to citizens and lawful residents. It ensures that entry to the population register happens within 30 days of a child's birth. It maintains the number of smart identity cards, and it has a target of 3 million per year. It also targets to issue 90% of machine-readable adult passports through the new live capture process within 13 working days.

The Citizen Affairs branch budget declines from R 2.8 billion in 2020/21 special adjusted allocation to R 2.6 billion in the 2021/22 financial year. This is a reduction of R280.4 million or 9.9% in nominal terms and R 383.3 million or 13.5% in real terms. The Status Services is the only sub-programme to receive a reduced budget in the programme as it is significantly reduced by R 502.7 million or 85.3% in real terms.

The Citizens Affairs Management sub-programme received the most considerable increase in real percentage terms after being allocated an increase of R 18.7 million, equivalent to a 311.1 % increase. The Identification Services and Service Delivery to Provinces also received an increase in both nominal and real terms. The Identification Services increases from R 156.9 million in the previous year to R 243.8 million in the current year.

This increase translates to an increase of R 77.1 million 49.1 % in real terms, while the Service Delivery to Provinces increases from R 2.1 billion in the previous year to R 2.2 billion in the current financial year, thus translating to an increase of R 23.1 million or 1.14 % in real terms.

The above inflation increases in the Citizen Affairs Management and Identification Services sub-programmes could be attributed to the potential increase in the demand of Identity Documents since 2021 is the year of Local Government Elections. The Service Delivery to Provinces sub-programme will increase efforts to issue identification documentation to potential voters, which will increase spending on courier services.

Programme 2: Citizen Affairs

Programme	Budget		Nominal Increase/ Decrease in 2021/22	Real Increase/ Decrease in 2021/22	Nominal Percent change in 2021/22	Real Percent change in 2021/22
R million	2020/21	2021/22				
Citizen Affairs Management	6,0	25,7	19,7	18,7	328,33%	311,07%
Status Services	588,7	89,6	-499,1	-502,7	-84,78%	-85,39%
Identification Services	156,9	243,8	86,9	77,1	55,39%	49,12%
Service Delivery to Provinces	2 081,2	2 193,3	112,1	23,1	5,39%	1,14%
TOTAL	2 832,8	2 552,4	-280,4	-383,3	-9,9%	-13,53%

Programme 3: Immigration Affairs

The immigration affairs branch facilitates and regulates the secure movement of people through ports of entry into and out of the Republic of South Africa. It also determines the status of asylum seekers and regulates refugee affairs. Programme 3 has four sub-programmes under it.

Constituting only 17% of the Department's budget in the current financial year, the Immigration Affairs programme has the lowest spending area. However, the programme's budget increases from R 1.3 billion in 2020/21 to R 1.4 billion in 2021/22. Out of the two programmes that receive budget increase real terms, this programme is the main beneficiary as its allocation in real terms increases by 7% from the previous year budget.

The Admission Services sub-programme's 14.2% (real growth) drives strong growth in this programme. This sub-programme allocation increases from R861.5 million to R 1 billion in the current financial year, translating to R123 million in real term growth.

On the contrary, all the other sub-programmes in this branch are allocated a reduced budget. The Immigration Affairs Management allocation is reduced from R 37.2 million to R 32.9. This allocation translates to the most significant decrease in the programme by 15.1% in real percentage terms. Similarly, both the Immigration Services and Asylum Seekers Sub-programmes also receives reduced allocations. The Immigration Services is reduced from R 253.6 million to R 246.2 million in the current financial year. In real terms, its budget is reduced by R 17.3 million or 6.8%, while the Asylum Seekers budget is reduced to R 149.4 in the current financial from R 152.1 million in the previous financial year. In real terms, the allocation is reduced by R8.7 million or 5.7 %.

Programme 3: Immigration Affairs

Programme	Budget		Nominal Increase/ Decrease in 2020/21	Real Increase/ Decrease in 2021/22	Nominal Percent change in 2021/22	Real Percent change in 2021/21
R million	2020/21	2021/22				
Immigration Affairs Management	37,2	32,9	-4,3	-5,6	-11,56%	-15,12%
Admission Services	861,5	1 025,8	164,3	123,0	19,07%	14,27%
Immigration Services	253,6	246,2	-7,4	-17,3	-2,92%	-6,83%
-Asylum Seekers	152,1	149,4	-2,7	-8,7	-1,78%	-5,73%
TOTAL	1 304,4	1 454,3	149,9	91,3	11,5%	7%

Programme 4: Institutional Support and Transfers

The Institutional Support and Transfers funds to the Electoral Commission, the Represented Political Parties Fund and the Border Management Authority. This programme aims to defend, protect, secure and manage South Africa's borders by establishing and operationalising the Border Management Authority in 1 community crossing points and 10 land borderline segments by 2023/24.

The Border Management Authority Act (No 2 of 2020) was signed into law during July 2020 and became effective

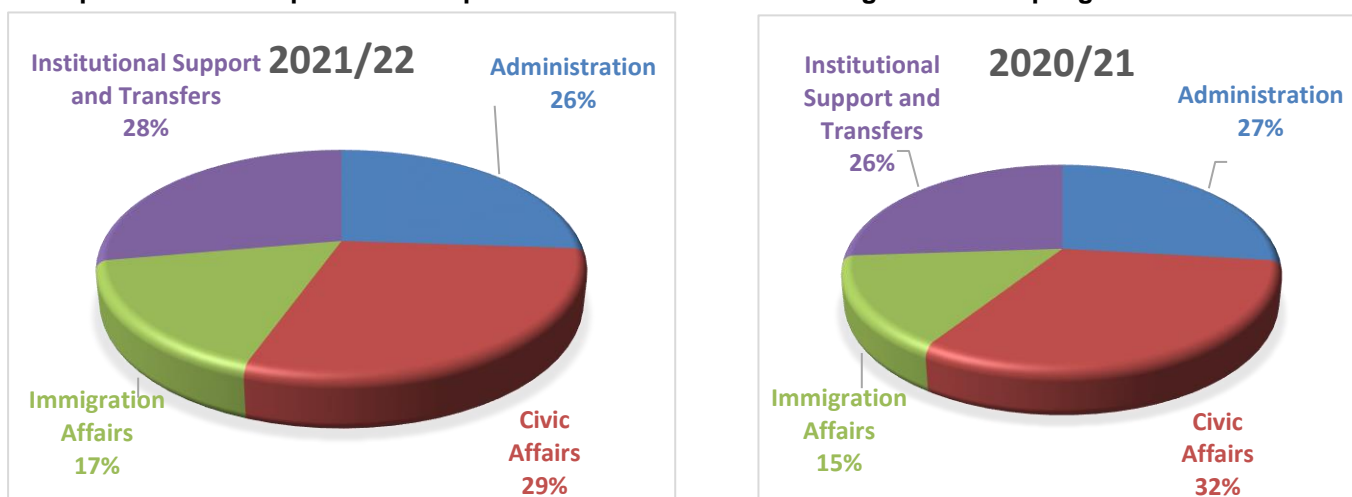
as of 1 January 2021. It is encouraging to note that the BMA's budget increases to R 40 million in the current financial year from the previous allocation of R 28 million. This is an increase of R 12 million if inflation is not considered and R 10.4 million or 37,1% in real terms. The Electoral Commission receives a slight increase from R 2.1 billion in 2020/21 to R 2.2 billion in the current financial year. This increase translates to just R 5,23 million or 0,99% in real terms. The Represented Political Parties Fund budget has been reduced by R 2,6 million in real terms from R162,7 million in the previous year to R 1 66,8 million in the current year.

Programme 4: Institutional Support and Transfers

Programme	Budget		Nominal Increase/ Decrease in 2020/21	Real Increase/ Decrease in 2021/22	Nominal Percent change in 2021/22	Real Percent change in 2021/21
R million	2020/21	2021/22				
Border Management Authority	28,0	40,0	12,0	10,4	42,86%	37,10%
Electoral Commission	2 100,5	2 210,3	109,8	20,7	5,23%	0,99%
Represented Political Parties Fund	162,7	166,8	4,1	-2,6	2,52%	-1,61%
TOTAL	2 291,2	2 417,1	125,9	28,5	5,5%	1,24%

Figure 3 below, compares the proportional allocations per main programme between 2020/21 adjusted budget and 2021/22 voted funds. The Citizen Affairs programme retains majority allocation but has been allocated less by 13.5 % in the current financial year from 32% in 2020/21 to 29% in the current financial year. There is also a 1% decline in the Administration Programme from 27% during 2020/21 to 26% in the current financial year. On the contrary, both the Institutional Support and Transfers Programme and the Immigrations Affairs Programme receive a 2% increase. The former's allocation increases from 26% in the previous financial year to 28% in the current financial year, while the latter's allocation increases from 15% to 17% in the current financial year.

Comparison of the split of the Department of Home Affairs budget between programmes



The DHA is structured according to four main programmes: Administration, Citizen Affairs, Immigration Affairs and Institutional Support and Transfers. For the 2020/21 financial year, the Citizen Affairs (Programme 2) received the largest allocation, constituting 32% of the overall departmental expenditure². Programme 2 is responsible for the issuance of security enabling documents such as identification cards, birth certificates, passports, and other related documents.

3.4 IEC Budget and Plans 2020/21

The Electoral Commission of South Africa (also known as the Independent Electoral Commission (IEC)) is South Africa's electoral management body. The IEC is an independent organisation established under Chapter 9 of the Constitution of South Africa. The IEC is an autonomous body underwritten by the Electoral Commissions Act (No 51 of 1996). In terms of Section 190 (1) of the Constitution, the IEC must manage elections at national, provincial and municipal legislative bodies in accordance with the national legislation, ensure that those elections are free and fair, and declare the results of those elections within a period that must be prescribed by national legislation and that is as short as reasonably possible.

Section 5 of the Electoral Commission Act (No 51 of 1996) outlines the duties and functions of the IEC. This includes managing any elections; ensure that any election is free and fair; promote conditions conducive to free and fair elections; promote knowledge of sound and democratic elections processes and compile; maintain a register of parties; compile and maintain a voters roll to mention but a few examples.

The purpose of this brief is to provide a summary and analysis of the budget and Annual Performance Plan (APP) of the IEC for the 2021/22 financial year. In order to provide context to this analysis, the paper commences by outlining the IEC's strategic objectives and then provides a brief analytical overview of the 2019/20 performance.

3.4.1 Policy priorities for the Electoral Commission for 2021/2022

For the 2019 to 2024 Medium Term Strategic Framework (MTSF), the IEC will focus on the following key policy priorities:

- Strengthen the regulatory space in relation to the requirements for electoral participation;
- Place South Africa's electoral democracy on the cutting edge of digital innovation with a view to increase voter convenience;
- Increase public confidence in electoral outcomes;
- Work with partners in electoral democracy to increase voter participation, especially among the youth;
- Anticipate and provide advice in relation to the national policy debate on the electoral system; and
- Assess the viability of composite elections in the Republic.

In line with the constitution, legislation and the MTSF priority areas, the IEC has developed several strategic outcome-oriented goals in order to ensure delivery in terms of these priority areas. The IEC strategic outcomes are:

- Strengthened institutional effectiveness;
- Free and fair elections of representatives delivered;
- Informed and engaged citizens and stakeholders in electoral democracy; and
- Contributed to the enhancement of the transparency in elections and party funding.

3.4.2 Analysis: IEC 2021/22 Budget Allocation per Programme

The Electoral Commission is allocated R 2.3 billion for the 2021/22 financial year shared amongst its 4 programmes. The IEC budget grows in nominal and real terms. This is a budget increase of R 292.3 million (or 14.5%) in nominal terms and R 199.3 million (or 9.9%) in real terms.

Programme 1: Administration's budget has increased from R 683.8 million in the previous financial year (2020/21) to R 765.2 million in the current financial year (2021/22). In real terms, when inflation is considered, the budget of this programme has increased by R 50.6 million (or 7.3%). Programme 2: Electoral Operations receives the largest share of the IEC's overall budget. It has been allocated R 1.3 billion, which is equivalent to 57.1% of the IEC overall budget.

Both Programme 3 and 4 receive a decreased allocation for 2021/22. Programme 3 budget declines from the previous financial year allocation of R 221.84 million to R 201.7 million in the current financial year. In real terms, Programme 3 budget is reduced by R 7.9 million (3.9%). Programme 4's budget receives the most reduced allocation in percentage terms from R 38.3 million in the previous financial year to only R 22.1 million in the current financial year. This budget reduction equals R 17.1 million (44.7%) in real terms.

IEC Budget Allocation 2021/22

Programme	Budget		Nominal Increase/Decrease in 2021/22 Rand)	Real Increase/Decrease in 2021/22 (Rand)	Nominal Percent change in 2021/22	Real Percent change in 2021/22
(R'000)	2020/21	2021/22				
Programme 1:Administration	683.8	765.2	81,4	50,6	11,90%	7,39%
Programme 2: Electoral Operations	1 092.3	1 319.3	227,0	173,8	20,78%	15,91%
Programme 3: Outreach	201.5	201.7	0,2	-7,9	0,09%	-3,94%
Programme 4: Party Funding and Liaison	38.3	22.1	-16,3	-17,1	-42,44%	-44,76%
TOTAL	2 015,9	2 308,2	292,3	199,3	14,50%	9,89%
Nominal Increase/Decrease	Is when inflation is not taken into account					
Real Increase/Decrease	Is when inflation is taken into account					

Source: National Treasury (2021)

Programme 1: Administration Budget Analysis

The Administration programme primary purpose is to achieve the strategic outcomes of strengthening institutional

effectiveness at all levels of the organisation. This programme is comprised of three sub-programmes, namely, Management, Corporate Services and Financial Management.

Budget allocation under this programme is directed at supporting the strategic management and core business of the IEC. The Administration programme is allocated R 765.2 million for 2021/22. The current allocation translates into an increase of 7.3% (R 50.6 million) in real rand value terms from the previous year allocation of R 683.8 million.

The programme's cost drivers are primarily made of goods and services, ensuring that ICT costs and office accommodation are catered for. The ICT is made mainly of professional services to maintain the security and integrity of the data held at the IEC. The office accommodation consists of the cost of the National IEC head office, nine provincial offices, 10 warehouses and 213 local electronic offices.

Programme 1 Budget

Programme (R'000)	Budget		Nominal Increase/Decrease in 2021/22 Rand)	Real Increase/Decrease in 2021/22 (Rand)	Nominal Percent change in 2021/22	Real Percent change in 2021/22
	2020/21	2021/22				
Employee Compensation	191,3	214,8	23,5	14,8	12,28%	7,75%
Goods and Services	461,0	521,0	60,0,0	39,0	13,02%	8,47%
Depreciation	31,5	29,4	-2,1	-3,3	-6,74%	-10,50%
Loses	0,0	0,0	0,0	0,0	0,0%	0,0%
Interest, dividends & rent	0,0	0,0	0,0	0,0	0,0	0,0
TOTAL	683,8	765,2	81,4	50,6	11,9%	7,39%

The Goods and services' budget item increases from R 461 million in the previous financial year 2020/21 to R 521 million in the 2021/22 financial year. This is a real increase of R 39 million (or 8.4%). Considering that 2021 is the year for Local Government Elections, the increases in the goods and services budget item are sound as the IEC will be sourcing additional professional ICT services and warehousing in preparation for the elections.

Similarly, compensation of employees' budget item under programme 1 increases by 7.8% (R 14.8 million) in real terms from the 2020/21 allocation of R 191.3 million to R 214.8 million in the current financial year. The increases in the compensation of employees is mainly due to salary increases. Costing of remuneration of employees includes salary packages, reimbursed travel claims, cell phone allowances, overtime and employer contributions.

Programme 2: Electoral Operations Budget Analysis

The purpose of this programme is to focus on the strategic outcome of managing and delivering free and fair elections. The expenditure under this programme increases significantly in an election year compared to a non-election year mainly due to the cost of voting station infrastructure, logistical arrangements, recruitment, appointment and training of staff appointed at voting stations during main registration drives and elections.

The Electoral Operations programme is allocated a budget of R 1.3 billion for the 2021/22 financial year. The budget has been increased by R 169.5 million (15.4%) in real rand value terms from the previous financial year allocation of R 1 billion. The goods and services budget item on this programme increases from R 562.3 to R 638.7 million in the current financial year. This increase is equivalent to R 76.4 million (or 13.5%) in nominal terms and R 50.6 (9%) in real terms. Similarly, compensation of employees under programme 2 also increases from R 509 million to R 609.9 million in 2021/22 financial year. The increase translates to R 76 million (or 14.9%) in real terms.

Programme 2 Budget Allocation

Programme (R'000)	Budget		Nominal Increase/Decrease in 2021/22 Rand)	Real Increase/Decrease in 2021/22 (Rand)	Nominal Percent change in 2021/22	Real Percent change in 2021/22
	2020/21	2021/22				
Employees Compensation	509,0	609.9	100,9	76,3	19,82%	14,99%
Goods and Services	562,3	638,7	76,4%	50,6	13,59%	9,01%
Depreciation	21,0	70,7	49,7	46,9	236,90%	223,32%
TOTAL	1 096,6	1 319,3	222,7	169,5	20,3%	15,46%

Source: National Treasury (2021)

Programme 3: Outreach Budget Analysis

Programme 3 constitutes only 8.7% of the IEC's overall budget and has the lowest spending area after programme 4. Budget allocation under this programme is directed at informing and educating civil society on democracy and electoral processes. Expenditure normally peaks during the registration and election period when the Civic and Democracy Education and communication peak. A further factor is the international observer mission that is hosted by the IEC during this period. It is therefore a concern that Programme 3 budget has declined by 3% considering that IEC will host Local Government Elections on 27 October 2021.

Programme 3 Budget Allocation

Programme	Budget		Nominal Increase/ Decrease in 2021/22 Rand)	Real Increase/ Decrease in 2021/22 (Rand)	Nominal Percent change in 2021/22	Real Percent change in 2021/22
(R'000)	2020/21	2021/22				
Compensation of Employees	79,4	108,4	28,8	24,4	36,20%	30,71%
Goods and Services	122,1	93,5	-28,6	-32,3	-23,39%	-26,48%
TOTAL	201,5	201,7	0,2	-7,9	0,1%	-3,94%

Source: National Treasury (2021)

The budget for the outreach programme increases in nominal terms but declines in real value terms from R 201.5 million in 2020/21 to R 201.7 million in 2021/22. This translates to a budget decrease of R 7.9 million (3.9%) in real terms. Under programme 2, the compensation of employees significantly increases from R 79.4 million to R 108.4 million in the current financial year. This growth translates to R 36.2 million (30.7%) in real terms. The goods and services under programme 2 decrease from R 122.1 million in the previous financial year to R 93.5 million in the current financial year, thus translating to R32 million (26.4%) budget decrease in real terms.

Programme 4: Party Funding

Programme 4 is a new additional branch to the IEC 2020-25 Strategic Plan. The programme is intended to focus on the strategic outcome of contributing to the enhancement of transparency in elections and party funding. For 2020/21, this programme was allocated R 33.2 million, but its budget decreased to R 21.9 million in the current financial year. The biggest cost driver in this programme is goods and services line item that have been allocated R 13.7 million in the current financial year from the R 30.4 million allocation in the previous financial year. This translates into a budget decrease of R 16.7 million (54.8%) if inflation is not considered but R17.2 million (56.6%) when inflation is taken into consideration. Compensation of employees' budget item under this programme has decreased in real terms by R 3.9 million from the previous year allocation of R 7.9 million.

Programme 4 Budget Allocation

Programme	Budget		Nominal Increase/ Decrease in 2021/22 Rand)	Real Increase/ Decrease in 2021/22 (Rand)	Nominal Percent change in 2021/22	Real Percent change in 2021/22
(R'000)	2020/21	2021/22				
Compensation of Employees	7,9	8,2	0,3	0,0	3,87%	-0,32%
Goods and Services	30,4	13,7	-16,7	-17,2	-54,83	-56,65%
TOTAL	38,3	21,9	-16,4	-17,3	-42,8%	-45,12%

Source: National Treasury (2021)

3.4.3 Analysis of the IEC Annual Performance Plan per Programme

The IEC has set out several strategic priorities in the Strategic Plan for 2020-2025, as well as a set of planned annual targets contained in the APP for 2021/22. This section provides an analysis of the annual targets for the 2021/2022 financial year as per IEC's APP.

Comparison of targets contained in APP for 2019/2020 and 2021/2022.

Programme	Number of Strategic Outcomes		Number of Targets		Budget (R '000)	
	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
1: Administration	1	1	11	4	R 683,806	R 765,213
2: Electoral Operations	1	1	10	4	R 1 092,292	R 1 139 281

Programme	Number of Strategic Outcomes		Number of Targets		Budget (R '000)	
	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
3: Outreach	1	1	10	5	R 201,510	R 201,697
4: Party Funding	1	1	7	2	R 38,311	R 22,050
Total	4	4	27	15	R 2 015,919	R 2 308,2

Source: IEC APP (2021)

The 2021/2022 APP contains a total of 4 strategic objectives and 15 targets, in comparison to the 2020/21 APP, which contained 4 strategic goals and 27 targets. The vast difference is due to the streamlining of some of the targets.

Programme 1: Administration

While programme1 strategic outcome remains the same, the number of targets decreases from 10 in 2020/21 to just 4 annual targets in 2021/22 financial year. The Administration programme is allocated R 765.2 million (33.2% of the IEC overall budget) for 2021/22, increasing from last year's allocation of R 683.8 million in nominal terms. In real terms, Programme 1's budget increased by 7.7% (or R 12.2 million).

The primary purpose of Programme 1 is to achieve the strategic outcome of strengthening institutional effectiveness at all levels of the organisation. It aims to promote efficient and effective administrative processes. Below are the number of targets and output indicators:

Programme 1 Annual Targets Performance Indicators

Strategic Outcome:	Outputs	Output Indicator	Annual target
Strengthened institutional effectiveness	Exercise leadership and governance, monitoring and evaluation to ensure the effective implementation of IEC's core mandate, strategic outcomes and outputs, aligned with the corresponding budget allocations and risks compliance	Number of quarterly reviews if the strategic risk register by the Executive Risk Management Committee within 30 days after the start of the next quarter.	4
	Provide a cutting-edge, stable, secure ICT environment that meets all functional needs of the Electoral Commission and supports innovative business processes.	Minimum annual percentage network and application systems availability measured in hours system-generated report available.	97% of 2 214 hours' achievement
		Number of funded positions filled per annum	90% of 1 113 posts calculated pro-rata over the year
	Effectively manage financial resources in compliance with legislation	Obtain a clean audit outcome from the annual external audit process (New indicator)	Obtain a clean audit

Source: IEC APP (2021)

Programme 1 has a standard annual target of producing 4 quarterly reports as required by National Treasury regulations for all government departments and entities. In order to keep the IEC operations at an optimal level, the IEC annual target is to ensure that at least 97% of the 2 214 working hours are accounted for in terms of network and system availability. The Human Resource Unit also intends to ensure that at least 90% of the total 1 113 positions at the IEC are filled at all times. The IEC has also added a new performance indicator for the 2021/22 financial year by targeting to obtain a clean audit outcome from the external auditors.

Programme 2: Electoral Operations

The Electoral Operations programme is allocated a budget of R 1.3 billion for the 2021/22 financial year. The budget has been increased by R 169.5 million (15.4%) in real rand value terms from the previous financial year allocation of R 1 billion.

Strategic objective: Manage free and fair elections striving for excellence at voting station level; ensuring

accessibility and suitability of voting facilities and processes; managing results; maximising electoral justice for all stakeholders in the electoral process; enhancing the credibility of the voters roll; ensuring compliance with legal prescripts; and continuously improve the legislative framework.

Programme 2: Electoral Operations is the branch that ensures that the IEC's constitutional mandate of managing free and fair elections is achieved. As a result, one of the programme's output indicators and the annual target is to ensure that none of the elections it organises is set aside. In addition, the IEC has a responsibility to ensure that all adult citizens that are eligible to participate in the elections in all spheres of government do. Consequently, the IEC's annual target for 2021/22 is to ensure that at least 26.5 million adult citizens are registered on the voters roll.

Table 9: Programme 2 annual targets performance indicators

Strategic Outcome:	outputs	Output Indicator	Annual target
Free and Fair Elections Delivered	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	Number of elections set aside	0 (none)
	Maintain a credible national common voters' roll that is enabled by cutting-edge technology	Number of registered voters as of 31 March of each year	26 540 000

Source: IEC APP (2021)

Programme 3: Outreach

The primary purpose of the Outreach is to focus on the strategic outcome of informing and engaging citizens and stakeholders in electoral democracy. The programmes have 5 output indicators and 5 annual targets for the 2021/22 financial year. The budget for the outreach programme increases in nominal terms but declines in real value terms from R 201.5 million in 2020/21 to R 201.7 million in 2021/22. The IEC has sets itself a target of producing 2 research initiatives per annum. This annual target has been reduced from the 4 annual research initiatives in the past 3 financial years (2016/18 to 2019/20). In addition, the programme plans to conduct 10 thought leadership initiatives in the current financial year, and it is the first time it introduces this annual target. The programmes strategic outcomes and annual targets are summarised below:

Programme 3: annual targets performance indicators

Strategic Outcome:	outputs	Output Indicator	Annual target
Informed and engaged citizens and stakeholders in electoral democracy	Provide impactful and research and thought leadership to strengthen electoral democracy	The number of research initiatives achieved per annum	2
		The number of thought leadership interactions achieved per annum (new indicator)	10
	Actively promote and foster awareness and participation in the electoral process through civic and democracy education programmes	The number of CDE events held per annum	24 000

Strategic Outcome:	outputs	Output Indicator	Annual target
	Interact with domestic, regional and international stakeholders to build an understanding of the Electoral Commission's role in delivering credible elections	Number of meetings Electoral Commission hold with key stakeholders per annum (New Indicator)	15
Informed and engaged citizens and stakeholders in electoral democracy	Advance and promote electoral processes through communication campaigns on diverse platforms to sustain visibility across the electoral cycle.	Recorded reach across multimedia communications platforms (digital, television, print, radio and out-of-home).	Digital (all social media and online content: Facebook ad reach – 35 million impressions Twitter ad reach – 2 million YouTube ad views – 2 million WhatsApp – New Google Adwords – 2 million impressions SMSs sent – 2 million Please Call Me – 150 million) Television: 6 million viewers Radio: 5 000 000 listeners Print: 6 million readers Out of home (150 billboards, 180 000 street pole posters, 2 000 transit TV screens, commuter transport – 20 long-distance buses.

Programme 4: Party Funding

Programme 4 is a new programme that will be responsible for managing the party fund. This programme focuses on the strategic outcome of contributing to the enhancement of transparency in the elections. The programme manages party funding and donations in compliance with legislation and strengthens cooperative relationship by providing consultative and liaison platforms between the IEC and political parties and candidates, using systems, people and sustainable processes. Programme 4 also provides effective management of the registration of political parties and processing of the nomination of candidates for various electoral events. The programme's annual targets are summarised below:

Programme 4: annual targets performance indicators

Strategic Outcome:	Outputs	Output Indicator	Annual target
Contributed to the enhancement of transparency in elections and party funding	Manage party funding in compliance with relevant legislation	Number of disbursements to represented parties per annum	At least 4- one per quarter
	Provide consultative and cooperative liaison platforms between the Electoral Commission and stakeholders and potential contributors to promote funding of multi-party democracy.	Number of liaison sessions held with stakeholders and potential contributors to multi-Party Democracy Fund	10

The outputs and indicators covered under this programme support Outcome 4, which aims to achieve enhanced transparency in elections and party funding and its associated indicator, which aims to monitor and report progress made over the planning period. All these outputs and associated indicators will not only assist in achieving Outcome 4 but also the impact statement of ensuring free and fair elections.

3.5 GPW BUDGET AND PLANS FOR 2021/22

Government Printing Works facilitates implementation of the legislation that governs the production and management of identification, citizenship and travel, which are developed by the Department of Home Affairs.

GPW contributes towards achievement of the objectives of the National Development Plan (NDP, Vision 2030) and strives to make a significant contribution to the national outcomes of government including the following:

- Outcome 03: All people in SA are and feel safe
- Outcome 11: Create a better South Africa, contribute to a better and safer Africa and a better world.
- Outcome 12: An efficient, effective and development oriented public service.
- Outcome 04: Decent employment through inclusive economic growth.
- Outcome 05: A skilled and capable workforce to support an inclusive growth path.

GPW aligns its work to the majority of apex Government priorities particularly the four that DHA directly contributes to, as highlighted below:

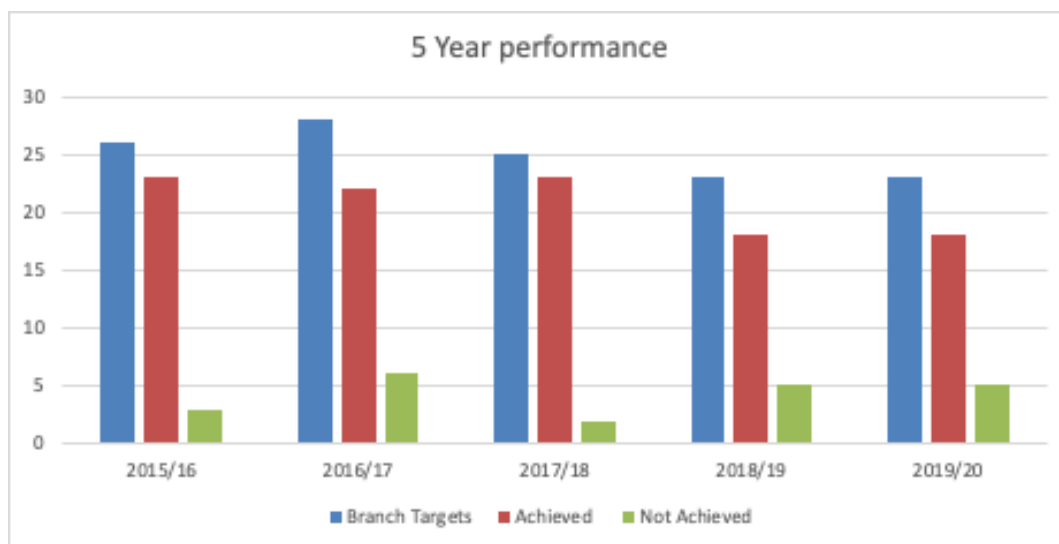
- Economic transformation and job creation (Outcome 4)
- Education, skills and health
- Consolidating the social wage through reliable and quality basic services
- Spatial integration, human settlements and local government
- Social cohesion and safe communities (Outcome 3)
- Building a capable, ethical and developmental State (Outcome 12)
- A better Africa and world (Outcome 11)

3.5.1 GPW 2021/22 Annual Performance Plan

GPW's APP 2021/22 has 18 performance targets, with critical targets aligned to the Strategic Plan, to ensure that all outcomes and desired impacts are achieved. A qualitative and quantitative methodology was followed to collect and analyse factors that would have a bearing on GPW's capacity to accomplish its mission as outlined in part a of this annual performance plan, including milestones as outlined in the opening forewords both by the executive authority, the deputy minister and accounting officer.

The GPW saw a reduction of performance against targets between 2015 and 2017 as a way on focusing on strategic imperatives and allowing other targets to be measured at an operational level. Continuous efforts have been made every year to ensure improvements in the performance planning process, whilst ensuring alignment with applicable national treasury frameworks. Both the bottom up and top-down planning approaches have been used during the planning process, to ensure consultation, buy in into a shared vision and integrated planning.

It should be noted that the financial years 2018/19 and 2019/20 have had similar performance outcomes in terms of the number of targets that were set (23) and achieved (18), averaging 78%. GPW has had challenges in terms of the completion of the construction project, referred to as a masterplan project. These challenges are among other reasons attributed to dependencies of the project, the project size and level of expertise required. The other challenge relates to governance in terms of obtaining a clean audit opinion. While in pursuit of our strategic targets, GPW will continue to put measures in place to improve our internal controls environment. This will be achieved through application of good governance principles and implementation of audit recommendations. The post audit action plan and other mechanism will be developed and monitored in order to reduce occurrences of irregular expenditure and other compliance gaps that affect GPW's governance. The table below outlines various products that were produced in the last five years. These figures reflect that the production of security and para-security documents has increased between 2015 and 2018 (with exception of the green barcoded id). There has been a steady demand in the production of passports with an increase of 17% when comparing financial years 2015/16 and



2019/20.

Similar growth is noted in the production of id smart cards for the first four years, which are aimed at replacing the green barcoded identity documents by 2025. GPW has seen an increase in service level agreements with the departments of basic and higher education as highlighted by growth in the printing of examination papers. A general decline is noted in 2019/20 across the production of all products amongst others reason, due to a general slowdown during the last quarter of the year in the wake of the novel covid-19 pandemic. In the financial year 2019/20 GPW introduced a performance measure to evaluate the production of high security certificates, which relate to the production of civic, educational, refugee, transport and similarly related documents).

Performance targets for the financial year 2021/22

Branch/Office	Targets	Purpose:
1. Office of the CEO	3	The CEO is the Accounting Officer for GPW, responsible for strategic direction and the overall effective, efficient and compliant functioning of the organisation. Both the Information Communications Technology (ICT) as a business enabler and Internal Audit as an independent assurance provider that assists management to achieve their strategic objectives reside within the office of the CEO.
2. Operations and Production	5	The main responsibilities of the Operations and Production branch are to conduct market, production and technology research and development; the management of production operations; planning and business development; the production of high security printed matter and related services; processing and publishing of the Government eGazette, ensuring that a healthy and safe working environment is provided and to maintain GPW's production equipment in a state of readiness.
3. Strategic Management	4	The branch is responsible for providing support to strategic elements of GPW, facilitating the development, alignment and implementation of the strategic plan and related policies and procedures, communications and marketing of the GPW's products and services, the rendering of legal, security, compliance and risk management services.
4. Financial Services	4	The main responsibilities of the Financial Services branch are to provide financial accounting services; the administering of costing and management accounting; the administering of the supply chain management process and the rendering of logistical support services
5. Human Resources	2	The Human Resources branch is responsible for the developing of human resource strategies and to ensure that GPW's organisational structures are aligned to its Strategic Plan; the administration of human resources provisioning and conditions of service; to promote the development and utilisation of the GPW's human resources; to support sound employee relations and the managing of employee health and wellness programmes.
Total number of targets	18	

Key Strategic Projects

GPW has to date managed to engage SADC countries with a strategic intent of expanding its footprint into the SADC Regions. The following countries: eSwatini, Democratic Republic of Congo (DRC), AU Commission and Namibia have already been engaged in the past financial year for printing of their security documents.

Research has proven that some countries have historically been printing with their colonies. However, GPW continues to have follow up engagements with all other SADC countries, in order to introduce its capabilities for security printing, using among others the embassies in South Africa, in order to secure presence in African market. Aggressive positioning of GPW will include focused engagements with Departments within the countries, including face-to-face engagements where COVID 19 status allows. The targeted countries for this financial year are Swaziland, Botswana, Lesotho, Zambia, Malawi, DRC, Kenya and Zimbabwe.

Additional strategic projects per branch are shown in the table below:

Projects	Details
Branch: operations and productions	
ePassport series	<ul style="list-style-type: none"> • Refreshment of the South African Passport Series • Current contracted supplier (Enstra Paper) contract ended in July 2019 • Recommendations: • GPW to issue a tender to find a suitable manufacturer (specification review in-progress) • Security features of the paper substrate be refreshed (design in progress with SSA) • Tender process be developed with DTI to maximize localization

Projects	Details
Polycarbonate Plant	<ul style="list-style-type: none"> Establishment of a polycarbonate plant within South Africa The polycarbonate used to produce the ID Smart Card and the data page for the passport is sourced from Gemalto which is based in France The plan is to open a plant to produce the product locally: Techno-economic study planned for implementation in FY 2021/22 Polycarbonate plant planned for implementation in FY 2022/23, following the recommendations of the Techno-economic study
Branch: financial services	
Master plan construction	<ul style="list-style-type: none"> Construction of the factory at 83 Visagie Street. Project managed by department of public works The GPW precinct will, upon completion estimated in 2025, comprise the remaining development of the Visagie street site, and incorporate the adjacent vacant land known as the Minaar street site. This will fulfil the total spatial requirements of GPW, allowing it to consolidate its entire operation in one precinct, and will enable the transition from the legacy Bosman street site. The envisaged GPW precinct will consist of a number of designated, function-oriented campuses, made up of self-contained and product-oriented processing Centres, which will allow for secure, efficient and high quality business operations. Project status: drafting of specifications Engagements with DPWI to facilitate completion of the project within the shorter turnaround times (as opposed to the 6 years contained in their project plan)
Branch: financial services	
GPW administration head office	<ul style="list-style-type: none"> Refurbishment of the head office (corner Sophie de Bruyn and Visagie streets) The facility will be renovated into a modern building with pedestrian bridge connecting Visagie factory precinct and administration building across the street. All administration personnel will be housed in the building. Overall estimated cost is R100 million and completion is planned for 2021/2022. Project status: Reviewing the draft specifications Collaborating with construction industry development board (CIDB) as specialists in the construction industry to ensure compliance with construction industry regulations. To go out on a tender by June 2021.
Branch: strategic management	
Enabling legislation: Security printers bill	<ul style="list-style-type: none"> Finalization and tabling of the security printers bill to Parliament (incl. NCOP). GPW is pursuing promulgation of the bill to facilitate printing of state security documents. GPW has been assisted by DHA: legal services to present the bill to both national and provincial departments. Project status: The bill has thus been jointly presented by GPW and DHA to a cohort of HOD's and MEC's in Limpopo, kzn and Mpumalanga. DHA is facilitating presentations to other provinces before the end of the year.

Management of Risk and Audit processes

- GPW has put in place an enterprise wide risk management process, inclusive of business continuity management, to ensure that risk is being managed at strategic and operational levels.
- Key documents such as the Risk Management Policy, Risk Management Strategy and the Annual Risk Implementation Plan are annually reviewed, together with the Risk Committee and approved by the CEO.
- Risk assessments have been conducted periodically and risk exposure areas allocated to various branches to manage and monitor.
- Progress monitoring of risk is then tabled at the management committee meetings as well as GPW Risk and Audit committees.
- Post audit action plan is monitored through the Audit matrix which is presented by EXCO members at every EXCO and MANCO meetings to hold management accountable and ensure resolution of audits
- The established Internal Controls Committee (ICC) is composed of management, and sits on a monthly basis to focus on all control deficiencies to facilitate effective resolution of all matters raised by both internal audit and AGSA

- Due to the escalation of the audit process to the Auditor General of SA by GPW management, the 2019/2020 year's audit has not yet been finalized. Awaiting feedback from AGSA.

3.5.2 GPW Budget

The GPW is expecting total sales of R1.45 billion for the 2021/22 financial year, with its gross profit being estimated at R535.44 million. A surplus of R144.93 million is expected for the 2021/22 financial year, with expectations of increasing the annual surplus over the succeeding financial years.

For its capital expenditure, the GPW outlined the estimated costs as follows: fixed assets and replacements (R298 million), fixed ICT assets (R75 million), fixed assets of furniture (R10 million), fixed assets of equipment (R8.5 million), and costs associated with lease improvements (R150 million).

The GPW has allocated a budget for the management of COVID-19, which has been capped at R3 500 000 as the COVID 19 regulatory infrastructure is securely in place and the current budget is to maintain and uphold the standards that have been set. This budget includes R2 million set aside for professional services, R 50 000 for printing materials, R1 million for cleaning services, and R350 000 for PPE.

Management of the COVID-19 pandemic:

The GPW developed protocols in line with the Department of Public Service and Administration (the DPSA) and in accordance with regulations as issued by the Minister of Cooperative Governance and Traditional Affairs. The Risk Management Strategy and Risk Register were aligned to COVID 19 management after being developed and implemented. Risk assessments were conducted, and the COVID-19 Steering Committee was established. The Steering Committee, inclusive of labour unions, continues to handle matters pertaining to the management of the pandemic and feedback is provided to the Executive Committee on a regular basis.

Unfortunately, one employee passed away from COVID-19 complications in the previous financial year. Two employees have been placed on a long-term ill health leave after testing positive for COVID-19 and being hospitalized. During the 2020/2021 financial year, the GPW suffered massive losses due to the COVID-19 pandemic and the subsequent national lockdown. As the GPW was not classified as essential services, no operations took place. Financial losses were due to the COVID-19 national lockdown since the DHA stopped the issuance of ID's and passports as a result of the travel restrictions. The GPW could not print passports and ID's during the same period. The printing of Smart ID cards was also halted in the first quarter of the 2020/21 financial year, owing to the COVID-19 restrictions, and affected the printing of documents.

GPW 2021/22 Budget

Description	Actual (R '000)			Budget (R '000)		
	Actuals 2018/1	Actuals 2019/20	Actuals 2020/21	ENE Budget 2021/22	ENE Budget 2022/23	ENE Budget 2023/24
TOTAL SALES	1 510 273	1 621 672	608 235	1 449 259	1 774 770	1 870 367
COST OF SALES	732 344	885 644	488 598	913 811	1 143 560	1 163 314
Direct Material	191 103	364 934	92 494	389 144	524 300	465 161
Direct Labour	124 618	147 128	133 591	200 138	218 473	228 304
Operating Expenditure	96 886	142 572	92 213	191 906	235 724	295 913
Finished Goods	319 737	231 010	170 300	132 623	165 063	173 935
GROSS PROFIT	777 929	736 028	119 637	535 448	631 210	707 054
GP %	51.51%	45.39%	19.67%	36.95%	35.57%	37.80%
OTHER INCOME	9 675	12 941	42 950	46 501	46 726	46 490
Interest received	1 647	1 967	-			
Loss on foreign exchange	-21 095	-4 168	-811			

TOTAL EXPENSES	250 716	249 619	209 642	437 023	500 459	566 507
Employee Benefits	109 972	123 175	128 201	157 778	165 671	173 127
Administrative Expenditure	35 590	31 686	23 020	66 373	69 300	73 235
Production and Stores	1 280	2 944	1 881	1 740	1 836	1 950
Equipment	1 407	1 563	1 589	2 855	3 012	3 176
Professional Services	60 965	75 810	40 845	152 413	163 089	171 547
Depreciation and Provisions	19 995	13 837	13 834	29 088	69 304	113 671
Sundry Expenditure	411	604	272	26 775	28 248	29 801
NET SURPLUS/(LOSS)	517 440	497 149	-47 866	144 926	177 477	187 037
Net Profit %	34.26%	30.66%	-7.87%	10.00%	10.00%	10.00%

4. ANALYSIS OF DHA, GPW AND IEC ANNUAL REPORTS

4.1 DHA 2021/22 ANNUAL REPORT

4.1.1 DHA Annual Performance per programme

Programme 1: Administration

The Administration programme is the second highest funded programme in the Department, and it was allocated a total of R 2.26 billion. It constitutes 25.7% of the DHA final budget. By the end of 2020/21, the Administration programme spent R 2.2 billion or 97.4% of its allocated budget. This translates into an under-expenditure of R 58.5 million or 2.6%. This financial expenditure performance shows a slight decrease compared to the previous two financial years when it was able to spend its entire allocation.

Table 3: Programme 1: Financial Performance for 2020/21

Programme	Adjusted Appropriation R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance	
					R'000	%
Administration	2 222 535	40 238	2 262 773	2 204 256	58 517	2.6%

Source:
Department of Home Affairs (2021)

In terms of economic classification, the biggest cost drivers in the Department are Compensation of Employees (CoE), which was allocated R 3.6 billion (40.9%) and Goods and Services, which was allocated R2.9 billion (32.9%). These two expenditure items equal R 6.5 billion (73.8%), leaving R 2.3 billion (26.1%) for all the other expenditure items. The CoE and Goods and Services budget is centralised under the Administration programme.

Table 4: Programme 1: Performance for 2020/21

Total targets set	12
Targets achieved	9
Targets not achieved	3
Target Success rate	75%
Total budget spent	R2.2 billion (97.4%)

Source: Department of Home Affairs (2021)

For 2020/21, the Administration programme had planned for 12 annual targets but only managed to achieve nine (9). This performance translates to 75% annual target achievement. As a result, the Administration programme performance improved by 8% compared to the previous year when it achieved 67% of its annual targets. Furthermore, programme 1 annual target performance for 2020/21 had significantly improved compared to 2018/19, when it achieved also achieved 67% of its annual performance targets. However, compared to 2017/18, the Administration branch's performance has decreased because it achieved 85% of its annual performance targets.

The following are some of the annual performance targets that were not achieved by the Administration branch:

- **Biometric functionality implemented at 4 (four) ports of entry.** The Department planned to implement biometric functionality in 4 ports of entry (airports). This target was not achieved, but a contract to complete the work has been signed. However, the contractor could not test the system due to COVID-19 restrictions.
- **Electronic Visa system designed and implemented.** The Department had planned to implement the eVisa/

ePermit in 10 selected countries. The eVisa/ ePermit was successfully piloted in India. However, due to COVID-19 lockdown and non-movement between countries, the infrastructure assessment was not done.

- **Submission of the One-Stop Border Policy. Submitted to Cabinet for approval.** Unfortunately, this target was also not achieved due to COVID-19 related restrictions. However, the DHA policy unit is working with BMA to finalise the policy and inputs are being considered.
- **Submission of the Official Identity Management Policy to Cabinet for Approval.** This annual performance target was not achieved but was submitted to the Minister for approval in the first quarter of 2021/22. It has since been incorporated into the Green Paper on Citizenship and Civil Registration that will be gazetted for public comments in 2021/22.
- **Submission of Marriage Policy to Cabinet for approval.** This annual performance target was not achieved, but the draft Marriage Policy was presented to Civic Services Management on 5 June 2020. The impact of COVID-19 related restriction hindered progress in this regard.
- **Submission of the DHA Bill to Cabinet for approval.** This annual performance target was also not achieved due to COVID-19 related restrictions.
- **Approval of Service Delivery model by the Minister.** This annual performance target was also not achieved by the DHA. However, the request for open tender was approved on 17 February 2020, but the Bid Specialisation Committee meeting to develop Bid specification could not seat due to COVID-19 related restrictions. The Department aims to appoint the service provider by the end of the third quarter of 2021/22.

Programme 2: Citizen Affairs

Citizen Affairs branch consumes the lion's share of the DHA budget as it was allocated 59.1% of the overall departmental budget. Actual expenditure at the end of 2020/21 financial year amounts to R 4.9 billion (or 95.3%) of the programme's allocated budget. The Citizen Affairs programme could not spend R 248.1 million.

This financial expenditure performance shows a significant decline compared to the previous financial year when the Citizen Affairs programme under expenditure was just R 101 thousand or 0.1%. As previously stated, the COVID-19 and related lockdown regulations have hindered the DHA to finalise some of its planned financial performance targets.

The bulk of the funds under programme 2 is shared between the Service Delivery to Provinces (R2 billion or 39.4%), the Electoral Commission (R2.1 billion or 40.1%). The Status services share the remaining budget with the Citizen Affairs Management; Identification Services; Represented Political Parties Fund sub-programmes totalling R 1.03 billion or 20.5% of the Civic Affairs programme entire budget.

Table 5: Programme 2: Performance for 2020/21

Adjusted Appropriation	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance	
				R'000	%
5 253 069	17 415	5 235 654	4 987 526	248 128	4.7%

Source: Department of Home Affairs (2020/21)

Under this programme, three sub-programmes were able to spend 100% of its allocated budget, namely, Citizen Affairs Management (R 37.3 million), Electoral Commission (R 2.1 billion) and Represented Political Parties Fund (R162.7 million). In contrast, two sub-programmes were not able to spend some of their allocated funds, i.e. the Service Delivery to Provinces spent 98.7%, Identification Services spent 98.3%, and the Status Services spent 64.4%.

The Civic Affairs branch has achieved five (5) out of the planned six (6) annual targets in the year under review, which translates to an 83% annual target performance achievement. Compared to the previous financial year, the annual target has increased slightly by 3%.

Table 6: Programme 2 Performance for 2020/21

Total targets set	6
Targets achieved	5
Targets not achieved	1
Success rate	83%
Total budget spent	R 4.9 billion (95.3%)

Source: Department of Home Affairs (2021)

For 2020/21, the Citizen Affairs programme planned to register 810 000 births within 30 days of the birth event. However, the Department failed to achieve this annual target as it only registered 144 681 (thousand) within the target of 30 days. COVID-19 restrictions were the main reason for missing this target. For instance, the Citizen Services were not allowed to register births during level 5 of the lockdown. Birth registration was only permitted from

1 May 2020 during level 4, albeit at a limited scale as the Department staff capacity was reduced as per lockdown regulations.

The Citizen Affairs programme also planned to issue 3 million Smart IDs by the end of the financial year. Unfortunately, it did not achieve its annual performance target as it only succeeded in issuing 22 903 Smart IDs, thus missing its planned annual performance target by 2.9 million. This significant decline in performance resulted from lockdown regulations where issuance of new ID's was suspended and only resumed during lockdown level 1. Nevertheless, the Committee should note that the Department exceeded this target in the previous two financial years.

The Department intended to issue 90% of machine-readable passports for adults within 13 working days, but actual performance was 10.97%. This significant under performance was due to COVID-19 related restrictions such as lockdown, reduced staff at the DHA and Government Printing Works and reduced frequency of printing passports by the service provider.

Programme 3: Immigration Affairs

The Immigration Affairs programme is smallest of the three main programmes, constituting 14.6% of the Department's total budget. By the end of 2020/21, the Immigration Affairs programme had spent 99.2% of its allocation. The programme's financial performance was similar to the two previous financial years as it has also managed to spend all most of its allocation.

Table 7: Programme 3 Financial Performance for 2020/21

Programme	Adjusted Appropriation	Virement	Final Appropriation	Actual Expenditure	Variance	
					R'000	%
Immigration Affairs	1 311 804	22 823	1 288 981	1 278 477	10 504	0.8%

Source:
Department
of Home
Affairs (2021)

Under this programme, the Admission Services, Immigration Services and Asylum Seekers sub-programmes were able to spend 100% of its budgets. However, the Immigration Affairs Management sub-programme only managed to spend 73.6% of its allocation.

Table 7: Programme 3 Performance for 2020/21

Total targets set	10
Targets achieved	5
Targets not achieved	5
Success rate	50%
Total budget spent	R1.2 billion (99.2%)

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The Immigration Affairs programme was the poorest performing branch in the DHA during the year under review. It planned 10 annual performance targets for 2020/21, achieving only 5 targets. This translates to 50% target achievement. Historically, the Immigration Affairs branch achieved the following: 100% during 2019/20, 90% in 2018/19, and 78% in 2017/18.

The Immigration Affairs programme was not successful in the following annual targets:

- **BMA rolled out at selected ports of entry and designated segments of the land borderline.** This annual performance target was not achieved due to the delay in the approval of the BMA Bill.
- **Establishment of the National Targeting Centre (NTC).** This target was not achieved due to COVID-19 related restriction and has been deferred to quarter 2 of 2021/22
- **Appointment of a preferred bidder for the redevelopment of six priority land ports of entry.** The BMA had proposed to amend the annual target because its members believe it is best to appoint multiple bidders to ensure the sufficient allocation and management of the project vis-a-vis the appointment of one bidder.
- **Two hundred twenty-one law enforcement operations/inspections to ensure compliance with immigration and departmental legislation.** Due to COVID-19 related restrictions, the DHA only conducted two (2) law enforcement/operations.
- **Submission of Immigration Bill (including amendments to Refugees Act) to Cabinet for approval for public consultation.** This target was not achieved because consultation with the Justice Cluster was cancelled based on the decision of the Ministerial management meeting to withdraw the target from the APP. A need has been identified for new mandate policy papers that will inform the drafting of new legislation. The Refugee Protection Policy replaced the target, and the discussion paper was submitted to the Minister for approval.

4.1.2 DHA Broad Financial Concerns

The following sections highlight concerns related to unauthorised, fruitless and wasteful, and irregular expenditure as well as findings by the Auditor General.

Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is a growing concern at the DHA. For example, in the year under review, fruitless and wasteful expenditure increased exponentially from just R 17 thousand in 2019/20 to R 557 thousand in 2020/21.

In addition, R 147 thousand was recorded for previous years' cases, bringing the total to R704 thousand (R147 thousand for 2019/20). This significant increase in fruitless and wasteful expenditure is attributed to the cancelled flight for the deportation of a group of Congolese nationals at the cost of R490 thousand.

Further, employees either did not arrive for flights and hotel accommodation, which is recorded as 'no shows' and is fruitless and wasteful expenditure. These 'no shows' amounted to the value of R 63 thousand in fruitless and wasteful expenditure.

Irregular Expenditure

In the financial year under review, the DHA incurred irregular expenditure to the value of R 4 million. This is a significant improvement compared to the two previous financial years when the DHA recorded R11.8 million in 2019/20 and 27 million in 2018/19 in irregular expenditure.

The irregular expenditure in 2020/21 is in relation to the cleaning services procured on a quotation basis instead of the bid process for R912 thousand and R3.16 million for the Automated Biometric Identification System (ABIS) project. The Auditor-General also flagged these two irregular expenditures in the previous (2019/20) financial year. The ABIS contract is currently under investigation by the law enforcement agencies to determine if any acts of corruption and fraud may have occurred.

There was no irregular expenditure condoned by National Treasury in the year under review as opposed to the previous financial year when R 24 million was condoned. The closing balance for irregular expenditure increased from R 500 million in 2019/20 to R507 million in the year under review. The increase is due to the previous year's unconfirmed irregular expenditure of R3.7 million, which was disclosed as irregular expenditure under assessment. The bulk of the closing balance (R280 million) relates to the ABIS project, and R 199 million relates to an old security contract where condonation by National Treasury is required.

4.1.3 Findings of the Auditor General

During the period under review, the Department received an unqualified audit opinion. However, the AG made the findings on the following:

Annual Financial Statements and Annual Performance Report

- The AG found that the financial statements submitted for auditing had not been prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(a) of the Public Finance Management Act (PFMA) (No. 1 of 1999).
- A material misstatement of the commitments disclosure note identified by the auditors in the financial statements was corrected, resulting in the financial statements receiving an unqualified audit opinion.

Material non-compliance

The AG found the following areas with material non-compliance:

- Procurement and contract management;
- Quality of financial statements submitted for audits;
- Prevention of irregular expenditure.

Expenditure Management

The AG found that the Department did not take effective and appropriate steps to prevent irregular expenditure amounting to R4 million as disclosed in note 23 to the Annual Financial Statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury regulation 9.1.1.

In addition, the expenditure management value chain was disrupted by office closures and staff infections, especially during the third quarter of the reporting period. Consequently, performance on 30-day payments reduced from 99.3% for 2019/20 to 97.7% in the period under review.

Investigations

The AG has flagged the Automated Biometric System (ABIS) contract as irregular expenditure, and the matter has been investigated by the DHA. The following are the recommendation of the independent forensic investigations:

4.2 GOVERNMENT PRINTING WORKS ANNUAL REPORT

It should be noted that the GPW Annual Report for 2019/20 was only tabled on 11 October 2021, a year after it was due and the 2020/21 Annual Report will only be ready by May 2022 (8 months late). The 2019/20 annual report is

presented here since it did not form part of the Committee's previous BRRR.

4.2.1 Summary of Financial Performance

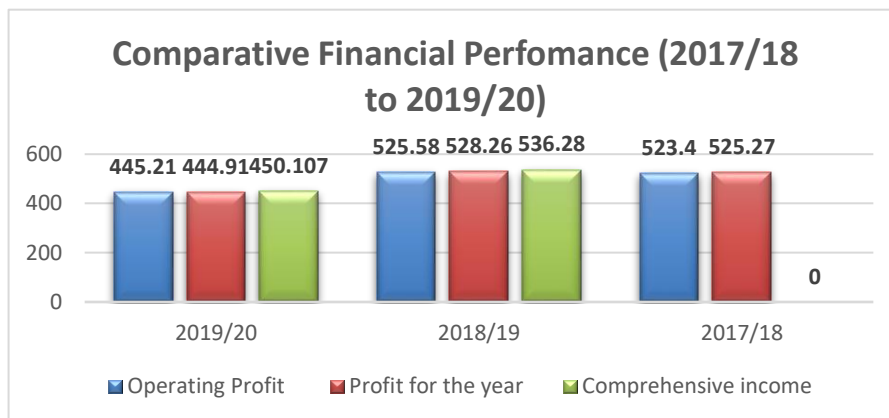
For 2019/20, GPW's total revenue stood at R1.61 billion. This financial performance indicator shows a steady increase in revenue from R1.40 billion during 2017/18 and R1.49 billion in 2018/19, respectively. However, despite the increase in the revenue generated, there is a slight decline in gross profit from R 723 million in 2018/19 to R 692 million in 2019/20. In nominal terms, gross profit has declined by R 30.6 million.

Table 2: Overview of the Financial Performance (2019/20)

	2019/20	2018/19	2017/18	2016/17
Revenue	1, 618, 383	1, 497,015	1,405,476	1,432,037
Cost of Sales	926, 056	-773,999	-711,834	-713,445
Gross Profit	692,327	723,016	693,642	718,592
Other Operating Income	16, 043	57,542	71,442	81,846
Other Operating Expenditure	258,303	-252,968	-241,675	-208,481
Operating Profit	445,218	525,589	523,409	591,957
Interest Received		1,672	1,865	
Profit for the Year	444,910	528,261	525,274	591,957
Total Comprehensive Income for the year	450,107	536, 286		

Similar to the gross profit generated, the operating profit has also declined from R 525.5 million in 2018/19 to R 444.9 million in 2019/20, thus declining by R 80.3 million in nominal terms. Consequently, the total comprehensive income has also declined from R 536.2 million in 2018/19 to R 450.1 million in the year under review. These indicators show that GPW overall financial performance has declined compared to the past three years as illustrated below.

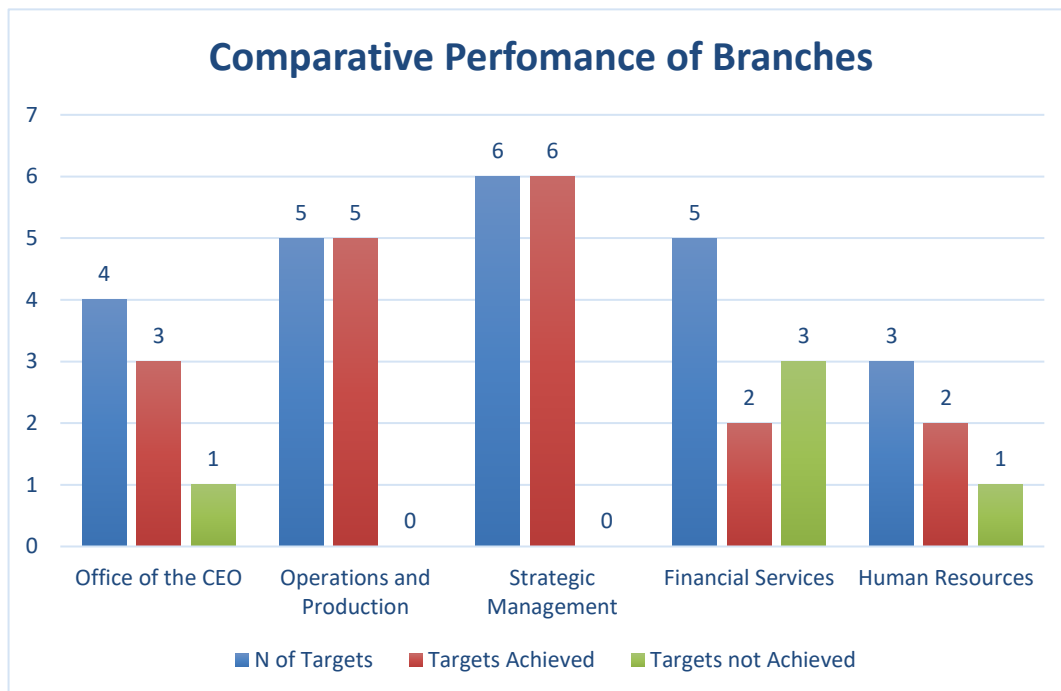
Figure 1: comparison of financial performance in millions (2017/18 to 2019/20 financial year)



4.2.2 GPW Annual Target Performance

For the financial year under review, the office of the CEO (with ICT and Internal Audit residing within the CEO's office) had four (4) targets planned for the financial year. The Operations and Production, as well as the Strategic Management Branches, had six (6) targets. The Financial Services had four (4), and Human Resources had a total of three (3) targets.

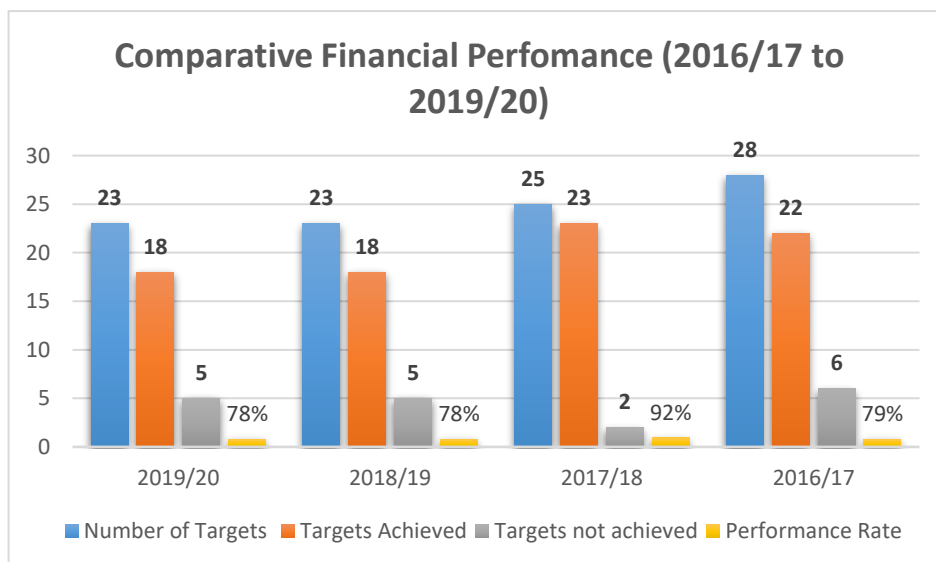
Figure 1: comparison of performance per Branch (2019/20 financial year)



Source: Government Printing Works, (2021), adapted by Research Unit

In the financial years, 2018/19 and 2019/20, GPW have had similar performance in terms of the set number of targets (23) and success rate. In both years, GPW achieved 18 of the 23 set targets, representing an overall achievement of 78%, and five (5) targets (22%) were not achieved in both years. However, despite a steady performance in the previous financial years, it had decreased by 19% from 2017/18 when GPW achieved 92% annual target performance as illustrated in figure 3 below:

Figure 3: Summary of comparative annual target performance (2016/17 to 2019/20)



Source: Government Printing Works, (2021), adapted by Research Unit

Branch: Office of the CEO

The Chief Executive Officer (CEO) is the Accounting Officer for GPW, responsible for the overall strategic direction, the effective, efficient operations, as well as governance and compliance oversight of GPW. Both the Information Communications Technology (ICT) as a business enabler, and Internal Audit as an independent assurance provider that assists management to achieve their set outcomes, performance indicators and targets, reports under the office of the CEO.

As illustrated in figure 1 and table 4, the office of the CEO had a total of four (4) targets for the financial year under review. It achieved three (3) out of four (4) targets, which translates to 75% target achievement. The performance shows an improvement from the previous financial year when the Office of the CEO only achieved two out of four

(50%) performance targets.

The three (3) targets that the Office of the CEO achieved are:

Table 3: Summary of target achievements: Office of the CEO

Annual Target	Actual Performance	Achieved	Reason for deviation
100% security vulnerabilities detected by security assessments mitigated	100% security vulnerabilities Detected by security assessments mitigated	Yes	N/A
99.5% system availability	99.13% system availability	No	ESKOM power load shedding and regular System maintenance.
100 % of identified ICT Services offerings implemented	100 % of identified ICT Services offerings implemented	Yes	N/A
80% of identified ICT services offerings implemented	80% of identified ICT services offerings implemented	Yes	N/A

Source: Government Printing Works, (2021), adapted by Research Unit

Branch: Productions and Operations

The main responsibilities of the Operations and Production branch are to deliver much needed services and products, technology research and development; the management of production operations; planning and business development; the production of high security printed matter and related services; processing and publishing of the Government eGazette; ensuring that a healthy and safe working environment is provided, as well as to maintain the GPW's production equipment in a good working condition. The Production and Operations Branch had five (5) annual targets for the 2019/20 financial year and had achieved all of them, as outlined in Table 4:

Table 4: Summary of target achievements: Production and Operations Branch

Annual Target	Actual Performance	Achieved
100% of identity documents/cards Distributed that conform to client specifications	100% of 2 822 174 identity documents/cards delivered that conform to client specifications	Yes
100% of travel documents delivered that conform to client specifications	100% of 987 831 Travel Documents delivered that conform to client specifications	Yes
100% of examination papers delivered that conform to client specifications	100% of 25 217 879 Examinations papers delivered that conform to clients specifications	Yes
100% of Government Gazettes published that conform to client specifications	100 % of 2 000 Government Gazettes published that conform to client specifications	Yes
93% of High Security Certificates Delivered that conform to client specifications	98.6 % of 13 488 576 High Security Certificates delivered that conform to client specifications. 191 791 Defects reported.	Yes

Source: Government Printing Works, (2021), adapted by Research Unit

Branch: Strategic Management

The Strategic Management branch is responsible for the provision of strategic management services through facilitating the development, alignment and implementation of the strategic plan and related annual performance plans, monitoring and evaluation of organisational performance, provision of guidance on policies and procedures, marketing and communication of GPW's products and services, and the rendering of legal, security, compliance and risk management services. In addition, this branch is responsible for consolidating efforts towards retaining and growing current customers, whilst expanding GPW's footprint to other SADC countries for the printing of State security documents.

The Strategic Management Branch had six (6) targets for the 2019/20 financial year and had achieved all its targets. The targets are listed below:

Table 5: Summary of target achievements: Production and Operations Branch

Annual Target	Actual Performance	Achieved
20 local customers engaged	29 local customers engaged	Yes
Seven (7) countries in the SADC region engaged	Ten (10) countries in the Southern Africa Development Community (SADC) region engaged	Yes
GPW security model reviewed and implemented	GPW security model reviewed and implemented	Yes
Four (4) security policy procedures developed	Four (4) security policy procedures developed	Yes

Business continuity plan submitted for approval and implemented	Business continuity plan submitted for approval and implemented	Yes
Top 6 strategic risk monitored to ensure implementation of risk mitigation plans	Top 6 strategic risk monitored to ensure implementation of risk litigation plans	Yes

Branch: Finance

The main responsibilities of the Financial Services branch are to provide financial accounting services, the administering of costing and management accounting; the administering of the supply chain management process, and the rendering of logistical support services. The Financial Services Branch planned for five (5) annual performance targets and achieved two (2) targets. The following are the annual targets performance:

Table 6: Summary of target achievements: Financial Services Branch

Annual Target	Actual Performance	Achieved	Deviation
Clean audit opinion	Qualified audit opinion for 2018-19	No	Findings on: - Property, plant and equipment - Trade and other receivables - Irregular expenditure These would continue to be tracked through a post-audit action plan.
Three (3) positive working capital ratio maintained	Positive working capital ratio maintained	Yes	The ratio is dependent on the current assets versus current liabilities. GPW bank balance is higher than budgeted due to the procurement plan not being implemented during the financial year. GPW also did not spend with regard to the Masterplan Project, which would also reduce the cash balance significantly.
10% net profit margin achieved	33.87% net profit margin achieved	Yes	
100% of GPW Headquarters building completed	GPW Headquarters building not completed	No	The tender was cancelled because of a query received from a potential bidder and consultations that ensued with the independent professional team. Specifications were reviewed, and the Headquarters building project will progress in 2020/21.
Construction of GPW 35% master plan completed	Masterplan project not completed	No	The tender could not be advertised due to the consultation process with DPW. However, GPW will consult further to seek possible exemption from GIAMA.

Source: Government Printing Works, (2021), adapted by Research Unit

Branch: Human Resources

The Human Resources branch is responsible for the overall human capital management and development function, through the development of human resource strategies and plans; ensuring that GPW's organisational structure is aligned to its strategic plan; the administration of human resources provisioning plan and conditions of service; promoting the development and utilisation of the GPW's human resources; to support sound employee relations and the managing of employee health and wellness programmes. The salary benchmarking and organisational structure review projects serve to reposition GPW as an employer of choice, which invests in its human resources and grows its own timber.

Table 7: Summary of target achievements: Human Resources Branch

Annual Target	Actual Performance	Target Achieved	Deviation
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Reviewed GPW Organizational structure submitted for approval by the Minister of DHA	Reviewed GPW organizational structure submitted for approval by the Minister of DHA	No	Target not achieved due to the late finalisation of the business case. In addition, the CFO's post vacancy also impacted the finalisation and final sign-offs for submission to the Minister. The process will be expedited in the financial year 2020/21
90% of identified vacant positions filled	90.6% filled	Yes	
50% of total workforce trained as per the WSP identified training priorities	87.6 of total workforce trained.	Yes	

Source: Government Printing Works, (2021), adapted by Research Unit

By the end of 2019/20, GPW had achieved two (2) out of its planned three (3) annual performance targets. On the other hand, GPW was unsuccessful in implementing its planned target of completing its organisational structure and salary dispensation.

The target of completing the organisational structure was also not achieved in the 2018/19 financial year. During the financial year under review (2019/20), the GPW reported that this target was not achieved due to the late finalisation of the business case and the acting vacancy in the CEO's office. The CEO's office vacancy affects who signs off the final report for submission to the Minister. In addition, in the previous year (2018/19), GPW reported that the organisational structure was not completed due to the consultation process.

The GPW successfully ensured that at least 90% of vacant positions are filled and that at least 50% of the total workforce is trained as per the WSP identified priorities.

The number of filled posts on the establishment of GPW increased in the 2019/2020 reporting year from 616 (of which 31 were additional employments) in 2018/2019 to 764 (of which 45 were additional employments). The vacancy rate decreased to 12% in the reporting year, with the highest vacancy rate on the SMS level reported as 33.3% in the reporting period, whilst reported as 14.1% in the 2018/2019 reporting year.

GPW staff profile is 46.2% black female, 41.6% black male, 6.2% white female, and 6% white male. Thus, GPW is still lagging behind in terms of Government target of 50% gender representation. For instance, at the SMS level (Levels 13 - 16), females are 37.5%, a deficit of 12.5% to reach the national target of 50% women.

4.2.3 Auditor General Report

The AG has issued a disclaimer on the audit opinion, she was unable to obtain sufficient appropriate audit evidence that the accounting officer (CEO) has fulfilled her responsibility for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard (IFRS) and the requirements of the Public Finance PFMA, as written representations in this respect were not provided

The AG was not furnished with written representations from the accounting officer after she had asked to be provided with all relevant information and access as agreed in terms of the audit engagement. Consequently, the AG could not determine the effect of the lack of such representations on the financial position of GPW at the end of March 2020.

Property, Plant and Equipment

GPW did not appropriately review the useful lives of property, plant and equipment in accordance with International Accounting Standards (IAS). In addition, GPW could not reconcile the financial statements to the supporting asset registers, and some items of property, plant and equipment were not recorded in the asset register. As a result, property, plant and equipment was not adequately assessed for impairment at the reporting date as required by IAS 36, Impairment of assets. As a result, The AG was unable to determine the correct carrying value of property, plant and equipment stated at R987 235 000 (2018-19: R1 038 425 000) in note 3 to the financial statements as it was impracticable to do so. As a result, the AG could not determine the consequential impact on deferred income, cost of sales, other operating income, other operating expenses, profit for the year and retained earnings.

Trade and Other Receivables; Deferred Income

GPW did not recognise the allowance for expected credit losses in accordance with IFRS 9, Financial Instruments. This is because the data used to calculate the expected credit loss was not reliable. In addition, the prior year assessment performed by the GPW did not adequately support the allowance for estimated credit loss. As a result, the AG was unable to determine the correct balance of trade and other receivables stated at R224 755 000 (2018-19: R211774 000) in note 6 to the annual financial statements as it was impracticable to do so.

Cost of Sales, Statement Cash of Flow and Irregular Expenditure

GPW did not recognise the cost of sales in accordance with IAS 1, Preparation of financial statements. As a result,

the cost of sales items were recorded at incorrect amounts resulting in the overstatement of cost of sales and understatement of inventories by R20 792 878. There was a resultant impact on the surplus for the period and on the accumulated surplus.

GPW did not correctly prepare and disclose the net cash flows from operating activities as required IAS 7, Statement of Cash Flows. This was due to multiple errors in determining cash flows from operating activities. As a result, the AG could not determine the full extent of the errors in the net cash flows from operating activities as it was impracticable to do so. Consequently, the AG was unable to determine whether any adjustments to cash flows from operating activities as stated at R476 173 000 (2018-19: R594 502 000) in note 21 to the financial statements and in the statement of cash flows were necessary.

GPW irregular expenditure increased from R 333, 1 thousand in 2018/19 to R 507,7 thousand in 2019/20. In addition, GPW incurred fruitless and wasteful expenditure of R28 000 due to penalties and an overpayment of an employee who was terminated.

4.3 IEC Annual Report

The Electoral Commission of South Africa (also known as the Independent Electoral Commission (IEC) is South Africa's electoral management body. The IEC is an independent organisation established under Chapter 9 of the Constitution of South Africa. The IEC is an autonomous body underwritten by the Electoral Commissions Act (No. 51 of 1996). In terms of Section 190 (1) of the Constitution, the IEC must manage elections at the national, provincial and municipal level, in accordance with the national legislation. Its mandate is to further ensure that these elections are free and fair and declare the results within a period that must be prescribed by national legislation and that is as short as reasonably possible.

In light of the above, the IEC has an integral role in the maintenance of peace and stability in the country by ensuring that all political parties and citizens alike are satisfied with the way it manages elections. As the only Electoral Management Body (EMB) in South Africa, the IEC must ensure that public funds appropriated to it are spent in a manner that is satisfactory to all its stakeholders and, more importantly, according to the laws of the country. Therefore, its Annual Report should give confidence to all South Africans that it is an EMB that can be trusted with the management of elections in all spheres of government as well as exceptional financial performance in line with its Constitutional mandate. This paper aims to summarise and analyse the IEC Annual Report for the financial year ending 31 March 2021. This brief focuses on the following issues:

- A brief overview of the IEC's legislative mandate and strategic objectives.
- Overview of financial performance and broad financial concerns of the Auditor General.
- Programme and sub-programme performance and expenditure evaluation.

4.3.1 Overview and Assessment of Financial Performance

The following section summarises and analyses the IEC's financial performance for the financial year ended on 31 March 2021. The IEC received R2.1 billion for the year under review by way of parliamentary allocations. In addition, IEC received lease revenue amounting to R214 thousand and sundry revenue of R64 thousand, comprising mainly foreign and local aid assistance and interest earned, bringing the IEC's total revenue to R 2.165 billion.

According to the IEC Annual Report for 2020/21, all the funds have been accounted for and are disclosed in the IEC's Annual Financial Statements. Figure 1 below illustrates the IEC financial position for the financial year ending 31 March 2021.

Figure 1: IEC Statement of Financial Position

Statement of Financial Performance for the year ended 31 March 2021			
		31 March 2021 R	31 March 2020 R
Revenue			
Revenue from non-exchange transactions	14	2,100,748,078	2,020,652,780
Parliamentary allocation		2,100,534,000	2,012,749,000
Sponsorship revenue		-	5,150,000
Lease revenue		214,078	2,753,780
Revenue from exchange transactions	15	64,277,498	115,289,467
Political party registration fees		35,700	11,400
Foreign and local aid assistance		17,412,117	19,306,685
Elections-related revenue		-	46,810,981
Investment revenue		46,595,195	48,209,576
Other operating revenue	15.1	234,486	950,825
Total revenue		2,165,025,576	2,135,942,247
Expenditure		(1,196,638,565)	(2,002,812,225)
Employee-related costs	16	(730,707,678)	(769,730,792)
Goods and services	17	(308,861,718)	(1,069,914,494)
Depreciation, amortisation and impairment	18	(48,041,098)	(47,397,051)
Audit fees	19	(6,282,236)	(6,867,200)
Lease rental costs	20	(102,413,000)	(108,714,513)
Finance costs	21	(3,258)	(18,129)
Debt impairment	22	(329,577)	(170,046)
Total expenditure		(1,196,638,565)	(2,002,812,225)
Surplus (deficit) on disposal of assets	26	2,119,309	(631,032)
Surplus for the year		970,506,320	132,498,990

For 2020/21, the IEC had received a budget of R 2.1 billion from the Department of Home Affairs transfers, but the total revenue, including the lease revenue, amounted to R 2.165 billion. As in the previous financial year, the IEC budget had a marginal real increase of just over R 80 million or 3.9 % for 2020/21. The increase could be attributed to the fact that the IEC had to host voter registration weekends and increase voter education towards the Local Government Election held on 1 November 2021.

The IEC parliamentary allocation of R 2.1 billion alone represented a real increase of R 87.7 million (4.3%) from the previous financial year's parliamentary allocation of R 2.012 billion. However, IEC's lease revenue significantly declined by 92% from R 2.7 million during 2019/20 to R 214 thousand in 2020/21. Moreover, the IEC did not receive any sponsorship revenue in 2020/21, while it received R 5.1 million in the previous financial year. Therefore, the overall total revenue received by the IEC has increased by R 29 million (1.3%) from R 2.135 billion in 2019/20 to R 2.165 billion in 2020/21.

In terms of expenditure, the IEC's total expenses have declined from R 2 billion during 2019/20 to just R 1.19 billion in 2020/21. This implies that IEC's total expenses have been significantly reduced by R 806 million or 40%. In fact, the IEC expenditure has declined in all reported items when compared to the previous financial year. For instance, goods and services expenditure had declined from R 1 billion during 2019/20 to R 308 million during the year under review. Similarly, employee-related costs have also been reduced by R 39 million (5%) from R 769 million during 2019/20 to R 730 million in 2020/21. In addition, the lease rental costs have also declined from R 108 million during 2019/20 to R 102 million during the year under review.

Irregular, Fruitless and Wasteful Expenditure

The IEC's irregular expenditure has slightly decreased from R 58.7 million in 2019/20 to R 40 million during the year under review. This means that irregular expenditure has decreased by R 18.7 million (33.8%) in real terms. Of the R40 million irregular expenditure incurred during 2020/21, R24.8 million was incurred in the previous years identified in the current year, while R 15.6 million irregular expenditure was incurred during the year under review. The irregular expenditure relates to non-compliance with Treasury Regulations, the Preferential Procurement Policy

Framework Act (PPPFA) and non-compliance with any other regulations governing the Electoral Commission.

Fruitless and wasteful expenditure has slightly increased from R 1.3 million in the previous financial year to R1.4 million during 2020/21. This included late payments of invoices, cancellation fees and tax directives on lump-sums paid to the South African Revenue Services (SARS) on behalf of former employees.

4.3.2 Programme and Sub-Programme Performance Evaluations

Tracking the progress on set targets and strategic goals (outputs) of the entity is essential to determine how well it functions in attaining constitutional and legislative mandates for the benefit of society. It also improves transparency and accountability and assists Parliament, members of the public and other stakeholders with information to hold the IEC executives accountable.

Table 1: The Electoral Commission Overall Annual Target Performance for 2020/21

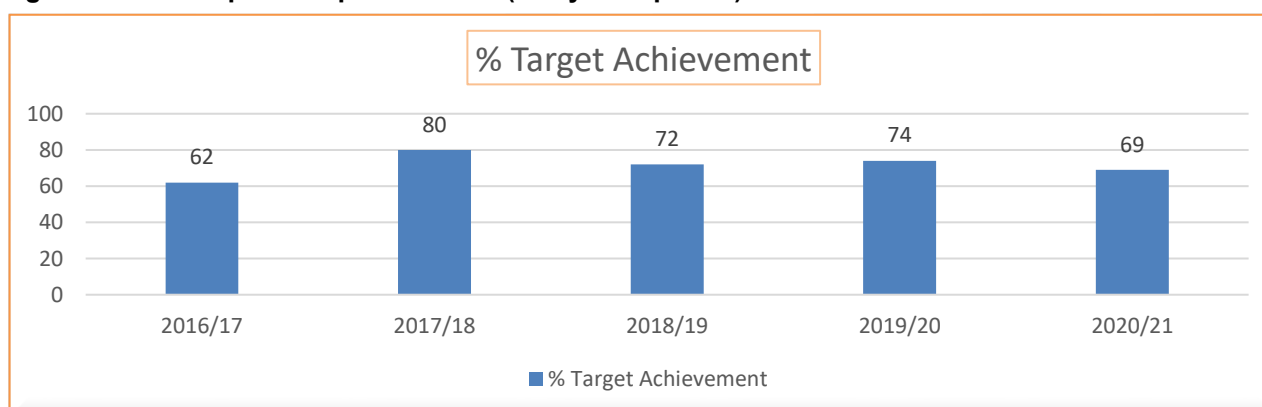
Programme	Strategic Outcome-oriented Goal	Number Of Targets	Target Achieved	Not Achieved	Achieved
1: Administration	Goal 1: Strengthening governance, institutional excellence, professionalism and enabling business processes at all levels of the organisation	4	3	1	75%
2: Electoral Operations	Goal 2: Achieving pre-eminence in the area of managing elections and referenda, including the strengthening of a cooperative relationship with political parties.	3	1	2	33%
Programme 3: Outreach	Goal 3: Strengthening electoral	5	3	2	70%
4: Party Funding	Goal 4: Contribute to the enhancement of transparency in elections and party funding democracy	2	2	0	100%
Total		13	9	5	69%

Source: The IEC Annual Report (2021), p.32.

The table above provides

an overview of the IEC performance during 2020/21. During the year under review, the IEC set 13 annual performance targets over its four programmes. Of these total targets, it managed to achieve nine (9) annual targets, translating into an achievement rate of 69%. However, the IEC was not successful in delivering five (5) or 21% of its targets. The best performing programme was the Party Funding Programme, which achieved 100% of its targets. Programmes 1 and 3 achieved 75% and 60%, respectively. In contrast, Programme 2 (Electoral Operations) achieved only 1 (one) of its three targets, translating into 33% annual performance target achievement. *It should also be noted that COVID-19 had significantly affected the year under review (2020/21), but in the main, the IEC annual target performance has been stagnant in the past five years as illustrated below.*

Figure 2: IEC comparative performance (five years' period)



Source: The electoral Commission (2021).

The figure above illustrates that the IEC's overall performance has stagnated over the past five years, averaging 71.4 %. In the past five years, the IEC best performance was in 2017/18 when it achieved 80%, and its worst performance is during the year under review (2020/21) as it only achieved 69% of its set annual targets. The 2020/21 annual target performance shows a 5% decline compared to the previous financial year (2019/20).

Programme 1: Administration Annual Target Performance

The Administration programme's primary purpose is to achieve the strategic outcomes of strengthening institutional effectiveness at all levels of the organisation. This programme is comprised of three sub-programmes, namely, Management, Corporate Services and Financial Management.

Table 2: Programme 1 Overall Performance for 2019/20

Revised Targets	4
Targets achieved	3
Targets not achieved	1
Target Success rate	75%

Source: The IEC Annual Report (2021).

The Administration programme set eight (8) targets at the beginning of the 2020/21 financial year. However, the targets were revised and reduced to four (4) during July 2020 due to COVID-19 related restrictions. Of the four revised targets, the Administration Programme achieved three (3) or 75%. As a result, the performance had decreased by 5 % compared to the previous financial year when it achieved 80% annual target performance. However, compared to 2017/18 (72.2 %) and 2018/19 (70%), the Administration programme annual target performance has slightly increased.

It was not possible to compare the annual target performance to financial expenditure performance per programme because the Annual Report for the year under review has not provided financial performance per programme but a financial statement for the IEC in its entirety.

The table below indicates the annual target not achieved by Programme 1 and includes possible questions for Members to pose on the performance indicators.

Table 3: Programme 1 Missed Annual Targets for 2020/21

Strategic Objective	Performance Indicator	2020/21 Target	2020/21 Achievement	Deviation from the planned target	Comments
<i>Build institutional capacity to enable the Electoral Commission to deliver on its constitutional mandate</i>	922 filled posts calculated pro-rata over the year	90% of 1 113 posts calculated pro-rata over the year	909	92 vacancies not filled	Target was not achieved as recruitment was delayed because of the COVID-19 pandemic. There were also budgetary constraints

Source: The IEC Annual Report (2021).

During the 2019/20 financial year, the Administration programme could not achieve the target of ensuring that 90% of permanent posts are filled at the IEC. Instead, it only managed 81.6 %, thereby missing its target by 8.4%.

Programme 1 successfully obtained a clean audit opinion from the Auditor General, which should be commended. In addition, it successfully achieved its set annual target of ensuring 97% (2 156,060 hours) network and application systems availability, and it exceeded this target by 0.3%.

Programme 2: Electoral Operations Annual Targets Performance

The purpose of this programme is to focus on the strategic outcome of managing and delivering free and fair elections. The expenditure under this programme usually increases in an election year compared to a non-election year mainly due to the cost of voting station infrastructure, logistical arrangements, recruitment, appointment and staff training appointed at voting stations during main registration drives and elections.

Programme 2 set seven (7) annual performance targets at the commencement of the 2020/21 financial year but revised the targets to three (3) due to COVID-19. Of the three (3) revised annual targets, Programme 2 only achieved one (1). This performance translates to 33% target achievement. The Electoral Operations branch performance declined significantly when compared to 2019/20 and 2018/19 when it achieved 70 % in both years. However, Parliament should consider that COVID-19 pandemic affected the IEC during 2020/21.

Table 4: Programme 2 Overall Performance for 2020/21

Total targets set	3
Targets achieved	1
Targets not achieved	2
Target Success rate	33%

Source: The IEC Annual Report (2021).

The table below indicates the annual targets not achieved by Programme 2 and includes possible questions for Members to pose on the performance indicators.

During the year under review (2020/21), Programme 2 was not successful in its annual target of registering 25.96 million voters on the voters roll. Instead, it only managed to register 25.80 million voters on the voters roll, thereby missing the target by 157 thousand. Furthermore, the programme was unsuccessful in reducing the number of registered voters who did not have recorded addresses by the end of the financial year. In this regard, the IEC had planned to reduce the number of voters who do not have registered addresses to at least 1 million; instead, by the end of the financial year, the IEC still has about 1.5 million voters in their voters roll without registered addresses.

Table 5: Programme 2 Missed Annual Targets for 2020/21

Strategic Objective	Performance Indicator	2020/21 Target	2020/21 Achievement	Deviation from the planned target	Comments
<i>Maintain an accurate national common voters' roll to ensure the credibility of elections</i>	Number of registered voters as at 31 March each year	25 960 000	25 802 362	157 638	Target not achieved by 157 638 registered voters. The nationwide lockdown resulting from COVID-19 denied opportunities for the IEC to host two registration weekends in preparation for the Local Government Elections. This would have provided an opportunity to register new voters.

<i>Ensure efficient elections 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</i>	The number of registered voters who appear on the voters' roll for whom the Electoral Commission does not have recorded addresses at 31 March each year covered by this Plan.	1 00 000	1 525 310	525 310	Target not achieved, The Commission had to curtail its plans to provide voters with an opportunity to update their address details due to the impact of COVID-19.
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Source: The IEC Annual Report (2021).

Programme 3: Outreach

Programme 3 supports the achievement of strategic outcome-oriented goal 3. It encompasses Civic and Democracy Education, Communication and Media Relations, Research and Knowledge Management, and Stakeholder Engagement sub-programmes.

During the year under review (2020/21), the Outreach Programme had set itself five (5) annual performance targets and successfully achieved three (3) targets. This target performance translates to 60% target achievement. It should be noted that the Outreach Programme had performed better in the past three financial years when it achieved 71 % during 2019/20 and 100% during 2017/18 and 2018/19.

Table 6: Programme 3 Overall Performance for 2020/21

Total targets set	5
Targets achieved	3
Targets not achieved	2
Target Success rate	60%

Source: The IEC Annual Report (2021).

The table below indicates the annual targets not achieved by Programme 3 and includes possible questions for Members to pose on the performance indicators.

Table 7: Programme 3 Missed Annual Targets for 2020/21

Strategic Objective	Performance Indicator	2020/21 Target	2019/20 Achieved	Deviation	Comments
<i>Encourage the electorate's engagement with and participation in the electoral process</i>	The number of research initiatives achieved per annum.	3	0	(3)	Target not achieved: No research was commissioned due to COVID-19 restrictions. No research capacity is in place as a deviation from normal procurement processes. Request made to National Treasury to appoint the Human Sciences Research Council (HSRC) was approved on 30 March 2021 for a period of five years
	Recorded reach across multimedia communication platforms digital, television, print, radio and out-of-home).	Digital: all social media and online content.	0	100%	Target not achieved: Due to COVID-19 restrictions, regulations and budget cuts imposed by National Treasury. The registration weekend was cancelled due to budget cuts and Interaction with the public was not required.

Programme 4: Party Funding

This programme focuses on the strategic outcome of contributing to the enhancement of transparency in elections and party funding. It manages party funding and donations in compliance with legislation and strengthens cooperative relationships by providing consultative and liaison platforms between the IEC and political parties and

candidates, using systems, people and processes that are sustainable.

Programme 4 set two (2) annual performance targets at the beginning of the financial year and kept the same targets when the Annual Performance Plan was revised during July 2020.

Table 8: Programme 4 Overall Performance for 2020/21

Total targets set	2
Targets achieved	2
Targets not achieved	0
Target Success rate	100%

Source: The IEC Annual Report (2021).

Programme 4 had planned to manage party funding and donations in compliance with relevant legislation. In this regard, it planned four (4) disbursements to represented parties by the end of the financial year, and it successfully achieved this annual performance target.

Another performance indicator of Programme 4 was the number of liaison sessions held with members of party liaison committees at national (one), provincial (nine) and municipal (213) levels per annum. It had set itself an annual performance target of 661 and has exceeded this target by 423 as it achieved 1 104.

4.4 COMMITTEE DELIBERATIONS ON THE ANNUAL REPORTS

DHA

- 4.4.1 The Committee indicated that it needed to be kept up to date on the contract with EOH Mthobo (PTY) Ltd.
- 4.4.2 The Committee was concerned that the DHA was stagnant with an unqualified audit opinion with findings for the past five (5) years. The Committee was concerned that similar issues that were identified from the previous years were not addressed by the DHA but little in the way of consequence management was enforced.
- 4.4.3 Repeated material misstatements, IT Governance and systems and the loss of financial data at GPW were a concern to the Committee. Internal financial controls are not sufficient to fully implement the Audit Action Plan.
- 4.4.4 Disciplinary actions have not been sufficiently pursued for corruption, theft or fraud that has been committed by the DHA.
- 4.4.5 The Committee expressed concern about the maintenance of the DHA IT infrastructure.
- 4.4.6 The Committee noted that the DHA reported on targets that had not been planned and subsequently corrected them.
- 4.4.7 The Committee was disappointed that there were employees who were still doing business with the state.
- 4.4.8 The Committee expressed concern on the war on long queues at the DHA offices. In 2019, the DHA established a task team on it and it appears that the reviews of the task team have not been implemented.
- 4.4.9 The DHA was not able to register births at all health facilities in the country to prevent Late Registration of Birth.
- 4.4.10 There was a concern that the President has not yet signed the 97 Presidential Proclamation to ensure that certain departments such as the Departments of Police, Agriculture, Health and Public Works concur to transfer staff to BMA.
- 4.4.11 The issue of lack of revenue collection and related policy was of great concern to the Committee.
- 4.4.12 The Committee raised the issue of uncollected IDs and that all DHA offices should be modernised.
- 4.4.13 The upgrading of the y key Ports of Entry have been delayed by a number of years without reliable timeframes and progress reports.

GPW

- 4.4.14 The Committee was concerned that the GPW has not yet submitted the financials for 2020-21.
- 4.4.15 The Annual Financial Statements of GPW cannot be relied on because there was insufficient documentary proof due to the loss of data after a power surge.
- 4.4.16 The Committee questioned why the GPW didn't have a functioning offsite backup system, especially during load-shedding.
- 4.4.17 The loss of key financial data and the cost to rebuild the financial data was a concern to the Committee.
- 4.4.18 The GPW revenue/expenditure has been significantly effected by the COVID-19 related lockdown which in turn effect funds returns to National Treasury.
- 4.4.19 The Committee was also concerned that the organisational structure took more than two years to be finalised.
- 4.4.20 The Committee noted various task teams established at GPW by the Minister aimed at addressing issues raised in the related reports by the Committee were due to be finalised by the end of November 2021.
- 4.4.21 The GPW is in urgent need of a turnaround strategy.
- 4.4.22 The Committee noted the increase of revenue collection from R1.4 billion to R1.6 billion, however, GPW failed to keep proper financial records.

- 4.4.23 The Committee was concerned about the tone of the AGSA in relation to the management of the GPW and more attention would be paid to the GPW and the Minister of Home Affairs to be held accountable.

IEC

- 4.4.24 The Committee noted the improved clean audit opinion by the IEC from the previous unqualified audit opinion with findings.
- 4.4.25 The Committee expressed concern regarding the irregular expenditure of R15.6 million. The IEC reported being in constant contact with National Treasury and the remedial action was that there was going to be compulsory training.
- 4.4.26 The Committee expressed concern is that the IEC did not reach the target to have 26 million on the voters roll by 31 March 2021.
- 4.4.27 The outreach programme was not achieved and this resulted in a lower voter turnout, especially among the young people during the 2021 LGEs. There was a concern about the voter turnout. The IEC reported that voter education has to respond to the reality of Covid-19, however, the IEC interacted with the principals of higher learning institutions. Each learner received an SMS or email to encourage them to vote. They were provided with a hyperlink. The IEC also launched online registration in July 2021. There was also school democracy week where the IEC encouraged pupils of voting age to register and vote. It was reported that voter turnout was influenced by a multiplicity of factors such as that people were informed to avoid gatherings due to Covid-19 and people abstaining due to their perception of poor service delivery.
- 4.4.28 The employment and retaining of 909 permanent staff was not achieved and it also appeared that there was inadequate training because of the challenges that were identified during the 2021 LGEs
- 4.4.29 The Committee expressed disappointment that many voters were turned away on the voting day because their names did not appear on the voters roll in their voting stations where they registered. The CEO conceded that there were operational difficulties during the registration weekend and it was related to VMDs on mapping functionality and the back-end. The IEC officials resorted to the registration manually and the challenge was insufficient time for a proper mop up of the data before the elections.

5. CONSIDERATION OF OTHER SOURCES OF INFORMATION

5.1 State of the Nation Addresses 2021

There were four strategic themes in the SONA:

- Defeat the COVID-19 Pandemic.
- Accelerate economic recovery.
- Economic reforms, job creation and economic growth.
- Fight Corruption and strengthen the state.

It was reported that South Africa's unemployment rate had increased from 29.1% to 31.8% between the fourth quarter of the 2019/20 financial year and the third quarter of the 2020/21 financial year. This meant that unemployment had increased by 1.9% and that 1.7 million South Africans had lost their jobs since the beginning of the COVID-19 pandemic. South Africa's economy grew only by 0.5% in 2019, and was expected to grow an additional 3% during 2021.

The DHA had a significant role in South Africa's economic recovery plan and reducing unemployment, by efficiently managing identity information and international migration. Efficient management of identity information played a significant role in allowing stable and secure flows of skills, capital and goods. This would attract investment, support industrialisation, assist planning, encourage infrastructure building, and grow trade within Africa.

With the African Continental Free Trade Area (the ACFTA) that had come into effect on 1 January 2021, the DHA had to ensure that the visa waiver signed by government with various partner countries was implemented, as per signed agreements. These agreements supported South Africa's commitment to attract investment and facilitate trade within Africa by incrementally relaxing travel regulations. The DHA should ensure that the new electronic visa-regime with Kenya, Nigeria, China, and India, which was supposed to have been implemented in the 2020/21 financial year but was disturbed by the COVID-19 pandemic -- was efficiently implemented to accelerate the flow of people and goods from these regional powerhouses. For Parliament, this meant staying abreast of the latest developments in this regard, as well as regular briefings by the DHA on the future agreements of this nature.

Job creation and reducing unemployment, especially amongst the youth, was placed at the centre of the national agenda for both the 2020 and 2021 SONAs. To create sustainable quality jobs and grow the economy, the SONA 2021 had again noted the lack of relevant skills required by the job market, particularly amongst the youth. As such, SONA 2021 announced that the DHA would soon publish a revised list of critical skills for public comment within one week, to ensure that the final version reflected the skills needed by the economy. It should be noted that the DHA had already published the critical skills list on 18 February 2021 for public comment. The closing date for public comments was 31 March 2021.

Corruption remained one of the main obstacles to South Africa's progress, as pointed out in both 2020 and 2021

SONAs. In one of its many attempts to fight corruption, the 2020 SONA had set up a government and civil society working group to develop a strategy on an anti-corruption plan and an implementation plan, which was to be launched by the middle of last year. SONA 2021 had continued on the same theme, with the President announcing that government had already started implementing the National Anti-Corruption Strategy, which laid the basis for a comprehensive and integrated society-wide response to corruption. In addition, government would soon make appointments for the Anti-Corruption Advisory Council that would report to Parliament. In this regard, the DHA should ensure that preventative mechanisms to combat corruption were put in place, and that those who were caught on the wrong side of the law should face consequences.

5.2 Oversight Visit to Government Printing Works

The Public Servants Association (PSA) and the National Education, Health and Allied Workers' Union (NEHAWU) wrote a letter to the Committee and other government entities including the President, that an investigation should be instituted against the Executive Management of GPW for maladministration and elements of corruption. It was also alleged that the Executive Management of GPW paid themselves exorbitant amounts of money as Covid-19 allowances disguising it as leave credits. The Committee resolved that a second oversight visit should be conducted on 26 May 2021 after the previous complaint from a GPW employee on the issue of corruption resulting in the previous oversight visit to GPW in June 2020.

Having met with the two Unions and Management as well as going on a tour of the GPW facilities, the Committee noted the following:

- The Committee observed on arrival that employees of the GPW were picketing and they were not working. During the opening of the meeting by the leader of the delegations, he advised leaders of the union to talk to their members to go back to their workstations.
- The delegation noted that during the tour of the facility, especially the examination area, the place was very cold and were informed by one of the workers that the place was very cold in winter and it could be hot in summer.
- On the assault, case against the Acting Chief Executive Officer, the then Chief Executive Officer, and dismissed allegations of assault of the employee because they were not substantiated.
- The Government Printing Works had budgeted R3 million for 2021-22 for the procurement of the PPEs and members of the Committee noted that in some of the toilets there were no sanitisers that was a concern.
- The Committee noted the difficulty in service providers to source materials locally as part of the tender requirement and the National Treasury's assistance to GPW on their traversal tender.
- The issue of the leave payments was explained by the Minister of Home Affairs with evidence of the letter from the DPSA and the report by GPW to DPSA of the number of employees who received payment. There was no dispute that there were leave payments. The management reported that their payment was R110 000 for all six people.
- The Committee noted the allegations that senior management received external legal counsel which was not afforded to staff.

5.3 Oversight to Kwazulu Natal and Gauteng

The Portfolio Committee on Home Affairs conducted an oversight visit to KwaZulu-Natal and Gauteng Provinces following the unrest that took place from 11 until 23 July 2021. The Delegation of 10 Members led by Mr. M Chabane undertook the oversight visit to the two provinces from 1 until 6 August 2021. In KwaZulu-Natal, the Deputy Minister of Home Affairs, Mr Njabulo Nzuza and the Acting Provincial Manager, Ms Tersia Hanekom accompanied the Committee from 2 to 3 August 2021.

The Committee travelled to Gauteng on 4 August 2021 oversight took place on 5 August 2021. In Gauteng, the Committee conducted an oversight visit to the Bara Mall office, the Chris Baragwaneth hospital and the Mamelodi office at the Mams Mall. The Minister of Home Affairs, the Director-General and the Deputy Director-General responsible for Civic Services accompanied the Committee.

It was reported that the riots and protests in KwaZulu-Natal Province were triggered, in part, by the arrest of former President Jacob Zuma having to serve a 15 months sentence. The looting and damage to properties started in certain parts of Kwazulu-Natal and spread to certain parts of the Gauteng Provinces. The South African Police Service (SAPS) was unable to contain a large group of people from looting and damaging infrastructure. The looting was focused on shopping malls and warehouses in certain parts of Kwazulu-Natal and Gauteng Provinces. Some offices of the DHA were unfortunately broken into and looted.

The riots and looting have elements of insurgency because not only shops in the malls were looted, the Department of Home Affairs were also looted and damaged. It was reported that in Kwazulu-Natal, three offices were damaged and looted and these are the Eshowe and Impendle offices as well as the satellite office in Ugu District. In Gauteng, it was an office at the Bara Mall in Soweto and the Mamelodi office in Tshwane.

The looting and damage to Department of Home Affairs' offices harmed service delivery in the affected provinces. As a result of the high rate of Coronavirus infections in the country, the DHA was already operating at only 50 percent capacity. With the damage to these offices, the situation will be worse in the affected areas. The situation is also made worse by the cutting of the DHA budget by the National Treasury (NT) in the financial year 2021-22. In the

meantime, the DHA has to find a creative way to ensure that service delivery is not interrupted in those communities where the DHA offices were damaged. The DHA is still assessing which personal information of applicants may have been lost.

Committee Observations.

- 5.3.1 Except for the Impendle and Vulamehlo Thusong offices, all offices that were vandalised in KwaZulu-Natal and Gauteng Provinces were located at malls.
- 5.3.2 The Committee noted that the Vulamehlo Thusong Office would not be reopened because the mobile office was able to service the area once a month.
- 5.3.3 What could have attracted people to vandalize the Impendle Thusong Office; it could be the nearby ATM that was looted.
- 5.3.4 The Impendle Thusong office has two safes and the staff have not been trained to operate the new safe even after two years. That money that was stolen was in the old safe that uses a padlock to lock. The cash office is vulnerable because it did not have burglar bars.
- 5.3.5 The services at the Eshowe office, Impendle Thusong Office and Mamelodi offices were soon restored by the Department of Home Affairs after the looting.
- 5.3.6 The Bara Mall office services have not been restored due to the demands from the community to the property owner that they are giving the work to renovate the mall. The registration of deaths has been moved to Chris Baragwaneth Hospital where births are registered.
- 5.3.7 IT equipment were stolen at the Eshowe office, Impendle Thusong Office, Vulamehlo Thusong and Bara Mall office. The Bara Mall office was also stripped of all basins and counters. All IT equipment at Impendle and Eshowe were since replaced.
- 5.3.8 In the Mamelodi office, only three windows were broken and two mobile trucks were stationed to assist with services.
- 5.3.9 The Mamelodi office was too small for the community, which has doubled since 2009 and lacks sufficient staff to service the area.
- 5.3.10 All offices that were visited did not have security cameras and the Committee was concerned about security as well as oversight of potential fraud/corruption.
- 5.3.11 Except for the Chris Hani Baragwaneth Hospital, no offices visited had Covid-19 screens to protect the staff and members of the public.
- 5.3.12 The Committee noted the pro-activeness of the Department of Home Affairs to ensure that communities where the offices were vandalized, had services restored and where not possible, redirected to the nearest service points. The Committee also commended the commitment of the staff that had worked hard to restore services despite the turbulent circumstances.
- 5.3.13 It was noted that some property owners in shopping malls were able repair damaged offices very quickly assisting in quick restoration of DHA services.

6. 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:

6.1 Issues outstanding from the 2020 and previous Budget Review and Recommendation Reports

The Department of Home Affairs

- 6.1.1. Report on the full reopening of refugee offices in Port Elizabeth and Cape Town as per court orders as a matter of urgency.
- 6.1.2. Engage more urgently with the Ministers of Finance regarding the cutting of funding to the already constrained DHA that 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.
- 6.1.3. 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, issues of significant contingent liabilities 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.
- 6.1.4. The Department of Home Affairs should ensure that it plans budgets properly to ensure that if 100 percent of the budget is spent, it means 100 percent of the targets are also met.
- 6.1.5. The Minister of Public Works and Infrastructure should ensure that all officials and others who were found to have acted in the illegal procurement process of the Beit bridge fence are held accountable.
- 6.1.6. The report of the Special Investigations Unit on Beit Bridge is to be implemented fully as soon as possible.
- 6.1.7. The DHA should continue to address the issue of long queues at its service offices.

The Government Printing Works

- 6.1.8. 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.
- 6.1.9. 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.
- 6.1.10. Ensure that the State Security Printers Bill is submitted to Parliament by the end of the 2019/20 financial year.

- 6.1.11. The Committee notes that a police investigation is underway regarding the missing Curriculum Vitae's (CV's) of advertised posts that were supposed to have been filled. However, the Minister of Home Affairs should hold the Acting CEO accountable for the missing CV's. The Committee expect a report from the Acting CEO on the actions taken against those responsible for safeguarding the CV's.

The Electoral Commission

- 6.1.12. 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.
- 6.1.13. The IEC should work more closely with the Minister of Home Affairs and Cabinet in ensuring that the Amendments to the Electoral Legislation regarding Independent Candidates recommended by the Constitutional Court are tabled as a matter of urgency before the end of October 2020. Failing which the Minister and IEC must copy the Committee in on its correspondence to the Constitutional Court that it is likely to need an extension of the deadline set to effect these amendments.
- 6.1.14. The IEC should consider more online and conventional media alternatives to compensate for loss of face to face outreach programmes.

6.2 Recommendations 2021

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

- 6.2.1. The Department should explain the measures it has taken to improve its reports relating to financial and performance information as suggested by the AG in its next quarterly report to the Committee.
- 6.2.2. The issue of lack of policy/implementation on revenue collection should be addressed before the end of the 2021/22 financial year.
- 6.2.3. The Department should review and monitor compliance with applicable legislation related to financial expenditure management so that material misstatements are identified prior to the next annual financial statements being submitted to the Auditor General.
- 6.2.4. Ensure that the Department of Home Affairs assess the financial viability of more offices at malls across the country because of the large number of people and convenience at malls compared to the security risks before the next budget allocation.
- 6.2.5. Assess and report within 6 months to the Committee on the cost and benefit of having security cameras, security services and cash collection for the staff and clients at vulnerable DHA offices.
- 6.2.6. Ensure that the Department of Home Affairs works with property owners to ensure that the Bara Mall Office is renovated and reopened as soon as possible.
- 6.2.7. A further update on the contention around the extended contract with EOH Mthombo (PTY) Ltd. must be presented to the Committee within 6 Months of this report.
- 6.2.8. Ensure that the Department of Home Affairs secure a big enough office space and staff contingent for the Mamelodi office.
- 6.2.9. Increase the progress made in the modernization of all Home Affairs offices and report on the progress in this regard in the next quarterly report.
- 6.2.10. The relevant planning and risk committees needed to be established or made more efficient in preventing and addressing security challenges including rapid deployment of more Mobile units.
- 6.2.11. It was noted that although management of social distancing was occurring at offices, it needed to be monitored in the event of increased demand arising.
- 6.2.12. The Committee welcomed the dual connectivity links at several offices and the installation of power generators at 196 offices but urged the DHA to increase this number. The Department must also report on the partnership with SITA and Dimension Data to resolve the network connectivity within the 24 months target as specified in the 2019/20 Annual Performance Plan.
- 6.2.13. The Department should be advised to develop and implement an action plan to prevent irregular expenditure.
- 6.2.14. Disciplinary actions to be pursued and Cases should be opened with the Directorate for Priority Crimes Investigations (The Hawks) to address corruption, theft or fraud more earnestly before the next annual report.
- 6.2.15. The DHA should continue progress towards registering births at all health facilities in the country to prevent Late Registration of Birth.
- 6.2.16. Report by April 2022 on all relevant departments transferring the required staff and budget to BMA.
- 6.2.17. The upgrading of key Ports of Entry should have prioritised timeframes and progress be reported to the Committee by the end of June 2022.

The Government Printing Works.

- 6.2.18. The GPW should attempt to table their 2021/22 Annual report before May 22 and report on those being held responsible for the loss of financial data without the relevant backups being in place.
- 6.2.19. In its next presentation to the Committee, the GPW management must account for how they have addressed their outstanding audit findings..

- 6.2.20. The GPW management must be held to account for extensive delays in their 2019/20 financial statements due to contesting their audit findings by the AG several times.
- 6.2.21. The Government Printing Works (GPW) executive management and labour are urged to continue work towards improving their working relationship to ensure a conducive work environment prior to tabling of the 2021/22 annual report.
- 6.2.22. The committee urged the GPW to amplify their engagements with the Department of Public Works and Infrastructure to expedite the overhaul of the entire operational system to meet requirements.
- 6.2.23. Regarding human resources in the IT environment, the committee urged GPW to develop a strategy to augment skills and capacity, to ensure sustainability in the long run.
- 6.2.24. The Committee is steadfast in its conviction that effective consequence management must be implemented against anyone who commits acts of malfeasance as efficiently as is fair labour practice.
- 6.2.25. The Minister should report on the outcomes of any ministerial task team, Committee Reports and criminal cases established to address the GPW issues raised above by the end of November 2021.
- 6.2.26. A report must be submitted by the GPW before the end of December 2021 on progress made on recovering key financial data and the cost to rebuild the financial data.
- 6.2.27. The GPW should have revised their organisational structure prior to the tabling of their 2022/23 Annual Performance Plan/Budget.

The Electoral Commission

- 6.2.28. Commend the IEC on clean audit, good governance and encourage them to keep up the progress.
- 6.2.29. The lack of finances needed to retain employment of some permanent staff and make 92 appointments as well as inadequate training contributed to the challenges that were identified during the 2021 LGEs. This must be addressed in the upcoming 2022 budget application to National Treasury.
- 6.2.30. The IEC should explain the outstanding measures it will implement to ensure that irregular expenditure is prevented prior to its presentation on its budget to the Committee in 2022.
- 6.2.31. The IEC must specify the details of the amount of around R52 million of "other non-compliant matters" on page 147 of the annual report under note 49.2.
- 6.2.32. The IEC in collaboration with key stakeholders will need to further improve to ensure that more eligible South African's are on the voters roll and participate in elections during the upcoming National and Provincial Elections scheduled for 2024.
- 6.2.33. The IEC need to increase innovative measures together with its stakeholders (political parties and civil society) to address the continuing decline in voter participation, particularly amongst the youth, prior to the 2024 National Elections.

Report to be considered.