

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

MONDAY, 9 NOVEMBER 2015

COMMITTEE REPORTS

- 1 The Parliamentary Oversight Committee, having considered the Annual Report of the Western Cape Provincial Parliament for the 2014/2015 financial year, reports as follows:**

- 1. Introduction**

The Annual Report (AR) of the Western Cape Provincial Parliament (WCPP) was referred to the Parliamentary Oversight Committee (hereinafter “the Committee”) on Friday 28 August 2015. Although the Financial Management of Parliament and Provincial Legislatures Act (Act 10 of 2009, as amended. Hereinafter “the Act” or “FMPPLA”) only came into effect on 1 April 2015, and the WCPP AR in question is for the financial year ending March 2015, the AR was referred to the Committee for consideration as the body that is tasked with the consideration of the WCPP Annual Reports in terms of section 60 of the Act.

The purpose of the Act is to regulate the financial management of Parliament and provincial legislatures in a manner consistent with its status in terms of the Constitution, to ensure that all revenue, expenditure, assets and liabilities of Parliament and provincial legislatures are managed efficiently, effectively and transparently, to provide for the responsibilities of persons entrusted with financial management and to provide for matters connected therewith. In compliance with the spirit of section 4 of the Act, the Committee considered the AR of the WCPP to maintain oversight of the financial management of the WCPP for the financial year in question.

As the AR in question pre dates the implementation date of the Act the Committee noted that the Auditor-General audit outcomes were based on the applicable prescripts of the Public Finance Management Act (Act 1 of 1999). The Committee

kept this in mind throughout its interaction with the Auditor-General, the Audit Committee and the WCPP.

2. Overview

The Committee met on 14 October 2015 at 08:00 where it was briefed by the Auditor-General (hereinafter “the AG”) on the PFMA audit outcomes of the 2014/2015 financial year for WCPP. After the briefing by the AG the Committee was briefed by the Audit Committee (hereinafter “the AC”) whose role is to ensure that WCPP functions according to good governance principles, complies with accounting and audit standards and monitors that appropriate risk management arrangements are in place. The AC also monitors the adequacy and reliability of the financial information provided by the WCPP.

The Committee’s methodology was to first meet with these bodies to benefit from their findings and possible concerns to assist the Committee to have a constructive oversight engagement with the WCPP.

The Committee met with WCPP at 09:30 where introductory comments were made by the Speaker and the Secretary to Parliament. A page by page oversight discussion ensued with the management of the WCPP.

3. Findings

3.1 The Committee noted that the AG:

3.1.1 Expressed an opinion that the financial statements presented fairly, in all material respects, the financial position of the institution as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with modified cash standard and requirements of the Provincial Parliament Treasury directives.

3.1.2 Reported that WCPP maintained an unqualified audit with no findings on predetermined objectives or compliance with laws and regulations.

3.1.3 Found no material findings related to pre-determined objectives, procurement, contract management and human resources and compensation.

3.1.4 Identified no significant deficiencies in internal control relevant to the audit of the financial statements.

3.1.5 Reported that the WCPP’s current financial system is not capable of supporting the preparation of a Generally Recognised Accounting Practice (GRAP) compliant financial statements without significant effort and year-end pro-forma journals.

3.1.6 Reported that of the under-expenditure only R67 000 (3.1%) related to under-expenditure on capital budget and that the under spending had no impact on service delivery of the institutions pre-determined objectives.

3.2 The Committee also noted that the AC:

- 3.2.1 Provided an independent oversight of the legislature's system of risk management. The AC reported that the WCPP is definitely more risk aware after establishing an Enterprise Risk Management Committee to assist the Accounting Officer in executing her responsibilities relating to risk management. There are however initiatives and projects identified to address risks that were not implemented due to budgetary constraints. Notwithstanding this, the AC reported that the risk management system and processes that were put in place ensured a clear improvement in addressing and minimising risks that could negatively impact on the outcomes of the WCPP.
- 3.2.2 After having evaluated the Annual Financial Statements, concurred with and accepted the AG's opinion regarding the Annual Financial Statements and proposed that the audited Annual Financial Statements be accepted and read together with the report of the AG.
- 3.2.3 Reported that any changes to the accounting policies, other than those reported by the AG, were adequately presented in the annual financial statements
- 3.2.2 After having evaluated the Annual Financial Statements, concurred with and accepted the AG's opinion regarding the Annual Financial Statements and proposed that the audited Annual Financial Statements be accepted and read together with the report of the AG.
- 3.2.3 Reported that any changes to the accounting policies, other than those reported by the AG, were adequately presented in the annual financial statements.
- 3.2.4 Acknowledged the progress the WCPP has made during the year in following up previously reported matters related to the Management Report.
- 3.2.5 Relating to internal control and control weaknesses, reported that Employee Wellness and Records Management were noted by Internal Audit as major areas for improvement.

Employee wellness is a risk area due to the fact that there is a marked increase in absenteeism as opposed to previous financial years due to stress and a discontented workforce.

Key controls to mitigate risks relating to records management were absent or inadequate. No records manager was in place. There were instances of non-adherence to the file plan and the processes in place were not consistently applied and policies and procedures that were in place needed to be strengthened. There were no policies in place to ensure adherence to records disposal procedures.

The status of implementation on corrective actions is a standing item on the quarterly Audit Committee agenda and as such, the Committee reviews progress on a quarterly basis.

- 3.2.6 Highlighted that during the year under review the Internal Control Unit completed inspections identifying control gaps and areas where management could minimise risks mostly related to Asset Management, Human Resource termination process and Tender process.
- 3.2.7 Relating to risk management, was satisfied with the content and quality of the quarterly financial and performance reports prepared and issued by the Accounting Officer of the WCPP during the year under review.
- 3.3 Resource constraints (financial as well as human resources) led to non-achievement of some predetermined objectives. Examples are the skills development plan that could not be implemented earlier and the manual conversion to GRAP. The financial constraints also resulted in the inability to renew the contracts of contract workers.
- 3.4 FMPPLA was approved in September 2014, with the main financial impact on the institution being the requirement to move to a GRAP compliant Enterprise Resource Planning (ERP) system. The planning to move to this system is on-going with an implementation date of 1 April 2017. The WCPP set aside R2 million from the 2014/2015 budget to contribute to ERP system, that is estimated to cost between R6 million and R8 million. There is continuous engagement with provincial Treasury on the finances that are needed to implement the system.

In the interim the institution has to do manual conversions to comply with Treasury Regulations in relation to accrual accounting. Tenders have been solicited to assist the institution in this regard in the interim period. Modernisation of not only the Financial Management Systems but also the Human Resource Systems are needed as the current systems are not integrated. At present the administrative burden is heavy due to the incompatible systems.

- 3.5 The human resource delegations and the organisation design guidelines were compiled but are pending approval. Implementation of targets were not met as the staff skills assessments had to be done over more than one financial year, due to the cost involved and procurement challenges.
- 3.6 The review of the accommodation plan was not achieved as planned, as the organisation is still busy with a planned organisation development exercise which impacts on the accommodation needs. Once the process is completed the WCPP will engage Treasury for the finances required to support the organisation design requirements. The pace of finalising the accommodation plan is slow due to many factors that have to be considered including the work study outcome that could affect staffing accommodation needs. The precinct is not disabled friendly, thus further contributing to the need for suitable accommodation that caters for all the needs of the institution.
- 3.7 The Standard Operating Procedure for Security could not be finalised as the Security Plan was not approved.

- 3.8 The Information Technology maturity level has improved with the Approved ICT Governance Framework Policy and associated policies, processes and implementation thereof. A Disaster Recovery site is a need that has to be budgeted and planned for.
- 3.9 A Draft Monitoring and Evaluation (M&E) Strategy was compiled but not approved as there was still uncertainty regarding the functionality of the M&E (centralised or decentralised). In the absence of adequate capacity the Chief Treasury Officer was used to administer the M&E function and the institution has committed to a much stronger focus on M&E in future.
- 3.10 Invoices not paid within 30 days were mostly related to technical matters and disputes related to the invoices. One invoice could not be paid as the Service Level Agreement was not yet in place at the time that the invoice was received.
- 3.11 The asset register was not 100% reconciled to actual assets as some assets were incorrectly classified as consumables and there were also virtual locations that should not have been on the asset register.
- 3.12 The WCPP was one of the respondents along with National Parliament and the other Provincial Legislatures in the Constitutional court case relating to the Restitution of Land Rights Amendment Act (Act 15 of 2014). The institutions are being challenged as to the constitutionality of the public participation process that was followed whilst this Act was a Section 76 Bill. To date the institution has spent R327 000 on the case. R164 000 was spent during the year of review.
- 3.13 The process for any political party to make use of private security within the precincts of the WCPP should be clarified.

4. Information requested

- 4.1 The Committee **REQUESTED** the WCPP to:
- 4.1.1 Provide it with a report on the policy formulation relating to the use of private security in the Parliamentary precinct;
- 4.1.2 Provide it with a list of the risks identified by internal audit and how the risks were mitigated;
- 4.1.3 Provide it with the list of beneficiaries in terms of fees paid relating to -
- 4.1.3.1 consultants: business and advisory services;
- 4.1.3.2 contractors;
- 4.1.3.3 agency and support/outsourced services;
- 4.1.3.4 performance awards that were awarded;

- 4.1.3.5 travel;
 - 4.1.3.6 training; and
 - 4.1.3.7 legal services;
- 4.1.4 Finalise outstanding matters relating to previous years' Public Accounts recommendations as contained on pages 71 – 72 of the Annual Report (having noted that progress has been made in finalising most, if not all, of these matters), as follows:
- 4.1.4.1 The Speaker provides guidelines to all committees as to the treatment of classified documents submitted to committees;
 - 4.1.4.2 The Speaker provides guidelines to all committees regarding in-committee processes *vis-a-vis* clause 28 (1) – (3) of the Western Cape Constitution;
 - 4.1.4.3 Provincial Parliament prioritises the customisation and implementation of the Sector Oversight Model; and
 - 4.1.4.4 Provincial Parliament ensures that heritage assets are located, valued and properly conserved, publishes a heritage asset register and that a policy in this regard is finalised; and
- 4.1.5 Provide the Committee with a report explaining the 16 instances, to the accumulated value of R228 717. 75, where payments were settled in excess of 30 days.
- 4.2 The Committee **REQUESTED** the AC to provide it with a list of risks identified related to Employee Wellness and Records Management.

5. Conclusion

The Committee commends the institution for maintaining an unqualified audit with no findings on predetermined objectives or compliance with laws and regulations.

The Committee also recognizes that the requirements of FMMPLA for the WCPP to move to an integrated system that will result in GRAP compliant Annual financial statements that facilitates the flow of information between all business functions, places strain on the organisation. Some of the implications of FMMPLA are as follows:

- Changes are required to existing processes. In the interim, prior to the implementation of the ERP GRAP compliant system, the institution has to do manual conversions to comply with Treasury Regulations in relation to accrual accounting;

- Modernisation of not only the Financial Management Systems but also the Human Resource systems are needed as the current systems are not integrated. At present the administrative burden is heavy due to the incompatible systems;
- Standard Operating Procedures that will align and support the requirements of an integrated financial management system has to be drafted;
- Operational readiness to ensure the adequate migration from a modified cash basis of accounting to GRAP will have to be ensured; and
- Budget constraints to fully exercise the operational requirements of the ERP system will have to be overcome.

The Committee will continue to engage with the institution on its budget, FMMPLA implementation plan, and outstanding matters that was identified in section 4 above.

6. Acknowledgments

The Chairperson expressed the Committee's appreciation for the responses of the various role-players to the oversight work of the Committee related to the WCPP AR for the year ending March 2015 and thanked the AG, AC, Internal Audit, presiding officers and the WCPP administration for their efforts and contributions in this regard.

2. Report of the Standing Committee on the Premier on the 2014/15 Annual Report of the Department of the Premier, dated 27 October 2015.

1. Introduction

Annual Reports are the key instruments for the departments to report on performance measured against performance targets and budgets as outlined in the Strategic Plans and Annual Performance Plans of the Department.

The Annual Report Programme for the 2014/15 financial year was advertised in the newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

As part of its oversight function, the Committee considered the Annual Report of the Department of the Premier on 21 October 2015.

The Committee Report discusses the Committee's findings and recommendations related to the performance of the Department during the year under review.

2. Overview

During the year under review, the Department of the Premier focused on implementing a transversal approach to service delivery through the Western Cape Government Provincial Strategic Goals. The Department of the Premier is responsible for coordinating and driving the Provincial Strategic Goals through the delivery departments.

A number of game changers and key initiatives were identified for the year under review to establish innovative ways to impact specific challenges facing society. The role of the Western Cape Government is to create an enabling environment for economic growth which leads to more jobs, improved health and education outcomes and a sustainable living environment. The Provincial Strategic goals have been designed to achieve these outcomes.

The Department of the Premier is responsible for the roll-out of Broadband across the Western Cape. The Department presented detailed briefings on the challenges, setbacks and progress made on Broadband throughout the year. The Broadband focus is to set-up fast reliable connections in all areas including youth cafes, community access points, e.g. libraries and schools resulting in improved economic growth.

3. Inputs received from the public

Members of the public were given an opportunity to give input on the Annual Report of the Department of the Premier. No input was received.

4. Findings/Concerns

- 4.1 The Department of the Premier works closely with government departments, different spheres of government and Ministers by holding them accountable to achieve the Provincial Strategic Goals.
- 4.2 A Delivery Support Unit was established to support the design and track the implementation of the game changers. The Delivery Support Unit is based on a United Kingdom model established under the leadership of Tony Blair and the Malaysian Government Performance Management and Delivery Unit (PEMANDU) process.
- 4.3 All units within the Department of the Premier, namely the Performance Management and Evaluation unit, Corporate Services, the Chief Financial Officer and the Offices of the Director-General contributed to the delivery and unqualified audits received by all 13 provincial departments.
- 4.4 The Department of the Premier froze the filling of 111 posts and project funding for selected projects had to be cut back to ensure sustainable budgets within the provincial departments.
- 4.5 The Department of the Premier is responsible for implementing the provisions in the Constitution of the Western Cape Act (Act 1 of 1998). The current provision in the Act requires the establishment of a Commissioner for Children and a Commissioner for the Environment. The Department has been non-compliant in this provision since it has not filled any of the aforementioned posts in the 2014/15 financial year.
- 4.6 The Department should adhere to the enforcement of the employment equity principles, especially for senior level posts for the year under review.

5. Recommendations

The Committee RECOMMENDED that the department brief the Committee on the People Management Strategy.

6. Papers, reports and information requested by the Committee

The Committee REQUESTED that the Department provide the Committee with the following information by 30 November 2015:

- 6.1 An update on the vacancy rate within the Department including funded and unfunded posts;
- 6.2 A detailed report on the game changer strategy which has been derived from the provincial strategic priorities and the budget linked to each game changer;
- 6.3 A report on the original start and completion date of the Organisational Development functional areas, as indicated on page 41 of the 2014/15 Annual Report; and
- 6.4 A report on progress achieved in the establishment of the Delivery Support Unit, as indicated on pages 10 and 16 of the Annual Report, including the total of staff members employed in this unit, their designations within the Unit and the estimated budget for this Unit.

7. Conclusion

The Committee wishes to express its appreciation for the information provided by the Premier, the Director-General and officials of the Department.

3. Report of the Standing Committee on Education on the 2014/2015 Annual Report of the Western Cape Education Department, dated 29 October 2015.

1. Introduction

Annual Reports are the key instruments for the departments to report on performance measures against performance targets and budgets as outlined in the Strategic Plans and Annual Performance Plans of the Department.

As part of its oversight function, the Standing Committee on Education considered the Annual Report of the Western Cape Education Department (hereinafter referred to as WCED) on 19 October 2015.

The Committee Report discusses the Committee's findings, concerns and recommendations related to the performance of the Department during the year of review.

2. Overview

The Annual Report programme for the 2014/2015 financial year was advertised in newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

The research analysis on the Department's Annual Report was conducted by Creative Consulting and Development Works, an independent research company to assist Members in preparing for the oversight meeting. The Committee's findings, concerns and recommendations are therefore based on the interaction that the

Committee had with the Department during the oversight meeting held on 19 October 2015. The Committee relied on the research analysis that was provided, the research of individual Members, the regular oversight meetings that were held with the Department relating to Quarterly Performance Reports during the year and the input provided by the Departmental officials and the Head of the Department.

Before proceeding to the consideration of the report, the Head of Department, Ms P Vinjevoold, was given an opportunity to make opening remarks. The Minister of Education, Ms D Schäfer, tendered her apologies, as she was unable to attend the meeting due to ill health.

Members of the Committee deliberated on Part A: General Information, Part B: Departmental Programme Performance and Part D: Human Resource Management of the Department's Annual Report. Members of the public were also given an opportunity to pose questions or make inputs during the discussions.

The following key achievements, of the Department were noted: from 2009-2014, were the Western Cape Government laid the foundation for solid improvements in learner performance and quality within the system. This led to the improvement in learner performance in language, mathematics and the National Senior Certificate (NSC) over this period, the retention rate increased, the number of underperforming schools decreased, administrative systems increased and more schools were replaced or built.

The year under review presented a clean audit report for the Department. The Department achieved 99.85% of programme expenditure on their adjusted budget for 2014/15 and under-expenditure of 0.15%.

3. Findings

- 3.1 The Department reported that together with Nuwe Hoop Centre for the Hearing Impaired in Worcester, it will develop an intervention plan which will commence in 2016. According to the envisaged plan, learners will be separated as per their disabilities and the Department would provide resources to assist in the upgrading of the hostel section of the Nuwe Hoop Centre.
- 3.2 The Department will introduce new technical subjects and increase access to and support for vocational subjects.
- 3.3 During the year under review, the Department informed the Committee that there was no e-Learning connection to the Wide Area Network (hereinafter referred to as WAN) and Local Area Network (hereinafter referred to as LAN) but during the 2015/2016 financial year about 1 262 schools would be connected to the WAN and LAN of the broadband access (e-learning).
- 3.4 The Department will introduce a number of initiatives that are all linked to the Department's three main indicators of success, as outlined in the Department's Strategic Plan over the next five years (2015-2019). These initiatives are based on how the schools performed during the 2014/2015 financial year. They are inter alia.
 - 3.4.1 An improvement in the level of language and mathematics in all schools;

- 3.4.2 An increase in the number and quality of passes in the National Senior Certificate (NSC); and
- 3.4.3 An increase in the quality of education provision in poorer communities.
- 3.5 During the year under review, the Department appointed 700 new teachers.
- 3.6 The Department supports 216 fee-paying schools serving poor communities which opted to become no-fee schools in the 2014 school year.
- 3.7 The Department's learner transport programme assists over 50 000 learners in poorer rural areas.
- 3.8 During 2014, the Department piloted the use of Competency Based Assessments for shortlisted candidates for principal positions to ensure that the most suitable candidates are appointed and that training needs are identified. In 2015, the Department intends to expand the Competency Based Assessments for the appointment of deputy principals and the head of departments.

4. Concerns

The Committee raised the following concerns:

- 4.1 The Department needs to take cognisance of the issues regarding learner transport and those directly pertaining to learners that fall under the 5km distances in rural areas. There are learners who cannot utilise the learner transport according to the Learner Transport Policy. Especially where the school is situated 4km from their homes.
- 4.2 Schools that are privately owned do not get the necessary infrastructure upgrades as opposed to those schools owned and managed by the Department.
- 4.3 Maths and Numeracy results as indicated in the Department's Annual Report are below 50%.

5. Information requested by the Committee

The Committee REQUESTED the Department provide it with the following:

- 5.1 A copy of the Learner Transport Policy.
- 5.2 A report on the number of acting principal and teacher positions at schools during 2014/2015 financial year, as indicated on page 39 in the Annual Report of the Department.
- 5.3 The list of the number of learners attending Further Education and Training Colleges (hereinafter referred to as FET) and the number of learners that wrote exams at FET College in the 2014/2015 financial year.
- 5.4 A summary report on the number of learners in Public Ordinary Schools benefiting from the "No Fee School" policy, as stated on page 60 under the Programme Performance Measure 204 of the Annual Report of the Department.
- 5.5 Clarity on the number of educators employed in Public Special Schools, as indicated on page 73 under Programme Performance Measure 402 of the Annual Report of the Department.
- 5.6 A list of after school programmes available for Grade 8, 9 and 12 before the final exams and at which schools these programmes are offered.

6 Recommendations

The Committee RECOMMENDED that the Department:-

- 6.1 Investigate and review matters pertaining to learners who are subjected to walk for 4km since the distance from the school to their home falls outside of the learner transport distance of 5 km.
- 6.2 Present to the Committee on the learner transport
- 6.3 Present to the Committee on the Bus Committee which were established in 2015.
- 6.3 Develops a system that would capture donor or “in kind” donations received by the Department, for tracking and recording purposes.
- 6.4 Increase efforts and interventions, including teacher development, to ensure that Maths and Numeracy outcomes are improved during the 2015/2016 financial year. This has been highlighted as a critical area which needs serious intervention.
- 6.5 Together with the Committee, assists in encouraging parental involvement in their children’s education.

7 Conclusion

The Committee wishes to express its appreciation for the information provided by the Head of Department, officials of the Western Cape Education Department and the members of the public.

4. Report of the Standing Committee on Community Development on the 2014/2015 Annual Report of the Department of Health, dated 27 October 2015.

1. Introduction

Annual Reports are the key instruments for the departments to report on performance measured against performance targets and budgets as outlined in the Strategic Plans and Annual Performance Plans of the Department.

As part of its oversight function, the Committee considered the Annual Report of the Department of Health on 16 October 2015.

The Committee Report indicates the Committee’s findings and recommendations related to the performance of the Department during the year under review.

2. Overview

The Annual Report Programme for the 2014/2015 financial year was advertised in the newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

A research analysis on the Department’s Annual Report was done by an independent research company to assist members in preparing for the oversight meeting. The Committee’s findings and recommendations are based on the interaction that the Committee had with the Department during the oversight meeting held on

16 October 2015. The Committee relied on the research analysis, the research by individual Members, the regular oversight meetings that were held with the Department relating to Quarterly Performance Reports during the year under review and the input provided by the Minister and the departmental officials.

3. Inputs received from the public

Members of the public were not present to give either oral or written input on the Annual Report of the Department of Health.

4. Findings

- 4.1 The Department informed the Committee that the Province is faced with a quadruple burden of disease, which continues to place enormous strain on the health system.
- 4.2 The burden of communicable and non-communicable disease is of particular concern. The Province has an increasing number of people with multiple, interrelating and compounding health problems.
- 4.3 The overall life expectancy of people in the Western Cape Province is 66 years, 68 years for women and 64 years for men.
- 4.4 The infant mortality rate is 19.1 % and the maternity mortality ratio is 78 as compared to 269 for South Africa.
- 4.5 The Department informed the Committee that during the year under review, 116 fixed Primary Health Care facilities and 39 hospitals conducted National Core Standards (NCS) self-assessments to ensure quality improvement and compliance in all health facilities in the Province.
- 4.6 In the interest of enhancing public participation and the person centeredness of the health system, the Department undertook to revise the Western Cape Health Facility Boards Act (Act 7 of 2001). A new bill, the Western Cape Health Facility Boards and Committee Bill, 2015, is being prepared for public comments in the next financial year.
- 4.7 Members were informed that Regulations on the Western Cape Independent Health Complaints Committee Act (Act 2 of 20014), were promulgated on 21 November 2014 and the committee is likely to be established in the 2016/2017 financial year.
- 4.8 The Department reported that it had filled a total of 31 267 positions as at 31 March 2015, which is an increase of 250 filled positions compared to the previous year.
- 4.9 The Department reported that it has completed the following main capital projects in the year under review: Delft Community Day Centre–ARV consulting rooms and new pharmacy, new Du Noon Community Health Centre, new Heidelberg Ambulance Station, new Hermanus Community Day Centre, upgrade and extension of the New Horizon Clinic, replacement of Rawsonville Clinic, and Acute Psychiatric Units at George and Mitchell’s Plain Hospitals.
- 4.10 The Department is in the process of establishing a data centre which is intended to house all the clinical and financial data in the Department as well as other external data from external sources. The data centre will consolidate and harmonise the various data sources using the Patient Master Index (PMI).
- 4.11 Members were informed that the prototype for The Single Patient Viewer has been completed during the 2014/2015 financial year. This is a web-based

viewing application that allows clinicians to access an integrated perspective on patient data available across various, vertical patient information systems in one platform.

- 4.12 The Department reported that during the year under review, it had encountered a significant drugs stock-out in the Province due to the change in national tender that resulted in a wide range of pharmaceutical items being out of stock. The Department mitigated the challenge by introducing interventions that included amongst others, procuring items via Provincial contracts, a communication campaign and re-distribution of supplies between health facilities.
- 4.13 The Department also reported that during the period under review, it had a surplus of R154 000 for sales of capital assets due to the once off sale of equipment at the George Laundry Site which has since been closed.
- 4.14 The Department further mentioned that the 87.7% underspending was due to infrastructure delays by the Department of Public Works.

5. Resolutions

The Committee RESOLVED:

- 5.1 To conduct an oversight visit to Open Circle, a Non-Profit Organisations (NPO) that offers services for people with intellectual disability and challenging behavior in Alexandra Hospital in Maitland.
- 5.2 To invite the University of the Western Cape (UWC) and the South African Medical Research Council to brief the Committee on their research on traditional medicines.
- 5.3 To invite the Department of Health to brief the Committee on the progress of the piloted National Health Insurance (NHI) Plan in the Eden District.
- 5.5 That the Department of Health briefs the Committee on the Hospital Bed Plan.
- 5.6 That the Department of Health briefs the Committee on the intergovernmental report and the related service level agreement between the City of Cape Town and the Western Cape Department of Health.
- 5.7 That the Department of Health briefs the Committee on its five year Strategic Plan.

6. Recommendations

The Committee RECOMMENDED:

- 6.1. That SCOPA provides the Committee with a report on the presentation given to SCOPA by the Department of Transport and Public Works on the infrastructure under spending by 87.7% due to the infrastructure delays within the Department of Health. The Committee agreed that if the SCOPA report does not reflect the 87.7% underspending, a forensic investigation will have to be conducted.

7. Papers, reports and information requested by the Committee

The Committee REQUESTED that the Department, by 30 November 2015, provides the Committee with the following:

- 7.1 A copy of the Community Health Forum Policy.
- 7.2 Detailed information on the sold George Laundry Capital Assets with reference to page 15 of the Annual Report (e.g. to whom were assets sold).
- 7.3 A report on the Private Public Partnerships (PPP).
- 7.4 A breakdown of vacancy rate in District health facilities and in health facilities in the Metro.
- 7.5 A breakdown of consultation expenditure and contract expenditure, with reference to pages 222 and 223 of the Annual Report.
- 7.6 A report by the Council for Science and Industrial Research (CSIR) on the GF Jooste Hospital.
- 7.7 A report on the public participation process that was followed during the closure of the GF Jooste Hospital.
- 7.8 A detailed report on the most recurring complaints received by the Department through the complaint help line.
- 7.9 A list of infrastructure projects that are in the pipeline for the Department in the next 10 years. The list should include the start and end date of the anticipated projects.
- 7.10 The Committee also requested to be provided with an update on the Tygerberg feasibility study report that will be finalised at the end of November 2015. The Committee resolved that this information should be submitted to the Committee by 31 January 2016.
- 7.11 A detailed report on amputations done during the financial year under review of patients with diabetics. This information should be submitted to the Committee on or before 31 January 2016.

8 Conclusion

The Committee wishes to express its appreciation for the information provided by the Minister, the Head of the Department and officials of the Department.

5. Report of the Standing Committee on Community Development on the 2014/2015 Annual Report of the Department of Social Development, dated 27 October 2015.

1. Introduction

Annual Reports are the key instruments for the departments to report on performance measured against performance targets and budgets as outlined in the Strategic Plans and Annual Performance Plans of the Department.

As part of its oversight function, the Committee considered the Annual Report of the Department of Social Development on 13 October 2015.

The Committee Report discusses the Committee's findings and recommendations related to the performance of the Department during the year under review.

2. Overview

The Annual Report Programme for the 2014/2015 financial year was advertised in selected newspapers, inviting stakeholders and members of the public to attend and participate in the discussions.

Research analysis of the Department's Annual Report was conducted by Western Cape Provincial Parliament Research Unit to assist Members in preparing for the oversight meeting. The Committee's findings and recommendations are based on the interaction that the Committee had with the Department during the oversight meeting held on 13 October 2015. The Committee relied on the research that was provided, including the research by individual Members, the regular oversight meetings that were held with the Department relating to Quarterly Performance Reports during the year under review and the input provided by the Minister and the departmental officials.

3. Inputs received from the public

No members of the public were not present to give either oral or written input on the Annual Report of the Department of Social Development.

4. Findings

- 4.1 During the year under review, the Department of Social Development (DSD) focused on improving the quality of service delivery. The Department was guided by a set of eight Provincial Strategic Objectives that were subsequently replaced by the adoption of five new Provincial Strategic Goals (PSGs).
- 4.2 The Department of Social Development has strategically consolidated and strengthened management systems and internal controls. This has been a priority in the 2014/2015 financial year for the Department, especially with respect to ensuring the reliability and usefulness of the Department's performance information.
- 4.3 The Department informed the Committee that their main challenge for the period under review was obtaining accurate performance data from over 2000 contracted Non-Profit Organisations (NPOs), 35 local service delivery offices, and a range of department-run residential facilities for children and adults.
- 4.4 Mechanisms, norms and standards were put in place to deal with transfer payments to Non-Profit organisations (NPO) and public entities.
- 4.5 By the end of the 2014/2015 financial year, the Department completed the matching and placing of its staff into the approved Social Welfare, Community and Partnership Development establishments.
- 4.6 The Department has focused on streamlining and strengthening its systems and processes by amending its funding policy to improve and close all loopholes in the contract management system.
- 4.7 In the year under review, the Department has demonstrated its commitment to good governance through continuing its austerity measures internally in order to effectively focus on implementing its core mandate of social service delivery.

- 4.8 A disability desk has been established. This will focus on the reform of Provincial Government disability policies and to provide a support resource for persons with disabilities.
- 4.9 In addition to the disability desk, the Committee was informed that Cabinet has approved a policy framework that will consolidate the coordination of management of services to children and youth with intellectual disabilities.
- 4.10 The Department has rolled out the Provincial Early Childhood Development (ECD) Strategy and Youth Strategy, and has begun the process of ensuring that programmes for young people are sustainable with a meaningful impact on their lives as these relates to reducing youth unemployment.
- 4.11 During the 2014/2015 financial year, the Department was the first Department in the country to accredit three DSD diversion programmes for children as stipulated in the Child Justice Act (Act 75 of 2008). The accreditation of these DSD diversion programmes provides courts with additional diversion options for children in conflict with the law.
- 4.12 In terms of the Children's Act (Act 38 of 2005), the Department has also established the first Provincial Management Board for government managed Child and Youth Care Centres (CYCCs) in the country. The Department of Social Development was also the first Department to register all government child and youth care facilities in terms of this Act.
- 4.13 The Department has passed the benefits of inflationary increases to all funded Non-Profit Organisations for social work positions and subsidies. A principled decision was adopted in this reporting year to review the salaries of social workers, social worker supervisors and social work managers at funded NPOs for implementation in 2015/2016 financial year.
- 4.14 During the 2014/2015 financial year, the Department reported that substance abuse trends in the Province continued to escalate as reflected by the 181% percent increase in drug related crimes between April 2004 and March 2014.
- 4.15 The Department informed the Committee that the major challenge for the Department was a lack of research relating to the severity of substance abuse in the Province.
- 4.16 The Department further reported that according to the 2011 Census 19,645 children in the Province were reported to have lost both parents and that there were 3,482 child-headed households.
- 4.17 According to the 2011 Census, the Province had 27, 4% of children that were living in income poverty households with a monthly per capita income of less than R604.
- 4.18 The youth constitutes 38% of the population of the Province. According to the 2011 Census data, 13% of youth in the Province are Not in Employment, Education, and / or Training (NEETS), while 23% of youth older than 20 years are unemployed.

5. Concerns

- 5.1 The most recent treatment data from the South African Community Epidemiology Network on Drug Use (SACENDU) for 2014, shows that methamphetamine is at 34% and remained the primary substance abuse in the province, followed by cannabis at 24% and alcohol at 20%. These trends are of concern to the Committee due to the associated link with social risk factors such as violent crimes and child maltreatment.

- 5.2 The Province's social crime trends negatively affect the social fabric of communities and the well-being of households and individuals. Gender based violence as illustrated by the prevalence of sexual assault in the Province was reported to be 134 per 100, 000 in 2013/ 2014 and this was a concern to the committee.
- 5.3 The Committee raised a serious concern about youth not completing their education and dropping out of school.
- 5.4 The Committee also raised a concern about the insufficient programmes that are focusing on women socio-economic empowerment. This is with reference to sub-programme 5.7 women development as pointed out on page 73 of the Annual Report.

6. Recommendations

The Committee RECOMMENDED that the Department should consider:

- 6.1 conducting research on how the government funding for substance abuse programmes can be utilised wisely and have a significant impact on the lives of people of the Province; and
- 6.2 placing emphasis on Early Childhood Development Programmes in the next financial year.
- 6.3 liaise with the Department of the Premier regarding the appointment of the commissioner for children.

7. Papers, reports and information requested by the Committee

The Committee REQUESTED that the Department, by 30 November 2015, provides the Committee with the following:

- 7.1 The number of staff that are commissioned on insurance and garnishee order deductions as pointed out on page 11 of the Annual Report.
- 7.2 A report on the process and progress of the modernisation of District Offices that are replaced by Regional Offices.
- 7.3 A breakdown of the number of children re-united with their families or with alternative caregivers with reference to page 56 of the Annual Report.
- 7.4 A breakdown according to regions of foster care backlog in the Province.

8. Conclusion

The Committee wishes to express its appreciation for the information provided by the Minister, the Head of the Department and officials of the Department.