**DAFF RESPONSES TO THE AUDITOR GENERAL**

**QUESTIONS AND DRAFT RESPONSES MATTERS**

| **COMMENT** | **ACTION** |
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| Reliability - Programme Positive 2, 3 and 5 (negative) | Programme 2 – reliability was confirmed\  Programme 3 and 5 – We are having formal consultations between individual programmes and the AG on the on a number of issues including Technical Indicator Descriptions, alignment of Indicators with those of Provincial Departments and the strengthening of internal control systems.  Discussions are also underway internally to strengthen the monitoring capacity of conditional grants |
| The submission of the incorrect version of the Annual Report | Corrective Action has been taken in the Branch |
| Auditor General findings | The Department has developed an Audit Matrix where the progress is updated and reported to the Audit Committee and Senior Management |
| Briefing on Quarterly Reports | Corrective measures have been taken  Quarter 4 (2014/15) Annual Report and Quarter 1 (15/16) have been submitted to the Executive Authority. (There is a portfolio of evidence for this) |
| Fruitless and wasteful expenditure | See pages 262 and 263 of the Annual Report  Double payment to GCIS was done but later reversed  Action is being taken against the responsible officials in Communications |
| Irregular Expenditure | Procurement process was not fully followed  Action – Corrective action has been taken (see page 258 and 259 of the AR) |
| **COMMITMENTS BY MINISTER** | |
| **COMMITMENT BY THE MINISTER** | **PLAN AND STATUS** |
| Checks and balances to ensure that the credibility and completeness of financial reports will be implemented. |  |
| Plan to support agricultural schools and encourage youngsters to study in the agricultural field. | A strategy is being updated that includes bursaries, placements, internships, Youth month celebrations and the College Revitalisation Plan |
| Collaborate with the provincial MECs to ensure proper monitoring and evaluation of DORA funds. | DAFF has submitted a plan to National Treasury to enhance the capacity for CASP Co-ordination of planning and monitoring. |
| Empower the internal audit to be fully effective and functional. | A plan and report for Internal Audit is attached. The Chief Audit Executive has been appointed |
| Manage deviation from procurement process in a transparent manner. | A record of all deviations will be kept  In addition to the AG and National Treasury, a report will be done to the EA as well |
| Implement a plan to identify specific areas where service delivery will take place. | The operational plans will include Project database with GPS co-ordinates  The establishment of Agricultural Information Management System and the Farmer Register |
| Ensure a linkage between budget and the targets in the strategic plan. | This will be done in the Planning and Reporting. DAFF has already started reporting to the EA and PC in this way from Quarter 2 |
| Checks and balances to ensure that the credibility and completeness of performance reports will be implemented. | We will submit signed reports by the Heads of the Branches and submit it through the Combined Assurance System  Executive - MINMEC, MINEXCO  Accounting - extended QRM, MINTECH  Senior Management - QRM, Audit Steering Committee, reporting  Internal Audit strengthened  Risk Management Director and Risk Management Committee  Internal Audit Chief Director |
| **Stability within DAFF** | Recruitment of SMS in process |
| Appointment of the Director General | Interviews completed |
| Appointment of the DDG : APHS | Interviews completed |
| Appointment of the DDG : FNRM | Interviews in process |
| Appointment of the DDG : FM | Advert closed. Shortlisting to be done |
| Chief Audit Executive | Post filled |
| Filling of vacant Chief Director posts |  |
| CD : Financial Management | Advert closed. Shortlisting to be done |
| CD : Food Security | Advert closed. Shortlisting to be done |
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| Linking budgets to the Indicator | Slides 29 to 33. From Quarter 2, the Department will report in this way |
| Internal Audit - Action Plan | The appointment of the Chief Director is done |
|  | Action Plan is attached |
| Briefing the Executive Authority on Quarterly Reports | The Departmental Quarterly Performance reports to be presented to the Executive Authority 30 days after the end of the Quarter.  The submission to the Executive Authority will be included in our Planning and Reporting Calendar |
| ADMA Debt | This is a legacy Debt |
| **COMMENTS ON DPME PRESENTATION** | |
| R78,7 Million under spending | R63,5 Million |
| Mpumalanga | No rollover - correct |
| CASP Report | Action Plan rescheduling : interim schedule 4 to 5  5% - appoint directors to monitor projects in every province  SLA between Director General and the Head of Departments  Current appointment ( no malicious compliance) |
| Slide 36  Entities | The Department does not agree with the generalised statement on the public entities. OBP is revitalising its factory; ARC has been redesigning its vaccine capability |
| Presidential Hotline | The Department will submit an improvement plan during Quarter 3.  Some of the prolonged unresolved complaints has to do with contestations within regulatory services that may require costs to adjudicate |
| MPAT Growth | The Department has developed an improvement plan in 2014, particularly on governance and accountability. Those improvements included Management Structures, Audit committees, Internal Audit and Risk Management. |
| **COMMENTS ON THE FFC** | |
| 100% of the budget vs 58% of the target | For the 2014/15, the achievement of targets by the Department was at 82%, an improvement of the 75% achieved in 2013/14.  The financial spending of the Department for 2014/15 is at 99%.  *It must however be remembered that the Department further renders other services as contained in the approved Departmental Services with cost implications catalogue*.  (Slide 16 – incorrect graph) |
| **DAFF Drought Management in the context of Disaster Risk Management** | The department has gazetted the following frameworks:  - Disaster Risk Management Sector Plan  - Climate Change Sector Plan  The focus is on all hazards affecting the sector such as drought, floods, fires, animal diseases, plant diseases, migratory pests, plant pests and diseases, etc.  The DAFF implements the Prevention and Mitigation of Disaster Grant (PMDR) coordinates disaster recovery and rehabilitation for the agricultural sector to secure disaster recovery and rehabilitation funds following disaster occurrences. NB: This is applicable to management of the current drought situation.  Ongoing awareness, advisories and warnings are issued to the farming community to promote risk reduction founded on prevention, preparedness and mitigation;  Research recommendations on the study conducted by the National Disaster Management Centre (NDMC) in collaboration with National Treasury and the Financial and Fiscal Commission (FFC) on “Alternative Funding Arrangements for Disaster Risk Management” are being implemented, and;  Weekly reports are presented to the Minister on management of the drought disaster affecting five provinces (NW, FS, KZN, Mpu and LP). The WC province also submitted report on drought effects in the Central Karoo.  However, the emergency disaster response funds are subject to bureaucratic systems. |