**8. BUDGETARY REVIEW AND RECOMMENDATIONS REPORT (BRRR) FOR THE: DEPARTMENT OF PLANNING, MONITORING AND EVALUATION (DPME), AND NATIONAL YOUTH DEVELOPMENT AGENCY (NYDA), DATED: 20 October 2016**

1. **BACKGROUND**

The Portfolio Committee on Public Service as well as Planning, Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly which is in line with Section 5 of theMoney Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 to consider and report on the Annual Reports of the Department of Planning, Monitoring and Evaluation (DPME) and the National Youth Development Agency (NYDA) tabled by the Minister of Planning, Monitoring and Evaluation as follows:

1. **INTRODUCTION**

Parliament derives its mandate from the Constitution of the Republic of South Africa. The strategic objectives of the Portfolio Committee are informed by five strategic goals of Parliament. The functions of the Portfolio Committee on Public Service and Administration as well as Monitoring and Evaluation are as follows:

* participate and provide strategic direction in the development of the legislation and thereafter passes the laws;
* Conduct oversight over the Executive to ensure accountability to Portfolio Committee towards achieving an effective, efficient, developmental and professional public service;
* Conduct public participation and engage citizens regularly with the aim to strengthen service delivery; oversee and review all matters of public interest relating to the public sector;
* Monitor the financial and non-financial aspects of departments and its entities and ensure regular reporting to the Committee, within the scope of accountability and transparency;
* Support and ensure implementation of the Public Service Commission (PSC) recommendations in the entire public service
* Participate in the international treaties which impact on the work of the Committee.

1. **PURPOSE OF THE BUDGETARY REVIEW AND RECOMMENDATIONS REPORT**

In terms of Section 5 of theMoney Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 the National Assembly, through its Committees, must annually compile Budgetary Review and Recommendations reports (BRRR) that assess service delivery and financial performance of departments and may make recommendations on forward use of resources. The BRRR is also a source document for the Committees on Appropriations when considering and making recommendations on the Medium Term.

Moreover the Money Bills Amendment Procedures and Related Matters Act, section 5 (3) highlights focus areas on the budgetary review and recommendation report as:

* Providing an assessment of the department’s service delivery performance given available resources.
* Providing an assessment of the effectiveness and efficiency of the departments’ use and forward allocation of available resources; and
* Including recommendations on the forward use of resources.

**3.1** **Method**

The Portfolio Committee on Public Service and Administration as well as Monitoring and Evaluation compiled the 2015/16 BRRR using the following documents:

* The National Development Plan: Vision for 2030.
* Medium Term Strategic Framework 2015-2020.
* State of the Nation Address 2015.
* Management Performance Assessment Tool (MPAT) 2015.
* Strategic Plans of the DPME and the NYDA.
* Annual Performance Plans of the DPME and the NYDA 2015/16.
* Annual Report of the DPME and the NYDA 2015/16.
* Auditor-General South Africa’s outcomes of audit findings 2015/16.
* The Portfolio Committee also met with the leadership of the department and the National Youth Development Agency.

1. **STATE OF THE NATION ADDRESS 2015**

On the occasion of the State of Nation Address, the President declared 2015 year of the Freedom Charter and Unity in Action to Advance Economic Freedom. Operation Phakisa was cited as one of the nine point plans to ignite growth and create jobs. The Department of Planning, Monitoring and Evaluation was therefore bestowed with responsibility to coordinate and monitor government departments in implementing projects and fast-tracking services through Operation Phakisa in various departments such as Environmental Affairs and Health. The Department of Health was mandated to scale up the Ideal Clinic Initiative aimed at promoting efficiency, effectiveness and professionalising clinics.

The SoNA highlighted that government is aimed at revitalising the distressed mining towns. A total of R2.1 billion was ring-fenced for achieving objectives of the distressed mining towns that was spent by various government departments serving on the Inter-Ministerial Committee. Government continued to promote opportunities for the youth. The President emphasised that “the National Youth Development Agency had disbursed 25 million rand to 765 youth owned micro enterprises in the last financial year”. The Agency has partnered with the IDC and Small Enterprise Finance Agency. The President cited that more has been achieved since the introduction of the economic participation programme

1. **NATIONAL DEVELOPMENT PLAN VISION 2030**

The Department of Planning, Monitoring and Evaluation supports the National Development Plan’s objective of a government that is accountable and transparent. The Department’s focus is on strengthening accountability and improving coordination, and it works with the National Planning Commission to facilitate and monitor the implementation of the National Development Plan. The Department is responsible for mainstreaming the National Development Plan into the work of Government by drafting the Medium Term Strategic Framework to guide Government’s programme. The strategic framework includes 14 outcomes, which form the basis of the new performance agreements between the President and individual Members of Cabinet.

1. **MANDATE OF THE DEPARTMENT OF PLANNING, MONITORING AND EVALUATION**

The mandate of the Department of Planning, Monitoring and Evaluation derives from section 85(2)(c) of the Constitution which provides the President to exercise authority over Members of Cabinet by coordinating the functions of state departments and administration. The primary aim of the Department is to improve government service delivery through planning, performance monitoring and evaluations. The DPME has the following key mandate:

* Facilitating the development of plans/delivery agreements for cross-cutting priorities or outcomes of Government, and monitor and evaluate the implementation of these plans/delivery agreements.
* Putting in place and managing guiding frameworks for strategic planning and annual performance planning in national and provincial departments.
* Monitoring the performance of individual national and provincial government departments and municipalities.
* Monitoring frontline service delivery.
* Managing the Presidential Hotline.
* Carrying out evaluations.
* Promoting good monitoring and evaluation practices in Government.
  1. **Department’s priorities over the medium-term**

The priorities for the 2015/16 Annual Performance Plan of the Department of Planning, Monitoring and Evaluation are informed by the National Development Plan as translated in the Medium Term Strategic Framework (MTSF) for 2014-2020. The DPME has through its outcomes monitoring and evaluation work, developed a number of monitoring and evaluation tools to fulfil functions below:

* Facilitating the development of plans or delivery agreements for the cross cutting priorities or outcomes of Government.
* Assessing departmental Strategic Plans and APPs to determine and enhance their alignment with the NDP, MTSF, Delivery Agreements and the budget.
* Monitoring and evaluating the implementation of service delivery agreements.
* Monitoring the performance of individual national and provincial government departments and municipalities.
* Monitoring frontline service delivery across the public service.
* Managing the Presidential Hotline.
* Carrying out evaluations.
* Promoting good monitoring and evaluation practices in Government.
* Providing support to service delivery institutions to address blockages in delivery.

1. **ANALYSIS OF SECTION 32 EXPENDITURE REPORT**

The National Treasury responded to the recommendations of the Portfolio Committee BRR Report for October 2015. The Committee recommended that “given the vast array of responsibilities over government and the public service, the Department of Planning, Monitoring and Evaluation is under-funded. Therefore, additional funding must be allocated to the department as a matter of urgency.

The National Treasury responded that “the DPME requested additional funding over the medium term to increase some of its performance targets as well for additional functions. The National Treasury fully supports this recommendation and allocated additional funding to the department. Additional amounts of R50 million in 2016/17, R100 million in 2017/18 and R150 million in 2018/19 have been allocated to the department to strengthen capacity”.

1. **DEPARTMENT PROGRAMME PERFORMANCE**
   1. **Department of Planning, Monitoring and Evaluation**

**8.1.1 Budget Allocated and Expenditure 2015/16**

The budget appropriated to the Department of Planning, Monitoring and Evaluation for the 2015/16 financial year was R754 200 million. Expenditure for the department was R748 777 million for all the programmes which is an estimated of 99.3%. The Department achieved 80% of their targets. In 2015/16 financial year, the Ministerial and Deputy Ministerial functions were transferred from the Presidency to the Department of Planning Monitoring and Evaluation. The Department of Planning Monitoring and Evaluation reconfigured and restructured its organisational structure, its programmes and budget in 2015/16 financial year to adapt and respond effectively to new mandate.

The transfer of the functions included all staff members including vacant, assets and the allocated budget. This resulted in an increase in the staff establishment of the Department which had a negative impact on the vacancy rate. The Department had 345 funded posts of which 284 posts were filled and 68 posts not filled in the 2015/16 financial year. The organisational adjustments were required to accommodate new programmes such as Operation Phakisa, Socio-Economic Impact Assessment System, and the Youth policy function. The department completed its restructuring during the 2015/16 financial year. New programmes were implemented and funded on the annual performance plan.

Budget versus expenditure for the audited financial year of 2015/16 is as follows:

**Appropriation per programme (R’000)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme R'000** | **Final Appropriation** | **Expenditure** | **Variance** | **Shifting of funds** | **Virement** |
| 1. Administration | 111 872 | 111 872 | 0 | 0 | 7 687 |
| 2.Outcomes Monitoring and Evaluation | 90 087 | 89 560 | 527 | 0 | (2 237) |
| 3. Institutional Performance Monitoring and Evaluation | 60 626 | 60 262 | 0 | 0 | 195 |
| 4. National Planning | 75 632 | 70 736 | 4 896 | 0 | (6 565) |
| 5. National Youth Development | 415 983 | 415 983 | 0 | 0 | 920 |
| **Total** | **754 200** | **748 777** | **5 423** | **0** | **0** |

**Source: The DPME Annual Report**

**8.1.2 Medium Term Expenditure Estimate**

The Department of Planning, Monitoring and Evaluation overall budget allocated in 2015/16 financial year was R754.2 million, increased significantly to R827.7 million in the 2016/17 financial year. A significant increase on the budget allocated for the 2016/17 financial year has been noted in programme 4: National Planning from R82.1 million to R103.2 million in 2016/17 financial year. Departmental spending is projected to increase from R749.2 million in 2015/16 to R994.3 million by 2018/19. The number of permanent post in the department is set to increase from 340 in 2015/16 to 490 in 2018/19. Budget on compensation of employees is expected to grow from R192.3 million in 2015/16 to R319 million in 2018/19, at an average annual rate of 18.4 per cent, and accounting for 30.9 per cent of the department’s budget over the medium term.

**Table 1: Budget per programme**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme** | **Revised Estimates** | **Medium-Term Expenditure Estimate** | | |
| **R million** | **2015/16** | **2016/17** | **2017/18** | **2018/19** |
| Administration | 104.2 | 134.3 | 151.3 | 166.2 |
| Outcomes Monitoring and Evaluation | 92.3 | 108.9 | 117.6 | 136.6 |
| Institutional Performance Monitoring and evaluation | 60.4 | 67.8 | 74.7 | 82.2 |
| National Planning | 77.2 | 103.2 | 118.2 | 136.6 |
| National Youth Development | 415.1 | 413.4 | 445.8 | 472.7 |
| **Total** | **749.2** | **827.7** | **907.8** | **994.3** |

Source: Estimates of National Expenditure 2016

**8.1.3 Programme Performance**

There are five programmes organised as follows:

**8.1.3.1 Programme 1: Administration**

The programme is responsible for providing strategic leadership, management, administrative, financial and human resource services to enable the Department to achieve its strategic and operational goals. The budget allocated for the programme was R111 872 million. An expenditure on the programme was R111 872 million. The programme had sixteen (16) targets in the year under review. Eleven (11) targets were achieved, three (3) partially achieved and one (1) not achieved on the vacancy rate which was above required 10 percentage. The vacancy rate remained at 16.7 percentage at the end of 2015/16 financial year.

The Department submitted both the Strategic and Annual Performance Plan to the National Treasury and tabled to Parliament on appropriate time. Quarterly reports were submitted to the Executive Authority and National treasury within 30 days from the end of the quarter. A communication plan with four performance areas was developed, however implementation of activities and events took place during the period under review. The target was partially achieved due to the capacity constraints in the Communication Unit. In terms of Public Finance Management Act, Section (1)(f) states that, “accounting officer for a department must settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period’. The department partially achieved the target on all valid invoices paid within 30 days. Five invoices were not paid within 30 days in 2015/16 financial year due to internal control processes not followed. Disciplinary action was taken against the responsible officials.

The department complied with submission of the performance assessment. Approximately 97 percent of the employees submitted their performance agreement. Furthermore, the department complied with 100 percent of all members Senior Management Service (SMS) disclosing their financial interest in terms of Chapter 3, C.1 of the Public Service Regulations (PSR), required to disclose to their respective Executive Authorities (EAs), particulars of all their registrable interests (e.g. companies and properties) not later than 30 April each year, in respect of the period 1 April of the previous year to 31 March of the current year.

**8.1.3.2** **Programme 2: Outcome Monitoring and Evaluation (OME)**

The main purpose of the programme is to coordination of government’s strategic agenda through the development of performance agreements between the President and Ministers, facilitation of the development of plans or delivery agreements for priority outcomes, and monitoring evaluation of the implementation of the delivery agreements. The programme has three sub-programmes which are Programme Management for OME, Outcomes Support, Evaluation and Research.

The budget allocated for the programme was R90 087 million and with an expenditure of R89 560 million is equivalent to 99% spent on the allocated budget. Programme 2 on Outcome Monitoring and Evaluation has twenty (20) targets, twelve (12) targets achieved, five (5) targets partially achieved, and two (2) targets not achieved. The target on Medium Term Strategic Framework and delivery agreements was not applicable in the year under review.

Reports on the outcome monitoring were submitted to the Cabinet. The Department produced forty-two (42) outcomes reports during the year under review. Development indicators for 2014 were produced and released in September 2015. The development indicators were posted on department website by 31 March 2016. The Department of Planning, Monitoring and Evaluation was responsible as per the State of the Nation Address policy directives to coordinate and monitor government departments in implementing projects and fast-tracking services through Operation Phakisa such as Environmental Affairs and Health. The Department produced Operation Phakisa Labs Ideal Clinic and ICT in Education reports for fast tracking services through the Operation. Reports were not uploaded on the website due to delay in verifying data. In addition, the department further produced and published on the website two (2) Operation Phakisa interactive dashboards for the health and ocean labs.

Briefings notes to advice the political principals on specific request were submitted to Cabinet. The Department achieved the targets as projected. The Department produced briefing notes on the executive visits throughout the quarters of the financial year. The department produced three (3) briefing notes on the status of the mining and labour sending areas. Target was not achieved, however department produced two briefing notes which were submitted to the Minister and one to the Director-General.

In terms of the Local Government Management Improvement Model (LGMIM) and Assessment Tool, the department approved the standards and target was exceeded on the scorecards during the year under review. More municipalities participated in the LGMIM assessment tool. The department produced a report for 2014/15 and submitted to the Secretariat of the Outcome Implementation Forum. The National Evaluation plan was not approved by Cabinet. The Department achieved four evaluation reports out of eight targeted reports.

**8.1.3.3** **Programme 3: Monitoring and Evaluation System Coordination and Support (M&E Systems)**

The purpose of the programme is to coordinate and support an integrated government-wide monitoring and evaluation system through policy development and capacity building. The purpose is to improve data access, data coverage, data quality and data analysis across government. The programme consists of the following sub-programmes: Management Performance Monitoring and Support, Presidential Frontline Service Delivery Performance Monitoring Support, Monitoring and Evaluation Policy and Capacity Building.

The programme was allocated final appropriation of R60 626 million in 2015/16 financial year as compared to R66 111 million in 2014/15 financial year. The department spent their total allocated budget. All sub-programme had efficiently spent their allocated budget. Programme 3 Institutional Performance Monitoring and Evaluation had 17 targets, 13 targets were achieved and 4 targets partially achieved.

The Management Performance Assessment Tool (MPAT) is a mechanism used to improve management practices to assist government in addressing system deficiencies as consequences of poor service delivery. The MPAT process allow senior management of departments to conduct self-assessment against range of management standards.The Management Performance Assessment Tool (MPAT) was updated and approved by the Director General. A total of 155 of 155 departments both national and provincially completed and signed off the MPAT. The MPAT 2013 consolidated report was submitted to Cabinet. Three monitoring reports were submitted to the Forum for South Africa Director-General (FOSAD).

Measuring the quality of the frontline service delivery remains an integral part of government. Frontline Service Delivery Monitoring (FSDM) programme aimed to strengthen the monitoring and evaluation practices of field-level managers. The main aim of the FSDM was to demonstrate the value of on-site monitoring to selected types of facilities sectors. The Department revised the Operational Guide Framework. A total of 97 new facilities were monitored and passed quality assurance. Site monitoring reports on monitored facilities were captured in the M-drive. Subsequent to the visited facilities, the department conducted improvements monitoring in over 120 facilities. Of the 120 facilities monitored for improvement, 59% (71) of the facilities have been improved, 39% (47) have regressed and 2% (2) have not changed.

The Presidential hotline contributes to the NDP, enabling the realisation of a developmental, capable and ethical state that treats citizens with dignity. Two Hotline performance reports were produced and submitted to the Governance and Administration Cluster. The department produced four case studies and customer satisfaction survey reports.

The primary aim of the Citizen-Based Monitoring (CBM) programme is to support government to strengthen the voice in monitoring service delivery. It focuses on the experience of citizens in relation to government performance in order to improve accountability and service delivery. The Citizen Based Monitoring was implemented in 16 new facilities and reports produced for each of the sites. Two Citizen Based Monitoring learning events were convened in September 2015. The Department developed an integrated Monitoring & Evaluation Capacity Development strategy and implementation plan. All quarterly reports showing achievement of at least 80% of targets in the capacity development implementation plan were achieved.

**8.1.3.4** **Programme 4: National Planning**

The aim of the programme is to develop the country’s long term vision and national strategic plan and contribute towards better outcomes in government through better planning, better long term plans, greater policy coherence and clear articulation of long terms goals and aspirations. The sub programme is National Planning Commission Secretariat. The budget allocated for the programme was R77 632 million in 2015/16 financial year which is lesser than R88 303 million in 2014/15 financial year. Expenditure on the programme was R70 736 million, and variance was R4 896 million. Programme 4; National Planning Commission had eight (8) targets, five (5) targets achieved and three (3) targets partially achieved.

The National Planning Commission commissioned and concluded a total of six research projects before end of the financial year. The projects were Demographic, Social Protection, Education, Integrated Water Plan, Urban Innovation and the National Minimum Wage report. The National Income Dynamic Studies wave 4 results was produced during the year under review. A progress report on the National Spatial Development Framework was produced. With regard to the revised planning framework, a literature review has been completed. The National Planning Commission assessed 43 departments in terms of draft annual performance plan and strategic plan. Assessment reports and guidelines were produced to the departments.

**8.1.3.5 Programme 5: National Youth Development Programme**

The main purpose of the programme is to develop and implement youth policy and to provide oversight over funds transferred to the National Youth Development Agency. The budget allocated was R415 983 million and spent 100%. Of allocated budget, the department spent R6 194 million for its operation in the programme. A total of R409 789 million was transferred to the National Youth Development Agency. Programme 5 National Youth Development Programme achieved all two targets for 2015/16 financial year.

The National Youth Policy was submitted to Cabinet and shareholder compact was produced. Monitoring reports on the National Youth Development Agency were submitted on a quarterly basis.

* 1. **NATIONAL YOUTH DEVELOPMENT AGENCY**

**8.2.1 Mandate of the NYDA**

The NYDA is a South African Youth Agency established primarily to tackle challenges faced by the country’s young people. The institution was established to be a single structure to address youth development issues at all spheres of government. The existence of the NYDA should be located within the broad context of South Africa’s development dynamics. Similar to many developing countries, South Africa has a large population of youth with those between the ages of 14 and 35 constituting 42 per cent of the total population.

The Agency derives its mandate from legislative frameworks, including the National Youth Development Agency Act, 2008 (Act of 2008) (NYDA Act), the National Youth Policy (2009-2014) and the draft Integrated Youth Development Strategy. The Agency assumed and improved the operational platform developed by both Umsobomvu Youth Commission and the National Youth Commission, which rendered the Agency operational with immediate effect. The mandate of the Agency are as follows:

1. Lobbying and advocating for integration and mainstreaming of youth development in all spheres of government, the private sector and civil society.
2. Initiating, implementing, facilitating and coordinating youth development programmes.
3. Monitoring and evaluating youth development interventions across the board and mobilising youth for active participation in civil society engagements.
   * 1. **Budget allocated and expenditure**
        1. **Summary and Analysis of Annual Financial Statements**

The NYDA is primarily funded through funds appropriated in terms of the annual Appropriation Act (and the Adjustments Appropriation Act). The NYDA’s main appropriation is transferred through budget vote of the Department of Planning, Monitoring and Evaluation. In terms of the Estimates of National Expenditure, the budget allocated to the Agency was R409.789 million for 2015/16 financial year.

**Appropriation per programme (R’000)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **2015/16**  **final budget** | **2015/16**  **Actual expenditure** | **%**  **Variance** |
| Economic Participation | R46 776 | R49 853 | 7% |
| Education and Skills Dev | R51 987 | R53 800 | 3% |
| National Youth Service | R30 443 | R31 897 | 5% |
| Service Delivery Channel | R31 391 | R32 003 | 2% |
| Policy and Research | R6 000 | R5 800 | -3% |
| Governance | R80 908 | R87 690 | 2% |
| Employee Costs | R189 819 | R209 615 | 10% |

* + - 1. **Budget allocated in 2016/17 financial year and MTEF estimates**

The National Youth Development Agency’s receives its budget through a transfer vote of the Department of Planning Monitoring and Evaluation, and again through interest and capital repayments from loans issued to its clients prior to the introduction of grant funding. The transfer will increase at an average growth rate of 5 per cent from R409.8 million in 2015/16 to R462.5 million in 2018/19.

The National Youth Development Agency’s allocated budget is R405.8 million in 2016/17 financial year. The budget to be spent on the programmes for 2016/17 financial year is R249.6 million which has increased slightly in comparison to the previous financial year. The remaining balance will be spent for compensation of employees, payment of capital assets, goods and services.

A significant reduction has been noted in the budget (R161.6 million) for the compensation of employees as compared to R214.2 million in 2015/16 financial year. This is due to the restructuring that took place in the 2014/15 financial year, which led to some employees taking severance packages in line with the newly introduced turnaround strategy. Employee costs amount to 46.3% of the total allocation. The Agency has budgeted R8.2 million on goods and services. Operational costs will increase over the medium term expenditure framework together with employee costs at average rate of 5.0%.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme** | **Allocated** | **Medium-Term Expenditure Estimate** | | |
| **R million** | **2015/16** | **2016/17** | **2017/18** | **2018/19** |
| National Youth Development Agency | 409.8 | 405.8 | 437.2 | 462.5 |
| **Total** | **409.82** | **405.8** | **437.2** | **462.5** |

Estimates of National Expenditure 2016

* + 1. **Programme Performance**

National Youth Development Agency has five programmes which are as follows:

**8.2.3.1 Programme 1: Economic Participation**

The main purpose of the programme is to enhance participation of young people in the economy through targeted and integrated programmes. The programme aim to facilitate and provide employment opportunities for young people, to enhance the participation of young people in the economy, aimed at increasing job creation, entrepreneurship participation and skills development and to provide business support to young people.

The programme is designed to stimulate entrepreneurship among South Africa youth by providing grant funding, coupled with business development support services. The grant funding programme is doing well in attracting young people to advance their aspirations of becoming entrepreneurs. Over 673 youth were assisted to own different enterprises. The target was met and exceeded. Furthermore, the agency had exceeded target on number of young people aspiring and establishing entrepreneurship which were supported by NYDA Business Development Support Services. A total of 63 042 young people established entrepreneurs. The Agency exceeded the target because they worked in partnership with Primestars in providing entrepreneurship awareness.

Communities were provided with assistance in a form of community development facilitation support. The agency had assisted 72 communities with the community development facilitation support working in collaboration with the Rural Development request for proposals. A total of 3 672 jobs were created and sustained through grant funding, co-operatives and business development services.

**8.2.3.2** **Programme 2: Education and Skills Development**

The purpose of the programme is to promote, facilitate and provide education and skills development opportunities to young people to enhance their socio-economic well-being with the objective of facilitating education opportunities. The aim of the programme is to improve access to quality education and to facilitate and implement Youth Build, job-preparedness training, the provision of scholarship and assistance to young people with rewriting their Matric.

A total of 4 736 young people enrolled with the NYDA (Grade 12) Rewrite programme. The Agency launched the Solomon Mahlangu Scholarship Programme aimed at supporting needy young people to further their studies through higher education. The target of 400 was exceeded, a total of 406 beneficiaries benefited through the Solomon Mahlangu Scholarship Programme to assist young people to further studies. The 406 beneficiaries include 173 renewals, 127 new intakes and 106 which were funded by the National Skills Fund.

Over 1 079 139 youth across the country were supported through individual and group career guidance. The overwhelming majority of young people received support through career guidance outreach events that accounted for 98% of the annual target. In terms of facilitation and implementation of the skills through the YouthBuild programmes, a total of 2 080 young people participated in the programme. The programme recorded highest number of young people from KwaZulu Natal and Limpopo Provinces who have enrolled as compared to other provinces.

In addition, over 14 907 young people enrolled in the National Youth Service volunteer programmes. The Agency partnered with the President’s Awards, the City of Johannesburg and the Flemish government in ensuring more young people enrol on the National Youth Service volunteer programme. The job-preparedness programme contributed 54% towards the attainment of the target, while the life-skills programme contributed 37% and with 75 on the job placement programme.

**8.2.3.3** **Programme 3: Health and Wellbeing**

The purpose of the programme is to initiate interventions that help with increasing awareness of the healthy lifestyles that promote good health practices among the youth of South Africa. Youth today are confronted with health risk and it is the responsibility of the NYDA to embark on monitoring government health departments in dedicating their programmes to health awareness among the youth.

A number of young people participated in the health and wellbeing programme. The Agency undertook various health and wellbeing interventions to improve healthy mind and bodies of young people, however they managed to exceed target with 6 769. The increase on participation of the programme illustrate that young people were attracted and willing to receive interventions which improves their health and wellbeing. Over 241 000 young people participated in campaigns and special projects which were mostly conducted in Free State, and whilst KwaZulu Natal had the least interventions.

**8.2.3.4 Programme 4: Research and Policy**

The main aim of the programme is to create a body of knowledge and best practice in the youth development sector, and to inform and influence policy development, planning and implementation. The fundamental aim of this area is to ensure that policies and frameworks that drive youth development are developed, based on a body of knowledge and facts that are relevant to the developmental needs of the youth of South Africa.

Approximately over 47 youth produced research and evaluation products to the National Youth Development Agency. During the year under review, final National Youth Employment Plan 2030 was approved and submitted to the Presidency. The agency had significantly increased number of young people receiving information on youth development through NYDA access points. A total of 1 592 203 young people received information using Agency access points.

The NYDA key mandate is to lobby key stakeholders to support and implement youth development programmes. In the 2015/16 financial year, the agency lobbied 59 organs of state and private sector department to establish youth directorates and implement youth programmes. Moreover, the agency hosted 11 570 young people to participate in youth development-related dialogue sessions. The agency mobilised and leveraged financial resources from third parties, a total amount of R107 896 million was raised to support youth development programme.

**8.2.3.5 Programme 5: Governance**

The goal is to efficiently and effectively utilise resources through provision of junctions governance, technology and systems, business operations systems, human capital, financial management system that adhere to relevant legislative requirements for public funded entities.

In 2015/16 financial year, over 367 employees received training as part of enhancing staff performance. About 34 information dissemination access points were operationalised because municipalities have shown great interest to assist the NYDA with ensuring that its mandate is implemented.

1. **AUDITOR-GENERAL OUTCOMES**

The Auditor-General (AG) audited the financial statements of the Department of Planning, Monitoring and Evaluation comprising of appropriation statement, the statement of financial position as at 31 March 2016. The financial statements are in accordance with Modified Cash Standards prescribed by National Treasury and the requirements of the Public Finance Management Act (PFMA).

**9.1 Predetermined objectives**

The Auditor-General did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes: Outcome Monitoring and Evaluation, Institutional Performance Monitoring and Evaluation; and National Planning Commission.

**9.1.1 Achievement of planned targets**

The AG referred to the annual performance report on page (s) 22 to 57 for information on the achievement of planned targets for the year under review. The Department of Planning, Monitoring and Evaluation and the National Youth Development Agency received clean audits for the 2015/16 financial year.

**9.1.2 Adjustment of material misstatements**

The AG identified material misstatements in the annual performance report submitted for auditing on the reported information for Programme 2: Outcomes Monitoring and Evaluation, Programme 3: Institutional Performance Monitoring and Evaluation and Programme 4: National Planning. The management of the department subsequently corrected the misstatements. The AG did not identify any material findings on the usefulness and reliability of the reported performance information.

**9.1.3 Compliance with legislation**

The AG performed procedures to obtain evidence that the Department of Planning, Monitoring and Evaluation had complied with applicable legislation regarding financial matters, financial management and other related matters. The AG did not identified any instances of material non-compliance with specific matters in key legislation.

**9.1.4 Internal Control**

Internal control in the department was considered to be relevant to AG audit of the financial statements, annual performance report and compliance legislation. The AG did not identify any significant deficiencies in internal control.

The Auditor-General (AG) had audited the financial statements of the Department of Planning, Monitoring and Evaluation comprising of appropriation statement, the statement of financial position as at 31 March 2015. The financial statements are in accordance with Modified Cash Standards prescribed by National Treasury and the requirements of the Public Finance Management Act (PFMA).

1. **OBSERVATIONS AND KEY FINDINGS**

The Committee made the following observations and findings:

10.1 The Portfolio Committee noted the achievement of the commitments made in the Annual Performance Plan 2015/16 financial year. Moreover, the Committee commended the Department of Planning, Monitoring on achieving clean audit for consecutive years. Achievement on the clean audit over the multi-year assessment clearly demonstrates the Department is leading by example. The Committee was concerned that the Department should have achieved 100% of its targets.

* 1. The Department should conduct mid-term review on the 14 outcomes.
  2. The Committee noted and welcomed a new initiative “priority based budgeting” between the Department of Planning, Monitoring and Evaluation and the National Treasury to ensure budget alignment of departments with government key priorities to advance the National Development Plan.
  3. The Department must intensify monitoring activities on the Frontline Service Delivery Monitoring Tool and Citizen Based Monitoring as way of improving efficiency of service delivery in government facilities.
  4. The Department should strive to reduce the high vacancy rate and it must be kept below 10 per cent as per Public Service Regulations.
  5. The Department of Planning, Monitoring and Evaluation is at the heart of government in terms of planning, monitoring and evaluation. Therefore, the Department should address fragmented planning and ensure government departments plans and budgets complement each other for the benefits of service delivery, growth and development in the country. Departments tend to work in silos and often concerned with their own department interest.
  6. Success on implementation of the National Development Plan, policies and programmes of government depends on effective and efficient monitoring and evaluation. The Department was encouraged to intensify its monitoring and evaluation to cover various aspects such as sector planning and integrated development planning in the entire public administration.
  7. The Department should develop a mechanisms to ensure government departments cooperate in improving the frontline service delivery findings in most facilities.
  8. The Department ensure that consultation process of amending the National Youth Development Act is inclusive and considering all youth structures and relevant stakeholders before it can be tabled in Parliament.
  9. The Committee commends the Department in achieving target of 50% of women at the SMS level. The target should be maintained and exceeded.
  10. The Committee commended the National Youth Development Agency and previous Board for achieving a clean audit consistently two consecutive years since its establishment in 2009. The Committee believes that the Agency is on a good trajectory in executing its mandate and is fully coordinating, evaluating and monitoring all programmes aimed at integrating the youth into the economy and society in general. The Committee further noted the achievement of 96% of its key performance indicators during the period under review.
  11. The Committee noted the NYDA successfully concluded organizational structure realignment and culture change programme resulting in a reduction of 92 positions and the overall monetary reduction of the salary bill by 25%.
  12. The Committee requests the National Treasury to provide adequate funding to the NYDA’s Grant Programme as many grant applicants are turned away due to grant funding shortfalls.

1. **RECOMMENDATIONS WITHIN THE DPME SECTOR**

The Committee recommends the following:

* 1. The Department should ensure submission of the Management Performance Assessment Tool (MPAT) to Parliament before Committees begin with the Budgetary Review Recommendation Reports in October every year.
  2. The function of evaluating performance agreements of the Heads of Departments, which was transferred from the PSC to the Department, must be given urgent attention so that efficiency is achieved in the running of the public service.
  3. The Department is urged to address properly and efficiently the identified disjoint between sector planning and monitoring so that all evaluations are conducted according to well set plans and that budget is utilised for genuine programmes and projects.
  4. The Department is urged to review the National Youth Development Agency Act 54 of 2008 so that legislative gaps can be addressed effectively in order to streamline the mandate of the Agency with the dynamics of the youth sector.
  5. The National Youth Development Agency must effectively exercise its mandate of integrating various sector plans with the aim of advancing youth development through concerted efforts. The Agency must ensure that integrated youth strategy supports youth employability by supporting and developing economic and social interventions intending to impart young people with requisite skills to fulfil their aspirations.
  6. The NYDA should expand its services in the local municipalities in order to attract, provide services and become well known to young people in South Africa. The NYDA is encouraged to provide free WIFI services in all municipal youth branch offices to enable young people to explore socio-economic opportunities. The principle of additional functions followed by funding should be applicable.

1. **CONCLUSION**

The Portfolio Committee is of the view that the Annual Reports 2015/16 financial year indicates that there are areas in which the Department and the National Youth Development Agency have made significant progress against the set targets. In addition, achievement of the clean audits over two consecutive years clearly demonstrate good governance within the Department and the National Youth Development Agency. The Department of Planning, Monitoring and Evaluation as a custodian of monitoring the implementation of the service delivery agreements should intensify its efforts to foster coordination and collaboration of plans through effective monitoring and evaluation. Coordination requires departments to make trade-offs in the interest of the broader goal of the NDP. The Committee notes that much has been achieved in this regard, however, more still needs to be improved for the advancement of the National Development Plan. The Governance Cluster of Parliament is complimented for its contribution towards the BRR Report, and also the Support Staff for the drafting of the same.

**Report to be considered.**