

# DEPARTMENT OF MILITARY VETERANS ANNUAL REPORT 2016/17



PARLIAMENT  
OF THE REPUBLIC OF SOUTH AFRICA



**PARLIAMENT:  
FOLLOWING UP  
ON OUR COMMITMENTS  
TO THE PEOPLE**

5 OCTOBER 2017

# STRATEGIC OVERVIEW (p.1)



PARLIAMENT  
OF THE REPUBLIC OF SOUTH AFRICA

## Strategic Priorities of Government

### *National Development Plan and MTSF:*

- Chapter 3: Outcomes 4 and 5 (179 MVs business support and development).
- Chapter 6: Outcome 7 (R1 200 monthly allowance to 2 243 MV), and Outcome 8 (168 houses built; 104 Mortgages rescued)
- Chapter 9: Outcome 1 (Bursaries for 7 146 MVs and dependents).
- Chapter 10: Outcome 2 (healthcare to 1 074 MVs, total 15 740).
- Chapter 13: Outcome 12 (Risk audit conducted etc).



## STRATEGIC OVERVIEW (p.2)



- Chapter 14: Outcome 12 (Appeals Board, Advisory Council, and Audit Committee operational).
- Chapter 15:
  - Outcome 2 (burial support to 460 families, and once off compensation benefit to 105 MVs).
  - Outcome 4 (179 MVs business support and development).
  - Outcome 5 (22 letters of support and 132 MV-owned companies).

Comments:

In terms of Outcome 4, no new job placements were registered for 2016/17.

## STRATEGIC OVERVIEW (p.3)



PARLIAMENT  
OF THE REPUBLIC OF SOUTH AFRICA

### Strategic Priorities of DMV

- *Health*: 15 740 MVs provided with healthcare services in partnership with SAMHS. 1 593 MVs were counselled.
- *Education*: Target of 4 000 exceeded to 7 146.
- *Training and skills development*: 1 908 MVs and dependants received access to training and skills development
- *SRD*. 2 243 MVs and dependants were assisted.

#### Comments

- For Training and skills development two different figures are given, 1 849 on page 31 and 1 908 on page 42. In addition, the AGSA noted that the evidence provided show that the actual achievement is 2 480 and not 1 908 as reported.
- With regard to SRD, the DMV should be commended for the overachievement, as it contributed to fighting poverty amongst military veterans.



# FINANCIAL PERFORMANCE:

## Budget Overview (pp. 3-4)



PARLIAMENT  
OF THE REPUBLIC OF SOUTH AFRICA

Programme R'000	Adjusted Appropriation	Shifts	Final Appropriation	Actual Expenditure	Variance	Percentage Spent
<b>Administration</b>	143 732	15 600	159 332	158 056	1 276	99.2%
<b>Socio-Economic Support</b>	294 080	19 461	313 541	243 472	70 069	77.7%
<b>Empowerment and Stakeholder Management</b>	159 795	(35 061)	124 734	103 093	21 641	82.7%
<b>Total</b>	<b>597 607</b>	<b>-</b>	<b>597 607</b>	<b>504 621</b>	<b>92 986</b>	<b>84.5%</b>

## FINANCIAL PERFORMANCE: Financial Statements (pp. 4-5)



PARLIAMENT  
OF THE REPUBLIC OF SOUTH AFRICA

- *Unauthorised expenditure*: No unauthorised expenditure. **The DMV should be commended.**
- *Irregular expenditure*: R82.26 million.
- *Fruitless and wasteful expenditure*: R3.2 million.
- *Contingent liabilities*: R205.6 million.

## FINANCIAL PERFORMANCE:

### Findings of the Auditor General of South Africa (pp. 5-7)

- *Unqualified audit opinion for 2016/17: DMV should be commended.*
- *Matters of Emphasis:*
  - Uncertainty relating to the future outcome of exceptional litigation.
  - Unaudited supplementary schedules.
  - Predetermined Objectives: Programmes 2 (SES) and 3 (ESM).
  - Adjustment of Material Misstatements: Some not corrected.





PARLIAMENT  
OF THE REPUBLIC OF SOUTH AFRICA

## FINANCIAL PERFORMANCE:

### Findings of the Auditor General of South Africa (pp. 7-9)

- *Compliance with legislation:*
  - Financial statements, performance and annual reports.
  - Expenditure management: Steps not taken to prevent irregular expenditure and fruitless expenditure.
  - Strategic planning and performance management.
  - Procurement and contract management.
  - Internal control: *Leadership, and Financial and performance management.*



# OVERVIEW AND ASSESSMENT OF PROGRAMME PERFORMANCE (pp. 10-11)



- Total targets set: 23
- Targets achieved: 14/23
- Targets not achieved: 9/23
- Success rate: 61%
- Total Budget Spent (%): 84.5%



# OVERVIEW AND ASSESSMENT OF PROGRAMME PERFORMANCE:

## Administration (pp. 11-12)

Total targets set:	12
Targets achieved:	8/12
Targets not achieved:	4/12
Success rate:	66.7%
Total Budget Spent (%):	99.2%

Performance Indicator	Planned Target	Actual Achievement	Comment
Percentage of staff attended training initiatives	100%	43% <b>Underachieved</b>	DMV currently does not have dedicated personnel to run training initiatives for staff.
Percentage of signed Performance Agreement submitted to HRM	100%	99% <b>Underachieved</b>	Performance agreement was not signed due to employee dissatisfaction with job descriptions
Percentage staffing of vacant funded posts	90%	79% <b>Underachieved</b>	Vacant critical posts advertised in the fourth quarter and filling these will be fast tracked in the new financial year
Percentage of legitimate invoices paid within 30 days of receipt	90%	67% <b>Underachieved</b>	Most invoices not paid date back to 2014/15 and 2015/16 financial years. Invoices for health benefits claims from 2015/16 financial 10 year resulted in arrears

## OVERVIEW AND ASSESSMENT OF PROGRAMME PERFORMANCE: Socio-Economic Support (pp. 12-13)

Total targets set:	5
Targets achieved:	3/5
Targets not achieved:	2/5
Success rate:	60%
Total Budget Spent (%):	77.7%

Performance Indicator	Planned Target	Actual Achievement	Comment
Number of deserving military veterans with decent housing per year	1 000	168 <b>Underachieved</b>	Unavailability of land for development of housing, inadequate coordination with municipalities on provision of bulk municipal services, and inefficient housing project management.
Average days taken to register and update personal records of Military Veterans on the National Military Veterans database	60 days	61 days	Engaged the technical services of DDSI to assist in Conducting a comprehensive diagnosis of the database; and Revamping the SOP and establishing verification processes





## OVERVIEW AND ASSESSMENT OF PROGRAMME PERFORMANCE: Socio-Economic Support (p. 13)

### Comments and questions:

- Reasons for spending 77.7 percent of the budget, while achieving only 60 percent targets.
- Reasons for underachieving the target for 1 000 houses. Target also underachieved in the previous financial years. **The DMV has always performed badly on this target since its inception.**
- Since only 168 Houses were achieved instead of the planned 1 000, to which benefits were the allocated funds shifted to?
- What led to “inadequate coordination with municipalities on provision of bulk municipal services, and inefficient housing project management”? Are there Service Level Agreements (SLAs) with the municipalities concerned? **Note that the Committee previously held a meeting with all stakeholders involved in the provision of housing.**
- The AGSA cautioned that the 61 days indicated as achievement could not be verified.
- Reasons for only spending 77 percent of the allocated budget for Database and Benefits.
- Reasons for underspending (71.3 percent) on ‘Socio-Economic Support Services’.

# OVERVIEW AND ASSESSMENT OF PROGRAMME PERFORMANCE:

## Empowerment and Stakeholder Management (pp. 14-15)

Total targets set:	6
Targets achieved:	3/6
Targets not achieved:	3/6
Success rate:	50%
Total Budget Spent (%):	82.7%

Performance Indicator	Planned Target	Actual Achievement	Comment
Number of private sector companies and organs of state in partnership with the Department of Military veterans per year	60	0 <b>Underachieved</b>	Lack of strategy across the DMV in processing and concluding MoUs.
Number of deserving Military Veterans to access relevant training and skills development per year	3 500	1 908 <b>Underachieved</b>	New service providers are now assisted to register on the Central Suppliers Database in order to fast track the quality training in order to train more military veterans
Number of agreements established at continental and international levels per year	30	0 <b>Underachieved</b>	Currently no established structures to effectively initiate international Protocols and agreements



## GOVERNANCE (p. 16)



PARLIAMENT  
OF THE REPUBLIC OF SOUTH AFRICA

- *Effectiveness of Internal Control:* Instances of non-compliance and internal control deficiencies identified.
- *Internal Audit:* internal audit function did not fully discharged its mandate.
- *In-Year Management and Monthly/Quarterly Report:* An improvement in performance reports is required in relation to the objectives to strictly adhere to the SMART principle. **This was also raised by the AGSA, and is a recurring challenge.**



## HUMAN RESOURCES (p. 17)



- 169 post approved, 133 filled.
- Overall Vacancy rate: 21 %.
- Vacancy rate per programme: Administration (18.4%), SES (17%), and ESM (30.4).
- 74 contract posts created and filled.
- Total Staff: 207 (DMV indicates 240 in terms of salary bands)



PARLIAMENT  
OF THE REPUBLIC OF SOUTH AFRICA

# Thank you

**Calvin Manganyi**

Content Advisor:

Joint Standing Committee on Defence

[cmanganyi@parliament.gov.za](mailto:cmanganyi@parliament.gov.za)

021 403 2280