**4. BUDGETARY REVIEW AND RECOMMATION REPORT ON THE PERFORMANCE OF THE DEPARTMENT OF HOME AFFAIRS 2017, DATED, 17 OCTOBER 2017**

# INTRODUCTION

As specified by section 5 of the Money Bills Amendment Procedures and Related Matters Act (MBAP) of 2009, the National Assembly, through its Committees, must annually assess the performance of each national department. A Committee must submit the Budgetary Review and Recommendation Report (BRRR) annually to the National Assembly which assesses the effectiveness and efficiency of the department’s use and forward allocation of available resources and may include the recommendations on the use of resources in the medium term.

The Committee must submit the BRRR after the adoption of the budget and before the adoption of the reports on the Medium Term Budget Policy Statement (MTBPS) by the respective Houses in November of each year. The Committee were briefed by the Auditor General (AG) and Department of Home Affairs on the 2016/17 Annual Reports on 3 October 2017. The Electoral Commission (IEC) and the Government Printing Works (GPW) presented on their 2016/17 annual reports on 5 October 2017. The Portfolio Committee on Home Affairs (the Committee), considered its draft BRRR on 10 October and adopted the final report on 17 October.

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## 1.1 The Portfolio Committee on Home Affairs

In line with the core objectives of Parliament, the mandate of the Committee is to consider and pass legislation; oversee and scrutinise executive action; facilitate international participation; and facilitate co-operative government and facilitate public participation and involvement.

On the basis of challenges and problems encountered by the Committee in its oversight and from the 2017 State of the National Address and National Development Plan 2030; key issues were put forward by the Committee covering the following entities: the DHA, IEC and GPW.

**The Report of the Committee is based primarily on the following activities:**

* Briefings by Department, IEC and GPW and Committee deliberations.
* Drafting, consideration and voting on internal committee reports.
* Scrutinising Strategic and Annual Performance Plan, the State of the Nation Address, Policy documents, Estimates of National Expenditure, Medium Term Expenditure and Budget allocations as well as other external briefings and reports.
* Conducting oversight visits, public participation during constituency periods and committee meetings.
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## 1.2 The Department of Home Affairs

The mission of the DHA is to ensure the efficient determination and safeguarding of the identity and status of citizens and regulation of migration to ensure security as well as to promote and fulfil South Africa’s international obligations. This mandate is administered through the following three overarching budget programmes:

**Programme 1 - Administration:** The programme provides leadership, management and support services to the Department of Home Affairs.

**Programme 2 - Services to Citizens:** The programme provides secure, efficient and accessible services and documents for citizens and lawful residents. This programme also includes the transfers to the IEC and GPW.

**Programme 3 - Immigration Services**: The programme facilitates and regulates the secure movement of people into and out of the Republic of South Africa through ports of entry; determines the status of asylum seekers and regulates refugee affairs. It also confirms and provides enabling documents to foreign visitors legally residing within the Republic of South Africa and enforces immigration legislation and effects deportations.

# THE DEPARTMENT’S STRATEGIC PRIORITIES AND MEASURABLE OBJECTIVES

National government has fourteen outcomes and the DHA contributes to four of these outcomes, which comprise three Strategic Outcome Orientated goals for the 2015-2020 period. These in turn translate into 10 Strategic Objectives as follows:

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|  STRATEGIC OBJECTIVES | Strategic Outcome Oriented (SOO) Goal 1: Secure South African citizenship & identity. |
| 1.1 | All eligible citizens are issued with enabling documents relating to identity and status. |
| 1.2 | An integrated and digitised National Identity System (NIS) that is secure and contains biometric details of every person recorded on the system. |
| 1.3 | All eligible citizens are issued with enabling documents relating to identity and status. |
| **SOO Goal 2: Secured & responsive immigration system.** |
| 2.1  | Movement of persons in and out of the country managed according to a risk-based approach. |
| 2.2  | Refugees and asylum seekers are managed and documented efficiently. |
| 2.3  | Enabling documents issued to foreigners efficiently and securely. |
| **SOO Goal 3: Services to citizens & other clients that are accessible & Efficient.** |
| 3.1 | Secure, effective, efficient and accessible service delivery to citizens and immigrants. |
| 3.2 | Good governance and administration. |
| 3.3 | Ethical conduct and a zero tolerance approach to crime, fraud and corruption. |
| 3.4 | Collaboration with relevant stakeholders in support of enhanced service delivery and core business objectives. |

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## 2.1 The Department’s Contribution to the National Development Plan (NDP)

The major focus of the NDP is to confront the triple challenge of poverty, inequality and unemployment by achieving higher growth rates. The DHA contributes the following to the NDP:

* Facilitating the acquisition of the critical skills so as to facilitate the building of capable state.
* Playing a role in enabling regional development by working with SADC countries to improve the efficient, secure and managed movements of people.
* Providing citizens with identity documents that gives them access to rights and services.
* Through the modernization programme, seeking to reduce fraud and the cost of doing business.

## 2.2 Ministerial Priorities to Address Challenges

In support of achieving the strategic objectives of the DHA, government priorities and the NDP, the DHA has identified the following Ministerial Priorities for delivery by 2019:

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| Priority | Main 2019 Delivery |
| 1. Complete the Modernisation Programme
 | Integrated digital systems and re-engineered processes (NIS, immigration and related) managed and protected by the required compliment of effective professionals. |
| 1. Establish an effective BMA
 | Founding legislation, model and basic structures, people, processes and systems in place. |
| 1. Upgrade 6 key ports of entry
 | New model piloted and implemented in 6 POEs with significant improvements in respect of infrastructure, processes and leadership. |
| 1. Comprehensive review of Immigration Policy
 | Green Paper and White Paper approved and new comprehensive legislation drafted. |
| 1. Improved client experience through leadership (Moetapele)
 | Officials at all levels responding to client needs by demonstrating leadership through improving front and back office culture, processes and systems. |

# ANALYSIS OF THE ANNUAL PERFORMANCE PLAN (APP) OF THE DHA

The DHA presented on it strategic priorities for the 2015-2018 Medium Term Expenditure Framework (MTEF) as well as planned objectives and targets for the 2017/18 APP in March 2017. The mandate of the DHA is derived from the Constitution and various acts of Parliament and policy documents. The DG went through the vision, mission, mandate and values of the DHA, which remain consistent with previous years.

The DG indicated that the DHA’s services are divided into two broad categories: civic services and immigration services. These ensure the efficient determination and safeguarding of the identity and status of citizens and foreigners, and provide for the management of immigration to ensure security, promote development and fulfil South Africa’s international obligations.

The Civic Affairs branch is the custodian of the National Population Register (NPR), which contains the records of all citizens and permanent residents, including changes in status such as marriage and death. Services to citizens include issuing enabling documents after their status is confirmed, such as birth and death certificates and travel documents. The verification of identity is a service that is also rendered to all government institutions, banks and other private sector institutions. Transfers to the GPW and IEC also form part of the Citizen Affairs budget sub-programme.

The Immigration Affairs branch determines the status and identity of foreigners, regulates immigration through the permitting and movement control systems and provides consular services abroad. Immigration officers are present at ports of entry and regional offices in provinces. The branch also has an inspectorate function which is responsible for enforcing the Immigration Act (No. 13 of 2002) and its Regulations. Immigration Affairs is also responsible for processing and determining the status of asylum seekers and refugees in terms of the Refugee Act (No. 13 of 1998) and operates centres nationally in this regard.

The total number of targets for 2017/18 compared to 2016/17 have been reduced to 28. The Department has two main broad categories, namely Civic Services and Immigration Services which together ensure efficient determination and safeguarding of the identity and status of the citizens and foreigners; and provide for the management of identity, civil status and immigration to ensure security, promote development and fulfil South Africa’s international obligations.

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| **Programme** | **Number of targets** |
| **2016/17** | **2017/18** |
| 1.Administration | 19 | 13 |
| 2.Services to Citizens | 5 | 5 |
| 3.Immingration Services (including BMA) | 8 | 10 |
| **Total** | **32** | **28** |

Programmes and number of targets of the DHA 2016-18

The Refugees and Immigration Bills would be reviewed in order to align them with the White Paper on International Migration. The White Paper on International Migration was finalised in April 2017. A related road map will be approved by the Minister of Home Affairs in 2017/18.

The DHA will introduce improved mobile offices because some DHA offices cannot be adapted for processing of Live Capture document applications in the process of replacing the Green ID Books with the Smart ID Cards.

The DHA will also introduce the trusted travellers programme in 2017/18 which would remove the necessity to stamp passports at borders such as Maseru Bridge for pre-approved travellers. The new National Identification Information System (NIIS) would have the capability of managing information of the both nationals and foreign nationals and link with other government departments.

The DHA collects revenue and deposits it in the National Revenue Fund. It would be important that the revenue collected should be reinvested in the department. Currently, the revenue is only partially returned to the DHA towards the end of the financial year.

Birth registration is still a challenge and the he DHA will be receiving a report from the Department of Planning, Monitoring and Evaluation on the issue. There are 178 of 400 offices which have been move d to electronic application processes. The DHA reported that it was puzzling that the South African Social Security Agency (SASSA) gives grants to mothers without birth certificates and the Department of Education is able to register children without births certificates. The members of the Committee requested that the DHA should conduct further outreach programmes on the need for registration within 30 days after births. The DHA should put up more posters at health facilities to raise awareness with regard to the registration of births.

In 2017/18 there will be more time spent on drafting the Immigration and Refugees Bill to be aligned with the White Paper. The management of foreign nationals would now not only be a matter of the DHA but the whole of government and the society.

The DHA needed to get out of being required to use the State Information Technology Agency (SITA) and/or get another service provider. The DHA is also dependent on the Department of Public Works for office accommodation. This dependency on SITA and DPW hampers DHA service delivery.

The DHA needs to convert 200 million records and it has only received R10 million to do so, which would only be sufficient to convert 5 million records. If the DHA needs to fight corruption properly, all documents must be digitised.

The Government Printers’ Bill has been finalised and it would be going to Cabinet for approval. The Bill will be submitted to Parliament in 2017/18. The Government Printing Works (GPW) will provide more information on this when they brief the Committee on their APP.

The DG reported that the DHA will conduct 100 law enforcement operations in 2017/18. The DHA will also automate the amendments and citizenship application processes. The DHA will ensure that 70 percent of disciplinary cases are finalised satisfactorily.

The infrastructure at Musina Refugees Reception Office will be improved and renovations done. The zoning of the land at the Lebombo border for the construction of a Refugee Reception Office (RRO) has been done. The DHA will start with the process of constructing this RROs closer to the border.

The DHA will maintain its vacancy rate below 10 percent. In 2016/17, the DHA did not fill any vacant positions as directed by the National Treasury. The department wants to ensure that there is no office without an office manager. The interns who served an internship in 2016/17 will be given an opportunity to fill the vacant funded posts. It is important to note that these interns will be employed based on merit. They will have to apply like everybody else when the positions are advertised. There are approximately 502 posts that will be advertised in 2017/18.

# SECTION 32 EXPENDITURE REPORTS

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The DHA made presentations to the Committee on the Second and Third Quarter 2016/17 in January 2017; the Fourth Quarter 2016/17 in May 2017; and on the First Quarter 2017/18 in September 2017. The IEC and GPW also reported on their first quarter performance for the first time in September 2017. This report provides the Committee’s key deliberations and recommendations relating to the DHA, IEC and GPW’s performance in the latter quarter not covered by the annual reports. The highlights of the performance against strategic objectives were as follows:

## 4.1 Department of Home Affairs

The Director-General made the presentation on behalf of the DHA, the Acting Chief Electoral Officer (CEO) made the presentation on behalf of the IEC and the Acting Chief Executive Officer (CEO) made the presentation for GPW on their 2017/18 first quarter performance. Their reports cover the period from 1 April 2017 – 30 June 2017. This report provides the Committee’s key deliberations and recommendations relating to the performance of the DHA, the IEC and the GPW. The IEC and GPW made this, their first ever appearance on quarterly performance, at the request of the Committee.

The DHA made the presentation on the progress made during the First Quarter of 2017/18, the targets which were not met and the budget. The DHA has three programmes, namely, Administration, Citizen Affairs and Immigration Affairs. Citizen and Immigration Affairs are the two core programmes of the DHA.

**Programme 1: Administration**

The Administration programme provides strategic leadership, management and support services to the DHA. This programme has the following six strategic objectives and related targets:

* An integrated and digitised National Identity System (NIS) that is secure and contains biometric details of every person recorder on the system.
* Ensure that that systems are in place to enable the capturing of biometric data of all travellers who enter or exit South Africa legally.
* Secure, effective, efficient and accessible service delivery to citizens and immigrants.
* Good governance and administration.
* Ethical conduct and zero tolerance approach to crime, fraud and corruption.
* Collaboration with stakeholders in support of enhanced service delivery and core business objectives.

**Programme 2: Citizen Affairs**

Citizen Affairs’ purpose is to provide secure, efficient and accessible services and documents for citizens and lawful residents and its strategic objective is to ensure that all eligible persons are issued with enabling documents relating to identity and status.

**Programme 3: Immigration Affairs**

Immigration Affairs facilitates and regulates the secure movement of people through the ports of entry into and out of the Republic of South Africa as well as to determine the status of asylum seekers and regulate refugee affairs. The following are strategic objectives of the Immigration Affairs:

* Refugees and asylum seekers are managed and documented efficiently.
* Movement of persons in and out of the country managed according to a risk based.
* Enabling documents are issued to foreigners efficiently and securely.

**Progress on Key Objectives of the DHA**

The DHA had a total of 33 targets planned for quarter 1 of 2017/18 financial year. During this quarter, the DHA achieved 25 of the targets (75 percent).

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| **Programme** | **Number of targets** | **Targets achieved** | **No of targets not achieved** |
| Administration | 18 | 16 | 2 |
| Citizen Affairs | 5 | 1 | 4 |
| Immigration Affairs | 10 | 8 | 2 |
| **TOTAL** | **33** | **25** | **8** |

 2017/18 First Quarter Performance per programme

The DHA achieved progress during the First Quarter of 2017-18 as indicated below:

* It was reported that 127 managers were trained in leadership and management development to improve the performance of the DHA. The Quarterly target was 75 managers to be trained, however, the DHA trained 127.
* The Discussion Paper on the repositioning of the DHA was published in 2016 for consultation and it was approved by Cabinet on 1 March 2017.
* The vacancy rate of the DHA was maintained at 10% or below. By 30 April 2017 the vacancy rate was at 4.9 percent, 31 May 2017 was at 5.5 percent and 30 June 2017 it was at 5.4 percent. The average rate was at 5.3 percent for the First Quarter of 2017/18.
* There were 12 awareness initiatives on ethics, fraud prevention and counter corruption as against the target of 5 initiatives. The DHA investigated 66.7 percent of cases misconduct and finalised within 90 days as against the target of 66 percent. The DHA ensured that 162 vetting were conducted and referred to State Security Agency (SSA).
* The DHA processed 91.59 percent of the machine readable machine passports and were issued within 13 working days. These are the passports issued and collected in the Republic of South Africa.
* There were 75 inspections conducted to ensure that there was compliance with the Immigration and departmental legislation. The draft Border Management Authority (BMA) Road Map was approved by the Project Manager: BMA.
* The DHA has approved the implementation plan at 6 ports of entry either for an improved residential or office accommodation.
* The DHA adjudicated 99 percent of the Permanent Residence applications within 8 months. There were 1 687 Permanent Residence applications adjudicated out of 1701. There were also 98 percent of the business and general work visas applications adjudicated within 8 months. The was 392 applications of the business and general work visa and 384 were adjudicated within 8 months. With regards to the critical skills visas adjudicated, 80 percent of the applications were processed within 4 weeks from the date of receipt of application.

**Targets not achieved during First Quarter 2017/18**

* The technical specifications for the full biometric were not approved because the service provider is reviewing the business requirements.
* The Request for Proposal (RfP) documentation and evaluation was not developed for the infrastructure at the Ports of Entry (PoE). The DHA decided to pre-qualify bidders to test aspects of the market.
* There were only 100 corruption cases finalised of the 402 total submitted. The Committee was concerned that Human Resources would have to charge people in order to meet the target and preparation of the cases might not be sufficient.
* The target for the registration of births within 30 days of birth was 192 825 and the DHA achieved 191 824. This was in part due to officials no longer working on Saturdays. The DHA was engaging with the labour unions regarding this matter.
* The target was to issue 810 000 Smart ID Cards to citizens 16 years and above but only 626 363 were issued again due to offices not opening on Saturdays. The DHA has approached National treasury (NT) for additional funding for new weekend positions. The DHA will hear from NT on 14 September 2017 if their requests have been approved. The DHA indicated it be better pay overtime to current officials to work on Saturdays than appoint more officials if the funding from NT is not approved.
* The feasibility of the discontinuation of the Green ID Book was not conducted. The DHA has a challenge of rolling out the applications of Smart ID Cards because there are certain offices and mobile units which do not have the Live Capture System to issue Smart ID Cards. The DHA was also looking at procuring mobile offices with the Live Capture System and was working with the banks to increase the footprint for Smart ID Card applications.
* The service provider for the mobile offices was not appointed. The idea is to ensure sourcing of mobile offices with the requisite technology to apply for Smart ID Cards.
* The outline of the structure of the Immigration Amendment and Refugees Amendment Bills has not been approved by the Minister of Home Affairs. The White Paper on International Migration has been approved and will inform this.

**Budget and expenditure**

With regards to budgets, it was reported that spending was on track and provinces were spending in line with linear projections. The payment of suppliers within 30 days was at 97% and the provinces were doing better than the Head Office when it comes to the payment of suppliers.

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| --- | --- | --- | --- | --- |
| **Per Programme** | **Budget R,000** | **Expenditure** | **Available** | **% Spent** |
| Programme: 1 Administration | 2, 109, 847 |  495,157 | 1,614, 690 | 23.5% |
| Programme 2: Citizen Affairs | 3, 719,116 | 1,182,145 | 2,536,971 | 31.8% |
| Programme 3:Immigration Affairs | 1,226,576 |  279,634 |  946,942 | 22.8% |
| **TOTAL** | **7,055,539** | **1,956,936** | **5,098,603** | **27.7%** |

Expenditure as at 30 June 2017

The expenditure at the end of June 2017 was is at 27.7 percent against the linear projections of 25 percent. It was reported that the variance of 2.7 percent was due to payments in respect of Self-Financing expenditure, legal services and property of the DHA. The underspending on programme 1 was due to Who Am I Online (WAIO) because the plans are not yet finalised. The overspending on programme 2 as result of the payment to GPW for Self-Financing expenditure. The revenue collected by the DHA as at end of June 2017 was R8.3 million.

## 4.2 The Electoral Commission of South Africa (IEC)

The Acting Chief Electoral Officer made the presentation. He reported that the IEC had 16 targets and 12 were achieved. The IEC has three programmes namely: Administration, Electoral Operations and Outreach.

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| --- | --- | --- | --- | --- |
| **Programme** | **Targets** | **Achieved** | **Not achieved** | **% achieved** |
| Programme 1: Administration | 8 | 5 | 3 | 63% |
| Programme 2: Electoral operations | 5 | 4 | 1 | 80% |
| Programme 3: Outreach | 3 | 3 | 0 | 100% |
| **TOTAL** | **16** | **12** | **4** | **75%** |

Performance per programme 1st Quarter 2017/18

The IEC achieved the following targets:

* The number of Commission meetings held was three and the meetings took place on 21 April 2017, 26 May 2017and 30 June 2017
* There was one quarterly review meeting on 31 July after the start of the new quarter.
* The quarterly review and update of the Electoral Commission’s strategic risk register by the Executive Risk Management Committee took place within 30 days after start of the next quarter. The meeting was held on 25 July 2017.
* The targeted average number of calendar days in which elections are conducted was 90 days. It was reported that there were 47 by-elections in quarter 1 of 2017/18. All the by-elections were conducted within 90 days with the exceptions of uPhongolo Ward 7 and Moretele Ward 18. The two wards were filled in 162 days. The Electoral Court has granted the permission to the IEC due to the fact that there was an objection to the voters roll.
* There were no elections which were set aside in quarter 1 of 2017/18.
* The IEC had a target of 3 750 of civic and education events for quarter 1 and it exceeded the target by 223 because it had the 2017 Schools Democracy Week in April 2017.
* The target for IEC international liaisons for the quarter was 9 and the it exceeded by 3.

There targets not met by the IEC were:

* The number of quarterly internal audit progress reports since a report was considered outside of the quarter in 16 August 2017.
* The number of short courses to be attended by the staff was not achieved due to budget constraints.
* The performance agreements of permanent staff were not achieved due to maternity leave, illness, non-submissions and suspensions.
* The number of liaison sessions with political parties on national, provincial and local levels. It was reported that the non-achievement was due to the late capturing of the sessions in quarter 1 of 2017.

The Committee was concerned that the IEC would not be able to meet the Constitutional Court deadline of June 2019 for harvesting of voter addresses; it was reported that out of the 22 million registered voters, only 2.9 million still needed to have their addresses captured. The IEC have two events to capture the addresses, namely the electronic capturing of the addresses by voters and weekends where all voting stations will be opened for people to come and update their addresses.

The IEC reported that it was engaging with National Treasury regarding funding. If donor funding has to be used, it would be specifically for Civic Education. The Committee emphasized that the country does not want the Kenya situation where the elections were declared null and void.

The IEC also uses consultants on ICT and the building it occupies in Centurion belongs to Abland. The IEC lost the case to have the lease declared null and void. The offices in the different provinces belongs to many different private individuals.

The projected expenditure for the First Quarter of 2017/18 was R243.8 million and the IEC only spent R233.9 million. Unfunded projects included the ICT platform upgrade amounting to R150 million and for address harvesting amounting to R479 million.

## 4.3 The Government Printing Works (GPW)

The Acting Chief Executive Officer made the presentation for the GPW. The GPW is a strong support to the DHA when it comes to the printing of the Smart ID cards and passports. It had 14 targets for the First Quarter of 2017 and only one was not achieved. The target not achieved was related to fewer Smart ID Cards being ordered by DHA and thus there was a 17.1% operating cost as percentage of revenue rather than the targeted 15.9%.

The Committee was concerned that the staff and Fidelity security at GPW were not all vetted. GPW reported it had met with the State Security Agency (SSA) and agreed that all staff including those who provide security will have been vetted by end of October 2017. This is a special project between GPW and SSA. The vetting will continue with new employees after October 2017. There is an increased security at GPW and Pavilion 3 will be completed by December 2017.

The e-Government gazette was easily available through the GPW website only the Western Cape provincial gazettes are available elsewhere. The service providers are electronically putting their information online.

There is no litigation against the GPW and all its buildings belong to Department of Public Works (DPW). GPW uses consultants, especially for the ICT. Printing machines and related services are sourced from countries such as Germany and Japan.

## 4.4 Committee Observations

The Portfolio Committee on Home Affairs observed the following with regards to the DHA, IEC and GPW first quarter reports:

**Department of Home Affairs (DHA)**

* + 1. The DHA did not achieve all the targets set for First Quarter of 2017/18.
		2. The matter of working on Saturdays by DHA officials has not been resolved between the DHA and labour unions.
		3. The Live Capture System to enable the DHA to issue Smart ID Cards and passports has not been rolled out to all offices of the DHA, especially in rural areas.
		4. The current mobile offices do not have necessary technology to take applications for Smart ID Cards and passports and many of them are dysfunctional.
		5. The DHA partnership with financial institutions to take applications for the Smart ID Cards and passports has not been rolled out to many branches.
		6. The processing of the Permanent Residence Permits and visas takes too long.
		7. Having insufficient immigration officials to conduct inspections is a serious concern as is the downtime at the front offices of the DHA.
		8. The payment of suppliers within 30 days was at 97 percent, which is a good progress.

**The Electoral Commission of South Africa (IEC)**

* + 1. There were 2.9 million registered voter addresses that still need to be captured into the voters roll.
		2. The IEC still needs significant funding from National Treasury for harvesting of addresses, upgrading the ICT platform and the procurement of new registration devices. Funds were only partially allocated by National Treasury in 2017/18 for address harvesting despite the June 2018 court ruling deadline.

**The Government Printing Works (GPW)**

* + 1. The GPW was expanding to the African market for security printing
		2. The staff and service providers at the GPW are being vetted by SSA.
		3. The GPW could remain a Government Component despite its target to become a State Owned Company due to regulations related to Value Added Tax.

# ANALYSIS OF DHA, IEC AND GPW 2016/17 ANNUAL REPORTS

## 5.1 The Department of Home Affairs (DHA):

The Portfolio Committee on Home Affairs met with the Auditor-General of South Africa (AGSA) to receive the audit outcome briefings on the DHA, GPW and IEC and on 3 October 2017. The DHA briefed the Committee on their Annual Report for 2016/17 financial year on 3 October 2017. The GPW and IEC briefed the Committee on their Annual Reports for 2016/17 financial Year on 5 October 2017.

The Acting Director-General reported that the DHA has a total of 32 targets planned for 2016/17 financial year and 27 were achieved. From 2014/15 financial year the DHA achieved 70 percent of the targets and in 2015/16 the performance increased by 11 percent to 81 percent and in 2016/2017 the performance increased by 3 percent to 84 percent. Although overall performance has increased due to significant gains in the Immigration programme; the performance of both the Administration and Citizen Affairs programmes have declined. The latter considerably from 80% to 66% as per the table below.

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| --- | --- | --- | --- |
| **Programme** | **Targets****2016/17** | **Achieved** **2016/17** | **Percentage** |
| **2016/17** | **2015/16** | **2014/15** |
| Programme 1: Administration | 19 | 17 | 89% | 95% | 81% |
| Programme 2: Citizen Affairs | 5 | 4 | 66% | 80% | 43% |
| Programme 3: Immigration Affairs | 8 | 6 | 75% | 58% | 67% |
| **Total**  | **32** | **27** | **84%** | **81%** | **70%** |

Targets achieved in the 2014 to 2017 financial year

**Programme 1: Administration-:** This programme has the following strategic objectives which were supported by these targets for 2016/17:

* An integrated and digitised National Identity System (NIS) that is secure and contains biometric details of every person recorded on the system.
* Ensure that systems are in place to enable the capturing of the biometric data of all travellers who enter or exit South Africa legally.
* Secure, effective, efficient and accessible service delivery to citizens and immigrants.
* Good governance and administration.
* Ethical conduct and zero tolerance approach to crime, fraud and corruption
* Collaboration with stakeholders in support of enhanced service delivery and core business objectives

The non-achievement in programme 1: Administration of the two targets is due to the delay in the development of the specifications of an integrated electronic movement control system with full biometric capabilities.

**Programme 2: Citizen Affairs-:** Clients are serviced at over 700 sites, which include local and mobile offices, health facilities and bank branches. The DHA has only about 400 offices and 115 mobile offices with the staff complement of less than 10 000. The Strategic Objective for this programme in 2016/17, and onwards, is as follows:

* All eligible citizens are issued with enabling documents relating to identity and status.

**Programme 3: Immigration Services**. The Strategic Objective for this programme for 2016/17 were as follows:

* Movement of persons in and out of the country are managed according to a risk-based.
* Refugees and asylum seekers are managed and documented efficiently.
* Enabling documents are issued to foreigners efficiently and securely.

During the reporting period, the DHA achieved the following:

* The DHA and Department of Planning, Monitoring and Evaluation (DPME) commissioned an evaluation study to determine the reasons for citizens not registering their children within 30 days.
* The DHA exceeded the target of issuing Smart ID Cards to citizens 16 years and older. The target was to issue 2.2 million cards but the DHA issued 2.6 million cards. The Smart ID Cards are to replace the Green Barcoded Identity Books (IDs) for all citizens. This target was exceeded despite the challenges of network problems and capacity constraints.
* There were 178 442 ID books were issued within 54 working days and 140 005 ID books were re-issued within 47 working days.
* The DHA issued over 95 percent of the new passports within 13 working days.
* The Draft White Paper on International Migration was finalised and approved by the Cabinet.
* The DHA submitted the amendments to the Refugees Act, which is before Parliament for processing.
* The Lesotho Special Permit was approved, which seeks to waiver certain requirements for the application of business, work and study visas.
* New technology has transformed Marabastad which is now known as Desmond Tutu Refugee Reception Office.

The Acting DG reported on the five targets which were not achieved during the reporting period:

* The DHA was unable to develop and pilot the Enhanced Movement Control System (EMCSs) at one port of entry. This was due to the lack of resources to develop the system in the previous financial year and the unavailability of the business analyst from the South African Receiver of Revenue Services (SARS). The DHA is working with SARS to develop the system.
* The target of registering births within 30 days was not achieved and this was attributed to the lack capacity to register those born in hospitals on public holidays and over weekends as well as the lack of understanding of the need to register births within 30 days. It was reported that there were 745 204 births registered within 30 days missing the target by only 4 796. Hence the DHA and DPME commissioned study to determine the reasons for citizens not registering births within 30 days.
* The Border Management Authority could not be launched as the enabling legislation is not in place. The legislation is currently within Parliament.
* It was reported that 12 out of the 15 selected ports of entry have improved with either residential or office accommodation. The lease agreements to acquire infrastructure at three Maritime Ports of entry could be achieved due to the dependency on the Department of Public Works (DPW).
* The Annual Report of the DHA was not tabled to Parliament by 30 September 2016 because of the revenue collected by DIRCO in missions abroad and the handling of the repatriation deposits. The DHA, DIRCO, AGSA and NT have now agreed that the revenue collected abroad will be deposited by the DIRCO into the National Revenue Fund (NRF) directly.

The DHA faced the following challenges during the reporting period:

* The relationship between DHA and DIRCO.

DIRCO collects revenue on behalf of the DHA in missions abroad. DIRCO deposits the revenue into NRF and any omission will have audit implications for the DHA. The DHA has no control over the management of this process. DIRCO reported that it was tabling the Foreign Revenue Service Bill in Parliament and the DHA has requested an insertion of the clause that which will transfer the collection of revenue to DIRCO and this will obviate the issue of double reporting and provides a clear line of responsibility.

* Network Connectivity

The DHA has implemented the modernisation programme, where the department is moving to a paperless environment. The application for certain documents such as the Smart ID Cards and passports can already be done online. This process of the application, depends largely on reliable and uninterrupted network infrastructure. This is not the case as downtimes of the system are very high and this frustrates clients. The services of the DHA cannot be sourced anywhere else. The DHA relies on State Information Technology Agency (SITA) for the network. SITA appeared before the Portfolio Committee on Home Affairs in 2016 and 2017 on the same problem and the problem still persists.

* Provision of office accommodation

The DHA is dependent on the DPW on the provision of accommodation. It has been reported that the DHA is currently accommodated in 412 offices through the DPW across the country, which the DHA considers to be inadequate. This hampers the roll out of the Smart ID Cards particularly to the rural areas.

* Human Resources capacity constraints

The DHA reported that there was still a ceiling in the filling of posts in the department in January 2016. This affected the Compensation of Employees budget and it resulted in the loss of 687 vacant funded posts. This left the DHA with a severe staff shortage in critical posts such as the Inspectorate, Information Technology and Legal Services. The Portfolio Committee on Home Affairs engaged with NT with regard to this matter.

## 5.2 Financial Report

The DHA was instructed by the National Treasury not to fill vacancies during the 2016/17 financial year. It has been reported that ideally, the DHA should have a staff complement of 18 000 but currently there are about 10 000 staff. The Compensation of Employees (COE) ceiling that was given to the DHA was R3 billion. The ceiling was lifted in February 2017 and approximately 614 positions could be filled including port of entry managers, Information Technology staff, offices with less than 5 staff, OR Tambo International Airport, and District Managers of Operations. It was reported that 85 percent of these positions have been interviewed but the process has to be stopped due to the dispute on the working hours on Saturdays.

|  |  |  |  |
| --- | --- | --- | --- |
| **Programme** | **Final Budget****R,000** | **Final Expenditure****R,000** | **% spent** |
| Programme 1: Administration | 2,222,834 | 2,210,834 | 99.5% |
| Programme 2: Citizen Affairs | 4,787,170 | 4,786,988 | 100% |
| Programme 3: Immigration Affairs | 1,145,801 | 1,145,702 | 100% |
| Total | 8,155,805 | 8,143,524 | 99.8% |

Annual Budget per programme for 2016-2017

The DHA had a meeting with the labour movement on 15 June 2017. The dispute between the DHA and the labour movement was that employees needed to be compensated financially for working on Saturdays. There was a settlement agreement that the DHA should withdraw working on Saturdays or withdraw the disciplinary charges against the staff that refused to work on Saturdays or the payment of an ex-gratia for workers who will work on Saturdays. The DHA requested R22.5 million for this but it was declined by National Treasury. The DHA has requested that the Department of Public Service and Administration (DPSA) and National Treasury to use the funds allocated to fill 614 positions to rather compensate the current staff to work on Saturdays.

An amount of R12 million was not spent as result of the delays in the implementation of the Voice of over Internet Protocol (VOIP) and video conferencing and NT agreed to approve the rollover funds to 2017/18 financial year.

During the period over review, there was no unauthorised expenditure, however, there was an irregular expenditure of R146 million due to the security tender which was awarded in violation of the Supply Chain Management.

## 5.3 GPW 2016/17 Annual Report

The Acting Chief Executive Officer made the presentation and she was assisted by the Chief Financial Officer. She indicated that the mandate of GPW is to provide security printing and related services to the Government of South Africa and it was established in 1894. It had 28 targets of which 22 were achieved.

The Chief Information Officer resigned in September 2016 but this post and those of the Internal audit have now been filled. The GPW was not able to maintain a clean audit of 2015/16 due to irregular expenditure of R36 million in relation to the construction of Pavilion 3. The construction of Pavilion 3 will be completed in December 2017.

The State Printers Bill went to Cabinet and the Cabinet advised that the Bill should be separated into two Bills, namely a State Owned Company and the State Security Bill. The State Owned Company relates to the salaries of employees of GPW. The salaries of artisans at the GPW are far too low and thus GPW has become the de facto training ground of private printing firms. The special dispensation requested by GPW was rejected by DPSA. Now there is a special dispensation and remuneration package which has been submitted to Cabinet for approval. As SOC, the GPW cannot claim VAT. As result, GPW will remain a Government Component.

The challenge faced by GPW was that it still has an Acting CEO and the contract of the current Acting CEO ends at 31 October 2017. She reported that the post has been advertised. The Chief Financial Officer also left in September 2016 and the CFO is appointed by Cabinet. She reported the CFO resigned because he did not want the terms and conditions which were in place. He claims that it would affect his pension.

The Acting CEO reported that the previous CEO was a medical doctor and may have made wrong decisions along with the previous CFO who resigned in September 2016. The previous CFO operated for years without a contract. There are contracts in Information Technology and in the construction of Pavilion 3 that would be investigated, which were handled by the previous CFO. There was, for instance no Bid Specification Committee appointed for some contracts. The dissolution of the procurement committee was because of the junior staff who sat on it and made decision on big contracts.

## 5.4 The Electoral Commission of South Africa (IEC)

The Chairperson of the IEC made the opening remarks and the Acting Chief Electoral Officer made the presentation. He went through the organigram of the IEC as well as the programmes. He reported that the IEC had 34 targets and achieved 21 of the targets (62%)

There was irregular expenditure of R38 million of which R36.9 million related to the Riverside Office Park. IEC had written to NT for the matter to be condoned otherwise irregular expenditure will continue until the end of the lease in 2020. The IEC took the issue of the lease to court and it lost the case. The North Gauteng High Court found that the procurement irregularities were not good enough to set the lease aside. The matter came to court very late and the landlord has already acquired a bond that needs to be serviced. Other issues were that the tender was advertised for a shorter period and there were mistakes in the evaluation scoring.

The state would have to pay twice for accommodation as well as the costs of relocating and legal expenses of appealing the court ruling if it decided to move from the current office to new ones. The total value of the lease is R404 million over a 10-year period. A copy of the judgement has been distributed to the Committee. The annual R38 million irregular expenditure for 2016/17 for the accommodation contracts has not been condoned. Both the IEC and GPW approached National Treasury for condonation. The DHA was investigating these expenses to determine whether they could be condoned. The Commission emphasised it needed a condonation from NT in order to get a clean audit.

If the irregular expenditure of the Riverside Office Parks is removed, the IEC is left with only R1.1 million against the budget of R1.6 billion. The IEC target is to move to a clean audit. The unspent R1.1 million related to tax clearance certificates; a difference in opinion as to when the tender is awarded and the publication of the tender for less than 21 days as well as payment of the electoral staff.

It was also indicated the harvesting of addresses was well on track although the IEC did not receive funding in this current financial year. The NT will only allocate funding in 2018/19 financial year. The IEC has to meet the deadline set by the Constitutional Court by June 2018. The IEC will reprioritised its budget to ensure that funding was available which means certain targets will not be met.

Mr Mamabolo reported that there are five projects which aim to harvest the addresses:

* + The online capturing tool. This is the cheapest way of getting people to add their address. The media campaign will start on 6 October 2017.
	+ Address harvesting weekends.
	+ Cooperation with state bodies such as DHA, South African Post Office and others.
	+ The new zip zip machines will confirm addresses at the time of voters’ registration.
	+ Election Officers will interact with voters on daily basis on the need to have their address capture.

The number of registered voters without addresses is now around 3 million compared to the initial 8 million and thus 73% are done.

## 5.4 Committee Observations on 2016/17 Annual Reports

The Committee observed the following during its oversight over the Department of Home Affairs, the Government Printing Works and the Electoral Commission of South Africa:

**Department of Home Affairs**

* + 1. The pending litigation against the DHA was around of R1.9 billion.
		2. The DHA still has many officials employed in an acting capacity, especially at provincial level.
		3. There are still shortages of staff in the inspectorate division and at the ports of entry.
		4. Many mobile offices are dysfunctional and are not able to process the applications for enabling documents, which affects rural areas the w most
		5. The matter of the working hours, particularly on Saturdays remained unresolved between the DHA and labour unions.
		6. The children that are born over weekends, after working hours and public holidays are not registered at the health facilities within 30 days after births.
		7. There was a security tender which was awarded without following the proper supply chain management procedures.
		8. There is a lack of consequence management within the DHA for wrong doing by officials.
		9. Although the DHA has improved on payments within 30 days, it was still not at 100 percent as directed by the President of the Republic of South Africa.
		10. The DHA experiences delays in service delivery due to dependence on SITA for network connectivity and to the Department of Public of Works for office accommodation.

**The Government Printing Works**

* + 1. There are allegations of wrong doing by the previous CEO and CFO of GPW with regards to ICT contracts and construction of the Pavilion 3 building.
		2. There is an irregular expenditure related to the construction of Pavilion 3 building.
		3. The GPW received an unqualified audit for 2016-2016 financial year with findings.

**The Electoral Commission of South Africa**

* + 1. National Treasury has not funded the IEC for the harvesting of addresses for the current financial year. The funding will only be available in the 2018/19 financial year.
		2. The IEC lost the case to set aside the lease agreement for the Riverside Office Park and as such, it would receive an irregular expenditure until 2020/21.
		3. The IEC received an unqualified audit for 2016/17 financial year with findings.
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# CONSIDERATION OF OTHER SOURCES OF INFORMATION

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## State of the Nation Address 2017

The Department of Home Affairs’ (hereafter ‘the Department’) vision is for a “safe, secure South Africa where all of its people are proud of, and value, their identity and citizenship.” The Department contributes to four of the 14 Outcomes as outlined in the Medium Term Strategic Framework (MTSF):

* + All people in South Africa are and feel safe.
	+ Decent employment through inclusive economic growth.
	+ An efficient effective and development oriented public service.
	+ Nation building and social cohesion.

In SONA 2017, specific reference is made to four Home Affairs-related initiatives:

* + The establishment of the InvestSA initiative, which aims to strengthen the relationship between government and the private sector. It is also meant to reduce regulatory burdens for local and foreign investors. The President stated that the country should make it easy to do business in South Africa, including as relates to licensing and visas.
	+ Operation Phakisa Big Fast Results methodology in the ocean economy, health, education and mining sectors was launched in 2014.
	+ Tourism is identified as a key job driver in South Africa. Tourist arrival numbers increased numbers for the period January to November 2016.
	+ The fight against corruption continues.

The 2016 and 2017 SONA have in common a focus on visa regulations which will allow for attracting a particular skills set, as well as issuing visas for local and foreign investors. This is in order to make it easy for foreign and local investors to do business in the country.

The strategic objectives above align with the National Development Plan and the 2016 Medium Term Budget Policy Statement and the 2014-19 Medium Term Strategic Framework as follows:

* + 1. InvestSA initiative

Foreign direct investment is one of the major focus of the National Development Plan (NDP). The NDP’s target for foreign direct investment (FDI) is set against the international benchmark of 30%. In order to achieve this, one of the most significant interventions has been the establishment of InvestSA which is a one-stop interdepartmental clearing house that seeks to provide efficient support to investors to ensure that South Africa offers an investment-friendly environment. The MTSF maintains that despite the existing measures in place, South Africa faces immediate skills shortages which act to constrain investment and growth. However, while strategies are put in place to develop scarce skills, it is also necessary to encourage in-migration of the relevant skills over the short to medium-term.

* + 1. Operation Phakisa – Ocean Economy

Operation Phakisa is a fast result delivery programme that was launched in July 2014 to support the implementation of the NDP, with ultimate goal of boosting economic growth and create jobs.

The NDP indicates that South Africa needs to increase its level of investment to at least 25% of GDP. To achieve this level of investment, the level of savings must also increase coupled with creating conditions favourable to foreign direct investment (FDI). The MTSF includes actions aimed achieving an economic environment that encourages business investment and rewards competitiveness, especially in sectors that can catalyse longer term growth and job creation. Government will increase its engagement with business to unlock private sector initiative, build investor confidence, promote trust and seek long-term commitments to implementation of the NDP.

* + 1. Tourism as a key drive for job creation

Tourism remains key to South Africa’s economic development strategy. The NDP envisions tourism to be a major source of revenue and employment for the country through the investment in infrastructure, product and service development. It envisions rising employment, productivity and incomes as a way to ensure a long-term solution to achieve a reduction in inequality, an improvement in living standards ensuring a dignified existence for all South Africans. However, there are no specific targets set in the NDP for the tourism sector.

Tourism has been identified in the outcome approach to service delivery as one of the sectors in which growth and employment opportunities could be leveraged. It is expected to contribute to the realisation of Outcome 4: “Decent Employment through Inclusive Economic Growth” and Outcome 7: “Vibrant, equitable and sustainable rural communities and food security for all”.

* + 1. Fight against corruption

The NDP envisages, by 2030, a South Africa which has zero tolerance for corruption, in which an empowered citizenry has the confidence and knowledge to hold public and private officials to account and in which leaders hold themselves to high ethical standards and act with integrity. It also envisages a South Africa that has a resilient anti-corruption system in which anti- corruption agencies have the resources, credibility and powers to investigate corruption, and their investigations are acted upon.

The NDP highlights the need to address the crime that is damaging our communities, and the MTSF contains a range of actions and targets in this regard.

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## 6.2 Oversight Visits Eastern Cape Province

The Portfolio Committee on Home Affairs (the Committee) conducted an oversight visit to the Eastern Cape Province from 1 – 4 August 2017. The delegation of the Committee included Mr BL Mashile, Ms NA Mnisi, Mrs TE Kenye, Ms DD Raphuti, Mr AM Figlan and Ms HO Hlophe.

The oversight was conducted in part based on a complaint made by Mr Sono, a community member, who alleged that the DHA officials at Sterkspruit were ill-treating people who come for services. While in that area, the Community had meeting with the DHA Stakeholder Forum, the Senqu Local Municipality, a public meeting at Gcina Village, visited the Burgersdorp Small office, the Aliwal North Medium Office, Telle Bridge Port of Entry between South Africa and Lesotho and Mpilisweni Hospital.

A week prior to the oversight visit by the Committee, there was a service delivery protest in Sterkspruit in part as a result of the prolonged closure of the DHA office and the lack of doctors at Mpilisweni Hospital. The protest was resolved by the provincial government. During its meetings at Sterkspruit and Burgersdorp, the delegation was welcomed by the local leadership. Some of the leadership in Sterkspruit accompanied the delegation to the public meeting at Gcina Village.

Full details of the oversight are included in the relevant report tabled by the Committee. Below are only the main observations arising from the oversight.

**Committee Observations During Oversight**

* + 1. The meeting at Bensonville College Auditorium with the DHA officials, the Seenu Local Municipality allowed Community members who attended the meeting a chance to voice their frustrations about DHA services.
		2. It was observed that the DHA in Sterkspruit does not have immigration inspectorate, although the area is close to the border with Lesotho.
		3. The DHA office in Sterkspruit was closed by the DoL due to unsuitable working conditions but the DHA made provision for the community to continue getting services.
		4. The relationship between the DHA and DPW was not good. The DPW did not help the DHA for several years when it was given a notice to close the Sterkspruit Office in 2012 by the DoL.
		5. The relationship between the Sterkspruit community and the DHA although good was still not transparent enough and as such, there were members of the community who claimed that they were not aware that the DHA office had been closed.
		6. What the Committee heard about the conduct of the DHA officials contradicted what Mr Sono wrote to the Committee and not attending the public meeting at Gcina village heightened suspicions on his credibility.
		7. The DHA Stakeholder Forum is headed by a councillor which at times could alienate some people who wanted to get involved given the political orientation.
		8. There were people who were ‘renting out’ their identity documents in order for others to register children as South African and access services that are meant for citizens.
		9. There are Lesotho nationals who are paying South Africans to register children in order to access the documentation.
		10. The paternity test required by the DHA to confirm if a man is the father of a registered birth are prohibitively expensive and very far away. The majority of the people in the area rely on social grants and cannot afford the amount and the transport fare.
		11. Jamestown, Steynsburg and Venterstand are far from services and need scheduled deployment of mobile offices and visits to farms.
		12. The good DHA relationship with the Walter Sisulu Local Municipality is commendable.
		13. The DHA was not paying for the office space in Burgersdorp and this put strain on the municipality to pay for services such as electricity.
		14. The area around Burgersdorp was vast and rural and many people in the area do not get services from DHA.

## 6.3 Budget Vote Report for 2016/17 financial year

The Portfolio Committee on Home Affairs (the Committee) met with the Department of Home Affairs (DHA), the Electoral Commission of South Africa (IEC) and the Government Printing Works (GPW) on their Annual Performance Plans (APPs) and budgets for 2017/18 in March and May 2017 and reported as follows:

**6.3.1 DHA Budget Vote**

The Chief Financial Officer (CFO) of the DHA presented on the budget. The total budget of the DHA is R7.167 billion for the 2016/17 financial year. This includes transfers to the IEC. The CFO indicated that the budget for the DHA is R7.055 billion. The allocation to citizen affairs will increase for 2018/19 because of the allocation to the Electoral Commission of South Africa (IEC) for elections that will take place in 2018/19 financial year. The average increase to the Compensation to Employees is by 7.1 percent over the medium term budget. It was responded in relation to a questions that the allocation to BMA will be requested in August 2017 in the Medium Term Budget Policy Statement.

|  |  |  |
| --- | --- | --- |
| **Programme** | **Budget** |  |
| **R million** | **2016/17** | **2017/18** |
| Programme 1: Administration | 2 222.9 | 2 259.5 |
| Programme 2: Citizen Affairs | 3 901.6 | 3 574.7 |
| Programme 3: Immigration | 1 042.7 | 1 221.3 |
| **Total** | **7 167.2** | **7 055.5** |

Table: Budget per programme

Over the MTEF period, spending on the Compensation on Compensation of employees’ (CoE) budget and goods and services will decrease due to fiscal constraints. In 2016/17 to 2018/19, the MTEF allocation has reduced the Compensation of employees’ budget by R254 million for 2017/18 and R397 million for 2018/19. The allocation to CoE for 2017/18 to 2018/19 has further been reduced by R56 million for 2017/18, R37.3 million for 2018/19 and R39.4 million for 2019/20.

The goods and services budget has been reduced by R28.2 million for 2016/17 and R30.6 million for 2018/19 which would be taken from the Lindela Detention Centre. The goods and services is further reduced by R20.3 million for 2017/18, R18.3 million for 2018/19 and R23.4 million for 2019/20. These severe austerity measures have necessitated the DHA to review its strategic and operational planning and budget. As a result, services delivery has been affected. The following have been identified as the main cost drivers at DHA:

* The Modernization Programme including maintenance costs and upgrades
* The contractual obligations such as the Advanced Passenger Processing system
* Increases in contractual obligations due to weakness of the Rand
* Deportations
* Leases
* The implantation of the Immigration White Paper
* Deployment of officials abroad
* Payment for the use of data lines

**6.3.2 IEC Budget Vote**

The Chairperson of the Electoral Commission of South Africa led the delegation from the IEC. The Minister of Home Affairs was also in attendance of the meeting. Both the Minister of Home Affairs and the IEC Chairperson made opening remarks. The Deputy CEO for Corporate Services made the presentation on the Annual Performance Plan and budget and the report on the 2016 was done by the Acting Chief Electoral Officer.

The IEC Chairperson indicated that the contract of the Chief Electoral Officer ended in February 2017 and it was extended by a month, while negotiating with him for another five-year term which he decided not to renew. The Deputy CEO was requested to act as the Chief Electoral Officer.

In terms of the Constitution of the Republic of South Africa, the Electoral Commission must manage elections of national, provincial and municipal bodies in accordance with legislation; ensure that those elections are free and fair; and declare the results of those elections within a period that is prescribed by national legislation and that is as short as reasonably possible.

The Deputy CEO indicated that the IEC has three programmes; namely; Administration, Electoral Operations and Outreach. These have three Strategic Outcome-oriented Goals listed below with the number of targets:

|  |  |  |  |
| --- | --- | --- | --- |
| **Programme** | **Budget 2017/18****R000s** | **Strategic Outcome-oriented Goal** | **Number of targets** |
| Programme 1: Administration | 555 013 | Strengthening governance, institutional excellence, professionalism and enabling business processes at all levels of the organisation. | 11 |
| Programme 2: Electoral Operations | 501 302 | Achieving pre-eminence in the area of managing elections and referenda, including the strengthening of a cooperative relationship with political parties. | 7 |
| Programme 3: Outreach | 116 498 | Strengthening electoral democracy. | 5 |
| **Total** | **1 172 813** |  | **23** |

IEC Strategic Outcome-oriented Goals and Budget 2016/17

The Committee was concerned that in one of the targets, the IEC aimed for an unqualified audit instead of a clean audit opinion. Although an explanation was given that the complexities of elections logistics made this almost impossible; the Committee indicated that the IEC should, nonetheless, strive for a clean audit.

The IEC Chairperson indicated that the matter of inclusion of addresses in the voters’ roll was not budgeted for. The IEC requested an amount of R145 million from National Treasury, but was only given R71 million for this purpose. There were approximately 16 million households in the country that did not have addresses for the 2016 Local Government elections and the number has been brought down to approximately 6 million. There are households that do not have addresses at all and others have incomplete addresses. The addresses should ultimately be linked to the Voting District through Geo-Locations (GPS). It was reported that the IEC is on track in getting addresses despite the financial challenges.

Members of the Committee noted that the outreach programme is the least funded whilst it is very important to ensure free and fair elections as well as promoting the need for collection of addresses.

It was indicated how the seat allocation and seat calculation is done. The Committee was extremely concerned about illegal campaigning on the Election Day. There are political parties which would have tables and tents close to the voting stations. Legislation should have repercussions for those campaigning on Election Day and spreading false news, especially by electronic means. The IEC explained that it would be difficult to implement because such fake news often originates outside South Africa.

**6.3.3 GPW Budget Vote**

The Acting Chief Executive Officer made a presentation of the Budget and Annual Performance plan of the GPW to the Committee. The Minister of Home Affairs also attended and made contributions at the meeting.

The Government Printing Works is South Africa’s state security printer with experience spanning more than 125 years. The major clients are the Department of Home Affairs (DHA), Department of Justice, Department of Transport and National Treasury. The GPW prints DHA forms, birth certificates, license forms, court forms and Road Traffic Offences documents.

The GPW has Regional offices in the Eastern Cape, Northern Cape and Limpopo Province. GPW will also be printing gun licenses for the South African Police Service (SAPS) and it is in discussion with Swaziland and Lesotho to print their security documents. GPW is the only security printer on the African continent and it has an opportunity to expand its work in the region.

The GPW accounts to the Executive Authority of the DHA and its Chief Executive Officer is the accounting officer. Government has 14 national outcomes and the GPW contributes to three of the 14 outcomes which are outcome 6: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship, outcome 11: Create a better South Africa and contribute to a better and safer Africa and World and outcome 12: A skilled and capable workforce to support an inclusive growth path.

GPW was established as a Government Component on 9 October 2009. The GPW is preparing to become a State-Own Company (SOC). GPW is repositioning itself to assist the DHA become a security cluster department. It is the responsibility of GPW that security documents are administered securely and there is as little human interference when these documents are printed. GPW has three strategic outcome orientated goals which are to:

* Develop the Government Component to become a State-Own Company
* Optimize processes and facilities
* A developed workforce

The State Printers Bill has been separated into the conversion of the GPW into SOC and regulating security printing in South Africa. There are two Bills that are being prepared to be tabled in Parliament. The drafting of the Bills is done in conjunction with the DHA. The SOC Bill will be tabled in August 2017; while the Security Printing Bill will follow the same process as the SOC Bill before introduction to Parliament.

The GPW is self-funded for the past four years (it does not receive funding from National Treasury). For the 2015/16 financial year, revenue generated was R1.138 billion. Revenue above costs has significantly grown (12%) from previous years and the budget for 2017/18 is R1.45 billion. The main revenue drivers are printing of passports, Smart ID Cards and A4 Bond Paper.

It was reported that the construction of Pavilion 3 will be completed at the end of 2017 at the cost of R257 million. Pavilion 3 will be used to print Smart ID Cards, examination papers and other security documents. The GPW Head Office is also being renovated at a cost of R49 million and the planned completion is December 2017/January 2018. GPW will not able to acquire new machinery until the completion of the buildings.

The e-gazette was launched in 2012 and customers apply for the publication of the gazettes online. This has also saved GPW the cost of printing tonnes of paper of gazettes that it used to send to its customers at little to no profit to the GPW. Customers print the pages that they want themselves or request specific gazettes from the GPW.

The GPW has the following priorities for 2017/18:

* Manage the SOC conversion process until is approved by Cabinet and Parliament.
* Continue to implement the MTEF Strategic Plan and APP commitments.
* Implement the asset capitalisation and optimisation of facilities programme.
* Ensure return on investment and sound financial management and sustainability.
* The long term vision is that it becomes the State Security printer of choice in Southern African Region and African continent.
* Capacitate and train the workforce to meet the market and client demands.

**6.3.4 Committee Observations on Budget Vote 5**

The Committee appreciated the presentations made by the DHA, IEC and GPW and engaged with them making the following observations:

The Department of Home Affairs (DHA).

1. The requirement for registration of births within 30 days, together with its benefits, has not been publicized enough to the public by the DHA.
2. The Department of Education continues to enroll children at school without birth certificates and the South African Social Security Agency (SASSA) gives children grants without birth certificates.
3. There are people who still have identity numbers blocked by the DHA.
4. There is a frequent breakdown in connectivity affecting service delivery at Home Affairs offices.
5. A significant part of the challenges relating to DHA office accommodation, particularly in remote areas, relates to the limitations of the Department of Public Works (DPW) as well as budgetary constraints.
6. There are 200 million records that need to be digitized in order to assist the DHA in fighting fraud and corruption.
7. The payment requirement to suppliers within 30 days by the DHA is not yet fully compliant.
8. The White Paper on International Migration needs engagement on an intergovernmental and regional level to facilitate its implementation.
9. There has been a negative impact on the service delivery by the DHA due to the Treasury moratorium on filling of vacancies.
10. The DHA has piloted a project of partnering with banks for the delivery of passports and smart ID cards.
11. The DHA has not set a clean audit as an annual target.

The Electoral Commission of South Africa (IEC).

1. The Committee noted that the IEC will be preparing for the 2019 National and Provincial Elections.
2. The IEC has planned for an unqualified audit target in their APP for 2017/18 and the outer years.
3. On election days, there are political parties that continue to campaign, particularly on electronic and print media.
4. The IEC is still facing challenges with the proper procurement of goods and services.
5. The IEC is making progress on the gathering of address on the voter’s roll despite being significantly underfunded.

The Government Printing Works (GPW).

1. The GPW has planned to maintain an unqualified audit opinion for 2017/18 and the outer years.
2. The GPW facility is a National Key Point.
3. GPW is losing artisans and skilled staff to the private sector due to salary disparities.
4. The construction of the Pavilion 3 will be completed in 2017.
5. The staff complement at GPW is only 563.
6. The GPW is yet to appoint a CEO.
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## 6.4 The Standing Committee on Public Accounts (SCOPA)

SCOPA was briefed once by the DHA in 2016 in relation to the late tabling of the 2015/16 annual report and audited financial statements on 21 November 2016. These explanations were detailed in the 2016 BRRR. The DHA has addressed the related complicated challenges and has since tabled its 2016/17 annual report on time.

# COMMITTEE’S RECOMMENDATIONS

Based on findings mentioned in this report during the oversight and engagement with the Department of Home Affairs (DHA), the Electoral Commission (IEC) and the Government Printing Works (GPW); the Portfolio Committee on Home Affairs recommends that the Minister of Home Affairs should:

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## Issues outstanding from the 2016/17 Budget Review and Recommendation Report

* + 1. Investigate areas experiencing high-cost litigation in order to change legislation, regulations or standard operating procedures to prevent such cases in the future.
		2. Encourage the expansion of DHA services, including through banks, particularly in more rural areas and report in this regard each quarter.
		3. IEC to increase voter education in underrepresented communities to increase voter participation in elections.

## 7.2 Recommendations 2017/18

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Based on the continuous engagement with the Department of Home Affairs, the Government Printing Works and the Electoral Commission, the Committee recommends that the Minister of Home Affairs should:

## The Department of Home Affairs

* + 1. Resolve the matter of DHA and the Labour unions on working on Saturdays as soon as possible.
		2. Ensure that the Live Capture System is rolled out in all its offices, especially in rural areas.
		3. Ensure adherence to timeframes for processing Permanent Residence Permits.
		4. Further motivate National Treasury to increase funding to the DHA, especially in relation to compensation of employee budgets for appointment of immigration inspectorate and filling posts of the Provincial Managers and other critical positions within a reasonable timeframe.
		5. Consider deploying Immigration Officials in and around border areas with no fences to deal with undocumented foreign nationals.
		6. Further pursue alternative solutions to address ICT services and Infrastructure challenges within the DHA such as through the Presidential Infrastructure Coordinating Commission.
		7. Strive to reach 100 percent of payments to suppliers within 30 days.
		8. Foster the relationship between the DHA and DPW to expedite getting office space on behalf of the DHA especially in rural areas.
		9. In instances where the DHA office is closed by the Department of Labour, ensure that the DHA, immediately deploy mobile offices so that services to the community are not interrupted.
		10. Ensure deployment of mobile offices in more areas of need where there are no DHA offices including visits to farms.
		11. Ensure that the current mobile offices are functioning properly while the new mobile solution is developed.
		12. Ensure that the issue of fraudulent documents for foreign nationals is dealt with by the DHA and the DHA Stakeholder Forums.
		13. Find innovative ways to assist people who want to conduct prohibitively expensive paternity tests, in the Eastern Cape and elsewhere, such as negotiating with the Department of Health to come on specific dates to conduct several tests in more rural areas.
		14. Work closely with the Minister of Health to ensure that all children born at the health facilities are registered within 30 days after birth.
		15. Ensure that the Department of Home Affairs follow Supply Chain Management procedures when procuring goods and service.
		16. Ensure that all people who have committed fraud and wrongdoing are dealt with accordingly.
		17. Ensure the preparation of an Audit Action Plan to address all issues raised by the Auditor-General in the Annual Audit Report of DHA.
		18. Motivate for more funding to National Treasury for digitization of remaining records in order to curb corruption.
		19. Ensure engagement on the approved Migration White Paper on an intergovernmental and regional level to provide a policy framework for the drafting of new immigration and refugee legislation.
		20. Ensure striving towards a clean audit in its plans.

## The Government Printing Works

* + 1. Ensure that the GPW strive to receive a clean audit for 2017/18 and the outer years.
		2. Ensure that the asset recapitalisation by GPW should commence as soon as possible prior to facilities being completed due to the time taken for the process of procuring assets.
		3. Ensure that the GPW fills all 105 vacant posts in the current financial year.
		4. Ensure that the GPW appoint a CEO as a matter of urgency.
		5. Ensure that irregularities in relation to contract and tenders issued by the previous CEO and CFO are investigated.

## The Electoral Commission of South Africa

* + 1. Ensure that the IEC captures all addresses of voters in the voters roll before June 2018 to comply with the Constitutional Court order.
		2. Ensure that National Treasury reconsider funding IEC for the ICT platform upgrade and for the harvesting of addresses of voters.
		3. Ensure that the IEC strive towards a clean audit in their 2017/18 plans and onwards.
		4. Ensure that the IEC tables amendments to the Electoral Act as soon as possible, if needed, in preparations for the 2019 National and Provincial Elections.
		5. Ensure that the IEC consider amending legislation to include repercussions and improving the definition of campaigning done on voting days; particularly through various media.
		6. Ensure that the IEC addresses its procurement challenges prior to the tabling of its Annual Report.

Report to be considered.

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Mr BL Mashile, MP Date

Chairperson: PC on Home Affairs