



# military veterans

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Department:  
Military Veterans  
**REPUBLIC OF SOUTH AFRICA**

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08 March 2019

The Chairperson  
Portfolio Committee on Defence and Military Veterans  
P.O. Box 15  
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Dear Honourable DD Gamede, MP

**OUTSTANDING QUESTIONS: DEPARTMENT OF MILITARY VETERANS BUDGET REPORT  
FY2018/19 PRESENTATION TO THE PORTFOLIO COMMITTEE OF DEFENCE AND MILITARY  
VETERANS (PCD&MV) ON 22 AUGUST 2018.**

## **DASHBOARD ISSUES: BUDGET REPORT 2018/19FY**

1. The DMV Annual Performance Plan 2018/19FY and 2018/19FY Budget Allocation presentations to the PCD&MV on the 02 May 2018 bears reference
2. During the appearance of the DMV before the PCD&MV on the 2 May 2018, Committee Members made remarks/ statements and enquired about various matters which could not be responded to/ addressed during the session, mainly due to time constraints. The DMV made an undertaking to respond in writing to all outstanding questions.

**3. Below are the DMV responses to specific questions raised by the Committee Members:**

- 3.1 Question:** The Committee acknowledged the improved spending in the Fourth Quarter, the Committee recommends that the Department should further enhance its spending patterns in especially the service delivery programmes not only to avoid requests for roll overs, but also to prove its ability to spend funds effectively and efficiently.

**Response:** The remark is noted. In addition the request for a roll over was declined by the National Treasury.

- 3.2 Question:** While the Housing policy is at last being finalised, the Committee recommends the speedy finalisation of all policies to enhance the delivery of benefits especially those related to the pension and public transport benefits.

**Response:** The Department's Management has prioritised the finalisation of all policies by strengthening the policy development unit. The director for policy has been appointed to fast track all draft and new policies as required

- 3.3 Question:** The Committee acknowledged the progress being made with finalising the new Macro-structure of the Department, but recommends that the Department should enhance its efforts in order to speed up the delivery of benefits and the appointment of personnel in especially critical managerial posts.

**Response:** The Department has made a final review, and due to the fact that the initial structure was developed by the Department of Defence (Directorate Integrated Management System (DIMS)) it was advised that they be engaged in order to assist with the facilitation of the process. At the moment there is a continuous consultation process to finalize the Structure with the support of DPSA and National Treasury.

- 3.4 Question:** The Committee recommends that the Department should prioritise its efforts to have an independent vote and systems, as this will assist in the effective and efficient delivery of benefits.

**Response:** The Department notes the remarks.

**3.5** **Question:** The Department should set more realistic targets especially if it did not meet those targets in the past. A case in point is the “*Percentage of Communication Strategy activities*” target which was increased from 75% to 100% although the Department failed to meet the previous target.

**Response:** The Department has adjusted this target and it has remained unchanged at 75%.

**3.6** The Committee recommends that the Department should prioritise the weaknesses identified in the MPAT processes in order to improve its performance on this management tool.

**Response:** The DMV has undertaken the process of conducting regular meetings with the KPA managers to discuss the ratification of MPAT measurement and achievements of KPAs as required. The DPME colleagues are contacted to ensure consistency in reporting and seeking clarity where possible. Committee members are to note the Department’s past performance as follows:

For MPAT 1.6 the overall score was 2.45

For MPAT 1.7 the overall score was 1.85.

**3.7** **Question:** The Committee wants the Department to provide both the percentages and the actual numbers when reporting on the achievement of their targets in order to give the Committee a clear understanding of the kind of impact and the number of people that have been assisted. This should be implemented in future quarterly reports to the Committee as well as annual reports, including the 2017/18 Annual Report to be submitted to Parliament in 2018.

**Response:** The Department has implemented the Committee’s request by providing the percentage achieved and quantify the values achieved. .

**3.8** **Question:** The Committee recommends that the DMV should focus in particular on the performance of the Administration Programme and the Empowerment and Stakeholder Management Programme in order to ensure that its overall performance is improved.

**Response:** Plans are in place to improve the overall performance of the Department.

**3.9** **Question:** The Committee recommends that the poor performance in the Stakeholder Management Programme such as state organs having agreements with the DMV, number of beneficiaries for skills development, and memorial sites erected, should be targeted for enhanced focus.

**Response:** As responded under 3.8. The number of skills beneficiaries (**Annexure A**) has been attached.

**3.10** **Question:** The Department should fill the vacancies in the Internal Audit section as soon as possible and ensure that this section is supported with the necessary resources without delay.

**Response:** The Director: Internal Audit has been appointed and she assumed her duties on the 1<sup>st</sup> March 2019. The appointed Director: Internal Audit she's currently reviewing the unit structure whereby she will identify any capacity gaps, the environment is also capacitated with the 3 interns from skills development programme. The Chairperson for Risk Committee has been appointed.

**3.11** **Question:** The Department should prioritise the completion of the Skills Audit and a report to this effect should be presented to the Committee as soon as it is completed.

**Response:** The Skills Audit process has been conducted, the report is currently with management and feedback will be provided to all employees who participated. Upon completion, the final report will be shared and presented to the Members of the Portfolio Committee.

**3.12** **Question:** The DMV should submit a report to the Committee, within 30 days, on the reasons for the expected expenditure increases in 2018/19 in relation to the following:

- **R4.973 million is allocated for Catering:**

**Response:** Catering is not provided for most management meetings as part of internal initiatives to save costs. The Department provides logistical support to stakeholders such as SANMVA, Advisory Council and Appeals Board. This catering budget is mainly allocated for conferencing activities related to these stakeholders. R3.7 mil is allocated under Programme 3: ESM for activities related to SANMVA. DMV provides limited catering to internal activities.

- **Communications allocation increases from R4.816 million in 2017/18 to R10.543 million in 2018/19:**

**Response:** The allocation of Communication increase is related to telephone and cellular communication.

- **The allocation for Infrastructure and Planning increases from R561 000 in 2017/18 to R14.779 million in 2018/19:**

**Response:** The allocation is mainly related to the lease of buildings as well as acquisition of provincial offices and a wellness centre.

- **Legal Services increase from R1.647 million in 2017/18 to R4.388 million in 2018/19:**

**Response:** The allocation is for DMV's pending litigations, however some of the funds will be reprioritised to address short falls in other critical areas.

- **The allocation of Contractors increase drastically from R35.290 million in 2017/18 to R58.544 million in 2018/19:**

**Response:** The contractor's line item is used for the payments related to provisioning of Healthcare Support as the benefit. This is paid to DOD on behalf of the services rendered by South African Military Health Services (SAMHS).

- **R105 000 is budgeted for entertainment for 2018/19:**

**Response:** As per Treasury instruction on cost containment, each senior management member is allocated R2000.00 for entertainment allowance. This is an allocation in that regard however this may be shifted towards other items during budget adjustment period.

- **The allocation for Consumable Supplies increases from R3.606 million in 2017/18 to R5.889 million in 2018/19:**

**Response:** This allocation is for stationery, cartridges, printing paper amongst other things.

- **The allocation for Venues and Facilities increases from R8.848 million in 2017/18 to R10.209 million in 2018/19:**

**Response:** The allocation is mainly related to conferencing for stakeholders i.e. mainly SANMVA.

- 3.13 Question:** The Committee recommends the prioritization of the finalization of the upgrading of the Department's ICT systems in an effort to enhance the database finalization.

**Response:** The Department has engaged SITA with its ICT Systems upgrade in particular the database. SITA is faced with numerous challenges in fulfilling the request due to their limited capacity to deliver on the requirements. The department is looking at other alternatives to ensure fully functional ICT systems.

- 3.14 In addition, the following issues from the 2017 BRRR, are reported on:**

- 3.14.1** Report on skills provided to Military veterans.

**Response:** The Department sent a report to PCDMV in May 2018 stipulating all the skills provided thus far. A copy is attached for your ease of reference. **(See Annexure A)**

- 3.14.2** Provincial offices – progress with roll-out and appointments

**Response:** The status remains where the DMV has only managed to procure only 3 provincial offices, namely NW, MP and EC. However, inspection of buildings was conducted at FS Province in December 2018. In LP the Regional Adjudicating Committee was supposed to meet on 22 January 2019 and the meeting was postponed. In NC a Tender was cancelled in December 2018 due to non-responsiveness from bidders. In WC Province, they will restart the process to acquire accommodation office. The process was cancelled due to late approval by DPW National Office. In KZN Province, it will go out on tender.

- 3.14.3** Updates on cases under litigation

**Response:** A contingent litigation report is attached. **(Annexure B)**

**3.14.4** Competitive bids investigations updates.

**Response:** This matter is still sub judice.

**3.14.5** Communication strategy and its reach to rural areas.

**Response:** The Department is reviewing its current communication strategy as well as Communication policy. This review includes activities that are planned to reach military veterans in rural areas through targeted platforms such as community media and outreach programmes.

**3.14.6** Consequence management especially in Irregular and wasteful expenditure.

**Response:** The Department has resuscitated the Financial Misconduct Panel (FMP) to look into finalisation of irregular and wasteful expenditures of previous financial years as well as current. In addition, support has been solicited from Department of Monitoring and Evaluation in this regard.

It is trusted that the information and responses provided to the Committee Members will suffice and bring clarity as requested.

The immense valuable support and oversight role provided by the PCD&MV is always appreciated.



LT GEN (rtd) D.M MGWEBI

ACCOUNTING OFFICER DEPARTMENT OF MILITARY VETERANS

DATE: 08/03 /2019