

Legal Aid SA

Presentation to Portfolio Committee on Justice and Correctional Services

11 July 2019





Overview of Presentation

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1/ Introduction



1/ Introduction

Presentation to PC Justice & Correctional Services

- ❑ Legal Aid SA is a public entity mandated to provide legal aid services to indigent and vulnerable persons.
- ❑ This presentation provides a brief profile of Legal Aid SA to provide the context to the discussion by the Portfolio Committee.
- ❑ The presentation outlines the Annual Performance Plan and the Budget for the financial year 2019/20.
- ❑ The presentation ends with challenges facing the entity as well as the Focus Areas in the period 2019/20.

2/ Mandate

2/ Legal Aid SA Mandate

I. The Constitution of RSA (Act 108 of 1996)

- ☐ Section 35(2) “Everyone who is detained, including every sentenced prisoner, has the right (c) to have a legal practitioner assigned to the detained person by the state and at state expense, if substantial injustice would otherwise result, and to be informed of this right promptly; ...”
- ☐ Section 35(3) “Every accused person has the right to a fair trial, which includes the right – (g) to have a legal practitioner assigned to the accused person by the state and at state expense, if substantial injustice would otherwise result, and be informed of this right promptly; ...”
- ☐ Section 28(1) “Every child has the right, (h) To have a legal practitioner assigned to the child by the state, and at state expense, in civil proceedings affecting the child, if substantial injustice would otherwise result; ...”
- ☐ Section 34 “Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public hearing before a court or, where appropriate, another independent and impartial tribunal or forum

II. Legislative Mandate Legal Aid Act 22 of 1969 as Replaced by Legal Aid South Africa Act 39 of 2014

- ☐ Section 3 “ The objects of Legal Aid South Africa are to –
 - (a) render or make available legal aid and legal advice;
 - (b) provide legal representation to persons at state expense; and
 - (c) provide education and information concerning legal rights and obligations, as envisaged in the Constitution and this Act.

3/ Legal Aid SA Strategic Plan 2015-2020

3/ Legal Aid SA Strategic Plan 2015-2020



- ❑ The Legal Aid SA Strategic Plan (SP) spans the five year period from 2015 up to 2020.
- ❑ The SP was prepared in compliance with all the requirements of the National Treasury Regulations.
- ❑ It was approved by the Minister of Justice in 2015.
- ❑ Annually the APP and the Budget are prepared, in compliance with NT Regulations, to align to the SP.
- ❑ The Annual Performance Plan of the entity sets out the Programmes and actions required to implement the SP.
- ❑ The Budget is the financial plan and sets out the spending priorities to implement the APP and SP.
- ❑ In 2019 the entity is preparing a new SP for the period 2020-2025 and this will be considered by the Board in November 2019 and will be submitted to the Minister in January 2020.

3/ Legal Aid SA Strategic Plan 2015-2020



Vision and Mission

Vision 2030

A South Africa in which the rights and responsibilities enshrined in the Constitution are realised to ensure equality, justice and a better life for all.

Mission 2030

To be the leader in the provision of accessible, sustainable, ethical, quality and independent legal services to the poor and vulnerable.



3/ Legal Aid SA Strategic Plan 2015-2020



Outcomes and Objectives

Outcome 1

Quality justice for all, focusing on the poor and vulnerable, thus CONTRIBUTING TO BUILDING SAFER COMMUNITIES

Objectives:

- O1: Empowered clients and communities making informed choices about their legal rights and responsibilities.
- O2: All poor and vulnerable persons able to access quality legal services to protect and defend their rights.
- O3: An accessible, fair, efficient, independent and effective justice system serving all in South Africa, contributing to building safer communities.
- O4: Delivering on our constitutional and statutory mandate in an independent, accountable and sustainable manner.

Outcome 2

Respected, accessible, high performing and sustainable public entity impacting positively on society, the economy and the environment.

Objectives:

- O5: An organisation embedding sustainable practice in every segment of the organisation, to positively impact on society, the economy and the environment.
- O6: Embedding good governance, high ethical standards and integrity, high performance and accountability.
- O7: Revised Legal Aid Act and its subsidiary legislation enacted and implemented.
- O8: An effective, efficient, economic and environmentally responsive supply chain management system supporting client services delivery and internal business processes.
- O9: An appropriately resourced national footprint reaching the poor and vulnerable persons requiring legal assistance.
- O10: Competent, dedicated, motivated and empowered employees capacitated to deliver the constitutional mandate and organisational strategies.
- O11: A modern and appropriate, integrated, secure and cost-effective IT Platform supporting the provision of client services and linkages and enabling internal business needs.

3/ Legal Aid SA Strategic Plan 2015-2020

Strategic Risks 2015-2020

Strategic risks impact on the performance of the organisational strategies and have to be mitigated to achieve the Vision.

Client Community

- I. Challenges to the Rule of Law.
- II. Lack of capacity to deliver on the demand for legal services.
- III. Poor quality of Legal Services provided by Justice Centres, Judicare Practitioners, Co-operation Partners, Agency Agreements.

Legal and Justice

- IV. Lack of confidence in the justice system due to ineffective and inefficient processes (ability to resolve cases timeously, fairly and efficiently).

Finance and Governance

- V. Budgetary constraints impacting on Legal Aid SA's ability to deliver on its mandate.
- VI. Ineffective governance structures and processes.
- VII. Unethical, corrupt or fraudulent practices or acts.

Internal business Processes

VIII. Poor transition to new regulatory framework of Legal Aid South Africa Act (2014). (successfully managed in 2015-2016 and therefore not a strategic risk from FY2017/18)

Employee and Organisational Capacity/Innovation and Learning

- IX. Inadequate IT infrastructure to support the business needs.
- X. Lack of engagement with the organisational values and culture by employees.

4/ **Legal Aid SA in 2019**

4/ Legal Aid SA in 2019

Performance

Through the past 18 years Legal Aid SA has demonstrated excellent performance

- Has implemented a changed delivery model to deliver legal aid services through salaried legal practitioners employed by it.
- Uses its funds prudently to operate a national footprint of offices (68 Legal Aid SA Local Offices and 68 Satellite Offices) with efficient and effective infrastructure, systems and processes that enables it to deliver its services and reach its clients
- Currently assists over 724,000 persons with legal matters and legal advice per annum
- Has since 2002/03 achieved 17 unqualified audit reports, with 10 of the 17 being clean audit opinions from the AG-SA; Current budget is R2billion.
- Has invested in its most important asset, its people who deliver and support the delivery of legal aid services. Currently employs 2550 staff. It has been accredited as a Top Employer for the past 10 years, been the leader of the public sector category for the past 4 years.



Legal Aid SA Organisational Performance

Summary of Performance – 2015-2019



	Performance Indicator	2015/16	2016/17	2017/18	2018/19
	LEGAL AID DELIVERY				
i.	New legal aid matters	441,056	444,962	426,617	416,203
ii.	New legal aid advice matters	308,563	322,694	305,239	308,050
iii.	New Impact matters	15	13	25	30
iv.	Total Legal Matters	749,619	767,656	731,856	724,253
v.	Children assisted	17,701	18,025	16,350	16,173
vi.	% civil matters	12%	13%	13%	13%
vii.	National Delivery Footprint	64 JCs 64 SOs 13 HCUs 13 Civil Units	64 JCs 64 SOs 13 HCUs 13 Civil Units	64 JCs 64 SOs 13 HCUs 13 Civil Units	64 JCs 64 SOs 15 HCUs 13 Civil Units

Legal Aid SA Organisational Performance

Summary of Performance – 2015-2019

	Performance Indicator	2015/16	2016/17	2017/18	2018/19
	FINANCIAL MANAGEMENT				
viii.	Budget	R1,5 billion	R1,8 billion	R1,8 billion	R1,9 billion
ix.	% expenditure	99,1%	99%	99%	98%
x.	Auditor-General's Report	Unqualified audit (15 th year)	Unqualified audit (16 th year)	Unqualified audit (17 th year)	To be confirmed

Legal Aid SA Organisational Performance

Summary of Performance – 2015-2019

	Performance Indicator	2015/16	2016/17	2017/18	2018/19
	PEOPLE MANAGEMENT				
xi.	Number of staff	2722	2751	2627	2557
xii.	% legal staff (incl paralegals)	79%	79.5%	79.3%	79.1%
xiii.	Recruitment levels	95,4%	96.1%	95.1%	92.8%
xiv.	Best Employer accreditation	7 th year	8 th Year	9 th Year	10 th Year

5/ Legal Aid SA Annual Performance Plan 2019-2020

5.1/ Client, Community, Stakeholder & Shareholder



5.1/ Client, Community, Stakeholder & Shareholder

P1 – Legal aid in criminal matters

Strategy	I	Delivering quality client-focused legal aid in criminal matters, particularly for the poor and vulnerable groups
Programme	P1	To deliver quality criminal legal services that are client focused within budget constraints
Project	P1-1	Access to Criminal Legal Aid services
Outputs		Legal Aid provided to qualifying accused persons
Base year performance 2015/16		DC coverage: $\geq 88\%$; RC coverage: $\geq 97\%$; HC Coverage: All Legal Aid Matters
Target previous year 2018/19		Average DC coverage: $\geq 80\%$ Average RC coverage: $\geq 90\%$ HC Coverage: All legal aid matters covered
Performance 2018/19		DC coverage 84% RC coverage 94% HC coverage in all matters that required legal aid
Target 2019/20		Planned Coverage Targets: Average DC coverage: $\geq 80\%$ Average RC coverage: $\geq 90\%$ HC Coverage: All legal aid matters covered
Budget/strategy 2019/20		R1 219 450 130



5.1/ Client, Community, Stakeholder & Shareholder

P5 – Effective functioning of the justice system

Strategy	V	Contributing to the effective functioning of the justice and legal sector to assist in building safer communities
Programme	P5	To participate in, contribute to and influence structures aimed at improving the functioning of courts and justice system
Project	P5-1	Participate in National and Provincial Efficiency Enhancement Structures
Outputs		Participation in National and Provincial efficiency enhancement structures
Base year performance 2015/16		Represented at: 1 NEEC; 16 Dev Comm; 25 PEECs
Target previous year 2018/19		Attendance at NEEC and PEEC meetings as per meeting schedules
Performance 2018/19		NEEC meetings - 1 PEEC meetings - 36
Target 2019/20		Attendance at NEEC and PEEC meetings as per meeting schedules
Budget/strategy 2019/20		R4 547 490



5.1/ Client, Community, Stakeholder & Shareholder

P6 – Accounting to the Executive Authority & Parliament

Strategy	VI	Accounting to the Department of Justice and Correctional Services, and Parliament, on delivery of mandate, governance and sustainability
Programme	P6	To account and provide assurance to the Minister of Justice and Correctional Services, and Parliament, on performance and governance
Project	P6-1	Reporting and accountability to the Executive Authority
Outputs		4 quarterly performance reports; 1 Annual Report
Base year performance 2015/16		4 quarterly performance reports at end March 2016; 1 Annual Report (2014/15) audited and submitted to Executive Authority and Parliament 2 Parliamentary Briefings
Target previous year 2018/19		4 quarterly performance reports 1 Annual Report
Performance 2018/19		4 Reports on Performance against APP submitted to the EA 1 Annual Report 2017-2018 submitted to the EA, NT, Auditor-General and tabled in Parliament timeously 2 Briefing sessions of the Portfolio Committee held in the 2018/19 FY
Target 2019/20		4 quarterly performance reports 1 Annual Report
Budget/strategy 2019/20		R31 958



5.1/ Client, Community, Stakeholder & Shareholder

P2 – Legal aid in civil matters

Strategy	II	Delivering quality client-focused legal aid, including to poor and vulnerable groups, in civil matters with a priority focus on constitutional rights
Programme	P2	Deliver quality civil legal aid services that are client-focused, with a priority focus on constitutional rights, within budget constraints
Project	P2-1	Access to Civil Legal Aid Litigation services
Outputs		Civil clients assisted within available capacity
Base year performance 2015/16		Total Civil Matters: 52,364 JC = 50,162; Judicare = 2,701; Co-op = 3,928
Target previous year 2018/19		I. Office : ≥90% of civil practitioner target calculated at 98% recruitment II. Judicare: ≥ 4% of Local Office Civil matters III. Co-op: Based on budget allocation (based on cost/case being lower than judicare cost/case for civil matters - unless otherwise agreed)
Performance 2018/19		Total civil matters: 53,990 (exceeded target by 9%) Internal practitioners 86% (47,792) of the new civil matters, exceeded the target (45,296) by 6%. 1,462 Judicare instructions issued, 19% below the target (1,812). Co-operation Partners 4,708 new matters, exceeded target .
Target 2019/20		I. Office ≥ 90% of civil practitioner target calculated at 98% recruitment II. Judicare: ≥4% of Office civil matters III. Co-op: Based on budget allocation (based on cost per case being lower than Judicare cost per case for civil matters – unless otherwise agreed)
Budget/strategy 2019/20		R148 914 411

5.1/ Client, Community, Stakeholder & Shareholder

P3 – Legal aid in advice matters

Strategy	III	Delivering quality client-focused legal advice services
Programme	P3	To deliver (increase access) quality legal advice services that are client-focused, within budget constraints
Project	P3-1	Legal Advice Services
Outputs		General advice service provided at all offices
Base year performance 2015/16		Total JC, SO & ATD Legal Advice Matters: 272,722; Legal Aid Advice Line: 35,994
Target previous year 2018/19		General advice service available at all Legal Aid SA offices Growth in legal advice matters: 0% (target set at 0% subject to demand and available capacity)
Performance 2018/19		General legal advice provided to 308,050 clients through LOs, SOs and the Legal Aid Advice Line (decrease of 0.9% (2,811) from the previous FY)
Target 2019/20		General advice service available at all Legal Aid SA offices Growth in legal advice matters: 0% over previous financial year (target set at 0% subject to demand and available capacity)
Budget/strategy 2019/20		R57 799 592

5.1/ Client, Community, Stakeholder & Shareholder

P4 – Impact Litigation

Strategy	IV	Delivering client-focused Impact legal aid services, delivering access to justice for poor and vulnerable groups; particularly in social justice matters
Programme	P4	To give content to the Constitution through impact litigation – which is able to address constitutional rights and socio-economic rights and develop jurisprudence on social justice matters
Project	P4-1	Impact Litigation addressing social justice
Outputs		Legal representation provided in impact matters
Base year performance 2015/16		Impact Matters Approved: 15 Impact Matters Handled: 52 Success rate: 93%
Target previous year 2018/19		Impact matters as approved by the CCMC within budget ≥90% Success
Performance 2018/19		30 new impact matters approved 89.4% success rate (17 of 19 matters finalised with successful outcome)
Target 2019/20		Impact matters as approved by the CCMC within budget ≥90% success
Budget/strategy 2019/20		R6 855 352

5.2/ Finance & Sustainability

5.2/ Finance & Sustainability

P7 – Financial Sustainability

Strategy	VII	Increasing financial sustainability and managing the reductions to the budget
Programme	P7	To improve financial planning (budgeting), including managing the budget cuts to ensure a balanced budget
Project	P7-1	Financial planning
Outputs		Approved balanced MTEF and Budget
Base year performance 2015/16		MTEF2016/17-2018/19 (as per government grant allocation) submitted to National Treasury Budget: R1,751,687,424; Expend:R1,728,523,001; Percentage spent: 99,1%;Unqualified audit opinion and no matters of emphasis.
Target previous year 2018/19		Balanced budget (in consideration of government grant allocation and available cash reserves for Legal Aid SA)
Performance 2018/19		Prepared MTEF 2019/20 -2021/22 aligned to the Strategic Plan. The MTEF includes the budget cuts for 2019/20 & 2020/21 financial years. Motivated to NT to reverse cut to baseline. The budget cut of R98 million for 2019/20 was reversed. Shortfall remains Legal Aid SA spent and committed 98% of the 2018/19 budget as at 31 March 2019.
Target 2019/20		Balanced budget (in consideration of government grant allocation and available cash reserves for Legal Aid SA)
Budget/ strategy 2019/20		R2 456 395



5.2/ Finance & Sustainability

P8 – Financial Sustainability

Strategy	VII	Increasing financial sustainability and managing the reductions to the budget
Programme	P8	Ensure strong and best practice financial reporting to ensure unqualified audit and optimum financial maturity
Project	P8-1	Financial reporting
Outputs		Annual and mid-year Financial Statements
Base year performance 2015/16		MTEF2016/17-2018/19 (as per government grant allocation) submitted to National Treasury Budget: R1,751,687,424; Expend: R1,728,523,001; Percentage spent: 99,1%; Unqualified audit opinion and no matters of emphasis.
Target previous year 2018/19		Annual and mid year financial statements compliant with relevant standards and regulations
Performance 2018/19		Annual Financial Statements (AFS) 2017/18 compliant with the financial reporting framework and regulations approved by Board and submitted to the A-G & NT timeously. Legal Aid SA received an unqualified audit opinion from AGSA for 17 th year. Mid-year Financial Statements FY 2018/19 presented to the Audit Committee and the Board at the November 2018 meetings.
Target 2019/20		Annual and mid-year Financial Statements compliant with relevant standards and regulations
Budget/ strategy 2019/20		R5 698 112

5.2/ Finance & Sustainability

P9 – Governance

Strategy	VIII	Maintaining and enhancing good governance
Programme	P9	To ensure best governance practices (PFMA compliance, King IV guidelines & other relevant statutory requirements)
Project	P9-1	Compliance with Statutory Requirements
Outputs		Monthly statutory compliance and deadlines exception listings; Quarterly updated compliance provisions; Quarterly Compliance Reports; Six monthly updated Legislative Universe Reports
Base year performance 2015/16		All material statutory requirements, including the Legal Aid SA Act and the PFMA were complied with
Target previous year 2018/19		100% compliance with statutory requirements
Performance 2018/19		Materially compliant with relevant legislation
Target 2019/20		100% compliance with statutory requirements
Budget/strategy 2019/20		R2 997 496

5.2/ Finance & Sustainability

P10 – Combined Assurance

Strategy	VIII	Maintaining and enhancing good governance
Programme	P10	Independent monitoring and oversight unit providing combined assurance
Project	P10-1	Risk-based Audit Coverage Plan
Outputs		One Annual Audit Coverage Plan One Revised Mid-Year Audit Coverage Plan Audit Reports issued as per the Audit Coverage Plan
Base year performance 2015/16		The Audit Coverage Plan revised and approved by the Board 150 audit projects completed in 2015/16 99% achievement of Audit Coverage Plan
Target previous year 2018/19		≥95% of 2018-19 Audit Coverage Plan delivered
Performance 2018/19		102% achievement – 6 additional projects outside of the approved Audit Coverage Plan completed
Target 2019/20		≥95% of 2019-20 Audit Coverage Plan delivered
Budget/strategy 2019/20		R19 943 986

5.2/ Finance & Sustainability

P11 – Board

Strategy	VIII	Maintaining and enhancing good governance
Programme	P11	An effective and strategic Board providing leadership and oversight of delivery on performance
Project	P11-1	An effective, functional Board
Outputs		Board meetings as per schedule; Governance instruments approved by the Board
Base year performance 2015/16		The Transitional Board, fully constituted as per the Legal Aid South Africa Act (39 of 2014), was appointed on 1 March 2015. Its tenure terminated on 29 February 2016. The Board of Legal Aid SA was fully functional
Target previous year 2018/19		Properly constituted Board (in terms of Legal Aid SA Act, 2014)
Performance 2018/19		Board of Legal Aid SA was fully constituted. Board Committees were in existence and functioned effectively. New Board and Board Chairperson wef 1 March 2019
Target 2019/20		Properly constituted Board (in terms of Legal Aid SA Act, 2014)
Budget/strategy 2019/20		R739 200

5.3/ Internal Business Processes

5.3/ Internal Business Processes

P12 – Regulatory Framework

Strategy	IX	Maintaining a regulatory framework incorporating best practices aligned to constitutional values
Programme	P12	Ensure the implementation of the rewritten Legal Aid Act and the gazetting/implementation of the Legal Aid Regulations (policy) and Legal Aid Manual (procedures)
Project	P12-1	Legal Aid SA Act (2014);
Outputs		Legislative framework responsive to business needs
Base year performance 2015/16		Legal Aid SA Act (Act 39 of 2014) gazetted in December 2014; Effective 1 March 2015; Legal Aid Guide 2014
Target previous year 2018/19		Amendments to the Act for the Board to recommend to Minister as and when required
Performance 2018/19		Proposed amendments to the Legal Aid SA Act will be incorporated in the 2019/2020 Judicial Matters Amendment Bill by DoJ&CD
Target 2019/20		Annual review of Legal Aid SA Act
Budget/ strategy 2019/20		R1 105 329

5.3/ Internal Business Processes

P12 – Regulatory Framework

Strategy	IX	Maintaining a regulatory framework incorporating best practices aligned to constitutional values
Programme	P12	Ensure the implementation of the rewritten Legal Aid Act and the gazetting/implementation of the Legal Aid Regulations (policy) and Legal Aid Manual (procedures)
Project	P12-2 P12-3	Legal Aid Regulations (Policy); Legal Aid Manual (Procedures)
Outputs	P12-2 P12-3	Policy framework responsive to business needs Organisational procedures remain relevant to business needs
Base year performance 2015/16		Legal Aid SA Act (Act 39 of 2014) gazetted in December 2014; Effective 1 March 2015; Legal Aid Guide 2014
Target previous year 2018/19	P12-2 P12-3	Amendments to regulations for Board to recommend (at least every alternate year) Amendments to the Legal Aid Manual for approval by the Board and submission to the Minister for tabling in Parliament, when amendments are required
Performance 2018/19	P12-2 P12-3	The Regulations came into operation on 29 March 2019, amending the Means Test as provided for in Regulation 27. The 2018 Legal Aid Manual came into operation on 29 November 2018. The Board approved the amendment to the Manual relating to payment for travel for Judicare practitioners.
Target 2019/20	P12-2 P12-3	Legal Aid Regulations reviewed at least once every 2 years Annual review
Budget/ strategy 2019/20		X-ref slide 21

5.3/ Internal Business Processes

P13 – Financial Management SCM

Strategy	X	Sustain strong financial management, supply chain and asset management practices
Programme	P13	To maintain a strong supply chain management framework and practices
Project	P13-1	Supply Chain Management
Outputs		Quarterly reports on acquisition of goods/services in excess of R0,5 million, indicating compliance with PPPFA, PFMA and relevant NT regulations
Base year performance 2015/16		Legal Aid SA was materially compliant with the PPPFA, PFMA and NT Regulations when acquiring goods and services
Target previous year 2018/19		100% compliance with PPPFA, PFMA and relevant NT regulations when procuring goods and services
Performance 2018/19		Supply Chain Management Policy implemented. Approved deviations for bids above R1 million were submitted to NT & A-G.
Target 2019/20		100% compliance with PPPFA, PFMA and relevant NT regulations when procuring goods and services
Budget/strategy 2019/20		R19 127 256

5.4/ Employee & Organisational Capacity & Innovation & Learning

Strategy	XI	Consolidate and review the national footprint to ensure access to legal aid services, especially in rural and remote areas (including the use of technology as well as other low cost service alternatives)
Programme	P14	Appropriately staff all service delivery points
Project	P14-1	Review and develop staffing plans to meet operational requirements for Legal and Support positions
Outputs		Staffing plans ensure effective management of recruitment statistics at ≥98%
Base year performance 2015/16		Recruitment at 95%
Target previous year 2018/19		Recruitment at 98%
Performance 2018/19		Staff recruitment for 2018/19 was 92.8%, as a result of moratorium placed on staff recruitment after budget cuts and the shortfall of R134 million in the FY.
Target 2019/20		Recruitment at ≥95%
Budget/strategy 2019/20		R433 400 004



5.4/ Employee & Organisational Capacity & Innovation & Learning

P15 – National Footprint

Strategy	XII	Developing and expanding the quality and expertise for each segment of the national footprint
Programme	P15	To strengthen and improve organisational competences and expertise required for delivery of quality outcomes
Project	P15-1	Skills Development
Outputs		Annual Training Plan and Annual Training Report submitted to SASSETA in compliance with the Skills Development Act
Base year performance 2015/16		The WSP and ATR were submitted to SASSETA in April 2015. The 2015-2016 training hour achievement against the annual target for levels 1-10 was recorded at 131% and at 237% for Manager level. The programme output exceeded its target.
Target previous year 2018/19		Submission of the WSP and ATR in compliance with the Skills Development Act
Performance 2018/19		ATP and ATR submitted timeously.
Target 2019/20		Submission of the Workplace Skills Plan (WSP) and Annual Training Report (ATR) in compliance with the Skills Development Act
Budget/strategy 2019/20		R50 535 857

5.4/ Employee & Organisational Capacity & Innovation & Learning

P16 – IT

Strategy	XIII	Building and maintaining an integrated and service-oriented cutting-edge Information Technology system
Programme	P16	Maintain a modern IT Platform (including hardware, software, middleware and IT network infrastructure)
Project	P16-1	IT Network
Outputs		Provide effective throughput of reliable data across accessible IT systems
Base year performance 2015/16		IT Network in place; Hardware upgraded as per Capital Replacement Plan 2015/2016. Average systems availability for FY2015/2016 was at 98.6%.
Target previous year 2018/19		VPN connected to all sites and available at 95% of the time
Performance 2018/19		The average WAN availability for the FY 2018/19 was 94.38%. Negative variance of 0.62% below the target of 95% was due to Legal Aid SA offices relocated without connectivity, as well as load shedding.
Target 2019/20		VPN connected to all sites and available at 95% of the time
Budget/ strategy 2019/20		R33 939 795



5.4/ Employee & Organisational Capacity & Innovation & Learning

P16 – IT

Strategy	XIII	Building and maintaining an integrated and service-oriented cutting-edge Information Technology system
Programme	P16	Maintain a modern IT Platform (including hardware, software, middleware and IT network infrastructure)
Project	P16-2 P16-3	IT Hardware IT Software and Applications
Outputs	P16-2 P16-3	Hardware available to support, maintain and sustain business needs Updated, reliable and dependable IT software and applications responsive to business needs
Base year performance 2015/16		IT Network in place; Hardware upgraded as per Capital Replacement Plan 2015/2016. Average systems availability for FY2015/2016 was at 98.6%.
Target previous year 2018/19	P16-2 P16-3	IT Hardware capacity aligned to business needs and available 99 % of the time IT Software and Applications fully integrated with IT software upgrade roadmap in place and available 99% of the time
Performance 2018/19	P16-2 P16-3	Average server availability was 99.58% Overall software and application availability was at 99.58%
Target 2019/20	P16-2 P16-3	IT hardware capacity aligned to business needs and available 99% of the time IT software and applications fully integrated with IT software upgrade roadmap in place and available 99% of the time
Budget/strategy 2019/20		x-ref slide 27



6/ Legal Aid SA Budget 2019-2020

6.1/ Budget 2019/20

Introduction to the Legal Aid SA Budget 2019/20

- Legal Aid SA is funded mainly from the government grant of R1,9 billion in 2019/20.
- The grant is supplemented with R20million from investment income.
- An insignificant amount is realised as sundry income from proceeds of disposal of fully depreciated assets and client contributions.

Key assumptions in the preparation of the Budget 2019/20

- Legal Aid SA's five (5) year Strategic Plan 2015-2020
- National Treasury's allocation letter
- Future financial sustainability of the organisation
- The proportion of direct service delivery costs to administration support costs
- The Capital Asset Replacement Programme
- The liquidity ratios of Legal Aid South Africa

6.2/ Budget 2019/20

Government grant allocation

	LEGAL AID SOUTH AFRICA REVISED BASELINE	BASELINE ADJUSTMENT	LEGAL AID SOUTH AFRICA MTEF PER ALLOCATION LETTER	% CHANGE - GRANT	% BUDGET CUT	LEGAL AID SA FUNDING FROM COMMITMENTS	LEGAL AID SOUTH AFRICA REVISED MTEF
2015/16	1,584,805,000	Note 1 (61,819,000)	1,522,986,000	4.6%	-3.9%	Note 2 61 819 000	1,584,805,000
2016/17	1,669,899,000	Note 1 (92,728,000)	1,577,171,000	3.6%	-5.6%	Note 2 92 728 000	1,669,899,000
2017/18	1,754,394,000		1,754,394,000	11.24%	0%	Note 5 11,500,000	1,765,894,000
2018/19	1,857,149,000	Note 3 (92,807,000)	1,764,342,000	0.57%	-5%	Note 5 11,500,000	1,775,842,000
2019/20	1,863,158,000	Note 4 107,815,000	1,970,973,000	Note 6 11%			Note 7 1,970,973,000
2020/21	1,966,043,000	Note 4 109,903,000	2,075,946,000	5.5%			Note 7 2,075,946,000
2021/22	2,074,175,000	Note 4 113,790,000	2,187,965,000	5.5%			Note 7 2,187,965,000
2022/23	2,299,072,000		2,299,072,000	5.5%			2,299,072,000
TOTAL	15,068,695,000	84,154,000	15,152,849,000			177,547,000	15,310,396,000

Notes 1&2: These amounts are reductions in the baseline allocation to be funded from cash reserves.

Note 3: These amounts are a reduction of the baseline allocation as confirmed by NT allocation letter dated 7/12/2017.

Note 4 Amounts subsequently reversed per letter dated 29 October 2018 for financial 2019/20 onwards. Further baseline reductions of R2.79 million, R2.9 million and R3.1 million for the period 2019/20 to 2021/22. The baseline adjustments included IJD funds of R12,6 million, R9.9 million and R8.8 million over the 2019/20 to 2021/22 MTEF period.

Note 5: Additional funding from cash reserves in order to supplement the budget shortfall

Note 6: The increase of 11% in 2019/20 is due to the baseline reduction reversal that was implemented in FY2018/19 .

Note 7: This is the revised baseline allocations after all the adjustments and the budget cuts

6.3/ Budget 2019/20

Balanced Scorecard Budget

	PROGRAMMES PER COMPONENT OF BALANCED SCORECARD	Budget 2018/19	% of Total Budget	Budget 2019/20	% of Total Budget
I	Client, Community, Stakeholder and Shareholder	1,318,651,730	72.1%	1,439,146,360	71.6%
II	Finance and Sustainability	27,432,448	1.5%	31,835,189	1.6%
III	Internal Business Processes	16,706,935	0.9%	20,232,584	1.0%
IV	Employee and Organisational Capacity and Innovation and Learning	465,267,133	25.5%	517,875,113	25.8%
	Total Budget	1,828,058,246	100%	2,009,089,246	100%

6.4/ Budget 2019/20

Analysis of Budget 2019/20

Expenditure item	Budget 2018/19	Budget 2019/20	Variance	% change
Salaries and related costs	1,508,458,487	1,615,237,239	106,778,752	7.1%
Direct expenditure	95,871,796	114,145,418	18,273,621	19.1%
Operating expenditure	235,848,299	244,235,526	8,387,228	3.6%
Capital expenditure	56,747,445	35,471,064	-21,276,382	-37.5%
Total budget	1,896,926,028	2,009,089,246	112,163,219	5.9%

6.5/ Budget 2019/20

Explanation of variances 2019/20

- i. The salaries for FY2019/20 increased by 7,1% this is due to the projected cost of living increase (COLI) at an average of 5,8% and the performance progression increase (PPI) of 1,5%. The increase is also attributable to the baseline reduction reversal that saw the increase in the number of budgeted positions as compared to the 2018/19 budget.
- ii. Direct services expenditure budget increased by 19,1% for the 2019/20 financial year as compared to previous years. This was due to the increase in the judicare and impact litigation line items after the reversal of the budget cuts in 2018/19.
- iii. The overall operating expenditure budget increased by 3.6%.
- iv. The baseline capital budget for the year excluding rollover funds increased by 17% and this is in accordance with the Capital Assets Replacement Programme.



6.6/ Budget 2019/20

Challenges with 2019/20 Budget

- i. In 2018/19 and the MTEF period, Legal Aid SA had a 5% budget cut to its baseline allocation. This amounted to a budget cut/shortfall of R164million for the FY2018/19.
- ii. In 2019/20, National Treasury reversed Legal Aid SA's baseline cut for the MTEF period 2019/20 to 2021/22. As a result the budget shortfall is R85.5 million (4,3%) in FY2019/20 and up to R121.1 million (5.7%) in the future years.
- iii. This is a total budget shortfall/cut of R370.9 million for Legal Aid SA for the 3-year MTEF period 2018/19 – 2020/21.
- iv. In 2019/20 there was an additional cut of R2,7 million pa to SMS salaries.
- v. Budget constraints continue to be a challenge in the operations of Legal Aid SA. The salaries budget constitute at least 80% of the total budget and this budget is also negatively affected by the cost of living increases which are usually higher than the macro increase of the baseline allocation. The gap between the COLI and macro increase has to be absorbed within the baseline allocation.



6.7/ Budget 2019/20

MTEF 2018/19 – 2020/21

Budget shortfall and Reduction	2018/19	2019/20	2020/21	2021/22
Projected shortfall per approved budget	71,504,989	82,737,769	118,231,588	
Budget cut	92,807,000	2,790,000	2,900,000	3,100,000
Total shortfall	164,311,989	85,527,769	121,131,588	3,100,000
% cumulative shortfall/cut	8.8%	4.3%	5.7%	

7/ **Legal Aid SA Challenges 2019**



7/ Legal Aid SA Challenges 2019

- I. To manage the budget cuts we have had to reduce every segment of our budget: salaries (legal and support), direct expenditure, operating budget and capital budget.
- II. The main impacts that had to be managed are cuts to staff posts as well as cuts to delivery targets and coverage of courts.
- III. Impact on Non-salary Budget items
 - Reduction to non-salary budget (operating, other direct, capital)
 - over past 3 years = -15% and Over past decade = -23%
 - Impact : eroding the non-salary budget which comprises only 20% of the total budget to the point that it cannot be reduced further if it is to support the staff employed using 80% of our budget.
- IV. **Compromising Constitutional Obligations**

Constitutional obligations arising from Sections 34, 35 and 28 of the Constitution compromised with reduction of its services resulting in non-delivery on those constitutional obligations.
- V. **Impact on Justice System**

Legal Aid SA is a significant role-player in our court system. More than 70% of accused in the lower courts and more than 80% in the high courts are represented by Legal Aid. Therefore, the coverage of courts and the functioning of the criminal justice system is impacted negatively by inadequate and unequal resourcing of Legal Aid SA.
- VI. **Impact on Clients & Society**

Delays in finalisation of cases prejudices our clients rights to a speedy trial.
It also contributes to an erosion of public trust and confidence in the criminal justice system.



8/ Focus areas for 2019-2020

8/Focus areas for 2019-2020

I. Strategic Plan 2020-2025

- Develop Strategic Plan 2020-2025 for the next 5-year planning period.

II. Financial Sustainability and Client Services Delivery

- Managing delivery on our mandate of increasing access to justice to poor and vulnerable clients with reduced budgets and continuously refocusing our delivery to legal services impacting positively on constitutional rights.
- Managing our operations with reducing operating budgets and reductions to various programmes. Continuing to identify efficiencies and cost effectiveness in our operations

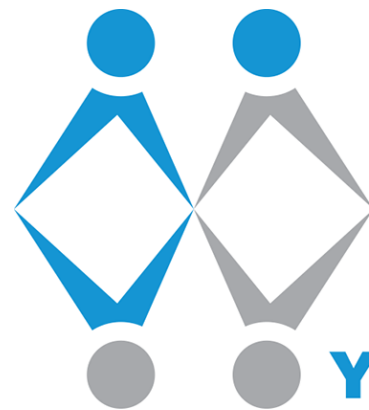
III. Managing the impact of budget constraints on Employees

- People management impact of budget cuts while strengthening organisational culture.
- Increased consistency in communication;
- Continuous monitoring and support to staff;
- Leadership role modelling of managing cost-effective business operations.



8/ Way Forward

- Legal Aid SA is a high performance organisation – whether it is on increasing access to justice or good audit outcomes or being accredited as a Top Employer – we are achieving it.
- Legal Aid SA operates within the best governance framework which makes us responsive, accountable, fair, transparent, participative and efficient, effective and economic.
- In Legal Aid SA we have zero tolerance for fraud and corruption which we have managed to achieve which talks to our strong ethics and integrity and accountability for public funds.
- We continue to focus on delivering on our Constitutional and legislative mandates to improve access to justice and build the maturity of the organisation to ensure its sustainability.



Legal Aid
South Africa

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Independent and within reach.

