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DEPARTMENT OF HOME AFFAIRS: SUMMARY AND ANALYSIS OF FIRST QUARTER PERFORMANCE FOR THE 2020/21 FINANCIAL YEAR

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1. INTRODUCTION

The Department of Home Affairs (henceforth “DHA” or “the Department”) derives its mandate from the Constitution of the Republic of South Africa, various Acts of Parliament and government policy documents. The DHA is mandated to determine and safeguard the identity and status of citizens efficiently, as well as to regulate immigration to ensure security, promote development and fulfil South Africa’s international obligations¹. This mandate is executed through the DHA’s three branches: The Administration, Civic Affairs and Immigration Affairs branches.

The Department’s performance target and financial expenditure have both a direct and indirect impact on the livelihoods of South African citizens and foreign nationals by providing enabling documents such as Identification Documents (IDs), Birth and Death Certificates, Passports and Visas to mention but a few of its services.

The continuous monitoring of financial expenditure *vis a vis* performance targets is necessary to ensure that allocated resources are utilised for its intended purpose, and in doing so, accountability ensured. The financial spending and performance targets monitoring is necessary to prevent unauthorised, irregular, fruitless and wasteful expenditure.

This brief provides a comprehensive analysis of the DHA financial performance *vis a vis* performance targets for the First Quarter of 2020/21. It further provides an overview of aspects that may require further examination by Parliament. The analysis takes into consideration that

¹ Department of Home Affairs (2019a).

the First Quarter has been substantially impacted by the Coronavirus (Covid-19) pandemic and the subsequent national lockdown, therefore it commences with a brief analysis of the impact of Covid-19 on the Department's performance and financial expenditure.

2. THE IMPACT OF COVID-19 ON THE DEPARTMENT OF HOME AFFAIRS

On 26 March 2020, the President invoked the National Disaster Act 57 of 2002 and declared a national state of disaster due to Covid-19.² The Covid-19 pandemic has devastating consequences throughout the world, and South Africa has not been spared. The pandemic has forced many countries into lockdowns, consequently slowing down public service delivery activities. During the First Quarter of 2020/21, South Africa was on national lockdown levels 5,4 and 3.³

The Covid -19 pandemic had a substantial detrimental impact on the DHA's First Quarter expenditure and performance plans. As from 26 March 2020, some government services had come to a halt with many functioning on skeleton staff. Due to the national state of disaster and lockdown regulations, the Minister of Home Affairs announced several response strategies including the closure of all South Africa's land and seaports, remote working, as well as essential services offered by skeleton staff.⁴

During National Lockdown Level 5, which lasted from 26 March to 30 April 2020, the DHA's offered limited services between 10:00 to 14:00. This included issuing of temporary ID's and death certificates, birth registration as well as the re-issuing of birth certificates.⁵

The level 4 national lockdown level 4 extended from 1 May to 31 May 2020. With the adjusted Covid-19 risk level, the DHA increased its office hours from 08:30 to 15:30, but still operated with a skeleton staff and shift rotations. In addition, additional services were extended, such as the collection and re-issuing of Smart IDs and issuance of passports for people engaged in the delivery of essential goods.⁶

The country entered alert level 3 on 1 June 2020. In addition to the level 4 services, the resumption of marriage services and late birth registrations were rolled out. DHA office hours remained unchanged from level 4, albeit with a skeleton staff and the rest working remotely.⁷

In response to the Covid-19 pandemic, the Department's total spending related to Covid-19 amounted to R 13.9 million by the end of the First Quarter. The expenditure is mainly associated with the procurement of personal equipment, masks, gloves, sanitisers and cleaning material and services.⁸

² Ramaphosa (2020).

³ Ramaphosa (2020b).

⁴ Seleke (2020).

⁵ Department of Home Affairs (2020a).

⁶ Department of Home Affairs (2020b).

⁷ Department of Home Affairs (2020c).

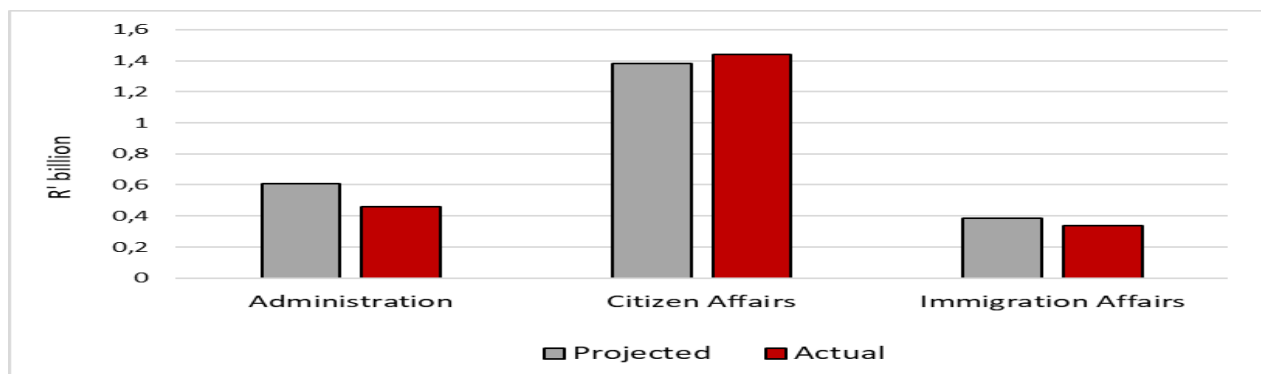
⁸ Standing Committee on Public Accounts (2020).

Issues and Questions for Consideration by Parliament

- The Department had to surrender R 562 million to the National Treasury due to the baseline cut as a measure to respond to Covid-19. The budget cut will have a significant impact as some of the Department's projects are postponed. For instance, the implementation of the One-Stop Border Post has been delayed until the next financial year.
- For the first two months of the First Quarter, the DHA was almost at shutdown as it was only offering limited services. Therefore, it should be expected that most of the performance targets would not be met due to the national lockdown.
- The President has since relaxed the national lockdown regulation to alert level 1, which allows for the resumption of most economic and public services under strict Covid-19 regulations. The Department has indicated several intervention measures to make up for the lost time and targets, but what are the timelines and impacts on Quarter 2,3 and 4 targets?

3. OVERALL FINANCIAL EXPENDITURE AND TARGET PERFORMANCE FOR 2019/20

Figure 1: Projected Versus Actual Expenditure Per Main Programme



Source: National Treasury (2020), amended

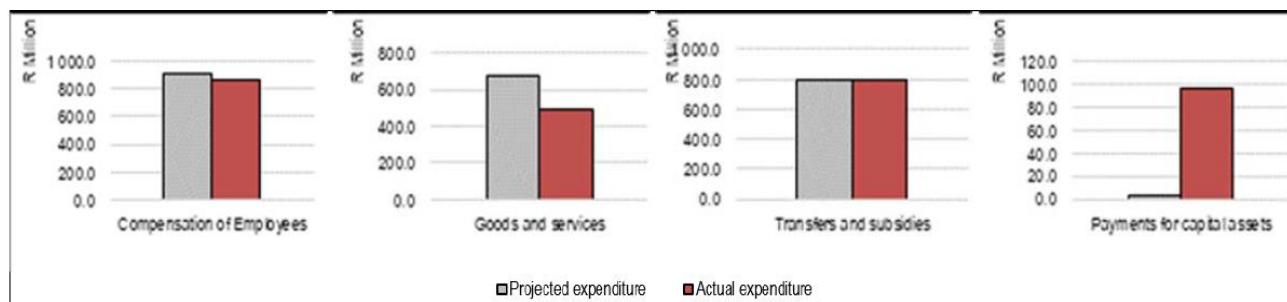
The DHA received a total main appropriation of R9 029 billion, of which it spent 24.8% by the end of the First Quarter. The actual expenditure of R2.2 billion, is R135.3 million less than what the Department projected it would spend by the First Quarter. The lower than expected expenditure can be attributed to low spending on the Information System Modernisation Project, as well as the delays with the promulgation of the Border Management Authority that was only assented into law in July 2020.⁹

At the programme level, both Administration and Immigration Services branches achieved lower than the projected expenditure, i.e. by 25% and 11% respectively. The Civic Affairs Branch spent R59.5 million (4.2%) higher than what it projected, but only achieved a fraction of its First Quarter targets at 33%.¹⁰

⁹ Standing Committee on Public Accounts (2020).

¹⁰ *Ibid*

Figure 2: Actual Versus Projected Expenditure Per Economic Classification



Source: National Treasury (2020)

In respect to compensation of employees, the Department spent R866.4 million, which is R48.8 million lower than its projection of R915 million for the First Quarter. This can be attributed to delays in the filling of vacant posts due to the Covid-19 lockdown. The Department had 121 vacancies at the end of the First Quarter.¹¹

Household spending at the end of the First Quarter stood at R 3.5million (78.9%), which is significantly higher than the linear projection of 25%.¹² The Department has only budgeted R4.4 million for this expenditure. The expenditure is mainly due to the payments of leave, gratuity for officials who exit the Department either due to the payment of leave gratuity for officials who exit the system either through resignation, dismissals, death and claims against the state.¹³

Payments for capital assets has an overall budget of R13 million for the financial year, while the DHA already spent R95.9 million by the end of the first quarter. This resulted in 2842.6% higher than projected variance from the R3.3 million projected for the First Quarter. The higher spending is also significantly higher due to an amount of R 70 million that was re-prioritised towards the R562 million baseline cut that the Department had to implement.

Issues for consideration and possible question

- The DHA has 121 vacancies that are funded, yet the Department has a low expenditure on this item. When is the Department likely to advertise and fill the vacancies?
- The lack of proper budgeting and higher spending on household expenditure due to payments of leave gratuity and claims against the state have been an ongoing concern for several years. Parliament could advise the DHA to conduct a thorough trend analysis of the past five years or so to plan and budget better for this item as it continuously put the departmental expenditure plan at risk. At this rate (where 78.9% has already been spent), the Department is likely to experience overruns on this item. As such, how will the Department adjust its budget to fund the eventualities of the remaining three quarters?
- The Department has already spent (80%) on its buildings and other fixed structures by the end of the First Quarter, mainly due to budget cuts on the baseline; however, its responsibilities towards the landlords remain. What is the Department's plan to fund the payment of its lease agreements in the remaining three quarters?

¹¹ Standing Committee on Public Accounts (2020).

¹² Department of Home Affairs (2020e).

¹³ *Ibid*

4. KEY EXPENDITURE TRENDS PER PROGRAMME

Key issues for Parliament to note related to spending at the end of the First Quarter of 2020/21 are presented below:

<p>Programme 1: Administration</p>	<ul style="list-style-type: none"> • The main appropriation was R2.3 billion of which R459.7 million (19.6%) was spent in the First Quarter. • Spending was R150.2 million (25.7%) lower than the projected expenditure of R610 million for the First Quarter <p>Reasons for low spending:</p> <ul style="list-style-type: none"> • Delays with the implementation of the Information System Modernisation Project. • Delays in awarding contracts for physical guarding security services. • The President only signed the BMA Bill only in July, and as a result key projects have been put on hold.
<p>Programme 2: Citizens Affairs</p>	<ul style="list-style-type: none"> • The main appropriation was R5 billion of which R 1.4 billion (28.4%) was spent in the First Quarter. • Spending was R59.5 million (4.3%) higher than the projected expenditure. <p>Reasons for higher expenditure:</p> <ul style="list-style-type: none"> • Higher expenditure is as a result of self-financing expenditure for enabling documents of which funding will only be appropriated during the Adjusted Estimates of National Expenditure.
<p>Programme 3: Immigration Services</p>	<ul style="list-style-type: none"> • The main appropriation was R1.6 billion of which R340.8 million (21.1%) was spent in the First Quarter. • Spending was R44.6 million (11.6%) lower than the projected expenditure of R385.4 million for the First Quarter. <p>Reasons for low spending:</p> <ul style="list-style-type: none"> • Lower spending on subsistence and travel • Low spending on accommodation and training due to lockdown.

5. QUARTERLY TARGET PERFORMANCE AGAINST FINANCIAL PERFORMANCE

In principle, low target achievement was expected across all programmes due to the impact of Covid-19 regulations, and the subsequent lockdown regulations. The First Quarter target performance *vis a vis* financial expenditure is presented below:

5.1. Programme 1: Administration

The Administration programme is the least performing branch at the end of the First Quarter. The Programme achieved only 24% of its First Quarter targets. This performance is

comparatively poor when compared with the 72% target achievement in the same quarter in 2019/20 financial year.¹⁴

Table 1: Programme 1 target performance vs financial expenditure

Total targets set	13
Targets achieved	3/13
Targets not achieved	10/13
Target Success rate	23.1%
First Quarter spending (against Projected)	R459.7 million (75.4%)

Source: Department of Home Affairs (2020) adapted by the researcher (Parliament Research Unit)

For the First Quarter, the Administration programme had planned for 13 quarterly targets but only achieved three (3). This translate to 23.1% target achievement and 76.9% of the targets not achieved. As illustrated on table 1, the Administration programme was able to spend R459.7 million (19.6%) of its quarterly budget of R610 million.

The following are some of the targets that were not achieved under the Administration Programme:

- Assessment Report of IT Infrastructure signed off by the Director-General.
- Advertising of the bid for service providers to develop Asylum Seekers and Refugee System.
- Draft Policy on One-Stop Border Post submitted to stakeholders for recommendations to cabinet.
- Draft Marriage Policy submitted to the JCPS and Social Clusters for recommendations to cabinet.
- DHA Bill Gazetted for public comments.
- Service providers appointed to develop the Service Delivery Model for the DHA.
- 15 Threats and Risk Assessments (TRAs) conducted in accordance with the requirements on Minimum Information Security Standards (MISS) and Minimum Physical Security Risk (MPSS).
- DHA Footprint Developmental Strategy in line with approved Access Model approved by the DG and Minister.

Issues for consideration

- What will be the impact of carrying out the IT Assessment on the Department's IT infrastructure?
- What are the measures being put in place to ensure the missed targets are met by the end of the financial year?
- What will be the impact of delays in appointing physical security services contract? Does it mean that the current contracts will have to be extended and when will the Department finalise the process to appoint new Physical Security service providers?

¹⁴ Department of Home Affairs (2020e).

5.2. Programme 2: Civic Affairs

Programme 2: Civic Affairs Branch has achieved one out of its three targets, which translates to 33% target achievement, and it was not successful in achieving 67% of its targets on the First Quarter.¹⁵

Table 1: Programme 1 target performance vs financial expenditure

Total targets set	3
Targets achieved	1/3
Targets not achieved	2/1
Target Success rate	33%
First Quarter spending (against Projected)	R1.4 billion (104.3%)

Source: Department of Home Affairs (2020) adapted by the researcher (Parliament Research Unit)

Table 3: Programme 2 target performance

Annual Target	Quarter One Target	Achieved/ Not Achieved
810 000 birth registered within 30 calendar days	205 948	Achieved (213 698)
3 million Smart ID's issued to Citizens	780 000	Not Achieved (22 903)
90% of machine-readable adult passports	90%	Not Achieved (10.97%)

Source: Department of Home Affairs (2020) adapted by the researcher (Parliament Research Unit)

The Civic Affairs branch has an annual target of registering 810 000 births within 30 calendar days, of which 205 948 was targeted for the First Quarter. The Department was successful in achieving this target as it recorded 213 689 registrations of birth during the First Quarter. This achievement could be attributed to the fact that the Department continued to offer birth registration in all levels of the national lockdown.¹⁶

The Civic Affairs branch was not able to achieve the target of issuing 780 000 Smart ID's to citizens of 16 years and above. It only managed to issue 22 903 (2.9%) during the First Quarter. The Civic Affairs branch was also not successful in issuing 90% of machine-readable adult passports, but only managed to issue 10.9%.¹⁷

The reasons for not achieving the quarterly targets could be attributed to national lockdown, which resulted in the Department cancelling application of new ID's and Passports. Passports were only issued to people working in the delivery of essential goods during national lockdown level 4 and 3.¹⁸

¹⁵ Department of Home Affairs (2020e).

¹⁶ Department of Home Affairs (2020c).

¹⁷ *Ibid.*

¹⁸ *Ibid.*

Issues for consideration

- Parliament should take into consideration that the Department was able to meet its target of registering births within 30 calendar days' despite working with a skeleton staff and limited hours during the lockdown. Parliament could commend the Department for meeting the targets under strenuous circumstances of Covid-19 lockdown.
- The Smart Identification Documents are not only an important document to confirm one's citizenship, but they are also an essential enabling document to access government services, grants, applications for employment and schooling, amongst other things. Due to the national lockdown regulations, the Department is far behind on its target for the First Quarter by 55 009 Smart ID's. What measures are being put in place to make up for the lost time and target of issuing 780 000 IDs per quarter?
- Parliament should note that next year (2021) is scheduled for Local Government Elections, therefore, it is imperative that the Department accelerates issuance of ID's to potential voters.

5.3. Programme 3: Immigration Affairs

Programme 3: Immigration Affairs was only successful in achieving two out of six quarter one targets. This target achievement translates to a 33% success rate.¹⁹ Actual expenditure under the Immigration Affairs Programme, as at the end of the First Quarter, amounts to R340.8 million, or 88.4% of the programme's projected spending. The programme's actual expenditure is R44.6 million (11.6%) lower than the projected expenditure of R358.4 million.²⁰

Table 4: Programme 3 target performance vs financial expenditure

Total targets set	6
Targets achieved	2/6
Targets not achieved	4/6
Target Success rate	33%
Total Appropriation	R1.6 billion
Total Budget for First Quarter	R385.4 million
First Quarter spending (against Projected)	R340.8 million (88.4%)

Source: Department of Home Affairs (2020) adapted by the researcher (Parliament Research Unit)

Immigration Affairs First Quarter targets achieved:

- 85% of critical skills visas adjudicated within four weeks; 86.5% (262 out of 303) of the quarter target was achieved.
- 90% of business and general work visas adjudicated within eight weeks. 92 % (108 out of 117) of the target was achieved.

Immigration Affairs First Quarter targets not achieved:

- Fifty law enforcement operations, the Immigrations branch only managed to conduct two operations.
- Immigration Bill, (for consultation at NEDLACK and JCPS Cluster).

¹⁹ Department of Home Affairs (2020e).

²⁰ Standing Committee on Public Accounts (2020).

- 85% of permanent residence application adjudicated within eight months, only 27.1% (424 out of 1 566) achieved
- BMA launched, the President only signed the BMA Bill into law during July 2020.

Issue for consideration

- The President has signed the BMA Bill into law in July 2020. What is the new target for launching the BMA and when is the Department likely to fill key posts at the BMA?

6. CONCLUSION

The Covid-19 pandemic and the subsequent lockdown regulations had a devastating effect on the Department's performance. All government departments should devise strategies to catch up on their key performance targets, especially on services that have a direct impact on the livelihoods of the citizenry. The DHA should strive to achieve its targets of issuing enabling documents such as the ID's to the citizens. Moreover, the Department plays a crucial role in South Africa's economic recovery plans, especially by allowing the tourism industry with passports and visas.

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