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## THE DEPARTMENT OF MILITARY VETERANS: HUMAN RESOURCES PLAN AND SKILLS AUDIT

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### 1. INTRODUCTION

On 21 October 2020, the Department of Military Veterans (DMV) is set to brief the Portfolio Committee on Defence and Military Veterans (PCDMV) on its Human Resources Plan and, crucially, its outstanding skills audit. The PCDMV has raised these matters as a concern for several years, including in the Fifth and Sixth Parliaments. As such, this paper provides an overview of previous engagements with the DMV on matters related to its Human Resources Plan and the need for a skills audit.

### 2. KEY MATTERS RELATED TO THE DMV ORGANISATIONAL STRUCTURE

The sections below highlight the PCDMV's recommendations regarding the human resources component and organisational structure of the DMV. This paper also provides available responses from the DMV during follow-up meetings.

#### 2.1 Engagements during the Fifth Parliament

**2015 BRRR:** The Committee has on a number of occasions urged the Department to ensure that all vacancies are filled with not only suitably qualified personnel, but also with individuals who are sufficiently committed and appropriately skilled to identify the needs of military veterans, and efficiently and effectively ensure good administration of the Department. The Committee recommended that the Department must take decisive steps to ensure the strengthening of recruitment and appointment processes, and that a skills audit is conducted to identify the skills set and needs of existing personnel.

**2016 BRRR: Observations:** The lack of consequence management and the reporting thereof was raised as a concern by the Committee, especially regarding issues such as fruitless and wasteful expenditure (R811 000). The Department has paid performance rewards to 93 of the 133 employees to the amount of R1.5 million with no one in the leadership position receiving



any reward. Given the poor performance and underspending, the Committee was concerned about these rewards. The issue of “incompetent staff” was raised against the background that 109 of the 133 staff members underwent training but no skills audit was conducted beforehand. The Department indicated that it has started a skills audit but that it faced challenges.

*Recommendations:* The Department indicated that they are following the normal recruitment processes especially regarding the appointment of military veterans. The Committee encouraged the Department to strengthen these processes and that the “best person” for the job should be employed.

The Department was requested to report to the Committee on its new structure as soon as the Executive Authority has approved it.

- *PCDMV Follow-up meeting on 22 February 2017:* The acting Director-General noted that, on the Skills Audit Training for vacancies and skills gaps in the service delivery programme, the Department is currently working on the structure to close the gaps identified and is engaging with the Department of Public Service and Administration (DPSA) and National Treasury(NT) for finalisation.
- *PCDMV Follow-up meeting on 23 August 2017:* An official from the DMV noted that in terms of overall spend, looking at economic classifications, the costs of employment were marginally ahead of budget for the First Quarter of 2017/18 due to the use of contractors and interns, despite the vacancy rate of 21%. This would be addressed through changes in the proposed organizational structure. The Department of Public Service and Administration (DPSA) and National Treasury had agreed to meet to address the issue of compensation.

**2017 BRRR:** Internal Audit should be fully staffed as a matter of urgency.

The Department was requested to report to the Committee on its new structure as soon as the Executive Authority approved it.

- *PCDMV Follow-up meeting on 7 March 2018:* The acting Director-General noted, regarding the Third Quarter expenditure, that the cost of employment, which included salaries, was marginally above the budget allocation. There were imbalances in the DMV organogram. The structure did not favour service delivery to military veterans and, as such, non-permanent workers were used to meet service demands. Using non-permanent workers was costlier for DMV. The DMV was in constant engagement with National Treasury with regards to funding matters.
- *PCDMV Follow-up meeting on 11 October 2018:* Hon S Esau (MP) noted that the Department was not getting value for money when comparing the money it spends to the achievement of targets. He attributed this to problems within the HR performance running the operations of the DMV. He commented that the new organisational structure plan had not been submitted to the Committee and asked that this be done as well as the financial implications of the plan. In response, the acting Director-General acknowledged that the expenditure did not align with target performance. This



pointed to the Department's planning and implementation ability. Key challenges in the organisational structure were that there were only 169 approved positions as well as the kind of delivery model necessary to provide services. The acting Director-General also said the Department was not doing good enough in ensuring that the approved structure was filled and that the capabilities of the individuals employed were what the Department needed.

**2018 BRRR:** The Department informed the Committee that it is engaging the DPSA as well as updating and soliciting the assistance and support of the Minister regarding the new structure. It was recommended that the Committee be kept abreast of developments in this regard and that the Department can approach the Committee if it needs further assistance from its side.

The Committee noted that one of the main problems resort around middle level management where employees fail to set a proper example for their subordinates as well as failing to implement Consequence Management.

- *PCDMV Follow-up meeting on 9 October 2019:* The acting Director-General noted that the Department has been in discussions with National Treasury on the service delivery model. The National Treasury told the DMV that it will find it difficult to fund the Department because the service delivery model is not clear to them and that the Department must develop it. Once the Department has the structure approved by the DPSA, the Department will receive funding from it to improve its service delivery model. He added that there is an official from National Treasury that is working with the Department on the structure of the service delivery model. He acknowledged that until the structure is in place and the model is accepted, it will be difficult to ask the Committee to ask National Treasury to allocate the Department more funds.
- *PCDMV Committee resolutions from 9 October 2019:*
  - The Committee recommended that Consequence Management should be strictly applied, and that those responsible for breaches, should be subjected to the provisions of the law. An update should be provided on the staff subjected to disciplinary processes.
  - Members agreed that the performance of the DMV is largely due to management challenges and especially the leadership instability caused by the numerous vacancies. The Committee consequently urged that all vacancies be filled by persons with the prerequisite skills as soon as possible.
  - The Committee recommended that the Department should speed up the process to migrate the Social Relief of Distress from the Department of Social Development to the DMV in order to improve its service delivery to military veterans.



## 2.2 Engagements during the Sixth Parliament

**2019 BRRR:** The Committee recommended that the DMV should prioritise the filling of vacancies at top management level to address the leadership instability and the numerous acting positions. Although taking cognisance of the efforts of the Department to facilitate a new structure, the Committee stressed the importance of this process and recommended that the Committee must be kept abreast of developments in this regard on a continuous basis.

- *JSCD meeting on 6 February 2020, and subsequent letter to the Minister of Defence.* The Committee identified several concerns stemming from previous years that have not been implemented as yet and noted these in a letter to the Minister for urgent implementation, as follows:
  - The high number of vacancies and acting positions.
  - The misalignment of skills/qualifications with incumbents.
  - The review of the outdated organogram.
  - Verification of qualifications of all SMS managers.
  - Proper placement of all employees upon completion of the verification process
  - Finalise the cleaning of the national database of military veterans.
- *PCDMV Follow-up meeting 15 May 2020:* The acting Director-General stated that he accepted that without strong and stable management it would be very difficult to achieve the targets. The Department was engaging the DPSA to address the organisational structure, but the process had also been affected by Covid-19.
- *PCDMV resolutions from 15 May 2020:*
  - The Committee recommended that a meeting with the Executive Authority should be scheduled before the finalisation of the Budget Report. The Minister should respond to systemic issues such as the Organisational Structure, filling of leadership vacancies and change management.
- *PCDMV letter to the Minister of Defence and Military Veterans (dated 15 May 2020):*
  - The letter highlighted the following the concern observed by the Committee:
    - The finalisation of the Organizational Structure of the DMV.
    - The finalisation of a credible national database.
    - Filling up of senior management vacancies.
    - Implementing a change management strategy & outstanding policies.
  - A follow-up meeting with the Minister clarifying these concerns were requested for 22 May 2020
- *PCDMV Follow-up meeting on 22 May 2020:* The Ministry stated that it had held a meeting with the Management of the Department and resolved to set up a project team to re-evaluate the current structure and to derive a structure that will respond to the needs of the Military Veterans as per the mandate of the Department. The Ministry also claimed that it will engage the Minister of Public Service and Administration on the moratorium placed on appointment of Senior Management to expedite the filling of the relevant vacancies in the Department. Finally, the Deputy Minister decried the failure to hold officials accountable and stated that he is serious to see that such officials are being held accountable.



- *PCDMV resolution on 22 May 2020:* The Committee agreed that the Department should report quarterly on progress regarding the areas of concern.

**Key summary:** The PCDMV has highlighted the need for the DMV to address the challenges with the organisational structure since 2015. In all subsequent BRRR recommendations, it requested the DMV to make progress in this regard. Despite these recommendations, the engagement with the DPSA to finalise the Organisational Structure is still ongoing as at May 2020. It is essential that the PCDMV follow up on the Ministry's commitment to establish a project team to re-evaluate the current structure and to derive a structure that will respond to the needs of the Military Veterans as per the mandate of the Department.

### 3. THE DMV SKILLS AUDIT

Due to the Department experiencing challenges in attracting and retaining critical and scarce skills, a Skills Audit was set to be conducted in 2018/19. This comes after several years of Parliament's PCDMV urging the DMV to conduct such a skills audit (as is clear from the BRRR recommendations noted below). The PCDMV's call for a skills audit in the DMV stemmed from two factors. *First*, continued concerns related to vacancies and the personnel contingent at the DMV and, *second*, the Committee observed a mismatch between personnel figures and human resources spending on the one hand and DMV performance on the other. This brought into question the broader capacity and skills requirements at the DMV.

#### 3.1 Engagements by the Fifth Parliament

##### Tabled Recommendations related to the Skills Audit

In the Fifth Parliament, several recommendations have flowed from the BRRRs tabled in Parliament, as follows:

**2015 BRRR:** The Committee has on a number of occasions urged the Department to ensure that all vacancies are filled with not only suitably qualified personnel, but also with individuals who are sufficiently committed and appropriately skilled to identify the needs of military veterans, and efficiently and effectively ensure good administration of the Department. It is recommended that decisive steps be taken to ensure the strengthening of recruitment and appointment processes, and that a skills audit is conducted to identify the skills set and needs of existing personnel.

**2016 BRRR:** A Skills Audit is essential to properly plan training and the Department was requested to present a report on this at the next meeting, especially as the vacancies and skills gaps in the service delivery programmes are detracting it from functioning optimally. The Skills Audit Report has not been submitted to the Committee. Vacancies still exist in the Department.

**2017 BRRR:** (*Repeat finding*) A Skills Audit is essential to properly plan training and the Department was requested to present a report on this at the next meeting, especially as the



vacancies and skills gaps in the service delivery programmes are detracting it from functioning optimally.

**2018 BRRR:** The Department plans to address the human resources challenges *inter alia* through the Skills Audit process as well as ensuring that Consequence Management is applied properly and consistently and to prioritise the filling of senior posts. The Committee recommended that the Department should prioritise these actions, submit the Skills Audit Report, when completed and report to Committee on these interventions on a regular basis.

**2019 Budget Report:** 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.

### 3.2 Engagements by the Sixth Parliament

The 2018/19 Annual Report states that “due to the Department experiencing challenges in attracting and retaining critical and scarce skills, a programme for Skills Audit was implemented and was conducted during the 2018/19 financial year.” Furthermore, the Report notes that two consultants worked on the Skills Audit over a three-month period. A consultancy fee of R478 800 was paid to the consultants.

In a letter from the JSCD to the Minister on Defence and Military Veterans dated 7 February 2020, the Committee indicated the following ongoing concerns around the DMV:

- The misalignment of skills/qualifications with incumbents in the DMV.
- The verification of qualifications of all SMS managers.
- Proper placement of all employees upon completion of verification process and finalisation of the review of the organogram.

The 2019/20 draft Annual Report of the DMV makes only one reference to the Skills Audit. It notes that: “*Payment made to PTES consulting and recruitment for skills audit - Payment made for 250 officials to be assessed vs 170 who actually participated.*” The latter statement in the draft Annual Report should be of particular concern to the PCDMV for two reasons:

- First, since the Skills Audit has not been finalised and not all staff participated, the payment of R478 800 in this regard may well be considered **wasteful expenditure**. The draft Annual report made no mention of efforts to recover the funds paid in this regard. This was confirmed by the Deputy Minister during a follow-up PCDMV meeting on 22 May 2020 when he highlighted that the report given by the DMV on the Skills Audit was inaccurate. He informed the Committee that the expenditure on this exercise was irregular and wasteful, as the project was abandoned. Although the DMV paid for the project in full, the service provider did not complete the project. He committed the DMV to brief the Committee on the Skills Audit issue in due course.
- Second, it is also indicative of the ongoing problems in the DMV around **Consequence Management**. No steps were taken against personnel not participating in the skills audit or against officials managing the process that failed to ensure its full





implementation. The non-finalisation of the Skills Audit severely undermines the ability of the DMV to function optimally and provide services to deserving military veterans.

Following the engagement with the Deputy Minister on 22 May 2020, the PCDMV resolved that the DMV should update it on areas of concern (which includes the Skills Audit) on a quarterly basis.

**Key summary:** The need for a Skills Audit is closely related to (1) concerns around the organisational structure of the DMV and (2) a history of poor performance of the DMV against set targets. These concerns highlight the need for a Skills Audit to ensure that adequately skilled and suited personnel serve in the correct posts at the Department. From previous tabled BRRR recommendations, it is evident that the PCDMV has urged the DMV to complete a skills audit since 2015. The skills audit process was started in 2018 at a cost of R478 800. However, it has since been abandoned as the Department's 2019/20 draft Annual Report indicates that only 170 of 250 officials participated in the process. This points to wasteful expenditure and a lack of consequence management in the DMV, impacting negatively on the ability of the Department to provide services to deserving military veterans.