



military veterans

Department:
Military Veterans
REPUBLIC OF SOUTH AFRICA

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

BUDGETARY REVIEW AND RECOMMENDATION REPORT (BRRR) OF THE PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS ON THE 2019/20 ANNUAL REPORT OF THE DEPARTMENT OF MILITARY VETERANS (DMV), DATED 2 DECEMBER 2020

1. The DMV Annual Report 2019/20 financial year bears reference below.
2. The Portfolio Committee on Defence and Military Veterans, having considered the financial and service delivery performance of the Department of Military Veterans (DMV) for the 2019/20 financial year on 17 October 2020 and 25 November 2020, reports as follows:
3. During the appearance of the DMV before the PCD&MV on 17 October 2020 and 25 November 2020 respectively, 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 committee recommendations as follows:

4. **The Department of Military Veterans has taken the recommendations considered them and below are the DMV responses to specific recommendations raised by the Committee Members:**

- a. **Recommendation:** The Committee recommends that the Department should interrogate the setting of the target on training and skills development and align it with the current realities as well as enhancing its effort to increase the number of beneficiaries to assist with enabling military veterans to be less reliant on the Department.

Response:

- The department has critically assessed the Skills Development portfolio based on processes, budget, experience and history and revised the Skills Development targets in 2020/21 financial year from the historical target of 5 500 per annum to 1 000 per annum (i.e. 250 per quarter, non-cumulative).
 - The Department has codified its agreements with other departments and relevant bodies, like National Home Builders Registration Council (NHBRC) for skills development in the built environment.
 - The Department is engaging the relevant SETAs in various sectors (i.e. Construction, Security, Agriculture, ICT and Services) for skills training using the National Skills Fund which is allocated to the said SETAs.
- b. **Recommendation:** The Committee felt that the underperformance in Programme 2: Socio-economic Support Management goes to the heart of the challenges in the Department and recommends that the DMV should provide it with concrete plans on how it will unlock these challenges besetting the main service delivery programme. The Committee expects the Department to provide feedback on these action plans on a quarterly basis.

Response:

- The post of the Deputy Director-General has been advertised and hope it will be filled by of June 2021. The post of Chief Director: Socio-Economic Support (SES) has just became vacant at the end of April 2021 and in the process of being advertised.
- Director: SES job responsibilities have now been reviewed and is expected to take the responsibility of the other benefits such as Pension, Subsidised Public Transport and Housing inline with the portfolio.
- The challenges of capacity are being addressed as SANDF/DoD has been engaged to assist. Three Colonels have been made available to assist with policy, strategy and implementation issues in this environment of pension, subsidized transport and housing.

- The function Education support is being moved to Empowerment and Stakeholder Management branch, under the Skills Development and Empowerment Chief Directorate, as part of the alignment of the functions. It is envisaged that the move will be finalized within this financial year.
- The organizational re-design process is at an advanced stage under the oversight of the Presidential Task Team work stream
- The establishment of the Presidential Task Team is beginning to help address Socio-Economic Support delivery mechanism more effectively.

c. **Recommendation:** Regarding the under-performance by the sub-programme Strategic Planning, Policy Development and Monitoring and Evaluation, the Committee stresses the importance of this sub-programme being fully functional and providing the policy guidance and monitoring as mandated to ensure the effective overall strategic direction of the Department

Response:

- The M&E Unit is currently managed by one official i.e. Deputy Director and the post of the Assistant Director has been advertised as the incumbent received an offer in another department.
- The Planning Unit is currently managed by two officials i.e. Deputy Director and Assistant Director.
- Most of the activities under this sub-programme do not require a budget as it is administrative work that is done internally by officials. The policy and planning/performance unit continues to fulfil their mandates.
- The bulk of the underspend was due to the budget allocated to the Research unit for the documentation of the Liberation struggle history which did not take place as a result of delays in the development and approval of the project documents with Human Science Research Council (HSRC). The process has been finalised now.
- A strategic process has led to a development of a three year work plan and is informed by strategic planning and budgeting developed to mitigate against spending a lot of time in the financial year with administrative and contractual issues.

d. **Recommendation:** The Committee took note of the strides made to finalise the capturing and verification of the Database. It recommended that the DMV should reinforce actions to finalise the Database as a matter of urgency given that a verified Database facilitate effective planning. The DMV should report on progress with the Database at scheduled meetings.

Response:

- The Chief Directorate: Beneficiary Support Services has analysed the database and it has been confirmed that the list of credible Military Veterans are the ones coming from the CPR list (both those that are alive and those that have past on)
 - The differences in the database comes from the following:-
 - People who were not integrated and joined SANDF as new recruits and are now moving to DMV
 - Members who were verified by the verification panel from the NSF background.
 - Others who were not part of any these above processes and directly applied to the DMV and have been approved to be included in the database. This group is critical and DMV is making an effort to focus on this group in cleansing the database
 - Some of the challenges are absence of force numbers, service certificates signed by non-authorized official from the formations, faulty biographs and dependents registered as principal members
 - The Verification and Database Cleansing and Enhancement Task Team (VDCETT) was formed as one of the Presidential Task Team work streams to finalise verification process and assist with data cleaning of the Military Veterans Database.
 - 5921 files have been handed over to the workstream under the leadership of General Mashwala.
 - The department is also engaging the associations to deal with anomalies raised in the files of individuals
- e. **Recommendation:** The Committee recommends that the Department provide it with the measures it has taken to address the challenges in Programme 3, and to indicate whether these measures have been effective as it concerns core activities such burial support; the erection of memorial sites; and training and skills development.

Response:

- The department has critically assessed the Skills Development portfolio based on processes, budget, experience and history and revised the Skills Development targets in 2020/21.
- The ESM Branch has been embarking on provincial outreach programmes (Operation Hlasela) that have proven effective in increasing the number of skills applications approved.
- In the Heritage/ Memorial area, poor performance resulted from the Department's high dependency on external stakeholders, e.g. DSAC and DPWI.
- Clear role clarification has been addressed and the role of DMV is to facilitate and coordinate. The role of DSAC, working DPWI and municipalities, is to budget and erect the sites.

- f. **Recommendation** The Committee recommends that the leadership of the Department should pay particular attention to the issues raised by the Audit Committee and the Auditor-General, and provide it with a progress report in this regard since the start of the current financial year (2020/21).

Response:

- The department has accepted the recommendations and agrees fully with issues being raised. The audit action plan has been discussed within the management command bodies.
- Ownership and execution of these actions have been allocated to the relevant branch heads.
- The internal audit function is to coordinate, advise and liaise with AGSA on these issues.
- This is work in progress. More work needs to be done to improve audit outcomes.

- g. **Recommendation:** The Committee recommends it should be briefed by the Department on progress made to address the Leadership challenges, and especially how it is implementing Consequence Management since the advent of the new financial year (2020/21), given that the Committee itself raised its concerns about the latter.

Response:

- The DMV requested assistance from DPME in dealing this with exercise. A report has been finalised and submitted to DMV with recommendations.
- A/DG has appointed a financial mismanagement panel and the panel has been considering the work done by DPME.
- About 37 cases have been removed from the register and 64 cases are being analysed for whether there was financial loss or not. Part of this process has been to write to the identified officials. A/DG will then write to National Treasury for condonment of some of these cases based on the responses received from the officials.
- This consequence management process is work in progress
- Director-General post was advertised and the Cabinet memorandum for the appointment of the DG has been forwarded to the Department of Public Service and Administration for further processing. The two vacant DDG posts (DDG: Corporate Services and DDG: Socio-Economic Support) were advertised and are awaiting the shortlisting process by the Ministry.

- h. **Recommendation:** The Committee recommends that the Department should finalise and approve the pension and public transport policies expeditiously to deliver on these benefits and that it should brief it on progress made since the start of the new financial year.

Response:

- The draft Pension policy has been developed.
 - It was consulted with the Department of Social Development (DSD), the Government Pension Administration Agency (GPAA) and the National Treasury on the 12 March 2021 and 8 April 2021 with a view to look at its urgent implementation and sustainability.
 - The next process / step is to get the policy into the approval process internally and further consult Executive Authority as the policy requires concurrence with the Minister of Finance.
 - The Subsidized Public Transport policy is still in a draft format and there was a plan to pilot the implementation of the subsidised transport so that lessons learnt from the pilot can be used to finalize the policy.
 - Memorandum of Understanding has been signed by the Accounting Officers of the Department of Transport and the DMV
 - Covid-19 pandemic restrictions delayed this process, however it will be resuscitated in consultation with the Department of Transport. The plan is to complete the policy process and implementation during the financial year 2021/22.
- i. **Recommendation:** The Committee recommends that the Department should brief the actions taken and the progress made to review the organogram and fill the vacancies and especially the appointment of a permanent Director-General for the Department.

Response:

- The review of the organogram has been included as one of the work streams in the Presidential Task Team intervention.
- A team from DMV, DoD, National Treasury and the Department of Public Service Administration has been assembled to review that work that was done previously and take the work forward for the finalisation of the organogram.
- The first meeting sat on the 26 January 2021 and after getting an overview of the task at hand, the meeting decided that a concept document and the Service Delivery Model (SDM) be prepared by the DMV to be discussed in a reconvened seating.
- Most notable it was indicated the SDM should consider the following:
 - Leveraging of or with other existing government service delivery platforms.
 - Consider that national fiscus is diminishing.
 - Consider that the current DMV structure was a start-up and to be developed further with time.
 - Correctly identify the problem that beset the DMV, whether it is structural or otherwise.
- The SDM was refined and presented to the DPSA in February 2021 together with a proposed functional structure that had already been done for a technical analysis.

- The DPSA has sent back the analysis to DMV to re-work the proposed functional structure and within funded posts.
- Due to challenges with capacity in the DMV, the department is considering the use of a service provider to assist in finalising the functional structure so that it can be submitted to DPSA for further analysis and advice.
- It is envisaged that such work will be complete within the 2021/22 financial year for consideration by DPSA. With the assistance of the CFO and National Treasury, DMV will complete the proposed “to be” organisational structure that is costed.
- It can be reported that the DG post has been re-advertised, shortlisted, candidates interviewed and the Cabinet Memo has been submitted to the DPSA.

j. **Recommendation:** The Committee recommends that the Department briefs it fully on the Skills Audit exercise given that close to half a million rand has been spent on this exercise.

Response:

- A Committee/Team (CFO, Legal, Compliance and HR) has been set up to deal or handle the Skills Audit exercise. A number of issues have been raised regarding how this was undertaken and what needs to be done going forward.
- The team could not come up with implementable recommendations due to conflict of interest amongst the team members. However, the Accounting Officer has approached the Public Service Commission (PSC) to assist with this process.
- The department will await the recommendations and advice from the PSC before taking further action on the implicated officials. The speed of this process was also affected by the resignation members of the team which were the Director: HRM and Director: Legal and the early retirement of the Deputy Director: Compliance.
- Furthermore, the exercise of the skills audit in the department is ongoing. A desktop analysis shows that 98% of the SMS members have the required qualifications. The competencies of the SMS members has also been reviewed.
- There might be a need to encourage SMS members to undertake the formal competency assessments, especially on soft skills, in order to identify areas where there are gaps that needs to be developed since most had done their competency assessments sometime back when they got appointed to the department.

k. **Recommendation:** The Committee recommends that the issue of access to nearby public and private hospitals via sickbays and military hospitals should be enhanced, especially speeding up

of processes to authorize treatment for specialized services based on referrals by military health practitioners

Response:

- The DoD, through SAMHS, usually assesses the seriousness of the patient and makes a decision where to send the patient in consultation with DMV. Most of these patients are sent to private hospitals.
- SAMHS would then invoice and then DMV pays.
- DMV through the MoU with SAMHS, continues to enhance the speed with which authorization and access to healthcare facilities both in public and private facilities is provided.
- In areas where there are transport challenges, the DMV provides transport through the assistance of DMV Provincial coordinators and help desk consultants.
- Depending on the patient's condition, the DMV provides emergency medical transport through supply chain.
- Despite the process being manual, SAMHS and the DMV ensures that the process is seamless, SAMHS co-operates well in this regard.

- I. Recommendation:** The Committee recommended that the Department should, on a quarterly basis, inform it of the status of legal claims against the Department, including the fiscal implications of each claim.

Response:

- A contingent liability report is submitted to AGSA on a quarterly basis and is also being presented to MANCO on monthly basis.
- The report shows the parties, quantum and detail on the matter. Court dates are also indicated.
- Legal Services attempts to act in the best interest of the DMV at all times and shall defend/oppose matters.
- The quantum's claimed shall not necessarily have to be paid as these matters must be heard in court where a judge/magistrate shall hear the merits and make a final decision.
- Many of the matters against DMV are dormant. Zeal was heard on 8 and 9 February 2021 and we still await judgment.

- m. Recommendation:** It was recommended that the DMV should keep the Committee abreast on their measures to speed up housing for military veterans against the background that there appear to be a lack of eagerness on the part of provincial housing departments, to request such funding from the DMV.

Response:

- There is improvement and the department is working to address the challenge with the provinces
- The DMV has been working well with Western Cape and paying the province upon availability of the happy letters. In the 2020/21 financial year, the DMV has further paid R24m to Gauteng and about R9.5m to Limpopo.
- There is a structural engagement with the Department of Human Settlements (DHS), nationally and provincially, which meets quarterly to monitor progress and challenges facing housing delivery.
- A Memorandum of Understanding (MoU) is in place between the DMV and DHS as well as service level agreements with all 9 provinces. The MoU and SLAs are being reviewed to ensure that their appropriateness to the current social and economic situation prevailing in the country.

n. **Recommendation:** Given the Committee's concern around the illegal occupation of houses earmarked for military veterans, it stressed the importance of addressing this situation and expect quarterly feedback in this regard.

Response:

- A joint strategy per project to prevent and deal decisively with the challenge of invasions has been developed by the DHS and the DMV and is being implemented.
- Part of the strategy is evictions which will be the last resort.

o. **Recommendation:** The Committee recommends that the Department should enhance its communication with military veterans and ensure that it respond to military veterans within the stipulated timeframe. It should also inform military veterans that if they are not satisfied with a decision by the DMV, that they can register and appeal with the Appeal Board.

Response:

- The department acknowledges receipt of the application by the Military Veteran.
- The Legal Services Unit has briefed all Programmes on PAJA and informed branches that written reasons must be given to the Military Veteran if a benefit is declined within a reasonable time.
- Programmes are constantly reminded of the above as this would hopefully lessen the appeals lodged with the Appeal board.

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 PCDMV is always appreciated.



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ACCOUNTING OFFICER: DEPARTMENT OF MILITARY VETERANS

DATE: 04/05/2021