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| **Summary of progress and outstanding issues with regards to section 100 intervention Committee recommendations:** 1. **Cross Cutting Ad Hoc Committee Recommendations;**
2. **Specific Sector Department recommendations; and**
3. **Recommendations per visited facility; and**
4. **General observations**
 |
| **Ad Hoc Committee Recommendation** | **Progress made thus far - 15 February 2021** |
| **Disciplinary action against transgressors**  | About 28 senior managers faced and still facing disciplinary processes related to financial misconduct, fraud and corruption, dereliction of duty and related as follows: * Office of the Premier (two – one dismissed)
* Department of Health (eight – two senior managers dismissed, including HOD)
* Department of Public Works and Roads (nine – CD Roads dismissed, Director Legal Services resigned)
* Department of Community Safety and Transport Management (four)
* Department of Education (five – one dismissed, Chief Director Infrastructure resigned)

Ongoing forensic investigations by the National Treasury and the SIU is expected to result in more officials facing disciplinary actions.  |
| **Criminal investigations**  | The National Prosecuting Authority (NPA) together with the Directorate for Priority Crimes Investigation (DPCI) are pursuing 51 criminal cases related to public funds in the North West:* + **17** cases enrolled for trial;
	+ **2** cases to be enrolled;
	+ **14** cases awaiting decision from National Prosecuting Authority (NPA);
	+ **8** cases are under investigation by the Directorate of Priority Crimes Investigation (DPCI);
	+ **10** cases have been finalised (five guilty, one not guilty, four declined to prosecute).

The Asset Forfeiture Unit (AFU) is currently involved in efforts to recover funds in priority cases; The Special Investigating Unit (SIU) is currently undertaking investigations under six Presidential Proclamations. |
| **Compliance, good governance and financial management**  | Audit results for 2019/20 show a turnaround after five years of decline and stagnation (Unqualified audits increase from 4 to 7, including the Office of the Premier.)* The province reports a decrease in annual irregular expenditure to R3,484bn from R4,72bn in 2018/19.
* 100(1)(b) departments show reduction in audit findings and areas of qualification.
* Capacity building has taken place across departments to strengthen supply chain management.
* Irregular project management units and outsourcing arrangements have been terminated. Processes are underway to recover losses to the State.
* Provincial departments reconfigured to align with national norms.
 |
| **Develop legislation to guide the implementation of the intervention**  | The Intergovernmental Monitoring, Support and Interventions (IMSI) Bill, has been developed, together with concomitant regulations, and consulted with affected government departments,The Bill will be presented before the State Law Advisor to test its constitutionality, and will simultaneously be present to the Department of Planning Monitoring and Evaluation to undertake and obtain a “socio-economic impact assessment” certificate within 2020/2021 financial year.The purpose of the Bill is:1. to regulate the implementation of, and the processes provided for in section 100 and section 139 of the Constitution;
2. to provide for targeted support to provinces and municipalities in need of assistance;
3. to provide for the monitoring of provinces and municipalities as to the fulfilment of their executive obligations in terms of the Constitution or legislation;
4. to provide alternative steps to interventions to induce compliance by provinces or municipalities with their executive obligations;
5. to provide for the deployment of administrators by the intervening national executive or provincial executive; and to provide for matters connected therewith.
 |
| **Develop an exit strategy to sustain the intervention** | * Directives under section 100(1)(a) will be issued to ensure progress and continuity on areas highlighted by NCOP.
* These directives together with other indicators will be monitored through a proactive system to detect and respond to challenges timeously, to prevent backsliding.
* The Director General of the province, as well as the Heads of Department for Health, Social Development, and Agriculture and Rural Development are currently vacant following resignation, dismissal, retirement and expiry of contract.
* Filling these vacant positions is a critical milestone for leaving the province on a stable footing and enabling the withdrawal of the direct intervention.
* The recruitment processes for all four positions are on track for the new leadership to be in place by the start of the 2021/22 financial year.
* The contracts for four other Heads of Department positions are expiring in the new financial year and will need to be filled to ensure stability.
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| **2. Summary of Progress and Outstanding Priorities per sector department as at 15 February 2021**  |
| **Office of the Premier – s100 .1.b**  |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| Failure to provide leadership resulting in a generalised breakdown in governance, accountability and labour relations.Non-compliance to prescripts and entrenchment of a culture of impunity due to lack of accountability and consequence management.An inability or unwillingness to address audit findings by the Auditor General (AG). Office of the Premier delivering services falling within the mandates of other departments.Outsourcing of core functions. | NW Coordinating Committee established, led by Office of the Premier to guide on transversal issues.Improved controls and governance resulting in unqualified audit.Various functions, which had been centralised in Office of the Premier in fifth administration, returned deps.Investigation and termination of irregular contracts and project management unitRebuilding internal capacity for managing ICT in the province and systems stabilized. ICT governance has been restored through establishment of Provincial ICT steering committee.Massive reduction of irregular expenditure. | Appointment of Director General.Completion of ICT strategy.Establishment of effective provincial labour relations framework.Transfer of Community Development Workers to Cogta.Finalisation of Provincial Macro Organisation of Government process. Finalisation of priority disciplinary cases. |
| **NW Department of Health - s100(1)(b)** |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| Collapse of governance structures, Supply Chain Management (SCM) and financial controls, resulting in high levels of accruals and failure to manage contracts.Labour unrest due to dysfunctional performance management system, non-resolution of grievances and bonus payments.Fraud, corruption and dereliction of duty by senior officials. High vacancy rates, especially at management level.Collapse of services at hospitals and clinics, requiring the intervention of the SANDF.Emergency services under-resourced and under-capacitated. | SCM contracts reviewed and disciplinary processes commenced – two senior managers including HOD dismissed, four lower level officials dismissed.The labour environment stabilized through agreements organised labour, and the re-establishment of the Provincial Bargaining Chamber.Key management vacancies filled and over 5000 permanent appointments made. Appointed 11 senior managers of which three were NWDoH officials who were promoted.A ten-year maintenance and refurbishment plan for hospitals is being implemented.147 EMS vehicles (ambulances, patient transport, response and forensic vehicles deployed since intervention to insource EMS services. | Appointment of the new Head of Department.Correcting the budget baseline for the Department to prevent on-going problem of accruals.Stabilisation of pharmaceutical section.Improvement of ICT infrastructureAutomation of NWDoH document management and information generation processes |
| **NW Department of Education - s100(1)(b)** |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| Non-compliance with the legislative and regulatory frameworks of government.Infrastructure school built programme was fraught with irregularities and abuse of Treasury Regulations Section 16A6 to appoint contractors, large sums of funds lost.Supply chain management challenges including irregular awarding of huge contracts without going through procurement processes.Human resource management challenges including irregular appointment of inappropriately qualified personnel. Impasse with labour on the implementation of the approved organizational structure. | Matric results increased to 86.6% in 2019 (up 5.7% from 2018.)Filled vacant posts of principals, Deputy principals and head of departments 12 procurement related investigations completed.Irregular expenditure is reduced by R1.2 billion, awaiting condonation by the relevant authority. New business processes for financial management and invoice tracking system are adopted.New bid committees established.Built technical specialists appointed to improve management of school construction projects.Impasse on organizational structure has been addressed and the structure is being implemented. | Appoint an audit firm to investigate the remaining irregular and wasteful expenditure.Implementation of the structure for the district development modelImplementation of consequence management on investigated cases.Appoint four senior managers and capacitate risk, internal control and supply chain management units.Recruit infrastructure engineers.Improve infrastructure, planning and performance.Strengthen financial and human resource management. |
| **NW Community Safety and Transport Management - s100(1)(b)** |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| Lack of internal controls and systems.Poor implementation of supply chain processes and financial management.Lack of proper compliance and governance monitoring. Several problematic contracts causing high levels of irregular expenditure (e.g. scholar transport, airport management companies and North West Transport Investments (NTI)). | Revised all SCM policies. Developed new contract management system.Established a new bid adjudication committee and introduced project specific evaluation committees. Risk management unit enhanced (the best performing unit with full compliance in all areas.)  Implemented Post Audit Action Plans, trained staff to monitor compliance & detect possible IUF’s. Conducted several investigations on irregular contracts, set aside learner transport contract, cancelled SA Express contract and opted out of irregular security contract. Intervened to stop liquidation of provincial transport company – Northwest Transport Investments. | Key contracts that were cancelled due to irregularities/illegalities need to be concluded (under close supervision- before section 100(1)(b) ends.Outstanding investigations and consequence management on concluded investigations.Finalise/regularise irregular expenditure.Continue with stabilisation of NTI and improve liquidity after overturn of liquidation.Finalise fit-for-purpose organisational structure.Clear repeat AGSA negative findings. |
| **NW Department of Public Works and Roads - s100(1)(b)** |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| The department reduced the scope of its mandate over time and deviated from its role as custodian of the asset management plan. Interference in procurement of services for unfunded mandates.Ineffective financial management.The maintenance budget for roads was consumed by unfunded mandates emanating from the Premier's Office which aggravated backlogs in road maintenance.The department lacked technical expertise in the built environment. | Unblocked construction projects.R1,3bn for road projects in 19/20.109 road projects implemented under Roads Recovery Plan, creating 9 035 jobs. Graders and TLBs procured for the first time in three years.Co-ops; brick plants; community contractor and road maintenance programmes resuscitated. Criminal cases opened for crimes including fraud, and intimidation.62 752 job opportunities created through the EPWP programme, 61 local contractors and 40 SMME’s in road maintenance projects (R 220million).285 positions advertised and 99 positions have been filled to date. Reviewed & improved financial governance structures & controls. | Filling of critical vacancies.Finalization of Ayamah and Open Waters forensic investigations.Finalise Infrastructure Delivery Management System (IDMS) protocols on building infrastructure for all departments.Finalise the assessment of all Mega Projects.Office Space and Multi-Tenancy Office Project for the provincial government.Sale of redundant properties.Implementation of Information Management Systems.  |
| **NW Provincial Treasury - s100(1)(a)** |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| Major weaknesses in supply chain management (SCM) and in the monitoring and support of municipal finance management.Financial controls in the finance cluster had collapsed due to historically accumulated unauthorised expenditure, irregular expenditure and accruals. This was largely due to non-compliance with SCM laws and regulations.The Provincial Treasury itself achieved a clean audit, though demonstrated weaknesses in its fiscal oversight role. | SCM framework for provincial departments and entities reviewed and adopted.Provincial Treasury SCM Unit Organizational Structure approved and of key personnel in progress.Completed competency assessment for approximately 720 SCM officials for both the MFMA and PFMA and individual competency gaps identified.NT assisted the PT to finalise a Contract Management Framework for the Province. | Condonation of irregular expenditure.Implementing the contract management project for municipalities.Undertake skills audit and upskilling of municipal Budget and Treasury Office and Provincial Treasury’s MFM unit.Municipal intervention – invocation and implementation of s139 of MFMA. Develop implementation plan for SCM capacity building support. |
| **NW Cooperative Governance and Traditional Affairs - s100(1)(a)** |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| Failure to approve and finalise the organizational structure.20 out of 22 municipalities obtained disclaimers or qualified audit opinions in 2016-17.12 municipalities were dysfunctional, requiring urgent intervention.Poor financial management.Inadequate implementation of audit improvement plans and weak municipal support by the department.Water and sanitation support functions were weak. | Provincial department achieved clean audit indicating improvements in governance and financial management.Situation at municipalities remains matter of concern.Water and sanitation challenges continue to negatively impact the province. | Fit-for-purpose organisational structure.Migrate Community Development Workers from Office of Premier to Cogta.Review and implement section 154 municipal support plans issued in July 2018. |
| **NW Department of Human Settlements - s100(1)(a)** |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| The department did not meet its targets in line with the approved business plan.There has been frequent changes of incumbency to the Head of Department post, impacting on management stability.Poor audit outcomes due to irregular expenditure.Lack of technical capacity. | The Human Settlements Development Grant Business Plan for 2019\2020 completed, approved and implemented.The department achieved its actual targets on delivery of services sites and units build during period under review.Title Deeds Restoration Grant business plan developed and implemented.Multi-Year Human Settlements Development Plan and Projects Readiness Matrix developed. | Establishment of new departmental structures (effectively non-existent).End reliance on outsourced Project Management Unit.Transfer of North West Housing Corporation houses to beneficiaries.Completion of blocked projects. |
| **NW Department of Social Development - s100(1)(a)** |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| Non-compliance with SCM processes.Lack of internal controls and audit findings not actioned by management.Non-compliance with Occupational Health and Safety Act.Collapse of services due to break down in labour relations. | Sufficient progress has been made on the ministerial directives to warrant issuing a close out report. The national department will continue to provide support on the challenges regarding infrastructure that face the provincial department. | Appointment of HOD. |
| **NW Department of Agriculture and Rural Development - s100(1)(a)** |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| Structural weaknesses in the department that included inadequate business planning and execution of programmes and projects.Lack of alignment between strategy capacity and capabilities.Challenges in the use of an implementing agent: Agridelight resulting in problems with project implementation. | The use PMUs in the DARD was halted. There is noticeable improvement in DARD implementing projects by itself. Forensic audit into Agridelight matter. Forensic audit into the Compre-hensive Agricultural Support Programme conditional grants.Transfer of assets to beneficiaries completed.New organisational structure approved.The engineering capacity within DARD strengthened. | Appointment of HOD.Incomplete agro processing projects.Investigation and consequences management into the prior year irregular expenditure of R1 billion.Processing and court challenges of the Close Out Report from the Agridelight PMU, which has in turn submitted additional invoices amounting to over R30 million. |
| **NW Department of Tourism - s100(1)(a)** |  |  |
| **Reasons for intervention** | **Progress made**  | **Outstanding Priorities** |
| Conflation of powers between the administration and political leadership.Assessment of oversight processes between the Department and the North West Tourism Board.Improving financial management, contract management.Enhancement of governance arrangements. | Tourism function transferred from the abolished North West Department of Tourism to the North West Department of Economic Development, Environment, Conservation and Tourism (DEDET) with effect from 28 May 2019.NW Parks Board and the NW Tourism Board have been merged in line with the recommendations from national department. | The national Department of Tourism is to discontinue the section 100(1) (a) intervention but continue to support the DEDECT in its additional tourism function, including areas which are not fully completed.  |

**3. Outstanding issues from the facility oversight visit 2018 recommendations in the North West Province:**

On 15 until 18 March 2021, the Ad Hoc Committee had engagements with various stakeholders in the Province, wherein observations and appropriate recommendations were made. The delegation was divided into two groups, in order to cover more grounds and provide sufficient consultation with all the relevant stakeholders.

**Group 1** was composed of the following Members of Parliament and officials: Mr TSC Dodovu (ANC and Group Leader), Mr S Zandamela (EFF), Ms C Visser (DA), Mr P Dlomo (Content Advisor), Ms P Ntaka (Researcher) and Mr L Ben (Committee Assistant).

**Group 2** consisted of the following Members and officials were, Ms Z Ncitha (ANC and Group Leader), Mr F Du Toit (DA), Mr M Nchabeleng (ANC), Mr N Mfuku (Content Advisor), Ms Y Brown (Researcher) and Mr N Mangweni (Committee Secretary).

**3.1 Site Visit: Mahikeng Provincial Hospital**

The 2018 oversight recommendations were not entirely implemented as follows:

* Bid Committee was appointed but there was no training provided yet;
* There is need to develop proper recruitment (nepotism) and retention strategy for medical staff such as health professionals and nursing specialists;
* The Chief Executive Officer position has been vacant since 2015 and still not yet filled with other key management positions;
* Payment of overtimes: workers have not been paid their overtimes since February 2018;
* Hospital Infrastructure: laundry and kitchen infrastructure was still not yet addressed since the previous oversight n 2018; hence the outsourcing of catering and security;
* Mortuary fridges: there were still old fridges which keeps braking down and these needs to be replaced and appoint more porters;
* Functioning of hospital theatres: these were not fully functional and funds have been spent on this without yielding positive results;
* Functioning of Autoclaves: Only one autoclave out of four was functional;
* EMS vehicle: needed to be replaced as these have exhausted their lifespan with high mileage;

ICT infrastructure to ensure that there was electronic record system for patient information was lacking;

Nehawu written submission is still outstanding as it was promised; which was received

* Grievances of workers remained unresolved;
* Some wards needed paintings, this had been planned but never materialised;
* Maintenance of infrastructure remains a problem;

**3.2 Site visit Tshepong Hospital**

Most of the Committee recommendations from 2018 oversight were implemented;

* Adequate funding was needed;
* There were cases of intimidation and threats made by unruly contractors;
* Generators needed to be replaced as these have reached their lifespan;
* The Committee requested a breakdown of maternal mortality rate for the quarter 1 – 3;
* Remedial actions to address over expenditure was needed;

**3.4 Site Visit: Alabama Primary School**

Some 2018 recommendations were implemented, except the following:

* Funding for security to avoid theft and vandalism remained unresolved;
* Sustainable water infrastructure for irrigation system remained unresolved;
* Municipal bill of R45000 needed to be addressed urgently, where the school continued to receive water bill even when it was closed during COVID – 19;
* Internal capacity to maintain the school infrastructure was needed;
* Computers at the laboratory were more than 14 years old and needed attention;

Department of Community Safety and Transport was still in the process of recovering monies from scholar transport operators who were over – paid;

The Department undertook to provide the Committee with actual figures of amount to be recovered;

 The administrator of the Department undertook provide the Committee with a report responding to the issues raised by the Committee during the unannounced visit to Kgosi George Dick Montshioa Airport;

**3.5 Site Visit: GS Phoi High School**

The 2018 oversight recommendations were not entirely implemented and the presentation did not speak to the progress:

* Shortage of classrooms, school infrastructure challenges (kitchen, fencing) and staffing (3 vacancies) was still unresolved;
* Scholar transport (two service providers withdrew) and security to prevent vandalism remains a challenge;
* Under expenditure on education budget remained a challenge and the Committee requested the Administrator to submit plans on how he intends improving expenditure such that the province does not lose its own budget to other provinces due to unspent funds;
* The unavailability of water remained unresolved, especially for sanitation;
* Matric pass rate had drastically decreased owing to COVID – 19 pandemic;
* The road that led to the social unrest and negatively affected the school is still in bad condition;
* Mobile classrooms are helpful but remained in poor condition;
* The SGB appealed for help to the Department of Education to assist the child headed households;

**3.5.1 The Community Forum Submission was as follows:**

* It requested that it receives feedback on the progress that has been made in terms of the Z482 road, the incomplete RDP houses and the challenge of an unreliable water supply.
* The forum expressed that the community has a problem with high levels of crime and yet the nearest police station is situated far away from the village.
* It further expressed that with the community growing, an additional primary school was needed.
* The forum requested that it gets an update into the investigation of the sports facility that was budgeted for but remains incomplete.
* The forum further requested that it also gets an update into the R4 million that was earmarked for classrooms to address the issue of overcrowding.
* They highlighted that out of the R4 million that was set aside, only painting was done and the contractor converted existing classrooms into an admin block.

**3.6 Site Visit: Madibogo Pan Primary School**

* Maintenance of infrastructure remained unresolved; the roof was damaged by storm in some buildings and never repaired;
* Vandalism and security also remained a challenge;
* Education assistance and general assistance were not paid since December last year;

**3.7 Site Visit: Modibogo – Pan Bridge and Road**

The Committee did not engage with the presentation and felt that it was not addressing the key issues. The Committee resolved that a set of questions be sent to the IMTT for the provincial Department of Public Works to respond and a follow up meeting will be reconvened as soon as the Committee decides;

**3.8 Site visit: Emergency Management Center for the City of Matlosana**

* The communication and tracking system for EMS vehicle staff remained unresolved, though the tender was issued;
* The disciplinary action against the suspended director of EMS had not been concluded but the official was called back on duty;
* The EMS building accommodation remains a challenge in that it is not fit for EMS purpose;
* The EMS vehicle procurement remains a challenge as it falls within the Department of Community Safety and Transport;
* EMS and medical Staff resignation problem had not been resolved since the previous oversight;
* Out of 16 ambulances only 6 were operational and the rest were on maintenance;
* The issues around safety of EMS personnel being hijacked, robbed, attacked and sometimes being raped remained unresolved;

**3.9 Site visit: Social Development Service: Matlosana Service Point**

Some recommendations were still outstanding:

* The office accommodation remains a challenge, particularly in Maquassi Hills Service Point, social services are conducted in the community hall;
* The failure of the provincial Department of Public Works to provide Social Development and other departments with the services that it is mandated to.
* There was irregular expenditure emanated from the continuas extension of the expired lease agreement; this is due to Public Works failure to issue notices for the lease six months before it expires;
* The HOD post has been vacant and not yet filled, however, the appointment has been submitted to the Minister of Social Development;
* The Matlosana Service point had about 139 officials sharing 53 offices;
1. **General observations:**

Although some facilities had implemented the 2018 Committee recommendations but some have not made much progress;

* Senior managerial positions remained vacant and this is important to bring stability;
* The intergovernmental and interdepartmental planning remains challenge, especially between public works and other departments regarding leases and property management, the department of Community Safety and Transport Management with other departments; with regards to the maintenance, procurement and operationalisation of government vehicles - departments are now lobbying for dissolution of functions;
* Maintenance of Schools and hospital infrastructure (kitchen, laundry, mortuary, shortage of classrooms and scholar transport), remains a challenge;
* Security in schools to avoid vandalism and theft of government assets remains a challenge;
* Good governance and accountability structures to prevent poor expenditure remained a concerned, although irregular expenditure has been reduced in certain departments;
* Cases of official charge with financial misconduct has not been finalised in certain departments;
* The enabling legislation to guide section intervention implementation process has not yet been finalised; and it must clarify the issues of interface between the administrators, IMTT, provincial Exco and provincial legislatures;
* There was general consensus that there was slow progress in finalising cases by law enforcement agencies given that the intervention started in May 2018 and they were selective in dealing cases, whistle blowers and witnesses not being properly interviewed;
* Exit strategy must address the fundamental issues of capacity and transfer of skills in order to maintained and sustain the systems of the intervention;
* More detailed issues are reflected in the draft Committee oversight report.