

REPORT OF THE PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS ON BUDGET VOTE 26 DEPARTMENT OF MILITARY VETERANS DATED 11 May 2022

The Portfolio Committee on Defence and Military Veterans (PCODMV), having considered Budget Vote 26, Military Veterans, and its 2022/23 Annual Performance Plan (APP) on 11 May 2022, reports as follows:

1. INTRODUCTION

1.1 Mandate of the Committee

Section 55 (2) of the Constitution of the Republic of South Africa (1996) states that “The National Assembly must provide for mechanisms (a) to ensure that all executive organs of state in the national sphere of government are accountable to it and (b) to maintain oversight of (i) the exercise of national executive authority, including the implementation of legislation; and (ii) any organ of state.”

1.2 Process

The Portfolio Committee considered the Department of Military Veterans’ 2022/23 APP as well as its 2022/23 budgetary allocation on 20 April and 11 May 2022. The Committee made several observations that led to recommendations to the DMV, to enhance their performance for the remainder of 2022/23. The Department of Military Veterans (DMV) submitted its APP for 2022/23 to Parliament on 9 March 2022. The Department’s annual budgetary allocation is outlined in National Treasury’s 2022/23 Estimates of National Expenditure (ENE) as Vote 26.

2. FOREWORD BY THE MINISTER AND DEPUTY MINISTER

The Minister points out that the Department’s priorities are, *inter alia*:

- Economic Transformation and Job Creation for Military Veterans;
- Consolidating the social wage through reliable and quality basis services;
- Development and promulgation of regulations on the Advisory Council, Appeal Board and the National Military Veterans Association; and
- The finalisation and implementation of its desired organisational design to support its mandate.

It is indicated that the DMV will support the governance and accountability protocols to *maintain an unqualified audit opinion*. The development and implementation of the *Integrated Database Management System (IDMS)* will be done in phases, and the registration phase has been completed, followed by the education support benefit phase in April 2022 and all other benefits throughout the year. “It will be officially rolled out in October 2022.”

The DMV is looking at a new *sustainable development and empowerment agenda* for Military Veterans to enable them to sustain themselves with minimal assistance from the Department. This will include a revamped procurement process that will favour Military Veterans, and improved financial systems to make payment of service providers more efficient and effective.

The DMV is benchmarking with the DOD on *medical cover* for regular force members which continues to cover them and their families upon retirement. A costing exercise using low cost medical scheme options has been done. The DMV has embarked on a project to publish and print manuscripts of Military Veterans to document their experiences and this is done in partnership with the Human Sciences Research Council (HSRC). The Department is currently working on the verification process of Military Veterans before they can be registered on the database and this will be done through a personal interview process. “*The Department will not accept any new application and this process is a once off.*” They will work on finalising the cleansing of the Military Veterans database for budgeting purposes in their quest to accelerate the disbursement of Military Veteran’s benefits.

The Deputy Minister, in turn, points out the four key benefits which the DMV will focus on regarding its efficiencies:

- housing,
- education, training, skills development,
- access to health care by Military Veterans; and their dependants; and
- implementing initiatives to improve the delivery of the services it provides.

He also refers to the plan for an automated database which has earnestly started with the assistance of SITA. Reference is also made to the intended expansion of the medical benefit to dependents. He outlines that the transport, compensation and pension policies will be finalised. Other policies will be aligned with those of other relevant government departments to increase access in particularly rural areas.

3. MANDATE, OBJECTIVE AND CONTRIBUTIONS OF THE DMV

3.1 Mandate of the Department of Military Veterans

The DMV derives its legislative mandate from the Military Veterans Act (18 of 2011), which requires it to provide national policy and standards on socio-economic support to military veterans and their dependants, including benefits and entitlements to help realise a dignified, unified, empowered and self-sufficient community of military veterans.

3.2 Main Objective of the Department of Military Veterans

The main objective of the DMV is to provide national policy and standards on socio-economic support to Military veterans and their dependants, as well as policies and standards on heritage and empowerment programmes including those that contribute to nation-building and reconciliation.

3.3 The State of the Nation Address, National Development Plan, Medium Term Strategic Framework and the Executive Authority Priorities

The DMV's 2022/23 APP makes reference to the State of the Nation Address (SONA), the Medium-term Strategic Plan 2020 – 2025 and the National Development Plan (NDP).

- **State of the Nation Address**

The DMV 2022/23 APP states that the department contributes to six MTSF priorities and the priorities announced by the President in the 2021 SONA which are: Priority 1: Capable, ethical and developmental state; Priority 2: Economic transformation and job creation; Priority 3: Education, skills and health; Priority 4: Consolidating social wage through reliable and basic services; Priority 5: Spatial development, human settlements and local government; and Priority 6: Social cohesion and safer communities.

The DMV also states that, within the context of a developmental state as envisaged in the NDP Vision 2030 and the SONA, the Department acknowledges the importance of the objective of building a fully functional Department in order to enable it to provide the socio-economic support services and benefits to Military Veterans where necessary their dependants in an effective, efficient and sustainable manner.

Reference is also made to the 2022 SONA which unveiled the government's plans and priorities for the coming year. The President stated in his 2022 SONA that the country remains focused on the priorities identified in the State of the Nation Address last year, among others, a massive rollout of infrastructure. Furthermore, around 80% of all the people employed in South Africa are employed in the private sector. This priority is linked to section 5 (1) (e) and (f) of the Military Veterans Act which requires the department to facilitate advice on business opportunities for the Military Veterans.

It lists the contributions to the NDP, the Medium Term Strategic Framework Outcomes and the Executive Authority Priorities in a tabular format, as follows:

| Executive Authority (EAs) Priorities | National Development Plan (NDP) Vision 2030 | MTSF Priorities |
|---|--|--|
| Priority 1: Strengthening governance and oversight protocols to give effect to the provisions of the Act. | Chapter 13: Building a capable and developmental state <ul style="list-style-type: none">• Strengthen delegation, accountability and oversight Chapter 14: Fighting corruption | Priority 1: Capable, ethical and developmental state |

Table 1: DMV contributions to the NDP, MTSF and Executive Authority's Priorities

| Executive Authority (EAs) Priorities | National Development Plan (NDP) Vision 2030 | MTSF Priorities |
|--|--|--|
| Priority 2: To provide comprehensive support services to Military Veterans and where applicable, to their dependants: <ul style="list-style-type: none"> • Education, • Training and skills development | Chapter 9: Improving education, training and innovation | Priority 2: Economic transformation and job creation Priority 3: Education, skills and health Priority 4: Consolidating social wage through reliable and basic services Priority 5: Spatial development, human settlements and local government |
| <ul style="list-style-type: none"> • Acquiring a Healthcare and wellness Centre in the near future • Access to health services | Chapter 10: Promoting health | |
| <ul style="list-style-type: none"> • Facilitation of employment placement • Facilitation of or advice on business opportunities | Chapter 3: Economy and Employment | |
| Subsidisation or provision of: <ul style="list-style-type: none"> • Public Transport • Housing • Compensation for Injuries/Trauma/ Diseases while performing military activities • Pension • Burial support | Chapter 8: Transforming human settlement and national space economy Chapter 6: Integrated and inclusive rural economy Chapter 15: Transforming society and uniting the country | |
| Priority 3: Promote empowerment programmes for and of Military Veterans | Chapter 3: Economy and Employment Chapter 14: Fighting Corruption Chapter 15: Transforming society and uniting the country | Priority 2: Economic transformation and job creation. Priority 4: Consolidating social wage through reliable and basic services |
| Priority 4: Promotion of Military Veterans' heritage as well as memorialisation and honouring | Chapter 14: Fighting Corruption Chapter 15: Transforming society and uniting the country | Priority 6: Social cohesion and safer communities |
| Priority 5: Maintain the credibility and security of the national military veteran database | Chapter 13: Building a capable and developmental state <ul style="list-style-type: none"> • Strengthen delegation, accountability and oversight | Priority 1: Capable, ethical and developmental state |
| Priority 6: Implementation of the high impact communication and marketing strategy and plan | | |

4. COMMITTEE 2021/22 BUDGET REPORT

In order to include a holistic review by the Committee, past recommendations are included. The Committee made the following recommendations in terms of the 2021/22 APP of the DMV:

- i. Committee agreed that since it has not received any official report on the PTT, the DMV should, at its next engagement with the Committee, provide a detailed report on its interaction with the PTT and what is exactly is expected from the DMV.
- ii. The DMV should provide the Committee with a report on all provincial offices, including its location, functionality, the staff and their qualification levels by the end of June 2021. In addition, the Committee requires an indication of the timeframes for finalising all provincial offices.
- iii. The Committee recommends that the DMV should report whether the qualifications of all Senior Management Service (SMS) members have been verified with South African Qualifications Authority (SAQA), and if some are outstanding, when these will be completed. The DMV should also, going forward, on a regular basis, report whether progress is being made to address the organisational culture and the lack of a spirit of team work.
- iv. It was recommended that the DMV should address the inadequate legislative and policy risk as a matter of urgency, as it is central to addressing various other challenges to effectively deliver benefits to military veterans and their dependents.
- v. The Committee recommends that the Department should provide it with the names, titles and contact details of all senior officials in order to allow Members to direct their queries from military veterans to the relevant section/branch speedily.

- vi. It is recommended that the DMV should provide the Committee with a report on how the targets were determined, the specific reasons for adjustments and specifically whether these were adjusted in line with the allocated budget for FY2021/22, by the end of June 2021.
- vii. The Department was encouraged to state up front whether the various policies are appropriately funded by National Treasury, otherwise it will defeat its purpose if these are not funded or underfunded.
- viii. The Department should, in writing, provide the Committee with the timeframes for filling all vacancies as well as whether it intends to acknowledge previous service from both former non-statutory forces and statutory force members.
- ix. The Committee recommends that the Department should provide it with specific information on how it plans to strengthen relationships with sister departments, given that this issue has been consistently raised since the advent of the 6th Parliament.

5. DMVs ANNUAL PERFORMANCE PLAN 2022/23

The Department of Military Veterans' APP 2022/23 consists of four main parts namely the DMV Mandate; the DMV Strategic Focus; Measuring DMV Performance and the Technical Indicator Descriptions, with the first three parts being discussed below.

5.1. Part A: DMV Mandate

This section lists the Constitutional mandate as derived from the 1996 Constitution and refers to its legislative mandate originating in the Military Veterans Act (No. 18 of 2011), the Military Veterans Benefits Regulations and several other acts and policies that relate to its mandate. They also list various institutional policies including the White Paper on Military Veterans, a Beneficiary Support Services Policy and the Subsidised Public Transport Policy. The DMV also states that it does not have any relevant court rulings. The APP points out that the White Paper on Military Veterans will be focused on in the 5-year period.

5.2 Part B: DMV Strategic Focus

This Part deals with the DMV's vision, mission, organisational values, situational analysis, external environment analysis, and internal environment analysis.

5.2.1 Situational analysis

The DMV's APP refers to the NDP 2030 Vision and points out that the APP aims to reinforce the role played by military veterans in the past and creating awareness of current benefits.

Updated Situation Analysis

The 2022/23 APP – as with the three previous APPs - outlines the DMV's contribution to the Executive Authority (EA) Priorities, National Development Plan (NDP) Vision 2030 and Medium Term Strategic Framework (MTSF) Priorities 2019-2024 under the heading Updated Situational Analysis. The EA priorities align with the various benefits, and these are linked to the relevant NDP chapters which are further expounded upon in the MTSF priorities such as Priority 2: economic transformation, etc.

External Environment

This section of the APP explains the impact of the Covid-19 pandemic and stresses that the DMV has not been spared in this regard. Reference is made to their intention to improve on their Occupational Health and Safety (OHS) measures; appropriate flexible working arrangements and the provision of tools of trade to employees. Interestingly, it states that its mandate remained the same over the five-year period even under Covid-19. Reference is made to the DMV taking into cognisance the negative audit findings in the Health unit by the AGSA and that it is working towards remedial actions that will enhance good governance and accountability. It acknowledges that only 2 091 houses have been built since inception and that it plans to fast track the delivery through partnerships and collaboration.

The APP points out that there it needs to be biased on the provision of benefits to Non-Statutory Forces (NSF), given the prejudices and imbalances of the past, but that this cannot be done without support of solid legislation. It states that "[t]he Act has to be extremely clear and explicit as to how to handle matters affecting both Statutory Forces (SF) and Non Statutory Forces (NSF) members."

The APP lists various challenges over the years faced by the DMV in the delivery of benefits and proceeds to list these, followed by the mitigating steps being undertaken. In the process it laments the lack of an Integrated Information Management System, the structural constraints, as well as the fact that contract workers do not have the tools of trade to conduct their business remotely. It points out that Education support has been migrated from Programme 2 to 3 but that there are currently no financial and human resources shifted despite the ESM branch already having started with some activities.

Reference is made to the High level DMV Database Registration Process which outlines the requirements to be registered, followed by a provincial breakdown where military veterans reside as well as a racial and gender breakdown of military veterans. It states that 76% of military veterans hail from SF's with 24% from NSFs and that, given the history, there is a need for urgent intervention to "redress" the injustices of the past. The concentration of military veterans in the Gauteng Province constitutes 30% of the DMV population and necessitates the speeding up of establishing/enhancing provincial offices.

Internal Environment

This section of the APP discusses various issues such as the work of the Presidential Task Team (PTT), especially its work on reviewing legislation and the need to ensure that the Consensus Document is implemented as a government-wide programme. It also outlines its intention to link up with the District Service Delivery Model (SDM), as it “*will contribute to an empowered and self-sufficient community of military veterans.*”

5.3 Part C: Measuring DMV Performance

This section is divided into four note-worthy subsections namely Institutional Performance Information; Key risks and mitigations; and Public entities.

5.3.1 Institutional Performance Information

The APP sets out the DMV’s contribution in relation to the Executive Authority’s Priorities, the NDP Vision 2030, and the MTSF 2019 – 2024 Priorities.

Budget Programme Structure

The APP indicates that no amendments or additions have been made in Programme 1 which consists of 6 sub-programmes. Programme 2 saw three amendments in its three sub-programme relating to either ensuring it reflects the correct intent of the sub-programme or to ensure that funds allocated are made visible to ensure accountability. Programme 3 with its three sub-programmes, did not have any amendments.

6. DMV PROGRAMMES FOR FY2022/23

The 2022/23 of Estimates of National Expenditure (ENE), Vote 26: Military Veterans, states that the purpose of the Vote is to formulate policies and standards aimed at providing a comprehensive delivery system to military veterans and their dependants in recognition of their role in the democratisation of South Africa. As such, the DMV will over the medium term, continue to focus on providing key benefits such as health care, housing, education, training and skills development programmes to military veterans and their dependants.

6.1 Programmes and sub-programmes

6.1.1 Overview of the 2022/23 Budget and MTEF Estimates

The APP emphasises that the DMV is now under Vote 26 in the ENE to ensure it accounts for its own budget with its own accounting and budgeting systems. The Department’s budget will increase from R666.4 million to R692.8 3 million over the medium-term (2022/23 to 2024/25). Programmes 2 and 3, the two main delivery programmes will be allocated around 80% of the budget to assist the DMV to deliver on its mandate.

Budget summary

| R million | 2022/23 | | | | 2023/24 | 2024/25 |
|--|------------------|-------------------------|-----------------------------|-------|---------|---------|
| | Current payments | Transfers and subsidies | Payments for capital assets | Total | Total | Total |
| MTEF allocation | | | | | | |
| Administration | 129.7 | – | 3.6 | 133.3 | 134.2 | 140.4 |
| Socioeconomic Support | 163.8 | 202.9 | 11.9 | 378.6 | 374.8 | 391.9 |
| Empowerment and Stakeholder Management | 143.4 | 6.3 | 4.8 | 154.4 | 154.0 | 160.5 |
| Total expenditure estimates | 436.9 | 209.2 | 20.2 | 666.4 | 663.0 | 692.8 |

| VOTE 26: MILITARY VETERANS | | | | |
|--|---------|-------------|---------|-------------|
| Programme | Budget | | | |
| R million | 2021/22 | % of budget | 2022/23 | % of budget |
| Programme 1: Administration | 132.9 | 21.88 % | 133.3 | 20.24% |
| Programme 2: Socio-economic Support | 305.3 | 50.26 % | 378.6 | 57.10 % |
| Programme 3: Empowerment & Stakeholder | 169.2 | 27.86 % | 154.4 | 23.29 % |
| TOTAL | 607.4 | 100% | 666.3 | 100% |

The table above indicates that 50.26% of the budget in 2021 went to Programme 2 while this increased to 57.10 % for 2022. Besides Programme 2 being the largest with a R378.6 million allocation, it is also the main service delivery programme as it disburses eight of the eleven Military Veterans' benefits. Programme 3, the other service delivery programme, is allocated the second largest portion of the budget with 23.29%, a decrease of R14.8 m while the Administration Programme receives around 20.24%, down from 21.88% in the previous financial year.

| VOTE 26: MILITARY VETERANS | | | | | | |
|--|--------------|--------------|--|-------------------------------------|-----------------------------------|--------------------------------|
| Programme | Budget | | Nominal Increase / Decrease in 2022/23 | Real Increase / Decrease in 2022/23 | Nominal Percent change in 2022/23 | Real Percent change in 2022/23 |
| | R million | 2021/22 | | | | |
| Programme 1: Administration | 132.9 | 133.3 | 0.4 | - 5.3 | 0.30 % | -4.02 % |
| Programme 2: Socio-economic Support | 305.3 | 378.6 | 73.3 | 57.0 | 24.01 % | 18.67 % |
| Programme 3: Empowerment & Stakeholder | 169.2 | 154.4 | - 14.8 | - 21.4 | -8.75 % | -12.68 % |
| TOTAL | 607.4 | 666.3 | 55.6 | 27.0 | 9.2 % | 4.45 % |

The DMV's 2022/23 budget has increased with R55.6 million from the previous year in nominal terms and in real terms with 4.45% after adjustment for inflation. The biggest increase in nominal terms was in Programme 2 with R73.3 million or 24.01% from the previous year, well above the inflation rate. Programme 3, the other service delivery programmes has however seen a decrease of R14.8 million or 8.75% in nominal terms. Programme 1 on the other hand saw an increase of around R400 000 which translate to a real decrease of 4.02%.

6.1.2 Programme 1: Administration

Purpose and performance targets

The main purpose of the programme is to provide management and strategic administration support to the Ministry, and overall management of the department. The following table shows the Programme's annual and quarterly performance targets for FY2022/23 to FY2023/24.

| Indicator ID | Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--------------|--|---------------|------|-------------|------|------|
| *PPI: 101 | Unqualified audit opinion | Unqualified | - | Unqualified | - | - |
| PPI: 102 | Percentage of legitimate invoices paid within 30 days | 100% | 100% | 100% | 100% | 100% |
| PPI: 103 | Number of IDMS modules implemented | 4 | 1 | 1 | 1 | 1 |
| *PPI:104 | Percentage representation of persons with disability | 2% | - | - | - | 2% |
| *PPI:105 | Percentage representation of women at SMS level | 50% | - | - | - | 50% |
| *PPI: 106 | Number of liberation struggle history research outputs | 6 | - | - | - | 6 |

*NB: Targets that are reported on only at the end of the financial year, will be continuously tracked on a monthly basis to ensure that challenges if any are addressed throughout the year so that targets are met.

Programme 1: Sub-Budgetary allocation

| R m | 2021/22 | 2022/23 | 2023/24 | 2021/22 | 2022/23 | 2023/24 | 2021/22 | 2022/23 | 2023/24 | 2021/22 | 2022/23 | 2023/24 |
|---|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|-------------|---------------|---------|
| Management | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Corporate Services | 71.4 | 68.7 | 66.4 | 64.5 | -3.3% | 49.7% | 71.7 | 71.5 | 73.4 | 4.4% | 52.0% | |
| Financial Administration | 22.2 | 21.0 | 20.0 | 16.5 | -9.4% | 14.6% | 14.8 | 14.9 | 15.7 | -1.6% | 11.5% | |
| Internal Audit | 8.1 | 10.6 | 9.4 | 11.5 | 12.5% | 7.3% | 11.4 | 11.5 | 12.2 | 2.2% | 8.6% | |
| Strategic Planning, Policy Development, and Monitoring and Evaluation | 10.3 | 13.9 | 11.4 | 18.1 | 20.6% | 9.9% | 15.4 | 15.6 | 16.7 | -2.8% | 12.2% | |
| Office Accommodation | 13.6 | 12.9 | 13.3 | 14.9 | 3.2% | 10.0% | 12.8 | 13.4 | 15.2 | 0.7% | 10.4% | |
| Total | 138.1 | 139.6 | 134.8 | 132.9 | -1.3% | 100.0% | 133.3 | 134.2 | 140.4 | 1.8% | 100.0% | |
| Change to 2021 Budget estimate | | | | 2.1 | | | 1.5 | 0.5 | 0.6 | | | |

The Programme's budget increased from R132.9m in 2021/22 to R133.3m in 2022/23. This is mainly attributed to an increase in the Corporate Services sub-programme from R64.5 million to R71.7 million. The increase in the Corporate Services subprogramme should be seen against the background that in the previous financial year it had a reduction of R10.6 million. It is however concerning that Internal Audit's allocation has decreased given the dire need to have a fully capacitated Internal Audit Function and the imminent appointment of consultants and external auditors to strengthen this function. Similarly, the R2.1 million decrease in the Sub-programme 5: Strategic Planning, Policy, M&E, is concerning when noting the Auditor-General's comments on this aspect relating to policies and procedures. The table above indicates that 49.6% of the budget in 2020 went to Programme 2 while this increased to 58.9 % for 2021. Besides Programme 2 being the largest with a R385.9 million allocations, it is also the main

service delivery programme as it disburses eight of the eleven Military Veterans' benefits. Programme 3, the other service delivery programme, is allocated the second largest portion of the budget with 21%, while the Administration Programme will receive around 20%.

6.1.3 Programme 2: Socio-economic Support

Purpose and performance targets

The main purpose of the programme is to develop and monitor the implementation of legislation, policy frameworks and service delivery cooperation agreements on compensation for injury in military service, counselling, education, healthcare, public transport, pension and housing benefits to Military Veterans eligible for such support. Programme 2: Socio-economic Support lists the following annual and quarterly targets:

| Indicator ID | Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|------------------------|--|--|-------|-------|---|--|
| PPI: 201(A) | Number of confirmed Military veterans registered in the database per year | 82 392 ⁷ (1 000) ⁸ | 250 | 250 | 250 | 250 |
| PPI: 201(B) | Number of files processed by the Verification Panel per year | 1 440 | 360 | 360 | 360 | 360 |
| PPI: 202 ⁹ | Number of Military Veterans approved to access newly built houses per year | 355 | - | - | - | 355 |
| PPI: 203 ¹⁰ | Number of Military Veterans approved for compensation benefit per year | 100 | - | - | 50 | 50 |
| PPI: 204 | Number of Military Veterans approved for Pension benefit per year | 2 000 | 1 000 | 1 250 | 1 500 | 2 000 |
| PPI: 205 ¹¹ | Strategy on subsidised public transport approved | Strategy on subsidised public transport | - | - | Draft Strategy on subsidised public transport | Approved Strategy on subsidised public transport |
| PPI: 206 | Number of Military Veterans approved to access to health care services. | 19 700 ⁷ (600) ⁸ | 150 | 150 | 150 | 150 |

Programme 2: Budgetary allocation

| Indicator ID | Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--------------|---|---------------|-----|-----|-----|-----|
| PPI: 207 | Number of Military Veterans and dependents provided with dedicated counselling services and treatment | 600 | 150 | 150 | 150 | 150 |
| PPI: 208 | Number of Military Veterans approved to access mortgage bond subsidy per year | 20 | 5 | 5 | 5 | 5 |

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average Expenditure/Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average Expenditure/Total (%) |
|-----------------------------------|-----------------|--------------|--------------|------------------------|-------------------------|-------------------------------|----------------------------------|--------------|--------------|-------------------------|-------------------------------|
| | 2018/19 | 2019/20 | 2020/21 | | | | 2021/22 | 2022/23 | 2023/24 | | |
| R million | | | | | | | | | | | |
| Database and Benefits Management | 6.4 | 7.6 | 8.0 | 17.5 | 40.1% | 3.5% | 32.8 | 34.1 | 35.9 | 27.0% | 8.3% |
| Health Care and Wellbeing Support | 124.7 | 144.8 | 112.4 | 91.6 | -9.8% | 42.3% | 115.1 | 115.6 | 120.8 | 9.6% | 30.5% |
| Socioeconomic Support Management | 203.6 | 102.4 | 104.0 | 196.1 | -1.2% | 54.2% | 230.7 | 225.2 | 235.3 | 6.3% | 61.2% |
| Total | 334.7 | 254.8 | 224.4 | 305.3 | -3.0% | 100.0% | 378.6 | 374.8 | 391.9 | 8.7% | 100.0% |
| Change to 2021 Budget estimate | | | | (80.6) | | | (15.5) | (15.2) | - | | |

Programme 2, the main service delivery programme, saw its budget increased by R73.3 million for 2022/23. These are mainly attributed to the increases in the three sub-programmes Database and Benefits Management sub-programme from R17.5 million to R32.8 million, the Healthcare and Wellbeing Support sub-programme from R91.6 million to R115.1 million and the Socio-economic Support Management sub-programme from R196.1 million to R230.7 million. These increases should be welcomed in the main service delivery programme and it is hoped that the increases will be justified by appropriate spending that increase the allocation of these benefits to deserving military veterans.

6.1.4 Programme 3: Empowerment and Stakeholder Management

Purpose and performance targets

| Indicator ID | Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--------------|---|---------------|------|------|------|-------|
| PPI: 301 | Number of memorial lectures coordinated for Military Veterans | 4 | 1 | 1 | 1 | 1 |
| PPI: 302 | Percentage of approved burial claims paid within 30 days | 100% | 100% | 100% | 100% | 100% |
| PPI: 303 | Number of Military Veterans and their dependants approved for skills development programmes | 3 500 | 875 | 875 | 875 | 875 |
| *PPI: 304 | Number of bursaries provided to Military Veterans and their dependants per year | 3 500 | - | - | - | 3 500 |
| PPI: 305 | Number of Military Veterans businesses provided with access to business facilitation programmes | 110 | 30 | 40 | 70 | 110 |
| PPI:306 | Number of Military Veterans provided with access to employment placement opportunities | 30 | - | 10 | 10 | 10 |
| *PPI: 307 | Number of Military Veterans memorial sites facilitated per year | 3 | - | - | - | 3 |

* NB: Targets that are reported on only at the end of the financial year, will be continuously tracked on a monthly basis to ensure that challenges if any are addressed throughout the year so that targets are met

The main

purpose of this programme is to manage and facilitate the implementation of military veteran empowerment and stakeholder management programmes. The APP lists the following performance targets for 2022/23 to 2023/24:

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-----------------|-------------|-------------|------------------------|-------------------------|---------------------------------|----------------------------------|--------------|--------------|-------------------------|---------------------------------|
| | 2018/19 | 2019/20 | 2020/21 | | | | 2021/22 | 2022/23 | 2023/24 | | |
| R million | | | | | | | | | | | |
| Provincial Offices and Stakeholder Relations | 36.0 | 37.0 | 28.7 | 65.2 | 21.9% | 42.7% | 65.9 | 66.4 | 69.2 | 2.0% | 41.8% |
| Empowerment and Skills Development | 18.7 | 27.8 | 27.5 | 66.8 | 53.0% | 36.0% | 61.6 | 60.5 | 62.9 | -2.0% | 39.4% |
| Heritage, Memorials, Burials and Honours | 14.6 | 17.9 | 13.8 | 37.3 | 36.8% | 21.4% | 27.0 | 27.1 | 28.3 | -8.8% | 18.8% |
| Total | 69.2 | 82.7 | 70.1 | 169.2 | 34.7% | 100.0% | 154.4 | 154.0 | 160.5 | -1.8% | 100.0% |
| Change to 2021 Budget estimate | | | | 31.6 | | | 17.0 | 14.8 | (0.6) | | |

Programme 3: Budgetary allocation

The programme consists of three sub-programmes, namely a) Provincial Offices and Stakeholder Relations; b) Empowerment and Skills Development; and c) Heritage, Memorials, Burials and Honours.

The budgetary allocation for Programme 3 decreases with R14.8 million or 8.75% in nominal terms, which is mainly attributed to the decrease in subprogramme 2 from R66.8 million to R61.6 million and subprogramme 3 from R37.3 million to R27 million between the previous and current financial years. The latter is crucial for the Department if it wants to fulfil its obligation to honour and memorialise military veterans for their contributions. Subprogramme 1, which hosts the Provincial Offices, sees a slight increase from R65.2 million to R65.9 million, but given the importance placed on these Offices it is hoped that the allocation is sufficient and that these funds will be optimally spend in line with its purpose.

7. HUMAN RESOURCES

The APP outlines the total staff including vacancies as 155 with the current staff being 129; vacancies at 26; contract workers at 48 with no interns, totalling 203. It further states that as at March 2021 it had filled 124 posts and that it has an established structure of 169 approved posts.

| | Permanent Employees | Contract Workers | Vacancies | Interns | Total |
|-----------|---------------------|------------------|-----------|---------|-------|
| FY2020/21 | 144 | 63 | 26 | 28 | 261 |
| FY2021/22 | 128 | 61 | 43 | 14 | 264 |
| FY2022/23 | 129 | 48 | 26 | 0 | 203 |

The APP outlines the total staff including vacancies as 155 with the current staff being 129; vacancies at 26; contract workers at 48 with no interns, totalling 203. It further states that as at March 2021 it had filled 124

posts and that it has an established structure of 169 approved posts. The Table shows a decrease of 15 permanent staff over the last three years, which is concerning given the already delicate situation with the retention of personnel as well as the number of vacancies. The latter has decreased from 43 to 26 but is still concerning as some of these vacancies are at the top level of the Department, which lead to leadership instability. High vacancy levels at management level has specifically been raised by the AGSA as a concern in previous audit findings.

8. KEY RISKS AND MITIGATIONS

This section deals with the Key risks and Mitigating factors in the Department. Importantly, as in previous APPs, the Department states that it will strive to ensure that a culture of risk management is institutionalised to reduce risk exposure. They will regularly monitor and scrutinise these risks.

| OUTCOME | KEY RISKS | RISK MITIGATION |
|--|---|---|
| Socio-economic status of military veterans' community improved and sustained | Inadequate and non-integrated business systems to support the strategy of the department. | Successful adoption and implementation of integrated business system |
| | Instability at leadership level. | Strict adherence by all to the DPSSA stated period of filling SMS vacancies |
| | Misalignment of the organizational structure with the Service Delivery Model (SDM). | Finalisation of the approval of the Act which will determine the departmental structure |
| | Gaps in the current MVs legislation and policy framework | Introduce amendments to Military Veterans Act 18 of 2011 |
| | | Alignment of the regulations to the Act and introduction of other sec 24 regulations |
| | | Development of policies in line with the Amended Act. |
| | Inadequate stakeholder management | Develop and implement stakeholder management strategy framework |
| | Fraud and corruption within the Department | Implementation of an integrated fraud and corruption risk management process |
| Business interruptions | Approve and implement business continuity management framework | |

9. COMMITTEE OBSERVATIONS

During deliberations with the Department of Military Veterans on 11 May 2022, Members of the PCODMV made several observations related to the budgetary allocation, the performance indicators and the targets in the APP of the Department. The following were noted:

- i. One of the main concerns expressed by the Committee is the access by military veterans and their dependents to the benefits as outlined in Section 5 of the Military Veterans Act. As the Department plans to decentralise some of its functions to provincial offices, the Committee enquired about the functioning and especially capacitation of these offices. The DMV indicated that only two provincial offices are not fully functional but that they are in the process of capacitating and resourcing these offices.
- ii. Concern was once again raised about the vacancies, especially at senior management level, and in particular the lengthy periods it takes to fill these positions. The Department agreed with this assertion and admit that they have a high turn-around of personnel where people sometimes just stay a few months. They plan to host team building sessions to try and address this situation and improve how the various employees relate to one another.
- iii. The AGSA expressed concern on how the Department manage its moveable assets and the Committee enquired about the progress to address these concerns and whether there are any challenges in this regard. It was indicated that an external service provider is assisting the Department in this regard and that the Department has also established an internal asset verification team, but that the Human Resources capacity hampers them to speedily clear these queries.
- iv. Members expressed concern around the roll-out of the pensions as it was previously indicated that it would commence in April 2022, as well as whether this has been properly budgeted for and the quantum that can be expected. It was explained that a principal monthly amount of R4 942 has been determined and that this will be linked to annual adjustments as announced by the Minister of Finance.
- v. Consequence Management, especially regarding implicated officials, was noted as a crucial aspect of good governance and, in this regard, questions were raised around the continued suspension of

- the four senior officials. The response was that this issue is being addressed and that they are hopeful it will be concluded in the near future.
- vi. Concern was raised about the lack of capacity in the Internal Audit (IA) function and that the IA functionary is the acting CFO, and especially whether this issue is being addressed with the urgency it deserves. It was pointed out that this issue is being addressed as the Department is in agreement that the potential conflict of interest in this case, is a concern and that it will be addressed by utilising the IA Executive in another position for a year – the so-called ‘cool off period’ - to address this concern.
 - vii. The Committee found it problematic that the Department reduces targets due to various reasons, but do not inform the Committee what the consequences and impact are on the beneficiaries, especially since it is clear that the beneficiaries are still in dire need of these benefits.
 - viii. Clarification was sought around the funding of especially school and higher education students, the different kinds of funding between public and private institutions and how it is ensured that students referred by the DMV to NSFAS, are effectively being taken care of. While indicating the different amounts being paid to the different institutions, the Department acknowledged there were backlogs in payments to NSFAS but stressed that they are in the process of addressing it.
 - ix. Members raised questions around the capacity of the DMV to look after the needs of learners and children of military veterans with special needs. It was indicated that these learners and children are provided for and where applicable, increased payments are facilitated through the Accounting Officer’s approval.
 - x. The Committee noted the concerns raised by the Accounting Officer regarding the Department’s interaction with the Department’s Executive Authority in relation to concurrence between the two parties.
 - xi. In relation to the District Development Model, concern was expressed that the Department is not very clear about its role and plans in this regard and, in particular, how to engage municipalities, as such plans need to manifest clearly in the relevant Integrated Development Plans of municipalities.
 - xii. Questions were raised around the application of the means test as this is a statutory requirement to deliver benefits to military veterans. The response was that the military veteran organisations have objected to its implementation and that it is currently not being implemented, but will be addressed in the amendment bill.
 - xiii. Concern was expressed about the role of the Presidential Task Team on Military Veterans, as it appears as if the Department depends on it to do its work and address the relevant challenges. It was acknowledged that there are weaknesses, hence the institution of the Task Team, but the Department felt that it does not mean that they are abdicating their responsibilities, as the Task Team only assist to address challenges in particular related to the whole-government approach and specifically in the Intergovernmental relations environment.

10. RECOMMENDATIONS

The PCODMV identified the following areas that will be subject to monitoring by the Committee throughout the 2022/23 financial year and beyond:

- i. The Committee recommends, as in the past, that the DMV should speed up the capacitation and resourcing of all provincial offices during this financial year, as it has been informed of such attempts for the last five years. In addition, it should report on all leases at its next quarterly engagement with the Committee.
- ii. It is recommended that the DMV interrogate their Organisational Culture during the team building sessions to address some of the reasons why recently-appointed personnel, in some cases, leave soon after their appointment. The Department should indicate to the Committee whether its Human Resources Plan has a retention strategy and especially how well it is being implemented if it is in place, at the next quarterly meeting.
- iii. The Committee recommends that the Department prioritises the verification of its moveable assets to address the audit query as this will also allow them to ensure that all these assets are properly accounted for and not open to abuse.
- iv. The determination of the monthly quantum for the pensions was welcomed and the Committee encouraged the Department to move speedily to roll out this benefit based on the dire situation of many military veterans.
- v. It is recommended that against the background of the already restricted Human Resources capacity, and the continued number of vacancies at especially senior management level; that the suspension of the four senior officials should be addressed as a matter of urgency. This because the Department has previously justified its poor performance and underspending on a lack of sufficient HR capacity. Quarterly feedback on the resolution of the suspensions and filling of vacancies should be provided.

- vi. The Committee once again urged the Department to address the challenges in the IA Division as soon as possible given its crucial role in being an early warning system as well as assisting with good governance.
- vii. It was stressed that the Department should endeavour to deliver benefits as humanely and efficiently as possible as the lack thereof may be in some cases, a matter of life and death for beneficiaries who are often due to their age, in dire straits.
- viii. The Committee recommended that the DMV should clear the backlog payments to NSFAS as soon as possible as some date back as far as 2018, to ensure that students are accommodated and not being penalised due system problems between the Department and NSFAS. The Department should provide a progress report in this regard at their next quarterly engagement with the Committee.
- ix. The Committee expressed its appreciation for the manner in which the DMV reported that they are assisting children of military veterans with special needs, and encouraged them to continue ensuring that their needs are provided for.
- x. The Committee advised that the Executive Authority and the Department should address the issue of concurrence and that they ensure that they are in agreement, before they engage the Committee.
- xi. The Department was advised to properly engage with municipalities with regards to the District Development Model, to ensure that the needs of military veterans are optimally catered and provided for at this level of government.
- xii. Given that the means test has been put on hold, the Committee advised that the Department speed up the finalisation of the amendment bill to ensure that benefits are more effectively delivered to military veterans.
- xiii. While appreciating the work and progress made by the Presidential Task Team on Military Veterans, the Committee encourages the Department to utilise this opportunity to its fullest to solicit the continued support of other departments, the provincial and local governments, to ensure that benefits are delivered speedier and effectively.

Report to be considered.