



PFMA
2021-22

Budgetary review and recommendations report (BRRR) Portfolio Committee on Women, Youth and Persons with Disabilities

11 October 2022



AUDITOR-GENERAL
SOUTH AFRICA



MISSION

The Auditor-General of South Africa has a constitutional mandate and, as the supreme audit institution of South Africa, it exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence

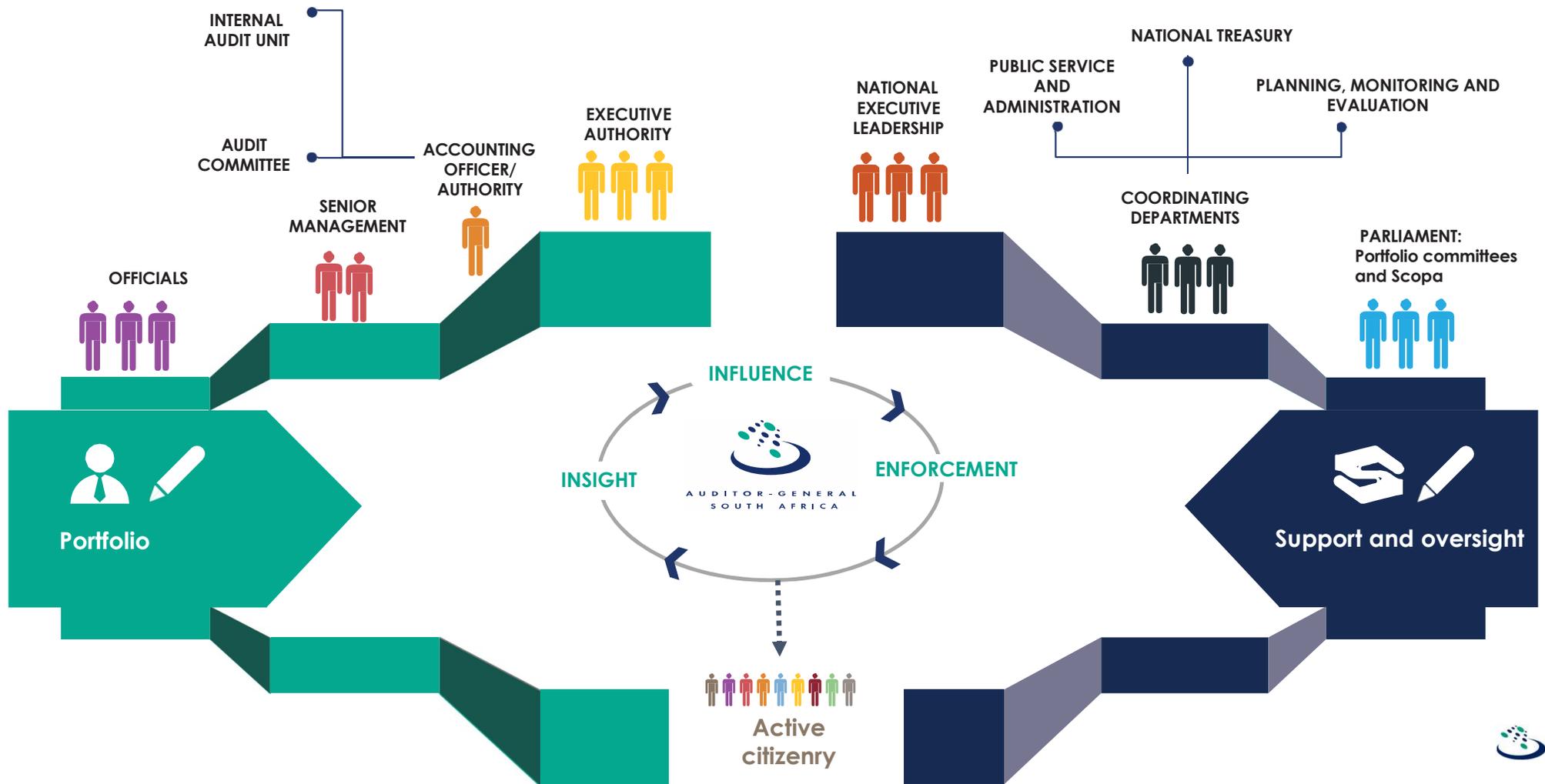


VISION

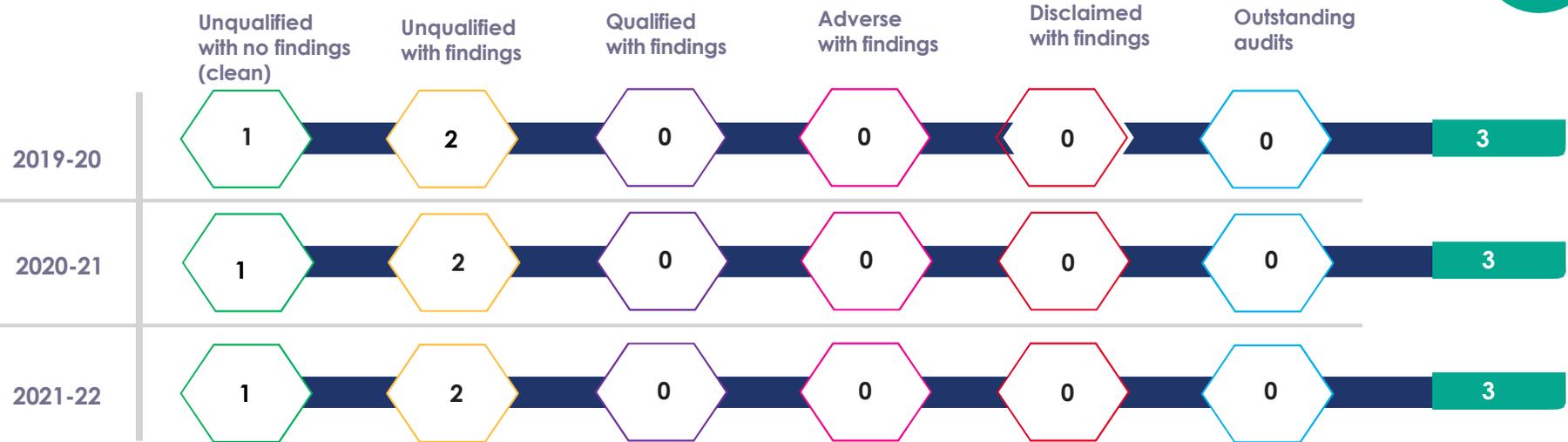
To be recognised by all our stakeholders as a relevant supreme audit institution that enhances public sector accountability



All have role to play in national government accountability eco-system



No change over administration term



MOVEMENTS FROM PREVIOUS YEAR:
 0 ↑ 0 ↓

FROM FIRST YEAR OF ADMINISTRATION:
 0 ↑ 0 ↓

National Youth Development Agency (NYDA)

Department of Women, Youth and Persons with Disabilities (DWYPD)
 The Commission on Gender Equality (CGE)

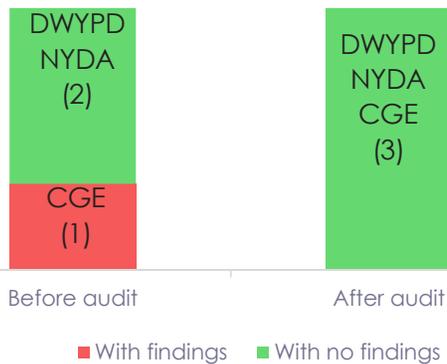


Portfolio performance



Performance planning and reporting impacts service delivery

Quality of performance reports before and after audit



Findings: Planning for service delivery

- None

Findings: Reporting

At the CGE the following were found:

- Reported achievements on targets and/or indicators were not consistent with planned targets/indicators.
- Reported performance information were not accurate based on evidence submitted for audit.

Impact

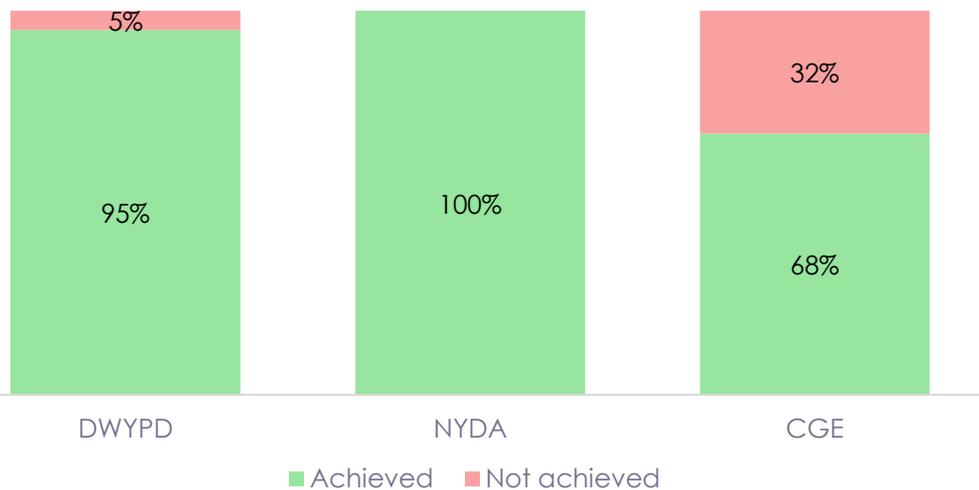
- Reporting on indicators and/or targets that were not consistent with planned indicators/targets, defeated the whole purpose of predetermined objectives and would result in lack of accountability, especially in areas where the targets were not achieved.
- For example, for indicator 2.2 Number of training workshops on gender and development, CGE had planned 36 training workshops on gender and development in their planning documents. However, the APR, reported on a planned target of: "36 Gender mainstreaming interventions to lobby and influence decisions-makers within the public and private institutions". It was then reported that the target was achieved. However, as this was not consistent with the planned target, management had to revise the APR. The revision of the APR to include the target that was planned resulted in management reporting 30, and not 36, which means the indicator was not achieved. Had this target that was not consistent been reported, the users would not have known that it was not achieved, therefore management would not have accounted why they did not achieve.
- Inaccurate reporting of achievement result to reporting that is not reliable and misleading to the users.

Performance against target

Key targets in medium term strategic framework for portfolio

Level of participation, ownership, employment, equity by sex/gender, age, disability, sector/industry, occupational level
 Number of sustained and visible initiatives campaigns throughout the year on gender and anti-xenophobia
 Incidence rate of violence experienced by sex/ gender, age and disability
 Prevalence rate of violence by sex/gender, age and disability
 Level of implementation of the NSP
 Targets in the SLA between DHET and SETAs to improve performance are met

Achievement of annual targets as reported in Annual Performance Report (all indicators) – 2021-22



Mandate of the portfolio

Regulate the socio-economic transformation and **implementation** of the **empowerment and participation of** women, youth and persons with disabilities.

Core function 1:

Equitable economic empowerment, participation and ownership for women, youth and persons with disabilities being at the centre of the national economic agenda.

Core function 2:

Improved rate of educational attendance and retention of young women and women with disabilities in public sector institutions.

Core function 3:

Levels of marginalisation, stigmatisation and discrimination and violence against women, girls and persons with disabilities reduced

100% of MTSF covered in APP's with average of 86% achievement, but...



Collaboration Needed To Solve Youth Unemployment Crisis

Tuesday, 30 August, 2022 - 10:04
Author: [Ryan Cloete](#)

The NCOP has heard that about 120 000 learners fall pregnant every year with only a third returning to school after giving birth. It was revealed that over 200 000 learners did not return to school in 2021 and only a third of actually them return to school.

Limpopo government 'merely paying lip service', failing to meet own disability targets

Russel Molefe, Correspondent
New24

In the first quarter of 2021, more than 36,000 babies were delivered to girls between the ages of ten and 19. Whilst this figure produced a public outcry, such a statistic is nothing new. The Department of Basic Education (DBE) annual report in 2014 reflected that over 18,000 learners had fallen pregnant. By the end of 2020, the number sat at 33,000.

Dignity Dreams maintains reflecting on the Statistics South Africa Census that there is an estimate of 5,1 million girls between the ages of 10 and 19, across all races in South Africa argued that there is roughly 2 673 938 girls who are of menstrual age, between 12 and 19, and are enrolled in public schools.

DEPT OF WOMEN: RECENT SPATE OF WOMEN, CHILDREN MURDERS A SHAME ON SOCIETY
EWN

[Mia Lindeque](#) | 19 June 2020 09:52

Activists call for end to period poverty,

stigma involved for all women

James Mahlokwane - 29 Aug

Pretoria News



Service delivery - Performance against the mandate

MTSF indicators	Priority outcome	DWYPD	NYDA	CGE
Level of participation, ownership, employment, equity by sex/ gender, age, disability, sector/industry, occupational level	Priority 2: Economic Transformation and Job Creation	✓	✓	
Percentage preferential procurement spend by sex/gender, age and disability	Priority 2: Economic Transformation and Job Creation	✓		✓
Percentage funding by sex/gender, age and disability, industry/sector	Priority 2: Economic Transformation and Job Creation	✓		
Percentage hectares of land by sex/gender, age and disability	Priority 2: Economic Transformation and Job Creation	✓		
Proportion of youth, women and persons with disabilities	Priority 2: Economic Transformation and Job Creation	✓	✓	
Number of victims of Substance abuse accessing support Programmes	Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services	✓		
National Strategic Plan for Gender Based Violence and Femicide (GBVF) – Implementation Plan	Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services	✓		✓
Level of implementation of GBVF Council	Priority 6: Social Cohesion and Safer Communities	✓		✓
Level of implementation of the NSP	Priority 6 - Social Cohesion and Safer Communities	✓	✓	✓
Incidence rate of violence experienced by sex/ gender, age and disability	Priority 6 - Social Cohesion and Safer Communities	✓		✓
Prevalence rate of violence by sex/ gender, age and disability	Priority 6 - Social Cohesion and Safer Communities	✓		✓
Number of sustained and visible initiatives campaigns throughout the year on gender and anti-xenophobia	Priority 6 - Social Cohesion and Safer Communities	✓		

MTSF indicator analysis (Alignment of MTSF to planning documents) :

An analysis was performed to assess whether the indicators included in the MTSF have been included in the APP's of the portfolio (department, agency, commission).

The portfolio contributes to priority 2, 4 and 6 of the MTSF. All the MTSF indicators for the portfolio have been included in planning documents of either the department, agency and the commission.

The overall/average performance against the MTSF and other indicators is currently at **86%** for the portfolio.

All key indicators whether at the department and agency **were achieved, and are in some instances over achieved.**

At 66% achievement rate, CGE has performed the lowest. Most of the indicators, related to campaigns/sessions had to be cancelled due to covid-19 cases, hence this indicates slow progress on the achievement of the MTSF indicator. CGE would need to have a catch up plan in the following year in order, to achieve the outstanding indicators.

Therefore, **except for CGE** portfolio is on course to achieve on key MTSF indicators.

The commission must prepare a detailed catch-up plan, that must be closely monitored at entity level and by the portfolio.



Performance against the mandate - Assessment of targets

10

Performance Indicators Review

The department planned for a total of 40 indicators of which 38 were achieved - overall achievement of planned targets 95%.

Programme 2: Social and Economic Participation and Empowerment (scoped in for audit - primary mandate of the department). All the 9 planned indicators (and 10 targets) were achieved (some over achieved).

Priority 2 : Economic Transformation and Job Creation

Outcome: Improved rate of educational attendance and retention of young women and women with disabilities in public sector institutions

Output: Coordinate and facilitate interventions to support education, health and skills development for women youth and persons with disabilities

The following indicators and targets were set by the department:

- **Number of progress report** on implementation of sanitary dignity implementation **framework** by provinces produced, with **4 progress reports** on implementation of sanitary dignity Implementation framework by provinces produced

The targets were achieved. Although, the department facilitated the Sanitary Dignity Pilot Project in all 9 provinces with some focus in some districts Alfred Nzo, there is **no planned target to directly** report on the initiative.

Furthermore, the department's role is to monitor the implementation. The funds are transferred by NT to the Provincial Treasuries of provinces and these would then choose the provincial departments to which the funds should be transferred for the implementation of the Sanitary Dignity Projects.

There are still learner dropouts due to lack of sanitary towels and pregnancy especially in rural areas.

Priority 6: Social Cohesion and Safer Communities

Outcome: Levels of marginalisation, stigmatisation and discrimination and violence against women, girls and persons with disabilities reduced

Output: Produce and coordinate implementation of a national strategic plan (NSP) to end gender-based violence and femicide.

Number of departments monitored on the Implementation of NSP GBVF

- **Number of Rapid Response Teams (RRTs)** established
- Comprehensive National GBVF Prevention **Strategy approved**
- NSP GBVF Monitoring and Evaluation **Framework approved**
- Integrated Gender, Youth & Persons with Disabilities (GEYODI) **Framework approved**

The department has achieved in all these indicators, however the every day experience of the citizens cannot confirm the outcome and output has been met. GBV continue to be a significant problem in our communities and public and media are giving it attention.

At March 2022, total sexual offences had **increased by 13,7%** from the previous quarter, taking the total cases reported to SAPS for the year to **13 799**. In those sexual offences, there were **10 818 rape cases**.

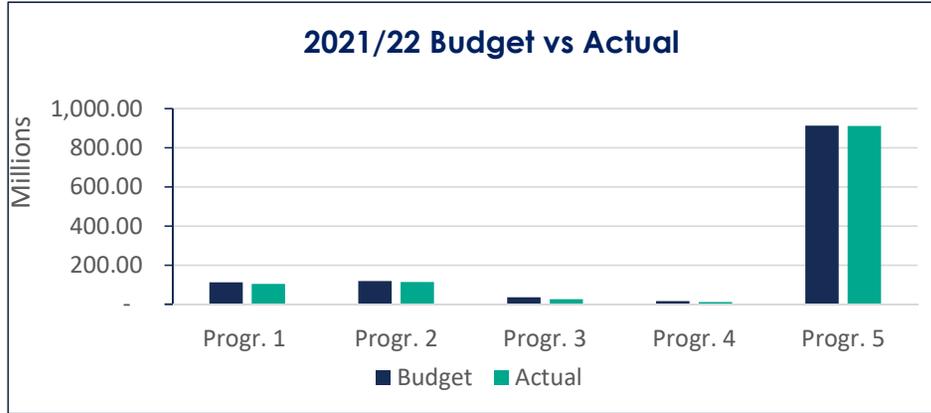
Furthermore, the department disclosed in its financial statements for the year ended 31 March 2022, **contingent liabilities of R15 million**. The trigger for the whole amount that is disclosed is GBV. While contingent liability does not guarantee/confirm that the department has an obligation to settle, this should serve as an **early warning** that if the GBV issue is not addressed it has potential to have more negative implications for the department and fiscus.



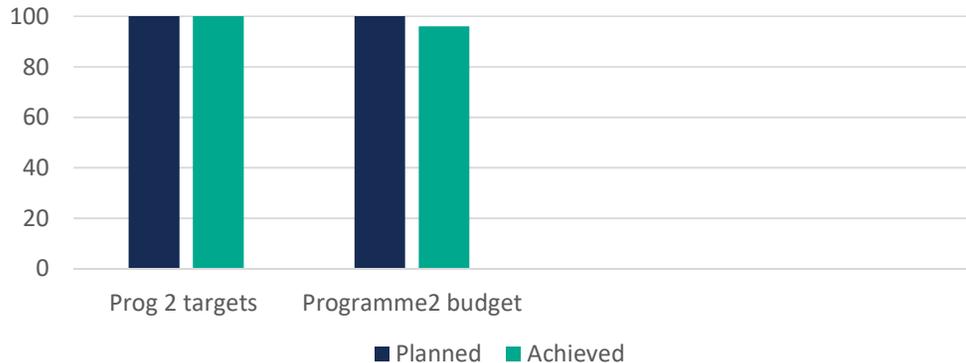
Budget/Expenditure vs Targets/Achievement Analysis

Overall spending of budget

2021/22 Budget vs Actual



Programme 2 spending of budget vs achievement of targets (%)



Reasons for R5 million underspent on Programme 2:

- The R3, 706 million that was not spent was meant for the establishment of the National Council for Gender-Based Violence & Femicide (NCGBVF) which was not established due to challenges in legislation.
- A **roll-over request** was made for the R3, 585 million for the continuation of the establishment of the NCGBVF.
- The rest of the underspending was as a result of covid-19 restrictions during the first and second quarters of the financial year. The reduction on travel and subsistence due to 9 travel restriction amounting also contributed to the underspending.

Possible impact on citizens/service delivery:

- The underspending has a potential to result in slow progress in achieving the intended outcome of the Indicators and targets, e.g. slow responses to issues of Gender Based Violence and Femicide. The slow progress may render the department less effective and may cause the department to incur litigations which may result in contingent liabilities for the department.

Recommendation

- In collaboration with the relevant role players the department needs to accelerate and conclude the establishment of the NCGBVF to accelerate the impact of the department.



National Strategic Plan on Gender-based violence and the emergency response plan

The Presidency has linked some of the performance information to the department. The following is included in the Presidency performance reporting in relation to the DWYPD and National Strategic Plan on gender-based violence and the emergency response plan:

"The department achieved all the indicators relating to the NSP:

- Monitored 12 National departments on the implementation of the NSP GBVF
- Monitored 9 provincial departments and 4 municipalities on the implementation of the NSP GBVF
- They established 13 rapid response teams
- They ensured that the comprehensiveness GBVF Prevention Strategy is approved
- They also ensure that the NSP GBVF monitoring and Evaluation Framework approved

Overall progress is being noted on the strategies to combat GBV, DWYPD performed their monitoring role and provided an overview of the current status regarding progress in the operationalization and implementation, Presidency consolidates the reports and provide feedback to the political principles".

Reflection

Even though the DWYPD has included the indicators (relating to NSP GBVF) in their 2021-22 APP and they have achieved all targets for these indicators, there is no felt positive impact due some of these indicators having small targets and focusing on monitoring the implementation of the plan and establishment of the strategic documents at this stage. It was also established in the monitoring reports that the department highlights challenges and make recommendations on the implementation. It is however unclear how Presidency addresses the shortcomings from the report to enforce the implementation of the NSP in order to overcome the slow progress in addressing GBV issues.

Furthermore, we can include the fact that although the department does not implement this plan and the strategies, its reports and recommendations should reflects its mandate such that there is impact derived in future. The department currently use platforms such as FOSAD to ensure that their recommendations are acted upon by the implementing departments.



Audit outcomes(past seven years) - clean audit
2021-2022 performance - 100% achievement targets

The country still faces a **high unemployment rate amongst the youth**. The current targets focusing on youth upliftment initiatives may be viewed as being too low in comparison to the number of youth that face unemployment in the country. There is a need **to increase efforts around visibility**, through platforms such as mass communication that will provide information about its services. Such efforts should steer the agency in increasing its relevance and impact on more platforms and society groups in order to reach out to a bigger audience of youth. The entity should have a more focused and targeted approach/strategy to be able to reach out to more South African youths.

There are still concerns over **the two complaints** by beneficiaries where the **intended support does not get to the beneficiaries**, while the money is spent, recorded in the AFS and reported as an achievement against planned targets.

A beneficiary, Nokuthula Jele who owns a company named Feza Okuhle Production Trading as King Kota's applied for financial assistance grant from the NYDA and the application was approved in 2019. The beneficiary was to receive a kitchen trailer and a freezer after the supplier was paid. The supplier delivered a freezer on time but the supplier **never delivered a kitchen trailer to date despite payment**. The agency investigated the matter through their legal division and it is still open. While the supplier has agreed to pay back the money, this delay means this part of the support to the beneficiary has delayed, as a result the beneficiary has lost income and therefore the intended impact has not been fully achieved.

Recommendation

The Agency must use the agreement with suppliers and beneficiaries to ensure the grant expenses is used for intended purposes of the mandate. Controls must be put in place to avoid pre-payments, unless it is necessary and there must be processes in place to ensure the goods and services are from prepayment are received.



Material irregularities



Implementation of material irregularity process

The material irregularity (MI) process was implemented at the following auditees

- Department of Women, Youth and Persons with Disabilities. No MIs were however identified during the year.

means any **non-compliance** with, or **contravention** of, legislation, **fraud**, **theft** or a **breach of a fiduciary duty** identified during an audit performed under the Public Audit Act that **resulted in** or is **likely to result in** a **material financial loss**, the **misuse or loss of a material public resource**, or **substantial harm to a public sector institution or the general public**



If **accounting officer / authority** does not appropriately deal with material irregularities, our expanded mandate allows us to:



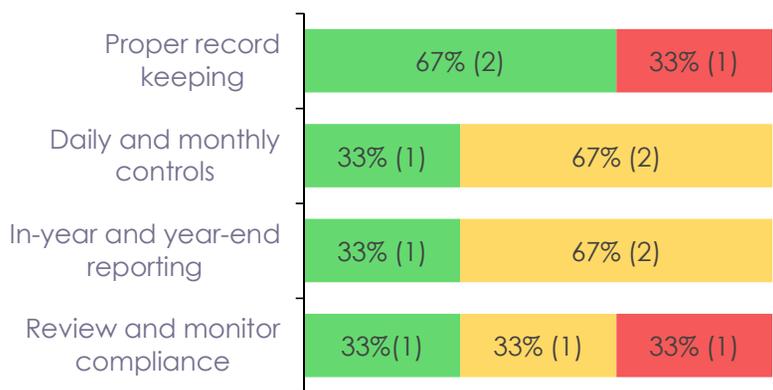


Financial management and compliance



Impact on quality or financial statements submitted for audit

Financial management controls



■ Good
 ■ Of concern
 ■ Intervention required



■ Unmodified
 ■ Modified

Impact

Having good quality financial statements has a positive impact on the department's and the portfolio's ability to manage its operations and deliver on services or in terms of its mandate. The quality of financial statements is largely dependent on a sound and controlled environment which is influenced by the leadership's willingness to do the right thing. This then sets the tone for the rest of the organisation, and provides a platform to implement adequate and appropriate financial management controls. Therefore, the quality of financial statements has set the foundation for the portfolio to focus more deliberately on service delivery and achieving impact as intended by the mandate. The relevant stakeholders, e.g. the executive authority and members of the portfolio committee will be able to use these quality financial statements to make informed decisions about the department and where to focus the resources to ensure service delivery.

Revenue



Expenditure



Debt-collection period >90 days at **0** auditees
Average debt-collection period = **83 days**
More than 10% of debt irrecoverable at **0** auditees

R23 431 000 million of expenditure was **fruitless and wasteful** (3 auditees)
Creditor- payment period > 30 days at **2 auditees**
Creditors greater than available cash at year-end at **1** auditees
Average creditor-payment period = 59 days

Impact



0% auditees **ended year in deficit** (expenditure more than revenue)

Next year's budget will pay for expenditure of previous year(s) – at **0%** auditees it will be **more than half of their budgets**

0 (0%) auditees incurred **unauthorised expenditure** totalling R20,45 billion; **R0 million (0%)** was non-cash items (includes outstanding audits)

0(0%) auditees disclosed or should have disclosed significant doubt in financial statements about ability to continue **operating as a going concern** in foreseeable future



Compliance with key legislation

19



Overall, there is no movement in the portfolio's compliance with key legislation from prior year.

NYDA did not have compliance findings in both current (2022) and prior year (2021).

DWYPD - There were two consequence management findings in 2021, on Irregular expenditure and on unauthorised expenditure. The department is now left only with the consequence management on Irregular expenditure.

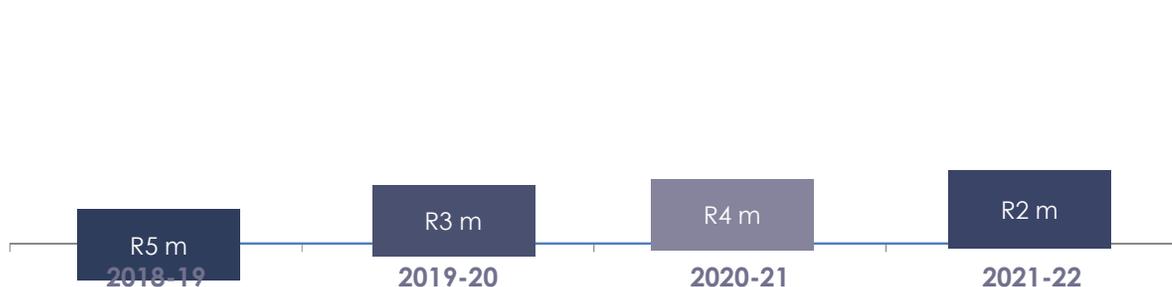
CGE - CGE only had material adjustment on AFS in the prior year. This year it has been addressed, but two new compliance findings emerged on Consequence management and Expenditure management.

Consequence management is the most common non-compliance in the portfolio. The reasons or root causes for lack of consequence management are discussed in slide 22 below.

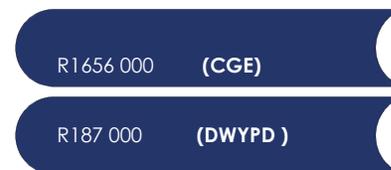


Irregular expenditure

Annual irregular expenditure



Top contributors



Impact assessment of irregular expenditure incurred

No value for money: 1 (CGE) R787 000 (salaries for Commissioners' PAs - Incurred in contravention of Recruitment Policies)

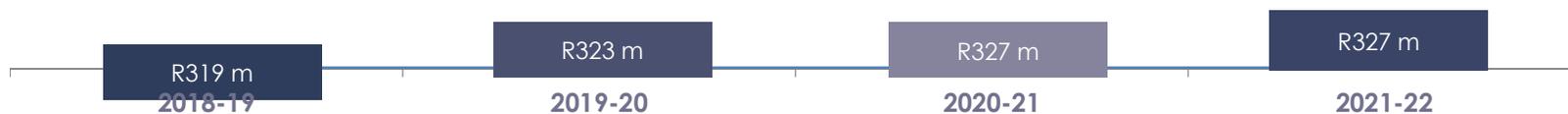
Breach of five pillars of procurement – Equitable, Fairness, Cost effectiveness, Transparency and Competitiveness: 2 (CGE, DWYPD) R264 000 (Transparency - Procurement of Deloitte services by CGE = R77 000), (Fairness – SCM processes not followed DWYPD = R187 000 – Non compliance from PY)

Other: 1 (CGE) R792 000 (Employee cost related non-compliance)

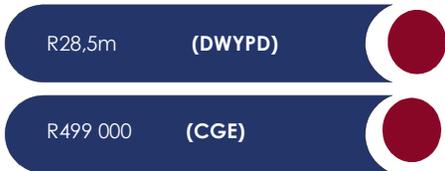


Consequence management – dealing with irregular expenditure

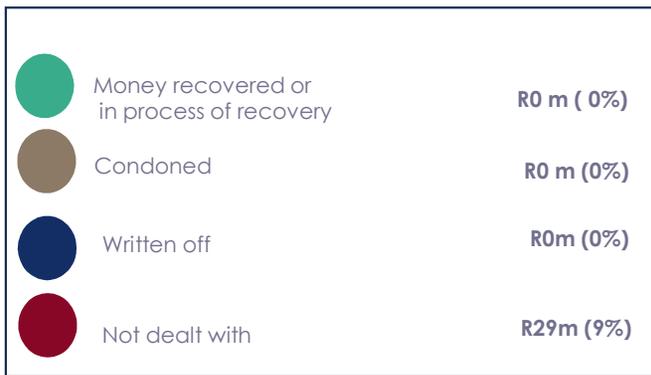
Closing balance of irregular expenditure continues to increase



Top contributor (R28, 568 million) to irregular expenditure not dealt with constitute 98% of R29,068 million



How have auditees dealt with irregular expenditure (IE)



Reasons for IE not dealt with:

IE was not investigated due to the following reasons:

DWYPD

Some transactions included in the c/b of R42m were investigated. The transactions that the DWYPD couldn't investigate was due to supporting evidence missing since most of the transactions are older than 5 years and they didn't have enough capacity to retrieve all supporting information on time.

CGE

No capacity as the CFO resigned during the year. (2 CFOs were acting during the year), therefore lack of stability





Conclusions and recommendations



Root causes, recommendations and commitments

Overall root causes of significant findings in portfolio

Slow/No responses by management

- DWYPD - supporting evidence missing since most of the transactions are older than 5 years and they didn't have enough capacity to retrieve all supporting information on time.
- CGE - Instability in the CFO position resulted in no investigation as the CFO is responsible for the investigations.

Inadequate consequences – therefore resulting to repeat unnecessary findings.

Key recommendations to and commitments by Accounting officers and authorities

DWYPD
Taking into consideration cost/benefit analysis, the department must consider temporary resources to retrieve supporting information to allow them to start investigations for consequence management.

CGE
The policies and procedures for consequence management or investigating must be updated to be process dependent and not people or position dependent.

Commitments by Executive Authority

DWYPD: The department has approached SITA for help with retrieving of information, Some information has been retrieved already, and therefore the investigations will be able to happen during this financial year.



Message

1

Consequence management should be prioritised in order for the employees that cause UIFWE to be held accountable.

2

Performance indicators and targets must be developed **to achieve service delivery/impact** against the mandate of the department and the portfolio

3

Monitoring must be done, especially at CGE to ensure that MTSF indicators and target are met.



THANK YOU



www.agsa.co.za



@AuditorGen_SA



Auditor-General of South Africa



Auditor-General of South Africa



AUDITOR-GENERAL
SOUTH AFRICA