

## **Budgetary Review and Recommendation Report of the Portfolio Committee on Women, Youth and Persons with Disabilities, Dated 21 October 2022.**

The Portfolio Committee on Women, Youth and Persons with Disabilities, having considered the annual and financial performance of the Department of Women, Youth and Persons with Disabilities on 11 October 2022, and the Commission for Gender Equality on 14 October 2022 and the National Youth Development Agency on 18 October 2022, reports as follows:

### **1. Introduction**

The financial year 2021/22 was a period in which South Africa continued to experience the impact of the COVID-19 pandemic in several forms. Furthermore, the country was still reeling from the effects of the global financial crisis and the downgrades by rating agencies with devastating effects on the economy. In turn, the combination of these factors had a direct impact on the livelihoods of women, youth and persons with disabilities which is then further exacerbated by poverty for many. At present women constitute more than half of the South African population and the youth unemployment rate is the highest it has even been since the advent of democracy. Gender-based violence and femicide continues to ravage the country and has been deemed the silent pandemic. It is within this context that the Budget Review and Recommendations Report (BRRR) 2022 is compiled. The review and assessment of the Annual Reports for the Department of Women, Youth and Persons with Disabilities (hereafter referred to as the Department), the Commission for Gender Equality (CGE) and the National Youth Development Agency (NYDA) has this been considered against that backdrop.

The Department having been more than two years in existence in its current form experienced a major tragedy with the death of the former Deputy Minister Hlengiwe Mkhize in September of 2021. To date, the position of deputy minister has not been filled in the Department. Another key significant change for the Department was the change to its mandate as it became what it refers to as a regulator. Moreover, by the introduction of the Annual Performance Plan 2022/23 the Department had also decreased its programmes from five to four with the merger of disability and youth into one. However, for the period under review 2021/22 the Department still operated with five programmes and as such it has been assessed in this regard.

On the 11<sup>th</sup> October 2022, the Committee was briefed by the Department on its Annual Report for 2021/22, as well as by the Auditor General of South Africa (AGSA). The Commission for Gender Equality (CGE) briefed the Committee on the 14<sup>th</sup> October 2022 and the National Youth Development Agency (NYDA) on the 18<sup>th</sup> October 2022.

### **2. Strategic Overview**

#### **2.1. Mandate and Purpose of the Department**

The Department of Women, Youth and Persons with Disabilities derives its mandate from section 9 (3) of the Constitution. Department has shifted its mandate from that of being a facilitation department to that of being a regulator. As such, the mandate of the Department is to regulate the socio-economic transformation and implementation of the empowerment and participation of women, youth and persons with disabilities. Furthermore, it will also create and facilitate a socioeconomic internal and institutional environment that will enable it to perform its function as a regulator. Its ultimate vision is one in which the rights of women, youth and persons with disabilities are realised.

As stated in the Estimates of National Expenditure (ENE) for 2021, the Department received its transfer from National Treasury via Vote 20, which at the time was inclusive of five programmes namely; Programme 1: Administration, Programme 2: Social Transformation and Economic Empowerment (STEE) and Programme 3: Policy, Stakeholder Coordination and Knowledge Management (PSCKM); Programme 4: Rights of Persons with Disabilities and Programme 5: National Youth Development.

The Department notes as its new outcomes as follows:

- The socio-economic empowerment of women, youth and persons with disabilities through the development and implementation of regulatory frameworks,
- The rights of women, youth and persons with disabilities realised through the development and implementation of legislation, and
- The development and implementation of a stakeholder framework.

#### **2.2 Mandate of the Commission for Gender Equality**

The Commission for Gender Equality (CGE) was established in 1996 according to the Commission for Gender Equality Act 39 (1996) to promote gender equality. In its efforts to monitor, lobby, educate citizens and encourage the equitable development of women and men, the CGE is compelled to undertake the following:

- To monitor and evaluate policies and practices of organs of State at any level, statutory bodies or functionaries, public bodies and authorities, and private businesses, enterprises and institutions;
- To cultivate an understanding of gender equality and the role and activities of the Commission through developing, conducting and managing information and education programmes;
- To evaluate whether Acts of Parliament (existing or proposed), systems of personal and family law or custom, systems of indigenous law, custom or practices or any other law, will affect the status of women, and to make recommendations to Parliament in this regard;
- To recommend to the National and Provincial Legislatures, any new legislation that would promote gender equality;
- To investigate on its own initiative or due to a complaint, any gender related issue;
- To maintain close relations with institutions that undertake similar work, and to facilitate cooperation in handling complaints;
- To interact with civil society to further the work of the Commission;
- To monitor compliance to international conventions, covenants and charters related to gender issues, and to submit reports to Parliament in this regard;
- To conduct research on gender related issues; and
- To consider recommendations, suggestions and requests made with regards to gender equality as received from any source.

### **2.3 Mandate of the National Youth Development Agency**

The National Youth Development Agency (NYDA) was established through the NYDA Act (No. 54 of 2008). It was established to be a single, unitary structure to deal with youth development issues at a national, provincial and local government level. The NYDA Act instructs the NYDA to promote a uniform approach to youth development by all organs of State, the private sector and non-government organisations. The NYDA derives its mandate from legislative frameworks which is inclusive of the NYDA Act (No. 54 of 2008), the National Youth Policy (2009-2014) and the Integrated Youth Development Strategy.

The NYDA Act (No. 54 of 2008) stipulates objectives of the Agency as follows:

- a) Develop an Integrated Youth Development Plan and Strategy for South Africa.
- b) Develop guidelines for the implementation of an integrated national youth policy and make recommendations to the President.
- c) Initiate, design, co-ordinate, evaluate and monitor all programmes aimed at integrating the youth into the economy and society in general.
- d) Guide efforts and facilitate economic participation and empowerment, and achievement of education and training.
- e) Partner and assist organs of state, the private sector and non-governmental organisations and community-based organisations on initiatives directed at the attainment of employment and skills development.
- f) Initiate programmes directed at poverty alleviation, urban and rural development and the combating of crime, substance abuse and social decay amongst youth.
- g) Establish annual national priority programmes in respect of youth development.
- h) Promote a uniform approach by all organs of state, the private sector and non-governmental organisations to matters relating to or involving youth development.
- i) Endeavour to promote, generally, the interest of the youth, particularly young people with disabilities.

From an oversight perspective, the Committee is therefore responsible for overseeing the Department which is inclusive of the Commission for Gender Equality (CGE) and the National Youth Development Agency (NYDA).

### **3. Purpose of the Budget Review and Recommendations Report (BRRR)**

The Money Bills Procedures and Related Matters Amendment Act (No. 9 of 2009) sets out the process that allows Parliament to make recommendations to the Minister of Finance to amend the budget of a national department. Section 5 (1) of the Money Bills Amendment Procedure and Related Matters Act, (No. 9 of 2009) requires that the National Assembly, through its Committee, must annually assess the performance of each national department. Section 5 (2) makes provision for the annual submission of the budgetary review and recommendations report (BRRR) for tabling in the National Assembly for each department. It is expected of the BRRR to report on the following:

- Assessment of the department’s service delivery performance given the available resources;
- Assessments on the effectiveness and efficiency of the department’s use and forward allocation of available resources; and
- May include recommendations on the forward use of resources.

#### **4. Method**

In order to enable the Committee to take informed decisions on the performance of the Department for the financial year 2021/22, the Committee consulted the following reports and documents: Section 32 reports of National Treasury, the Department’s Annual Report 2021/22, Reports of the Auditor-General of South Africa (AGSA), Report of the Department’s Audit and Risk Committee (ARC), the 2021 State of the Nation’s Address, the CGE’s and NYDA’s Annual Report for 2020/21. All of this information assisted the Committee in providing a holistic assessment of the Department, the NYDA and the CGE’s performance for 2021/22 with reflections on the 1<sup>st</sup> Quarter report of 2022/23.

In complying with Section 5 (2) of the Money Bills Amendment Procedure and Related Matters Act, (Act No 9 of 2009), the Portfolio Committee on Women, Youth and Persons with Disabilities held a meeting on the 11<sup>th</sup> October 2022 to consider the 2021/22 Annual Report of the Department of Women, Youth and Persons with Disabilities. The Office of the AGSA was invited to give input during the budget review and recommendation report process on the 11<sup>th</sup> October 2022 as well. As noted previously, the Committee was also briefed and deliberated on the quarterly reports for 2021/22 including the first quarter reports for 2022/23 of the Department and the CGE. As such, this report therefore includes those key issues that were identified by the Committee.

#### **5. Outline of the Contents of the Report**

This report provides an analysis of the financial and programmatic performance of the Department, the NYDA and the CGE. Cognisance is taken of the reductions imposed on the budget allocated as well as revisions made to respective Annual Performance Plans and where relevant, commentary is provided in that regard. Moreover, the report not only reflects on the Annual Reports but examines the Committee’s engagement with the entities for the year under review as well as the Q1 2022/23 performance and what needs to be taken into consideration going forward. The report concludes with key observations and recommendations made by the Committee having engaged with the Department, the NYDA, the CGE, the AGSA and each of the Audit and Risk Committee’s for each of the entities.

#### **6. Overview of Key Policy Focus Areas - Strategic Priorities of Government**

##### **6.1 National Development Plan**

“The NDP Vision 2030 prioritises the significant role of women, youth and people with disabilities in our society. If these three groups are strong, our whole society will be strong. These are cross-cutting focus areas that need to be mainstreamed into all elements of South Africa’s developmental future and all programmes of government. They will inform interventions across the three pillars.”<sup>1</sup>

The Department indicates that its mandate is aligned to the National Development Plan and that it was engaging with the DPME on ensuring that the 7 national priorities informs the policy priorities for gender, youth and disability and includes indicators and targets into the NDP 5-year Implementation plan and MTSF 2019-2024. In turn, this would therefore inform the focus areas in the Strategic Plan for the next five years.

Furthermore, the Department maintains that its Country Gender Indicator (CGI) Framework which is the backbone of the monitoring mechanism of the Gender responsiveness Budgeting, Planning, Monitoring, Evaluation and Auditing (GRBPMEA) Framework has its foundation in the NDP, State of the Nation Address (SONA), Sustainable Development Goal (SDG) (5), Agenda 2063, Convention on the Elimination of all Forms of Discrimination (CEDAW), Beijing Platform of Action (BPfA), Solemn Declaration on Gender Equity in Africa, Protocol on Gender and Development, National Policy Framework for Women Empowerment and Gender Equality (NPFWEGE) and other regional and international instruments on women

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<sup>1</sup> Department of Planning, Monitoring and Evaluation, Republic of South Africa (2019) Medium Term Strategic Framework 2019-2024.

Thus in implementing its programmes, the Department maintains that it aligned its indicators to respond and contribute to the principles of the NDP. This BRRR also examines the extent to which the Department has been able to do this for the year under review but also has a mid-point in the five-year term.

## 6.2 Medium-Term Strategic Framework (MTSF)

The Medium-Term Strategic Framework (MTSF) (2019-2024) for the 6<sup>th</sup> Administration identified the following seven priorities: (a) **Priority 1:** A capable, ethical and developmental state; (b) **Priority 2:** Economic transformation and job creation; (c) **Priority 3:** Education, skills and health; (d) **Priority 4:** Consolidating the social wage through reliable and quality basic services; (e) **Priority 5:** Spatial integration, human settlements and local government; (f) **Priority 6:** Social cohesion and safe communities and (g) **Priority 7:** A better Africa and world

All of the MTSF priorities are underpinned by three pillars namely; (a) Achieving a more capable state (b) Driving a strong and inclusive economy (c) Building and strengthening the capabilities of South Africans. The MTSF 2019-2024 aims to address the challenges of unemployment, inequality and poverty through three pillars outlined above. Moreover, the MTSF has also identified cross-cutting focus areas for women, youth and persons with disabilities which are implicitly linked to the National Development Plan (NDP). "Cross-cutting focus areas: The NDP Vision 2030 prioritises the significant role of women, youth and people with disabilities in our society. If these three groups are strong, our whole society will be strong. These are cross-cutting focus areas that need to be mainstreamed into all elements of South Africa's developmental future and all programmes of government. They will inform interventions across the three pillars."<sup>2</sup> The Department provided specific commitments with respect to each of the MTSF priorities identified and presented these to the Committee in May 2020.

## 6.3 State of the Nation Address 2021

The 2021 State of the Nation Address (SONA) focussed on four key areas related dealing with the coronavirus pandemic, accelerating the country's economic recovery; implementing economic reforms to create sustainable jobs and drive inclusive growth and finally, fighting corruption and strengthening the State. All four of the key focus areas have a bearing on women, youth and persons with disabilities in South Africa

The President made reference to women in relation to the fight against gender-based violence (GBV) and economic empowerment. In terms of GBV, the President reaffirmed his commitments made at the launch of the National Strategic Plan on Gender-Based Violence and Femicide (GBVF) "to the women and children of this country that we were going to strengthen the Criminal Justice System to prevent them being traumatised again, and to ensure that perpetrators face justice." As such, three key pieces of legislation were introduced in Parliament in the previous year to make the criminal justice system more effective in combatting GBV thereby bringing perpetrators to book and reducing the backlog of GBV cases. Furthermore, the President announced that the private sector-led GBVF Response Fund was launched. To this end, he indicated that "Several South African companies and global philanthropies made pledges to the value of R128 million." In addition, the President also indicated that, "Over the next three years, government will allocate approximately R12 billion to implement the various components of the National Strategic Plan."

With respect to prioritising the economic empowerment of women as was stated in the 2020 SONA, the President noted that Cabinet approved a policy that 40% of public procurement should go to women-owned businesses and entities. To this end, the President stated that "Several departments have started implementing this policy and are making progress."

With respect to youth, the President also reflected on the commitments made in SONA 2020, to address youth unemployment by announcing that the National Youth Development Agency and the Department of Small Business Development would provide grant funding and business support to 1 000 young entrepreneurs within 100 days. To this end, even though the programme had to be put on hold due to the coronavirus restrictions, it still managed to reach its target of 1 000 businesses by International Youth Day on 12 August 2020. In so doing, providing a firm foundation for Government's efforts to support 15 000 start-ups by 2024. The President also encouraged the youth to join that the National Pathway Management Network that was established in 2020 as it provided support and opportunities to young people across the country.

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<sup>2</sup> Department of Planning, Monitoring and Evaluation, Republic of South Africa (2019) Medium Term Strategic Framework 2019-2024.

Only one reference was made to persons with disabilities, in which the President committed in “the year ahead, we are also going to forge ahead with efforts to provide greater opportunities for persons with disabilities to participate in the economy and in society in general.”

During the year under review, the Committee also requested the Department to report on progress in terms of what the President identified in its 2021 SONA and how the respective programmes were responding to these. Similarly, the CGE and NYDA were also requested to do the same in its quarterly report briefings to the Committee. Despite requests made in this regard, not much was reflected during quarterly reporting.

## **7. Department’s Strategic Priorities**

### **7.1 Strategic Priorities as per Strategic Plan 2020-2025<sup>3</sup>**

As per the Strategic Plan (2020-2025), the Department outlines the links between the 7 MTSF priorities, the NDP and SONA priorities by highlighting the alignment through the various outcomes and five-year targets that were identified in its Strategic Plan for 2020-2025 as outlined below.

#### **7.1.1 MTSF Priority 1: A Capable, Ethical and Developmental State**

Outcomes:

- Improved governance processes and systems for DWYPD
- Government-wide planning, budgeting, M&E addresses priorities relating to women’s empowerment, youth development and the rights of persons with disabilities
- Gender, youth and disability rights machineries institutionalised
- Accessible and available evidence based knowledge and information on access to services, empowerment and participation for women, youth and persons with disabilities
- Revised legislative framework to respond to and enforce rights of women, youth and persons with disabilities
- Strengthened stakeholder relations and community mobilisation towards the realisation of women’s empowerment, youth development and disability rights

#### **7.1.2 MTSF Priority 2- Economic Transformation and Job Creation**

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

#### **7.1.3 MTSF Priority 3- Education, Skills and Health**

Outcomes

- Education: Improved rate of educational attendance and retention of young women and women with disabilities in public sector institutions
- Health: Improved health for women, youth and persons with disabilities
- Skills: Improved skills for women, youth and persons with disabilities

#### **7.1.4 MTSF Priority 4 - Consolidating the Social Wage through Reliable**

Outcomes:

- The Department, working with the Department of Social Development and of Health, will co-develop and ensure implementation of a core package of essential psychosocial support and norms and standards for substance abuse, violence against women and children. Through the core package the department will ensure that 90% of victims of GBVF have access by 2024.
- The Department will develop different interventions to reduce GBVF among women, youth and persons with disabilities. One of the interventions is the National Strategic Plan to end GBVF which will be accompanied by a monitoring framework to ensure its implementation.
- The actual deliverables are covered under Priority 6 and the details on the specific deliverables will be outlined in the APP each year.

#### **7.1.5 MTSF Priority 5: Spatial Integration, Human Settlements and Local Government:**

Outcomes:

- The department will lobby and support other department’s infrastructure and neighbourhood development grants and tax rebates and new structures to incorporate universal design norms and standards. This will include retrofitting existing buildings, transport and Information and

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<sup>3</sup> Department of Women, Youth and Persons with Disabilities (2020) Strategic Plan 2020-2025

Communication Technology (ICT) systems and infrastructure to ensure universal design. It will also monitor compliance with the universal design, norms and standards.

- Furthermore, the department, through Programme 5 on Persons with Disabilities, will develop Frameworks on Disability Rights Awareness Campaigns.

#### 7.1.6 MTSF Priority 6- Social Cohesion and Safe Communities

Outcomes:

- Levels of marginalisation, stigmatisation and discrimination and violence against women, girls and persons with disabilities reduced
- Equal opportunities, inclusion and redress. The department contributes to Priority 6 through the Stakeholder Coordination and Outreach (SCO) sub-programme, which is responsible for coordinating sustained and visible initiative/ campaigns on gender to contribute to the target of 30 by 2024.

#### 7.1.7 MTSF Priority 7- A Better Africa and World

Outcomes:

- Strengthened women, youth and disability rights agenda within global, continental and regional platforms, institutions and engagements towards a better Africa and the world
- Gender equality, youth and disability agenda strengthened within multilateral institutions
- The department contributes to Priority 7 through the International Relations (IR) Directorate and the Research Policy and Knowledge Management, on international reporting

The Department had also identified the following strategic priorities for each of its programmes namely;

#### **Programme 1: Administration (Admin.)**

- Strengthened good governance that ensures the Department delivers on its mandate.
- Improved strategic financial management system in Department, enabling delivery on the mandate.
- Effective and appropriate Human and ICT and Physical Resource management, enabling delivery on its mandate.

#### **Programme 2: Social Transformation and Economic Empowerment (STEE)**

- Development and implementation of interventions to promote gender mainstreaming of socio-economic and governance programmes.
- A Department that advances women empowerment and gender equality.

#### **Programme 3: Policy, Stakeholder Coordination and Knowledge Management (PSCKM)**

- Promotion of gender-responsive knowledge and research, policy development, international relations, planning, monitoring and evaluation, stakeholder engagement, advocacy and outreach campaigns with respect to women's socio-economic empowerment and gender equality.

#### **Programme 4: Rights of Persons with Disabilities (RPD)**

- To promote, protect and empower persons with disabilities through the development and implementation of legislation, policies and programmes.
- To strengthen implementation of the White Paper on the Rights of Persons with Disabilities through the National Disability Rights Machinery.
- Strengthening of International Relations to promote the rights of persons with disabilities.

#### **Programme 5: National Youth Development Programme (NYD)**

- To coordinate, support and facilitate youth development and empowerment.

### **7.2 Strategic Outcomes over MTSF Period**

The Department has identified the following strategic outcomes as informed by its priorities and other Government-wide outcomes as follows in the Annual Report:

- a) Improved governance processes and systems for Department of Women, Youth and Persons with Disabilities (DWYPD).
- b) Government-wide planning, budgeting, M & E addresses priorities relating to women's empowerment, youth development and the rights of persons with disabilities.
- c) Gender, youth and disability rights machineries institutionalized.
- d) Accessible and available evidence based knowledge and information on access to services, empowerment and participation for women, youth and persons with disabilities.
- e) Strengthened stakeholder relations and community mobilisation towards the realisation of women's empowerment, youth development and disability rights.

- f) Revised legislative framework to respond to and enforce rights of women, youth and persons with disabilities Socio-Economic Empowerment –WYPD.
- g) Rights of Women, Youth and Persons with Disabilities realised.
- h) Stakeholder Management.

The Department notes in its 2021/22 Annual Performance Plan that that its outcomes are aligned to the following MTSF priorities:

Priority 1: A capable, ethical and developmental state

Priority 5: Spatial integration, human settlements and local government

Priority 7: A better Africa and world

The Department notes its new outcomes as follows:

- The socio-economic empowerment of women, youth and persons with disabilities through the development and implementation of regulatory frameworks,
- The rights of women, youth and persons with disabilities realised through the development and implementation of legislation, and
- The development and implementation of a stakeholder framework.

Moreover, the Department also notes the following as its main services:

- a) Coordinate the establishment of an accountability architecture (national coordinating structure) undergirded by the necessary resources to drive a multi-sectoral response to Gender-Based Violence and Femicide (GBVF).
- b) Develop and implement a National Strategic Plan (NSP) on GBVF.
- c) Reinvigoration, revitalisation and strengthening of the National Gender Machinery.
- d) Women's empowerment and gender equality mainstreaming.
- e) National Gender Machinery Coordination and Accountability Forum to support closer collaboration between government, Parliament, independent bodies, private sector and civil society.
- f) Employment of Gender Focal Points in government departments as outlined in the NGPF (2000).
- g) To develop intervention mechanisms for gender mainstreaming for women's socio-economic empowerment, transformation and gender equality.
- h) Promote gender sensitive research and policy analysis in relation to gender equality and women's empowerment.
- i) Establish a knowledge gateway for women's socio-economic empowerment transformation and gender equality.
- j) Monitor and evaluate the impact of government policies and programmes on improving the socio-economic status of women, which includes facilitating stakeholder coordination (domestic, regional and international).
- k) Conducting outreach initiatives, including dialogues to share and gather information to promote women's socio-economic empowerment and gender equality.

### 7.3 Strategic Priorities 2021/22

According to the 2021 Estimates of National Expenditure (ENE), the Department intended focussing on the following over the medium term:<sup>4</sup>

- a) reducing the incidence of gender-based violence and strengthening the national response to it; and
- b) promoting the inclusion of women, youth and people with disabilities in the economy and society more broadly (This included promoting gender-responsive planning, budgeting, and monitoring and evaluation across government; promoting the rights of people with disabilities and supporting the empowerment of young people).

In addition, other policy instruments and legislation that the Department aims to develop and implement across the next five years includes the following:

- Socio economic empowerment index policy
- WYPD Responsive planning, budgeting, monitoring and evaluation framework
- National gender policy framework
- WYPD mainstreaming framework
- Reasonable accommodation framework
- Universal design and access framework

<sup>4</sup> National Treasury (2021) Estimates of National Expenditure, *Vote 20: Women, Youth and Persons with Disabilities*, p. 350

- Self-representation framework
- Disability Rights Awareness Campaign framework
- Women empowerment and gender equality (WEGE) Bill
- National Council on Gender Based Violence Bill
- Disability rights Bill
- NYDA Amendment Bill
- South African Youth Empowerment Act

With regards to the CGE, “Over the medium term, the commission will continue to advance legislation, policies and advocacy initiatives that contribute to the eradication of gender inequality. This is expected to be achieved by influencing laws and government policies through written submissions to Parliament; and monitoring the country’s response to addressing and combating gender-based violence and inequality. The commission will also seek to conduct outreach and advocacy interventions to increase education and awareness, and provide legal clinics to resolve disputes in cases of gender-related complaints.”<sup>5</sup>

With regards to the NYDA, “Over the medium term, the Agency will focus on providing comprehensive interventions to support decent employment, skills development and entrepreneurship for young people. This will include partnering with different sectors to provide training in technical and vocational skills through sector education and training authorities, providing grants to young people for enterprise development, and coordinating the national youth service programmes.”<sup>6</sup>

## **8. Policy Priorities for 2021/22**

Overall, the Department notes that it is at the centre of Government and has a mandate to co-ordinate and regulate accelerated delivery of a quality, cohesive and integrated national gender, youth and persons with disabilities (GEYODI) programmes. As per the 2021 Estimates of National Expenditure, the key priorities that the Department intended spending its budget included addressing gender-based violence and supporting empowerment, promoting gender-responsive planning, budgeting and monitoring and evaluation across Government, promoting the rights of persons with disabilities and supporting the empowerment of young people. Furthermore, in the 2021/22 financial year 2021/22, the Department also planned to focus on development of the Gender, Youth and Persons with Disabilities (GEYODI) Coordination Framework. The purpose of the GEYODI Coordination Framework is to serve as the Government’s nerve centre for effective coordination and accountability of the National GEYODI Programme; and broaden sectoral participation in the National GEYODI Programme by engaging on an equal footing all stakeholders and structures of the machineries.

## **9. General Overview and Assessment of Financial Performance for Department**

According to the Estimates of National Expenditure 2021, R763,5 million was allocated for Vote 20 for the Department of Women, Youth and Persons with Disabilities. Bearing in mind that R 91,376 constituted the transfer payment to the CGE and R470,962 million to the NYDA. This amounted to R562,338 million. Hence the Department would have been left with an operating budget of R203.170 million to undertake its programmes and meet its targets for 2021/22. However, in October 2021 the NYDA received an additional cash injection from National Treasury of R430 million<sup>7</sup> taking its total in transfers via the Department to R 900.962 million. As of 31 March 2022, the Department spent R1 164 423 billion (97.4%) of its total budget R 1 195 508 billion (includes transfers). The total under-expenditure incurred was R31.085 million.

The Department reports a total of R2,185 million in virements from Programmes 1 and 3 to Programme 1 (Administration), 2, 3 and 4. As such R1,992 million from Compensation of Employees (CoE) was shifted from Programme 3 to CoE in Programme 1 (R1,662 million), 2 (R64 000), 3 (R64 000) and 4 (R266 000) for CoE. A total of R193 000 was shifted from Goods and Services in Programme 1 to Payment for financial assets Programme 1. Hence this was an internal virement between sub-programmes.

In summary, the following virements have been made in terms of financial line items:

<sup>5</sup> National Treasury (2021) Estimates of National Expenditure, *Vote 20: Women, Youth and Persons with Disabilities*, p. 360

<sup>6</sup> National Treasury (2021) Estimates of National Expenditure, *Vote 20: Women, Youth and Persons with Disabilities*, p.362

<sup>7</sup> R400 million as per the adjusted appropriation was for the NYS programme and R30 million for Entrepreneurship support initiatives by the NYDA.

- CoE: Shifting of funds was to augment the excess expenditure in programmes 1, 2 and 4 utilising unspent funds related to vacant posts in programme 3 that were not filled by the end of the financial year. R1 992 million from Compensation of Employees (COE) from Programme 3 to Programme 1, 2, 3 and 4.
- R193 000 from Goods and Services (G&S) from Programme 1 to Programme 1 – primarily for payment for financial assets.

In examining the programme expenditure for 2021, the following table has been collated using the information the information provided in the Annual Report.

**Table 1: Total vs Operational Expenditure as at 31 March 2022<sup>8</sup>**

Programme	Total budget as per Annual Report Appropriation Statement (incl. transfer payments)	Total Expenditure Incl. transfer payments	Budget per programme excluding transfer payments (operational budget)	Actual expenditure excluding transfer payments (operational expenses) % of allocated programme budget	Programme expenditure as % of total operational expenditure
<b>1. Administration</b>	R 111 909m	R 103 486m	R111,909m	R103,486m 92.4%	R103,486m 60.1%
<b>2. Social Transformation &amp; Economic Empowerment</b>	R 118 407m	R 113 311m	R91.376 million (R118,407 - CGE R91,376m)	R91.376m (Rm-CGE Rm) %	R21,935 m (R113,311 - R91,375m) 12.7%
<b>3. Policy Coordination &amp; Knowledge Management</b>	R 35 668m	R 26 059m	Rm	R26,059m 73.0%	R26,059m 15.1%
<b>4. Rights of Persons with Disabilities</b>	R 16 383m	R 10 887m	Rm	R10,887m 66.4%	R10,887 6.3%
<b>5. National Youth Development</b>	R 913 141m	R 910 680m	R 900.962m (Rm – NYDA R0m)	R900.962m (R910,680m - NYDA R900,962m) 79.7%	R9,718m (R910,680 - R900,962m) 5.6%
<b>Total</b>	<b>R 1 195 508 billion</b>	<b>R 1 164 423 billion</b>	<b>R 203,170m</b>	<b>R172,085m</b>	
<b>Total under-expenditure = R 31,085m</b>		<b>Total budget expenditure = 97.4%</b>		<b>Total expenditure, i.e. operational budget = 84.7%</b>	

The table provides an overview of expenditure as at the end of the 2021/22 financial year. The following can be noted:<sup>9</sup>

- When considering the overall expenditure of the Department based on its total appropriation of R1.195 508 billion, it appears that the Department has spent 97.4% or R1.164 423 billion million of its total budget.
- However, when considering the budget less the transfer payments to the CGE and NYDA, i.e. the operational budget (R203,170 million), the Department has spent 84.7% or R172,085 million of the operational budget.
- The bulk of the Department's operational budget was still allocated to its Administration Programme (Programme 1). This programme also consumed the largest expenditure (R103,486 m) of the Department's operational budget which amounted to 60.1%. Programme 4, the Rights of Persons with Disabilities accounts for only 6.3% of expenditure, while Programme 5, National Youth Development accounts for only 5.6% of operational expenditure.

<sup>8</sup> Levendale, C (2022), Annual Report Overview 2021/22 Department of Women, Youth and Persons with Disabilities Parliament of the Republic of South Africa, Research Unit, 10 October 2022

<sup>9</sup> Ibid

- Total under-expenditure for the year amounts to R31,085 million.

The Department reports that it has requested the following roll-over funds from National Treasury:

- A roll-over request was made for R1 000 000.00 on the support and maintenance project for Microsoft, R600 000.00 for the payment of the Microsoft License and R1 767 000.00 for the installation of the Information Communications Technology (ICT) infrastructure as part of the relocation of the Department to the new premises.
- A roll-over request was made for the R3 508 000.00 for the installation of ICT infrastructure at the new premises for the department as part of the relocation.
- A roll-over request was made for the R3 585 000.00 for the continuation of the establishment of the NCGBVF.
- A roll-over request was made for an amount of R784 000.00 for the appointment of a service provider to harmonize Disability Rights Instruments and develop a Disability Rights Monitoring Results-Based Framework.

The Department still awaits the outcome of these requests.

The key cost drivers were Compensation of Employees and Goods and Services. As such, 71.9% (R115 million) of the Department's operating budget has been spent on Compensation of Employees (CoE). This was an 8.7% increase from 2020/1. Furthermore, 24.7 % has been consumed by Goods and Services (R50,993 million). In terms of spending under goods and services, the line items which have incurred greatest expenditure are listed in the table below.

**Table 2: Comparison of Key Cost Drivers between 2020/21 and 2021/22**

Key Cost Driver	2020/21	2021/22
Compensation of employees	R110.311 million	R115,7 million
Goods and services	R43.243 million	R50,993 million
- Property payments	R19.147 million	R21,649 million
- Travel & Subsistence	R6.078 million	R4,450 million
- Communication	R4.323 million	R4,008 million
- External Audit Costs	R3.235 million	R3,802 million
- Computer services	R2.870 million	R4,224 million
- Advertising		R5,112 million

There has been a significant increase in property payments year on year from R12.8 million in 2019/20 to R19.1 million in 2020/21 to R21,649 million in 2021/22. While travel and subsistence remains a primary cost driver it has seen a marked decrease from 2019/20 when expenditure was at R28.3 million to R4,450 million in 2021/22. The decrease is attributed to the COVID-19 lockdown travel restrictions.

In terms of spending under Goods and Services, the main cost drivers were travel and subsistence (R 4,450 million), property payments (R21,649 million), expenditure for external audit costs (R3,802 million), Communication (R4,008 million) and Computer services (R4,224 million) and Advertising (R5,112 million). These 5 line items consume 84.8% (R43,245 million) of the Goods and Services budget.

Looking at key cost drivers comparatively across the 2019/20, 2020/21 and 2021/22 financial years they remain fairly similar. Compensation of employees sees a continuous increase from R89.013 million in 2019/20 to R110.311 million in 2020/21 to R115,7 million in 2021/22. Goods and Services also increased by R7,75 million between 2020/21 and 2021/22.

The Department indicated that under-spending per programme was due to following reasons as cited in the table below:

**Table 3: Under-expenditure per programme for 2021/22<sup>10</sup>**

Programme Under-Expenditure	Under-expenditure as % of total appropriation	Under-expenditure as % of programme operational budget	Reason For Under-Expenditure

<sup>10</sup> Levendale, C (2022), Annual Report Overview 2021/22 Department of Women, Youth and Persons with Disabilities Parliament of the Republic of South Africa, Research Unit, 10 October 2022

<b>Programme Under-Expenditure</b>	<b>Under-expenditure as % of total appropriation</b>	<b>Under-expenditure as % of programme operational budget</b>	<b>Reason For Under-Expenditure</b>
<b>P1: Admin</b> <b>R 8,423 million</b>	<b>7.5%</b>	<b>7.5%</b>	<ul style="list-style-type: none"> <li>• Delayed spending on the support and maintenance of the implementation of the Microsoft Licenses amounting to R1 077m. Reduction on travel and subsistence amounting to R1 371 000.00 linked to COVID-19 restrictions on travel</li> <li>• Daily office operational expenditure included: - administrative fees (R425 000), communication (telecoms) (R488 000), legal services (R296 000), contractors (R270 000), training and development (R345 000) and operating payments (R333 000).</li> <li>• Non-procurement of the 2 Executive Vehicles for the Cape Town Office amounting to R1 392m due to the passing away of the former Deputy Minister</li> <li>• Cancellation of an order for 22 laptops due to no stock availability from the supplier amounting to R573 000.</li> <li>• The procurement of the furniture as part of the relocation to the new premises was put on hold as the refurbishment and upgrading of the building is work in progress.</li> </ul>
<b>P2: STEE</b> <b>R 5,096 million</b>	<b>4.3%</b>	<b>18.8%</b>	<ul style="list-style-type: none"> <li>• Delay in the finalisation of the National Council for Gender-Based Violence and Femicide (NCGBVF) due to challenges in legislation, the unspent funds amount to R3 706m.</li> <li>• Reduction on travel and subsistence due to COVID-19 travel restrictions amounting to R1 055m.</li> </ul>
<b>P3: PSCKM</b> <b>R 9,609 million</b>	<b>26.9%</b>	<b>26.9%</b>	<ul style="list-style-type: none"> <li>• Due to the challenges experienced by the department for the procurement of research and monitoring and evaluation projects that went out on tender, but no responses were received from the market. The estimated cost for these projects is to R2 991m.</li> <li>• COVID -19 restrictions on travel and physical events resulted in an unspent amount of R1 973m budget for travel and subsistence as well as the budget for items such as contractors (R495 000), operating payments (R1 117m), venues and facilities (R958 000) and rental and hiring (R641 000)</li> </ul>
<b>P4: RPD</b> <b>R 5,496 million</b>	<b>33.5%</b>	<b>33.5%</b>	<ul style="list-style-type: none"> <li>• Attributable to the reduction on travel and subsistence amounting to R2 410m.</li> <li>• COVID-19 restrictions on physical events contributed to the underspending on items such as catering (R237 000), consultants: business and advisory services (translation and transcription services) (R638 000), venues and facilities (R850 000) and stationery and printing (R302 000).</li> </ul>
<b>P5: NYD</b>			<ul style="list-style-type: none"> <li>• Attributable to the tender process that was</li> </ul>

Programme Under-Expenditure	Under-expenditure as % of total appropriation	Under-expenditure as % of programme operational budget	Reason For Under-Expenditure
R 2,461 million	0.3%	20.2%	<p>not finalised by DPME at the end of the financial year in relation to a research study on Youth Employment Programme in the country. This study was initially to be implemented within the 2021/22 financial year.</p> <ul style="list-style-type: none"> <li>Also due to the declined donation of laptops by National Treasury (NT) amounting to R500 000 that would have been procured as part of an initiative with DIGITITAN to assist young persons in terms of education at TVET colleges.</li> </ul>

Based on the table above, the main reasons for under-spending related to Good and Services and payment for capital assets. When considering, the under-expenditure as a percentage or proportion of the actual operational budget of R203,170 million as opposed to the total budget of R1.1 billion which is inclusive of the transfer payments to the NYDA and the CGE, it is vastly different. Hence as a proportion of the operational budget, the smallest percentage of under-expenditure occurs in Programme 1 at 7.5% of the operational budget, while the greatest under-expenditure is in Programme 4 at 33.5%. Hence the core programmes had the highest under-expenditure as compared to the administration programme.

Furthermore, the Department indicated that it utilised 39 consultants on 9 projects throughout the financial year amounting to R1,848 million as outlined in the table below. The Department is not able to indicate the estimated duration/work days of these consultants for 5 of the projects stated as ongoing in the Annual Report.

**Table 4: Use of consultants for 2021/22**

Project Title	Total number on consultants that worked on the project	Estimated Duration (work days)	Contract Value in Rands (R'000)
Health risk management (SOMA)	1	Ongoing	19
Competency Assessment	1	Ongoing	34
Audit Committee	5	Ongoing	269
Organisational Strategic Planning	1	Ongoing	175
Translators, Interpreters & Sign Language	27	1	293
Facilitation Services	1	5	213
Virtual NYP M&E	1	1	141
Research project	1	Ongoing	696
Qualifications Verification (SAQA)	1	1	7
<b>Total</b>	<b>39</b>		<b>R1,848 million</b>

## 9.1 Expenditure Management for 2021//22

### 9.1.1 Irregular Expenditure

- The Department has irregular expenditure to the amount of R41,712 million on its financial statements relating to previous financial years. No irregular expenditure was incurred for the 2021/22 financial year. New policies on irregular, wasteful and fruitless expenditure were

developed and approved during November 2021 to enhance compliance and prevent the occurrence of irregular expenditure.

#### **9.1.2 Fruitless and wasteful expenditure**

- The Department has not incurred any Fruitless and Wasteful expenditure for 2021/22. However, previous expenditure relating to a case against a previously used travel agency is still on record and is currently with the State Attorney to consider possible recovery of funds (R1.330 million).

#### **9.1.3 Unauthorised expenditure**

- The Department did not incur any Unauthorised expenditure for 2021/22. However, there is unauthorised expenditure from previous years that is awaiting authorisation. This amounts to R32,774 million.

#### **9.1.4 Deviations**

- The Department states in its Annual Report that it did not receive exemptions and deviations from National Treasury during the 2021/22 FY. However, the Q4 2021/23 briefing to the Portfolio Committee the following was reported
  - As at 31 December 2021, the Department has incurred 16 deviations amounting to R1,539 418 million
  - By 31 March 2022, this had increased to 20 deviations, amounting to R1,929 418 million.
    - 8= single source appointments
    - 8= obtaining less than 3 quotes for amounts of more than R2000
    - 2 = contract extension/continuation of services
    - 2 = variation of orders/contract prices

#### **9.1.5 Contingent Liabilities**

- The Department notes contingent liabilities to the amount of R15 million. It notes as follows: “the department is a defendant in a case including 3 other defendants. As the case has not served in court yet, the liability breakdown of the R15 million linked to the department cannot be determined. As the progress determination will be sought and provided during the case.” The Department must keep the Portfolio Committee updated on this matter.

### **9.2 2021/22 MTEF financial allocation**

The Department still maintains that it is under-resourced. The Minister states in the Annual Report that, “the ability of the Department to expand its capacity in support of its strategic intentions and to resource potential options for the restructuring of the Department has been severely constrained by reductions that have been made to baseline allocations of the Compensation of Employees Budget over the MTEF period due to macro-economic challenges facing the South African economy.”

### **9.3 Concluding comments on financial performance**

The Department spent 84.7 % of its operating budget and managed to achieve 95.1% (39/41) of its targets as per the revised APP reflected in the Annual Report 2021/22. The underspending increased from R18,575 million in the previous FY to R31,085 million in the year under review. Programme 1 consumes the greatest proportion of the budget at 55%, while Programme 5 has the smallest allocation, consuming only 5.9% of the budget. Programme 1 sees a significant increase from R98 million in its original appropriation, to R111,9 million in its final appropriation. Despite a sizeable portion of the operational budget being allocated to CoE, the Department relied on consultants to deliver on targets and expenditure incurred despite a large cohort of staff within programmes. Most of the expenditure incurred as in the previous financial years was for Compensation of Employees and Goods and Services.

## **10. COMMISSION FOR GENDER EQUALITY (CGE)**

The CGE briefed the Committee during all the quarterly reports on its finances. A Commissioner's report was submitted to the Committee at every quarter.

Based on its constitutional mandate, the CGE's vision is to strive for “a society free from all forms of gender oppression and inequality”, while its mission includes to “advance, promote, protect, monitor and evaluate gender equality through undertaking research, public education, policy development, legislative initiatives,

effective monitoring and litigation". Its values are independence; professionalism; accountability; ethical behaviour; and teamwork.

The Commission's Strategic Framework translates its constitutional mandate into four strategic outcomes as outlined hereafter. In summary, the CGE set out to achieve 26 targets and achieved 25 (96%).

### 10.1 Strategic Outcome (SO) 1

The purpose of SO 1 is to evaluate legislation, policies, practices and mechanisms and make recommendations to bring about continuous improvements to advance gender equality. These has been achieved through the following sub-strategies:

- (i) To monitor and evaluate the promotion of gender equality and any relevant policies and practices of the public and private sector and report to Parliament.
- (ii) To initiate and review for the improvement of the legislative framework in all spheres of government that impacts on priority areas of gender equality.
- (iii) To conduct periodic performance assessments of priority Ministries, State institutions, Government departments, political parties and the private sector on the implementation of applicable legislation and policies that impact on gender equality.
- (iv) To evaluate the implementation and the effectiveness of the national justice facilities for gender discrimination.
- (v) To convene direct dialogues with relevant policy makers at national and provincial level on recommendations to promote gender equality contained in research reports and research activities.

According to the Annual Report 2021/22, this SO planned for 7 targets, all of which 6 were achieved and 3 was exceeded as cited below. The target not achieved has been cited below

- Only 14/16 submissions on new and proposed legislation that substantively promotes and protects gender equality

### 10.2 Strategic Outcome (SO) 2

The purpose of this SO is to evaluate legislation, policies, practices and mechanisms and make recommendations to bring about continuous improvements to advance gender equality. This SO has the following sub-strategies:

- To timeously investigate complaints of violations of gender rights and identify appropriate redress.
- To initiate investigations of systematic violations of gender rights in the public and private sector and identify appropriate redress.
- To develop a coordinated programme to promote equality.
- To initiate intervention for sustainable development and promotion of gender equality by addressing violations in the social cultural, political and economic security and human rights dimension.
- To collaborate with organs of state, civil society and other institutions for the effective development, protection, promotion and attainment of gender equality.

According to the Annual Report 2021/22, this SO planned to achieve 11 targets of which only 6 were achieved and 5 targets were not met as cited below.

- Only 30/36 training workshops on gender and development conducted;
- Only 27/108 outreach, advocacy and access to justice interventions conducted guided by a project plan;
- Only 11/36 stakeholder engagements with like-minded institutions on topical issues relating to gender equality which will inform CGE planning and programmes held;
- 2 High-level meetings & a report with outcomes of meeting with DBE, SACE & Teachers' Unions on GBV & learner pregnancy not held instead other meetings held;
- Only 24/40 40 courts monitored.

It is concerning that Outcome 2, which deals with education and information sharing to create public awareness and understanding has performed the poorest out of the 4 outcomes.

### 10.3 Strategic Outcome 3

The purpose of this SO 3 is to transform behaviour to respect and uphold gender equality and to further ensure effective and efficient social justice for victims of gender violations. This has been achieved through the following sub-strategies:

- To conduct annual reviews and audits of state compliance with obligations under the conventions, covenants and charters and to report a regular basis to Parliament and the Office of the Speaker of Parliament.
- To interact with and report to national, regional and international bodies on state compliance with conventions, covenants and charters acceded to or ratified.

According to the Annual Report 2021/22, this SO planned to achieve 7 targets and 6 were achieved only 1 not met as cited below.

- Only 283 SAPS and 19 TCCs were reached instead of 432.

### 10.4 Strategic Outcome 4

The purpose of this SO 4 is to build and sustain an efficient organisation, to effectively promote and protect gender equality.

According to the Annual Report 2020/21, this SO planned to achieve 13 targets and 9 were achieved whilst 4 were not met as cited below.

- A report on the assessment of plenary effectiveness Approved ICT and Knowledge Management Plan;
- A report on the assessment of Sub-Committees' effectiveness;
- Only 1/4 Strategic partnership agreements concluded;
- Consolidated report on the implementation of IKM plan not completed.

### 10.5 CGE'S BUDGET FOR 2021/22<sup>11</sup>

For the 2021/22 financial year, the CGE receives an allocation of R91,376 million through the transfer payment via the Department of Women, Youth and Persons with Disabilities. When examining the allocation between 2020/21 (R78,651 million) and 2021/22, the Nominal Rand Change is approximately R12,7 million. However, when taking into account inflation, the Real Rand Change in allocation is R9,076 million.<sup>12</sup> Notwithstanding that, the CGE's total revenue income amounted to R92,088 547 on account of R712 547 accrued from interest and sundry income.

Approximately 69% of the budget is allocated for on Compensation of Employees, while 31% was allocated towards Goods and Services. The Commission has repeatedly reiterated that it is a "human capital driven" institution, with its employees carrying out the bulk of its services, and as such the bulk of its funding is allocated for compensation of employees. SO 4, which is the outcome focusing on the operations and systems of the Commission, receives the largest proportion of the budget.

For the year under review, the CGE spent R77,835 659 (85.5%) of its budget and thus incurred an under-expenditure of R14,2 million (15.4% of the annual budget). Compared to the previous FY in which the CGE spent 95% (R76,085 756) of its budget incurring an under-expenditure/surplus of R3,925 153 million. The under-expenditure has not only continued but has regressed further. The reasons noted for under-expenditure were as follows:

- Vacant posts resulted in under-expenditure of R9 174 496 million.

*Vacant posts include amongst others:*

- 2 Commissioner positions
- Head of Legal Department
- Head of Parliamentary Liaison Unit
- Head of Public Education and Information
- 3 x middle management positions

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<sup>11</sup> Levendale, C (2022) Commission for Gender Equality 2021/22 Annual Report Overview and Analysis, Parliamentary Research Unit

<sup>12</sup> Ibid

- Under-spending occurred in goods and services amounting to R5 084 812 million.

*Primarily as a result of:*

- Decreased spending on travel and accommodation and events management due to COVID-19 lockdown regulations during the first half of the financial year.
- Under-expenditure on staff development and training (R1 million had been budgeted for training and R1 million for bursaries – it is not clear how much of this collective R2 million was underspent). This is of particular concern as the training and development funds were lost to COVID-19 reprioritisation funds during 2020/21.

Approximately 69.7 % or R 54,2 million was spent on CoE, while 28.3% (R22,097 088m) was spent on Goods and Services.

The CGE had 101 funded positions for the year under review and a total of 87 employees as at the end of March 2021.

The Key Cost drivers at the end of the FY were as follows:

- ICT (Computer servicing, IT and website) (R3,818 229)
- External Auditing Fees (AGSA) (R2,681 561m)
- Office cleaning, Maintenance, Plants and Security (R2,439 672)
- Travel (R2,430 234)
- Interest and penalties (R1,982 473)

Together the aforementioned cost drivers amounted to R13,352 169 million (60.4%) of the total Goods and Services expenditure.

The CGE also reports that R13,843 996 million (17.7% of total expenditure) was spent on the Commissioner's Programme; R23,218 160 (29.2% of total expenditure) was spent on Corporate Support Services and R40,773 494 million (52.33% of total expenditure) was spent on Service Delivery.

In terms of irregular expenditure, the Commission records R 3,745 346 million for the 2021/22 financial year, however only R 1 656 338 relates to the current financial year. The remaining R 2 089 008 relates to expenditure from the previous financial year. It indicates that investigations are currently underway to determine liability and effect additional measures to strengthen systems of internal control. In 2020/21, R455 036 irregular expenditure was incurred for salaries for Commissioners' PAs, which was incurred in contravention of recruitment policies. In 2021/22 this amount has increased to R 786 954. Another item of irregular expenditure relates to a bid awarded to TGF Consulting without approval from the delegated officials. This amounted to just under R 500 000. Furthermore, 3 other service providers were also listed with the same reason cited.

The Commission records R 5, 694 008 in its financial statements with regard to Fruitless and Wasteful expenditure. However, R 2,753 340 relates to the 2020/21 financial year incurred as a result of payment of Commissioner's (remuneration) without supporting evidence or time sheets.

For the 2021/22 financial year the Commission indicates that it has incurred fruitless and wasteful expenditure to the amount of R 2,692 369. The bulk of this (R2 381 665) is attributed to the payment of part-time Commissioners without requisite time sheets. The CGE reports that this payment was made as a retainer in the absence of time sheets which were not regularly submitted to vouch for the actual time for remuneration.

The remaining R 310 706 in Fruitless and Wasteful expenditure relates to:

- R 169 147 as a result of a policy change relating to medical subsidies for staff that was not communicated to payroll office.
- R 52 493 as a result of a policy change relating to housing subsidies for staff that was not communicated to payroll office.
- R 84 064 relating to penalty and interest charged by SARS as a result of a late submission of a tax return.
- R 5000 as a result of a long service cash gratuity paid without full contractual documents in the file to vouch for the period under consideration.

## **10.6 Human Resources**

The Commission indicated that they had 101 funded posts during 2020/21 and a vacancy rate of 16% (16 vacancies) and in 2021/22 the vacancy rate had increased to 19% (22) of the 116 funded posts. When reflecting back on the 2019/20 financial year, the vacancy rate was 15% (17 vacancies) and 10% (11 vacancies) in the 2017/18 financial year. This is a cause for concern. The CGE reports only 1 post that is unfunded and additional to the establishment – in 2020/21 there were 8. The CGE had a total of 94 employees as at the end of March 2022 of which 4 staff members are employed on a temporary or internship basis. The CGE notes that 7 appointments were made during the 2021/22 financial year. However, there is conflicting information in terms of the number of staff that have left the Commission during the same period based on the various tables outlined in the Annual Report. Under terminations it stipulates, 12 but under employee changes in the year the CGE reports 16 (1 death, 10 resignations, 5 expiry of contracts). However, 17 leave pay-outs were stated and finally under the termination of demographics categories 11 is reflected.

According to the table on Employment Equity per race and gender, the CGE has a total of 54 female employees and 32 male employees. It is unclear how many persons with disabilities are employed at the CGE as this is not reflected in the Annual Report so an assessment of the Employment Equity target in this regard cannot be done.

Personnel expenditure amounted to R55,471 194 million for the year under review. The highly skilled category (level 6-8, 9-12) constitute the majority of those employed in Core-service delivery programmes of the CGE, namely 69.1% (65 employees). A total of 77 employees received performance related rewards during the period under review resulting in expenditure of R2,711 540 million.

During the period under review 18 employees received training 6 of whom were from Senior management and 12 from the Professionally qualified category. The cost implications for the training was not indicated in the Annual Report.

## **11. NATIONAL YOUTH DEVELOPMENT AGENCY (NYDA)<sup>13</sup>**

For the year under review, the NYDA briefed the Committee on all 4 quarterly reports. The quarterly reports included a focus on programme performance and financial health of the entity. Moreover, the NYDA tabled its Annual Report on time and briefed the Committee with its Audit Committee on 18 October 2022.

In the period under review the NYDA had 23 targets of which all were achieved 15 were met whilst 8 were met and exceeded. This amounts to a 100% achievement of the planned targets in its Annual Performance Plan. The performance of the NYDA has remained fairly consistent over the last eight years. The next section examines the performance of the NYDA for each Programme in light of the Annual Report 2021/22.

### **11.1 Performance per Programme**

#### **11.1.1 Programme 1: Administration**

The purpose of this programme is to enable effective and efficient Agency capabilities for good governance and ethical leadership to support service delivery. Its key outcome is an efficient and effective Agency characterised by good corporate governance and ethical leadership.

This programme achieved 10 targets of which 2 targets were met and exceeded. The achievements were as follows:

1. 4 NYDA Quarterly Management Reports
2. Reviewed and Implemented Annual Workplace Skills Plan
3. R 70 million in funds sourced from the public or private sectors to support youth development programmes
4. 6 SETA partnerships established
5. 2 partnerships signed with technology companies
6. Review and implement ICT Strategic Plan indicating 50% achievement of ICT targets in the plan by end of the financial year
7. Reviewed and implemented Integrated Communication and Marketing Strategy
8. Produce and approve the NYDA Strategic Risk Register by Ops Exco
9. Reviewed annual SCM Procurement Plan and produced quarterly reports
10. Annual Report on partnerships established with Disability organisations to promote youth development

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<sup>13</sup> Matthews, T (2022) National Youth Development Agency (NYDA) Annual Report 2021/22 Review, Parliament Research Unit

### **11.1.2 Programme 2: Programme Design, Development and Delivery (PDDD)**

The purpose of the programme is to enhance the participation of young people in the economy through targeted and integrated economic programmes, including skills and education programmes, and national youth services. Facilitate and co-ordinate the effective and efficient implementation of the Nation Youth Service Programmes across all sectors of society.

This programme achieved 9 targets of which 5 targets were met and exceeded. The achievements were noted as follows:

1. 1100 youth owned enterprises supported with financial interventions. (New target: 2000)
2. 20 000 youth supported with non-financial business development interventions
3. 5000 jobs created and sustained through supporting entrepreneurs
4. Enterprises (New target: 6000)
5. Participate on the National Pathway Management Network to facilitate youth job placement opportunities
6. 50 000 young people capacitated with skills to enter the job market
7. 40 organisations and departments lobbied to implement NYS
8. Produce an annual report on the NYS Programme
9. 10 000 young people participating in NYS Expanded Volunteer Projects (New target: 30 000).

### **11.1.3 Programme 3: Integrated Youth Development**

The purpose focuses on fostering a mainstreamed, evidence based, integrated and result oriented youth development.

This programme achieved all 5 targets 4 of which were met and exceeded. The achievements were noted as follows:

1. 2 impact programme evaluations conducted
2. Produce annual report on Integrated Youth Development Strategy
3. 3 youth status outlook reports produced
4. Develop a discussion document on youth development in the country

## **11.2 NYDA's Budget for 2021/22**

According to the ENE 2021, the original budget allocation was for R471 million which the NYDA would have received via a transfer from the Department under Vote 20. Due to additional funds received of R430 million for the Presidential Youth Employment Intervention (PYEI) (R400 million NYS programmes + R30 million Entrepreneurship support) together with donor funds of R50,261 million and the Revenue from Exchange transactions increased the budget significantly. The NYDA's total revenue for 2021/22 was thus R958,230 million.

The NYDA's total expenditure for the year was R528,096 million hence an under-expenditure of R430,134 million. According to the NYDA, because of the amount of work required before the PYEI programme can start, from Fund Management and recruitment of participants for the program, contracting of implementing agents was finalized in March. In turn, this has resulted in the budget of the project funds being unspent as at 31 March 2022. Notwithstanding that, National Treasury has approved a rollover request for funds committed at the end of 2021/22.

With regards to expenditure per programme, Programme had a revised budget of R66,062 million and spent R66,767 million (101%). Programme 2 had a revised budget of R677,402 278 and spent R646,997 million (96%) and Programme 3 with its revised budget of R720 000 spent R725 000,

In terms of key expenses for the 2021/22, Communication and Public Relations (R11,7m); Workshops, Travel and Accommodation (R24,6 m); Information Technology (R24,6m); Administration and Overhead (R52,8m) and Employee costs (R199.9m). The largest proportion of the overall expenditure is spent on employee costs, followed by administrations and overheads. The NYDA noted a surplus (R 5.3 m) for Information technology due to cost savings on internet connectivity and telephone costs. Savings (R7.6m) for workshops, travel and accommodation were mainly due to cost containment measures in place and reduction in physical gatherings due to Covid-19 regulations, while other employees worked remotely from home.

With regards to CAPEX, the Annual Report reflects R10,381 million for 2021/22 but at the Q4 2021/22 briefing the NYDA indicated it was R34,767 411m. It is unclear why this is the case.

The NYDA did not incur nor identify any irregular expenditure during the 2021/22 financial year. An application to the National Treasury to write off fruitless and wasteful expenditure as well as irregular expenditure balances was made. As at 31 March 2022 the feedback on the application made to National Treasury was still pending.

### **11.3 Human Resources**

The NYDA had a staff compliment of 549 employees, 445 (81%) were permanent and 104 temporary employees. This amounted to R528,342 million for the year under review. The majority of staff, 35.5% (195) fell within the skilled technical occupational level with only 6 employees in the Executive and Senior management category. In terms of gender ratio, the NYDA has a dominant female work force 61% (334) and 215 males (39%).

Of the 549 people employed by the NYDA, 3 employees are receiving an average R1,6 million per annum. The lowest salaries are received by staff located in operations and temporary work, they account for 79% of the NYDA's workforce. At present, just over 10% (R20 million) of the total employee cost is allocated to top and senior management.

During the year under review a total of 125 employees left the NYDA, 97 employees left due to the expiry of contracts, 3 were dismissed, 22 resigned with 3 deaths. A total of 39 employees (27 Black females, 11 Black males, 1 Coloured female) were funded by the NYDA bursary programme for undergraduate and post-graduate studies in the 2021 academic year.

## **12. FINDINGS OF THE AUDITOR GENERAL OF SOUTH AFRICA (AGSA)**

The Department has received an unqualified audit opinion from the Auditor-General of South Africa (AGSA), with findings on expenditure management and compliance with legislation, specifically in relation to consequence management and internal control deficiencies. To this end, the AGSA highlighted the following key concerns with regards to the Department:

### **12.1 Expenditure Management**

- The AGSA found that the Department has materially underspent the budget by R31 million.
- The AGSA indicated that even though the Department made progress on consequence management findings for a certain number of transactions relating to the previous years' irregular expenditure. However, this was insufficient, hence there is a material finding on consequence management relating to irregular expenditure reported in the audit report. The DWYPD needs to place more focus on retrieving information in order to perform the required investigations and institute consequence management.

### **12.2 Internal Control Deficiencies (Compliance)**

- The AGSA found that Senior management has not adequately or properly monitored compliance with laws and regulations. This could have led to prevention of non-compliance. Notwithstanding the audit action plan, not enough attention was given to matters relating to consequence management as at 31 March 2022.

### **12.3 Consequence management**

- The AGSA noted a lack of sufficient appropriate audit evidence to indicate that disciplinary steps were taken against officials who had incurred irregular expenditure.
- Furthermore, proper and complete records were not maintained by the Department to conduct investigations into irregular expenditure.

### **12.4 Irregular Expenditure**

- The AGSA noted an amount of R187 000 on account of SCM processes not followed by the Department which relate to non-compliance from the previous year. This was attributed to inadequate monitoring of compliance with key legislation and ultimately resulted in the unfair appointment of service providers.

With regards to the CGE, it received an unqualified audit opinion from the AGSA. The following matters were raised by the AGSA:

## **12.5 Non-compliance with legislation**

- The audit opinion of the commission remained unchanged with no improvement over the last three financial years. The audit outcomes obtained can be attributed to the commission's material non-compliance with laws and regulations pertaining to expenditure management, procurement and contract management as well as non-compliance with Section 40(1) of the Public Finance Management Act 1 of 1999 (PFMA) which requires that all financial statements submitted for audit, should be free from material errors, omissions and misstatements.

## **12.6 Internal control deficiencies**

- In the current financial year, the commission still received an unqualified opinion with material findings on the audit of compliance.
- The unchanged audit outcomes can be attributed to findings on the expenditure management and consequence management as a result of management's slow response to execute audit action plans, inadequate internal controls surrounding the performance reporting process as well as insufficient oversight with regards to policy adherence.

## **12.7 Root causes - non-compliance and internal control deficiencies**

- Inadequate monitoring and oversight with regards to compliance with laws and regulations as well as related internal controls
- Inadequate record keeping - the Commission did not have the proper recording system to ensure that documents were kept and were available for audit purposes.
- Lack of consequence management for poor performance and transgressions - No evidence that consequence management was performed on fruitless and wasteful expenditure
- Staff vacancies in key positions lead to significant findings.

## **12.8 Recommendations by AGSA**

- The policies and procedures for consequence management or investigating must be updated to be process dependent and not people or position dependent.
- Adequate controls must be put in place to prevent irregular expenditure. Furthermore, the entity must improve its controls to identify, report and record irregular expenditure.
- CGE to fill key vacancies.

With regards to the NYDA, it received 8<sup>th</sup> clean audit opinion from the AGSA. Notwithstanding that, the following matters were raised by the AGSA:

## **12.9 AGSA Findings for NYDA**

- The NYDA received an eighth consecutive clean audit outcome from the Auditor General of South Africa with zero unauthorized, irregular or fruitless and wasteful expenditure reported or detected. All of which can be attributed to good internal controls regarding reporting on financial information as well as performance information while ensuring that the agency adheres to all relevant frameworks, laws and regulations.
- The AGSA encouraged the NYDA to leverage on its good reporting processes and its ability to achieve the target it set for itself, to ensure that these have visible positive impact to the citizens of South Africa.

In the AGSA presentation to the Committee it stated the following:

“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.”

To this end, the AGSA recommended that, “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.”

The AGSA have considered the Annual Reports of the Department, the CGE and the NYDA recommended the following to the Committee:

- a) Consequence management should be prioritised in order for the employees that cause unauthorised, irregular, fruitless and wasteful expenditure to be held accountable.
- b) Performance indicators and targets must be developed to achieve service delivery/impact against the mandate of the department and the portfolio
- c) Monitoring must be done, especially at CGE to ensure that Medium Term Strategic Framework (MTSF) indicators and target are met.

### **13. FINDINGS OF THE AUDIT AND RISK COMMITTEE (ARC)**

#### **13.1. ARC Department**

The Audit and Risk Committee (ARC) of the Department of Women, Youth and Persons with Disabilities noted the following findings and recommendations as contained in the Annual Report for 2021/22:

##### **13.1.1 Effectiveness of Internal Controls**

The ARC indicated that controls in the following areas required improvement namely;

- Monitoring of compliance with applicable laws and regulations, specifically on investigating the irregular expenditure incurred in the previous financial years,
- Budget monitoring, and
- Information Technology which requires improvement on service continuity and security controls.

##### **13.1.2 Internal Audit**

- The ARC was still not satisfied with the existing capacity of the Internal Audit Unit and the capacitation in this regard should be priorities for it to function optimally so as to ensure a wide risk and audit coverage in the Department.

##### **13.1.3 Risk management**

- The ARC recommended the improvement on the risk management processes and advised the Department to provide capacity including funding of the risk management activities.

##### **13.1.4 In-Year Management and Quarterly Reports**

- The ARC reviewed the financial management reports, human resource management reports, information technology reports and progress reports on litigations and labour cases. To this end it recommended improvements and monitored the implementation of those recommendations.

##### **13.1.5 Compliance with Legal and Regulatory Provisions**

- The ARC noted the progress made in the investigation of irregular expenditure incurred by the Department during 2020/21, 2019/20, 2018/19, 2017/18 and 2016/17 financial years. The Accounting Officer implemented the appropriate action in the form of consequence management, based on the results of the irregular expenditure investigations. (This finding is different to that expressed by the AGSA).

##### **13.1.6 AGSA Report**

- The ARC concurs with the AGSA conclusion.

##### **13.1.7 Audit Action Plan**

- The ARC recommends that the Accounting Officer develops an audit action plan to resolve the audit findings identified during the 2021/22 financial year audit. This plan will be closely monitored by the Committee to ensure that all the issues are being addressed.

#### **13.2 ARC CGE**

With respect to the CGE, its ARC noted the following:

##### **13.2.1 Irregular Expenditure**

- The ARC notes that as at the date of reporting, management had not determined recoverability or write-off on expenses relating to the disclosure of irregular expenditure related to remuneration claims by commissioners.
- Per the recommendation of the Auditor General, management had reclassified these expenses to fruitless and wasteful expenditure.

##### **13.2.2 Risk management**

- Urgent attention is required in relation to risk management systems and processes at the CGE - this entails the development of risk mitigation strategies & plans, risk registers and assignment of resources to monitor and report on risk management activities.
- The ARC had raised concern about the vacancy of the chairperson of the risk management committee which was still vacant as at the end of the financial year. This had in part contributed to the ineffective risk management activities and the deficiencies communicated in the section on effectiveness of internal controls.
- The ARC had recommended to management for the appointment of the risk management committee chairperson, the appropriate composition of the risk management committee, and the appointment of a risk officer or equivalent who shall facilitate risk management activities at the CGE.

### **13.2.3 Leadership**

- The ARC highlights that the AGSA has raised concerns on the effectiveness of leadership at the CGE.

### **13.2.4 Non-compliance**

- Non-compliance with legislations were identified and communicated in the report by the Auditor General.
- The ARC had advised management to establish a compliance universe, which must list all the key provisions of legislations applicable to the operations of the CGE.
- This tool should be used to monitor compliance and the severity of non-compliance with laws and regulations.
- There is also a need to improve staff capacity within finance to ensure segregation of duties.

### **13.2.5 Material compliance**

The ARC also highlights Material compliance findings in relation to:

- Expenditure Management: Funds dispersed without approval of the AO or appropriate delegate.
- Consequence management: Failure to timeously implement remedial action against those who allow/ committed IE & F&WE.

### **13.2.6 Internal Audit**

- The ARC has continued to register its concerns to management regarding the adequacy of human resources in the internal audit unit. The limitations on the staff capacity of the Internal audit led to a revision of the annual plan to postpone audit tasks which were due in the year under review when the unit experienced a resignation of one auditor. Management committed to apply alternative sourcing arrangements where necessary to ensure that the work of Internal Audit complies with the requirements of the standards for Professional Practice of Internal Audit.

### **13.3 ARC NYDA**

With respect to the NYDA, its ARC noted the following:

- For the 2021/22, audit findings that relate to the internal control environment such as leadership, financial and performance management, and governance are reflected as below:
  - Consistent in financial management at 71%
  - Improvement in performance information reporting from 79% to 100%
  - Improvement in compliance from 86% to 93%
- The ARC noted that Irregular expenditure has significantly reduced over the years - from R133 million in 2011/12 to R0.00 in 2021/22.
- Based on the various reports by the Internal Auditors, and the Management Report and Audit Report by the Auditor-General of South Africa, it is noted that there has been a stabilisation in the internal controls environment which has culminated in the NYDA sustaining the clean audit again for the 2021/22 financial year (eight years in succession).
- Of significance, is the 100% achievement of planned targets. The quality on In-Year management and monthly/ quarterly reports submitted in terms of the PFMA and Division of Revenue Act improved.
- The Audit and Risk Committee is satisfied with the content and quality of monthly reports prepared and issued by the NYDA during the year under review, noting that there has been a significant improvement on the compilation of the performance information and the reporting thereof.
- The Audit and Risk Committee will continue to monitor the achievement of all planned targets for the forthcoming financial year to achieve clean audit.

## **14 OVERVIEW AND ASSESSMENT OF SERVICE DELIVERY & FINANCIAL PERFORMANCE PER PROGRAMME**

This section provides details of annual targets as per the original APP and the revised APP for each programme as well as an indication as to which targets have been reported on in the Annual Report. An indication is also provided of whether targets have been achieved or not.

#### 14.1 Programme 1: Administration

The purpose of this Programme is to provide institutional overarching support to the Department. In turn, it is supported by five Sub-Programmes: Ministry; Departmental Management; Financial Management; Office accommodation and Corporate Management. The purpose of each sub-programme is as follows:

- **Departmental Management:** The purpose of this sub-programme is to provide executive support, strategic leadership and management to the Department.
- **Financial Management:** The purpose of this sub-programme is to provide and ensure effective, efficient financial management and supply chain services. This includes budget planning and expenditure monitoring; and the management of procurement, acquisition, logistics, asset, and financial transactions.
- **Corporate Management:** The purpose of this sub-programme is to provide effective human capital management, facilities and auxiliary management and ICT systems enablers for the Department.

This programme planned to achieve 6 targets of which 4 (66.7%) were achieved and 2 targets were not achieved as reflected in the Annual Report. The 2 targets not achieved related to

- 100% payment of all valid invoices within 30 days
- Master Information Technology Strategy and Plan

The total allocation for this programme was R98 million as per the initial Estimates of National Expenditure (ENE) 2021. The programme saw a significant increase to a final appropriation of R111,909 million. Thus an increase of nearly R14 million from its initial budget to final appropriation. A virement of R1,662 million for CoE was recorded in addition to R193 000 for Goods and Services. This programme still consumed the highest proportion (55%) of the Department's operational budget in 2021/22. The actual expenditure was R103,486 million which amounts to 60.1% of the total operational expenditure and 92.4% of the total programme budget. An under-expenditure of R8.423 million was recorded.

The key cost drivers for Programme 1 were as follows:

- Compensation of Employees accounted for 53.7% of the programme budget (R60.1m), an under-expenditure of R152 000 incurred.
- Goods and Services accounted for 34.6% of the programme budget (R38,7m), an under-expenditure of R5,524 million incurred.

Under Goods and Services, the key cost drivers were as follows:

- Property Payments = R21.649 m
- Machinery & Equipment = R6.072 m
- Computer services = R4.224 m
- Audit Costs = R3.082 m
- Transport Equipment = R3.670 m
- Travel & subsistence = R2.662 m

With respect to the expenditure per sub-programme, the Ministry with a final appropriation of R20,976 million spent R18,470 million thus incurring an under-expenditure of R2,506 million. The Departmental Management had a final appropriation of R20,473 million and spent R20,183 million with slight under-expenditure of R290 000. Corporate management had a final appropriation of R31,338 million and spent R26,945 million incurring an under-expenditure of R4,613 million. Financial management had a final appropriation of R17,279 million and spent R16,267 million incurring an under-expenditure of R1,012 million. Office accommodation had a final appropriation of R21,623 million and spent R21,622 million incurring an under-expenditure of R1 000.

#### 14.2 Programme 2: Social Transformation and Economic Empowerment (STEE)

The purpose of the programme is to manage policies and programmes that mainstream the social transformation and economic empowerment of women in South Africa.

The programme consists of the following sub-programmes namely;

- **Management: Social Transformation and Economic Empowerment**
- **Social Empowerment and Transformation:** the purpose of the sub-programme is to provide intervention mechanisms on policies and programme implementation for mainstreaming the social empowerment and participation of women towards social transformation.
- **Economic Empowerment and Participation:** the purpose of the sub-programme is to develop and implement intervention for mainstreaming the economic empowerment and participation of women towards economic transformation and development.
- **Governance Transformation, Justice and Security:** the purpose of the sub-programme is to provide guidance for enhancing existing systems and procedures, addressed barriers to the equal participation of women in the public and private sectors, and contributes to the elimination of gender-based violence.

For the year under review, this programme had planned for 10 targets and achieved all of them.

In terms of this programme's operating budget i.e. excluding the transfer (R91,376 million) to the CGE, this programme was allocated R32.8 million as per the initial ENE 2021. The final appropriation was R118,407 million (include CGE transfer). Excluding the CGE transfer the operating budget for this programme is R27,031 million noting the virement of R64 000 for CoE. Notwithstanding that, this programme saw a significant decrease in its operational budget from R32.8 million to R27 million. The actual expenditure incurred was R113,311 but excluding the transfer to the CGE it was R21,935 million, 12.7% of the total operational expenditure and 81,1% of the total programme budget. Thus an under-expenditure of R5,096 million which amounted to 18.8% of the programme operational budget. The key cost drivers for this programme was as follows:

- Compensation of Employees accounted for 63,8% of the programme budget (R17,2m),
- Goods and Services accounted for 17% of the budget (R4,5m)

Under Good and Services, the key costs drivers were as follows:

- Consultants: Business and Advisory services = R2.762 m
- Travel & Subsistence = R511 000
- Communication = R467 000
- Venues & Facilities = R296 000

With respect to the expenditure per sub-programme, Management with a final appropriation of R3,637 million spent R3,526 million with an under-expenditure of R111 000. The Social Empowerment and Participation Programme with a final appropriation of R4,412 million spent R3,614 million incurring an under-expenditure of R528 000. The Governance Transformation, Justice and Security with a final appropriation of R12,096 million spent R7,639 million incurring an under-expenditure of R4,457 million. The Economic Empowerment & Participation sub-programme with a final appropriation of R7,156 million spent all its funds.

### 14.3 Programme 3: Policy, Stakeholder Coordination and Knowledge Management (PSCKM)

The purpose of programme 3 is to ensure policy and stakeholder coordination and knowledge management for the social transformation of women in South Africa.

The programme consists of the following sub-programmes:

- **Research, Policy Analysis and Knowledge Management:** the purpose of the sub-programme is to promote the development of gender sensitive research, position the department as a hub to content relating to the socio-economic empowerment of women, and conduct policy analysis to intervene in transformation for women's socio-economic empowerment and gender equality.
- **Stakeholder Coordination and Outreach:** the purpose of the sub-programme is to conduct stakeholder engagements and outreach initiatives to promote empowerment and inclusion of women, youth and persons with disabilities.
- **International Relations:** the purpose of the sub-programme is to promote international engagements on women, as well as ensure South Africa's compliance with international treaties on women.
- **Monitoring and evaluation:** the purpose of the sub-programme is to monitor and evaluate progress on the socioeconomic empowerment of women in line with national laws, and regional and continental and international treaties and commitments.

This programme planned for 13 targets as per the revised APP and achieved all.

The programme was allocated R40,6 million as per the ENE 2021. The final appropriation was R35,668 million hence a decrease of R4,4 million. A virement of R1,992 million for CoE was recorded within the management and Stakeholder Coordination and Outreach sub-programmes. The actual expenditure incurred was R26,059 million which is 73% of the total programme budget spent and 15.1% of the operational expenditure. Notwithstanding the virement, this programme still incurred an under-expenditure of R9,609 million which amounts to 26.9% of the programme operational budget. The key cost drivers for this programme was as follows:

- Compensation of Employees accounted for 60.3% of the programme budget (R21,539m)
- Goods and Services accounted for 12.5% of the budget (R4,4m)

Under Goods and Services, the key cost drivers were as follows:

- Advertising = R1.042 m
- Travel & Subsistence = R835 000
- Consultants: Business and Advisory services = R 727 000
- Venues & Facilities = R 680 000

The sub-programme Stakeholder Coordination and Outreach incurred 43.9% of the total expenditure for this Programme, R11,431 million but still incurring an under-expenditure of R4,178 million out of the final appropriation of R15,509 million. The Management sub-programme t with a final appropriation of R2,516 million spent R1,485 million with an under-expenditure of R1,031 million. The Research sub-programme with a final appropriation of R7,931 million spent R6,769 million incurring an under-expenditure of R1,162 million. The Monitoring and Evaluation sub-programme with a final appropriation of R9,612 million spent R6,374 million incurring an under-expenditure of R3,238 million.

#### 14.4 Programme 4: Rights of Persons with Disabilities

The purpose of this programme is to oversee the implementation of programmes pertaining to persons with disabilities.

This Programme's sub-programme aim is stated as follows:

- Maintains and implements advocacy and mainstreaming guidelines and frameworks for the rights of people with disabilities.

This programme planned for 7 targets and achieved all.

The programme was allocated R17,3 million as per the ENE 2021. The final appropriation was R16,383 million hence a decrease. A virement of R266 000 for CoE was recorded. The actual expenditure incurred was R10,887 million, 66.4% of its allocated programme budget and 6.3% of the total operational expenditure. Notwithstanding the virement, this programme still incurred an under-expenditure of R5,496 million which amounts to 33.5% of the programme operational budget. The key cost drivers for this programme was as follows:

- Compensation of Employees accounted for 54.3% of the programme budget (R8,9m)
- Goods and Services accounted for 11.9% of the programme budget (R1,9m)

Under Goods and Services, the key cost drivers were as follows:

- Advertising = R1.0 35 m
- Consultants: Business and Advisory services = R 470 000
- Communication = R250 000

#### 14.5 Programme 5: National Youth Development (NYD)

The purpose of this programme is to promote the development and empowerment of young people by reviewing the legislative framework and other interventions to advance youth rights over the medium term.

The programme consists of the following sub-programmes:

- **Management:** National Youth Development facilitates the development and implementation of national strategies and policies aimed at young people.
- **Youth Development Programme:** Oversees the transfer of funds to the NYDA.

The sub-programme Strategic Objectives are as follows:

- **National Youth Policy and Legislation Development:** Develop national youth policy, legislation, frameworks and strategies as well as ensure monitoring and evaluation thereof.

- **Stakeholder Engagement and Support:** Engagement and support youth stakeholders nationally and internationally; conduct oversight of the National Youth Development Agency; and facilitate transfer of funds to the agency.

As per the Annual Report for 2021/22, this programme planned for 5 targets and achieved all.

The programme was allocated R483,2 million as per the ENE 2021 with R471,1 million being transferred to the NYDA leaving the programme with an original allocation/operating budget of R12,2 million. The NYDA had received a cash injection totalling R430 million. The final appropriation for the programme was thus R913,141 million. Excluding the transfer to the NYDA the final operational budget for this programme was R12,179 million. No virement was recorded for this programme. The actual expenditure incurred was R9,718 million, 5.6% of the operational expenditure and 79.7% of its allocated programme budget. This programme incurred an under-expenditure of R2,461 million which amounts to 20.2% of the programme operational budget. The key cost drivers for this programme was as follows:

- Compensation of Employees accounted for 7,2% of the programme budget (R7,247m)
- Goods and Services accounted for 9.3% of the budget (R1,140m)

The key cost drivers under Goods and Services were as follows:

- Transfer payment to foreign govt. and/or international org (Commonwealth annual subscription) = R1.331m
- Operating Expenses = R393 000
- Travel & Subsistence = R 382 000
- Communications = R205 000

#### 14.6 Human Resources

The Department notes in its Annual Report as at 31 March 2022 that it had a vacancy rate of 5.6%, thus 8 vacancies of 143 approved funded posts. Furthermore, the Department had a total of 21 employees additional to the establishment. In terms of gender, 89/135 staff members are female (66%) and 46 are male (34%). The majority of women (36) are in clerical positions, while 27 occupy professional positions and 21 fall within the “legislators, senior officials and managers” category. The majority of males employed in the Department are in “legislators, senior officials and managers” positions (19), followed by 14 occupying professional positions. 7 employees are persons with disabilities (5.2% of staff complement).

In the year under review 16 out of 21 posts additional to the establishment were in the Administration programme as compared to the previous FY 2020/21, 18 out of the 24

In terms of vacancies by critical occupations, the Department has a vacancy rate of 7% for senior management, with 40/43 posts filled. The Department had a total turnover rate of 9.6%. In terms of people leaving and joining the Department during the financial year, a total of 17 staff left but the Department only provided the reasons why 12 left namely, 1 dismissal, 5 resignations and 6 termination of contracts. During the year under review, a total of 21 disciplinary actions were instituted during 2021/22:

- 2 hearings
- 1 final written warning
- 8 written warnings
- 21 verbal warnings

To this end, 1 hearing was due to poor performance, 1 hearing was due to insubordination/negligence dereliction of duty and 30 financial misconduct warnings. A total of 15 grievances were lodged during the financial year under review.

Out of 40 staff in senior management, 37 had signed performance agreements. Among the reasons cited for this are invalid/unsigned agreement being submitted and one non-submission.

submission. In these instances, 2 SMS members were issued with letters of non-compliance. One level 13 was appointed in May 2021 and in terms of policy, the incumbent must sign the PA within three months of being appointed; at the time of reporting she were still within the three-month period

The majority of personnel in the Department’s employ were in the Administration Programme (69), 22 posts filled Programme 2, 24 in Programme 3, 11 in Programme 4 and 9 in Programme 5.

The majority of employees (58) are employed in the Highly skilled supervision salary band (levels 9-12), at an average cost of R632600 per employee. 51 employees are employed in the Senior and Top Management level (level 13-16), at an average cost of R1 1160 000per employee.

#### 14.7 Concluding comments on service delivery performance

In examining the significant achievements which the Department noted in the 2021/22 Annual Report, the following have been highlighted:

- Maintained a vacancy rate of less than 10% - on 31 March 2022 the vacancy rate was 5.6%;
- Three reports were developed on the implementation of HR Plan year 1;
- Progress Report was produced on the Implementation of the Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework;
- A Rapid Evaluation on the implementation of Government's Policy on Procurement towards women-owned businesses and the report was approved by the minister;
- Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEAF) Coordination;
- The NYDA Amendment Bill was approved by Cabinet for tabling in Parliament;
- Regulatory framework for WYPD mainstreaming developed;
- Report produced on the consultation for the research report on the development of a socioeconomic empowerment index for women, youth and persons with disabilities;
- Research report produced on the development of a socio-economic empowerment index for women, youth and persons with disabilities;
- One status report on National and International obligations on the rights of persons with disabilities produced;
- 3 monthly reports coordinated, developed and analysed on the implementation of the NSP on GBVF by national government departments and including contributions of other sectors coming mainly from the End GBVF multisectoral collaborative platform. The annual total reports are 12 as 3 reports were produced per quarter; and
- Comprehensive National GBVF Prevention Strategy was developed and approved by Minister for tabling to Cabinet.

Thus of the notable achievements, 2 relate to compliance matters in the Administration programme and the rest are in relation to the core programmes 2-5.

#### 14.8 Summary: Finance and Service Delivery Performance Assessment

This section provides a synopsis of the service delivery performance against spending patterns for 2020/21-2021/22 as well as the 1<sup>st</sup> quarter of 2022/23 of the Department.

##### 14.8.1 General commentary

The Department has improved in its performance since its inception as reflected in Table 5 below. Notwithstanding that, some of the unmet targets from 2019/20 were still unmet in 2021/22 like the establishment of the NCGBVF it is only recently that a Bill in this regard has been tabled in Parliament. Whilst several of the policies have been finalised, the implementation and popularisation in this regard has been lacking. Of particular concern to note is that despite the achievement of targets the under-expenditure incurred has increased year-on-year and is a cause of concern so too the Department's reliance on consultants to help achieve its targets. Furthermore, the achievement of targets has not translated into visible, tangible differences to the lives of women, youth and persons with disabilities in the country.

**Table 5: Targets Achieved per programme 2019/20 – 2021/22-2021/23**

Programme	2019/20	2020/21	2021/22	2022/23 (Q1)
Administration	11/14 (79%)	3/7 (43%)	4/6 (66.7%)	4/4 (100%)
STEE	5/7 (79%)	6/9 (67%)	10/10 (100%)	8/8 (100%)
PSCKM	11/12 (92%)	8/8 (100%)	13/13 (100%)	8/8 (100%)
NYD	4/4 (100%)	2/4 (50%)	7/7 (100%)	8/9 (89%)
RPD	1/3 (33%)	5/5 (100%)	5/5 (100%)	
<b>Total</b>	<b>32/40 (80%)</b>	<b>24/33 (73%)</b>	<b>39/41 (95.1%)</b>	<b>28/29 (97%)</b>

##### 14.8.2 Overview of performance for 2021/22

- When reflecting back on the Department's performance, in the 2018/19 FY, the Department planned 32 of which 22 targets (69%) were achieved and 10 targets (31%) were not achieved.

In comparison to the 2019/20 FY, in which the Department planned for 40 targets, 32 targets (80%) were achieved and 08 targets (20%) were not achieved. Subsequently, the Department achieved 95.1% in 2021/22 which is marked improvement compared to the previous FY.

- Programme 1 consistently consumes the greatest proportion of the operational budget.
- All Programmes have improved by achieving targets the key concern is the under-expenditure incurred across all programmes more so in the core programmes

#### **14.8.3 Overview of budget for 2021/22**

- The Department started the financial year with a budget of R763,5 million (including the transfer payments to the Commission for Gender Equality and the National Youth Development Agency).
- During the 2021/22 financial year, the Department would transfer approximately R91.4 million to the CGE and approximately R471 million to the NYDA. This amounted to R562.2 million.
- In quarter 3 of the financial year, the provisional allocation of R430 million for Presidential Youth Employment Intervention (PYEI) increased transfers to NYDA to R901 million for 2021/22, and increased the total available budget to R1,12 billion. NYDA was allocated R400 million for the National Youth Service programmes and R30 million for entrepreneurship support.
- Departmental transfers therefore amounted to R992,338 million. Thus leaving the Department with an operating budget of approximately R203,1 million to undertake its programmes and meet its targets for 2021/22.
- The Department reports a total of R2,185 million in virements from Programmes 3 and 1 to Programme 1-4. An internal virement had been recorded in Programme 1 between sub-programmes
- When considering the overall expenditure of the Department based on its total appropriation of R1,195 508 billion, it appears that the Department has spent 97.3% or R1,164 423 billion of its budget. However, when considering the budget less the transfer payments to the CGE and NYDA, i.e. the operational budget (R203.170 million), the Department has spent 74.7% or R172,085 million of the operational budget.
- When looking at the programme expenditure as a percentage of overall expenditure, 60% of the budget has been spent on the Administration programme. Programme 4, the Rights of Persons with Disabilities accounts for only 6.3% of expenditure, while Programme 5, National Youth Development accounts for only 5.6% of operational expenditure.
- The Total under-expenditure for the year amounts to R31,085 million.
- No irregular expenditure was incurred for the 2021/22 financial year. Similarly, no Unauthorised Expenditure and Fruitless and wasteful expenditure was incurred for the year under review. There was however, historical debt from previous years still on record.

#### **14.8.4 Overview of budget for Q1 of 2022/23**

- According to the National Treasury 2022 Estimates of National Expenditure (ENE) released in February 2022, the Department under Vote 20, receives an annual appropriation of R987.3 million. The Department also facilitates two transfer payments to the Commission for Gender Equality (CGE) and the National Youth Development Agency (NYDA) respectively. As such for the 2022/23 FY, the Department would transfer R100.7 million to the CGE and approximately R681,5 million to the NYDA. Hence the transfers in total amounts to R782, million. As such the Department is left with an operating budget of approximately R205,1 million to undertake its programmes and meet its targets for 2022/23.
- The Department underspent on all five programmes: Programme 1 (Administration) spent the highest proportion of its programme budget R24 million (24.3 per cent) as well as the overall operational budget (11.7%). Programme 4 (Mainstreaming Youth & Persons with Disabilities Rights and Advocacy) spent the smallest proportion of its operational budget at 14.6% or R4,4 million, followed by Programme 2 (Mainstreaming Women's Rights and Advocacy) which spent 16.7% or R5,5 million then Programme 3 (Monitoring, Evaluation, Research and Coordination) at 16.9%. Across all programmes savings/underspending has been recorded, primarily as a result travel, accommodation and venue/facilities hire. Notwithstanding that, the Department had not managed to spend on printing and circulation of documents, frameworks etc. in its core programmes as well as on (unspecified) project milestones which was concerning. The table below outlines the Overall Financial Performance - Per Programme as at 30 June 2022.

**Table 6: Overall Financial Performance - Per Programme**

Programmes	Final Appropriation	Actual Expenditure as at 30 June 2022	Expenditure as % of Budget
	<b>R'000</b>	<b>R'000</b>	<b>%</b>
Administration	98.7	24	24.3%
Mainstreaming Women's Rights and Advocacy	33.5	5.6	16.7%
Monitoring, Evaluation Research and Coordination	42.5	7.1	16.0%
Mainstreaming Youth and Persons with Disabilities Rights and Advocacy	30.4	4.5	14.6%
<b>Sub-total Operational Appropriation</b>	<b>205.1</b>	<b>41.2</b>	<b>20.1%</b>
Commission for Gender Equality	100.7	25.2	25%
National Youth Development Agency	681.5	381.0	55.9%
<b>Total Appropriation</b>	<b>987.3</b>	<b>447.4</b>	<b>45.3%</b>

- Compensation of employees accounts for 55.1% (R113 million) of the budget and Goods and services consumes approximately 42.8% (R87,9 million) and 2% (R4.2 million) for Capital Assets.
- In Q1 of 2022/23, the Department spent 13.8% (R28,372 million) on Compensation of Employees, 5.4% (R11,077 million) was spent on Goods and services and 0.8% (R1,046 million, R709 000) on Machinery & Equipment, Software and intangible assets in relation to its operating budget.

**Table 7: Overall Financial Performance - Economic Classification (Q1 2022/23)**

Programmes	Final Appropriation	Actual Expenditure as at 30 June 2022	Expenditure as % of Budget
	<b>R'000</b>	<b>R'000</b>	<b>%</b>
Compensation of Employees	113.1	28.4	25.1%
Goods & Services	87.9	11.1	12.6%
Transfers & Subsidies	782.2	406.2	51.9%
Payment for Capital Assets	4.1	1.8	43%
<b>Total Appropriation</b>	<b>987.3</b>	<b>447.4</b>	<b>45.3%</b>

- The Department did not fruitless and wasteful expenditure during the quarter under review.
- The Department reported deviations amounting to R9,502 414 as at 30 June 2022 owing to:
  - Single source appointment of R8,8 million to HSRC to manage and execute research and evaluation
  - Single source appointment of R200 thousand for relocation-removal and reinstallation of biometric system and key cabinet
  - Single source appointment of R501 thousand to Karabo Parking –66 additional parking for staff members as part of relocation

#### 14.8.5 Overview of performance for Q1 of 2022/23

- As per the amended 2022/23 Annual Performance Plan, the Department planned for 29 targets in quarter 1 of which 28 targets (97%) were achieved and 1 (3%) was not achieved. Programme 1 achieved 4 out of 4 targets. Programme 2 achieved 8 out of 8 targets so too did Programme 3. Programme 4 achieved 8 out of 9 targets. The target not achieved related to

the draft status report on national and international obligations on the inclusion of persons with disabilities which was only approved in Q2 of 2022/23.

- *Human Resources*: The vacancy rate (5.6 %) is well below the targeted 10 percent for the FY. The Department indicated that as at 30 June 2022, it had 143 approved posts, of which 8 were vacant which were listed as follows:
  - i. Deputy Director-General: PSCKM Deferred to September 2022
  - ii. Chief Director, Stakeholder Coordination and Outreach Deferred to September 2022
  - iii. Head of Office, DM Subject to the appointment of a Deputy Minister
  - iv. Private Secretary, DM
  - v. Parliamentary and Cabinet Coordination, DM
  - vi. Registry Clerk, DM
  - vii. Driver/Messenger, DM
  - viii. Domestic Worker, DM
- In addition, the Department noted that the contracts of 28 staff members had expired by the end of June 2022.

## **15 COMMITTEE'S OBSERVATIONS**

Having interacted with the Department, the AGSA, the NYDA and the CGE, the Committee made the following observations:

### **Observations with respect to the Department of Women, Youth and Persons with Disabilities**

#### **15.1 General**

- a) The Committee commends the Department, the NYDA and the CGE for tabling the Annual Reports within the specified time.
- b) The Committee observed that 39/41 (95.1%) of the Department's targets were met and 27% (2/41) were not met as per the revised APP targets reflected in the Annual Report for 2021/22. This improvement in performance from 73% in the previous FY is commendable.
- c) The Department spent 84.7% of the budget (i.e. its operating budget of R203,170 million) was spent (R172,085 million) with a surplus/under-expenditure of R31,05 million. This underspending increased from R18,575 million in the previous financial year 2020/21 to R31,085 million in the current FY under review 2021/22 - which is concerning.
- d) The Committee observed that of the total appropriation as per Vote 20 (R1,195 508 billion) which included the transfers to entities, 97% (R1,164 423 billion) was spent.
- e) The performance of the Rights of Persons with Disabilities programme remains a key area of concern for the Committee. The majority of the targets met in Programme 1 relates to compliance matters in terms of the development and submission of reports it remains a concern that it continuously consumed the largest proportion of the Department's operational budget and staff compliment.
- f) The Committee noted with concern the Department's continued reliance on external service providers to complete the targets it sets out within a FY and is then further hamstrung when the market does not respond or tenders have to be re-advertised by partners.
- g) The Committee concurred with all of the findings and recommendations of the AGSA and the ARC.
- h) The Committee observed that the Department was not effectively implementing the AGSA recommendations and those of the ARC, hence the repeat findings. The Committee raised this as a major concern.
- i) The Committee was concerned that the Minister had not attended Committee meetings and that several issues raised by the Committee at the time required the attention of the Minister e.g. under-spending of the Department. Notwithstanding, the Minister's responsibilities for attendance at Cabinet meetings as an example and the apology she submitted in that regard. However, the Committee sought clarity and asked the Minister to cite reasons for not attending Committee meetings.
- j) The Committee was concerned about the performance of the Minister and the Department for 2021/22 and the leadership of the Department in general.
- k) The Committee was concerned about the lack of visibility by the Minister and by the Department on the whole to key emerging issues in the country that related to women, youth and persons with disabilities.

#### **15.2 Mandate, Mission and Vision**

- a) *Mandate*: The Committee questioned how the Department's new mandate as a Regulator was given effect to in 2021/22 and what was the evidence to support this. The concern was that this was not evident.
- b) *Policy imperatives*: The Committee asked what was the Department's assessment of how Government has performed insofar as the various goals and targets related to women, youth and persons with disabilities as outlined in the NDP, MTSF, SDG 5 and Agenda 2063. It was not evident from the Annual Report under review.
- c) *SDG 5*: With 8 years left in order to achieve SDG 5, the Committee asked the Department what it proposes needs to be done in order to achieve the goals. Whilst reference was made to the SDG the Department did not clearly articulate what was required of Government.
- d) *Vision and Mission*: The Committee questioned how the Department has ensured that the rights of women, youth and persons with disabilities were realised in 2021/22. In addition, the Committee enquired about what the Department has done to regulate the rights of women, youth and persons with disabilities in 2021/22. Evidence in this regard was important for the Committee to consider how the Department then gave effect to its vision and mission during the year under review.
- e) *Key achievements*: The Committee questioned what of the Department's key achievements for 2021/22 demonstrated the fulfilment of the Department's vision and mission.
- f) *Visibility of Department*: The Committee was concerned about the effectiveness of the Department's Communication Unit in terms of issuing statements on time and marketing the Department.

### 15.3 Policy and Law Reform

- a) The Committee questioned how accessible the Departments policies and frameworks were to the public when these are not listed on the website. The Committee asked how these policies were being popularised within government and society at large as the concern was these were not reaching the desired target.
- b) The Committee enquired about the status of the WEGE Bill and what the timeframes for tabling the Bill in Parliament were, as the proposed time frames referred to in the annual report were not met.
- c) The Committee enquired about the current status of the Disability Rights Bill as progress in this regard did not find expression in the annual report under review. This was concerning.

### 15.4 Performance of Programme 1: Administration

#### 15.4.1 Overview of Programme 1 Performance

- a) The Committee observed that in Programme 1, 66.7% (4/6) of its targets were achieved and 92.4% of its budget was spent.
- b) This programme continued to have the largest staff cohort within the Department – 69 posts filled with 16 posts additional to the establishment and 6 vacancies.

#### 15.4.2 Human Resources

- a) *Skilled personnel vs Lack of capacity*: The Committee observed that of the 185 employees paid in 2020/21, 51 (32%) officials were in senior management while 107 (46.4%) fell within the highly skilled production (49) and supervision (51) category. As such 158 (47.4%) employees within the Department, i.e. just under half of its workforce, is meant to have the requisite skills to function at a high end level given their employment ranking. As such the expectation would be that the Department should be able to yield the necessary deliverables in order to give effect to its mandate and achieve the goals it has set out. Yet the Department maintains that it has a lack of capacity and is reliant on outsourcing services.
- b) *SMS cost*: The Committee observes that for the year under review, Senior Management constituted 49.3% (R56,914 million) of the personnel cost and the highly skilled supervision (levels 9-12) 31.8% (R36,690 million).
- c) *Gender parity*: The Committee observed that despite a predominantly large female workforce (66%, 89/135), the majority of women (36) are in clerical positions, while 27 occupy professional positions and 21 fall within the "legislators, senior officials and managers" category. Furthermore, the majority of males employed in the Department are in "legislators, senior officials and managers" positions (19), followed by 14 occupying professional positions.
- d) *Use of consultants*: The Committee noted that the Department continued to procure the services of consultants (39) during the year under review for 9 projects amounting to R1,848 million. This was concerning given that the Committee consistently discouraged the Department from using external service providers given its limited budget. This was up from 33 consultants in the previous financial year for 8 projects. What this demonstrates is the Department dismissing the recommendation from the Committee in this regard. The reliance on service providers is disconcerting for the Committee given the large number of highly skilled professionals and senior

managers (158 in total) in the Department as noted previously. The Department spent the money on Facilitation Services (R213 000), Virtual NYP M&E (R141 000) and a research project (R696 000).

- e) *Vacancies*: The Department is commended for maintaining a vacancy rate below the targeted 10% with 5.6% in 2021/22 which is lower than the previous - 8.5% for 2020/21.
- f) *Disciplinary cases*: The Committee noted that there were two disciplinary hearings initiated and requested more information in this regard. Of concern to note were the 30 financial misconduct warnings issued.

#### 15.4.3 Financial performance

- a) *Under-expenditure*: The Committee noted with concern the R31 million under-expenditure for a department with a small operational budget claiming it is underfunded. Whilst noting the reasons for the under-expenditure for each programme, the Committee remained resolute that surplus for the Department was significant given its limited budget, the lack of visibility on the ground and questionable impact on the lives of the most vulnerable in the country. Furthermore, having assessed the Department's Q1 performance for 2022/23, the continued under-expenditure has continued which is of particular concern.
- b) *Roll-over funds*: The Committee notes the Department's request to National Treasury for a total R11,244 million in roll-over of funds related to mainly to ICT in terms of the support and maintenance project for Microsoft (R1million); R600 000.00 for the payment of the Microsoft License and R1 767 000.00 for the installation of the Information Communications Technology (ICT) infrastructure as part of the relocation of the Department to the new premises; R3,508 million for the installation for ICT infrastructure at the new premises for the Department as part of the relocation; R3,585 million for the continuation of the establishment of the NCGBFV and R784 000 for the appointment of a service provider to harmonise Disability Rights Instruments and develop a Disability Rights Monitoring Results-Based Framework.
- c) The Committee observed that the *Irregular Expenditure* incurred to the amount of R41.712 million related to previous financial years and will remain on the Department's books until resolved. The Department is to be commended for not incurring any irregular expenditure for the year under review. Notwithstanding that, the 30 financial misconduct warnings warrants concern.
- d) The Committee commends the Department for not incurring any *Fruitless and wasteful expenditure* during 2021/22. However, the Committee observed previous expenditure relating to a case against a previously used travel agency was still on record and is currently with the State Attorney to consider possible recovery of funds (R1,330 million).
- e) The Committee observed that the Department did not incur any *Unauthorised expenditure* during 2021/22 which is commendable. However, there is unauthorised expenditure from previous years that is awaiting authorisation. This amounts to R32.774 million.
- f) *Virements*: The Committee observed virements totalling R2.185 million. R193 000 was shifted within Programme 1 from Goods and Services to Payments for financial assets. R1,992 million was from CoE in Programme 3 to CoE in Programme 1 (R1,662 million), Programme 2 (R64 000), Programme 3 (R64 000) and Programme 4 (R266 000).
- g) *Deviations*: The Committee notes the discrepancy in reporting on deviations whereby the Annual Report states that the Department had none for the 2021/22 FY. However, at the Q4 2021/22 briefing to the Portfolio Committee the Department stated that as at 31 December 2021, the Department has incurred 16 deviations amounting to R1,539 418 million. And by 31 March 2022, this had increased to 20 deviations, amounting to R1,929 418 million. This contradiction is concerning.
- h) *Donor funding*: The Committee observed that the Department received R23,214 million from the European Union of which it spent R621 000. This donation forms part of a total funding amount of R109,349 182 million that has been allocated from 2021/22 to 2023/24. The Committee sought clarity about how the donor expenditure was audited against the required deliverables. Furthermore, the nature of the donor funding from the EU was to secure additional resources – equipment and personnel - but it is unclear how this was not a duplication of services and if not, how sustainability will be ensured beyond the funding period stipulated.

#### 15.4.4 Investigations & Consequence Management

- i) The Committee noted with concern the AGSA findings regarding consequence management which could not be substantiated due to insufficient appropriate evidence that action was taken against officials that incurred irregular expenditure. This was attributed to a lack of proper and complete records that were not maintained by the Department in order to conduct these investigations into irregular expenditure. However, this was in contrast to the finding by the ARC to be elaborated on in the section hereafter.

- j) The Committee questioned why consequence management has not been implemented against officials who were responsible for the under-expenditure incurred in 2021/22. To this end, the Committee asked what the CFO was doing about the under-expenditure as the concern was there was no strong action taken by management to rectify the matter.
- k) The Committee noted with concern that the DG indicated she was reluctant to implement consequence management against officials who were not performing their tasks as they would approach the Committee to report the matter. The Committee noted the seriousness of the aspersions cast on the Committee and requested the DG to provide more details in this regard as it would be interpreted as the Committee interfering. The Committee made it very clear if there were instances this must be brought to the attention of the Committee as members were unaware of any incidents and if this was not the case the DG should retract what was said and make it abundantly clear.
- l) The Committee took issue with the DG's explanation of not being able to hold her officials to account, manage them appropriately and implement consequence management for non-performance. The Committee reiterated that was the role of the DG and in the event consequence management was not implemented she would be held to account accordingly for failing to perform her duties.

#### **15.4.5 Supply Chain Management (SCM)**

- a) The Department is to be commended for ensuring that no unsolicited bids were concluded for the year under review and that a new SCM policy was developed and approved.

#### **15.4.6 ICT**

- a) The Committee noted with concern that the only ICT target to develop and approve the Master Information System and Security Technology Plan (MITSSP) was not met. It is important to note that this target was unmet in 2020/21 as well.
- b) The Committee noted with concern the ARC's finding that the ICT environment remained a high risk for the Department which could hinder the achievement of its objectives.

### **15.5 AGSA & ARC**

#### **15.5.1 AGSA Findings and Recommendations**

- a) The Committee concurred with the findings and recommendations of the AGSA.
- b) *Repeat findings*: The Committee noted with concern the repeat findings by the AGSA and the repeated calls by the Committee itself for the Department to address particular matters which appeared not to be taken seriously as not all of these recommendations were implemented by the end of the financial year.
- c) *Compliance*: The Committee noted with concern the repeat finding of non-compliance with legislation as identified by the AGSA as well as those related to internal control deficiencies.
- d) *Lack of consequence management*: The Committee noted with concern the AGSA and ARC finding which relates to the lack of consequence management. This too is a repeat finding.
- e) *Limited scope of audit*: Firstly, the Committee was concerned that the AGSA only audited one Programme of the Department i.e. Programme 2 and did not focus on other Programmes such Programme 4 & 5 which are not performing optimally. Secondly, the Committee questioned whether the AGSA was providing a true reflection of the performance of the Department if the audit was limited to a programme that appeared to be performing well by achieving all its targets. The concern articulated by the Committee was that this limited assessment of the Department, CGE and NYDA's performance did not adequately assist the Committee to obtain a holistic assessment of the performance as the AGSA would have had access to more data and information to make a determination. Lastly; the Committee questioned what informs the sample of the AGSA in order for the auditors to conduct an audit and derive an opinion. The Committee was concerned that only one programme was earmarked for an audit and this was repeated year-after-year. As such the Committee questioned, why programmes that are performing poorly are not audited.
- f) *Relationship with ARC*: The Committee enquired about the working relationship of the AGSA and the ARC's of the Department, NYDA and the CGE. Whilst the Committee acknowledged the independence of these entities, the Committee was concerned that the findings and matters of concern brought to the attention of the Committee by the various ARC's did not find adequate expression in the audit for the year under review.
- g) *Outcomes of Performance Audit*: Based on the AGSA's audit of the entities in the portfolio, the Committee enquired whether there was value for money in terms of what was spent versus what was achieved by the Department, the NYDA and the CGE.
- h) The Committee questioned whether AGSA found any proof of the regulatory role of the Department during the auditing process.

- i) The Committee was concerned that AGSA did not provide an opinion on the Sanitary Dignity Programme (SDP) of the Department having audited Programme 2. The Committee noted that during its oversight visit to the Gauteng Province, it was revealed that beneficiaries did not receive sanitary products due to problems with the tender. This was brought to the attention of the Department at the time and as such the Committee questioned its monitoring and evaluation of the SDP despite the submission of reports every quarter as a target achieved.
- j) The Committee was concerned about the report of the CGE which reflected that initially targets were cited as achieved by the CGE but upon the AGSA's audit it found that the targets were not met and the CGE had to correct the mistake. This brought into question for the Committee whether internal controls of the CGE were poor.
- k) The Committee enquired about how often the AGSA monitors and evaluates the performance of the Department, CGE and the NYDA besides at the end of a financial year. The Committee indicated that concerns were often identified during in-year-monitoring and was brought to the attention of the Committee through various ARCs. As such, the Committee noted these issues could have then been averted but often these were not addressed and instead translates into a finding.
- l) The Committee enquired about the R15 million and R5 million allocated to the National Council on Gender-Based Violence and Femicide (NCGBVF) and reallocated to the Secretariat on NCGBVF which was allocated for a set period until the end of 2022/23 and whether this was audited by the AGSA. The Committee enquired whether the Department was aware of this and if so why they have not reported on the matter to the AGSA. In particular, the Committee asked whether the AGSA has audited the expenditure in relation to the R15 million allocated for the establishment of the NCGBVF.
- m) The Committee was concerned about the lack of information provided by the AGSA in terms of whether the CGE conducts needs analysis before procuring equipment to ensure that there is a need for it and whether the purchase is justifiable.
- n) *Donor funding*: The Committee noted with concern the lack of information from the AGSA regarding donor funding received by Department, NYDA and CGE and expenditure in this regard. The Committee indicated that an assessment of donor funding was important given that it was linked to almost all of the core programmes
- o) *Whistle-blower allegations regarding the NYDA's CEO*: The Committee was concerned that the AGSA did not mention any allegations against the CEO of the NYDA with regards to nepotism, corruption, irregularities on procurement process, tenders given to family members of the CEO in its audit report. To this end, the Committee asked whether these allegations were investigated and whether these formed part of the audit to indicate whether the allegations were true or false in order to assist the Committee to conduct its oversight over the NYDA effectively.
- p) The Committee was concerned that it could not make a determination based on the audit conducted on the NYDA insofar as the allegations levelled by the whistle blower was concerned as the Committee lacked the requisite details in this regard and as such requested more information. Based on the AGSA's explanation on the audit pertaining to the alleged impropriety, the Committee was unclear about what was examined/assessed that fell within the scope of the AGSA's mandate. The Committee deemed this important in order for it to make a determination of what should still be done given the serious nature of the allegations.

#### **15.5.2 Audit and Risk Committee (ARC):**

- a) The Committee acknowledges the findings and recommendations of the ARC.
- b) The Committee noted with concern that the areas of improvement proposed by the ARC to ensure the effectiveness of internal controls by the Department were not new but longstanding. In particular, these related firstly to monitoring of compliance with applicable laws and regulations, specifically on investigating the irregular expenditure incurred in the previous financial years. Secondly, to Information Technology which requires improvement on service continuity and security controls.
- c) The Committee notes the ARC's finding regarding the progress made in the investigation of irregular expenditure incurred by the Department during 2020/21, 2019/20, 2018/19, 2017/18 and 2016/17 financial years as the Accounting Officer implemented the appropriate action in the form of consequence management, based on the results of the irregular expenditure investigations. However, this finding was different to that expressed by the AGSA which brings into question how the ARC then engaged with AGSA on this matter.
- d) *Under-spending*: The Committee questioned why the ARC identified the under-spending as crisis in the 3<sup>rd</sup> quarter for 2021/22 only when the potential under-expenditure was already identified during the 1<sup>st</sup> and 2<sup>nd</sup> quarter for 2021/22.
- e) The Committee also requested more information on the unbudgeted needs as a measure of reducing under-spending as this was unclear.

- f) The Committee observed that the ARC indicated that there was no irregular, unauthorised and fruitless and wasteful expenditure for 2021/22 and yet the Department reported 30 warnings given to support staff for financial misconduct. This appeared to be a contradiction and was concerning. As such, the Committee requested more information on the matter.
- g) *Consequence management*: The Committee requested more detailed information on the consequence management implemented by the Department given that this was noted as repeat finding. This was a major area of concern for the Committee and reflected weak leadership and management to take corrective action.
- h) The Committee noted with concern that reports were not submitted to the ARC by the Department nor were recommendations implemented. As such the Committee questioned whether there was any consequence management and if not, why this was allowed to continue unabated.
- i) The Committee asked who had not implemented the recommendations of the ARC in the 1<sup>st</sup> quarter for 2021/22 which resulted in under-spending of the Department by the end of the financial year. The significant under-spending was concerning.
- j) *Risk management*: The Committee concurred with the ARC finding and recommendation on the improvement of the risk management processes and that the Department needed to provide capacity including funding of the risk management activities.
- k) *Audit Action Plan*: The Committee concurs with the ARC recommendation that the Accounting Officer develops an audit action plan to resolve the audit findings identified during the 2021/22 financial year audit. Furthermore, the Committee noted with concern that the audit action plan and risk mitigating actions for 2020/21 were not fully implemented by the Department. As such, the Committee is concerned about how effective the ARC's monitoring is over the Department and what remedial action was implemented if the Department did not comply with reporting requirements and the recommendations proposed by the ARC. To this end, the Committee sought clarity from the ARC in terms of how it conducts its audit programme, whether the ARC considers only reports provided to them or considers any other information over and above that.

### 15.5.3 Outstanding Audit Findings and Risk Mitigation Actions

- *Audit Findings*: The Committee observed that 4 findings (3 ICT, 1 Internal Audit) for 2020/21 were still not resolved by the end of the 2021/22 FY which was concerning.
- *Risk Mitigation Actions*: The Department is to be commended for 100% achievement of the mitigation action for Strategic Risks at the end 2021/22 FY; 97% mitigation actions achieved for the Operational risk performance and 91% mitigation actions achieved for Fraud and Corruption. The outstanding mitigation actions were reported as partially implemented however the Committee maintains that despite noting progress these were not completed by the end of the FY 2021/22. The Committee notes this with concern as these were longstanding matters.

## 15.6 Core Programmes

### 15.6.1 Overview of performance for core programmes

- a) *Targets and expenditure*: The Committee commends the Department for achieving all 35 targets in its core programmes during the year under review. The key concern noted by the Committee was the under-expenditure incurred by the core programmes.
- b) *Policy and Law Reform*: The Committee commends the Department for finalising the National Gender-Based Violence and Femicide (GBVF) Prevention Strategy and for tabling the NYDA Amendment Bill and most recently the National Council on GBVF Bill. However, the Committee notes with concern that the Department has yet to introduce Bills it has proposed such as the WEGE Bill, the South African Youth Development Bill and the Disability Bill.
- c) *Reports*: The Committee acknowledges the reports submitted as evidence of the work achieved for the year under review. However, several reports are outstanding and have not yet been submitted nor are these available on the Department's website. To this end, the Committee has repeatedly indicated that reports should be submitted for consideration at least one month after being finalised and published. Oversight is weakened when the Committee is not privy to products yielded by the Department as evidence of targets met.

### 15.6.2 Programme 2: STEE

- a) The Department was commended for achieving all its targets in this programme.
- b) The Committee noted that the contracts of the GBVF Secretariat comes to an end 31 March 2023 and it was unclear what the deliverables were since employees took office or how the expenditure in relation to the R15 million allocated by National Treasury for the MTEF can be accounted for. Furthermore, the Committee was concerned about the transitional arrangements post March 2023 in the absence of an established National Council on GBVF.
- c) The Committee was concerned that there was money set aside for consultants to conduct research in addition to donor funding received for core programmes despite the Department

having employed several officials in senior positions who were meant to perform these duties. To this end, the Committee sought more clarity and asked what the role of the data capturers and technical monitors were that are currently funded by the EU.

- d) The Committee also requested clarity on the use of consultants when there were people employed in the Department to perform the tasks that seemed to have been outsourced instead. Reference was made to the EU funded positions. The Committee was concerned that it appeared to be a duplication of roles.

#### **15.6.3 Programme 3: Policy Coordination and Knowledge Management**

- a) The Committee asked whether the National Gender Machinery Framework had been established and was operational since the target was cited as achieved. The implementation of a functional NGM was deemed important.
- b) M&E: The Committee questioned how the Department undertakes monitoring and evaluation having separated these functions and having produced for e.g. Annual Performance Monitoring Report emphasis on monitoring versus an evaluation report on the empowerment of WYPD emphasis on evaluation.

#### **15.6.4 Programme 4: Rights of Persons with Disabilities Programme**

- a) The Committee commends the Department for the improvement of performance in terms of targets achieved.
- b) *Under-expenditure*: The Committee noted that the Department has continuously been underspending in Programme 4 year-on-year and enquired what the plan was to ensure this trend does not persist. The Committee was concerned that the Department was not giving enough attention to this programme hence the under-expenditure. This was an indictment on persons with disabilities in the country.
- c) The Committee enquired whether reports produced in Programme 4 would be submitted and presented to the Committee.

#### **15.6.5 Programme 5: National Youth Development Programme**

- a) The Department is to be commended for achieving all 4 (100%) targets in this programme.

### **Observations with respect to the Commission for Gender Equality (CGE)**

#### **15.7 CGE Matters**

Notwithstanding the fact that the CGE is a Chapter 9 Institution, it only accounts to Parliament vis-a-vis the Portfolio Committee on Women, Youth and Persons with Disabilities Presidency and that the Department merely transfers its funds, the Committee deemed it important to note the following observations:

##### **15.7.1 General**

- a) The Committee welcomed the tabling of the Annual Report 2021/22 by the CGE within the required time frame.
- b) The Committee remains concerned with the overall performance of the CGE given the challenges that continue to impact on its ability to give effect to its mandate.
- c) The Committee queried what the key drivers of success for each of the CGE's Strategic Outcomes for 2021/22 were. To this end, the Committee also enquired about the key challenges or barriers the CGE identified that hinder the CGE in achieving its Strategic Outcomes. The Committee also asked what would be required to address these challenges or potential barriers. Furthermore, the Committee enquired whether there were any risk mitigating measures currently in place to address challenges and if yes, what are these measures.
- d) The Committee questioned what the CGE intends doing to increase its visibility and impact in order to achieve its Strategic Outcomes as the Committee remained concerned that the CGE was still not well known within communities.
- e) The Committee noted with concern the regression in terms of performance specifically in terms of targets achieved and enquired about the plan to ensure that targets are achieved in future.

##### **15.7.2 Governance**

- a) The Committee observed that policy to regulate the interface between Commissioners and staff or the role of a company secretary was not reported on in the Annual Report which was concerning.
- b) The Committee noted with concern that the Commissioners Handbook was still not completed by the end of 2021/22 and despite numerous progress updates by the CGE it is still not finalised.
- c) The Committee noted its discontent with the CGE's lack of enforcement of internal controls and consequence management.
- d) The Committee observed that the Commission for Gender Equality's Audit and Risk Committee agreed with the findings of the AGSA, that some were repeat and or new findings.

#### **15.7.3 Performance of Commissioners**

- a) *Overview of Meetings:* The Committee observed that the sub-committee, plenary, special plenary, Section 6 and Portfolio Committee meetings as presented by the Chairperson of the CGE amounted to on average one per quarter. Given the serious challenges experienced within the CGE for the year under review, it is unclear why certain sub-committees did not meet more often for e.g. HR, finance, governance.
- b) *Absenteeism:* The Committee noted the absenteeism of Commissioners at sub-committee, plenary, special plenary, Section 6 and Portfolio Committee meetings as presented by the Chairperson of the CGE. To this end, the Committee enquired what the implications were for a Commissioner not attending more than 3 consecutive meetings as the Commissioner's Handbook clearly outlined what the repercussions ought to be.
- c) The Committee was concerned that no consequence management had been implemented against Commissioners who had missed 3 consecutive meetings. Furthermore, in light of the contestation regarding the 100-hour flat rate for part-time commissioners it was unclear to the Committee how attendance to these meetings constituted a significant proportion to the 100 hours per month given that meetings were held on average one per quarter.
- d) *Botha Matter:* The Committee noted with concern that Commissioner Botha was invited to speak at an event on behalf of the CGE whilst still on suspension. The matter was brought to the attention of the CGE by the Committee and the Committee requested feedback in that regard. As the Committee had not received any formal correspondence from the CGE prior to the Committee meeting in that regard, the Committee sought an explanation about how the Commission dealt with the matter. The Committee was dissatisfied with the response provided by the CGE that it had yet to look into the matter.

#### **15.7.4 Human Resource**

- a) The Committee noted that the term of office of 4 Commissioners would come to an end on 31 October 2022 which included the Chairperson and the Deputy Chairperson. As such, the Committee enquired about the continuity plans in place. The Committee deemed this important to ensure a smooth transition for the incumbent Commissioners.
- b) The Committee noted the staff turnover, particularly resignations, and enquired about the challenges related to staff retention. To this end, the Committee asked about mitigation strategies to ensure institutional memory. The Committee recalled that it had previously recommended to the CGE to conduct exit interviews and questioned whether this was implemented.

#### **15.7.5 Finance**

- a) *Underspending:* The Committee noted with concern the under-spending (R14,2 million) and requested an explanation in that regard. Given the importance of the work rendered by the CGE, the Committee deemed it unacceptable that funds are not utilised optimally particularly for an institution that claims it is under-resourced and requires more funding.
- b) *Fruitless and Wasteful Expenditure:* The Committee noted with concern the Fruitless and Wasteful expenditure (R5, 694 008) incurred by the CGE of which R2, 753 340 related to the 2020/21 FY payment of Part-time Commissioners without time sheets.
- c) *17% Provident Matter:* The Committee noted with concern that the matter related to the payment of certain officials had still not been resolved. This despite the Committee having recommended in its 2021 Budget Review and Recommendations Report that, "The CGE should submit to the Committee, in writing, a comprehensive report on the 17% Provident fund issue." The CGE provided the Committee with an update on the matter at its briefing of the Annual Report of 2021/22 and stated that the matter has still not been resolved. It would appear that no official(s) have been held to account in this regard for having implemented the policy decision from the onset nor why it cannot be rescinded. This was particularly concerning for the Committee.
- d) *Payment of leave gratuity to former CEO:* The Committee was not completely satisfied with the explanation provided by the CFO regarding the leave pay-out of the former CEO whose

contract terminated in 2020. The Committee was made aware of an erroneous leave gratuity pay out to the former CEO. The CGE had briefed the Committee in this regard in 2020 and 2021 on this matter. It would appear that the matter has still not been resolved. The Committee sought more information in this regard and was not satisfied with the slow pace of progress in resolving the matter.

- e) *13<sup>th</sup> cheque*: The Committee noted that 2 Commissioners received a 13th cheque payment in 2021/22 and questioned why this was the case. The Committee was satisfied with the response by the CFO in this regard which related to the manner in which Commissioner's had structured their total package.

#### **15.7.6 Payment of Commissioners**

- a) *Payment of part-time Commissioners*: The Committee noted with serious concern the Fruitless and Wasteful expenditure incurred of R2, 381 665 which was attributed again to the payment of part-time Commissioners without the requisite time sheets. The Committee noted that the CGE had informed Members via correspondence sent to the Committee on 21 September 2021 dealing with the Q4 of 2020/21 and Q1 2021/22 titled "Audit Committee Response to the Portfolio Committee Questions", sent to the Committee from the CGE's ARC, the following was noted under III. Human Resources Audit, Internal control deficiencies identified pertaining to HR are as follows: "Part-time Commissioners salary paid without supporting documentation. In that, for the period of April 2020 to October 2020 when the country was in a National State of Disaster due to COVID-19, part-time Commissioners were paid 100 hours without supporting documentation. Further to this the salary was paid without supporting timesheets approved by the Executive Authority."
- b) From the correspondence received and the documents assessed the payment of 100 hours exceeded the time period of April to October 2020. The payment arrangement had exceeded the timeframe and the Committee was unaware and not informed. Furthermore, Part-time Commissioners were paid 100 hours' flat rate for 22 months not having submitted time sheets and or template as per CGE Finance Department which was an indictment on the CGE. This was noted with as a matter of serious concern.
- c) The Committee acknowledged plenary's decision to implement the 100-hour flat rate on account of force majeure for the time period stipulated as cited above. However, the Committee having received and assessed the Commissioners progress reports per quarter for 2021/22 in addition to the overview of attendance for 2019-2022 at sub-committee meetings, plenaries, special plenaries and Portfolio Committee meetings was not satisfied that the 100-hour flat rate should have been extended beyond the stipulated period. The Committee was not satisfied with the information hereto as a measure of justification of 100 hours per month for part-time Commissioners. The activities reported together with meeting attendance would not have sufficed for accumulating 100 hours a month. This was further compounded by, the Committee's assessment of Commissioners salaries for 2019/20 and having noted that on average, based on crude calculations of their salaries, part-time Commissioners worked between 11.7 minimum to 40.1 hours maximum. As such, this brought into question how plenary and senior management had justified the 100-hour flat rate. The Committee was also not satisfied with the CFO's response insofar as variation in salaries between Commissioners because of benefits such as travel given that during the Covid-19 lockdown period travel was limited and Commissioners indicated that they worked from home as well. Moreover, the Committee having assessed all the progress reports of Commissioners for the year under review was unable to see how the continuation of a 100-hour flat rate was justifiable when certain Commissioners were not reporting against all Strategic Outcomes within a given quarter.
- d) *Current status of 100-hour flat rate*: The Committee questioned whether part-time Commissioners were still paid the 100-hour flat rate and what the justification was given the issues of concerned raised.
- e) The Committee noted that no money has been recovered or written-off to date according to the CGE as reported to the ARC. Furthermore, the Committee is aware that 4 Part-time Commissioners had taken up the matter on appeal based on the 2020/21 amount and have maintained that submission of quarterly reports together with a letter of endorsement from the Chairperson of the Commission for Gender Equality and an internal circular should suffice as evidence. To this end, the Committee questioned whether the ARC was in receipt of such evidence. The Committee was not satisfied with the response of the CGE and noted with serious concern the lack of leadership and accountability demonstrated, as well as not availing proof of evidence for the respective auditors in this regard.
- f) *Failure to comply with Commissioner's Handbook*: The Committee noted with concern the CGE's failure to comply with the Commissioners Handbook as per 5.3.2 Claims, "This matter is regulated by CGE policy on subsistence and claims. In addition, part-time Commissioners

are required to file a salary claim every month, using the template provided by the CGE finance department. Full-time Commissioners need not submit salary claims, as their salaries are automatically generated through the CGE salary system.” The Committee noted that the non-submission of timesheets was thus in direct contravention of the CGE’s policy despite the submission of quarterly reports in narrative form.

- g) *Application of President’s determination of salaries*: The Committee having assessed the salaries of Commissioners as outlined in the Annual Report under review was unclear how the President’s determination of salaries as per the Draft Notice on the Determination of Remuneration of Independent Constitutional Institutions was applied by the CGE as the salaries varied considerably. This was noted with concern as the Committee was dissatisfied with the response provided by the CGE in this regard. It was concerning that there appeared to be no consistency in terms of the payment salaries of both full time and part-time Commissioners. In essence, the Committee was concerned that the President’s determination of salaries of both full time and part time Commissioners was not implemented by the CGE.
- h) *Variations in Salaries*: The Committee having assessed and compared the salaries of Commissioners for 2020/21 and 2021/22 as well as 2019/20 also noted significant differences in the salaries of full-time and part-time Commissioners which was concerning. Notwithstanding the explanation provided by the CGE’s Chief Financial Officer regarding the manner in which certain Commissioners had structured their salary package, the benefits and travel claims salaries varied between full-time Commissioners and part-time Commissioners. The Committee was not satisfied with the CGE’s justification for those inconsistencies. The Committee also questioned the process of approval of payments and required more details in that regard.
- i) The Committee noted with concern that during the briefing by the CGE on its Annual Report for 2021/22, a Commissioner who was converted from part-time to full time indicated that during her tenure as a part-time she was paid a lower salary as compared to a fellow Commissioner who took office at the same time she did.
- j) *Payment to former Commissioners*: The Committee having assessed the salaries of Commissioners for the last 3 financial years noted that Mr Mr Wallace A. Mqogqi, who was a full-time Commissioner was paid R177 987 for 2019/20 and also received 13th cheque & or leave pay-out of R20 625. Dr Nondumiso Maphazi who was also a full-time Commissioner was paid R226 285 for 2019/20. Ms F. Nzimande, a part-time Commissioner was paid R79 987 for 2019/20. Ms S. Sobahle, a part-time Commissioner was paid R223 013 for 2019/20 and received an additional R22 471 for 13<sup>th</sup> cheque and or leave pay-out. The Committee sought clarity in this regard for the payments given when their term of office had expired. Furthermore, the Committee was alarmed by the Chairperson of the CGE’ response of not having been aware of the payments this despite have signed off on all three of the annual reports in which the salaries were expressly stated. The Committee acknowledged the Chairperson’s withdrawal of not being aware and shocked at the revelations exposed by the Committee.

#### 15.7.7 Programme specific matters

- *Boy-child*: The Committee enquired whether the Commission was still implementing the boy child programme as this was considered to be an important initiative should be continued.
- *Webinars*: The Committee questioned how the CGE determines whether webinars are successful or not as the impact of initiatives is considered important for the Committee.
- *Policy and Law reform*: Similarly, the Committee enquired whether the CGE has tracked any of its recommendations made and incorporated into a Bill/policy via submissions made. Whilst the submission is one aspect of the CGE’s work, the Committee is interested in whether the recommendations are taken up.
- *Legal Practice Council*: The Committee noted several litigation cases outlined in the Annual Report but it was unclear what the role of the CGE was in all of the cases its standing as a legal entity was not yet accepted by the Legal Practice Council. This has previously been reported to the Committee which was noted as a major concern and required attention. To this end, given the reporting in the Annual Report 2021/22, the Committee then questioned whether the CGE resolved the matter with Legal Practice Council with regards to CGE recognised as legal entity. The Committee was not satisfied with the response from the CGE on the matter as it has still not been resolved. The Committee noted that it has taken an inordinate amount of time for this matter to be resolved the impact of which was directly on the beneficiaries the CGE is meant to serve, this was deemed unacceptable.

#### 15.7.8 Case Management

- a) The Committee noted with concern the overall low number of complaints received for the year under review. The Committee noted a drop in the number of cases opened from 378 in the previous FY to 170 in the current FY.
- b) The Committee noted with concern the large number of pending cases (494) at the end of 2021/22 and asked how far the CGE was in dealing with the backlog. In addition, the Committee questioned whether the large number of pending cases and the duration it took to close a matter was not a key contributing factor for the overall low case numbers as the public may be disillusioned with the process and the slow pace of progress to be assisted.
- c) The Committee questioned why the CGE registered so little complaints related to gender-based violence for 2021/22. To this end, the Committee noted that this trend had continued into Q1 for 2022/23. The Committee requested clarity on whether the 170 cases were closed in 2020/21 or 2021/22 financial year.
- d) The Committee was concerned about the manner in which the CGE dealt with cases received and closed.
- e) The Committee also noted the variation in the number of cases opened and closed across the various provinces which was presented in the quarterly reports for the year under review but not reflected in the annual report.

## **15.8 Observations with respect to the National Youth Development Agency**

### **15.8.1 General**

- a) The Committee commends the NYDA on receiving its 8<sup>th</sup> consecutive clean audit and achieving 100% of its targets.
- b) The Committee concurred with the AGSA and Audit Committee's findings and recommendations. To this end, the Committee agreed that whilst the majority of targets were reached and often exceeded these should be reassessed to determine whether these are too low and should be set higher.

### **15.8.2 ARC**

- a) The Committee welcomed the report of the ARC and enquired whether the ARC conducted its audit bi-monthly or on a quarterly basis.
- b) The Committee also requested the ARC to indicate whether they managed to identify up any red flags during audit period that should be considered by the Committee.
- c) The Committee was concerned that the AGSA's finding related to a beneficiary who did not receive equipment that was due to her was not identified by the ARC as it was not reflected in the ARC's report. This brought into question for the Committee how many other issues were then not picked up by the ARC. Furthermore, the Committee also questioned how the ARC could indicate that the NYDA achieved all its targets when a beneficiary did not receive their equipment during the year under review.
- d) The Committee commended the NYDA on improvement on compliance and wanted to know whether the ARC identified any improvements required with regards to compliance issues in terms of internal environment controls.

### **15.8.3 Programme 1 Administration**

- a) *Finance*: The Committee commends the NYDA for not incurring irregular or wasteful expenditure for the year under review.
- a) *Vacancies*: The Committee queried what the time frame was for the filling of vacancies in the NYDA.
- b) *Dismissals, Resignations*: The Committee enquired about the reasons for dismissals and resignations. In addition, the Committee asked whether exit interviews are conducted with regards to resignations. To this end, the Committee reiterated the importance of institutional memory and staff retention.
- c) *Disability Employment Equity Targets*: The Committee queried how many youth with disabilities has been employed in the NYDA. The Committee was concerned that there was no disaggregated data provided on the employment for persons with disabilities in the recent Annual Report. In addition, the Committee asked what progress the NYDA has made with regards to achieving the employment equity for persons with disabilities.
- d) *Communication Strategy*: The Committee enquired whether the NYDA has forwarded the communication strategy that was requested by the Committee given that NYDA was not reaching youth in all communities. In addition, the Committee also requested more information on the cost of the communication given that the NYDA is still not well known across the country and within communities.
- e) *CEO Salary*: The Committee was concerned about the R2,7 million salary paid to the CEO and that work of the NYDA does not reach the youth in many communities.

- f) *Pension Fund*: The Committee sought more information about how the NYDA invests the pension of NYDA's employees as an anonymous whistle-blower had called the Chairperson of the Portfolio Committee to render concerns in that regard.
- g) The Committee further requested clarity on the amount of money paid to the former CFO (Mr Mkhwanazi).

#### 15.8.4 Performance of the Board

- a) *Impact & visibility*: The Committee was concerned that the Board Members of the NYDA are not performing and have not been impactful since they resumed office. This was concerning as the Committee was unsure what the Board was doing at national and at provincial level to give effect to the NYDA's mandate. To this end, Members questioned Board Members on the work they are currently undertaking to achieve the NYDA's mandate. Furthermore, the Committee also requested the NYDA Board to cite their key achievements within the first 100 days in office.
- b) *Russia trip*: The Committee was concerned that the NYDA Board Members undertook a trip to Russia with young people without having considered the international ramifications for attending given the war in the Ukraine and the official position from DIRCO in that regard. The Committee enquired about the criteria applied to choose young people to participate in the study tour. The Committee was concerned that the NYDA did not respond to young people who applied to be part of the delegation to Russia. The Committee questioned what the purpose of the trip to Russia was.
- c) The Committee noted with concern the lack of response by the Deputy Chairperson on the performance of the NYDA initially. The Committee noted that the Deputy Chairperson has been travelling abroad often but it was unclear to the Committee how this in turn benefitted the NYDA.
- d) The Committee was also concerned with the initial report of the Chairperson as it lacked the requisite details that would highlight what the Board has achieved to date or how it intends responding to and dealing with the high rate of youth unemployment.
- e) The Committee sensed tension between Board members and therefore specifically asked what the working relationship was between the Chairperson and the Deputy Chairperson of the Board.
- f) The Committee queried how many Board meetings have taken place and whether Board members have been attending these meetings.
- g) The Committee also queried how Board members are held to account and how attendance at Board meetings are monitored.
- h) The Committee noted with concern the allegations levelled against the CEO and asked what the Board was doing about it.

#### 15.8.5 Programme 2: Programme Design, Development and Delivery

- a) In light of the concern raised by the AGSA that a beneficiary had not received her equipment (kitchen trailer) despite the service provider having been paid, the Committee sought an explanation in that regard from the NYDA. The Committee was concerned that intended beneficiaries maybe disadvantaged on account of service providers failing to render the service after receiving payment and insufficient monitoring and evaluation on the side of the NYDA to avert the situation in a timely manner.
- b) *M&E*: The Committee questioned who was the key person responsible to check whether the service providers have delivered equipment to the beneficiaries as a means of ensuring that there is value for money.
- c) *SDP*: The Committee asked whether the NYDA was able to offer non-financial business development interventions for beneficiaries in the Department of Women, Youth and Persons with Disabilities' Sanitary Dignity Programme during the 2021/22 FY and if so how many. This was important for the Committee ascertain as it would provide insight into the nature of the collaboration. Moreover, the Committee was concerned that young people are not benefitting from the value chain of the Sanitary Dignity Programme.
- d) *Youth with Disabilities*: The Committee enquired about how many young people with disabilities benefitted from the non-financial business development interventions in 2021/22. The Committee questioned whether youth with disabilities were part of the NYDA delegation to Russia.
- e) *Effectiveness of training by NYDA*: The Committee questioned how the effectiveness of the training was assessed in terms of the life skills and job preparedness programme. To this end, the Committee enquired about the key challenges and lessons learnt from the training and what has been the experience of young people that were trained in 2021/22. Furthermore, the Committee asked whether the NYDA has followed up on the Committee's recommendations to collaborate with universities on its training initiatives as means of expanding its reach. The Committee sought a progress in this regard.
- f) *Solomon Mahlangu Scholarship*: The Committee also wanted to know how many youth benefitted from the Solomon Mahlangu Scholarship and to who the scholarship will be extended to. The Committee also wanted to know whether the NYDA has disability champion.

- g) *Workshops*: The Committee requested more information on workshops conducted by NYDA that was costly. The Committee asked who were the beneficiaries who attended workshops at a provincial level.
- h) *Outcomes of training*: The Committee questioned how many young people were employed after receiving training on life skills and job preparedness.
- i) *Support for young entrepreneurs*: The Committee queried whether assistance with financial planning was provided to the small & medium business. The Committee queried what progress has been made to enable youth to use virtual platforms to complete NYDA applications forms when applying for a grant.
- j) *APPs submission & assessment*: The Committee queried how many Government Department have submitted their annual plans to the NYDA in 2021/22, which Departments have not submitted and why not. The Committee enquired about the outcomes of the assessment of these annual plans as this would be an importance means of determining what progress has been made by Government departments in advancing the youth development agenda.
- k) *Status of Youth Report*: The Committee asked what are the key findings and recommendations from the Status of Youth Report for 2021/22. The Committee noted that this was an important report however the Committee was not in receipt of it as the NYDA had not submitted or tabled it.
- l) *IYDS*: The Committee enquired about the Integrated Youth Development Summit and when the NYDA intends hosting it.
- m) *NSP on GBVF*: The Committee queried how the NYDA ensures greater alignment with the National Strategic Plan on Gender Based Violence and youth in conflict with the law. To this end, the Committee questioned how the NYDA collaborates with the Department of Women, Youth and Persons with Disabilities in this regard.
- n) *Loans written off*: The Committee enquired about the measures in place by the NYDA to prevent youth from forfeiting on loan repayments. The Committee also questioned at what stage is a loan written off and how long does it take to reach that point.
- o) The Committee enquired about the support offered to the 2000 youth owned business in the township and rural economy as this was an important initiative.

## 16 RECOMMENDATIONS

The Minister of Women, Youth and Persons with Disabilities should ensure that the following recommendations are implemented.

### 16.1 General

- a) The Committee urged the Department to keep it abreast of developments and share information on initiatives such as the proposed provincial summits on gender-based violence and femicide and the national summit. The Committee indicated it was unacceptable for it to be unaware of what the Department intends pursuing when member's constituencies request information from them.
- b) The Human Resource section within Department should conduct a skills audit of all officials employed by the Department.
- c) The senior management of the Department should ensure that there is proper monitoring and ensure compliance that will assist in dealing with under-expenditure.
- d) Department Officials responsible for incurring under-expenditure during 2021/22 should be held to account.
- e) The DG should implement consequence management against officials for non-performance.
- f) The Communication Unit of the Department should improve on its communication strategy to ensure that the public is aware of the programmes of the Department.

### 16.2 Audit Action Plan

- a) The Department should submit its final Audit Action Plan for the Committee's consideration.
- b) The AGSA and ARC recommendations should be taken seriously by the Department and implemented. Officials found not having implemented these recommendations must be held to account.
- c) The Department should clearly articulate how it intends addressing each of the findings identified and implementing the recommendations within a set time frame within the Audit Action Plan.

### 16.3 Financial performance

- a) *In-Year Monitoring Reports*: The Department must continue to submit quarterly reports to the Committee in line with National Treasury Regulations.
- b) *Spending Trends*: The Committee recommends that the Department monitor spending patterns and ensure that this is in keeping with what has been outlined in the respective Strategic Plans and Annual Performance Plans. To this end, the Department is to provide the Committee with

detailed financial reports for activities on a quarterly basis. These financial reports should clearly indicate the purpose of the activity as it relates to the objectives outlined in the APP and the expenditure incurred. The Department should consider including a specific target related to expenditure management in the APP for 2023/24.

- c) *APP*: The Department must ensure that its APP is costed appropriately with a clear indication as to how and when it intends undertaking activities with corresponding costs.
- d) *Irregular expenditure, Fruitless and Wasteful Expenditure*: The Committee urges the Department to take disciplinary action against employees responsible for irregular expenditure and fruitless and wasteful expenditure. The Department should further develop an action plan on steps to prevent irregular expenditure as well as fruitless and wasteful expenditure.
- e) *Deviations*: The Department should clarify in writing within three weeks of the adoption of the report the discrepancy between what is stated in the Annual Report versus what was reported to the Committee at the Q4 2021/22 briefing.

#### **16.4 AGSA & Audit and Risk Committee**

- a) The AGSA should submit the list of issues/allegations against the NYDA's CEO that fall within their scope of investigation and those not in their scope to the Committee.
- b) The AGSA should submit a report on the expenditure of R15 million & R5 million allocated to the Secretariat for NCGBV&F.
- c) The AGSA should submit a report on the Sedibeng Municipality issue with regards to the NYDA.
- d) The AGSA should audit other Programmes of the Department such as Programme 4 in order to provide a true reflection of the performance of the Department. An audit of one programme was insufficient.
- e) The AGSA should improve in the manner in which auditing is conducted in the Department, NYDA and CGE and also improve on its relationship with the ARC's of the Department, CGE and NYDA.
- f) The ARC should monitor whether officials who had not implemented the recommendations of the ARC as per the 1st quarter which resulted in under-spending, are held to account.

#### **16.5 Human Resource**

- a) *Vacancies*: All key funded vacancies should be filled within the specified time allocation, in instances where this is not complied with, the Department should clearly identify within the quarterly reports to the Committee reasons for failure to comply and remedial action taken. The Department should submit a list of vacancies that have been prioritised and a time frame for filling the required posts.
- b) *Performance management*: The Committee recommends that the heads of Programmes provide quarterly reports of consequence management for the non-delivery of targets with a clear indication of the remedial action implemented. Each programme and sub-programme will be required to present progress to the Committee on a quarterly basis.
- c) *Use of consultants*: The Department review its continued reliance on consultants and report back to the Committee on how transfer of skills is enabled to Department officials by the current cohort of consultants.
- d) *Disciplinary cases and investigations*: The Department should submit a comprehensive report on all cases in the Department and brief the Committee accordingly.

#### **16.6 Governance**

- a) The Committee reiterated the importance of compliance with the Public Finance Management Act and National Treasury Regulations by the Department and that failure of officials in this regard must be dealt with expeditiously. To this end, the Committee recommends that the Department reports on how it deals with transgressors and what remedial action is taken. This should be presented in the quarterly reports.
- b) The Committee remains concerned about the non-compliance and adherence to laws and prescripts by officials within the Department. The Department should consider including a specific key performance indicator and targets that addresses compliance to laws and prescripts.
- c) *Investigations*: The Committee recommends that the Department briefs it (at Quarter 2 briefing for 2022/23) on the outcome of investigations that have been completed and indicate what progress has been made in terms of implementing recommendations and consequence management. Furthermore, the Department is expected to brief the Committee on progress with regards to investigations currently underway.

#### **16.7 ICT**

- a) The Committee urges the Department to address outstanding risk mitigation actions as a matter of urgency.

## **16.8 Performance related recommendations**

### **16.8.1 SMART principle**

- a) The Committee recommends that the Department must ensure the alignment between the Strategic Plan and its Annual Performance Plan which includes objectives and targets that are SMART and costed accordingly. Any changes to the APP must be brought to the attention of the Committee as soon as these are done with a clear indication of the HR impact and financial implications. The Department must update the Committee on the status of targets on a quarterly basis. Financial and performance reporting must be in-line with the tabled APP.
- b) The Department to avoid as far as possible amendments to its APP once operational particularly in the latter half of the FY.

### **16.8.2 National Gender Machinery (NGM)**

- a) The NGM is an important mechanism for stakeholder engagement as espoused in CEDAW to which South Africa is a signatory. The Committee should be kept abreast of NGM meetings and activities.

### **16.8.3 Treaty compliance framework and timeframes**

- a) The Committee recommends that the Department should ensure that country reports are submitted within the specified timeframes as required by the relevant reporting bodies.
- b) The Committee recommends that the Department should report back to Parliament on feedback received on country reports, action plans developed in this regard as well as progress in terms of implementing recommendations.
- c) The Committee recommends that the Department must present all reports at an international level to the Committee at least one month before it undertakes the international trip.

### **16.8.4 Reports**

- a) The Committee recommends that the Department brief the Committee on reports completed for 2021/22 and submit all outstanding reports. The briefing should include what progress has been made since the completion of the reports.
- b) The Department is requested to submit all finalised reports one month after completion to the Committee for consideration.

### **16.8.5 Legislative and Policy Reform**

- a) The Committee recommends that the Department should brief it on its legislative programme and outline what progress has been made in developing various Bills to be introduced and the timeframes hereto.
- b) The Committee urges the Department to finalise all outstanding policies and frameworks.
- c) The Committee recommends that the Department brief the Committee on a quarterly basis progress update on the development of reports/policies/frameworks/guidelines etc.

### **16.8.6 GBVF**

- a) *NSP*: The Department to provide quarterly updates on the implementation of the NSP. The Department submit its M&E reports on the implementation of the NSP and brief the Committee accordingly.
- b) The Department to submit the National GBVF Prevention Strategy to the Committee for consideration.
- c) *NCGBVF*: The Department to brief the Committee on the National Council on GBVF Bill that has been tabled.
- d) *Secretariat*: The Secretariat/technical team to brief the Committee on progress made to date in November 2022 at a day to be confirmed with the Committee secretariat.

### **16.8.7 Sanitary Dignity Programme (SDP)**

- a) The Committee recommends that the Department ensure that young women and persons with disabilities benefit from the whole SDP value chain and that it collaborates with the NYDA in this regard.
- b) The Committee recommends that the Department reports back on its monitoring and evaluation of the roll out of the sanitary dignity programme in provinces and its budgetary allocations on a quarterly basis.

### **16.8.8 Rights of Persons with Disabilities (RPD) Programme**

- a) The Department should submit quarterly and annual reports on the National Disability Machinery meetings.
- b) The Department should brief the Committee on the reports produced related to the analysis of APPs and the annual monitoring report on inclusion of persons with disabilities.
- c) The Department should expedite the development of the Disability Rights Bill and brief the Committee accordingly.

#### **16.8.9 National Youth Development (NYD)**

- a) The Department should strengthen its collaboration with the NYDA as part of a coordinated strategy to address youth unemployment in the country. The Department should submit a report that outlines how it intends giving effect to this recommendation with clear roles and responsibilities and time frames.
- b) The programme must brief the Committee on progress with regards to the South African Youth Development Bill at the next Quarterly report briefing.
- c) The Department must brief the Committee on the NYDA Amendment Bill.

#### **16.9 CGE**

The CGE should ensure that the following recommendations are implemented.

##### **16.9.1 Finance**

- a) *Audit Action Plan*: The CGE should develop an audit action plan that relates to the recommendations made by the AGSA. This action plan should address the root cause of the problems and reflect the AGSA and ARC findings/recommendations. It must be submitted to the Committee with the 2<sup>nd</sup> Quarterly Report for 2022/23.
- b) The CGE should provide quarterly progress reports on the implementation of its Audit Action Plan.
- c) The CGE should ensure that it maintains tight control over its fiscus and avoid over-expenditure in 2022/23 and beyond.
- d) *Irregular expenditure (IE) and fruitless and wasteful expenditure (FWE)*: The CGE to continue reporting on investigations related to the IE and FWE, mitigating actions and consequence management implemented at every quarterly report briefing.
- e) *Financial reporting*: The CGE must report on an annual and quarterly basis its expenditure per strategic objective in order for the Committee to conduct more astute oversight.
- f) *Surplus funds*: The CGE to report back to the Committee at the Q2 2022/23 briefing on progress made in requesting National Treasury to retain the estimated R11 million surplus funds that was accrued.
- g) *Monthly reports*: The CGE to submit monthly reports to the Committee on key matters of concern and progress hereto.

##### **16.9.2 Payment of part-time Commissioners**

- a) The CGE should present to the Committee a report on the outcomes of the dispute registered by the part-time Commissioners in lieu of the finding of Fruitless and Wasteful Expenditure related to the 100-hour flat rate payment.
- b) The CGE should also submit a report to the Committee on the decision by plenary to pay part-time Commissioners 100 hrs during the peak COVID-19 period.
- c) The CGE should submit a report on the application of the 100-hour flat rate in relation to the current FY 2022/23 together with all relevant supporting documentation.

##### **16.9.3 Payment to former Commissioners**

- a) The CGE's Human Resource (HR) should submit a written report on who instructed the CEO to pay former Commissioners who were no longer in the employ of the institution within three weeks of adoption of this report.

##### **16.9.4 Payment of leave gratuity to former CEO**

- a) The CGE's HR should submit a comprehensive report on the leave payment related to a former CEO which was wrongly calculated to the Committee within three weeks of adoption of this report.

##### **16.9.5 Implementation of President's Determination of Salaries**

- a) The CFO should revise the salaries of full time and part-time Commissioners to be in accordance with the President's determination of salaries and deal with issues raised by AGSA in this regard.

#### **16.9.6 Governance**

- a) The CGE should finalise its policy that pertains to interrelations between the administration and the Commissioners and this should be submitted to the Committee before the end of the 2022/23 FY.
- b) *Handbook*: The CGE should finalise the Commissioner's Handbook and submit to the Committee on completion before the end of the 2022/23 FY as a matter of urgency.
- c) *Business Model*: The CGE should submit the Business Model to the Committee for consideration.
- d) *Consequence management*: The CGE should hold to account Commissioners and employees who transgress policy and laws and ensure appropriate consequence management is implemented.
- e) *17% Provident Fund Matter*: The CGE should submit to the Committee, in writing, a comprehensive report on the 17% Provident fund issue. The CGE is urged to finalise the matter.

#### **16.9.7 Legal Practice Council**

- a) The CGE should present to the Committee a plan on how to deal with the matter of Legal Practice Council in ensuring the CGE is recognised as a legal entity again. The CGE was urged to expedite the matter in order for it to be resolved.

#### **16.9.8 Programme and performance**

- a) The CGE must prioritise the filling of vacancies. The CGE should submit a report to the Committee that outlines its structure with positions linked to salaries. To this end, the CGE should also provide the Committee with information that illustrates whether the current positions are market related and what are the proposed salaries for positions advertised and how these compare to the market.
- b) The CGE should improve on its complaints handling processes.
- c) The CGE should submit to the Committee, in writing, a comprehensive report on the 17% Provident fund issue; AG finding regarding 100 hrs worked by part-time Commissioners without time sheets; the compiling of annual report on the boy-child programme.
- d) *GBV*: The CGE to report back to the Committee and provide a progress report regarding its monitoring of NSP in particular and submit a comprehensive report in this regard.

#### **16.9.9 Commissioners**

- a) Commissioners to continue to report on a quarterly and annual basis to the Committee on their deliverables in line with each Strategic Outcome as per the APP.

#### **16.10 NYDA**

The NYDA should ensure that the following recommendations are implemented.

- a) *ARC*: The ARC should report back to the Committee and provide an opinion with regards to the issue of the beneficiary who had not received her equipment within the required timeframe from the supplier.
- b) *Audit Action Plan*: The NYDA should develop an audit action plan that relates to the recommendations made by the AGSA and Audit Committee. This action plan should address the root cause of the problems raised. It must be submitted to the Committee with the 2<sup>nd</sup> Quarterly Report for 2022/23.
- c) The NYDA should provide quarterly progress reports on the implementation of its Audit Action Plan.
- d) *Reporting*: The NYDA must ensure that its "Performance Information and financial reporting are integrated". Quarterly and Annual Reporting should be in line with the tabled APP. The performance information reporting must reflect what has been achieved and not achieved as per each SO. In addition, it should be integrating the budget information by reflecting how much it costed the institution to meet the target in comparison to what was budgeted for.
- e) The NYDA should examine its targets and consider setting higher targets.
- f) The NYDA should forward the whistle-blower's letter containing the allegations to the Committee in preparation for dealing with the report on the investigation.
- g) The Committee will invite the NYDA to brief them members on the report that covers the investigation into the allegations on corruption made by a whistle-blower against the CEO by end November 2022.

- h) The NYDA should ensure there are market linkages between the NYDA, Department of Basic Education and the Department of Women, Youth and Persons with Disabilities to ensure that young people benefit from the SDP.
- i) The Board Members including the Chairperson and the Deputy Chairperson of the Board should indicate what each member has done with regards to their work in the NYDA at the next Committee meeting.
- j) The NYDA to submit a report reflecting all international trips undertaken by Board Members that outline the purpose, cost, number of Board Members attended and the outcomes.
- k) The NYDA should include youth who are non-conforming in their programmes.
- l) The NYDA should be mindful of paying more money to the CEO at the expense of the organisation not able to implement their programmes.

The Committee hereby recommends the following for consideration by the Minister of Finance:

#### 16.11 National Treasury

- a) The Committee requests National Treasury to consider the condonation requests by the Department and the CGE.
- b) The Committee requests National Treasury to consider the requests for roll-over of funds for the Department and the CGE.

#### 16.12 AGSA

- a) The AGSA is requested to investigate the payment of part-time Commissioners without timesheets submitted as evidence having taken into consideration the findings of the ARC, the Internal Audit Unit and the Portfolio Committee on Women, Youth and Persons with Disabilities.
- b) The AGSA to assess whether the payment of 100-hour flat rate to part-time Commissioners had continued for the current FY 2022/23 and why.
- c) The AGSA is requested to investigate the discrepancy in salary between full time and part-time Commissioners and the application of Presidential determination for the period 2019/20 – 2021/22.

### 17. SUMMARY OF REPORTING REQUESTS

**Table 8: Reporting requests**

Reporting matter	Action required	Timeframe	Dept.	CGE	NYDA
Quarterly reports	Written report Briefing	Every quarter	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Audit outcomes - Details of audit action plan	Written report of audit action plan Briefing	Q2 2022/23 briefing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Progress report on audit action plan Briefing	Q2 2022/23 briefing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Forensic investigations	Written report Briefing	Quarterly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Deviations	Written report Briefing	Quarterly	<input checked="" type="checkbox"/>		
HR: vacancies, dismissals, termination of contracts	Written report Briefing	Quarterly	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Country reports	Written report Briefing	Progress update at quarterly briefings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Impact reports of initiatives (campaigns, events, workshops, conferences etc.)	Written report	30 days after an event has taken place	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Commissioners Handbook	Written report Briefing	Finalised before 31 March 2023		<input checked="" type="checkbox"/>	

Reporting matter	Action required	Timeframe	Dept.	CGE	NYDA
Policy on interface between Commissioners and Administration	Report Briefing	Finalised before 31 March 2023 Briefing at Q2 2022/23		<input checked="" type="checkbox"/>	
Commissioner's performance per quarter	Written report Briefing	At every quarterly report briefing		<input checked="" type="checkbox"/>	
Department, CGE, NYDA – Request for reports, documentation etc.	Written report Briefing	Refer to BRRR 2022 for exact time frame	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## 18. CONCLUSION

The Committee will endeavour to monitor the Department, the NYDA and CGE with respect to the implementation of recommendations made by the AGSA as well as the ARC and has committed to engaging jointly in future. Furthermore, the Committee hereby notes the reservation by the Democratic Alliance.

In conclusion, the Committee urges the Department, the CGE and the NYDA to take its recommendations seriously and implement these expeditiously.

**Report to be considered.**