1. **BUDGETARY REVIEW AND RECOMMENDATION REPORT OF THE PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS ON THE 2017/18 ANNUAL REPORT OF THE DEPARTMENT OF DEFENCE (DOD), DATED 31 OCTOBER 2018.**

The Portfolio Committee on Defence and Military Veterans (PCODMV), having considered the financial and service delivery performance of the Department of Defence (DOD) for the 2017/18 financial year, reports as follows:

1. **1. Introduction**

*(The Committee is mindful that this report is submitted to the National Assembly after the 19 October 2018 deadline set for all portfolio committees. This late submission is owed to the Department of Defence not being available to appear before the Committee within the time period set aside for all committees to finalise all activities relating to, and develop their budgetary review and recommendation reports.)*

**Description of core functions of the Department**

The Constitution of 1996 in Section 200 sets out the mandate of the South African National Defence Force (SANDF), while Section 204 establishes a civilian secretariat for the Department. The mandate is to “*defend and protect the Republic, its territorial integrity and its people in accordance with the Constitution and the principles of international law regulating the use of force*”. In pursuance of this mandate, the Department of Defence (DOD) provides, manages, prepares and employs defence capabilities commensurate with the needs of South Africa, guided by the Constitution, relevant legislation and Executive direction.

**1.2 Mandate of the Committee**

The Portfolio Committee on Defence and Military Veterans (PCODMV) is mandated to oversee the Department of Defence and Military Veterans (DODMV) to ensure that the Department fulfils its mandate through the monitoring of the implementation of legislation and adherence to policies, such as the Defence Act (No. 42 of 2002), the White Paper on Defence (1996) and the 1998 Defence Review. Recently, the 2015 Defence Review was introduced as a policy directive to guide Defence activities for the next 20 to 30 years. These policy guidelines assist the Committee in its oversight activities. The Committee scrutinises legislation that supports the mission statement of Government, the budget and functioning of DODMV, and the employment of the SANDF.

**1.3 Purpose of the BRR Report**

Section 5 (2) of the Money Bills Procedures and Related Matters Amendment Act (Act 9 of 2009) allows for each Committee to compile a Budgetary Review and Recommendation Report (BRRR) which must be tabled in the National Assembly. Section 5(3) provides for a BRRR to contain the following:

1. an assessment of the department’s service delivery performance given available resources;
2. an assessment on the effectiveness and efficiency of departments use and forward allocation of available resource; and
3. recommendations on the forward use of resources.

In October of each year, parliamentary portfolio committees compile a BRRR that assess performance given available resources; evaluates the effective and efficient use and forward allocation of resources; and makes recommendations on the forward use of resources. The BRRRs are also source documents for the Standing/Select Committees on Appropriations/Finance when they make recommendations to the Houses of Parliament on the Medium-Term Budget Policy Statement (MTBPS). The comprehensive review and analysis of the previous financial year’s performance, as well as performance to date, form part of this process.

**1.4 Methodology in compiling the report**

The Report is compiled from the various activities of the Committee throughout the financial year. It is inclusive of the Committee’s meetings, oversight visits, reports on budget votes, strategic plans, annual performance plans and annual reports, as well as previously published Committee reports.

**1.5 Dates of oversight visits and study tours**

The PCODMV conducted an oversight visit to SANDF forces deployed in the Democratic Republic of the Congo (DRC) as part of the United Nations Organisation Stabilisation Mission in the Democratic Republic of the Congo (MONUSCO). In particular, the Committees visit our peacekeepers in Kinshasa and the Force Intervention Brigade in Goma. The visit resulted in several recommendations from the PCODMV, which centered around the following themes:

* Improved communication between the South African embassy, SANDF and United Nations structures.
* The need for improvement in the SANDF’s approach to cases of sexual exploitation and abuse as well as managing the negative public perceptions in this regard.
* The need for effective support of SANDF forces in the DRC through addressing logistical and procurement challenges.
* Human resources concerns regarding leave, occupational health and safety, overtime, transport and extended deployment periods.
* The impact of the reduced defence budgetary allocation on operations.

**1.6 Information used to compile the Report**

Besides the information emanating from the oversight visit, other information used in the assessment of the service delivery and financial performance include:

* Committee reports on the 2017/18 budget hearings, strategic plans and annual report;
* The National Development Plan;
* The 2017 Estimates of National Expenditure;
* The 2017 State of the Nation Address; and
* The Auditor-General of South Africa Report on the DOD.

**1.7 Structure of the Report**

This report comprises seven sections:

* Section 1: An Introduction which sets out the mandate of the Committee, the purpose of this   
   report (BRRR) and the process to develop this report.
* Section 2: Provides an overview of the key relevant policy focus areas.
* Section 3: Provides an overview and summary of previous key financial and   
   performance recommendations of Committee(2016/17).
* Section 4: Provides a broad overview and assessment of financial performance of the   
   Department for 2017/18.
* Section 5: Overview of service delivery and performance of the DOD for 2017/18.
* Section 6: Key Committee Observations.
* Section 7: Key Committee Recommendations.

1. **Overview of the key relevant policy focus areas**

**2.1** **State of the Nation Address**

The President delivered his State of the Nation Address (SONA) on 9 February 2017. The challenge of slow economic growth and the alleviation of poverty, inequality and unemployment dominated the SONA. With these focal points, little emphasis was placed on matters pertaining to the Department of Defence. Nonetheless, the 2017 SONA made two direct references to the Department of Defence. First, in relation to peace missions on the African continent, the President indicated that “*the SANDF represents the country well in… peacekeeping missions [and that] we will continue with our involvement in our mediation efforts, peacekeeping operations, and peace-making initiatives in Lesotho, the Democratic Republic of Congo, Burundi, Mozambique, South Sudan, Somalia and Libya.*” Second, the President noted the role of the SA Navy in Operation Phakisa, aimed at growing the Ocean’s Economy from an estimated Gross Domestic Product (GDP) contribution of R54 billion in 2010 to R129.177 billion by 2033. The President specifically noted the SA Navy/ARMSCOR/Denel partnership at the Simon’s Town Dockyard which will be responsible for the maintenance and repair of all government-owned vessels.

Other matters noted by the President which related indirectly to the DOD included:

* *Reduction in rhino poaching incidents*. Interdepartmental cooperation was lauded as the key to success in this matter. It was expected that such cooperation, which includes the involvement of the SANDF, will continue in the short-to medium-term.
* *The furthering of Broad-based Black Economic Empowerment and Small, Medium and Micro-sized Enterprises (SMME).* This related, to a large extent, to local procurement. With regards to local procurement, it is crucial that both the SANDF and Armscor, which is responsible for the acquisition of defence materiel for the SANDF, adhere to this requirement.

Given the focus on economic challenges and building an inclusive state, it is unsurprising that the SONA’s defence focus was limited. Nonetheless, there were factors for consideration and monitoring by Parliament. Most importantly, oversight of the implementation of the Defence Review required prioritisation. Second, focus on ensuring effective financial management of the transition of the Naval Dockyard was required. Third, oversight of the DOD’s procurement processes and the adherence to Broad-based Black Economic Empowerment directives, are essential. Linked to this was ensuring that the DOD maintains solid financial management through combating corruption and reducing wasteful and fruitless expenditure.

**2.2 The National Development Plan**

The National Development Plan (NDP) presents a number of Recommendations, Actions and Indicators that relate to the DOD. The following represent some of the key aspects with relevance to the DOD:

* Chapter 7: Positioning South Africa in the World. The NDP proposes the convening of a high-level, high-impact task team to investigate South Africa's foreign relations. The study should outline an implementation programme to reach these objectives, focusing on, *inter alia*, national defence. The DOD contributes to this focus point of the NDP through peacekeeping operations and the presence of defence *attaches* around the world. Chapter 7 of the NDP also recommends that South Africa should extend the current agreement that allows the South African Navy to undertake anti-piracy operations in Mozambican and Tanzanian waters, to include Kenya. South Africa’s anti-piracy operation, which involves the South African Air Force, Special Forces and South African Military Health Services as well as the South African Navy, must be strengthened in order for operations to be sustained.
* Chapter 7 of the NDP also recommends the strengthening of border-enforcement to curb cross-border smuggling of counterfeit goods.
* Chapter 9: Promoting health. The NDP notes the aim of Universal Health Care coverage and that everyone must have access to an equal standard of care, regardless of their income. The DOD provides health services to all members of the SANDF through the SA Military Health Services, as well as assisting mil veterans with medical care.
* Chapter 14: Fighting corruption. The NDP aims for corruption-free society, a high adherence to ethics throughout society and a government that is accountable to its people. The DOD furthers this goal through a number of initiatives, including the national anti-corruption hotline, Corruption and Fraud awareness campaigns as well as implementing and monitoring the DOD Procurement Policy.

The envisaged contributions are further concretised in the Medium-Term Strategic Framework (MTSF).

**2.3 The Medium Term Strategic Framework (2014 - 2019)**

The 2014-2019 Medium Term Strategic Framework of Government identifies a number of priorities. The outcomes-based approach identifies 12 desired outcomes of the Government. The DOD plays an important role in Outcome 3 (All people in South Africa are and feel safe) and Outcome 11 (Creating a better South Africa and contributing to a better and safer Africa in a better world). Contributions to these outcomes are summarised in the table below.

**Table 1: DOD contributions to strategic outputs**

|  |  |  |
| --- | --- | --- |
| **MTSF Outcomes** | **Sub-outcome** | **Actual Achievement**  **2017/18** |
| Outcome 3 | Sub-outcome 3: South Africa’s borders are effectively protected and managed | * The number of landward units deployed to the borders remained at 15 units. |
|  | Sub-outcome 4: Secure Cyberspace | * Based on the National Cyberwarfare Strategy and Implementation Plan, the DOD developed a Cyber Roadmap, Cyber doctrine and implementation plan. *The Cyber Command Centre was not achieved and is set for completion in 2018/19.* |
|  | Sub-outcome 7: Reduction of Corruption | * No cases of corruption of R5 million or more reported in the DOD during 2017/18. |
| Outcome 11 | Sub-outcome 3: Political cohesion in Southern Africa | * SANDF deployed peacekeeping forces in the SADC region (The DRC and Mozambican channel) * 10 Defence Attaches deployed to the SADC region. * SANDF hosted and participated in interdepartmental and multinational military exercises. |

**2.4. Overview of DOD Strategic Plan and Annual Performance Plan**

The DOD Strategic Plan flows, in part, from the NDP and MTSF objectives and also informs the Annual Performance Plan (APP).

**2.4.1 Strategic Plan: Policy Priorities for the Minister of Defence**

The Minister of Defence maintained the same six strategic priorities in 2017/18 that were identified for 2016/17. These priorities related directly to the 2015 Defence Review, notably Milestone 1 of the Defence Review, and include:

* Defence Strategic Direction
* Strategic Resourcing Direction
* Organisational Renewal
* Human Resources Renewal
* Capability Sustainment Direction
* Ordered Defence Commitments Direction

These priorities are closely linked to the Defence Review Implementation Plan. Key to these Strategic Priorities is progress made with organisation renewal. The 2015 Defence Review, for example, refers to the need to align defence expenditure with the international norm of 40 per cent expenditure on personnel, 30 per cent expenditure on capital assets and 30 per cent on operations (40:30:30). Milestone 1 of the Defence Review also calls for a significant reduction in the personnel figures of the SANDF. The latter is thus linked to the Minister’s priority regarding the Human Resources Renewal. However, in her introductory letter in the 2017/18 Annual Report, the Minister noted that “*in terms of human resources, the budget constraints necessitated Defence to consider a reduction of personnel. However, considering operational pressures, we made a decision not to reduce the personnel complement*.”

**2.4.2 The** **Annual Performance Plan (APP)**

In addition to the Ministerial priorities identified above, the 2017 APP also notes the medium-term goals for the Secretary for Defence as well as the Chief of the SANDF. As was the case in previous years, the goals for the Secretary for Defence is directly aligned with the priorities of the Minister of Defence. The Chief of the SANDF does, however, identify a number of organisational goals linked to the Minister and Secretary’s strategic goals, including:

* Military Strategic Direction. This includes focus on the implementation of departmental instructions on the 2015 Defence Review, the development of the Blueprint Force Design, and the approval of relevant border safeguarding, force employment and Defence International Engagement strategies.
* Restructuring the SANDF. This includes the development of a DOD Restructuring Plan and Defence Force Establishment Tables.
* Renovation of DOD facilities. Deliverables in the renovation of defence facilities include the approval of the Overarching Logistic Strategy. Furthermore, the Chief of the SANDF aims to sustain and renew defence capabilities, implement the Long-term Infrastructure and Capital Plans and ensure the optimise utilisation of the DOD Works Capability.
* Development and maintenance of strategic reserves. The Chief of the SANDF aims to ensure the approval of the Overarching Logistic Strategy. He further aims to ensure the disposal of redundant equipment and ammunition programmatically.
* Implementation of the Human Resources Strategy. This strategy is in support of the Ministerial priority.
* Enforcement of military discipline. This point will be enhanced through the Military Discipline Bill.
* Force Protection. This goal includes issues of military security and counter-intelligence as well as the procurement of critical ammunition to enhance the abilities of the SANDF.
* Border safeguarding. The systematic increase of the SANDF footprint on the borderline and ensuring an optimised Border safeguarding capability.
* Revitalisation and effective utilisation of the reserves. This goal is in line with the Ministerial Priority on Human Resources Renewal Direction.
* Renewal of the landward defence capability. This goal is aimed at capability sustainment.

**3. Summary of previous (2016/17) key financial and performance recommendations of the Committee**

**3.1 Budgetary Review and Recommendations Report (BRRR) 2017 recommendations**

In 2017, the Committee made the following recommendations in its BRR Report on performance and financial matters:

* The Committee instructed the Department to provide feedback on the 2016 BRR Recommendations within 30 days of the publication of this Report.
* The Committee recommended that the Department should clearly highlight the amounts drawn from the Special Defence Account (SDA), the reasons thereof and especially its impact of the Department’s operational capabilities. This should be reflected in quarterly reports by the Department to the Committee.
* It was recommended that the Department in future give the Committee the assurance that classified information has been reported to the JSCI or that the Department request a closed meeting to share such information with the Committee for oversight and accountability purposes.
* The Committee recommended that the maintenance and servicing of aircraft be prioritised as chartering of other aircraft are not only expensive but also “rob” SAAF pilots from accruing flying hours to stay current.
* The Committee requested the Department to submit a comprehensive report on how the airlift capability challenges in the SAAF can be fully dealt with, with specific reference to the lack of serviceable aircraft at 35 and 28 Squadrons, Helicopter squadrons, as well as the reconsideration of the expensive and underutilised VVIP fleet at 20 Squadron. The objective must be to prevent non-essential chartering of transport, patrol and especially VVIP aircraft. This report should be submitted to the PCODMV within 4 months from the adoption of this BRRR.
* The Committee requested the Department to provide details of the flying hours for training, operations, VVIP flights, and the amount of hours and money used and spend for charter flight for operations and VVIP transport. This report should be submitted to the PCODMV within 30 days from the adoption of this BRRR.
* It was recommended that the Department prioritise the development of exit mechanisms in consultation with NT and the DPSA, and that such plans should be shared with the Committee as soon as it have been concluded. The objective must be to align this with the expenditure formula of 40/30/30 as per the 2015 Defence Review and NT requirements. This should be communicated to the Committee in a written report within 3 months of the adoption of this BRRR.
* The Committee requires the Department to submit a comprehensive report on how the Department propose the DoD and the SANDF be repositioned and expenditures be reprioritised based on (a) requirements in terms of Section 200 of the Constitution and (b) the available and appropriated budget. Included must be recommendations on how current assets and properties be utilised, alienated and/or liquidated to sustainably fund essential capital and operational expenditures. This report should be submitted to the PCODMV within 3 months from the adoption of this BRRR.
* The Committee recommended that the Department should clearly spell out the challenges it is encountering with the roll-out of Option 2 of Milestone 1, especially as it relates to those issues that do not require additional funding. During presentations on quarterly performance, the DOD should provide quarterly updates on the implementation of Milestone 1 of the Defence Review. The DOD should provide the PCODMV with a written report on the funding of Milestone 1, including the role of Armscor and the possible sweating of assets. This should be provided to the PCODMV within 3 months of the adoption of this BRRR.
* It was recommended that the SDA Act and the accounting system should be aligned and that the Committee should investigate this issue further in order to address this disjuncture.
* The Committee undertook to consider a Study Tour to developing and developed countries to benchmark how other countries approach their oversight over Special Defence accounts and the accounting systems that are being used.
* It was recommended that the Department outline their challenges with the BMA to the Committee since the Bill is currently being finalised by the NCOP. Specifically, clarity is required of the SANDF’s Rules of Engagement when patrolling and enforcing the law in the South African airspace and land borders.
* The Committee recommended that the Department should explain – besides the reasons presented by the Auditor-General of South Africa (AGSA) – what led to the regression in the audit opinion by the AGSA. The DOD should, by no later than

20 March 2018, indicate in a written report to the PCODMV the measures put in place to ensure that this will not re-occur for the 2017/18 financial year.

* It was recommended that the Department provide the Committee, within 30 days, with information on the number of members exiting, the costs involved, how many contracts were extended beyond the retirement age, the costs involved with this as well as the reasons thereof. The report should also include means that will be used to ensure force rejuvenation and measures to address the top-heavy structure of the SANDF.
* The poor performance (63.26%) of the Department was lamented and the Committee recommended that the Department should indicate who are the people liable and what kind of action has been taken against them.
* The prosecution of corruption and fraud cases are poor and the Department should address this situation with the urgency and seriousness it deserves.
* The Committee encouraged the Department to urgently address the situation at the Dockyard as delays impact further on the operational capabilities of the SA Navy, specifically with regards to Projects Hotel and Biro. Of particular relevance is the reported difficulties Denel is experiencing to secure the finances in terms of their responsibilities in these projects.
* The Committee recommended that given our porous borders, the Department should not consider reducing the sub-units, but rather increase it given the sterling role it plays in preventing cross border crime and crossings. In this sense, the Committee also urges National Treasury to look at providing additional funds for the expansion of the SANDF’s borderline safeguarding operations. National Treasury should provide feedback on this recommendation within 3 months of the adoption of this BRRR.
* The Committee notes the lack of cooperation between the DOD and the Department of Public Works. The Ministers of Defence and Public Works are encouraged to convene an urgent meeting to address maintenance backlogs, notably the renovations at 1 Military Hospital and security infrastructure at Silvermine Naval Base and 9 SAI Battalion. The Ministry of Defence should provide a formal written report to the PCODMV within 3 months of the adoption of this BRRR.

**3.2 Response by the Minister of Finance**

No responses to the PCODMV’s BRRR were made by the Minister of Finance.

1. **4. Overview and assessment of financial performance FOR 2017/18**

**4.1. Overview of the Vote allocation and spending for 2017/18**

The Department of Defence and Military Veterans received a total allocation of R48.619 billion for the 2017/18 financial year, increasing from R47.237 billion in 2016/17. It should be noted that this included an allocation of R622.1 million towards the Military Veterans Department which formed part of the Vote. The DOD received approximately 27 per cent of the funds allocated to the Justice, Crime Prevention and Security (JCPS) Cluster. This is in line with the proportionate allocation of the previous financial year. Although the Department’s allocation increased by 2.93 per cent in nominal terms, it equated to a decrease of 3.17 per cent in real terms as adjusted for inflation. In real terms, the largest decreases were for the Air Defence Programme, which saw its allocation decrease by 10.56 per cent. The Air Defence Programme also saw its budget decrease in real terms in 2016/17. Maritime Defence Programme received a small real percentage increase by 2.25 per cent. The Administration Programme received a real percentage reduction in its allocation of 5.54 per cent while the Defence Intelligence Programme and the General Support Programme received real percentage reductions of 1.14 and 4.18 per cent respectively. The allocation for Landward Defence Programme remained stable in real terms.

**Table 2: 2017/18 Main appropriation for Vote 19**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | **Nominal Increase / Decrease in 2017/18** | **Real Increase / Decrease in 2017/18** | **Nominal Percent change in 2017/18** | **Real Percent change in 2017/18** |
| **R million** | **2016/17** | **2017/18** |
| Programme 1: Administration | 5 358,6 | 5 380,8 | 22,2 | - 296,7 | 0,41 per cent | -5,54 per cent |
| Programme 2: Force employment | 3 601,2 | 3 688,6 | 87,4 | - 131,2 | 2,43 per cent | -3,64 per cent |
| Programme 3: Landward Defence | 15 557,5 | 16 550,2 | 992,7 | 11,8 | 6,38 per cent | 0,08 per cent |
| Programme 4: Air Defence | 6 971,4 | 6 628,0 | - 343,4 | - 736,2 | -4,93 per cent | -10,56 per cent |
| Programme 5: Maritime Defence | 4 407,1 | 4 790,0 | 382,9 | 99,0 | 8,69 per cent | 2,25 per cent |
| Programme 5: Military Health Support | 4 474,1 | 4 586,7 | 112,6 | - 159,2 | 2,52 per cent | -3,56 per cent |
| Programme 7: Defence Intelligence | 900,2 | 917,3 | 17,1 | - 37,3 | 1,90 per cent | -4,14 per cent |
| Programme 8: General Support | 5 966,4 | 6 077,2 | 110,8 | - 249,4 | 1,86 per cent | -4,18 per cent |
| **TOTAL** | **47 236,5** | **48 618,8** | **1 382,3** | **- 1 499,2** | **2,93 per cent** | **-3,17 per cent** |

**4.2 Adjusted appropriation for 2017/18**

The DOD received an increased allocation of R380 million during the mid-year adjustments. The main appropriation of R48.619 billion increased to an Adjusted Appropriation of R49.000 billion. The following shifts and virements was noted:

* Compensation of employees. Through shifts and virements, an additional R1 billion was allocated for the Compensation of Employees. This was mainly due to the ‘*reallocation of funds incorrectly allocated in the 2017 Estimates of National Expenditure (ENE)*’. The requirement for additional funds was in line with notices issued by the DOD during its meeting with the PCODMV on 17 May 2017 that it will most likely overspend on personnel, in part due to the reduced funding and due to the lack of an effective exit mechanism in the SANDF. The majority of funds for this purpose was transferred from the Special Defence Account. Section 43(4)(a) of the PFMA (Act 1 of 199) prohibits the utilisation of a saving in specifically and exclusively appropriated funds for a purpose mentioned under a main division within a vote (compensation of employees). Legislative approval was thus required for this shift.
* Good and services. Through shifts and virements, an additional R153.673 million was allocated for Goods and Services.
* Software and intangible assets. Through shifts and virements, an additional R120.747 million was allocated for software and intangible assets.
* Buildings and fixed structures. Through shifts and virements, the allocation for Buildings and other fixed structures was reduced by R300.747 million.

**Table 3: DOD Adjusted appropriation for 2017/18**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme**  **(R Thousand)** | **Main Appropriation** | **Roll-overs** | **Unavoidable expenses** | **Virements/**  **shifts** | **Other adjustments** | **Adjusted appropriation** |
| **Administration** | 5 380,8 | - | - | 88 650 | - | 5 469 484 |
| **Force Employment** | 3 688,6 | - | - | (153 165) | - | 3 535 399 |
| **Landward Defence** | 16 550,2 | - | - | 124 179 | 45 364 | 16 719 757 |
| **Air Defence** | 6 628,0 | - | - | 144 195 | 355 406 | 6 818 498 |
| **Maritime Defence** | 4 790,0 | - | - | (200 000) |  | 4 590 003 |
| **Military Health** | 4 586,7 | - | - | - |  | 4 586 699 |
| **Defence Intelligence** | 917,3 | - | - | - |  | 917 277 |
| **General Support** | 6 077,2 | - | - | 285 233 |  | 6 362 443 |
| **TOTALS** | **48 618,8** | **-** | **-** | **-** | **380 780** | **48 999 560** |

**4.3 Spending trends by the end of 2017/18**

By the end of the 2017/18 financial year, variations between the projected and actual expenditure were marginal. All programmes managed to spend near 100 per cent of its allocation, except for the Force Employment programme that spent 99.3 per cent of its final allocation.

However, final spending was preceded by a number of additional virements and shifts in the third and fourth quarters in the various programmes.

The **Administration** programme’s total expenditure for 2016/17 came to R5.506 billion, which included expenditure of R622 million of the Department of Military Veterans. After the adjusted appropriation period, further virements of R36.996 million was made to the programme. The following sub-programmes saw their allocation increase/decrease significantly through Virements:

* The *Ministry* received an increased allocation through a virement of R56.081 million, largely related to goods and services.
* The *Departmental direction* sub-programme’s allocation was decreased through a virement of R17.349 million, largely related to goods and services.
* The *Inspection and Audit Services’* allocation was decreased through a virement of R19.148 million, largely related to Compensation of Employees and goods and services.
* *Acquisition Services* received an increased allocation through a virement of R26.283 million, largely elated to software.
* *Communication Services* received an additional R69.928 million, and it is the second year in a row it receives a major virement. The virement was almost exclusively for goods and services.
* *Defence Foreign Relations’* allocation decreased through a virement of R66.934 million, largely related to Compensation of Employees and goods and services.
* The allocation for *Office Accommodation* decreased by R17.831 million through a virement for goods and services.

In the **Force Employment** programme, R306.277 million was shifted away from the Programme through a virement. This is similar to 2016/17 when R227.1 million was shifted away from the programme through a virement. Similar to 2016/17, the virement largely related to a shift away from the Regional Security subprogramme. R177.763 million was shifted from the adjusted allocation of R1.115 billion for this subprogramme. The impact thereof on the South African mission to the DRC as well as the potential impact on force readiness and subsequent UN reimbursements should be considered. Furthermore, a virement of R143.317 million was shifted away from the Support to the People subprogramme. The virements away from both the sub-programmes relate largely to a Compensation of Employees as well as goods and services.

In the **Landward Defence** programme, a shift of R28.214 million was made away from the programme. Similar to 2016/17, the most affected subprogramme were the General Training subprogramme which had its allocation reduced by R91.784 million through a virement, reducing the allocation from R474.083 million to R382.299 million. This was largely due to a reduction in the Compensation of Employees and Goods and services. The allocation for the Infantry Capability was also reduced through a virement of R57.704 million. This virement largely relates to a reduction for Departmental Agencies and Accounts. Finally, virements resulted in an increased allocation for the Engineering Capability (virement of R57.772 million) and the Signal Capability (R89.449 million). In both cases virements were almost exclusively for Compensation of employees.

In terms of spending on the **Air Defence** programme, a number of virements were recorded. Four major virements were noted despite the 100 per cent expenditure achieved:

* The Transport and Maritime Capability was reduced through a virement from R798.324 million to R521.842 million. This is the third year that a major virement for this subprogramme is recorded and is possibly indicative of continuous poor planning. The virement relates largely to goods and services.
* The Training Capability’s allocation was reduced from R612.819 million to R487.343 million. This was largely due to a reduction in Compensation of employees. A similar virement was made in 2016/17.
* A virement of R93.138 million was made to the Operational direction subprogramme, increasing the allocation from R170.185 million to R263.323 million. This relates to an increase for Goods and services.
* A virement of R122.056 million was made to the Technical support services subprogramme for goods and services as well as Compensation of Employees.

Spending in the **Maritime Defence** programme was generally on track throughout the year, but three larger virements were noted:

* Maritime Direction received an additional R74.954 million, increasing the total allocation to R657.134 million. This was largely for Compensation of employees and Households.
* The allocation for Maritime Human Resources and Training Capability was reduced by R20.607 million to R518.012 million. This largely related to Goods and services.

In terms of spending for the **Military Health Support** programme, several large virements in the latter half of the financial year should be noted. The Area Military Health Service subprogramme received an additional virement of R133.302 million, mostly related to Compensation of Employees. A similar virement of R123.266 million was made in 2016/17. Furthermore, the Specialist/Tertiary Health Service subprogramme received an additional virement of R129.875 million, largely related to additional funds for Compensation of Employees and Machinery and Equipment. A similar virement of R132.900 million was made in 2016/17. Lastly, the Military Health Training sub-programme’s allocation was reduced through a virement of R35.614 million. Again, a similar virement was observed in 2016/17.

The **Defence Intelligence** programme spent 100 per cent of its budget. Similar to 2016/17, one large virement took place after the adjusted appropriation. A virement of R23.834 million was made away from the Defence Intelligence Support Services subprogramme, mostly related to a reduction in goods and services.

The financial transactions of the **General Support** programme reflect three large virements in post-adjustment period. A virement of an additional R88.905 million was made to the Joint Logistics Services. This related largely to compensation of employees and Machinery and equipment. Furthermore, the Military Police received through a virement an additional R54.910 million for Compensation of employees. Lastly, a reduction of R45.216 million for the command and Management Information Systems occurred as a result of a virement related to goods and services.

**Table 4: Budget allocation and expenditure for 2017/18**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme** | **Main Appropriation**  (R millions) | **Adjusted Appropriation**  (R 000) | **Final Appropriation**  (R 000) | **Actual Expenditure**  (R 000) |
| Programme 1: Administration | 5 380,8 | 5 469 484 | 5 506 480 | 5 505 415 |
| Programme 2: Force Employment | 3 688,6 | 3 535 399 | 3 229 122 | 3 208 059 |
| Programme 3: Landward Defence | 16 550,2 | 16 719 757 | 16 691 543 | 16 691 543 |
| Programme 4: Air Defence | 6 628,0 | 6 818 498 | 6 753 411 | 6 753 411 |
| Programme 5: Maritime Defence | 4 790,0 | 4 590 003 | 4 613 939 | 4 613 939 |
| Programme 6: Military health support | 4 586,7 | 4 586 699 | 4 853 116 | 4 852 916 |
| Programme 7: Defence Intelligence | 917,3 | 917 277 | 888 000 | 888 000 |
| Programme 8: General Support | 6 077,2 | 6 362 443 | 6 463 949 | 6 463 949 |
| **Total** | **48 618,8** | **48 999 560** | **48 999 560** | **48 977 232** |

**4.4 Unauthorised, fruitless and wasteful, and irregular expenditure**

**Irregular expenditure**, according to the DOD, amounted to R631 million for 2017/18, which is substantially more than the R328.071 million reported in 2016/17. However, the AGSA notes that irregular expenditure to the amount of R717.067 million was not disclosed in the financial statements.

According to the DOD, major contributors to irregular expenditure include:

* R73 million was paid for an Information and Communication Technology contract, not concluded through the State Information Technology Agency, and without the Minister of Public Service and Administration’s authority not to utilise the State Information Technology Agency. This contract will be concluded at the end of September 2018.
* R60 million was paid for a contract that was awarded by means of an unfair bidding process, where the DOD did not exclude the company that drafted the requirements for Phase I to compete for the contract for Phase II of the project. This contract will only be concluded in 2020/21.
* R165 million was paid for the Asset Verification Project contract, which were awarded through an unfair bidding process.
* R143 million was incurred when the DOD increased the Compensation of Employee budget, without National Treasury’s approval.

The DOD notes in its Annual Report that **Fruitless and wasteful expenditure** stood at R55 million in 2017/18. Fruitless and wasteful expenditure related mostly to the non-utilisation of leased properties (R22 million) and medical equipment (R20 million). R13 million was also paid for software installation, testing, training and travelling costs but no services were rendered. However, the AGSA notes that Fruitless and Wasteful Expenditure to an amount of R75.137 million was incurred in 2017/18.

**4.5 Report of the Auditor-General of South Africa**

Similar to 2016/17, the DOD received a **qualified audit opinion** from the AGSA for 2017/18. The basis for the qualified audit opinion rested on the following:

* *Capital assets work-in-progress.* The AGSA was unable to obtain sufficient appropriate audit evidence for capital assets as the department did not disclose capital work-in-progress for capital projects as required by the Modified Cash Standards (MCS) on capital assets.
* *Tangible capital assets*. The AGSA was unable to obtain sufficient appropriate audit evidence for tangible capital assets as the department did not have adequate systems in place to record the tangible capital assets as required by MCS on capital assets, resulting in a misstatement.
* *Intangible capital assets.* The Department did not account for intangible assets at appropriate values as required by the MCS on capital assets.
* *Commitments.* The Department did not maintain accurate and complete records of the contractual information used to determine commitments. This resulted in commitments being understated by an undeterminable amount.

The AGSA also raised the following emphasis of matters:

* **The Special Defence Account (SDA).** National Treasury has allowed the DOD permission to submit separate financial statements for 2016/17 and 2017/18 for the SDA.
* **Accruals and Payables not recognised**. Payables that exceeded the payment term of 30 days amounted to R32.997 million.

**4.6 DOD Human Resources Overview**

The following notes provide an overview of the key Human Resources focus points during 2017/18:

* **Personnel spending:** In 2017/18 the DOD had a total expenditure of R48.977 billion of which R28.041 was for compensation of employees. This equates to 57.25 per cent of total expenditure which is not aligned to the aim of the 2015 Defence Review for a 40 per cent spending on personnel.
* **Personnel strength and alignment with the Defence Review:** The total personnel strength of the DOD for 2017/18 was 75 051 against a planned personnel strength of 74 649. This represents a slight personnel reduction from 2016/17 when the actual force strength was 76 480. However, Milestone 1 of the Defence Review speaks to a significant reduction in force levels if the levels of funding remain the same. Contrary to such plans, the Minister of Defence indicated in her introduction to the 2017/18 Annual Report that the DOD do not plan to reduce personnel figures.
* **Reduction in Navy Personnel:** The SA Navy, the smallest component of the SANDF, has seen its personnel figures continue to decrease in recent years. It decreased further from 7 076 members by the end of 2016/17 to 6 992 by the end of 2017/18. However,the SA Navy did manage to address its shortage in Naval Combat Officers with the number increasing from 442 in 2016/17 to 685 in 2017/18.
* **Loss of engineers:** The number engineers in the DOD, according to the Annual Reports, decreased to 88 in 2017/18. The current vacancy rate is 37.14 per cent.
* **Critical occupation vacancies:** In terms of critical occupations, several areas had high vacancy rates:
  + Airspace Control has a vacancy rate of 8.65%.
  + Aircrew has a vacancy rate of 10.42%.
  + Nursing has a vacancy rate of 15.71%.
  + Technical has a vacancy rate of 7.51%.
  + Technical Air has a vacancy rate of 2.79%.
* **Funding of additional Senior Manager positions (Level 13 –** **17):** By the end of 2016/17, there were 280 funded posts for Senior Managers. Yet, by the end of 2017/18, this number increased to 289, meaning that nine additional posts at the highest salary bands in the DOD were created. This was the only salary band level where funded posts were not reduced and came at an average cost of R1.484 million per employee.
* **Average personnel cost increases at high levels**:
  + Senior Management (285 employees): At this level, the average cost per employee in 2016/17 was R1.344 million per annum. The average cost per employee increased to R1.484 million in 2017/18. This translates to an increase of 10.46% in the average cost of an employee at Senior Management level in 2017/18.
  + Senior Professionals (118 employees): At this level, the average cost per employee in 2016/17 was R1.927 million per annum. The average cost per employee increased to R2.381 million in 2017/18. This translates to an increase of 23.6% in the average cost of an employee at Senior Professional level in 2017/18.
* **Non-signing of performance agreements by Senior Management:** Of the total of 284 Senior Management Members, only 201 signed their performance agreements in time. Crucially, none of the Directors-General and/or Heads of the Department signed their performance agreements.
* **Sick leave:** For 2016/17, the estimated cost for sick leave utilisation was R330.731 million. For 2017/18, this decreased slightly to R320.405 million. The average number of sick days utilised decreased from eight (8) in 2016/17 to seven (7) in 2017/18.

**5. OVERVIEW AND ASSESSMENT OF PERFORMANCE**

The DOD set itself a total of 115 targets over its eight programmes. The majority of the targets related to Programme 1 (Administration). Of the total targets, 14 were deemed to contain classified information and were not made available for public consumption. Excluding the classified targets, the DOD managed to achieve 64.3 per cent of the set targets in 2017/18. This was slightly higher than the 63.2 per cent achieved in 2016/17.

The following sections will provide an overview of performance in terms of the eight programmes of the DOD.

**5.1 Programme Performance**

**Programme 1: Administration**

The Administration Programme has as its measurable objective, the regulation of the overall management of the Department and provides centralised support services. The Administration programme consists of 20 sub-programmes. While most of the targets in the various sub-programmes were achieved, several areas of concern remained:

* The Policy Research Unit Concept document was not approved during 2017/18. This has been proposed in 2015 and by the end of 2017/18 was yet to be approved. Only The Draft concept document was produced in 2016/17. The 2017/18 Annual Report does not make it clear why the concept document was not approved.
* The Human Resources Development Policy, the Defence International Affairs Policy and the DOD Procurement Policy remain outstanding.
* Several strategies remain outstanding, including the Border Safeguarding Strategy, the Sensor Strategy, the Cyber Warfare Strategy, the Human Resources Strategy, the Overarching Logistics Strategy, the Defence Governance and Accountability Strategy
* The Defence Secretariat Strategy (Governance and Accountability Strategy) remains outstanding and was not completed in 2017/18 as planned.
* The DOD achieved Level 2.3 in terms of the Management Performance Assessment Tool (MPAT) against a target of Level 2.8.
* Only 22 per cent of Public Service Personnel (PSAP) disciplinary cases were finalised within 90 days against a target of 100 per cent.
* Only 65 per cent of grievances and disputes were resolved against a target of 85 per cent.
* The number of MSDS members in the system (3 476) were less than the target (3 651).
* Only 25.97 per cent of corruption and fraud cases were prosecuted against a target of 40 per cent.
* Only 67.58 per cent of Military Disciplinary Cases were addressed within 90 days against a target of 100 per cent.

**5.2 Programme 2: Force Employment**

The purpose of this programme is to provide and employ defence capabilities. A total of 15 targets were set for the programme of which five were classified. All 10 remaining targets were achieved. This relates to, *inter alia,* the number of military multinational and interdepartmental exercises held, compliance with external operational requirements as well as the 15 sub-units deployed for border safeguarding. Border safeguarding has been raised as a concern by the PCODMV on several occasions in 2017/18. Both in the 2016 and 2017 BRRRs the Committee indicated the need to consider the expansion beyond the current 15 sub-units deployed. Due to funding constraints this has not been achieved. The Committee is aware of the statement by the Secretary for Defence that 22 sub-units are ideally required for the execution of the border safeguarding function.

**5.3 Programme 3: Landward Defence**

The purpose of this programme is to provide prepared and supported landward defence capabilities for the defence and protection of South Africa. For this programme, only three targets were set of which one was deemed classified. The target related to compliance with DOD training targets was exceeded with 3 144 learners being found competent in relevant courses. No foreign military training was required and therefore the programme did not achieve on its target related to the provision of foreign military assistance.

**5.4 Programme 4: Air Defence**

The purpose of the Air Defence Programme is to provide prepared and supported air defence capabilities for the defence and protection of South Africa. Three targets were set, of which one is deemed classified. While the Programme did well in terms of training targets, *force employment* flying hours remains a concern:

* Training: 1 250 members trained against a target of 682.
* Flying hours: 4 125 force employment hours were flown against a target of 5 000. Of the 4 125 hours flown, 496 were for the purpose of VVIP operations and 3 629 for the purpose of Joint force requirements.

**5.5 Programme 5: Maritime Defence**

The purpose of the programme is to provide prepared and supported maritime defence capabilities for the defence and protection of South Africa. For the period under review, the Maritime Defence Programme had only three targets of which one was deemed classified. The other achievements versus set targets include:

* Training: 661 personnel members trained against a target of 438.
* Sea hours: 6 064 Sea hours were achieved against a set target of 12 000. This figure reflects an ongoing decrease in sea hours compared to the 8 131 sea hours achieved in 2016/17 and the 10 710 achieved in 2015/16. Reasons provided include constraints related to vessel maintenance and availability. Similar concerns were raised in 2016/17.

**5.6 Programme 6: Military Health Services**

The purpose of the Military Health Support Programme is to provide prepared and supported health capabilities and services for the defence and protection of South Africa. The programme had six targets of which four were deemed classified. The programme achieved 2 139 053 healthcare activities in 2017/18, falling only slightly short of its target of 2 140 550. The training target was achieved with 790 members receiving training against a target of 648.

**5.7 Programme 7: Defence Intelligence**

The purpose of Defence Intelligence Programme is to provide a defence intelligence and counter-intelligence capability. The programme had six targets for 2017/18 of which it achieved only two. The achieved targets related to the provision of General Military Assistance and the number of Defence Intelligence Products produced for the year. Targets not achieved included the following:

* Developing a Cyber Warfare Strategy: The Strategy is within the departmental approval process. No finalisation since 2015/16.
* The implementation of Phases 2 and 3 of the Cyber Warfare Plan was set as a target for 2017/18. However, Phase 1 was still in progress.
* Development of a Sensor Strategy: Only a draft sensor strategy was completed in 2016/17 and the strategy remains within the departmental approval process.
* Only 4 819 vetting decisions were taken against a target of 6 500. The latter underperformance is of specific concern given the provisions of the Defence Amendment Bill [B18 of 2017], recently adopted by the PCODMV. Clause 5*(b)* of the Billproposes provision for the security vetting of contractors and service providers of the DOD. Defence Intelligence must be empowered to screen and vet the security profile of contractors and service providers to the DOD.

**5.8 Programme 8: General Support**

The purpose of the General Support programme is to provide support capabilities and services to the Department. In terms of performance, a total of 10 targets were set of which one was deemed classified. Of the remaining targets, the DOD managed to achieve five. The targets achieved relate to crime prevention operations by the military police, addressing the backlog in criminal case investigations, the investigation of fraud and corruption cases, and the utilisation of DOD endowment property. The four targets not achieved related to the non-finalisation of the DOD Procurement Policy as well as the overarching logistics strategy. Furthermore, Furthermore, only 87.45 per cent procurement requests were completed within 90 days against a target of 95 per cent. The percentage criminal cases investigated per year were also lower than planned with 22.73 per cent of cases investigated against a target of 25 per cent.

**6. KEY COMMITTEE OBSERVATIONS: DePARTMENT OF DEFENCE**

The Committee made the following Observations on the 2017/18 Annual Report:

* Operation Corona excludes the Gauteng and Western Province and the Committee requested more information on this issue.
* The Committee commended the Department for the confiscation of stolen goods at the borders and noted the confiscation of 10 196 kg dagga and enquired about procedures to safeguard it.
* The poor performance regarding the flying hours was once again noted by the Committee and it requested the specific reasons for the poor performance. This was raised against the background that the Air Defence Programme spend 100% of its allocated budget.
* The fact that the Department has once again under-performed on the sea hours’ target – achieving 6 064 sea hours against a set target of 12 000 - was once again noted as a concern by the Committee.
* The Committee required more clarity on the overspending on Compensation of Employees, against the background that previously close to R1 billion had been transferred from the SDA for this purpose, and it was not clear where such transfers were listed in the Annual Report under review.
* Concern was expressed with the irregular expenditure that amounted to R631 million for 2017/18, and where the AGSA noted that irregular expenditure to the amount of R717.067 million was not disclosed in the financial statements. It further enquired about the Consequence Management for “offenders” in this regard.
* The Committee requested more information on the SDA, the impact of shifting funds from it for the Compensation of Employees. In particular, the Committee wanted to know about the impact on the number of units and technology when such projects are moved to the right. A point in case is that Project Hoefyster could move to the right by as much as four years.
* The increase in the number of Senior Manager positions was noted by the Committee. This was the only employee category that increased and because the average cost per employee in this category, was R1.484 million per annum. A related concern was the view that the Department is top heavy and the Committee found this concerning given the declared intention to rejuvenate the Defence Force. The Department could also not provide the Committee with any comparative benchmarking it has done in this regard.
* The Committee noted that no mention was made of the exit mechanism as requested in previous meetings and especially in the 2017 BRRR. It found this concerning given the top-heaviness of the Department as well as the challenges the Department is experiencing to effectively focus on its core mandate and activities such as border-safeguarding and peace keeping missions.
* Questions were raised around the poor performance on vetting by the Defence Intelligence Division where only 4 819 vetting decisions were taken against a target of 6 500. This against the background of the Defence Amendment Bill [B18 of 2017], Clause 5*(b)* that proposes the security vetting of contractors and service providers of the DOD, which also featured in the 2017 BRRR.
* The Committee enquired about the authorisation process for military veterans to receive medical care given that numerous complaints have been received in this regard.
* Noting the qualified audit opinion issued by the AGSA to the Department, the Committee wanted to know whether the Department has instituted any post-audit plans to rectify the findings.

**7. KEY COMMITTEE Recommendations: DePARTMENT OF DEFENCE**

Based on its analysis and overview of the 2017/18 Annual Report, the Committee makes the following recommendations:

* The Department responded to the lack of sub-units deployed in Gauteng and Western Province. Due to capacity constraints and a lack of landline borders, focus is put on the other provinces, especially those bordering other countries. The Committee recommended that if additional funding can be sourced, the number of sub-units should be increased given the successes these sub-units are achieving in their borderline duties.
* The Department indicated that it cooperates with the relevant SAPS section to safeguard stolen goods on the borders. The Committee recommended that the Department should ensure that such procedures are tightened and do not leave anything to chance.
* The poor performance on the flying hours’ and target, is related to the budgetary constraints and the complex process to source spare parts. The Committee recommends that the Department should firstly submit information on flying hours as requested in the 2017 BRRR and secondly that it should seriously reconsider its overspending on the Compensation of Employees at the cost of funding for flying hours.
* The Department explained that the poor performance on the sea hours’ target relates *inter alia* to the unavailability of vessels at the required level of capability due to maintenance cycle delays and operational defects. As previously, the Committee recommends that the Department should sort out the delays at the Dockyard as it impact on the operational capabilities of the SA Navy. In addition, Projects Hotel and Biro should be fast-tracked to ensure that the SA Navy has adequate operationally capable vessels. The Department needs to report on a quarterly basis to the Committee on progress made with the Dockyard.
* The Compensation of Employees is a major concern for the Department and it indicated that for the FY2018/19 it already has a shortfall of R3.2 billion on this item. Some of the funds had indeed been shifted from the SDA for Compensation of Employees. It either has to continue overspending on this item or will have to release 5 000 employees. Given that National Treasury has indicated that it will not approve overspending on this item, the Committee encouraged the Department to finalise the Force Structure in terms of the 2015 Defence Review as soon as possible. It should also provide the Committee with its plans to decrease the number of employees such as the exit mechanism. These would allow the Committee insights into its forward planning and avenues to address this particular budgetary shortfall.
* The Department explained that part of the irregular expenditure relates to assets that were under the control of Armscor and that it has consulted the Accountant-General and the AGSA to assist to get clarity on this issue. The Department further indicated that it is using Defence Intelligence, the Military Police and the SAPS to assist in investigating these cases as it is taking the issue of Consequence Management very seriously. The Committee recommends that this issue should be dealt with speedily and that the Department should report back to the Committee on this issue at the next quarterly report meeting.
* It was explained that the impact on projects to acquire military equipment such as the Infantry Fighting Vehicles (Project Hoefyster), is severe and that the number of units, will likely be decreased in the latter’s case. The delays at Denel necessitated a variation order to modify the number of units and the time frames, as well allowing the Department to stay in the available budget. The Committee recommends that the Department should submit a report on this issue by end November 2018. The report should include, *inter alia*, the financial implications of the new acquisition plans as well as the number of units to be procured compared to the previously planned number of units. Furthermore, the report should indicate the impact of technology regression and whether the considered technology will still be feasible in future.
* The Department could not adequately explain the increase in the number of Senior Management positions nor rebut the view that it is top-heavy. The Department is requested to submit a report in this regard to the Committee by end November 2018.
* Similar to the 2017 BRRR, the Committee recommends that the Department provides it with a comprehensive report on how it proposes its repositioning based on (a) requirements in terms of Section 200 of the Constitution and (b) the available and appropriated budget. This report should be submitted to the PCODMV within 3 months from the adoption of this BRRR.
* The Department explained that given the resource constraints in Defence Intelligence, it had to categorise the various service providers. Preference is given to those who work in sensitive areas and it plans to address the back log as soon as possible. The Committee recommends that feedback be given by the Department on this issue on a quarterly basis.
* The medical services for military veterans are authorised by the relevant authorising persons at military health facilities. Part of the challenge is that they often do not forward or inform the Department of these authorisations, leading to confusion and delays. Service providers then submit these unpaid invoices to the military veterans who are mostly not in a position to these unpaid invoices. The Committee recommends that the Department should investigate these issues properly and report back to it by the end of November 2018.
* The Department indicated that it is in regular contact with the AGSA as well as the Accountant General to address the audit findings. The Committee recommends that the Department provides it with regular feedback on progress in this regard, especially as it pertains to the issues that led directly to the qualification
* The Committee commits itself to enhance its efforts to follow-up on recommendations made in the BRR reports, especially recurring issues that have not been responded to. The Committee will also interrogate its planning to ensure that its reports have an impact on especially the annual budget of the Department.
* As with the 2017 BRRR, the Committee reiterated the need for Parliament to conduct a study tour to benchmark how other countries manage their Special Defence Accounts and how oversight on such accounts are conducted. The Committee recommends that such a study tour should be conducted by both the PCODMV and the JSCD.
* The Committee encourages the Minister of Defence and Military Veterans to attend PCODMV meetings to keep Parliament abreast of developments and challenges related to concerns raised in this report. The Committee undertook to invite the Minister to share the Department’s plans to address the recommendations made in this report.

**Report to be considered.**