**2. PORTFOLIO COMMITTEE ON HOME AFFAIRS** **REPORT: VOTE 5 ANNUAL PERFORMANCE PLANS AND BUDGET OF THE DEPARTMENT OF HOME AFFAIRS, ELECTORAL COMMISSION AND GOVERNMENT PRINTING WORKS, DATED 13 May 2022**

The Portfolio Committee on Home Affairs (the Committee) met with the Department of Affairs (DHA) on 26 April 2022, the Electoral Commission of South Africa (IEC) and the Government Printing Works (GPW) on 3 May 2022 on their Annual Performance Plans (APPs) and budgets and reports as follows:

# 1. The Department of Home Affairs

**1.1. Introduction**

The purpose of the Department of Home Affairs is to:

* Determine and safeguard the identity and status of citizens.
* Regulate immigration to ensure security, promote the development and fulfil South African international obligations.

**Mandate:** The mandate of DHA is derived from the Constitution and various acts of Parliament and policy documents. The DHA’s services are divided into two broad categories: Civic Services and Immigration Services. The DHA is mandated to manage citizenship and civic status, international migration, refugee protection, and the population register. The DHA is the key enabler of national security, citizen empowerment, efficient administration and socioeconomic development. These functions must be managed securely and strategically.

**Vision:** A vision of the Department of Home Affairs is that of South Africa where identity, status and citizenship are key enablers of citizen empowerment and inclusivity, economic development and national security.

**Mission:** The DHA’s mission to carry out its mission in line with its commitment to citizen empowerment and inclusivity, economic development and national security, by:

* Being an efficient and secure custodian of citizenship and civil registration
* Securely and strategically managing international migration
* Efficiently managing asylum seekers and refugees
* Efficiently determining and safeguarding the official identity and status of persons

In order to fulfil the above, the Department of Home Affairs prepared the new Annual Performance Plan for 2022/23 in line with the 2020 to 2025 Strategic Plan which in turn is aligned with the Medium Term Strategic Framework (MTSF) of Government.

The revised Framework for Strategic Plans and Annual Performance Plans (2019) was used for the development of the DHA strategic planning instruments (Strategic Plan for the 2020 to 2025 period and Annual Performance Plan for 2022/23). DHA Planning Instruments cover the following priorities:

* 1. National Priorities (as per the National Development Plan, Apex Priorities and MTSF related commitments).
  2. Ministerial Priorities:
* Establish an effective Border Management Authority (BMA)
* Complete the Modernisation Programme
* Comprehensive review of Immigration Policy and subsequent legislation
* Upgrade the 6 priority land ports of entry / One-Stop Border Post (OSBP) Policy
* Improved client experience through leadership (Moetapele)
* Early birth registration
* Critical skill visas
* “War on Queues”
* key elements of the White Paper on Home Affairs which was approved by Cabinet for implementation in December 2019
* Improvement of service delivery initiatives (e.g. footprint development / access, efficient issuance of enabling documents.

The DHA has identified the following outcomes for the 2020 to 2025 period:

* Secure management of international migration resulting in South Africa’s interests being served and fulfilling international commitments
* Secure and efficient management of citizenship and civil registration to fulfil constitutional and international obligations
* Efficient asylum seeker and refugee system in compliance with domestic and international obligations
* Secure population register to empower citizens, enable inclusivity, economic development and national security
* DHA positioned to contribute positively to a capable and developmental state
  1. **DHA’s Contribution to the National Development Plan (NDP)**

The National Development Plan aims to eliminate poverty and reduce inequality by 2030 and the major focus of the NDP is to confront the triple challenge of **poverty, inequality and unemployment** by achieving higher growth rates. The DHA has a critical contribution to make to the achievement of the NDP 2030 objectives:

* The inclusion of all citizens in democracy and development is enabled by providing them with status and identity that gives them access to rights and services. This must be done in an efficient, effective, professional and secure manner.
* A further priority for the DHA is to facilitate the acquisition of the critical skills needed for economic growth as determined by the Department of Higher Education and Training (DHET) to build our own skills base.
* The DHA must continue to drive integrated and coordinated border management to ensure our borders are effectively protected, secured, and well-managed.
* The DHA could play a key role in enabling regional development by working with SADC countries through the Department of International Relations and Cooperation (DIRCO) to establish efficient, secure and managed migration.
* The DHA is central to harnessing the 4th industrial revolution and building a capable state. The modernization programme of the DHA can reduce fraud and the cost of doing business by enabling e-government which will attract more investment into the country.

**1.3. The Medium-Term Strategic Framework (MTSF) Commitments from 2019 to 2024.**

| **APEX Priority** | **Link to Outcome** | **DHA contribution** | **MTSF Commitment** |
| --- | --- | --- | --- |
| Economic Transformation and Job Creation | Outcome 4 – Decent employment through inclusive economic growth | Secure the identity of citizens and foreigners  Design and implementation of NIS  Issuance of critical skill visas and implementation of revised visa regime (simplification aspects, the rollout of e-Visa, etc) | 95% of critical skills visas adjudicated within 4 weeks by 2022  Implementation of the revised visa regime |
| (5) Social Cohesion and Safe Communities | Outcome 3 – All people in SA are and feel safe | Secure the borders of the country through the establishment and operationalization of the BMA  Continue with the implementation of a risk-based approach to immigration  Provision of enabling documents to access rights and services, e.g. early birth registration and smart ID cards | BMA established by 2020  BMA operational by 2021 at 11 ports of entry and 5 segments of the land borderline ((BMA fully operational by 2024)  100% of selected ports of entry equipped with biometric functionality  Implementation of DHA Automated Biometric Information System (ABIS) by 2022/23. |
| 6) A Capable, Ethical and Developmental State | Outcome 12 - An efficient, effective and development-oriented public service | Reposition the DHA in support of a capable, ethical and developmental state through the implementation of new service delivery, operating and organizational models supported by the required policy and legislative framework |  |
| (7) A better Africa and World | Outcome 11 - Create a better South Africa, a better Africa and a better world | Introduce a world-class e-Visa regime and rollout of e-Visa |  |

**1.4 DHA Policy Priorities for 2022/23 and Alignment with Regional, Continental and Global Agendas**

The DHA Annual Performance Plan for 2022 to 2025 cover national, ministerial and departmental priorities, including:

* 1. DHA contribution to the National Development Plan
  2. Apex Priorities and MTSF related commitments
  3. National Annual Strategic Plan (NASP) commitments for 2022/23
  4. DHA contribution to the Economic Reconstruction and Recovery Plan (ERRP)
  5. 2022 SONA commitments
  6. Contribution to the National Strategic Plan (NSP) on Gender-based Violence and Femicide
  7. Contribution to the District Development Model (DDM)
  8. Redevelopment of six land ports of entry as one-stop border posts
  9. DHA repositioning programme (6 pillars of policy and legislation; service delivery, operational and organisational models; modernisation programme; a capable and developmental department; revenue generation; and service delivery channels and purpose-build infrastructure)

The 2022/23 financial year covers the 4th year of the 5 year MTSF period (2019 to 2024). Planning was conducted taking into consideration the impact of the 2022/23 APP on the National Development Plan, MTSF and other government priorities and commitments.

• The DHA will implement the BMA during the MTEF. The BMA Act (No.2 of 2020) has since come into effect on 1 January 2021. The BMA will be responsible for restricting the illegal movement of people and goods within South Africa’s border law enforcement areas and at ports of entry.The BMA will be allocated R67.5 million in 2022/23, R67.4 million in 2023/24 and R71.8 million in 2024/24. The BMA will also be allocated a further R300 million over the MTF in order to establish it as a public entity.

• In line with the implementation of the BMA, the DHA as part of the iBorders strategy, which entails adopting a risk‐based approach to managing migration, the department aims to implement systems to record passenger names and process passengers effectively. These will enable the department to identify unknown threats based on passenger profiles and known suspects such as those on watchlists. For this purpose, R1 billion is allocated in 2022/23 in the BMA mainly for CoE and goods & services.

• The DHA will continue with the modernisation project of its ICT infrastructure. The department has been able to automate its business processes and products. Most significantly, the DHA plans to roll out the Automated Biometric System by 2022/23 and introduce biometric functionality at all ports of entry by 2023/24. It will also continue to roll out the e-visa system by 2024/25. The department has set aside R104 million for these technological improvements in the 2022/23 financial year.

• The DHA has continued to prioritise the timeous issuing of permits and visas. The timeous issuing of permits and visas enables economic growth and removes impediments to foreign investment. Accordingly, the department plans to continue implementing the visa simplification process, through which certain low‐risk countries will benefit from visa waivers and relaxed conditions and rolling out electronic visas. The department has allocated R10 million to set up infrastructure for e-visas in 2022/23.

In response to the COVID-19 pandemic, the DHA adopted a scenario approach to mainly civic services targets since the 2020/21 financial year. The scenario approach was discontinued for the 2022/23 cycle. The onset of the COVID-19 pandemic had a significant impact on the performance and operations of the DHA. It is important that the DHA should take forward the lessons learned from the pandemic. Some of the key focus areas are the:

1. Increase investment in technology and use artificial intelligence (AI) to ensure uninterrupted and quality service delivery;
2. Implement the revised DHA service delivery and operating models as well as its access model strategy;
3. Ensure readiness for future pandemics, e.g. provide tools of the trade to staff to ensure uninterrupted service delivery;
4. Importance of timely and accurate departmental communication to ensure uninterrupted operations and service delivery;
5. Provision of continuous oversight and management of staff and resources; and
6. Fit for purpose infrastructure to accommodate safe and secure service delivery.

# 1.5 Summary and Analysis of DHA Budget for 2022/23

Table 2: Overall Budget 2021/22 and 2022/23 – Department of Home Affairs

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | | **Nominal Increase / Decrease in 2022/23** | **Real Increase / Decrease in 2022/23** | | **Nominal Percent change in 2022/23** | **Real Percent change in 2022/23** |
| **R million** | **2021/22** | | **2022/23** |
| 1. Administration | 2 371,5 | | 2 609,8 | 238,3 | 125,9 | | 10,05% | 5,31% |
| 2. Civic Affairs | 3 096,8 | | 2 555,9 | -540,9 | -651,0 | | -17,47% | -21,02% |
| 3. Immigration Affairs | 1 499,4 | | 1 477,7 | -21,7 | -85,3 | | -1,45% | -5,69% |
| 4.Institutional Support and Transfers | 2 463,7 | | 2 762,6 | 298,9 | 179,9 | | 12,13% | 7,30% |
| **TOTAL** | **9 431,4** | | **9 406,0** | **-25,4** | **-430,4** | | **-0,3%** | **-4,56%** |
| *Nominal Increase/Decrease* | | *Is when inflation is not taken into account* | | | |
| *Real Increase/Decrease* | | *Is when inflation is taken into account* | | | |

Source: National Treasury (2022)

For the 2022/23 financial year, the Department receives an allocation of R 9.40 billion compared to the R 9.43 billion special adjusted allocations of 2021/22. As stated previously, the adjusted budget includes revenue generated through the issuance of civil documents. Without inflation (nominally), the Department’s budget decreases by 0.3 % from the previous year. This allocation is much lower in real terms as the Department allocation is 4.56 % lower than the previous year’s budget. This allocation translates into a decrease of R 430.4 million in real rand value. The Department’s responsibilities keep increasing considering the BMA, One-Stop-Boarder-Post and modernisation of its IT infrastructure; however, its budget has decreased in real terms for the past four financial years.

Only two of the DHA’s four programmes show a real increase in the current financial year. The Administration branch shows a real increase of R 125.9 million or 5.31%, while the Institutional Support and Transfers Programme shows a real increase of R 179.9 million or 7.30%. The budget increase in the Institutional Support and Transfers could be attributed to the implementation of the One-Stop Border Post and implementation of the BMA, whilst the increase in the Administration Branch could be attributed to the procurement of ICT infrastructure such as the implementation of the Automated Biometric Systems and the Advanced Passenger Processing System.

Both Citizen and Immigration Affairs programmes have been allocated a smaller budget compared to the last financial year. However, since the Department’s revenue will be appropriated in September 2022, its respective programme budgets will likely increase. The Citizen Affairs budget is significantly reduced by R 651 million or 21.02% when considering inflation. Programme 3: Immigration Affairs experiences a slight budget reduction of R 85.3 million or 5.69 % in real terms.

In terms of economic classification, the Vote’s main cost drivers are the compensation of employees (COE), which costs the Department R 3.88 billion or 41.2% and goods & services at R 2,91 billion or 30.98%.The COE and goods & Services are allocated R6.79 billion or 72.18 % of the department’s total budget of R9.40 billion.

## 1.5.1 Allocation per programme

Figure 2 compares the proportional allocations per main programme between the 2021/22 adjusted budget and 2022/23 voted funds. The Citizen Affairs programme loses its majority allocation as its allocation is less by 2% in the current financial year from 29% in 2021/22 to 27% in the current financial year. There is also a 1% decrease in the Immigration Affairs Programme from 17% during 2021/22 to 16% in the current financial year. On the contrary, both the Institutional Support & Transfers Programme and the Administration Programme receive a 1% and 2% increase. The former’s allocation increases from 28% in the previous financial year to 29% in the current financial year, while the latter’s allocation increases from 26% to 28% in the current financial year.

Figure 2: comparison of the split of the Department of Home Affairs budget between programmes

### Programme 1: Administration

Table 3 below depicts DHA’s budget changes in comparison to the previous financial year:

**Table 3: Programme 1: Administration**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | **Nominal Increase/ Decrease in 2022/23**  **Rand)** | **Real Increase/ Decrease in 2022/23**  **(Rand)** | **Nominal Percent change in 2022/23** | **Real Percent change in 2022/23** |
| **R million** | **2021/22** | **2022/23** |
| Ministry | 30,8 | 34,5 | 3,7 | 2,2 | 12,01% | 7,19% |
| Management Support Services | 199,4 | 279,6 | 80,2 | 68,2 | 40,22% | 34,18% |
| Corporate Services | 555,1 | 655,9 | 100,8 | 72,6 | 18,16% | 13,07% |
| Transversal Information | 1 003,9 | 1 174,9 | 171,0 | 120,4 | 17,03% | 11,99% |
| Office Accommodation | 582,3 | 465,0 | -117,3 | -137,3 | -20,14% | -23,58% |
| **TOTAL** | **2 371,5** | **2 609,9** | **238,4** | **126,0** | **10.1%** | **5,31%** |

Source: National Treasury (2022), Adapted

As Table 3 above depicts, the *Administration* programme receives R 2.6 billion for 2022/23 compared to an adjusted appropriation of R 2.37 billion the previous year. The current allocation translates into an increase of 10.1% or R 238.4 million in nominal terms and 5.31% or R 126 million in real terms.

The Office Accommodation sub-programme is the only sub-programme that receives a budget decrease. The allocation is decreased by R 117.3 million or 20.14% in nominal terms and R137,3 million or 23.58% if inflation is considered.

The other five sub-programmes receive an increased allocation in both nominal and real terms for the current financial year. The *Management Support Services* received the most significant allocation in real percentage terms by 34,18% or R68.2 million. It is followed by the *Corporate Services* and the *Transversal Information* sub-programmes, which receive 13,07% (R 72.6 million) and 11.99% (R 120.4 million). The *Ministry* sub-programme also received an increased budget from R 30.8 million in the previous year to R 34.5 million in the current year. This increase translates to R 2.2 million or a 7.19% budget increase in real terms.

### Programme 2: Citizen Affairs

The Citizen Affairs branch is responsible for providing secure, efficient and accessible services and documents to citizens and lawful residents. It ensures that entry to the population register happens within 30 days of a child’s birth. It maintains the number of smart identity cards, and it has a target of 3 million per year. It also targets to issue 90% of machine-readable adult passports through the new live capture process within 13 working days.

Table 4: Programme 2: Citizen Affairs

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | **Nominal Increase/ Decrease in 2022/23** | **Real Increase/ Decrease in 2022/23** | **Nominal Percent change in 2022/23** | **Real Percent change in 2022/23** |
| **R million** | **2021/22** | **2022/23** |
| Citizen Affairs Management | 26,2 | 35,9 | 9,7 | 8,2 | 37,02% | 31,12% |
| Status Services | 547,3 | 92,0 | -455,3 | -459,3 | -83,19% | -83,91% |
| Identification Services | 250,5 | 174,1 | -76,4 | -83,9 | -30,50% | -33,49% |
| Service Delivery to Provinces | 2 272,8 | 2 253,9 | -18,9 | -116,0 | 0,83% | -5,10% |
| **TOTAL** | **3 096,8** | **2 555,9** | **-540,9** | **-651,0** | **-17,5%** | **-21,02%** |

The *Citizen Affairs* branch budget declines from R 3.09 billion in 2021/22 special adjusted allocation to R 2.55 billion in the 2022/23 financial year. This is a reduction of R540.9 million or 17.5% in nominal terms and R 651 million or 21.02% in real terms. The *Citizens Affairs Management* is the only sub-programme to receive an increased budget in the programme by R 8.2 million or 31.12% in real terms.

The *Status Services* sub-programme received the most considerable decrease in real percentage terms after being allocated a decrease of R 495.3 million, equivalent to an 83.19 % decrease. The *Identification Services* and *Service Delivery to Provinces* also received a budget decrease in both nominal and real terms. The *Identification Services* allocation decreases from R 250.5 million in the previous year to R 174.1 million in the current year. This allocation decrease translates to a decrease of R 83.9 million or 33.50 % in real terms, while the *Service Delivery to Provinces* decreases from R 2.27 billion in the previous year to R 2.25 billion in the current financial year, thus translating to a decrease of R 116.0 million or 5.10 % in real terms. As stated previously, the Programme 2 is usually allocated additional funding during the adjustment period in September 2022.

### Programme 3: Immigration Affairs

The immigration affairs branch facilitates and regulates the secure movement of people through ports of entry into and out of the Republic of South Africa. It also determines the status of asylum seekers and regulates refugee affairs. Programme 3 has four sub-programmes under it.

Constituting only 16% of the Department’s budget in the current financial year, the *Immigration Affairs* programme has the lowest spending area. However, if inflation is not considered, the programme’s budget increased from R 1.44 billion in 2021/22 to R 1.47 billion in 2022/23. The programme's allocation delines by R35.4 million or 2.44% if inflation is considered.

Table 5: Programme 3: Immigration Affairs

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | **Nominal Increase/ Decrease in 2022/23** | **Real Increase/ Decrease in 2022/23** | **Nominal Percent change in 2022/23** | **Real Percent change in 2022/23** |
| **R million** | **2021/22** | **2022/23** |
| Immigration Affairs Management | 32,9 | 30,5 | -2,4 | -3,7 | -7,29% | -11,29% |
| Admission Services | 1 047,7 | 1 066,7 | -19,0 | -26,9 | 1,81% | -2,57% |
| Immigration Services | 258,7 | 221,4 | -37,3 | -46,8 | 14,42% | -18,10% |
| Asylum Seekers | 160,1 | 159,0 | -1,1 | -7,9 | -0,69% | -4,96% |
| **TOTAL** | **1 449,4** | **1 477,6** | **28,2** | **-35,4** | **1,9%** | **-2,44%** |

Source: National Treasury (2022)

All the sub-programmes of the Immigration Affairs programme experienced a real decrease on their allocations in the current financial year. In terms of real percentage decline, the *Immigration Services* sub-programme was the biggest loser as its allocation was reduced by 18% (or R46.8 million) from R258.7 million in the previous financial year to R221.4 million in the current financial year.

The *Immigration Affairs Manager* and *Asylum Seekers* sub-programmes also received a reduced by 11.29% and 4.96% respectively in real terms. The former’s budget was reduced from R258.7 million in the previous financial year to R221.4 million in the current financial year while the latter’s budget allocation was slightly decreased from R160.1 million in the previous financial year to R159 million in the current financial year. The Admission Services sub-programme had the least allocation reduction in percentage terms by just 2.57%. This allocation reduction translates to a decrease of R26.9 million from R1.04 billion in the previous financial year to R1.06 billion in the current finantial year if inflation is considered.

### Programme 4: Institutional Support and Transfers

The Institutional Support and Transfers funds to the Electoral Commission, the Represented Political Parties Fund and the Border Management Authority. This programme aims to defend, protect, secure and manage South Africa’s borders.

Table 6: Programme 4: Institutional Support and Transfers

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | **Nominal Increase/ Decrease in 2022/23** | **Real Increase/ Decrease in 2022/23** | **Nominal Percent change in 2022/23** | **Real Percent change in 2022/23** |
| **R million** | **2021/22** | **2022/23** |
| Border Management Authority | 46,6 | 196,7 | 150,1 | 141,6 | 322,10% | 303,93% |
| Electoral Commission | 2 250,3 | 2 223,8 | -26,5 | -122,3 | -1,18% | -5,43% |
| Represented Political Parties Fund | 166,8 | 342,1 | 175,3 | 160,6 |  | 96,26% |
| **TOTAL** | **2 463,7** | **2 762,6** | **298,9** | **179,9** | **12,1%** | **7,30%** |

Source: National Treasury (2022)

The *Border Management Authority Act (No 2 of 2020)* was signed into law in July 2020 and became effective 1 January 2021. It is encouraging to note that the BMA’s budget increases to R 150.1 million in the current financial year from the previous allocation of R 40.6 million. This is an increase of R 150.1 million if inflation is not considered and R 141.6 million or 303.93% in real terms. The BMA’s allocation will be utilised for operationalisation and recruitment of staff.

The *Represented Political Parties* *Fund* sub-programme also almost doubled its increase from R166.8 million in the previous financial year to R342.1 million in the current financial year. This increase translates to a 96.26% increase in real terms.

In Programme 4, only the Electoral Commission receives a slight decrease from R 2.250 billion in 2021/22 to R 2.22 billion in the current financial year. This decrease translates to R 122,3 million or 5.43% in real terms. This decrease could be attributed to the that the Electoral commission hosted the Local Government Election during November 2021, hence it was allocated more funding during the 2021/22.

# 1.6 Analysis of the DHA Expenditure by the Third Quarter 2021/22

For the 2021/22 financial year, the DHA received a total voted allocation of R8.69 billion, but this allocation was adjusted upward to R9.43 billion during the Budget Adjustment in September 2021. A trend for the DHA allocation to invariably be adjusted upward in the adjusted allocation during September of each year should be noted. This is in part because the revenue generated by the Department (mainly through administrative fees for certificates, identity documents (IDs), permits, etc.) is appropriated to it during the adjustment process.

By the end of the Third Quarter of 2021/22, the DHA had spent R7.05 billion (74.8%) of the adjusted budget of R9.43 billion. As a result, spending was R185.9 million (3%) lower than the projected amount of R7.24 billion. Compared to the end of the Third Quarter in the previous financial year 2020/21, the overall expenditure performance increased. This is because the DHA had spent R6.05 billion (68.9 %) of its allocated budget for the financial year. It should be noted that the COVID-19 had a major indluence in spending patterns across government due to lockdown restrictions.

According to its financial performance targets for the Third Quarter of 2021/22, all DHA programmes spent less than projections on their budget allocations. However, the financial performance is commendable as it managed to achieve an overall success rate of 97%. For instance, programme 2 achieved 99.8%, programme 1 and 4 achieved 96.6% and 97.4% respectively. The least performing programme, the Immigration branch, achieved a 94% success rate. See figure 1 on the next page.

The department’s overall spending in the Third Quarter of 2021/22 was lower by R185.9 million (2.6%). This means that the overall expenditure was R7.1 (74.8%) billion, against a projected expenditure of R7.2 billion. The lower than expected expenditure was mainly attributed to Programmes 1, 3 and 4 under goods and service.

**Figure 1: Comparative analysis of Quarter 1, 2 and 3 expenditure report (%)**

Source, National Treasury (2021). Adapted by the Researcher (Parliamentary Research Unit)

**Table 1: 2021/22 Third quarter expenditure of DHA**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Main appropriation**  **(R million)** | **Adjusted Budget** | **Available Budget (R million)** | **Third Quarter Actual Expenditure**  **(R million)** | **Third Quarter Projected**  **Expenditure**  **(R million)** | **Expenditure**  **(As % of Available Budget)** | **% Variance from Projected Expenditure** |
| **1** | 2 266.6 | 2.371.5 | 2 560.7 | 1 879.2 | 1 945.2 | 66.1 | 3.4% |
| **2** | 2 552.4 | 3 100.8 | 2 889.2 | 2 171.5 | 2 175.7 | 4.2 | 0.2% |
| **3** | 1 454.3 | 1 502.0 | 1 409.1 | 936.6 | 996.6 | 59.9 | 6.0% |
| **4** | 2 417.1 | 2 457.1 | 2 562.4 | 2 069.3 | 2 125.5 | 55.9 | 2.6% |
| **Total** | **8 690.5** | **9 431.4** | **9 431.4** | **7 056.6** | **7 242.5** | **185.9** | **3.%** |

Source: National Treasury (2021a), adapted.

\* Percentage variance: Negative figures show actual expenditure exceeds what was projected for the period.

The mandate of the Department is carried out in the following budgeted programmes:

***Programme 1: Administration****:*

At the end of the third quarter (2021/22), actual expenditure amounted to R1.87 billion (73.4 %) of the programme’s total available budget of R 2.26 billion. The programme’s expenditure was R 66.1 million (3.4 %) lower than its projected expenditure for the third quarter. The low expenditure was due to savings on travel expenses as most meetings were held virtually. In addition, some of the expired contracts were still in the process of being renewed, and there were delays in receiving invoices from State Information Technology Agency (SITA).

***Programme 2: Citizen Affairs****:*

Actual expenditure at the end of the third quarter (2021/22) amounted to R 2.17 billion (99.8%) of the programme’s total available budget of R 3.1 billion. Expenditure was R 4.2 million lower than the projected expenditure of R 2.175 billion. The reasons for lower expenditure are Covid-19 lockdown regulations where some civic services such as identity documents, passports, and birth certificates were not offered. Consequently, there was a lesser expenditure on the courier services as IDs and Passports were not delivered.

***Programme 3: Immigration Affairs:***

The actual expenditure of Programme 3 amounted to R 936.6 million of the available budget of R 1.5 billion. This was R 59.9 million (6%) lower than the projected expenditure of R 996.6 million, mainly due to less expenditure resulting from delays in receiving invoices for the Lindela holding facility nutrition and delays in the payment of Advanced Passenger Protection (APP) by SITA.

***Programme 4: Institutional Support and Transfers***:

At the end of the third quarter, the actual expenditure was R2.06 billion against the projected expenditure of R2.12 billion. The spending was R59.9 million (2%) lower than the projected expenditure. The reasons for lower expenditure were due to the delays in the implementation of the BMA and delays in the appointment of key managers such as the BMA Commissioner and Deputy Commissioners.

**1.7 ANALYSIS OF THE DHA 2022/23 ANNUAL PERFORMANCE PLAN**

**1.7.1 Analysis of performance against previous targets**

This comparison with the previous financial years identifies and highlights ongoing challenges experienced by the Department to inform the current APP and targets.

**Table 2: Departmental Performance and Target Achievement: 2020/2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Programme | No. of Targets | Achieved | Not achieved | % Not achieved | % Achieved |
| 1. Administration | 12 | 9 | 3 | 75% | 25% |
| 1. Civic Affairs | 6 | 5 | 1 | 83% | 17% |
| 1. Immigration Affairs | 10 | 5 | 5 | 50% | 50% |
| Total | **28** | **19** | **9** | **68%** | **32%** |

Table 2 above provides an overview of the numbers of targets achieved and not achieved during the 2020/21 financial year. It should be noted that 2020/21 was when government programmes were severely disrupted due to the COVID-19 pandemic related restrictions.

Overall, the Department fared better in achieving its targets in Programmes 2, compared to Programmes 1 and 3. In total, the Department has achieved 19 out of the 28 targets, with nine (9) targets not achieved. This translates to 68% target achievement and 32% not achieved. This performance shows a slight decrease in annual target achievement compared to 2020/21 and 2019/20 financial years, when it achieved 75% and 72% on its annual targets. In addition, the 2020/21 performance targets are comparably lower when compared to the 2017/18 and 2016/17 financial years when the DHA achieved a 86% and 84% overall annual target achievement, as illustrated in figure 1. See figure 1 on the next page for comparative graphical analysis.

**Figure 1: Four years’ comparative target achievement (2016/17 to 2019/20)**

Source: DHA (2022), adapted by Research Unit

**Figure 2: 2020/21 Financial Year Annual Target Achievement**

Source: DHA Annual Report (2021), adapted by Research Unit

For 2020/21, the **Administration programme** had planned for 12 annual performance targets but only managed to achieve nine (9) and was unsuccessful on the other three (3) annual targets. This translates to 75% of targets achieved and 25% not achieved. This performance slightly improved compared to 2019/20 when it achieved 67% of targets and 33% not achieved. The Administration programme performed similarly in 2018/19, where it achieved 12 out of 18 annual performance targets (67%). However, compared to 2017/18, the Administration branch's performance has declined because it achieved 11 (85%) out of 13 annual performance targets.

In 2020/21, the **Civic Affairs branch** achieved five (5) out of the planned six (6) of its annual targets, which translates to an 83% annual target performance achievement, thus making it the best performing branch. On the other hand, the Civic Affairs programme did not successfully achieve 17% of its annual targets. Compared to the previous financial year, the annual target has increased slightly by 3%. Compared to 2018/19, the Civic Affairs branch performance has slightly declined as it had achieved 100% of its annual planned performance targets.

In the same financial year (2020/21), the **Immigration Affairs programme** was the least and most regressed branch in the Department. It had planned for ten (10) annual performance targets but only achieved five (50%). This is a significant decline because in the previous financial year (2019/20), it had planned six (6) annual performance targets, and it achieved all its targets. This performance translates to 100% target achievement. Compared to 2017/18 and 2018/19, the Immigration branch achieved 90% and 78%, respectively.

Over the period between the five years from 2016/17 to 2020/21 financial year, the average annual target performance is 76.2%. During this period, the highest annual target performance was in 2016/17, when it achieved 86% of its annual performance targets, while the lost performance was 2020/21 financial year during the COVID-19 pandemic when it achieved 64% of its annual targets.

# Analysis of the 2022/23 APP Per Programme

The DHA has set out several strategic priorities in the Strategic Plan for 2019/20-2024/25 and a set of planned annual targets in the APP for 2022/2023. This section analyses the Department’s 2022/23 APP per Programme and the budget allocated to achieve the annual targets. In addition, the Department undertook an exercise to ensure that the targets are specific, measurable, achievable, relevant and time-bound (SMART). Below are the performance targets per programme for the 2022/2023 financial year:

The DHA has set out several strategic priorities in the Strategic Plan for 2019/20-2024/25 and a set of planned annual targets in the APP for 2022/2023. This section analyses the Department’s 2022/23 APP per Programme and the budget allocated to achieve the annual targets. In addition, the Department undertook an exercise to ensure that the targets are specific, measurable, achievable, relevant and time-bound (SMART). Below are the performance targets per programme for the 2022/2023 financial year:

**Programme 1: Administration**

The Administration programme covers all functions of the DHA that support its core business, such as policy, governance, finance, human resources (HR) management and security. It is also responsible for the provision of Information Communication Technology (ICT) infrastructure, accommodation, transport and the keeping of records. Specific: the nature and the required level of performance can be clearly identified; Measurable: the required performance can be measured; Achievable: the target is realistic given existing capacity; Relevant: the required performance is linked to the achievement of a goal; Time-bound: the time period or deadline for delivery is specified.

Table 4 below provides the analysis of selected Programme 1 performance indicators and targets for the 2022/23 financial year. It should be noted that for 2022/23, Programme 1 has 18 annual targets, but only eight annual targets and performance indicators were selected for analysis.

**Table 4: Programme 1 performance indicators and annual targets**.

|  |  |  |  |
| --- | --- | --- | --- |
| **Strategic Outcome: Secure management of international migration resulting in South Africa’s interests being served and fulfilling international commitments** | | | |
| **Output** | **Output Indicator** | **Estimated Performance 2021/22** | **Annual Target 2022/23** |
| Biometric functionality implemented at ports of entry equipped with Enhanced Movement Control System (EMCS). | Number of selected ports of entry with biometric movements (BMCS) implemented as per approved specification. | System enhanced and operationalised at limited counters at 4 airports (OR Tambo, Cape Town, King Shaka and Lanseria International Airports). | 34 |
| Enhanced e-Visa System. | Enhancement of e-Visa system as per approved change request. | New Indicator | Enhanced e-Visa system released in production. |

Source: DHA APP (2022)

The Department has planned to roll-out the Biometric Movement Control System (BMCS) in 34 (from 24 in the previous financial year) ports of entry by the end 2022/23 financial year. The BMCS is a new system that will replace the Enhanced Movement Control System (EMCS) used to track the movement of citizens and foreign travellers entering and departing South Africa at all ports of entry. The new system will interface with the e-Visa system to confirm visa compliance. In addition, it will further identify undesirable travellers and confirm citizens against the Automated Biometric Identification System (ABIS).

The DHA started rolling out the e-Visa regime in 2019/20 financial year, starting with Kenya, then the Peoples Republic of China, Nigeria and India. By the end of March 2022, the e-Visa had been rolled out to 14 countries. The e-Visa initiative contributes to the world-class visa regime supporting economic growth and job creation. It also enhances economic recovery, increases tourism activities, and promotes investments and business growth.

**Table 5: Programme 1 performance indicators and annual targets**.

|  |  |  |  |
| --- | --- | --- | --- |
| **Strategic Outcome: Efficient asylum seeker identity and refugee system in compliance with domestic and international obligations** | | | |
| **Output** | **Output Indicator** | **Estimated Performance 2021/22** | **Annual Target 2022/23** |
| Components of the National Identity System (NIS) implemented and maintained (Asylum Seeker and Refugee System and ABIS). | Implementation of Asylum Seeker and Refugee System by 2023/24 | Asylum Seeker and Refugee system user requirement specifications approved.  Asylum Seeker and Refugee system developed into life. | Asylum Seeker and Refugee system developed onto live capture. |
| ABIS in operation by 2022/23 Functional Iris, infant footprint and palmprint back-end recognition capability | ABIS phase 1 operational (facial and  Fingerprint capability). | ABIS Phase 2 operational: Iris, infant footprint and palm print back-end recognition capability functional (identification,  Verification and latent search. |

Source: DHA APP (2022)

The introduction of the National Identity System (NIS) in table 5 is intended to replace the outdated National Immigration Information System (NIIS). The NIS will be developed into a live capture system and integrated with other DHA systems. This system will register the demographics and biometrics of asylum seekers and facilitate the adjudication of their cases with the option of referral to other bodies if denied. This performance indicator complies with the SMART principle as per Treasury guidelines. As a result, the Department's target is to have the Asylum Seeker and Refugee system developed into life capture by the end of this financial year.

**Table 6: Programme 1 performance indicators and annual targets**.

|  |  |  |  |
| --- | --- | --- | --- |
| **Strategic Outcome: DHA positioned to contribute positively to a capable and developmental state** | | | |
| **Output** | **Output Indicator** | **Estimated Performance 2021/22** | **Annual Target 2022/23** |
| Tabled DHA Bill in Parliament | Tabling of DHA Bill in Parliament for processing of Bill. | DHA Bill gazetted for public consultation. | DHA Bill tabled in Parliament |

Source: DHA APP (2022)

The output indicators and annual targets in table 6 above comply with the SMART principles as per Treasury regulations because they are measurable. In its quest to improve the policy and legislation in support of repositioning, the Department estimated that it would have gazetted the DHA Bill at the end of the first quarter of 2022/23. The ultimate annual target is to have the DHA Bill tabled in Parliament for processing by the end of the financial year. The new legislation will provide a constitutionally sound legal framework for repositioning the DHA as a modern and secure department with the following critical elements:

**Table 7: Programme 1 Performance indicators and annual targets**

|  |  |  |  |
| --- | --- | --- | --- |
| **Strategic Outcome: DHA positioned to contribute positively to a capable and developmental state** | | | |
| **Output** | **Output Indicator** | **Estimated Performance 2021/22** | **Annual Target 2022/23** |
| Tabled National Identification and Registration Bill in Parliament. | The tabling of the National Identification and Registration Bill in Parliament for processing of Bill. | Official Identity Management Policy submitted to Cabinet for approval. | National Identification and Registration Bill submitted to Cabinet for approval for public consultation. |

Source: DHA APP (2022)

An identity management framework (policy and legislation) is needed to address how the DHA will regulate the manner in which personal information will be processed by establishing conditions which

meet the minimum threshold requirements for the lawful processing of personal information. It will also be necessary for the DHA to articulate how the digital administrative datasets under its control will be used to enable inclusivity, economic development and national security. This annual performance target is also measurable according to the SMART principles.

**Table 8: Programme 1 Performance indicators and annual targets**

|  |  |  |  |
| --- | --- | --- | --- |
| **Strategic Outcome: Secure and efficient management of citizenship and civil registration to fulfil constitutional and international obligations** | | | |
| **Output** | **Output Indicator** | **Estimated Performance 2021/22** | **Annual Target 2022/23** |
| Table Marriage Bill in Parliament | The tabling of the Marriage Bill in Parliament for processing of Bill. | Marriage Policy submitted to Cabinet for approval. | Marriage Bill submitted to Cabinet for approval and for public consultations. |

Source: DHA APP (2022)

The legislation that regulates marriages in South Africa has been developed without an overarching policy that is based on constitutional values (e.g. equality, non-discrimination and human dignity) and

the understanding of modern societal dynamics. Instead of creating a harmonised system of marriage in South Africa, the state has sought to give recognition to different marriage rituals through passing

a range of different marriage laws.

Despite all the changes that have been made in the marriage legislation post-1994, there are still serious gaps in the current legislation. For instance, the current legislation does not regulate some religious marriages, such as the Hindu, Muslim and other customary marriages practised in some African or royal families. Furthermore, given the diversity of the SA population, it is virtually impossible to pass legislation governing every single religious or cultural marriage practice. It is against this background that the DHA is embarking on the process of developing a marriage policy that will lay a policy foundation for drafting a new single or omnibus legislation.

**Table 9: Programme 1 Performance indicators and annual targets**

|  |  |  |  |
| --- | --- | --- | --- |
| **Strategic Outcome: Secure management of international migration resulting in South Africa’s interests being served and fulfilling international obligations** | | | |
| **Output** | **Output Indicator** | **Estimated Performance 2021/22** | **Annual Target 2022/23** |
| Tabling of the OSBP Bill in Parliament | Tabling of the OSBP Bill in Parliament for processing of Bill | One-Stop-Border-Post (OSBP) Policy gazetted for public comments | OSBP Bill submitted to Cabinet for approval for public consultation |

Source: DHA APP (2022)

The OSBP concept refers to the legal and institutional framework, facilities and associated procedures that enable goods, people and vehicles to stop once whereby they undergo necessary controls following applicable regional and national laws to exit one state and enter the adjoining state. This is contrary to a traditional two-stop border post concept whereby entry/ exit procedures are carried out

on both sides of the border for persons, vehicles and goods. The DHA plans to have the OSBP Bill submitted to Cabinet for approval and for public consultation by the end of the current financial year.

**Programme 2 Civic Affairs**

The Civic Affairs branch has achieved five (5) out of the planned six (6) annual targets during the 2020/21 financial year, which translates to an 83% annual target performance achievement. In this financial year, the Civic Affairs programme did not achieve 17% of its annual targets. Compared to the previous financial year (2019/20), when it achieved two (2) out of three (3), the 2020/21 performance improved by 16%. However, the 83% target achievement in 2020/21 financial year is lower when compared to the 2018/19 financial year when it achieved 100% of its annual targets.

**Figure: 3 Years annual target performance (2017/18 -2019/20)**

Source: DHA, adapted by Research Unit

Table 11 below provides the analysis of Programme 2 outputs indicators and targets for the 2022/23 financial year. Programme 2 (Civic affairs) strategic outcome is **to secure and efficiently manage citizenship and civil registration to fulfil constitutional and international obligations**. The Civic Affairs branch has four output indicators and four annual targets for the 2022/23 financial year.

All indicators on programme 2 comply with the SMART principle. As depicted in table 11 below, the first three output indicators remain the same as the two previous financial years, but the last indicator is a new indicator in the programme.

**Table 11: Programme 2 performance indicators and annual targets**.

|  |  |  |  |
| --- | --- | --- | --- |
| **Output Indicator** | **Annual Target Achievement 2020/21** | **Estimated Target Achievement for 2021/22** | **Annual Target 2022/23** |
| Number of birth registered within 30 days | 845 253 | 700 000 | 750 000 |
| Number of smart ID cards issued to citizens (including naturalised and holders of permanent residence permits) 16 years of age and above | 1 233 683 | 1 600 000 | 2 200 000 |
| Percentage (%) of machine-readable adult passports (new live capture) issued within 13 working days (from date of receipt of the application until the passport is scanned at the office of application) | 91.79% | 90% | 90% |
| Percentage (%) of machine-readable passports for children (new live capture system) issued within 18 working days per year for applications collected and processed within the RSA (from date of receipt of application until the passport is scanned at the office of application) | N/A | **New Performance Indicator** | 90% |

Source: DHA APP (2022)

For the 2022/23 financial year, the programme has revised up its annual targets from registering 700 000 to 750 000 births within 30 calendar days. This lower target in the previous financial year was due to COVID-19, but it has accordingly been revised upwards as lockdown restrictions have been suspended. As a result, the DHA estimates that it would comfortably achieve and exceed the last financial year's annual target by at least 51 000 birth registration; hence the target was increased.

Before COVID-19 in 2018/19 financial year, Programme 2 usually planned to issue 3 million smart identity documents. However, this target was revised downwards in the 2020/21 financial year to issuing only 700 000 smart IDs and 1.6 million in 2020/21 as the department was navigating through different levels of lockdown restrictions. For the 2022/23 financial year, the DHA annual target is to issue 2 200 000 (2.2 million) Smart ID’s.

Programme 2 had also planned 90% of machine-readable adult passports to be issued within 13 working days in the pre-COVID-19 era, but this annual target was revised downward to 70% due to the aforementioned pandemic. For the current financial year, the DHA has accordingly returned to the annual target of producing 90% of machine-readable adult passports within 13 working days.

The new performance indicator for this Programme is the issuance of 90% machine-readable passports for children (a new live capture system) issued within 18 working days per year for applications collected and processed within the RSA (from the date of receipt of the application until the passport is scanned at the office of application).

**Programme 3 Immigration Affairs**

Strategic outcome is to secure and efficient management of international migration resulting in South Africa’s interests being served and fulfilling international commitments. Unlike in 2021/22, when the programme had five output indicators, it has four output indicators for the 2022/23 financial year (see table 13 below).

As reported in the Department Annual Report for 2020/21, the Immigration Affairs programme was the least performing branch. It planned ten (10) annual performance targets for 2020/21, achieving only five (5) targets. This translates to 50% target achievement. Compared to the three previous years, the Immigration Affairs branch achieved 100% during 2019/20, 90% in 2018/19 and 78% in 2017/18.

**Table 13: Programme 3 Immigration: Strategic Outcomes and Annual Targets**

|  |  |  |  |
| --- | --- | --- | --- |
| **Output** | **Output Indicator** | **Estimated Performance 2021/22** | **Annual Target 2022/23** |
| Enforcement of compliance of departmental legislation through law enforcement operations/inspection | Number of law enforcement operations/inspections conducted to secure compliance with immigration legislation | 220 | 540 |
| Permanent residence permits are adjudicated according to set standards | Percentage (%) of permanent residence applications adjudicated within 8 months for applications collected within the RSA(from date of receipt of the application until outcomes is in scan at VFS Centre-office of application) | 85% | 85% |
| Temporary residence visas adjudicated according to set standards | Percentage (%) of critical skills visas adjudicated within 4 weeks for application processed within the RSA (from date of receipt of application until outcomes is in scan at VFS Centre-office of application) | 85% | 95% |
| Percentage (%) of business and general work visas adjudicated within 8 weeks for application process within the RSA (from date of receipt of application until an outcome is in scan at VFS Centre-office of application) | 90% | 90% |

**Source: DHA APP (2022)**

For 2021/22, the Department set an annual target of 220 law enforcement operations/inspections. However, this target has been revised and increased to 540 law enforcement operations for the current financial year. The purpose of the indicator is to ensure that undocumented persons are detected (that South Africans or businesses do not illegally employ foreign nationals and that all persons in South Africa are here on a lawful basis as per departmental legislation). The indicator is intended to ensure that those who work illegally (with no correct visas or immigration permits to do so) or employ such persons in violation of legislation or are here illegally are either charged or deported. The target also aims to ensure that other persons encountered, for example, during inspections or roadblocks, are here lawfully. In short, the target seeks to locate or trace illegal foreign nationals in South Africa and ensure that the resulting enforcement, be it prosecution or deportation, is undertaken.

The Department plans to have 85% of permanent residence visas adjudicated within eight months for applications collected within South Africa. This is from the date of receipt of application until the outcome is in scan at VFS Centre – office of application). The permanent residence visas referred to here are the Critical Skills (s27b); General Work (s26a), and Business Visas (s26c).

In addition, the Department also targeted 85% and 90% of critical skills and business visas adjudicated within four weeks and eight weeks of application. These visas should have been applied within the country, and the application process is facilitated through the VFS. All the performance indicators comply with the SMART principles and are measurable**.**

**Programme 4: Institutional Support and Transfers**

The Institutional Support and Transfers appears for the first time as a stand-alone programme. Funding of the BMA was budgeted for in Programme 1, while the Electoral Commission and Represented Political Parties fund was previously planned and budgeted for in Programme 2, the *Institutional Support* sub-programme. The purpose of this new programme is to transfer funds to the Electoral Commission and Represented Political Parties Fund, which manages national, provincial and local government elections to ensure those elections are free and fair. The programme will also transfer funds to the BMA to ensure South Africa’s borders are effectively defended, protected, secured, and well-managed.

**Table 15: Programme 4 Immigration: Strategic Outcomes and Annual Targets**

|  |  |  |  |
| --- | --- | --- | --- |
| **Output** | **Output Indicator** | **Estimated Target Performance for 2021/22** | **Annual Target 2022/23** |
| Border Management Authority (BMA) established as a Schedule 3A National Public Entity. | BMA fully established  by 2023/24. | BMA Commissioner and Deputy Commissioners.  Appointed BMA incubated as a Branch within DHA Implementation protocol between BMA and SARS signed Implementation Protocol between BMA and Defence signed. | BMA incrementally established through the submission of pre-listing documents to National Treasury. |
| BMA rolled out at selected ports of entry, designated segments of the land border law enforcement area and community crossing points. | Number of ports of entry with BMA rollout per year. | BMA rolled out in phases along 5  segments of the land border law enforcement area: (RSA/ Zimbabwe; eManguzi; Skukuza;  KZN/ eSwatini; and Mpumalanga/  eSwatini) BMA rolled out to 1 community crossing point (Tshidilamolomo). | BMA rolled out at 46 ports of entry by incorporating frontline Immigration, Port  Health, Agriculture and Access Control functions into the BMA. |
| Number of land border law enforcement area segments with Border Guard per year. | BMA rolled out in phases along 3 segments of the land  border law enforcement area  (Border Guard). |
| Number of community crossing points with BMA rollout per year. | N/A |
| Responsibility for facilities management at land ports of entry transferred to BMA. | BMA assumes responsibility for facilities management at 31 identified land ports of entry. |
| **Output** | **Output Indicator** | **Estimated Target Performance for 2021/22** | **Annual Target 2022/23** |
| Six priority land ports of entry redeveloped as part of a public-private partnership (PPP). | Status of construction for the redevelopment of the six (6) land ports of entry. | Request for Proposal (RfP) for the six land ports of entry issued to the market. | Financial and contractual closure reached with bidders in respect of land development of 6 priority land ports of entry. |

Source: DHA APP (2022)

The BMA Act (No 2 of 2020) has finally assented into law, and it was effected as of 1 January 2021. The annual target for the 2021/22 financial year was to incrementally roll out BMA to 11 land ports of entry by integrating frontline immigration personnel, port health, etc. The Department envisages that the BMA will be fully implemented and operational by the end of the 2023/24 financial year. However, for the 2022/23 financial year, the main annual target is incrementally established by submitting pre listing documents to the National Treasury.

In line with the BMA roll-out and the African Continental Free Trade Agreement (ACFTA), the Department is planning to develop and upgrade six of the six land borders in a project known as the One-Stop Border Post (OSBP). The annual target in terms of the OSBP in the previous financial year was to issue a OSBP Policy for public comments and finalise the contractual agreements with the contracted bidders. For the 2022/23 financial year, the annual target is to ensure that financial and contractual agreements are concluded with the appointed

bidders.

# 2. THE ELECTORAL COMMISSION

The Electoral Commission of South Africa (also known as the Independent Electoral Commission (IEC)) is South Africa’s electoral management body. The IEC is an independent organisation established under Chapter 9 of the Constitution of South Africa. The IEC is underwritten by the Electoral Commissions Act (No 51 of 1996). In terms of Section 190 (1) of the Constitution, the IEC must manage elections at national, provincial and municipal legislative bodies in accordance with the national legislation, ensure that those elections are free and fair, and declare the results of those elections within a period that must be prescribed by national legislation and that is as short as reasonably possible.

Section 5 of the Electoral Commission Act (No 51 of 1996) outlines the duties and functions of the IEC. This includes managing elections; ensuring that elections are free and fair, promoting conditions conducive to free and fair elections, promoting knowledge of sound and democratic elections processes and compiling; maintaining a register of parties; compile and maintaining a voters roll to mention but a few examples.

This brief aims to provide a summary and analysis of the budget and Annual Performance Plan (APP) of the IEC for the 2022/23 financial year. In order to provide context to this analysis, the paper commences by outlining the IEC’s strategic objectives and then provides a brief analytical overview of the 2020/21 performance.

* 1. **Policy priorities for the Electoral Commission for 2022/2023**

For the 2020 to 2025 Medium Term Strategic Framework (MTSF), the IEC focuses on the following key policy priorities:

* Strengthen the regulatory space in relation to the requirements for electoral participation;
* Place South Africa’s electoral democracy on the cutting edge of digital innovation with a view to increase voter convenience;
* Increase public confidence in electoral outcomes;
* Work with partners in electoral democracy to increase voter participation, especially among the youth;
* Assess the viability of composite elections in the Republic; and
* Anticipate and provide advice in relation to the national policy debate on the electoral system.

In line with the constitution, legislation and the MTSF priority areas, the IEC has developed several strategic outcome-oriented goals in order to ensure delivery in terms of these priority areas. The following are the entity’s four strategic outcomes:

* Strengthened institutional effectiveness;
* Free and fair elections of representatives delivered;
* Informed and engaged citizens and stakeholders in electoral democracy; and
* Contributed to the enhancement of the transparency in elections and party funding.
  1. **Overview of the Electoral Commission performance during 2020/21**

The IEC’s performance for the 2021/2022 financial year will be contained in its Annual Report, which is expected to be tabled in Parliament in September 2022. Therefore, a brief overview of the performance of the IEC for 2020/21 is provided below.

Tracking the progress on set targets and strategic goals (outputs) of the entity is essential to determine how well it functions in attaining constitutional and legislative mandates for the benefit of society. Providing this snapshot overview assists Parliament with information to hold the Electoral Commission executives accountable, where omissions or underperformance are identified.

**The Electoral Commission 2020/21 Performance**

The table below provides an overview of the IEC performance during 2020/21. This section should indicate the IEC’s capacity and ability to achieve its set targets for the financial year.

**Table 1: The IEC Annual Target Performance for 2020/21**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **Strategic Outcome-oriented Goal** | **Target**  **number** | **targets achieved** | **not achieved** | **Achieved** |
| **Programme 1:**  **Administration** | Goal 1: Strengthening governance, institutional excellence, professionalism and enabling business processes at all levels of the organisation | 4 | 3 | 1 | 75% |
| **Programme 2:**  **Electoral Operations** | Goal 2: Achieving pre-eminence in the area of managing elections and referenda, including the strengthening of a cooperative relationship with political parties. | 3 | 1 | 2 | 33% |
| **Programme 3:**  **Outreach** | Goal 3: Strengthening electoral democracy | 5 | 3 | 2 | 70% |
| **Programme 4:**  **Party Funding** | Goal 4: Contribute to the enhancement of transparency in elections and party funding democracy | 2 | 2 | 0 | 100% |
| **Total** | | **13** | **9** | **5** | **69%** |

The table above provides an overview of the IEC performance during 2020/21. During the year under review, the IEC set 13 annual performance targets over its four programmes. Of these total targets, it managed to achieve nine (9) annual targets, translating into an achievement rate of 69%. However, the IEC was not successful in delivering five (5) or 21% of its targets. The best performing programme was the Party Funding Programme, which achieved 100% of its targets. Programmes 1 and 3 achieved 75% and 60%, respectively. In contrast, Programme 2 (Electoral Operations) achieved only 1 (one) of its three targets, translating into 33% annual performance target achievement. *It should also be noted that the Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-COV-2) commonly known as COVID-19 had significantly affected the year under review (2020/21), but in the main, the IEC annual target performance has been stagnant in the past five years as illustrated in figure 1.*

**Figure 1: Electoral Commission’s Annual Target performance (2016/17 to 2020/21)**

Source, Adapted by Research Unit

The figure above illustrates that the IEC’s overall performance has stagnated over the past five years, averaging 71.4 %. In the past five years, the entity’s best performance was in 2017/18 when it achieved 80%, and its lowest performance was during 2020/21 when it only achieved 69% of its set annual targets. The 2020/21 annual target performance shows a 5% decline compared to the previous financial year (2019/20).

* 1. **Summary and analysis of the IEC 2022/23 budget allocation per programme**

**Table 2: IEC Budget Allocation 2022/23**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Programme | Budget | | | Nominal Increase/ Decrease in 2022/23  Rand) | Real Increase/ Decrease in 2022/21  (Rand) | Nominal Percent change in 2022/23 | | Real Percent change in 2022/23 |
| (R’000) | **2021/22** | | **2022/23** |
| Programme 1:Administration | 840,0 | | 838,9 | -1,1 | -37,2 | -0,13% | | -4,43 % |
| Programme 2: Electoral Operations | 1 905,0 | | 781,3 | -1 123,7 | -1 157,3 | -58,99 % | | -60,75% |
| Programme 3: Outreach | 327,9 | | 162,2 | -165,7 | -172,7 | -50,54 % | | -52,67 % |
| Programme 4: Party Funding and Liaison | 51,7 | | 25,0 | - 26,7 | - 27,8 | -51,64 % | | -53,73% |
| TOTAL | **3 126,1** | | **1 807,9** | **-1 318,2** | **-1 396,1** | **-42,2%** | | **-44,66%** |
| *Nominal Increase/Decrease* | | ***Is when inflation is not taken into account*** | | | | |
| *Real Increase/Decrease* | | ***Is when inflation is taken into account*** | | | | |

Source: National Treasury (2022)

For the 2022/23 financial year, the Electoral Commission is allocated a budget of R1.8 billion shared amongst its four programmes. This allocation significantly decreases by R1,3 billion (42,2) in nominal terms and R1.4 billion (44,66%) in real terms. It should be noted that the previous financial year budget was significantly higher due to the Local Government Elections held during November 2021.

**Programme 1: Administration’s** budget has decreased from R 840 million in the previous financial year (2021/22) to R 838 million in the current financial year (2022/23). In real terms, when inflation is considered, the budget of this programme has decreased by R 37. million (or 4.2%). **Programme 2: Electoral Operations** also receive a budget cut from R1.9 billion in the previous financial year to R781,3 million in the current financial year. This budget decrease translates to 60.7% (R1.15 billion) in real terms. As indicated, the significant budget decreases compared to the previous financial year were due to the Local Government Elections.

Both **Programme 3 and 4** receive decreased allocation for 2022/23. Programme 3 budget declines from the previous financial year allocation of R 327.9 million to R 162.2 million in the current financial year. In real terms, Programme 3 budget receives the most reduced budget in percentage terms by R172,2 million (52,6%). Programme 4’s budget is reduced by 53.7%, from R51.7 million in the previous financial year to R25 million in the current financial year.

**Programme 1: Administration Budget Analysis**

The Administration programme’s primary purpose is to achieve the strategic outcomes of strengthening institutional effectiveness at all levels of the organisation. This programme is comprised of three sub-programmes, namely, Management, Corporate Services and Financial Management.

Budget allocation under this programme is directed at supporting the IEC's strategic management and core business. As alluded, Programme 1: Administration’s budget has decreased from R 840 million in the previous financial year (2021/22) to R 838 million in the current financial year (2022/23). In real terms, when inflation is considered, the budget of this programme has decreased by R 37. million (or 4.2%).

**Table 3: Programme 1 Budget**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Programme | Budget | | Nominal Increase/ Decrease in 2022/23  Rand) | Real Increase/ Decrease in 2022/23  (Rand) | Nominal Percent change in 2022/23 | Real Percent change in 2022/23 |
| (R’000) | **2021/22** | **2022/23** |
| Compensation of Employees | 214,8 | 230,4 | 15,6 | 5,7 | 7,26 % | 2,64% |
| Goods and Services | 521,0 | 560,7 | 39,7 | 15,6 | 7,62 % | 2,99% |
| Depreciation | 29,4 | 47,7 | 18,3 | 16,2 | 62,24 % | 55,26% |
| TOTAL | **756,2** | **838,8** | **73,6** | **37,5** | **9,6%** | **4,90%** |

Source: Electoral Commission (2022)

The programme’s cost drivers are primarily made of goods and services, ensuring that ICT costs and office accommodation are catered for. The ICT is made mainly of professional services to maintain the security and integrity of the data held at the IEC. The office accommodation consists of the cost of the National IEC head office, nine provincial offices, 10 warehouses and 213 local electronic offices.

The Goods and services’ budget item increases from R 521 million in the previous financial year 2021/22 to R 560.7 million in the 2022/23 financial year. This is a real increase of R 15.6 million (or 2.99%). Similarly, compensation of employees’ budget item under programme 1 increases by 2.64% (R 5.7 million) in real terms from the 2021/22 allocation of R 214.8 million to R 230.4 million in the current financial year. The increases in the compensation of employees is mainly due to salary increases. Costing of remuneration of employees includes salary packages, reimbursement of travel claims, cell phone allowances, overtime claims and employer contributions.

**Programme 2: Electoral Operations Budget Analysis**

The purpose of this programme is to focus on the strategic outcome of managing and delivering free and fair elections. The expenditure under this programme increases significantly in an election year compared to a non-election year mainly due to the cost of voting station infrastructure, logistical arrangements, recruitment, appointment and training of staff appointed at voting stations during main registration drives and elections.

The Electoral Operations programme is allocated a budget of R 781.3 million for the 2022/23 financial year. The budget has been decreased by R 571.6 million (43.44%) in real rand value terms from the previous financial year allocation of R 1.3 billion. The goods and services budget item on this programme decreases from R 638.7 million to R 147.1 million in the current financial year. This decrease is equivalent to R 491.6 million (or 76,7%) in nominal terms and R 497,9 (77,96%) in real terms. Similarly, the compensation of employees under programme 2 also decreases from R 609.9 million to R 571.2 million in 2022/23 financial year. The decrease translates to R 63.3 million (or 10.3%) in real terms.

**Table 4: Programme 2 Budget Allocation**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Programme | Budget | | Nominal Increase/ Decrease in 2022/23  Rand) | Real Increase/ Decrease in 2022/23  (Rand) | Nominal Percent change in 2022/23 | Real Percent change in 2022/23 |
| (R’000) | **2021/22** | **2022/23** |
| Compensation of Employees | 609,9 | 571,2 | - 38,7 | -63,3 | -6,35 % | -10,38 % |
| Goods and Services | 638,7 | 147,1 | -491,6 | -497,9 | -76,97% | -77,96% |
| Depreciation | 70,7 | 63,0 | -7,7 | -10,4 | -10,85% | -14,69% |
| TOTAL | **1 319,3** | **781,3** | **-583,0** | **-571,6** | **-40,8** | **-43,33** |

Source: Electoral Commission (2022)

**Programme 3: Outreach Budget Analysis**

Budget allocation under this programme is directed at informing and educating civil society on democracy and electoral processes. Expenditure normally peaks during the registration and election period, when the Civic and Democracy Education and communication peak. The IEC intends to conduct serious voter education campaign ahead of the 2024 National General Elections, starting from the current financial year.

**Table 5: Programme 3 Budget Allocation**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Programme | Budget | | Nominal Increase/ Decrease in 2022/23  Rand) | Real Increase/ Decrease in 2022/23  (Rand) | Nominal Percent change in 2022/23 | Real Percent change in 2022/23 |
| (R’000) | **2021/22** | **2022/23** |
| Compensation of Employees | 108,4 | 82,6 | -25,8 | -29,3 | -23,76% | -27,05% |
| Goods and Services | 93,5 | 79,5 | -14,0 | -17,4 | -14,94% | -18,60% |
| TOTAL | **201,9** | **162,2** | **-39,7** | **-46,7** | **-19,7%** | **-23,12%** |

Source: Electoral Commission (2022)

The budget for the outreach programme decreases in both nominal and in real value terms from R 201.9 million in 2021/22 to R 162.2 million in 2022/23. This translates to a budget decrease of R46.7 million (23.1%) in real terms. Under programme 3, the compensation of employees significantly decreases from R 108.4 million to R 82.6 million in the current financial year. These budget cuts translate to R 29.3 million (27.05%) in real terms. The goods and services under programme 3 decreases from R 93.5 million in the previous financial year to R 79.5 million in the current financial year, thus translating to R17.4 million (18.6%) budget decrease in real terms.

**Programme 4: Party funding**

Programme 4 is a new additional branch to the IEC 2020-25 Strategic Plan. The programme is intended to focus on the strategic outcome of contributing to the enhancement of transparency in elections and party funding. For 2021/22, this programme was allocated R 21.9 million, but its budget increased to R 25 million in the current financial year. The biggest cost driver in this programme is goods and services line item that has been allocated R 16.3 million in the current financial year from the R 13.7 million allocation in the previous financial year. This translates into a budget increase of R 2.6 million (18.61%) if inflation is not considered but R1.9 million (13.51%), when inflation is taken into consideration. Compensation of employees’ budget item under this programme has increased in real terms by R 0.2 million from the previous year allocation of R 8.2 million.

**Table 6: Programme 3 Budget Allocation**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Programme | Budget | | Nominal Increase/ Decrease in 2022/23  Rand) | Real Increase/ Decrease in 2022/23  (Rand) | Nominal Percent change in 2022/23 | Real Percent change in 2022/23 |
| (R’000) | **2021/22** | **2022/23** |
| Compensation of Employees | 8,2 | 8,7 | 0,5 | 0,2 | 6,59 % | 2,00% |
| Goods and Services | 13,7 | 16,3 | 2,6 | 1,9 | 18,61 % | 13,51% |
| TOTAL | **21,9** | **25,0** | **3,1** | **2,0** | **14,2%** | **9,24%** |

Source: Electoral Commission Presentation (2022)

* 1. **Analysis of the IEC annual performance plan per programme**

The IEC has set out several strategic priorities in the Strategic Plan for 2020-2025, as well as a set of planned annual targets contained in the APP for 2022/23. This section provides an analysis of the annual targets for the 2022/2023 financial year as per IEC’s APP.

**Programme 1: Administration**

While programme 1 strategic outcome remains the same, the number of targets decreases remains the same as in the 2021/22 financial year.

**Table 7: Programme 1 annual targets performance indicators**

|  |  |  |  |
| --- | --- | --- | --- |
| Strategic Outcome: | outputs | Output Indicator | Annual target |
| Strengthened institutional effectiveness | Exercise leadership and governance, monitoring and evaluation to ensure the effective implementation of IEC’s core mandate, strategic outcomes and outputs, aligned with the corresponding budget allocations and risks compliance | Number of quarterly reviews of the strategic risk register by the Executive Risk Management Committee within 30 days after the start of the next quarter. | 4 |
| Provide a cutting-edge, stable, secure ICT environment that meets all functional needs of the Electoral Commission and supports innovative business processes. | Minimum annual percentage network and application systems availability measured in hours system-generated report available. | 97% of 2 214 hours’ achievement |
|  | Number of funded positions filled per annum | 95% of 938 posts calculated pro-rata over the year |
| Effectively manage financial resources in compliance with legislation | Obtain a clean audit outcome from the annual external audit process **(New indicator)** | Obtain a clean audit |

Source: IEC Presentation (2022)

Programme 1 has a standard annual target of producing 4 quarterly reports as required by National Treasury regulations for all government departments and entities. In order to keep the IEC operations at an optimal level, the IEC annual target is to ensure that at least 97% of the 2 214 working hours are accounted for in terms of network and system availability. The Human Resource Unit also intends to ensure that at least 95% of the total 1 113 positions at the IEC are filled at all times. The IEC also intends to obtain a clean audit outcome from the external auditors.

**Programme 2: Electoral Operations**

**Strategic objective:** Manage free andfair elections striving for excellence at voting station level; ensuring accessibility and suitability of voting facilities and processes; managing results; maximising electoral justice for all stakeholders in the electoral process; enhancing the credibility of the voters roll; ensuring compliance with legal prescripts; and continuously improve the legislative framework.

**Table 8: Programme 2 annual targets performance indicators**

|  |  |  |  |
| --- | --- | --- | --- |
| Strategic Outcome: | outputs | Output Indicator | Annual target |
| Free and Fair Elections Delivered | Manage free and fair elections in accordance with the applicable electoral timetables to ensure the efficient and credible execution of the mandate of the Electoral Commission | Number of elections set aside | 0 (none) |
| Maintain a credible national common voters’ roll that is enabled by cutting-edge technology | Number of registered voters as of 31 March of each year | 26 180 000 |

Source: IEC APP (2021)

Programme 2: Electoral Operations is the branch that ensures that the IEC’s constitutional mandate of managing free and fair elections is achieved. As a result, one of the programme’s output indicators and the annual target is to ensure that none of the elections it organises is set aside. In addition, the IEC has a responsibility to ensure that all adult citizens that are eligible to participate in the elections in all spheres of government do. Consequently, the IEC’s annual target for 2022/23 is to ensure that at least 26.1 million adult citizens are registered on the voters' roll. The target of the number of registered voters has been revised down by 360 000.

**Programme 3: Outreach**

The primary purpose of the Outreach is to focus on the strategic outcome of informing and engaging citizens and stakeholders in electoral democracy. This programme has 5 output indicators and 5 annual targets for the 2022/23 financial year. The programmes strategic outcomes and annual targets are summarised below:

**Table 9: Programme 3 annual targets performance indicators**

|  |  |  |  |
| --- | --- | --- | --- |
| Strategic Outcome: | outputs | Output Indicator | Annual target |
| Informed and engaged citizens and stakeholders in electoral democracy | Provide impactful and research and thought leadership to strengthen electoral democracy | The number of research initiatives achieved per annum | 3 |
| The number of thought leadership interactions achieved per annum (new indicator) | 10 |
| Actively promote and foster awareness and participation in the electoral process through civic and democracy education programmes | The number of CDE events held per annum | 24 000 |
| Interact with domestic, regional and international stakeholders to build an understanding of the Electoral Commission’s role in delivering credible elections | Number of meetings Electoral Commission hold with key stakeholders per annum **(New Indicator)** | 10 |
| Informed and engaged citizens and stakeholders in electoral democracy | Advance and promote electoral processes through communication campaigns on diverse platforms to sustain visibility across the electoral cycle. | Recorded reach across multimedia communications platforms (digital, television, print, radio and out-of-home) | Digital (all social media and online content: Facebook ad to reach – 35 million impressions  Twitter ad to reach – 2 million. YouTube ad views – 2 million WhatsApp – New  Google Ad words – 2 million impressions  SMSs sent – 2 million Please Call Me – 150 million) Television: 6 million viewers Radio: 5 000 000 listeners Print: 6 million readers  Out of home (150 billboards, 180 000 street pole posters,  2 000 transit TV screens, commuter  transport – 20 long-distance buses |

The IEC has sets itself a target of producing 3 research initiatives per annum, up from the target of 2 research initiatives in the previous financial year. This annual target has been reduced from the 4 annual research initiatives during 2016/18 until 2019/20. In addition, the programme plans to conduct 10 thought leadership initiatives in the current financial year, this target is the same as the previous financial year.

**Programme 4: Party Funding**

Programme 4 is a new programme that is responsible for managing the political party funding. This programme focuses on the strategic outcome of contributing to the enhancement of transparency in the elections. The programme manages party funding and donations in compliance with legislation and strengthens cooperative relationship by providing consultative and liaison platforms between the IEC and political parties and candidates, using systems, people and sustainable processes.

Programme 4 also provides effective management of the registration of political parties and processing of the nomination of candidates for various electoral events. The programme’s annual targets are summarised below:

**Table 10: Programme 4 annual targets performance indicators**

|  |  |  |  |
| --- | --- | --- | --- |
| Strategic Outcome: | outputs | Output Indicator | Annual target |
| Contributed to the enhancement of transparency in elections and party funding | Manage party funding in compliance with relevant legislation | Number of disbursements to represented parties per annum | At least 4 (one per quarter) |
| Manage Party Funding in compliance with relevant legislation | Number of publications of declarations by political parties and private donors | 4 |
| Provide consultative and cooperative liaison platforms between the Electoral Commission and stakeholders and potential contributors to promote funding of multi-party democracy. | Number of liaison sessions held with stakeholders and potential contributors to multi-Party Democracy Fund | 10 |

Source: IEC APP (2022)

The outputs and indicators covered under this programme support Outcome 4, which aims to achieve enhanced transparency in elections and party funding and its associated indicator, which aims to monitor and report progress made over the planning period. All these outputs and associated indicators will not only assist in achieving Outcome 4 but also the impact statement of ensuring free and fair elections.

# 3. THE GOVERNMENT PRINTING WORKS (GPW)

Government Printing Works facilitates implementation of the legislation that governs the production and management of identification, citizenship and travel, which are developed by the Department of Home Affairs.

GPW contributes towards achievement of the objectives of the National Development Plan (NDP, Vision 2030) and strives to make a significant contribution to the national outcomes of government including the following:

* Outcome 03: All people in SA are and feel safe
* Outcome 11: Create a better South Africa, contribute to a better and safer Africa and a better world.
* Outcome 12: An efficient, effective and development oriented public service.
* Outcome 04: Decent employment through inclusive economic growth.
* Outcome 05: A skilled and capable workforce to support an inclusive growth path.

GPW aligns its work to the majority of apex Government priorities particularly the four that DHA directly contributes to, as highlighted below:

* Economic transformation and job creation (Outcome 4)
* Education, skills and health
* Consolidating the social wage through reliable and quality basic services
* Spatial integration, human settlements and local government
* Social cohesion and safe communities (Outcome 3)
* Building a capable, ethical and developmental State (Outcome 12)
* A better Africa and world (Outcome11)

**3.1 GPW 2022/23 Budget**

Over the medium term, the entity will focus on completing the refurbishment of its head offices and completing its master plan project, which involves building a new precinct to accommodate all its machinery. The completion of the master plan project is estimated to cost R1.2 billion over the medium term, while refurbishment of the head offices is estimated to cost R49 million over the same period. Accordingly, expenditure is expected to increase at an average annual rate of 7.2 per cent, from R1.4 billion in 2021/22 to R1.7 billion in 2024/25. The entity is set to generate 97.1 per cent (R4.8 billion) of its revenue over the MTEF period through its business operations, increasing at an average annual rate of 7.2 per cent, from R1.5 billion in 2021/22 to R1.8 billion in 2024/25.

Unlike in previous years, the GPW included only one slide on the budget (compared to 4 in 2021) and again does not provide an overview in the presentation of budget by branch/programme but rather only divided into Administration versus Operations/Production. This makes comparative analysis specific performance almost impossible.

**Table 2: GPW Budget Allocation 2021/22**

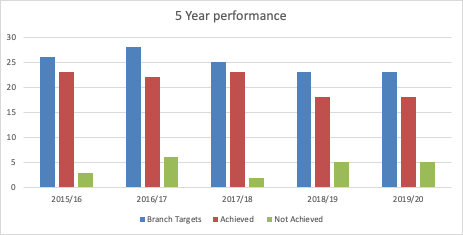
|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | | **Nominal Increase/ Decrease in 2021/22**  **Rand)** | **Real Increase/ Decrease in 2021/22**  **(Rand)** | **Nominal Percent change in 2021/22** | **Real Percent change in 2021/22** |
| **(R000’000)** | **Revised**  **2021/22** | | **2022/23** |
| Administration | 437 | | 413.5 | -23.5 | -47 | -5.5% | -10.7% |
| Operations & Production | 913.8 | | 875.2 | -38.6 | -87 | -4.2% | -9.5% |
| **TOTAL** | **1350.8** | | **1288.7** | **62.1** | **134** | **-4.6%** | **-9.92%** |
| ***Nominal Increase/Decrease*** | | ***Is when inflation is not taken into account*** | | | | |
| ***Real Increase/Decrease*** | | ***Is when inflation is taken into account*** | | | | |

When looking at the budget allocation for 2022 compared to 2021, the GPW receives a total of R62.1 million less this year (-4.6%). When factoring in inflation of 5.3% this equates in real terms to R134 million less (-9.92%). The administration budget item receives a slightly larger percentage cut than operations. Over the medium term (3 years) expenditure is due to grow at an average of only 2% above inflation (7.2% before inflation).

**3.2 GPW 2022/23 Annual Performance Plan**

GPW’s APP 2021/22 has a total of 18 performance targets, with critical targets aligned to the Strategic Plan, to ensure that all outcomes and desired impacts are achieved. It should be noted that the financial years 2018/19 and 2019/20 have had similar performance outcomes in terms of the number of targets that were set (23) and achieved (18), averaging 78%. GPW has had challenges in terms of the completion of the construction project, referred to as a masterplan project. These challenges are among other reasons attributed to dependencies of the project, the project size and level of expertise required.

The other challenge relates to governance in terms of obtaining a clean audit opinion. While in pursuit of our strategic targets, GPW will continue to put measures in place to improve our internal controls environment. This will be achieved through application of good governance principles and implementation of audit recommendations. The post audit action plan and other mechanism will be developed and monitored in order to reduce occurrences of irregular expenditure and other compliance gaps that impact on GPW’s governance. The table below outlines various products that were produced in the last five years. These figures reflect that the production of security and para-security documents has increased between 2015 and 2018 (with exception of the green barcoded id). There has been a steady demand in the production of passports with an increase of 17% when comparing financial years 2015/16 and 2019/20.



The GPW retains the same number of targets per branch/ budget programme as in 2021/22 but these targets have shifted around as follows. An issue that pertains to all targets is that only Estimated Performance is given for the year 2021/22, unlike in previous Annual Performance Plans where the last 2 years of actual performance are given as a baseline for current targets. This is due to the late submission of the GPW annual report which is due to be tabled in May (8 Months late). The question is whether there is sense in updating the APP on the previous years achieved targets and when it is that the final annual will be available.

**Branch 1 Office of the CEO (3 performance targets)**: The CEO is the Accounting Officer for GPW, responsible for strategic direction and the overall effective, efficient and compliant functioning of the organisation. Both the Information Communications Technology (ICT) as a business enabler, and Internal Audit as an independent assurance provider that assists management to achieve their strategic objectives reside within the office of the CEO.

* The 2021 target of “Effective and efficient internal corporate governance to enable organisational performance” relating to internal audit has changed its wording to “Independent and objective assurance and consulting services provided.” It is not clear how internal auditing related to consultants.
* Another issue in this branch is that “ICT server uptime availability maintained” is set the target of 95.5% up time whereas achievement has been 98 and 99% in the last two years. It appears as if the target has been set too low and it not clear why.
* The question here is also if the investigations involving the CEO have impacted on the planning, performance and monitoring of targets in the organisation.

**Branch 2 Operations and Production (5 performance targets):** Conducts market, production and technology research and development; the management of production operations; planning and business development; the production of high security printed matter and related services; processing and publishing of the Government eGazette, ensuring that a healthy and safe working environment is provided and to maintain the GPW’s production equipment in a state of readiness.

* In contrast to the second bullet above the target “99% of High Security Certificates delivered that conform to client specifications” 98.7%.
* The APP indicates that Customer engagement sessions will be put in place to ensure continuity of business with our customers, whilst ensuring that there is requisite human resources capacity, effective processes and requisite technology in place. To what extent is this possible given the government wide ceiling on cost of employment and the historical loss of technical skills from GPW to the private sector?

**Branch 3 Strategic Management (4 performance targets):** The branch is responsible for providing support to strategic elements of GPW, facilitating the development, alignment and implementation of the Strategic Plans, Annual Performance Plans and Annual Operational Plans in accordance with applicable frameworks and related policies andprocedures, communications and marketing of the GPW’s products and services, the rendering of legal, security, compliance and risk managementservices.

* The Outcome “SADC countries informed of GPW product and service offerings”, stipulated the same annual target in the 3 medium term years of: “follow up engagements conducted with 8 potential customers in the SADC region” per year and 2 countries per quarter. There are only 16 countries in SADC; so what will be done once all of them are already followed up on in the third year and are there plans for the broader continent?
* What is in the business continuity management plan in the event of a disaster and how has this been used during the Pandemic?
* The reviewed security model was due to be implemented in 2021/22, how did the crash of the IT system and its backup not get picked up by the security model?

**Branch 4 Financial Services (4 performance targets):** provides financial accounting services; the administering of costing and management accounting; the administering of the supply chain management process and the rendering of logistical support services Branch 5 Human Resource.

* The output of “Quality financial and supply chain management services compliant with legislation and policies” is a *Clean Audit report maintained* but the past achievement and target for the coming three years is an unqualified report.
* The output of a working capital ratio of 3 is higher than the often recommended ratio of two current assets for every current liability. A substantially higher ratio can indicate not employing enough assets to generate maximum possible revenue.
* The output of “Number of annual financial statements (AFS) and in year monitoring reports (IYM) compiled per year that comply with national treasury guidelines”, indicates N/A or not applicable for the 19/20 and 20/21 baseline years, when in fact this target was not achieved and was in fact 8 months or more behind schedule.

**Branch 5 Human resources (2 targets)**: developing of human resource strategies and to ensure that GPW’s organisational structures are aligned to its Strategic Plan; the administration of human resources provisioning and conditions of service; to promote the development and utilisation of the GPW’s human resources; to support sound employee relations and the managing of employee health and wellness programmes.

* The output of “developing capacity for service delivery” has as its 2022 target “60% of total workforce trained as per critical WSP identified priorities”. It is not indicated in the Annual Performance what WSP stands for or what it includes.

# 3.3 Key Strategic Projects

GPW has continued to have engagements with targeted SADC countries to introduce its capabilities for security printing, and traction is being achieved in this regard.

The countries that have been engaged thus far include the following:

* Swaziland
* Botswana
* Lesotho
* Zambia
* Malawi
* DRC
* Kenya
* Zimbabwe

GPW has been engaged in the process of reviewing its organizational structure.

* Various consultative processes were followed amongst others, with the DPSA, GPW’s management and officials as well as organized labour.
* The Minister of Home Affairs approved the structure and the Minister of DPSA concurred with the revised structure with recommendations, the latter which were incorporated by GPW.
* The new structure bolsters GPW’s capacity in all areas particularly the core services, ICT and Finance, to support growth into being on par with new trends in the printing industry and investing in research and development.

Masterplan project:

* Memorandum of Agreement being finalised between DPWI and DBSA
* Obtained a 3-year deviation from National Treasury to implement the project through the DBSA as an implementing agent
* Engagements between GPW and the DBSA underway to develop project plans and build project management capacity

New Head Office

* ABSA building- tender process underway. Approaching National Treasury to have DBSA as implementing agent. Facilities manager assisting GPW to facilitate migration to the new Head Office

**3.4 Management of Audit and Risk processes**

GPW has continuously put a concerted effort to address weaknesses within the internal control environment. This has been done through the establishment of oversight structures to provide a system of combined assurance. The Executive Committee has prioritized the implementation of the post audit matrix, to ensure that findings are addressed whilst simultaneously improving the control environment.

To date, a total of 80% of the audit findings that were raised both by the Auditor General of South Africa and GPW’s Internal Audit unit have been resolved by management. The remaining 20% are also being addressed

Most findings were within the ICT and the Financial Services areas but much progress had been attained in their resolution.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sections** | **Resolved** | **Outstanding** | **In progress** | **Total audit findings** |  | **% of findings resolved** | **% findings outstanding** | **Total %** |
| **Office of the CEO** | **4** | **0** | **0** | **4** |  | **100%** | **0%** | **100%** |
| **ICT** | **137** | **15** | **11** | **163** |  | **84%** | **16%** | **100%** |
| **Ops & Prod** | **19** | **0** | **1** | **20** |  | **95%** | **5%** | **100%** |
| **Marketing** | **3** | **0** | **0** | **3** |  | **100%** | **0%** | **100%** |
| **Strategic Support** | **12** | **0** | **0** | **12** |  | **100%** | **0%** | **100%** |
| **Risk Management** | **10** | **0** | **2** | **12** |  | **83%** | **17%** | **100%** |
| **Security Management** | **23** | **0** | **3** | **26** |  | **88%** | **12%** | **100%** |
| **Financial Services** | **178** | **16** | **60** | **254** |  | **70%** | **30%** | **100%** |
| **Human Resources** | **36** | **1** | **1** | **38** |  | **95%** | **5%** | **100%** |
| **OHS** | **14** | **1** | **1** | **16** |  | **88%** | **13%** | **100%** |
|  | **436** | **33** | **79** | **548** |  | **80%** | **20%** |  |
|  |  |  |  |  |  |  |  |  |
| **Details** | **Resolved** | **Outstanding** | **In progress** | **Total** |  |  |  |  |
| **Overall audit findings** | **80%** | **6%** | **14%** | **100%** |  |  |  |  |

Key risk that have been identified for the GPW in the 2022/23 period and beyond are reflected in the table below:

|  |  |  |
| --- | --- | --- |
| Outcomes | Key risks | Mitigations |
| Young people and women equipped with Artisan and other professional skills | Readiness to execute the project, considering limitations of the current facility | Project manage the initiative and define milestone or targets annually.   * Ensure that the is an adequate provisioning of the required tools of trade * Conduct evaluation on trainees in accordance with outputs of their key development areas |
| Security printed material produced | Failure to secure paper for the production of secure printed material due to among other things ,a global move towards becoming green and moving away from printing towards digitisation | Invest in research and development to monitor trends in future trends print requirements    Sign strategic relationship agreements with critical vendors, whereby any decisions to change or discontinue equipment and/or consumables is done in partnership with either GPW and/or the Printing SA |
| Percentage of the workforce trained as per WSP priorities | Value for money with regard to training programmes provided by successfully appointed service providers. | Evaluation through supply chain management processes and screening of service providers |
| Value for money with regard to trainees | Ensure each training has SAQA unit standards |
| Effective and efficient internal corporate governance to enable organisational performance | Inadequate coordination and  implementation of governance  activities including compliance and risk, management of previous audit findings and implementation of recommendations by Internal Audit. | * Risk Management to remain standard item at EXCO and MANCO * Execution and reporting of internal controls Committee’s functions at EXCO and MANCO * Implementation and periodic monitoring of the GPW audit matrix by EXCO |
| Secured management of GPW operations, facilities, information and people | Delays in the implementation of the new security model for GPW | Collaborate and engage with security departments and entities in the public sector to facilitate implementation of the GPW security model |

# 4 Observations/ Engagement with the Committee

The Following were issues raised by Members of the Committee in their engagements with the DHA, GPW and IEC on their Annual Plans and Budgets.

**The Department of Home Affairs (DHA).**

* 1. The DHA has been underfunded and this will have an impact on the implementation of the Border Management Authority (BMA) considering that the DHA might not be able to employ personnel to BMA because of the Compensation of Employee (COE) ceiling. South African borders are porous and the Committee still wants to see the roll-out plan of the BMA. On the issue of the BMA budget decreasing, the Commissioner indicated the BMA budget was R196 million. There is an integration that is supposed to happen as follows: 1) transfer of functions from different departments to the BMA, 2) transfer of employees together with their budgets 3) transfer of the tools of trades. Once this has been done, the BMA will approach the National Treasury for the budgets of the employees to be transferred to the BMA.
  2. The Committee noted the delayed implementation of Phase 1 of the Automated Biometrics Identification System (ABIS).
  3. Businesses that are found to have employed undocumented foreign nationals are not being fined and the Department of Home Affairs should work more closely with the Department of Employment and Labour.
  4. The DHA was not implementing immigration laws in a way to work on social cohesion and prevent the mushrooming of civil groups that want to take laws into their own hands. It is noted that most of the risk of xenophobia was happening in the metropolitan areas. The DG indicated that the joint operations that are conducted are ongoing and the Ministers of Home Affairs and Employment and Labour are joint chairpersons of the Task Team on Migration.
  5. The Committee indicated that since 2018-19 financial year, the staff complement at the DHA has increased, however, the productivity does not appear to have increased much at all. The Committee noted that the DHA would employ about 10,000 young people over a period to work on the digitisation of the Civic services records. The DG indicated that the staff complement has not increased much in the last ten years because the calculations did not take into consideration natural attrition, and people who leave the DHA. In 2018 the Department lost 477 staff, 2019 - 214, 2021 – 168 and 2022 – 181.
  6. The Committee noted that the Department of Home Affairs was at an impasse in their engagement with the unions on the matter of the DHA opening offices on Saturdays until such time at the DHA bill was passed making DHA staff essential workers.
  7. The Committee was concerned about the long queues at the offices of the Department of Home Affairs. This could be due to the shortage of staff or the system downtime. The booking system that was being piloted was working very well but there was no rollout plan shared. The DG indicated that the DHA has a school visitation project and during a returning children to school.
  8. The DHA was not present in enough hospitals to ensure that births were registered at the hospitals and this could assist with cutting long queues at the DHA offices along with continuing extended closing hours to 19:00.
  9. The Committee wanted to ascertain if the Gender-Based Violence and Femicide awareness was conducted with members of the public or internally in the Department.
  10. It was noted that the Counter Corruption and Security Services of the DHA were working very hard and one of the issues raised was the arrest of an individual in Hillbrow wherein the Department’s documents and other documents were found and whether it was investigated if this related to other operations in other parts of the country.
  11. The Committee raised the issue of the Head Office at Hallmark and other offices in the country that they were dilapidated. The DG indicated that the DHA has registered a new building through a Public Private Partnership via National Treasury.
  12. Not all DHA offices were modernised to ensure that they provide the same service all over the country. The DHA indicated that they had procured 10 mobile trucks that were being fitted with the equipment and additional 15 trucks would be procured in this financial year.

**The Electoral Commission (IEC).**

* 1. The Committee was concerned about the 2021 Local Government Elections turnout. The IEC indicated that the Commission was starting to prepare for the 2024 elections and had conducted a review with the National Political Liaison Committee. The IEC has embraced social media in addition to traditional media and developed a framework to address this. There is still a concern about the spread of misinformation.
  2. The target on the number of the registered voters was reduced to 26.1 million meanwhile in the previous year the target was R26.5 million voters. The IEC and the political parties had not put in enough effort into voter registration. The IEC reported that reduced numbers of registered voters, in part related to the rate of mortality but in 2024, the target would be revised.
  3. The Committee noted that the IEC was involved in Civic Education at Wits but enquired about further educational initiatives.

**The Government Printing Works (GPW)**

* 1. The Committee was concerned about the relationship between GPW Management and the labour unions at GPW. It was reported that regarding the Public Servants Association of South Africa (PSA), a lot has happened. GPW Management has taken a stance on ill-discipline. The source of the conflict was the benchmarking project. Labour indicated that after the benchmarking, the previous CEO promised them monetary compensation. The workers went on an illegal strike. The matter went to court and the judge ruled in favour of GPW.
  2. There was no breakdown of the budgets in terms of the programmes/branches in the APP, Budget or Presentation but the GPW indicated that this could be provided.
  3. The Committee the continued number of vacancies that needed to fill in the new organisational structure.
  4. The Committee was concerned about the delay by the DPW & I about the Masterplan and there was a need to interact with the Portfolio Committee on Public Works and Infrastructure. The competition of the Masterplan becomes critical when it comes to engaging with other countries in the African continent.
  5. The Committee noted an unclear change in the outcome under the Office of the CEO relating to internal Audit to include reference to consultants. The CEO of GPW reported that the Internal Audit should remain independent and it is not consultancy as such.

# RECOMMENDATIONS.

**5.1 The Department of Home Affairs (DHA).**

The Portfolio Committee recommends that the DHA should:

* + 1. engage with the Minister of Finance to ensure that the BMA was adequately funded. The Minister of Home Affairs should further engage with the Ministers whose departments are operational at the border environment to ensure that they are familiar with the regulations of the BMA Act. The DHA must brief the Committee quarterly on the BMA project implementation plan including holding slow or non-compliant partner Departments accountable at a cabinet level, the roll-out the Biometric Movement Control System (BMCS) to 34 ports of entry and why it revised its rollout targets downwards to 18 ports of entry, 6 segments of land border law enforcement area, and 1 community crossing for 2022/23.
    2. clarify the reasons for the R137 million budget reduction on office accommodation and how it was planning to procure a head office.
    3. ensure long queues at Home Affairs offices especially in cities are resolved by providing an appointment system as well as intensified roll-out of the bank project to all branches, while ensuring that mobile offices are fully operational and mobilised.
    4. work with other departments on GBV awareness to improve implementation despite budget cuts.
    5. connect more hospitals to ensure that births were registered at the hospitals and this could assist with cutting long queues at the DHA offices.
    6. modernise all DHA offices to ensure that the offices provide the same service all over the country.
    7. brief the Committee on the progress made in the implementation of Phase 1 of the Automated Biometrics Identification System (ABIS).
    8. present a report on the national strategy addressing irregular migration and report on joint immigration inspections. Businesses must also be fined when found to have employed undocumented foreign nationals and work more closely with the Department of Employment and Labour.
    9. address the impasse in opening offices on Saturdays by expediting the tabling of the DHA Bill to make DHA staff essential workers.

**5.2 The Electoral Commission (IEC).**

The Portfolio Committee recommends that the IEC should:

* + 1. expand Civic Education at Wits to other tertiary institutions and voter education should form part of the school curriculum and participate in the DHA mobile units’ school visitation programme.
    2. incorporate addressing misinformation as part of its social media framework.
    3. work more closely with political parties to improve voter registration numbers and voter turnout.
    4. adapt the planning of the IEC once the Electoral Amendment Bill is passed.

**5.3. The Government Printing Works (GPW).**

The Portfolio Committee recommends that the GPW should:

* + 1. create relationships with all African countries beyond just SADC to access new markets and expand its revenue.
    2. ensure that the reasons for repeated non-adherence to annual report deadlines are addressed. The Committee should be updated regularly on the coordination and implementation of governance activities including compliance and risk; management of previous audit findings; and implementation of recommendations by Internal Audit.
    3. present to the Committee a report on the investigations into lost audit data and security breaches.
    4. provide the Committee with a 3-year plan to fill vacancies in the new organisational structure.

**Report to be considered.**