



ANALYSIS OF THE DEPARTMENT OF HOME AFFAIRS ANNUAL REPORT FOR THE YEAR ENDED 2010/11

10 October 2011

1. Introduction

This brief seeks to establish whether the Department of Home Affairs (DHA) fulfils its constitutional mandate and whether there are any challenges that this entity is confronted with. The review of the Annual Report is in accordance with section 55(2) of the Constitution of the Republic of South Africa Act (No. 108 of 1996) which empowers Parliament to provide mechanisms to "ensure that all executive organs of state in the national sphere of government are accountable to it". In addition, Parliament has a constitutional obligation "to maintain oversight of the exercise of the national executive authority, including the implementation of legislation". Moreover, section 65(1) of the Public Finance Management Act (No.1 of 1999) stipulates that "the executive authority responsible for a department ... must table in the National Assembly ... the annual report and financial statements ... and the audit report on those statements, within one month after the accounting officer for the department ... received the audit report".¹

1.1 The Legislative Mandate of the DHA

The Department of Home Affairs has a legal mandate that spans its two primary responsibilities namely Citizenship and Immigration. Under the former the key acts are the Identification Act (Act No. 68 of 1997), the South African Citizenship Act (Act No. 88 of 1995), the South African Passports and Travel Documents Act (Act No. 4 of 1994); the Marriage Act, (Act No. 25 of 1961); the Civil Union Act (Act No. 17 of 2006), the Births and Deaths Registration Act (Act No. 51 of 1992) etc., as well as their related regulations.

Under the Immigration the primary acts are the Immigration Act (Act No. 13 of 2002) and the Refugees Act (Act No. 130 of 1998) and their related regulations and international agreements.

In turn there are several additional pieces of legislation which relate to the institutions which are attached to the DHA (the Film and Publication Board, the Electoral Commission and the Government Printing Works); as well as the Act which apply to the public service in general such as: Public Finance Management Act (Act No. 1 of 1999); Promotion of Access to Information Act (Act No. 2 of 2000) and Public Service Act (Proclamation No. 103 of 1994) etc.²

¹ National Treasury (1999)

² DHA (2011)



1.2 Mission Statement of the DHA

The efficient determination and safeguarding of the identity and status of citizens and the regulation of migration to ensure security, promote development and fulfil our international obligations.³

1.3 Government Strategy and Objectives

The 2010 State of the Nation Address, which applies to the annual report under review, outlined the following key priorities for government that have an impact on the Department of Home Affairs:⁴

- Improving services when applying for Identity Documents (IDs).
- Intensifying efforts against identity theft.
- Improving public service performance and monitoring.
- Continuing efforts against corruption, including those in procurement and tender processes.
- Ensuring the infrastructure, security and logistics for 2010 *Fédération Internationale de Football Association* (FIFA) World Cup are in place.
- Regional Integration.

All the above priorities (apart from the final one) have been mentioned in the previous two State of the Nation Addresses.

1.4 DHA's Key Strategic Objectives

The Strategic Plan (2010 – 2013) presented guided the Department of Home Affairs in reaching the following three outcomes:

1. Secured South African citizenship and identity
2. Immigration managed effectively and securely in the national interest including economic, social and cultural development
3. A service that is efficient, accessible and corruption free.

Included within these outcomes are the following Measurable Objectives against which the DHA was supposed to have qualitatively and quantitatively measured its performance in line with the performance agreement signed by the Minister of Home Affairs with the President. The Outcomes are also reflected in the three main programmes of the DHA, namely; Citizen services, Immigration Services and Administration respectively. The last programme deals with the transfer to relevant agencies, which will be dealt with in assessing their individual annual reports.

Outcome 1 Measurable Objectives: Secured South African citizenship and identity-

- To ensure that registration at birth is the only entry point for South Africans to the National Population Register (NPR).

³ DHA (2011)

⁴ Zuma, J. (2010).



- To issue Identity Documents (IDs) to all citizens 16 years of age and above.
- To secure processes and systems to combat fraud and corruption.
- To integrate key systems and upgrade IT infrastructure for improved security and data integrity.

Outcome 2 Measureable Objectives: Immigration managed effectively and securely-

- Effectively contributing to the successful hosting of the 2010 FIFA Soccer World Cup.
- To implement an integrated immigration management system.
- To participate in and contribute towards the establishment and functioning of a Border Management Agency (BMA).
- To review the policy and regulatory framework to manage economic migration and asylum seekers

Outcome 3 Measureable Objectives: Efficient, accessible and corruption free service-

- To improve leadership capacity and capability.
- To ensure ethical conduct and a zero tolerance approach to corruption
- To obtain a clean audit report accomplished.
- To ensure effective, efficient and accessible service delivery to clients.⁵

2. Technical Quality Analysis/Evaluation

To technical quality of the annual reports has improved from previous years including the overall structure, quality and appearance with only a few minor errata. The transparency of the targets in terms of outcomes, outputs and actual performance has also improved significantly. The order and number of performance indicators varies between the Annual Report and Strategic Plan, which makes comparison cumbersome at times. The Department and all its entities submitted their annual reports within the required timeline set by National Treasury guidelines (end of September) unlike in previous years.

3. Performance Evaluation

Performance evaluation is done according to the four programmes administered by the Department and a selection of their related Performance Indicators. (or KPAs with regards public entities). The evaluation is compares the Performance measures set in the 2010-2013 Strategic Plan and Budget with those reported on in the 2010/11 Annual Report.

3.1. Programme 1: Administration

The administration programme provides for the overall management of the Department and its centralised support services. There are six sub-programmes under this, namely: Minister, Deputy Minister, Management, Corporate Services and Property Management. The DHA achieved 9 out of the 20 performance indicators set out for the administration programme in the Annual Report. Three of the targets not achieved relate to internal procurement/ finding suitable service providers. Two of the delayed target relate to an asset register only being finalised towards the end of the financial year.

⁵ DHA (2010)



The department managed to exceed three of its indicators relating to training and refreshing of IT equipment as well as the notable achievement of its first un-qualified report in 16 years. The strategic plan however only mentions 17 indicators for the administration programme one of which is not relevant for 2010/11.

The DHA overspent its budget allocation by 11.6 per cent amounting to R176 million which is attributed to the settlement of debts with regard to consultancy services, information services, legal services and leases. In addition a virement total of R37.2 million was shifted from Administration to other programmes.

Questions:

1. What are the reasons for the problems in the internal procurement procedures, which led to not achieving some indicators?
2. What were the reasons for the delay in the finalization of the asset register?
3. What led to the variance in the number of indicators in the strategic plan (16) and the annual report (20)?
4. What was the justification for overspending in, and shifting of funds from, the administration programme when so many indicators were not achieved?
5. What, if any have been the results of counter corruption strategies established by the DHA?

3.2 Programme 2: Services to Citizens

The purpose of programme 2 is to secure, efficient and accessible services and documents for citizens and lawful residents. There are six sub-programmes falling under this: Management, Status Services, Identification, Home Affairs National Identification System (HANIS), Civic Channel Management and Provincial Civic Services.

The programme has 19 indicators with 21 targets for the 2010/11 year. Of the 21 Targets, 11 were achieved. Three of the targets not achieved, however, are in part attributed to the prolonged public service strike and a further two targets were contingent on other entities or lack of funding.

Targets for the late registration of birth (LRB) and issuing IDs to those 16 and older are in statistics (95 per cent) but performance is given as achieved in numbers, which cannot be evaluated since the total number of citizens for these targets is not mentioned.

A notable target that was exceeded was 2.2 million IDs being issued over the target of 1.99 million. This is attributed to the departments campaigns prior to the Local Government elections. A target that was almost achieved is the time for the delivery of first identity documents being delivered in 60 against the target of 55 days. Targets that significantly underachieved were the time to issue unabridged birth, death and marriage certificates being issues in 6-8 weeks as opposed to 3 weeks and 24 days for the issue of manual passports as opposed to 10 days. These failings are attributed to the dispute relating to the Who Am I Online project, and problems with quality of newly implemented digital photographs as well as cable theft power outages.



The Department overspent its R1.51 billion allocation for citizen services by 16.8 per cent or R258.3 million. In addition an amount of R65.6 million was shifted from citizen services to other programmes. Over expenditure was mainly due to increased printing costs of passports and the overhaul of HANIS.

Questions:

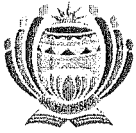
1. Why are targets for LRB (1.1.2.1) and Issuing of IDs to persons 16 and older (1.3.1.1) reported in numbers whereas the indicators are measured in percentages? No total amounts for the relevant population groups are mentioned.
2. Given the significant overspending and virement associated with the citizen services programme, why were just under half of all targets achieved?
3. What amount was overspent on the overhauling of HANIS and what if any positive outcome has resulted from this?
4. Have the delays to the turnaround time performance for delivering all passports been resolved and what is the current average service time versus the target of 10 days?

3.3 Program 3: Immigration Services

The purpose of Immigration Services is to facilitate and regulate the secure movement of people into and out of the Republic of South Africa through ports of entry, to determine the status of asylum seekers, and to regulate refugee affairs. There are six sub-programmes for Immigration services, namely: Management, Admissions, Immigration Control, Provincial Immigration Control, Foreign Missions and Refugee Affairs.

There are 16 indicators/targets set for Immigration in the mentioned four outcomes. Of these targets, only three (19%) were fully achieved. Of the targets not achieved seven were attributed to no measuring tool being in place. Three of the targets relating to immigration policy legislation and regulations are contingent on parliamentary processes and the establishment of the Border Management Agency is contingent on the Justice, Crime Prevention and Security government Cluster (JCPS). This indicates a significant lack of planning and management in this programme. When considered against the immigration achievements prioritised for the FIFA world cup soccer tournament, the lack of monitoring measures for temporary and permanent residence is a considerable security risk. This is in part reflected in the reported target achieved of establishment of a risk based framework for Immigration.

Key achievements under the Immigration programme include establishing and appointing a Chief Director: Asylum Seeker Management to provide strategic leadership of the asylum seeker and refugee processes. A chairperson of the Refugee Appeal Board (RAB) was also appointed. Strengthening the human resource capacity within the sub-programme was identified as a priority and a number of vacant posts were filled. Refugee Affairs also developed and managed the implementation of a framework to guide those Zimbabwe nationals who wanted to voluntarily forgo their application for asylum in support of the Documentation of Zimbabweans Project (DZP).



A Project Team was established to deal with the backlog of applications that accumulated prior to the centralisation and at the end of the 2010/11 financial year. The 80,053 applications for temporary and permanent residence received up to the end of January 2011 were adjudicated; further supported by the implementation of a Track and Trace System, which was rolled out to all Regional offices in July 2010.

The Inspectorate Tracing Unit was set up prior to the FIFA 2010 World Cup for the purpose of monitoring the entry of travellers into South Africa and to ensure that they did not overstay in the country. This function was performed in collaboration with Foreign Missions and other relevant stakeholders.

The programme overspent its final allocation by 21 per cent (R253 million) for a total of R1.28 billion. This is attributed to the DHA providing services abroad through the Department of International Relations and Cooperation (DIRCO) for foreign allowances and operational expenditure. These amounts due to DIRCO were not settled in previous years and their settling in the current year accounts for the significant overspending. In addition the Department received an overall virement of R103 million transferred from other programmes.

Questions:

1. Why were there no measuring tools in place for seven of the uncompleted targets for Immigration?
2. Given the already poor performance for refugee and immigration targets, will the implementation of a risk based framework for immigration not have a further negative effect on Human Rights and Skills import requirements?
3. What are the measures put in place to ensure that DIRCO is paid on time for its service to DHA?
4. The Target for the establishment of the Border Management Agency is still outstanding almost two years after the target was set. What are the reasons for delays in the JCPS or elsewhere?

3.4 Program 4: Transfers to entities

The DHA transferred a 100 per cent of the budgeted for amount to its three entities the FPB, GPW and IEC. These entities will be dealt with in separate analysis of their respective annual reports.

4. Human Resources

The DHA organisational structure was aligned to municipal boundaries as per Chapter 3 of the Constitution, 1996 (Act No. 108 of 1996), which provides for integrated governance and intergovernmental relations across all spheres of Government. A review of five critical Human Resource Administration Business processes was conducted during 2010/11 this included leave management, exit management, staffing management and payroll management was conducted in order to improve efficiency and effectiveness.

The Department identified and funded 417 positions for this financial year. Of the 417 positions, 178 posts were filled. The DHA indicated only 7.4 per cent vacancy rate, which is significantly lower than previous years. In particular additional immigration officials were



recruited, trained and deployed to provinces to strengthen the Prioritised Ports of Entry. An absenteeism management programme was implemented. It focused on the training of all employees on absenteeism management at supervisory levels, resulting in a decline in the absenteeism rate to 0.12% against the acceptable norm of 2.25% in the Public Service. In the quest to drive a performance culture the DHA developed a performance management system that links individual performance to organisational performance. This is in turn supported by the establishment of a Performance Plan for the Department's Learning Academy including finalising preparation to have an National Certificate in Home Affairs Services.

In terms of gender the Department comprises 53 per cent women (4933 out of 9259) but only around 40 per cent of professional and higher employees.

Questions:

1. The Department indicates that it has a national vacancy rate of 7.4 per cent (page 98), however during oversight to the provinces, parliament has witnessed vacancy rates of up to 45%. And the DHA indicates a 33 per cent resignation rate (page 102). How can this be explained?
2. Given the High rate of resignation at the DHA, what retention strategies have been implemented?
3. The Department indicates a number of 3452 terminations and 139 disciplinary actions. Why are terminations so high and why are such relatively low amounts of disciplinary actions taken?

7. Financial Information

In the Opinion of the Auditor General (AG), the financial statements of the DHA present fairly, in all material respects, their financial position as at 31 March 2011 and their financial performance and cash flows for the year then ended, in accordance with The Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA. This is the first unqualified report by the department in since 1996.

The following matters were emphasised without qualifying the AGs opinion:

Significant uncertainties: The department has various pending legal claims amounting to R1,209 billion. The ultimate outcome these matters could not be determined by the AG and a contingent liability has been disclosed in the financial statements.

Material losses: Material losses to the amount of R28,5 million were incurred as a result of debts that were written off. These debts arose from repatriation deposits and employee debts, foreign vouchers in transit, disallowable damages and losses.

Material losses to the amount of R38,2 million (2010- R26,04 million) were incurred as a result of an adjustment made to the movable tangible capital asset balance. This adjustment relates to assets, which could not be physically verified by management and/or were duplicated on the asset register.

Additional matters mentioned which are of particular interest to Parliament are:



Usefulness of information: The following performance information was deficient: measurability of indicators (well-defined and verifiable, specific targets, time bound). As indicated for programme 3 above: immigration services, lacked valid performance management processes and systems that could produce actual performance against the planned indicators for 33% of the indicators.

Procurement and contract management: Instances were identified by the AG where senior managers did not disclose their business interest in a supplier to the department as per the public service regulations. Instances were also noted where employees performed remunerative work outside their employment in the department without written permission.

Questions:

1. Inasmuch as the dispute with Gijima has now been resolved, what financial impacts is the settlement likely to have on budget requirements in coming years?
2. What will be done to remedy the significant lack of measureable targets in the Immigration programme?
3. What was the nature of the R32 million debts that were written off?
4. What is the current state of the procurement policy in the Department and what are some of the measures used to ensure its enforcement if any?

8. Conclusion

The DHA can be commended for the significant improvement in its record keeping which resulted in its long overdue unqualified report. However a quantitatively sound report does not indicate a qualitative improvement in service delivery. In this regard the low achievement of set targets is of concern both from a planning and service delivery perspective. This is particularly so given the significant overspending by the Department.

Sources

DHA (2010) Strategic Plan 2010/11-2012/13

DHA (2011) Annual report 2010/11

Jum, J (2010) State of the Nation Address

National Treasury (2005) Guideline for legislative oversight through annual reports. 26 January.

National Treasury (2010) Estimates of National Expenditure