

PORTFOLIO COMMITTEE ON HOME AFFAIRS BUDGETARY REVIEW AND RECOMMENDATION REPORT- 2017/18 FINANCIAL YEAR, DATED 24 OCTOBER 2018

1. INTRODUCTION

As specified by section 5 of the Money Bills Amendment Procedures and Related Matters Act (MBAP) of 2009, the National Assembly, through its Committees, must annually assess the performance of each national department. A Committee must submit the Budgetary Review and Recommendation Report (BRRR) annually to the National Assembly which assesses the effectiveness and efficiency of the department's use and forward allocation of available resources and may include the recommendations on the use of resources in the medium term.

The Committee must submit the BRRR after the adoption of the budget and before the adoption of the reports on the Medium Term Budget Policy Statement (MTBPS) by the respective Houses in November of each year. The Committee were briefed by the Auditor General (AG) and Department of Home Affairs on the 2017/18 Annual Reports on 11 October 2018. This was followed by the Electoral Commission (IEC) and the Government Printing Works (GPW) 2017/18 annual reports in the afternoon. The Portfolio Committee on Home Affairs (the Committee), considered its draft BRRR on 16 and 23 October and adopted the final report on 24 October 2018.

1.1 The Portfolio Committee on Home Affairs

In line with the core objectives of Parliament, the mandate of the Committee is to consider and pass legislation; oversee and scrutinise executive action; facilitate international participation; and facilitate co-operative government and facilitate public participation and involvement. On the basis of the oversight and legislative encounters of the Committee from the end of 2017, the 2018 State of the Nation Address and within the broader National Development Plan 2030; key issues in the DHA, IEC and GPW are put forward by the Committee:

The Report of the Committee is based primarily on the following activities:

- 26 Committee Meetings and deliberations since the last BRRR which includes briefings by the DHA, IEC and GPW, NGOs, Academics and other members of the Public.
- Drafting, public submissions, consideration and voting on legislation and internal committee reports.
- Scrutinising Strategic and Annual Performance Plans, the State of the Nation Address, Policy documents, Estimates of National Expenditure, Medium Term Expenditure and Budget allocations as well as other external briefings and reports.
- Conducting oversight visits, public participation during constituency periods and committee meetings.

1.2 The Department of Home Affairs

The mission of the DHA is to ensure the efficient determination and safeguarding of the identity and status of citizens and regulation of migration to ensure security as well as to promote and fulfil South Africa's international obligations. This mandate is administered through the following three overarching budget programmes:

Programme 1 - Administration: The programme provides leadership, management and support services to the Department of Home Affairs.

Programme 2 – Citizen Affairs: The programme provides secure, efficient and accessible services and documents for citizens and lawful residents. This programme also includes the transfers to the IEC and GPW.

Programme 3 - Immigration Affairs: The programme facilitates and regulates the secure movement of people into and out of the Republic of South Africa through ports of entry; determines the status of asylum seekers and regulates refugee affairs. It also confirms and provides enabling documents to foreign visitors legally residing within the Republic of South Africa and enforces immigration legislation and effects deportations.

2. THE DEPARTMENT'S STRATEGIC PRIORITIES AND MEASURABLE OBJECTIVES

National government has fourteen outcomes and the DHA contributes to four of these outcomes, which comprise three Strategic Outcome Orientated goals for the 2015-2020 period. These in turn translate into 9 Strategic Objectives as follows:

Strategic Outcome Oriented (SOO) Goal 1: Secure South African citizenship & identity.

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| 1.1 | All eligible citizens are issued with enabling documents relating to identity and status. |
| 1.2 | An integrated and digitised National Identity System (NIS) that is secure and contains biometric details of every person recorded on the system. |

SOO Goal 2: Secured & responsive immigration system.

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| 2.1 | Movement of persons in and out of the country managed according to a risk-based approach. |
| 2.2 | Refugees and asylum seekers are managed and documented efficiently. |
| 2.3 | Enabling documents issued to foreigners efficiently and securely. |

SOO Goal 3: Services to citizens & other clients that are accessible & Efficient.

3.1	Secure, effective, efficient and accessible service delivery to citizens and immigrants.
3.2	Good governance and administration.
3.3	Ethical conduct and a zero tolerance approach to crime, fraud and corruption.
3.4	Collaboration with relevant stakeholders in support of enhanced service delivery and core business objectives.

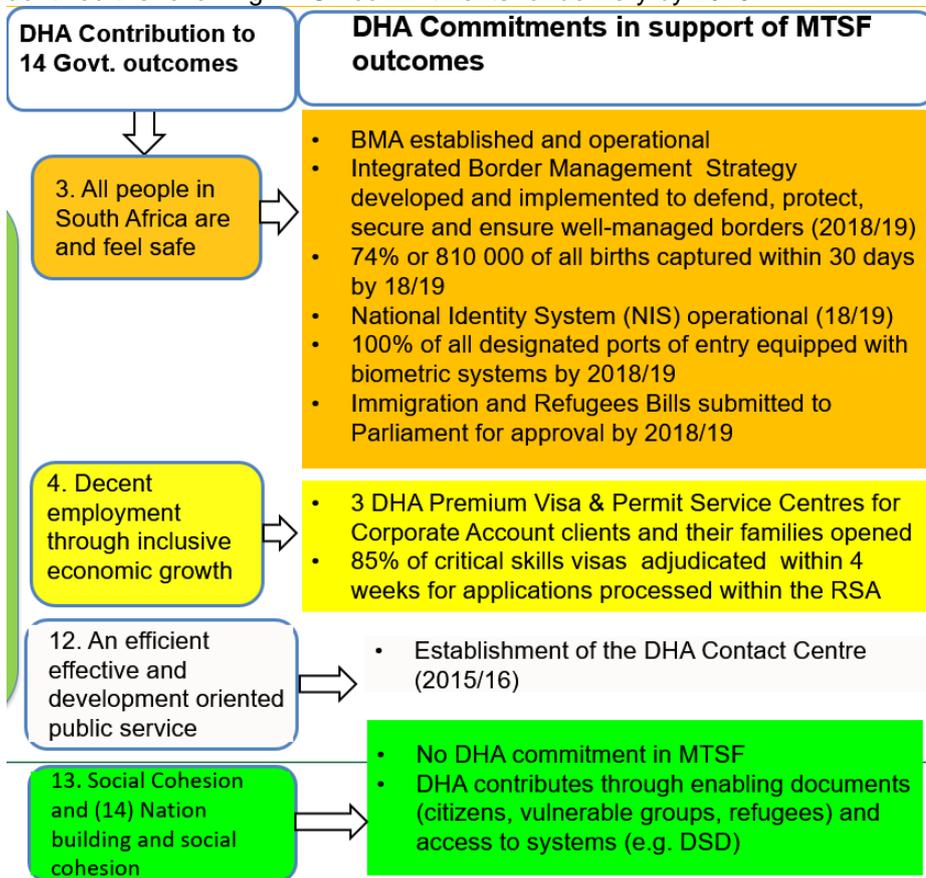
2.1 The Department’s Contribution to the National Development Plan (NDP)

The major focus of the NDP is to confront the triple challenge of poverty, inequality and unemployment by achieving higher growth rates. The DHA contributes the following to the NDP:

- Facilitating the acquisition of the critical skills so as to facilitate the building of capable state.
- Playing a role in enabling regional development by working with SADC countries to improve the efficient, secure and managed movements of people.
- Providing citizens with identity documents that gives them access to rights and services.
- Through the modernization programme, seeking to reduce fraud and the cost of doing business.

2.2 Medium Term Strategic Framework 2014 to 2019 Commitments

In support of achieving the strategic objectives of the DHA, government priorities and the NDP, the DHA has identified the following MTSF commitments for delivery by 2019:



3. ANALYSIS OF THE ANNUAL PERFORMANCE PLAN (APP) OF THE DHA 2018/19

The DHA presented on its strategic priorities for the 2015-2018 Medium Term Expenditure Framework (MTEF) as well as planned objectives and targets for the 2017/18 APP on 20 March 2018. The 2018/19 financial year is the last year of the 2014 to 2019 MTSF cycle – it is therefore imperative for the DHA to meet its MTSF commitments. Specific focus and attention is to be placed on the identified strategic challenges and implementation of strategic responses to mitigate challenges as well as improvement in organisational and financial performance. The mandate of the DHA is derived from the Constitution and various acts of Parliament and policy documents. The then Director General (DG) went through the vision, mission, mandate and values of the DHA, which remain consistent with previous years.

The Citizen Affairs branch is the custodian of the National Population Register (NPR), which contains the records of all citizens and permanent residents, including changes in status such as marriage and death. Services to citizens include issuing enabling documents after their status is confirmed, such as birth and death certificates and travel documents. The verification of identity is a service that is also rendered to all government institutions, banks and

other private sector institutions. Transfers to the GPW and IEC also form part of the Citizen Affairs budget sub-programme.

The Immigration Affairs branch determines the status and identity of foreigners, regulates immigration through the permitting and movement control systems and provides consular services abroad. Immigration officers are present at ports of entry and regional offices in provinces. The branch also has an inspectorate function which is responsible for enforcing the Immigration Act (No. 13 of 2002) and its Regulations. Immigration Affairs is also responsible for processing and determining the status of asylum seekers and refugees in terms of the Refugee Act (No. 13 of 1998) and operates centres nationally in this regard.

The total number of targets for 2018/19 compared to 2017/18 have increased from 28 to 31.

Programme	Number of targets		
	2016/17	2017/18	2018/19
1.Administration	19	13	17
2.Civic Affairs	5	5	3
3.Immigration Affairs (including BMA)	8	10	11
Total	32	28	31

Programmes and number of targets of the DHA 2016-19

The 2018 budget priorities include: job creation; youth development; maintenance of real infrastructure spent; land reform and agricultural development; comprehensive social security, education and skills; integrated plan to fight crime; and regional integration and development.

Critical challenges included effective and efficient management of migration and asylum-seekers and refugee environment; overhaul of the border management environment and provision of acceptable port infrastructure; historical underfunding and resources of the DHA; dependence of public works and SITA for timeous service delivery; non-integration of IT systems across the DHA; lack of sufficient records management in support of key services client; lack of capacity in critical areas (such as legal services, risk management, information services, counter corruption and security services); fight against unlawful activities; and ensuring staff were appropriately trained.

There has been a historical improvement in organisational performance against targets which could be attributed to improved governance, planning, implementation and monitoring practices and improved internal controls around management policies.

4. SECTION 32 EXPENDITURE REPORTS

The DHA made presentations to the Committee on the four quarterly financial and performance reports for 2017/18 between September 2017 and August 2018. The IEC and GPW also reported on their quarterly performance for the second time in 2018. Due to the busy legislative schedule and Naturalisation Inquiry by the Committee, the quarterly performance for the 2018/19 financial year had not yet been considered at the time of this report:

4.1 Department of Home Affairs

The Acting Director-General reported that the DHA had a total of 32 targets of which 29 targets were achieved representing 91 percent. It was subsequently noted that the presentation and Annual Performance plan for 2017/18 refer to 28 targets, the discrepancy is still to be assessed (thus making for an 89% achievement rather than 91%). He also compared achievement from Quarter 1 till Quarter 4. In Quarter 1, the DHA Achieved 75 percent and Quarter 2: 69 percent and Quarter 3: 67 percent representing continued decreases. From Quarter 3 to Quarter 4 there was thus a big increase in achievement to 89% reported.

Performance across the DHA three programmes, namely Administration, Immigration Services and Citizen Affairs was as follows:

Programme 1: Administration had twelve targets and only two were not achieved. These are the piloting of full biometric capacity at one port of entry. It was reported that the technical specifications were approved and the development was in the final stages. The second target which was not achieved was 70 percent of misconduct cases were not reported. It was reported that 351 cases were handled. Many of the cases were in different stages. The actual number of the cases submitted to the presiding officer was 123 and 33 of these cases were submitted to the presiding officer for consideration which represents 27 percent of the misconduct cases considered.

Programme 2: For Citizen Affairs, the DHA had five targets and all of them were achieved. There were 203 152 births which were registered within 30 calendar days against the target of 196 505 births. The DHA also produced 921 130 Smart ID Cards which were issued to citizens 16 years and above against the target of 750 000. The DHA also reported there was a strategy to Discontinue with the Green Barcoded Identity Document and it was approved by the Minister of Home Affairs. There were 11 functioning mobile solution offices in operation with Live Capture System compared to the target of 9.

Programme 3: Immigration Services – This programme had eight targets and one was not achieved related to the implementation of the Integrated Border Management Strategy (IBMS). It was reported that the IBMS progress report could not be submitted to the Minister of Home Affairs because reports were not forthcoming from organs of state such as Airport Company South Africa (ACSA), Department of Cooperative Government (CoGTA), the South African Human Commission, the South African National Defence Force (SANDF), the Post Office, the South African Revenue Service (SARS) and Transnet.

In addition it was reported that the Immigration and Refugee Amendment Bills were submitted to and approved by the Minister of Home Affairs in time before 31 March 2019. Out of the 2662 permanent residence applications, it was reported that 2 533 were adjudicated within 8 months for applications made in South Africa. This was 95 percent achievement against the 85 percent target. Of the 461 business and general work visas, it was reported that 447 were adjudicated within 8 weeks. This is 97 percent achievement as versus the 90 percent target.

Quarterly Budget and expenditure

The Chief Financial Officer (CFO) made the presentation of expenditure and reported that the DHA’s budget was R8.4 billion of which only R600 000 was not spend which was very close to 100 percent. The self-financing budget is R1.07 billion of which all was spent.

The DHA opted not to request funds to be rolled-over to the 2018-2019 financial year. The DHA thus reported that it had spent 100 percent of its budget at the end of 2017-2018 financial year.

The revenue collected from foreign missions, is deposited into the National Revenue Fund by DIRCO and it is approximately R1.4 billion. The DHA banks its money with ABSA as well as in a Mission Account for foreign income.

4.2 The Electoral Commission of South Africa (IEC)

During the Second quarter, the IEC performed as follows:

Programme	Number of targets	Number of targets achieved	Number of targets not achieved	% achieved
Programme 1: Administration	6	3	3	50%
Programme 2: Electoral Operations	5	5	0	100%
Programme 3: Outreach	3	2	1	67%
TOTAL	14	10	4	71%

During the second Quarter, the IEC did not achieve four of its 14 targets which included the number of the Commission meetings held per annum, meeting only twice rather than thrice. It was reported that the meeting was held on 6 October 2017 in the following quarter due to international travel obligations. The second target which was not met was the number of quarterly internal audit progress report per annum. The meeting of the Audit Committee should take place each year within 30 days after the start of the next quarter but only met after six weeks.

The number of permanent staff to be provided with developmental training per annum was 249 but only 81 were provided with the training. This is due to the budget constraints.

The target of the civic and democracy education events to be held was 3 750 but only 3 198 were conducted. This target was not achieved because of budget constraints. An adjusted Annual Performance Plan (APP) was thus tabled in Parliament in 2 February 2018.

On Third Quarter Performance; the Chief Electoral Officer indicated that the issue of addresses was a pressing imperative and the IEC has had to significantly reprioritise their budget because related National Treasury allocations were less than required and would only be available from 1 April 2018. The IEC has to report to the Constitutional Court by June 2018. Currently 75 percent of the addresses have been captured, 14 percent are incomplete and 11 percent have no details. The addresses that require additional information could be shown to be complete if no additional information is available for informal addresses in rural areas. The Commission has launched an online address harvesting tool and it was going well as was cooperation with other state institutions.

In order to deal with the outstanding 2.8 million voters’ addresses, there would be an open registration on 10 – 11 March 2018 at a significant cost of R230 million. Any persons who had changed their residence, will have a chance to re-register in the new voting districts. It was also reported that there are 8 voting stations which would not be opened because of population movements and 35 voting stations may not open in Vuwani given political turmoil. The situation at Vuwani needs further political intervention.

It should be noted that people would not be turned back on election days if their addresses are not in the voters roll. The IEC will allow the voters to provide the addresses and thereafter vote. The matter of capturing addresses does not alter the 2019 National and Provincial elections as addresses are not required. The addresses are required for the local government elections and for by elections.

During the Third quarter, the IEC performed as follows:

Programme	Number of targets	Number of targets achieved	Number of targets not achieved	% achieved
1: Administration	6	4	2	66.7%
2: Electoral Operations	5	4	1	80%
3: Outreach	3	2	1	67%
TOTAL	14	10	4	71.4%

The number of quarterly internal audit progress report per annum. The meeting of the Audit Committee should take place each year within 30 days after the start of the next quarter. This meeting did not take place and now the Audit Committee meetings is not held at the latest six weeks after the end of the quarter. This meeting will take place on 23 February 2018.

The number of permanent staff to be provided with developmental training interventions per annual was 90 but only 79 were provided with the training. This was due to the unsuccessful procurement of the training and First Aid training was postponed to January 2018.

The target of the civic a democracy education events to be held was 3 750 but only 3 065 were conducted. This target was not achieved because many staff were on leave during December and the IEC was closed for the Christmas Day and New Year. The target of number of days to conduct elections was not achieved because the Electoral Court postponed the Metsimaholo by-election following the dissolution of the 42 PR and ward seats of the local council. The by-elections had to be held within 90 days. In Metsimaholo there were also a higher number of people without addresses.

The IEC Acting Chief Financial Officer, Ms E de Wet presented on the quarterly finance and budget. She indicated that the lease of their Head Office will end in 2020 and that the IEC had met with National Treasury to condone the expenditure of approximately R300 million but had not received approval yet.

The budget expenditure for quarter 2 was projected at R255.9 million (97%) of the allocated R262.5 million. The budget expenditure for quarter 3 projected at R397.4 million (91%) of the allocated R362.7 million. Underspending relates primarily to cost containment measures set in place to provide for unfunded projects later in the year. In total the IEC indicated that there was a funding shortfall of over R600 million in the current and next financial year. This is primarily due to R410 million needed for address harvesting and R150 million needed for the ICT platform update.

4.3 The Government Printing Works

The Acting Chief Executive Officer, made the presentation. She indicated that quarter two had 14 targets and one was not achieved and quarter three had 16 targets and two were not achieved. The Annual Performance Plan tabled in 2018 has more quarterly targets. She also reported that the GPW has taken over the printing of gun licences and also prints exam papers for Limpopo government which had added significant workload but also revenue.

In relation to the conversion of GPW into State Owned Company (SOC), Cabinet referred back to DHA and GPW and it was decided to remain as Government Component (GC) to save on value added tax expenditure subject to salary benchmarking and an occupational specific dispensation for technical staff. The Draft Security Printers Bill has been completed and submitted to DHA for processing to Cabinet and Parliament. The Bill will be processed through Cabinet in quarter four.

The total GPW profit for quarter two was R148.6 million and for quarter three was R147.3 million. The lower than anticipated collection during quarter three was due to a reduction in Smart ID Card sales and the number of printed Government Gazettes issued.

4.4 Committee Observations

The Portfolio Committee on Home Affairs observed the following with regards to the DHA, IEC and GPW first quarter reports:

- 4.4.1. The Committee raised the pattern of spending overs quarters and whether fiscal dumping may have occurred in the last quarter to compensate for the underachievement in previous quarters
- 4.4.2. The relationship between Visa Facilitation Service (VFS) and the DHA was questioned. The DHA reported that VFS collects applications in relation to permits and visas and forwarded these to the DHA for processing. The contract between the DHA and VFS will expire in December 2018.
- 4.4.3. The DHA should provide a report distinguishing the most current number of Refugees and Asylum seekers.
- 4.4.4. The borderline around South Africa appears to have collapsed and the DHA is unable to control and monitor undocumented migrants. The SANDF and SAPS are also not performing their roles at the border adequately.
- 4.4.5. There is a lack of public education by the DHA to citizens in relations to refugees and asylum seekers.

- 4.4.6. There is not sufficient collaboration between DHA and the SAPS on sharing of biometric data to detect individuals who might have committed crimes in the country and are apprehended undocumented or attempt to leave the country.
- 4.4.7. Although the DHA has performed well in this quarter, there was no target to measure client satisfaction.
- 4.4.8. The issue of Lindela Repatriation Centre was raised and it was reported that if there are 2 500 people at the centre, the DHA pays about R3 million a month. The committee was concerned about long queues at Home Affairs offices.

5. ANALYSIS OF DHA, IEC AND GPW 2016/17 ANNUAL REPORTS

5.1 The Department of Home Affairs (DHA):

The PCHA met with the Auditor-General of South Africa (AG) to receive the audit outcome briefings on the DHA, GPW and IEC and on 11 October 2018. The DHA then briefed the Committee on their Annual Report for the 2017/18 followed by the GPW and IEC Annual Reports. Targets achieved in the 2014 to 2018 financial year were:

Programme	Targets 2017/18	Achieved 2017/18	Percentage			
			2017/18	2016/17	2015/16	2014/15
Programme 1: Administration	13	11	85%	89%	95%	81%
Programme 2: Citizen Affairs	5	4	80%	66%	80%	43%
Programme 3: Immigration Affairs	10	9	90%	75%	58%	67%
Total	28	24	86%	84%	81%	70%

The Acting Director-General reported that the DHA had a total of 28 targets planned for 2017/18 of which 24 (86%) were achieved. This is compared to 32 targets planned for 2016/17 financial year with 27 achieved. From 2014/15 financial year the DHA achieved 70 percent of the targets and in 2015/16 the performance increased by 11 percent to 81 percent and there have been gradual increases since then. Overall performance has once again increased due to significant gains in the Immigration programme; but the performance of Citizen Affairs programmes has also improved significantly after a decline in 2016/17 as per the table below. Performance improvements in the department are supported by stronger governance, accountability and controls.

The three programmes have the following strategic objectives which were supported by these targets for 2017/18:

Programme 1 Administration

Strategic Objective 1.2: An integrated and digitised National Identity System (NIS) that is secure and contains biometric details of every person recorded on the system

1.2.1 Citizenship and Amendment Processes developed onto live capture

1.2.2 Impact analysis report signed off by DDG:CS and DDG: IMS (AFIS)

Strategic Objective 1.3: Ensure that systems are in place to enable the capturing of biometric data of all travellers who enter or exit SA legally

1.3.1 EMCS (full biometric scope) piloted at one Port of Entry: **Not achieved** Technical specifications approved and development has commenced.

Strategic Objective 3.1: Secure, effective, efficient and accessible service delivery to citizens and immigrants

3.1.1 300 managers (junior, middle and senior) trained in leadership and management development programmes to improve performance and professionalization.

3.1.2 Draft White Paper submitted to Minister for approval

Strategic Objective 3.2: Good Governance and Administration

3.2.1 Vacancy rate maintained at 10% or below by 31 March 2018

3.2.2 Request for qualification (RfQ) issued to the market

Strategic Objective 3.3: Ethical conduct and zero tolerance approach to crime, fraud and corruption

3.3.1 20 awareness initiatives on ethics, fraud prevention and counter-corruption conducted

3.3.2 66% of reported cases on fraud and corruption finalised within 90 working days

3.3.3 2 detection reviews / security evaluations on processes conducted to identify possible vulnerabilities to fraud, corruption and security breaches in business processes (approved by DDG:CCSS and reports submitted to affected business units for implementation of recommendations)

3.3.4 80 Threat and Risk Assessments (TRAs) conducted in accordance with the requirements of Minimum Information- (MISS) and / or Minimum Physical Security Standards (MPSS)

Strategic Objective 3.3: Ethical conduct and zero tolerance approach to crime, fraud and corruption

3.3.5	572 vetting files finalised and referred to State Security Agency for evaluation
3.3.6	70% of reported misconduct cases submitted to a presiding officer for consideration: Not achieved 209 of 473 cases (44%) were submitted to presiding officer for consideration.
Strategic Objective 3.4: Collaboration with stakeholders in support of enhanced service delivery and core business objectives	
3.4.1	Communication strategy and action plan implemented with a focus on: Corporate Communication Services; Media Relations; Public Awareness Engagements: 4 Publications of Ikhaya internal newsletter, 28 media engagements, 6 Ministerial Izimbizo, Budget vote communication event, 11 Publications of Ministerial Home Affairs Today, 8 Notes from the DG's Desk, and 2 campaigns.

Programme 2 Citizen Affairs

Strategic Objective 1.1: Eligible citizens are issued with enabling documents relating to identity and status	
1.1.1	750 000 births registered within 30 calendar days
1.1.2	3 million smart ID cards issued to citizens 16 years of age and above: Not achieved 2 864 111 smart ID cards were issued to citizens aged 16 years and older
1.1.3	Strategy for Discontinuation of the Green Barcoded Identity Document approved by Minister
1.1.4	Mobile solution for live capture piloted at 9 offices
1.1.5	90% of machine-readable passports (new live capture system) issued within 13 working days for applications collected and processed within the RSA (from date of receipt of application until passport is scanned at office of application)

Programme 3 Immigration Affairs

Strategic objective 2.1: Refugees and asylum seekers are managed and documented efficiently	
2.1.1	Feasibility report submitted to National Treasury for TA I approval
Strategic Objective 2.2: Movement of persons in & out the country managed with risk-based approach	
2.2.1	100 inspections/ operations conducted
2.2.2	BMA Road Map approved by Minister
2.2.3	Implementation of Integrated Border Management Strategy monitored by BMA (action plans of various organs of state) Not achieved 3 of 4 progress reports on the implementation of the IBMS have been submitted to the Minister
2.2.4	Immigration and Refugees Bills approved by Minister for submission to Cabinet
2.2.5	Selected Ports of Entry and Refugee Reception offices improved to comply with prescribed infrastructure standards (6)
Strategic Objective 2.3: Enabling documents issued to foreigners efficiently and securely	
2.3.1	85% of permanent residence applications adjudicated within 8 months for applications collected within the RSA (from date of receipt of application until outcome is in scan at VFS Centre – office of application) [Above applications refer to: critical skills (s27b), general work (s26a) and business (s27c) only]
2.3.2	90% of business and general work visas adjudicated within 8 weeks for applications processed within the RSA (from date of receipt of application until outcome is in scan at VFS Centre - office of application)
2.3.3	80% of critical skills visas adjudicated within 4 weeks for applications processed within the RSA (from date of receipt of application until outcome is in scan at VFS Centre - office of application)

During the reporting period, the DHA achieved the following:

- An important advance over the period under review was the appointment of a service provider to develop the ABIS, as the current HANIS is nearing the end of its life.
- Drafting of a White Paper to be submitted to Cabinet for approval by December 2018, and the Home Affairs Bill after Cabinet approval of a business case in March 2017, for repositioning the DHA as a modern and secure department.
- The automated processes for births, marriages and deaths have been developed and the modules will be rolled out in the 2018/19 financial year.
- National evaluation study on registration of births within 30 days commissioned in partnership with Department of Planning, Monitoring and Evaluation (DPME).

- The development of six key land ports through a PPP- approval was received from the National Treasury for the request for qualification by bidders, which was advertised in March 2018.
- A BMA Blue Print (2032) and Road Map (2017-2032) were finalised together with a BMA 2019/20 MTEF submission.

The Acting DG reported on the four targets which were not achieved during the reporting period:

- The Enhanced Movement Control System (EMCS), with a full biometric scope (outstanding from previous year too).
- Implementation of Integrated Border Management Strategy monitored by BMA (action plans of various organs of state).
- 70% Reported misconduct cases submitted to presiding officers for their consideration.
- 3 Million Smart ID cards issued: The reasons for the decrease may relate to the reduction of working days from six to five days per week due to a dispute between labour and the department on the determination of working hours.

In addition to the above regard the DHA reported facing the following challenges during the reporting period:

- A daunting challenge is Network downtimes which also contributed to the inability to capture applications due to non-availability of the systems. However, the department is finalizing a trilateral agreement with the State Information Technology Agency (SITA) to find a lasting solution to this challenge.
- The department experienced long queues from high client volumes. A “War-on-Queues” strategy with clear deliverables and time frames was developed and the impact of implementing the strategy will be assessed in 2018/19 financial year.
- Office accommodation - department is accommodated in 411 Civic Services front offices across the country but this is insufficient. The footprint of the department does not meet the minimum accessibility norms (distance to be travelled by clients to access services) of 50 km in the Northern Cape and 25 km in other provinces.
- Human Resources capacity constraints – DHA has constantly been faced with the challenge of a reduction in the Compensation of Employees (COE) budget due to fiscal constraints, which resulted in critical positions not being filled, including at managerial levels. Shortages are beginning to have an impact on management positions, which is detrimental. matter has been brought to the attention of the Portfolio Committee on Home Affairs.

5.2 Financial Report

In 2017/18 the DHA again received an unqualified audit opinion with findings (restatement of corresponding figures); no material findings on performance information but there were improvement in compliance with key legislation (30 day payments) and status of key controls.

Expenditure as a percentage (%) of the final appropriation went 99.8% (R12, 281 million unspent) to 99.99% in 2017/18 (with only R660 000 out of R8.4 billion unspent). There were thus no rollovers nor unauthorised expenditure.

Irregular expenditure as identified in Note 22 of the annual report had an opening balance of R516,1 million as well as an amount of R3,65 billion from previous years. For the current year R34,9 million was added including where the DHA got quotations rather than a tender for R5million cleaning contract. A total of R1.7 billion was condoned by National Treasury leaving a closing balance of R553 million.

Fruitless and wasteful expenditure specified in Note 23 of the Annual Report shows an opening balance of R494 thousand plus relating to prior years an amount of R125 thousand in the current financial year. In the current year R46 000 was added. Cases resolved or recovered add up to R481 000 thus leaving a closing balance of R184 000.

The AG identified the need for restatement of the following corresponding figures in Note 30:

- 2016/17: restated receivable balances and split between confirmed amount of R652 million and unconfirmed amount of R1 billion.
- 2017/18: DIRCO confirmed R749 million for prior year (2016/17) and R896 million for 2017/18. DHA had to restate in light of DIRCO confirmation letter.
- DIRCO paid R40 million to NRF in 2017/18 in relation to prior year balances. Department also made R44 million adjustment - DIRCO paid to NRF in 2016/17.
- Unreconciled balance of R21 million after 2016/17 audit cleared.

The following were reported as means to address the shortfall in departmental auditing and performance:

- Repositioning of DHA as a security department.
- Continuous improvement of governance and administration practices.
- Strengthen partnership with banks and ensure continuous improvement of eHomeAffairs platform.
- Improvement of six most important land ports through PPP.
- Establish the BMA and operationalization thereof.
- Complete the modernization scope.

5.3 GPW 2017/18 Annual Report

The Acting Chief Executive Officer made the presentation and she was assisted by the Chief Financial Officer. She indicated that the mandate of GPW is to provide security printing and related services to the Government of South Africa and it was established in 1894. It had 25 targets in 2017/18 of which 23 (92%) were achieved. This compares to 2016/17 with 28 targets of which 22 were achieved (79%).

Targets achieved according to the four programmes of GPW were as follows:

Branch	Total Targets	Achieved	Not Achieved	% Achieved
Production and Operations	5	4	1	80%
Strategic Management	8	7	1	88%
Financial Services	8	8	0	100%
Human Resources	4	4	0	100%
TOTAL	25	23	2	92%

The GPW reported on the following targets (with the two red frowns showing those not achieved):

: Summary of annual performance per Branch

BRANCH	TARGETS: 2017/18	STATUS
	Total targets= 5	
OPERATIONS AND PRODUCTION	100% of Identity Documents/ Cards distributed must conform to the client's specifications	😊
	100% of Travel Documents delivered must conform to the client's specifications	😊
	100% of examination papers delivered must conform to the client's specifications	😊
	100% of Government Gazettes published to conform to quality and timeline specification	😊
	Completed construction of secure facilities <ul style="list-style-type: none"> • Construction of pavilion 3 completed • New Head Office building completed • Construction of remaining GPW Visagie Street Site 10% complete 	☹️
BRANCH	TARGETS	STATUS
	Total targets= 8	
STRATEGIC MANAGEMENT	>99% security vulnerabilities mitigated as detected by security assessments	😊
	>99% system availability	😊
	>80% ICT service offerings identified implemented	😊
	Three new security products developed	😊
	Submit all required and identified documentation for the establishment of a State Owned Company to Parliament for approval	☹️
	Implement security risk management according to approved plan	😊
	90% of annual internal audit plan, implemented	😊
	100% of annual risk & compliance plan as approved by the Risk Committee, implemented	😊
BRANCH	TARGETS	STATUS
	Total targets= 08	
FINANCE	Maintain unqualified audit opinion for 2016/17	😊
	18% operating cost as percentage of revenue reached	😊
	28% gross profit margin achieved	😊
	80 days debtor collection period decreased	😊
	5 positive working capital ratio achieved	😊
	3 inventory turnover ratio achieved	😊
	Conclude SLA's with 10 additional external customers and 10 suppliers	😊
	19% return on capital investment	😊
BRANCH	TARGETS	STATUS
	Total targets= 4	
HUMAN RESOURCES	Implement 100% revised Human Resource staffing plan	😊
	Fill 85% of positions identified in accordance with the HR staffing plan	😊
	Develop 3 GPW training and development programs	😊
	2 average training interventions based on organisational /employee developmental needs	😊

The reasons given for the non-achievement of targets is as follows:

- Completed construction of secure facilities New Head Office building was not completed. The Final Plans were completed in December 2017 and submitted to the City of Tshwane Municipal Council for approval. Approval by the City of Tshwane Municipal Planning department was however still outstanding. Continuous follow ups are being made.
- GPW submitted all required and identified documentation for the establishment of a State Owned Company to Parliament for approval. All required documents for the establishment of a State Owned Company were submitted for tabling to the Governance and Administration Cabinet Committee through Home Affairs. Documents were referred back for GPW to come up with a different strategy or approach. The key concern that was raised was that government cannot add to the list of SOCs, considering current governance challenges and GPW was advised to find alternative approach for addressing its institutional and operational challenges.
- In the change of approach from SOC conversion to retention as Government Component, GPW is working closely with National Treasury, Public Works (DPW) and the Department of Public Service and Administration (DPSA) to address institutional and operational challenges. These include approval being granted for an Accounting Framework. Public Works discussions have, however, not made much progress. With DPSA Some progress is noted on occupational special dispensation (OSD) for salaries of technical staff and ongoing engagements underway.

Profit or Loss and other comprehensive income	2017/18 R'000
Revenue	1 432 037
Cost of sales	(713 445)
Gross Profit	718 592
Other income	81 846
Operating expenses	(208 481)
Surplus for the year	591 957

Revenue in the GPW grew as follows:

- up 21% from 2015/16 to 2016/17
- -2% from 2016/17 to 2017/18 (the decrease in revenue is due to less extra ordinary gazette's being published which means that customers are complying with the cut off time for Government Gazette).

Statement of Financial Position	2017/18 R'000
Non-Current Assets (Property, plant and equipment)	829 948
Current Assets (Cash, bank, debtors)	2 347 193
Total Assets	3 177 141
Net Assets (Reserves approved by NT for future projects)	2 414 645
Non-current Liabilities	561 755
Current Liabilities	200 741
Total Net Assets and Liabilities	3 177 141

The GPW received an unqualified audit opinion for the 2017/18 financial year. The matters of emphasis relates to irregular expenditure classified as follows:

Reasons for the irregular expenditure	2017/18 R'000	2016/17 R'000
Reasons recorded for not obtaining three quotations is not justifiable	30	394
No reasons recorded for obtaining three quotations	0	127
Deviations from competitive bidding not justifiable	0	12 717
Request for quotations did not include a specific condition and specify the minimum threshold for local production and content	0	338
Contract amended or extended without approval from National Treasury	3 158	
B-BBEE points awarded without verification of supporting documentation	54 703	135 162
Overtime paid exceeding 30% of the monthly salary	3 796	
TOTAL	61 687	148 738

5.4 The Electoral Commission of South Africa (IEC)

The IEC Chairperson made the opening remarks and the presentation was done by the Chief Electoral Officer. It was reported that a total of 20 of the 25 targets (80%) set by the IEC for performance indicators were either achieved or exceeded during the 2017/18 financial year. This is an improvement of 18% in comparison with the performance of the previous financial year. The Outreach has exceeded achieved all targets for the first time and reporting on the programme received no qualifications.

Performance by programme for 2017/18

From the constitutional court ruling in 2016 to now, registered voters with recorded addresses have gone from 8 million to 21.3 million (82% complete). The address number street and suburb, with name and/or geo coordinates were mostly procured from other state departments. President Ramaphosa indicated elections would take place

Programme	Strategic Outcome-oriented Goal	#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	11	8	3	72%
Programme 2: Electoral Operations	Goal 2: Achieving pre-eminence in the area of managing elections and referenda, including the strengthening of a co-operative relationship with political parties.	10	8	2	80%
Programme 3: Outreach	Goal 3: Strengthening electoral democracy	4	4	0	100%
Total		25	20	5	80%

before the end of May 2019. It was now the last seating of the outgoing Vice-Chairperson, Commissioner Tselane as well as Rev. Finch who were thanked for their good work.

The outcome of the 2016 Local Government Elections resulted in the highest number of “hung councils” in South Africa’s democratic history, including some of the metropolitan councils. The result of this was the establishment of coalition governments in more than 25 councils. Over the past year, these coalitions have presented councils with challenges in terms of reaching agreement on key decisions, budgets and policy priorities. In at least two municipalities – Nquthu and Metsimaholo – the coalitions have collapsed, leading to the dissolution of the council and by-elections throughout the municipalities. In many others, there have been changes in allegiance and loyalty, which, along with a disturbing continuation of political violence (especially in KwaZulu-Natal), have led to a significant increase in the number of by-elections. At the same time, the Electoral Commission has been faced with the imperative to meet the ruling of the Constitutional Court with regard to the acquisition of addresses for voters on the voters’ roll in line with section 16(3) of the Electoral Act. These binary factors – an increase in the number of by-elections and the acquisition of addresses – have significantly increased the workload of the Electoral Commission.

Statement of Financial Performance	31 March 2018	31 March 2017
Total revenue	1,317,251,164	1,702,565,349
Expenditure	(1,295,625,683)	(2,013,921,046)
Employee-related costs	(638,818,352)	(755,714,847)
Goods and services	(483,281,699)	(1,091,397,101)
Depreciation, amortisation and impairment	(72,661,237)	(67,990,846)
Audit fees	(6,841,651)	(7,246,252)
Lease rental costs	(93,744,745)	(91,463,313)
Finance costs	(14,629)	(9,951)
Debt impairment	(263,370)	(98,736)

Deficit on disposal of assets	(178,185)	(146,956)
Surplus/(deficit) for the year	21,447,296	(311,502,653)

Statement of Financial Position	31 March 2018	31 March 2017
Current assets	171,460,554	48,342,447
Cash and cash equivalents	129,966,145	14,078,042
Trade and other receivables from exchange transactions	32,453,279	22,352,490
Inventories	9,041,130	11,911,915
Non-current assets	227,352,325	294,179,033
Property, plant and equipment	144,193,204	197,705,422
Heritage assets	1,664,421	1,663,664
Intangible assets	81,494,700	94,809,947
Total assets	398,812,879	342,521,480
Current liabilities	142,848,280	105,729,326
Trade and other payables from exchange transactions	137,238,647	102,690,693
Short-term portion of operating lease liability	3,507,825	1,315,124
Provisions	2,101,808	1,723,509
Non-current liabilities	38,944,549	41,219,393
Operating lease liability	38,944,549	41,219,393
Total liabilities	181,792,829	146,948,719
Accumulated surplus	217,020,050	195,572,761
Total liabilities and net assets	398,812,879	342,521,480

The increased workload finds practical expression ahead of by-elections primarily because of the order of the Constitutional Court on the suspension of the declaration of invalidity of excluded by-elections. At the same time, the imperative to include addresses of voters on the voters' roll, along with increased political contestation, have resulted in an increase in objections to voters being registered on particular segments of the voters' roll, especially segments implicated in by-elections. This increase in the number of objections has resulted in some by-elections having to be postponed. Cumulatively, these factors have led to an increase in demand on the resources of the Electoral Commission at a time when it is seeking to prepare for the 2019 National and Provincial Elections.

The Electoral Commission received R1.3 billion for the year under review by way of a Parliamentary Grant. Sundry income, consisting largely of interest earned in the amount of R14.7 million, brought the Electoral Commission's total income to R1.32 billion for the year under review. Expenditure reflected in the Annual Financial Statements – on the accrual basis – was R1.3 billion, giving an accounting surplus of R21.4 million. Initially, no main registration activities were planned for the 2017/18 financial year, but the Electoral Commission had to reprioritise its spending needs to provide for various address harvesting initiatives, including a registration drive on 10 and 11 March 2018 to address the deficiencies in the current voters' roll, as outlined above. This resulted in tremendous funding pressures. However, despite these funding difficulties that were experienced, the Electoral Commission succeeded in maintaining its spending within budget. The liquidity ratio improved in the current year due to an increase in the cash position, resulting from prudent expenditure control measures that were implemented to provide for the planned capital expenditure in 2018/19.

Expenditure is mainly influenced by the election cycle, peaking during preparations for an election and decreasing again to fund regular activities in non-election cycles. The figure below sets out the expenditure trends since 1999. In this regard, it is also important to note the influence of the higher number of voting stations, as a result of the increase in the number of registered voters, on expenditure trends. In addition, the year under review reflected the

impact of the costs incurred in relation to improving the quality of the national voters' roll in line with the recent court judgments by the Electoral Court and the Constitutional Court.

The Electoral Commission has a full-time establishment of 1 033 permanent members of staff. As at 31 March 2018, 926 posts were filled. For the March 2018 registration weekend, staff capacity was expanded with the employment of fixed term staff, including 354 assistant project coordinators and 4 392 area managers. In addition, some 67 289 temporary staff members were employed in various capacities to assist at voting stations. The employment of temporary staff members in these numbers presents challenges. One of the Electoral Commission's key areas of focus is to continuously identify and address training needs, particularly for staff members at voting stations who have statutory responsibilities, and who are the public face of the organisation during election and registration periods.

In relation to the restatement of figures in the annual report it was reported that DIRCO now collects revenue and deposits it into the NRF on an agency/principal relationship. However, the department is still accountable for any error or omission although it has limited control over transactions. During 2016/17 the Department restated the Receivables balances in relation to foreign revenue; the total amount of R 1,7 billion was split between a confirmed amount of R652 million and an Unconfirmed amount of R1 billion. The unconfirmed amount had related to transactions passed by DIRCO for which no supporting documentation was received by the Department. During the 2017/18 DIRCO confirmed a balance of R749 million for prior year 2016/17 and R 896 million for year ended in 2017/18. DHA had to restate the 2016/17 as a result of the confirmation which also caused a reduction of the balances. Further reduction to the receivable balance is due to DIRCO 's payment of R 40 million to NRF in 2017/18 in relation to prior year balances and a payment adjustment of R 44 million that DIRCO paid to NRF in 2016/17 also reduced the balance. The difference between foreign revenue collected of R311 million and revenue paid to NRF of R88 million is R 223 million which has been included as a Receivable under Claims Recoverable.

The Audit outcome on the annual financial statements was an unqualified opinion; two emphasis of matter paragraphs on the annual financial statements;

- Restatement of corresponding figures: As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2017 were restated as a result of an error in the financial statements of the constitutional institution at, and for the year ended, 31 March 2018.
- Irregular expenditure: As disclosed in note 28 to the financial statements, the constitutional institution incurred irregular expenditure of R71,247,803 due to non-compliance with the procurement process and entity specific legislation. No additional matter paragraphs on the annual financial statements.

5.4 Committee Observations on 2017/18 Annual Reports

The Committee observed the following during its oversight over the Department of Home Affairs, the Government Printing Works and the Electoral Commission of South Africa:

Department of Home Affairs

- 5.4.1. There is a lack of consequence management within the DHA for wrong doing by officials. Investigations were done into irregular expenditure but there is still consequence management outstanding for instance on not getting 3 quotes.
- 5.4.2. The DHA experiences delays in service delivery due to dependence on SITA for network connectivity and to the Department of Public of Works for office accommodation.
- 5.4.3. There was a 44% decline in irregular expenditure from R333 million to R184 million.
- 5.4.4. AG checks staff with company ties against declarations of interest every 6 months and provides this information to DHA.
- 5.4.5. There is a notable improvement with full compliance on paying clients within 30 days.
- 5.4.6. The tribute to staff that work on weekend although they are not mandated to is noted.
- 5.4.7. 412 offices are insufficient for 57 million persons and some offices cannot be converted to smart offices due to aging infrastructure.
- 5.4.8. The DHA have no idea on the BMA bill from the NCOP Select Committee. But continue to do work in the back ground for its implementation.
- 5.4.9. Even the unqualified audit for two years with some improvements is a mammoth effort.
- 5.4.10. The DHA has not considered the delivery of smart IDs to clients at an extra fee.
- 5.4.11. Some offices are already offering separate queues for those that apply online.
- 5.4.12. 25 new bank offices have been initiated awaiting SITA data connection.
- 5.4.13. 17 smart ID Mobile units are expected in November 2018.
- 5.4.14. The Committee noted continued challenges of restatement of figures due to DIRCO's delays in transferring of funds collected on behalf of the DHA for services rendered at missions abroad.
- 5.4.15. The Committee noted with concern that the DHA had procured the services of EOH Holdings (Pty) Ltd. to take over after the end of life of the Home Affairs National Identification System (HANIS), and why the company's questionable conduct with other government Departments was not considered.

The Government Printing Works

- 5.4.16. There is an irregular expenditure related to the construction of Pavilion 3 building.
- 5.4.17. The GPW received an unqualified audit for 2017/18 financial year with findings.
- 5.4.18. GPW indicated that it would make a submission to parliament to introduce legislation for a governance structure for its continued status as a Government component.
- 5.4.19. The GPW also indicated a long outstanding audit by a firm that is involved in the construction of one of its facilities is holding back production and they have thus pursued the matter with the Police and withheld payments to the firm.
- 5.4.20. There were also delays in getting approvals in part due to the high turnover rate of DGs at the DPW leading to them having to return funds to national treasury.
- 5.4.21. The DPW have received a service provider report on OSD salary with positive feedback but unions are objecting that the entire organisation and not just technical staff should have salaries adjusted.
- 5.4.22. The GPW had irregular expenditure primarily relate to a 2015 contract where GBK sub-contracted more than 25% of its work out and thus lost its BB-BEEE level one status. GPW has investigated irregular spending in 2016, and is still doing 2017 audit to discipline staff if necessary. SAPS and Hawks contacted as advised by treasury to address weather undue gain was accrued by GBK before condonement.
- 5.4.23. The current GPW contract for security ends in 2020 but they have all been vetted by the State Security Agency. They have conducted benchmarking exercise to gradually in-source the security and are being assisted by the South African Reserve bank.
- 5.4.24. The State printers Bill stuck with State Law Advisor on two issues: The GPW doesn't have legislative mandate and secondly DHA wants certain security documents such as gun licenses to be ring fenced to GPW which SLA say is unconstitutional.
- 5.4.25. The Committee noted with concern the long period for which a permanent CEO of the GPW had not been appointed.

The Electoral Commission of South Africa

- 5.4.26. National Treasury has not funded the IEC for the harvesting of addresses for the current financial year. The funding will only be available in the 2018/19 financial year.
- 5.4.27. The IEC progress on harvesting of registered voter addresses is commendable despite significant funding shortages and the need to get an extension.
- 5.4.28. The IEC received an unqualified audit for 2017/18 financial year with findings.
- 5.4.29. A draft treasury instruction received by the IEC, which is effective December 2018 is that once a transaction is condoned it applies to the entire transaction, so Riverside Office park could cease to be irregular expenditure from the end of 2018.
- 5.4.30. The biggest 2017 irregular expenditure is 25 million contract for GIS and ERP. The contract was noted as irregular since a member sat on 2 stages of a bid committee. IEC argue that this is a minor misdemeanour. These IT contracts are essential and thus are being sought for condonation with the required investigations to national treasury.
- 5.4.31. The issue of tax clearance certificates is interpreted by AG to mean at the time of granting the tender when some bidders were awaiting renewal rather than at the time of adjudication when they were valid.
- 5.4.32. Small village voting station or registration location tenders struggle to get multiple bidders.
- 5.4.33. The liquidity ratio of the IEC has improved from 4 to 1.2, which is notable.

6. CONSIDERATION OF OTHER SOURCES OF INFORMATION

6.1. State of the Nation Address 2018

Although there was no specific mention made of the DHA, there are five government priorities in the SONA, which Home Affairs does and will need to contribute to. These are:

- Encourage investment.
- Create jobs especially for youth.
- Infrastructure development.
- Address corruption.
- Improve service delivery efficiency.

Encourage investment

SONA encouraged building further on the collaboration with business and labour to restore confidence and prevent an investment downgrade and to make a major push this year to encourage significant new investment in our economy. This will include an Investment Conference in the next three months, targeting both domestic and international investors, to market the compelling investment opportunities to be found in our country.

The role of the Department of Home Affairs in this regard is to facilitate streamlined provision of corporate and business permits for companies and individuals wishing to expand or establish ventures in the country. This has already been improved through premium DHA Visa and Permit Services Centres by Visa Facilitation Service (VFS) in Johannesburg and more recently in Durban and Cape Town for Corporate Clients and their dependents. Visa and

Permit applications from corporate clients will be accepted at these new centres and assessed by Department of Home Affairs.

Create jobs especially for youth

The SONA emphasised the National agenda in 2018 is the creation of jobs, especially for the youth. This continues the drive from previous year's SONA and the National Development Plan. In addition the President mentioned a Jobs Summit within the next few months to align the efforts of every sector and every stakeholder behind the imperative of job creation. The summit will look at what we need to do to ensure our economy grows and becomes more productive, that companies invest on a far greater scale, that workers are better equipped, and that our economic infrastructure is expanded. The summit to come up with practical solutions and initiatives that will be implemented immediately. The most pressing challenge is youth unemployment.

It is therefore a matter of great urgency that young people are drawn in far greater numbers into productive economic activity. The President thus indicted establishing a Youth Working Group that is representative of all young South Africans to ensure that policies and programmes advance their interests.

Home Affairs primary contribution to this objective is twofold: through the facilitation of easier access to visas to promote tourism and related job creation as well as expanding the opportunities for internships within the Department.

Tourism has significant potential to expand job creation and DHA still needs to make full recompense from past reputational damage done to the country through its new visa regulation security measures. This included many tourists being blocked from entering due to parents needing separate unabridged birth certificates to travel into the country with their children.

DHA also needs to grow access for tourists in countries which still need visa's to enter South Africa by facilitating by expansion of Visa Facilitation Service centres in higher demand countries. The DHA has started implementing the outcomes of the October 2015 recommendations of the Inter-Ministerial Committee on immigration regulations.

These include the following:

- Long term visas for multiple travel for frequent travellers for 3 months up to 3 years is been implemented.
- The Department will increase Visa Facilitation Centres (VFC) in China, India, United Kingdom, Nigeria, Democratic Republic of Congo, Angola, Ghana, Kenya and Uganda. The Department will fast-track the opening of VFCs in Zimbabwe, United Arab Emirates and Botswana.

Infrastructure Development

Infrastructure investment is reiterated in SONA as a key in efforts to grow the economy, create jobs, empower small businesses and provide services to our people. Investment in new roads, power stations, schools and other infrastructure improves access to DHA services.

However as also mentioned in SONA; some projects are taking time to get off the ground and these include the upgrading of facilities and provision of buildings to expand DHA services by the Department of Public Works and the State Information Technology Agency. To enhance such efforts, the president promised to assemble a team to speed up implementation of new projects, particularly water projects, health facilities and road maintenance. Home Affairs should add its weight to such implementation promotion both to expand its service footprint but also to share its experiences on innovative service delivery options such as the use of banks and Thusong centres to expand provision of services.

In addition, SONA notes the need to focus on improvements in our budget and monitoring systems, improve the integration of projects and build a broad compact on infrastructure. Home Affairs capacity for the provision of Smart Identification documents is almost ready to replace the green ID books. The potential of these cards to serve as a secure unified platform for access to government and private services such as healthcare, social grants and driver's licences has not come to fruition due to lack of inter-governmental coordination and planning as well as various delays. If South Africa can lead the way on the continent on integration of government identification information through smart IDs, this will promote more efficient services and e-government initiatives as well as serve as a good marketing for the expansion of the country's manufacture of secure documents to the untapped African market.

Address Corruption

Ending corruption featured in both SONA 2016 and 2017. Specifically, 2016 SONA introduced the establishment of Anti-Corruption Inter-Ministerial Committee. Whereas 2017 SONA affirmed that the fight against corruption continues. In 2018 SONA declared that this year in which the tide of corruption in public institutions will turn. Criminal justice institutions have been taking initiatives that will enable dealing effectively with corruption.

The commission of inquiry into state capture headed by the Deputy Chief Justice, Judge Raymond Zondo, is critical to ensuring that the extent and nature of state capture is established, that confidence in public institutions is restored and that those responsible for any wrongdoing are identified.

The Commission should, however, not displace the regular work of the country's law enforcement agencies in investigating and prosecuting any and all acts of corruption.

In November 2016, Corruption Watch published a report in which it highlighted areas of corruption related to asylum seekers in South Africa. The report highlights the opportunities for corruption which arise at multiple points. These include when foreign nationals present documents to law enforcement officials, or apply for works permits, or seek asylum and refugee status. The report states that when applicants are required to engage directly with Home Affairs, South African Police Service (SAPS) or security officials, bribes are often demanded in order for documents to be issued or entry to the Refugee Reception Office granted.

The Department reports that it continues to conduct lifestyle audits to determine whether the standard of living of an employee is commensurate with that person's known income stream. In addition provincial management reports by the DHA to the Portfolio Committee on Home Affairs indicate improved rates of detection and consequence management of Staff, which combined with expansion of biometric security measures for staff, will hopefully serve to discourage such corruption in the future.

Improve Service Delivery Efficiency

The President indicated that the state employs over one million public servants, the majority of which serve our people with diligence and commitment. However, there remain challenges that people face when they interact with the state. In too many cases, they get poor service or no service at all. The principle of Batho Pele, of putting our people first needs to be reiterated across government departments. The determination that everyone in public service should undertake their responsibilities with efficiency, diligence and integrity could impact DHA in several ways. Within the constraints of a slow growing fiscus, the department will continue to face the challenge of delivering better service with less than its ideal staff compliment.

Another impact will be instilling new discipline, to do things correctly, to do them completely and to do them timeously within Home Affairs as part of the SONA call on all public servants to become agents for change. During the course of the next few months, the President will visit every national department and provincial and local government leaders to ensure that the work of government is effectively aligned and to ensure that the state, in its entirety, responds to the pressing needs of our people.

Within the context of the SONA 2018 continued focus on radical economic transformation, the contribution of the Home Affairs portfolios, while not always explicit, is key for achieving some of the commitments set. This has relevance not only for protecting the integrity of South Africa's enabling documentation, but also economic growth, job creation and development across the African Continent.

6.2 Sustainable Development Goals

The outcome of the 2030 Sustainable Development Agenda outlining the 17 Sustainable Development Goals pays particular attention to the people, planet and prosperity. The SDGs recognises the positive contribution migration makes to inclusive growth and development and therefore call on United Nations (UN) member states to strengthen their international support and cooperation to ensure safe, orderly and regular migration with full respect for human rights and fundamental freedoms. In this regard, the South African government has embarked on a comprehensive process of re-examining the role that migration plays in its society and economy through an extensive review of the international migration policy outlook currently underway. The objective of this policy framework is to better equip South Africa to manage the challenges presented by migration and harness its opportunities for both the local communities as well as immigrants.

6.3 African Union Agenda 2063

At the African Union Assembly in June 2015, Members adopted Agenda 2063 as both vision and action plan for the integration of Africa. The White Paper on International Immigration Policy acknowledges at least two resolutions adopted by the Assembly, which set clear parameters for South Africa's immigration policy, namely, the establishment of a Continental Free Trade Area (CFTA) and a continent-wide visa-free regime, including the issuing of visas on arrival at ports of entry for African citizens. As a result, visa-free entry should be the norm provided that bilateral return agreements are concluded. In fact, DHA has been issuing 10-year multiple entry visas to frequent travellers from other African countries. Where visas are still required, entry is easy as possible for bona fide travellers.

In addition, South Africa's White Paper on International Migration Policy acknowledges at least two resolutions adopted by the Assembly, which set clear parameters for South Africa's immigration policy, namely, the establishment of a Continental Free Trade Area (CFTA) and a continent-wide visa-free regime, including the issuing of visas on arrival at ports of entry for African citizens.

6.4 Oversight Visit to Gauteng

The Portfolio Committee on Home Affairs (the Committee) conducted an oversight visit to the Gauteng Province on 31 August 2018. The oversight was conducted due to the fact that Fireblade Aviation brought an application for a declaratory order that the Minister of Home Affairs grant Fireblade approval for an ad hoc international customs and immigration service to be conducted by the Border Control Operational Coordinating Committee at the premise that Fireblade leases from Denel at OR Tambo International airport (ORTIA). The Committee also visited the Desmond Tutu Refugee Reception Officer (DTRRO) to assess the services being offered at the centre since its renaming in 2015.

6.4.1 Fireblade Aviation

The Acting Director-General (ADG) made the presentation without the presence of the Stakeholders that operate at Fireblade Aviation. He reported that the application for the facility was made in 2013 and 2016. The Minister of Home Affairs, Mr Malusi Gigaba was approached by Fireblade Aviation and he holds that he rejected it and it is alleged the application was subsequently approved in 2016. The facility had been used for local flights and Fireblade Aviation later applied that international flights should also operate at the facility.

The matter went to court and the Court compelled the DHA to provide the services at the facility and the DHA then approached the Supreme Court of Appeal (SCA) but lost the case. The SCA did not deal with the merits of the case indicating that it had no chance of success. The DHA approached the Constitutional Court, while the matter was still at the SCA. The Constitutional Court ruled that the matter was not urgent and the matter at the SCA should be finalised first. The DHA was now in the process of appealing to the Constitutional Court. The ADG reported that was no letter from the Minister of Home Affairs nor the Director-General or a contract to allow Fireblade Aviation to operate at the airport.

The other stakeholders were called into the meeting and the Committee members and stakeholders introduced themselves. It was agreed that before the presentation, the Committee should conduct a walk-about at the facility and presentations by stakeholders were done thereafter.

The Committee was taken to the arrival section first, where it was reported that the South African Revenue Service (SARS) and the South African Police Service (SAPS) will approach aircrafts when they land. The aircraft will land at OR Tambo International Airport and there was gate at the facility that must be opened by Airports Company South Africa (ACSA) for the aircraft to move into the facility. The DHA receive a 24 hour notice via sms/WhatsApp and email notifications of international flights that are scheduled to arrive at and depart from Fireblade Aviation Facility. It was reported that the following stakeholders operate at the facility at the 24 hours' notice of the arrival and departure of international flights:

- The Department of Health (DoH).
- The Department of Home Affairs (DHA).
- Department of Agriculture, Forestry and Fisheries (DAFF).
- The South African Revenue Service (SARS).
- The Department of Environmental Affairs (DEA); and
- The South African Police Service (SAPS).

It was then reported that Fireblade Aviation has agreed to provide transportation for officials of the above departments from ORTIA main building to Fireblade Aviation to process landing or departure of planes. The DoH will check the passengers and crew members in relation to health issues especially on arrival aircraft according to international health regulations. The traveler's body temperature is taken by a scanner and if the body temperature is more than 36.9 Degree Celsius, the traveler will be referred to the clinic at the facility and a nurse will conduct a basic medical assessment. If the Port Health Officer is satisfied with the basic medical assessment, the traveler is allowed to proceed to Immigration at the DHA and if not satisfied, the traveler is referred to the nearest health facility.

It was reported that after the DoH had done their work, the passengers will proceed to the DHA and passengers will be processed according to the requirements in the Immigration Act, 2002 and Immigration Regulations of 2014. The Immigration Officer can refuse entry and refer passengers to a secondary investigation by the Inspectorate. There should be compliance in relation to the requirements for travel of minors. If a person is refused entry according to the Immigration Act, that person is handed over to Fireblade Aviation who will be responsible to accommodate such a person or persons until such time that the person is removed from the Republic on the soonest available flight. In the inadmissible facility, there was one bed and sofas and the Committee was concerned if more than one person needed to be held. Thus far only one person has been refused entry in several months based on not having a yellow fever certificate.

The Customs Detector Dog Unit will rummage the aircraft on arrival and departure and the passengers will disembark the aircraft into the terminal for immigration processing. The passengers will approach Customs to declare the goods and the baggage will be scanned. Because of the low number of passengers, SARS can scan all passengers. From January 2018 – August 2018, it was reported that there were 400 flights that were processed at the Fireblade facility. If a passenger has something to declare, the duty is payable to Customs. If a passenger is

departing the Republic on an international trip, there has been Value Added Tax (VAT) Refund of approximately R140 000 in terms of VAT that had been refunded. It was reported that the VAT claims will be accepted at Fireblade Aviation but will be processed at the OR Tambo International Airport. It was reported that most of the passengers are tourists.

As indicated, for the departure and arrival of aircrafts, the DHA is notified within 24 hours and the Fireblade Aviation provides transport for officials at ORTIA to come to the Fireblade Aviation to process passengers. Fireblade Aviation pays the DHA R116 749.67 per month for services at the facility. At ORTIA, there 87 counters and if a large aircraft lands that needs to be processed at Fireblade Aviation, the DHA deploys two officials that would otherwise be offering services to all international passengers since the DHA is not based at Fireblade and the issue of notifications is based on a trust relationship.

The Office space at Fireblade for the DEA and is small and operates on a needs basis. DAFF has no space allocated and does not serve on a 24 hour basis. It was reported that special arrangements are made to accommodate flights out of operating hours. Access cards are held by Fireblade Aviation which compromise the security of the SAPS information systems since the criminal detection system is not available at Fireblade Aviation. Border Police are specialised in this area of work, so ordinary police cannot be deployed. SAPS thus has to deploy three officials and resources from ORTIA to process passengers at Fireblade Aviation. The 24 hour notifications were affecting operations at ORTIA since officers need to be sent to Fireblade Aviation two hours before the aircraft lands or departs.

The Committee was concerned by the non-attendance of the SAPS Officers from the ORTIA to the meeting of the Committee. The Officer who ended up attending the meeting was informed late by General Ndaba, the officer in charge at ORTIA. It was reported by SARS's that 24 hour notifications were affecting operations and deployments and that they have not as yet collected any revenue since the commencement of operations at Fireblade.

Fireblade Aviation officials reported that international clients, international flights and Safari are processed at the facility. The owners of facility – the Oppenheimers, it was reported, are treated the same way as other clients. There are also six planes which are available to charter. It was reported that an aircraft cannot move or land without a flight plan. It was also reported that there is a Gym at the facility for the clients. It was also reported that the Department of International Relations and Cooperation does not pay for the use of the facility but is informed of the arrival of diplomatically important persons.

6.4.2 Desmond Tutu Refugee Reception Office in Pretoria.

The Committee proceeded to the Desmond Tutu Refugee Reception Office to assess the services being offered including the use of the new automated system which were installed in 2017.

The DHA had invited UNHCR to the meeting as part of the stakeholders in relation to the management of asylum seekers and refugees in the Republic and before the presentation, the Committee was taken on the walk-about at the Desmond Tutu Refugee Reception Office.

The Committee was shown three Automated Booking Terminals (ABT). It was reported that the DHA has five of the ABTs, three are at the Desmond Tutu Refugee Reception Office, one at Cape Town Refugee Reception Offices and another one at Port Elizabeth Refugee Reception Office. The DHA was in the process of procuring ABTs for Musina and Durban Refugee Reception Offices. These ABTs are used by clients for bookings new clients, ID applications, passport applications, family joining and self-extension of Section 22 asylum permits. The DHA officials would be at the ABTs at Desmond Tutu Refugee Reception Office as early as 06:00 to assist clients with services. These machines have the capacity to be used in the languages dominant amongst clients.

In order to get inside the building, the applicants should input fingerprint biometrics to the ABTs in order for the revolving gate to open. Once inside, the clients are issued with number through the booking system. The Centre provides the clients with an off-site interpretation system via phone and there is a unique number for each client.

The Committee was taken to a control room which is normally manned by three people and the cameras monitors all the 41 RSDOs when conducting interviews. It was reported that 70 percent of new asylum applicants prefer the Desmond Tutu Refugee Reception Office. Musina Refugee Reception Office only received 5 percent of the new asylum seekers.

It was reported that 65 percent of the new asylum applicants are received in the first half of the year between January to May and as the year progresses the number goes down. It was reported that 68 percent are males and 32 percent are females. Young adults between the ages of 19 – 35 account for 80 percent of all the new applicants. Most of the applicants; 47 percent, are from SADC, 23 percent from East Africa, 14 percent from West Africa and 14 percent from East Asia.

The top sending countries in 2017 was the Democratic Republic of Congo with 4 849, due to ongoing instability, followed by Zimbabwe with 2 927, Ethiopia with 2 926, Nigeria with 2 871, Bangladesh with 1 932, Somalia with 1 766, Malawi with 1 509, Burundi with 799, Pakistan 791 and Ghana with 714.

The DHA has granted refugee status to 125 999 applicants since 2009 and the number of applicants approved by Refugee Status Determination in 2017 was 2 267 which was mainly family joining. These were people from DRC, Somalia, Eritrea and Congo. There were 18 894 abusive, fraudulent and manifestly unfounded applications mainly from Bangladesh, Zimbabwe, DRC, Ethiopia, Pakistan, Nigeria and Somalia. Unfounded cases at appeal were 6 819.

Failed asylum seekers are handed over to inspectorate and are transferred to Lindela Repartition Centre or Police stations, some are issued with orders to leave the Republic.

UNHCR reported working with the DHA as an advisory body and offer technical support. UNHCR indicated that since South Africa has a mix migration flow and asylum seekers are allowed to work, more people apply for asylum and there was a backlog of approximately 150 000 applications at the Refugee Appeals Board (RAB). There are people who have been waiting for determination for more than 15 years. The DHA should consider a special dispensation for asylum seekers who have been in the country for a long time. With the current situation, it would take more than 50 years to clear the backlogs. More backlogs were being added with the new appeals. It was also reported that the would-be asylum seekers were being turned back at the Durban Refugee Reception Office until January 2019. UNHCR has noted that South Africa has better systems of integration than creating camps. Camps come with many of their own problems and expenses.

There are many challenges which the DHA has identified at DTRRO as follows:

- There are syndicates, human traffickers and smugglers who are targeting the DTRRO.
- The Tshwane Metro Police set up road blocks around the Centre, targeting undocumented migrants and soliciting bribes who are coming to the Centre to receive services from the DHA.
- Criminals were robbing clients who are coming to the Centre in full view of the police. The Tshwane Metro Police and the SAPS were contributing to problems at the Centre. The Community Policing Forums and syndicates also seem to operate around the center.

6.4.3 Committee Observations During Oversight

While on the oversight the Portfolio Committee on Home Affairs observed the following:

- 6.4.3.1. The DHA has not yet appealed the SCA ruling to the Constitutional Court to provide services at Fireblade Aviation.
- 6.4.3.2. There is no written agreement or contract between the Fireblade Aviation and the DHA to provide services at the facility. It was reported that there was a draft Standard Operating Procedure (SOP) and Memorandum of Understanding.
- 6.4.3.3. The inadmissible facility at Fireblade Aviation has only one bed and sofas.
- 6.4.3.4. The operations at ORTIA are interrupted when government officials have to provide services at Fireblade Aviation facility. There are other departments which might not be able to assist Fireblade Aviation, especially after hours, such as the Department of Environment Affairs.
- 6.4.3.5. The Committee was concerned with the security of the country and spending of public funds to private individuals.
- 6.4.3.6. The Committee was concerned with reports of SAPS and Metro Police targeting clients outside the DTRRO center who are coming to apply for asylum or renew permits.
- 6.4.3.7. The Operations Manager at the Centre, was reported to have been shot and the Centre has opened a case with the police.
- 6.4.3.8. There were allegations of corruption against officials of the DHA who work with the so called agents and smugglers outside the Centre. On the day of the oversight, the Chief Director: Asylum Seeker Management saw an official taking R50 bribe from a client. The official was dismissed and the client arrested.

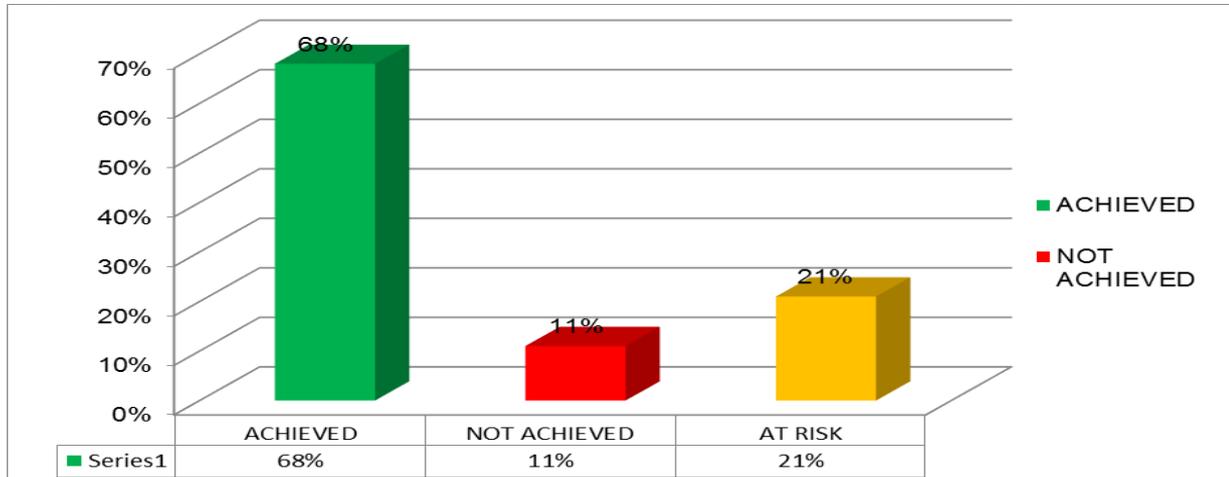
6.5 Budget Vote Report for 2016/17 financial year

The Portfolio Committee on Home Affairs (the Committee) having met with the Department of Affairs (DHA) the Electoral Commission of South Africa (IEC) and the Government Printing Works (GPW) on their Annual Performance Plans (APPs) and budget for 2018/19, reported as follows:

6.5.1 DHA Budget Vote

The 2018/19 budget for the DHA that follows contains a brief overview of the 2017/18 financial year as at 31 December 2017 as well as DHA priority areas for MTEF. The 2017/18 Annual Report of the Department, covering the full financial year ending 31 March 2018, will only be available at the end of September 2018. Therefore, this section's focus is on DHA's annual performance targets and financial performance as at 3rd quarter of 2017/18.

DHA's performance from as at 31 December 2017. Source: Department of Home Affairs presentation of 3rd quarter



performance to PC on Home Affairs (2018)

The Department had a total of 33 targets planned for the quarter 3 of 2017/18 financial year. As Figure 1 above depicts, as at 31 December 2017, DHA achieved 22 targets representing a 67 percent achievement rate, and 11 (33 percent) targets were not achieved. During its 3rd quarter performance report to the Portfolio Committee on Home Affairs (06 March 2018), DHA projected that, at the end of 2017/18 financial year, it may achieve 89 percent of the annual targets.

The DHA's initial budget for 2017/18 financial year (ending 31 March 2018) was R7.05 billion before adjustments. However, after adjustments, the total budget for DHA was R8.3 billion. This budget includes allocations to the Electoral Commission (IEC).

The 3rd quarter expenditure report shows that at the end of 3 December 2017, the DHA had spent 71.5 percent (lower than the 77 per cent spent in the same period of 2016/17) of its available budget. DHA's overall expenditure was R5.93 billion of the projected R5.37 billion as at 3rd quarter. This means that DHA had a variance of R607 million or 11.4 percent higher than the projected expenditure, mainly under programme 2 and 3. The overspending is mainly due to payment related to the cost of living adjustments, which were paid in December, self-financing expenditure for issuing of passports and Smart ID cards and infrastructure related expenditure for the rollout of the live capture system.

The expenditures are as follows:

Programme 1: Administration – programme spent R1.49 billion against the projected spending of R1.51 billion at the end of the third quarter, indicating lower than expected spending of R 11.1 million or 0.7 percent. The lower spending is largely due to the “Who Am I Online” (WAIO) project where spending was not in accordance with the spending plan.

Programme 2: Citizen Affairs – programme spent R3.6 billion against the projected spending of R3 billion at the end of the third quarter, indicating higher than expected spending of R598.6 million or 20 percent. The higher spending is largely due to self-financing expenditure for issuing of passports and Smart ID cards and infrastructure for the rollout of the live capture system.

Programme 3: Immigration Affairs – programme spent R847.5 million against the projected spending of R827.3 million at the end of the third quarter, indicating higher than expected spending of R20.2 million or 2.4 percent. The higher spending is due to the deployment of staff to the Ports of Entry due to the festive season.

Spending on compensation for the third quarter is R2.4 billion against the projected spending of R2 billion, indicating higher spending of R342.5 million or 16.8 percent. This higher spending is mainly due to payments related to the cost of living adjustments which were paid in December.

Spending on goods and services for the third quarter is R2.3 billion of the projected spending of R2.1 billion, indicating higher spending of R216.6 million or 10.4 percent. This higher spending is mainly due to expenditure

related to self-financing for issuing of Smart Identity (ID) cards and infrastructure for the rollout of the live capture system. Over the medium term, DHA's focus areas include:

- Repositioning itself towards transforming into a modern, highly secure organisation and professional department within the core security system of the state.
- Establishing a border management authority.
- Reviewing the international migration policy.
- Modernising and integrating information systems.
- Improving and expanding client interface.
- Focusing on infrastructure projects.

6.5.2 IEC Budget Vote

R3.1 billion is allocated over the MTEF period for the commission's electoral operations and R808.2 million is allocated for its outreach activities. The commission plans to begin its electoral operations by conducting 2 weekends of registrations in the first half of 2018; procuring, distributing and warehousing voting registration materials; and providing logistical support for registrations.

Initially, 2017/18 was regarded as a one-year electoral cycle. However, the Constitutional Court made 2 judgments that directed the commission to obtain and record the addresses of all registered voters to ensure that they are registered in the correct voting districts before June 2018. As such, all voting stations are scheduled to open on 10 March and 11 March 2018, with about 68 000 full-time and fixed term staff deployed to record the addresses of registered voters. This activity is expected to cost R230 million. The updating of addresses on the voters roll in line with the court judgments, registration activities, and the procurement of ballot papers, ballot boxes and stationery account for estimated spending of R649 million over the MTEF period. In addition, between R450 million and R500 million is budgeted for the mentioned plans to update databases in line with electoral requirements, updating and rolling out the commission's IT infrastructure, replacing the zip-zip machines, as well as the erection of 8 prefabricated offices housing commission staff, bringing the total number of these offices to 38 by 2020/21.

The commission has a staff complement of 1 033, which is expected to remain constant over the medium term. Spending on compensation of employees is expected to increase at an average annual rate of 15.2 per cent between 2017/18 and 2020/21, from R604.5 million to R924 million. This increase is mainly due to the appointment of approximately 6000 expansion staff on fixed term contracts over a seven-month period in 2018/19 when election-related activities are at their peak.

R890 million is allocated over the MTEF period to attract an estimated 324 850 mature and experienced electoral staff for work on election days, 114 850 of whom are also expected to be compensated for registration activities. This funding is also expected to enable the commission to improve on and increase the training it provides through the electoral operations programme.

The commission undertakes extensive civic and democracy education and communications campaigns to protect the credibility and integrity of electoral processes. Through these campaigns, the commission keeps the electorate informed and aims to attain high voter turnouts on election days. R808.2 million is set aside over the MTEF period for these campaigns. The commission derives its revenue mainly from transfer payments it receives from the DHA. The commission also generates revenue from the sale of goods and services, and interest earned from investments. The commission's own revenue is expected to remain constant at R15 million per year over the MTEF period.

6.5.3 GPW Budget Vote

Over the medium term, GPW intends to focus on replacing old equipment and machinery, and refurbishing its production facility. A new security printing division in Pretoria was expected to be completed by 2019/20, but due to delays in finalizing the master plan, the project is still in the construction phase. The certificate of occupation for the property is scheduled in March 2018, with the project expected to be completed in 2020/21. 2 pavilions (phases) of the printing facility have been completed and once pavilion 3 is ready for use, it will provide an additional facility for the processing and dispatching of smart identity cards and passports.

Costs for refurbishing the site are projected at R1.2 billion over the MTEF period and are to be covered by the entity's accumulated funds. As part of its equipment upgrade at a total estimated cost of R180 million in 2018/19, the entity plans to buy specialized machinery, including 2 dynamic box production machines, 2 sheet fed printing presses, a wide web printing press, 2 paper finishing machines and a narrow web printing press. Spending on goods and services will thus increase from a projected R928.7 million in 2018/19 to R1.2 billion in 2020/21.

To recruit and train personnel to use the equipment, expenditure on compensation of employees is expected to increase from R269.2 million in 2017/18 to R403.3 million in 2020/21. The entity generates its own revenue, which is expected to increase at an average annual rate of 9.9 per cent, from R1.6 billion in 2018/19 to R2.1 billion in 2020/21. The entity expects to increase revenue by expanding the production of passports and identity documents with the new equipment.

6.5.4 Committee Observations on Budget Vote 5

Department of Home Affairs

- 6.5.4.1. There was concern that there was no indication of the funding of the BMA, which has been processed by the Portfolio Committee on Home Affairs to establish an entity for securing of the South African borders.
- 6.5.4.2. There continue to be network challenges at the DHA offices and long queues in some offices such as in the Durban area.
- 6.5.4.3. The Committee appreciated the arrests of officials at the Johannesburg Central office for corruption.
- 6.5.4.4. Although the issue of vacancies was explained by the DG as due to lack of funds, the Committee felt that vacant funded posts should nonetheless be filled.
- 6.5.4.5. The Committee expects adherence with regards to payment of invoices within 30 days.
- 6.5.4.6. The DHA does not have a sufficient monitoring with regards to matters raised by the Auditor-General in 2016/2017.
- 6.5.4.7. Many rural offices, including the Matatiele office, need infrastructure upgrades to issue passports and Smart ID Cards.
- 6.5.4.8. The contact center was not sufficiently assisting the public when they phoned in.

The Electoral Commission of South Africa

- 6.5.4.9. The Committee was concerned with regards to the condonation of the irregular expenditure in relation to the lease agreement of the Riverside Office Park.
- 6.5.4.10. The Committee was concerned about the voter turnout during election days for National and Provincial as well Local Government Elections.
- 6.5.4.11. There was a concern in relation to the cutting of funding of other programmes to fund ICT and harvesting of addresses into the voters roll by 30 June 2018.

The Government Printing Works

- 6.5.4.12. The Committee was concerned about the use of private security in and around the production of enabling documents.
- 6.5.4.13. The Government Printing Works is not penetrating enough in the African market. The Committee noted that there were discussions with Swaziland and Zambia in relation to the production of their enabling documents.
- 6.5.4.14. There were variations in relation to the construction of Pavilion 3.
- 6.5.4.15. It is unacceptable that financial services were not being completed because the service provider refused to provide certain information.

7. COMMITTEE'S RECOMMENDATIONS (TIME FRAMES)

Based on findings mentioned in this report during the oversight and engagement with the Department of Home Affairs (DHA), the Electoral Commission (IEC) and the Government Printing Works (GPW); the Portfolio Committee on Home Affairs recommends that the Minister of Home Affairs should:

7.1. Issues outstanding from the 2017 Budget Review and Recommendation Report

Department of Home Affairs

- 7.1.1. Ensure that the Live Capture System is rolled out in all its offices, especially in rural areas.
- 7.1.2. Further motivate National Treasury to increase funding to the DHA, especially in relation to compensation of employee budgets for appointment of immigration inspectorate and filling posts of the Provincial Managers and other critical positions within a reasonable timeframe.
- 7.1.3. Consider deploying Immigration Officials in and around border areas with no fences to deal with undocumented foreign nationals.
- 7.1.4. Further pursue alternative solutions to address ICT services and Infrastructure challenges within the DHA such as through the Presidential Infrastructure Coordinating Commission.
- 7.1.5. Find innovative ways to assist people who want to conduct prohibitively expensive paternity tests, in the Eastern Cape and elsewhere, such as negotiating with the Department of Health to come on specific dates to conduct several tests in more rural areas.
- 7.1.6. Work closely with the Minister of Health to ensure that all children born at the health facilities are registered within 30 days after birth.
- 7.1.7. Ensure that all people who have committed fraud and wrongdoing are dealt with accordingly.

Government Printing Works

- 7.1.8. Ensure striving towards a clean audit in its plans.
- 7.1.9. Ensure that the GPW strive to receive a clean audit for 2017/18 and the outer years.
- 7.1.10. Ensure that the asset recapitalisation by GPW should commence as soon as possible prior to facilities being completed due to the time taken for the process of procuring assets.
- 7.1.11. Ensure that the GPW fills all 105 vacant posts in the current financial year.
- 7.1.12. Ensure that the GPW appoint a CEO as a matter of urgency.

7.1.13. Ensure that irregularities in relation to contract and tenders issued by the previous CEO and CFO are investigated.

Electoral Commission

7.1.14. Ensure that National Treasury reconsider funding IEC for the ICT platform upgrade and for the harvesting of addresses of voters.

7.1.15. Ensure that the IEC strive towards a clean audit in their 2017/18 plans and onwards.

7.1.16. Ensure that the IEC consider amending legislation to include repercussions and improving the definition of campaigning done on voting days; particularly through various media.

7.2 Recommendations 2018/19

Based on the continuous engagement with the Department of Home Affairs, the Government Printing Works and the Electoral Commission, the Committee recommends that **the Minister of Home Affairs should:**

The Department of Home Affairs

- 7.2.1. Ensure that budget and projects are planned to address long queues at Home Affairs offices prior to tabling of the next Annual Performance Plan and Budget.
- 7.2.2. Incentivize undocumented migrants in the country to regularize both within the current legislation and through special dispensation Visas by the DHA before the end of 2019/20.
- 7.2.3. Verify if the Border Management Authority Bill may not pass in Parliament, and if so make alternative budget and strategic planning provisions in the 2019 Strategic Plan.
- 7.2.4. Solicit urgent clarity from National Treasury on the approval and funding for the DHA as a Security Department including the establishment of the BMA prior to the tabling of the 2019/20 budget.
- 7.2.5. Enable the sharing of biometric data with SAPS to detect individuals who might have committed crimes and are apprehended undocumented in the country or attempting to leave before the end of 2019.
- 7.2.6. Submit budget and planning proposals to National Treasury to address the continued inability of the State Information Technology Agency to improve Information Technology challenges at the DHA, in particular the network downtimes and reliable power supply, for consideration in the Medium Term Budget Policy in 2019. In the interim, SITA is to report to the Committee on its interventions.
- 7.2.7. Facilitate with DIRCO to present to the Committee before the tabling of the 2018/19 Annual Reports on addressing the continued challenges of restatement of figures and delays in transferring of funds to the National Revenue Fund collected on behalf of the DHA for services rendered at missions abroad.
- 7.2.8. Report on the consequence management, as per the Public Finance Management Act, in relation to staff not complying with Supply Chain Management regulations; involved in corruption; irregular and fruitless expenditure, before the tabling of the 2018/19 Annual Report.
- 7.2.9. Submit the audit action plan for the 2018/19 goal of a clean audit to Parliament along with a progress report in this regard before the end of May 2019.
- 7.2.10. Report back on its investigations in relation to the AG provided list of persons with involvement in companies whilst in the employ of the DHA within seven days after the adopting of this report.
- 7.2.11. Proceed with lodging an appeal with the Constitutional Court in relation to government providing services at a private terminal under Fireblade Aviation before the end of the 2018/19 financial year.
- 7.2.12. Ensure operations and service delivery at OR Tambo International Airport should not be affected as a result of aircraft being processed at Fireblade Aviation and assist Customs, South African Police Services and others providing services to also have agreements for compensation by Fireblade to allow for the required increased capacity as a matter of urgency.
- 7.2.13. With regards to operations at Desmond Tutu Refugee Reception Office, report back on Counter Corruption Directorate investigations as well as engaging the Hawks to investigate and address syndicates that operate outside and within the office by June 2019.
- 7.2.14. Install a camera and microphone focusing outside the entrance of the Desmond Tutu Refugee Reception Office to address corrupt activities along with the relevant monitoring and counter corruption capacity by June 2019.
- 7.2.15. Report before the end of the 2018/19 financial year, how it is that EOH Holdings (Pty) Ltd. was appointed to take over after the end of life of the Home Affairs National Identification System, and why the company's questionable conduct with other government Departments was not considered.
- 7.2.16. In relation to the contract with the Visa Facilitation Services (VFS) ending in November 2018, only month to month extension contracts should be granted beyond this date until such time as another provider(s) is/are properly appointed and foreign missions should be capacitated in the absence of such companies providing services. Fees for such services should be regulated by the Department.
- 7.2.17. Ensure key rural offices get urgent infrastructure upgrades to be equipped to digitally apply for passports and Smart ID Cards.
- 7.2.18. Address insufficient capacity at the Contact Centre as soon after the 2018/19 budget allocation as possible.

- 7.2.19. Report on the full reopening of refugee offices in Port Elizabeth and Cape Town as per court orders as a matter of urgency.
- 7.2.20. Prioritize the roll out of fully functioning mobile offices to improve service delivery.
- 7.2.21. Submit plans to Parliament and National Treasury to address long outstanding recommendations on capacity and budget allocations to immigration services prior to the tabling of 2018/19 budget.
- 7.2.22. Address the continued office footprint deficit not meeting the minimum accessibility norms (distance to be travelled by clients to access services) of 50 km in the Northern Cape and 25 km in other provinces. Provide a report on this matter by the end of the September 2019.

The Government Printing Works

- 7.2.23. The GPW should make a submission to Parliament to introduce a legislative provision for a governance structure before the end of 2019 given the organization is remaining a Government component.
- 7.2.24. The DHA should be approached to sponsor the legislation needed by the GPW to formalize its status as a government component before the end of 2018/19 financial year.
- 7.2.25. The GPW should report on the implications of introducing legislative provisions for ring-fencing of certain government printing work prior to the tabling of such legislation at Parliament.
- 7.2.26. Continued failure to support the completion of GPW facilities beyond 2018/19 will result in the City of Tshwane and DPW being called to account to Parliament for their delays.
- 7.2.27. The GPW had irregular expenditure primarily related to a 2015 contract which sub-contracted more than 25% of its work and thus lost its equity status. The SAPS and/or Hawks case number and findings as to whether any undue gain was made in this regard should be tabled before the Committee as soon as they are available.
- 7.2.28. The GPW marketing division should expand its efforts in collaboration with DHA and DIRCO to follow up on expanding business with clients on the African Continent and further afield and ensure they form a concerted part of its annual performance plan for 2018/19.
- 7.2.29. The appointment of the CEO of the GPW should be prioritized and reported to the Committee by the end of 2018.

The Electoral Commission of South Africa

- 7.2.30. Additional funding should be made available to complete the harvesting of addresses during registration and voting as well ensuring the biometric function of voter registration devices are operational before the National Elections in May 2019.
- 7.2.31. The Committee supports the condoning of irregular expenditure reported by the AG related to tax clearance certificates being valid at the time of tender bid adjudication even if not at the time of granting the tender, so long as such requirements are cleared within a tax year. This should be reported to the Committee within the 2018/19 financial year.
- 7.2.32. The IEC should implement all the remedial actions of the Public Protector in relation to the lease agreement to the Riverside Office Park.
- 7.2.33. National Treasury should consider allocating more funding to the IEC for the completion of its ICT refreshment urgently.

Report to be considered.