

Monday, 21 June 2021]

No 86—2021] THIRD SESSION, SIXTH PARLIAMENT

PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS,

TABLINGS AND

COMMITTEE REPORTS

MONDAY, 21 JUNE 2021

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ANNOUNCEMENTS

1. Membership of Committees

- (1) The following members have been nominated to serve on the *Committee for Section 194 Enquiry*:

African National Congress

Dlakude, Ms DE
 Dyantyi, Mr QR
 Gungubele, Mr M
 Hermans, Ms J
 Joemat-Pettersson, Ms TM
 Khalipha, Mr TD
 Legwase, Ms TI
 Luzipo, Mr S
 Mahlaule, Mr MG
 Mananiso, Ms JS
 Mapulane, Mr MP
 Mgweba, Ms T
 Nkabane, Dr NP
 Nkosi, Mr BS
 Nqola, Mr X
 Peters, Ms ED
 Seabi, Mr AM
 Siwela, Ms VS
 Tolashe, Ms NG
 Maneli, Mr BM (Alternate)
 Skosana, Mr GJ (Alternate)
 Tlhape, Ms ME (Alternate)
 Tseke, Ms GK (Alternate)

Democratic Alliance

Lotriet, Dr A
 Mileham, Mr KJ
 Nodada, Mr BB
 Schreiber, Dr LA
 Mbhele, Mr ZN (Alternate)
 Van Minnen, Ms BM (Alternate)

Economic Freedom Fighters

Malema, Mr JS
 Maotwe, Ms OMC

Inkatha Freedom Party

Majozi, Ms Z
 Msimang, Prof CT (Alternate)

Freedom Front Plus

Mulder, Dr CP

Denner, Ms H (Alternate)

African Christian Democratic Party

Sukers, Ms ME

United Democratic Movement

Holomisa, Mr BH

GOOD

August, Mr SG

National Freedom Party

Shaik-Emam, Mr AM

African Independent Congress

Ntshayisa, Mr LM

Congress of the People

Madisha, Mr WM

Pan Africanist Congress

Nyhontso, Mr M

Al Jama-ah

Hendricks, Mr MGE

2. Referral to Committees of papers tabled

- (1) The following papers are referred to the committee established in terms of National Assembly Rule 129AA (***Committee for Section 194 Enquiry***) to consider in terms of applicable legislation and rules of the Assembly:
 - (a) the motion and annexure attached thereto by Ms NWA Mazzone, published on 21 February 2020, to initiate an enquiry in terms of section 194(1) of the Constitution for the removal of Adv B Mkhwebane from Office of the Public Protector;
 - (b) the report and recommendations of the independent panel, established in terms of National Assembly Rule 129U, to conduct a preliminary assessment to determine whether there was prima facie evidence to show that the Public Protector committed misconduct or was incompetent on the grounds advanced in the motion and the documents before the panel; and
 - (c) the resolution of the National Assembly on 16 March 2021 to approve the recommendations of the panel and establish a committee.
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TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Forestry, Fisheries and Environment

- (a) Government Notice No 449, published in Government Gazette No 44616, dated 27 May 2021: Invitation for the nomination of suitable persons to be appointed as members of the Regulating Committee for Meteorological Services, in terms of the South African Weather Service Act, 2001 (Act No 8 of 2001).

COMMITTEE REPORTS

National Council of Provinces

**1. THE FOLLOW - UP OVERSIGHT REPORT OF THE AD HOC COMMITTEE
INQUIRING INTO SECTION 100 INTERVENTION OF THE CONSTITUTION IN
THE NORTH WEST PROVINCE; DATED 18 JUNE 2021**

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List of Acronyms

Acronym	
AFU	Asset Forfeiture Unit
AGSA	Auditor General of South Africa
CASP	Comprehensive Agriculture Support Programme Grant
CFO	Chief Financial Officer
COGTA	Cooperative Governance and Traditional Affairs
DCSTM	Department of Community Safety and Transport Management
DHS	Department of Human Settlements
DPCI	Directorate for Priority Crime Investigation (Known as the HAWKS)
DPSA	Department of Public Service Administration
EMS	Emergency Medical Services
EXCO	Executive Council
FEED	Department of Finance, Economy and Enterprise Development
GRAP	Generally Recognised Accounting Practice

GTAC	Government Technical Advisory Centre
HOD	Heads of Department
HR	Human Resources
ICT	Information, Communication and Technology
IMTT	Inter-Ministerial Task Team
IPs	Implementation Protocols
IPID	Independent Police Investigative Directorate
MFMA	Municipal Finance Management Act No. 56 of 2003
NCOP	National Council of Provinces
DOE	Department of Education
DOH	Department of Health
NPA	National Prosecuting Authority
NT	National Treasury
NTCE	National Tourism Career Expo.
NW	North West
OCPO	Office of the Chief Procurement Officer
OOP	The Office of the Premier
PAAP	Post Audit Action Plan
PEGA	People Economic Growth Agency
PFMA	Public Finance Management Act No. of 1 of 1999
PMU	Project Management Unit
PT	Provincial Treasury
READ	Department of Rural, Environment and Agricultural Development
SCM	Supply Chain Management
SDIP	Service Delivery Implementation Plan
SLAs	Service Level Agreements
SITA	State Information Technology Agency
SIU	Special Investigative Unit
SOP	Standard Operating Procedure

An Ad Hoc Committee inquiring into Section 100 (1) (a) and (b) intervention in the North West Province, having conducted a follow up oversight visit to the Province and considered several

submissions made by the National Executive through the Inter Ministerial Task Team (IMTT), National Treasury, Office of the Auditor General of South Africa, North West Provincial Executive, Provincial Legislature (Public Accounts Committees), labour organisations, law enforcement agencies, traditional leadership and members of the public reports as follows:

1. Introduction and Background

Due to the collapse of governance systems and structures, which led to social and labour unrest as well as damage to properties that were observed in the North West Province in 2018, the Cabinet resolved, on 9 May 2018, to invoke section 100(1) of the Constitution in the Province. The Cabinet set up an Inter-Ministerial Task Team (IMTT) to conduct performance assessments process. Of note is that it is for the first time in the history of interventions since 1994, where the National Executive were to intervene in such a large scale of about more than 10 provincial departments. For instance, in other provinces intervention had only affected few departments, i.e. Eastern Cape Department of Education, the Provincial Treasury and Police, Health, Roads and Transport in the Free State, and also the Department of Health in Gauteng, as well as only five Departments in Limpopo, were also placed under Section 100 interventions in the recent years. These cases demonstrate that, regardless of the size, nature or past history of the province, no province is immune from the section 100 intervention of the Constitution. Pursuant to the IMTT's assessment report on 23 May 2018, Cabinet approved the invocation of Section 100(1)(a) and Section 100(1)(b) on the following departments in the North West Province:

- Section 100 (1)(a): Department of Finance, Economy and Enterprise Development (FEED); Department of Local Government and Human Settlement; Department of Rural, Environment and Agricultural Development (READ); Department of Social Development and Department of Tourism.
- Section 100 (1)(b): Office of the Premier; Department of Community Safety and Transport Management; Department of Basic Education and Sports Development; Department of Health; and Department of Public Works and Roads.

After the IMTT consulted with the National Council of Province (NCOP) as required by the Constitution of the Republic of South Africa together with the NCOP Rules, an Ad Hoc Committee to inquire into the North West intervention (referred to as the Committee) was established by the NCOP to facilitate inquiries and also to conduct oversight in terms

of Section 100 of the Constitution of the Republic of South Africa (hereinafter referred to as the Constitution) since 2018, when this process was initiated.

The Committee visited the Province in 2018 and adopted a report dated 30 October 2018, where it resolved that the intervention was indeed warranted and must be continuously monitored on a regular basis and further made several recommendations for the IMTT to implement. It is for this reason that the Ad Hoc Committee decided to conduct a follow up oversight visit between 15 – 18 March 2021 and produce this report, which provides an assessment of the progress made in relation to the implementation of the directives, memorandum of understanding, implementation protocols and 2018 recommendations. The report assesses the different milestones achieved since the inception of the process and it highlights the issues that needed to be followed up based on the Committee Legacy Report and the 2018 Committee oversight visit report.

2. Legislative framework that guides the North West Section 100 (1) (a) and (b), intervention;

In terms of Section 100 of the Constitution, national intervention in a provincial administration may take place when a province cannot or does not fulfil an executive obligation in terms of the Constitution. The Constitution provides that national executive may intervene by taking any appropriate steps to ensure the fulfilment of the obligation. Section 85(1) (2) (e) provides that the executive authority at the national level is vested in the President, who exercises it together with the other members of the Cabinet when performing executive functions provided for in the Constitution. The reference in section 100 to “*the national executive*” thus empowers only the President and Cabinet to intervene. Cabinet may, however, authorise the Minister in whose portfolio the unfulfilled obligation falls, to intervene by taking appropriate steps to address the situation. This therefore, means that when a province is under administration in terms of section 100 of the Constitution, members of the Executive from the national government (or individuals/teams appointed by them) assume the executive functions which are constitutionally performed by members of the Provincial Executive branch of government. The steps taken by the national executive may impose the following sections as outlined in the Constitution:

- 100 (1) (a) – where a directive is issued to the provincial executive, describing the extent of the failure to fulfil its obligations and stating any steps required to meet its obligations; and
- 100 (1) (b) – where a responsibility is assumed for the relevant obligation in that province to the extent necessary to maintain essential national standards or meet established minimum standards for the rendering of a service; maintain economic unity; maintain national security; or prevent that province from taking unreasonable action that is prejudicial to the interests of another province or to the country as a whole.

Table 1: Key dates and milestones since the inception of the intervention in 2018

20 April 2018	The President led the delegation to intervene in the North West Province.
25 April 2018	Cabinet invokes section 100(1)(b) for the North West Department of Health.
30 April 2018	IMTT established and embarks on extensive engagements with stakeholders in the Province.
9 May 2018	Cabinet invokes section 100(1) for the entire Province.
21 May 2018	Agreements reached with organised labour for staff to return to work.
23 May 2018	Premier Mahumapelo resigns. Hon. W. Nelson acts as Premier.
23 May 2018	Cabinet specifies interventions for 10 provincial departments.
14 June 2018	IMTT briefs National Council of Provinces (NCOP).
22 June 2018	Premier Job Mokgoro is sworn in.
28 June 2018	MOU signed between the national and province.
10 July 2018	Administrators appointed and start process of setting up office in Mahikeng.
15 – 19 Oct. 2018	NCOP undertakes site visit to North West.
31 October 2018	NCOP approves intervention, allowing it to continue beyond 180 days.
6 December 2018	Premier of North West reshuffles his Executive Council.
6 February 2019	IMTT presents progress report to the NCOP.
8 May 2019	National and Provincial general elections.
2 December 2020	IMTT presents progress report to Cabinet.

10 February 2021	IMTT presents progress report to Cabinet.
15 February 2021	IMTT presents progress report to the Committee.
19 February 2021	The Committee was briefed by the National Treasury and the Auditor General.
22 February 2021	The Committee had a joint briefing with NPA, Hawks, SIU and IPID.
8 March 2021	The Committee was briefed by the law enforcement agencies regarding cases affecting s100.
15 – 18 March 2021	The Committee undertook follow up oversight visit to assess progress made in the NW.
30 March 2021	The Committee met to reflect on the North West follow up oversight.
31 May 2021	Committee briefing by the IMTT and National Treasury on progress report in the North West.
07 June 2021	North West Provincial Government responding to the Madibogo Pan Community Forum issues.
11 June 2021	Committee briefing by the law enforcement agencies on progress with regards to Sec 100 cases.
18 June 2021	Consideration and adoption of the Committee Oversight Report in the North West.

3. Objectives of the follow up oversight visit on 15 – 18 March 2021

- The main objective of the visit was to follow up on the implementation of the recommendations, which were adopted by the NCOP after the first oversight visit of the Committee on 15 - 18 October 2018;
 - The visit also aimed at assessing progress made by the IMTT in addressing the challenges of the North West Provincial Government as an outcome of the diagnostic report in 2018. The diagnosis was done by the IMTT, North West Provincial Government, National Treasury and Auditor General of South Africa, where implementation protocols and memorandum of understanding was developed and agreed to;
- 4.** The visit was also aimed at assessing correlation between the reports presented by various bodies before the Committee and the impact of service delivery on the ground.

Table 2: Summary of progress in the implementation of the recommendations of the 2018 oversight visit in the North West Province;

Summary of progress in implementing cross cutting Committee recommendations	
Committee recommendations	Progress made as at the 15th of February 2021
Disciplinary action against transgressors	<p>About 28 senior managers faced and still facing disciplinary processes related to financial misconduct, fraud and corruption, dereliction of duty and related as follows:</p> <ul style="list-style-type: none"> • Office of the Premier (two – one dismissed) • Department of Health (eight – two senior managers dismissed, including HOD) • Department of Public Works and Roads (nine – CD Roads dismissed, Director Legal Services resigned) • Department of Community Safety and Transport Management (four) • Department of Education (five – one dismissed, Chief Director Infrastructure resigned) <p>Ongoing forensic investigations by the National Treasury and the SIU is expected to result in more officials facing disciplinary actions.</p>
Criminal investigations	<p>The National Prosecuting Authority (NPA) together with the Directorate for Priority Crimes Investigation (DPCI) are pursuing 51 criminal cases related to public funds in the North West:</p> <ul style="list-style-type: none"> • 17 cases enrolled for trial • 2 cases to be enrolled • 14 cases awaiting decision from National Prosecuting Authority (NPA). • 8 cases are under investigation by the Directorate of Priority Crimes Investigation (DPCI) • 10 cases have been finalised (five guilty, one not guilty, four declined to prosecute) <p>The Asset Forfeiture Unit (AFU) is currently involved in efforts to recover funds in priority cases,</p> <p>The Special Investigating Unit (SIU) is currently undertaking investigations under six Presidential Proclamations.</p>
Compliance, good governance and financial management	<p>Audit results for 2019/20 show a turnaround after five years of decline and stagnation (Unqualified audits increase from 4 to 7, including the Office of the Premier.)</p>

	<ul style="list-style-type: none"> • The province reports a decrease in annual irregular expenditure to R3,484bn from R4,72bn in 2018/19. • 100(1)(b) departments show reduction in audit findings and areas of qualification. • Capacity building has taken place across departments to strengthen supply chain management. • Irregular project management units and outsourcing arrangements have been terminated. Processes are underway to recover losses to the State. • Provincial departments reconfigured to align with national norms.
Develop legislation to guide the implementation of the intervention	<p>The Intergovernmental Monitoring, Support and Interventions (IMSI) Bill, has been developed, together with concomitant regulations, and consulted with affected government departments, The Bill will be presented before the State Law Advisor to test its constitutionality, and will simultaneously be presented to the Department of Planning Monitoring and Evaluation to undertake and obtain a “socio-economic impact assessment” certificate within 2020/2021 financial year.</p> <p>The purpose of the Bill is:</p> <ul style="list-style-type: none"> a) to regulate the implementation of, and the processes provided for in Section 100 and section 139 of the Constitution; b) to provide for targeted support to provinces and municipalities in need of assistance; c) to provide for the monitoring of provinces and municipalities as to the fulfilment of their executive obligations in terms of the Constitution or legislation; d) to provide alternative steps to interventions to induce compliance by provinces or municipalities with their executive obligations; e) to provide for the deployment of administrators by the intervening national executive or provincial executive; and to provide for matters connected therewith.
Develop an exit strategy to sustain the intervention	<ul style="list-style-type: none"> • Directives under section 100(1)(a) will be issued to ensure progress and continuity on areas highlighted by NCOP.

	<ul style="list-style-type: none"> • These directives together with other indicators will be monitored through a proactive system to detect and respond to challenges timeously, to prevent backsliding. • The Director General of the province, as well as the Heads of Department for Health, Social Development, and Agriculture and Rural Development are currently vacant following resignation, dismissal, retirement and expiry of contract. • Filling these vacant positions is a critical milestone for leaving the province on a stable footing and enabling the withdrawal of the direct intervention. • The recruitment processes for all four positions are on track for the new leadership to be in place by the start of the 2021/22 financial year. • The contracts for four other Heads of Department positions are expiring in the new financial year and will need to be filled to ensure stability.
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4.1 Summary of progress and outstanding priorities per sector department as at the 15th of February 2021

Office of the Premier – s100 (1)(b)		
Reasons for intervention	Progress made	Outstanding priorities
<p>-Failure to provide leadership resulting in a generalised breakdown in governance, accountability and labour relations.</p> <p>-Non-compliance to prescripts and entrenchment of a culture of impunity due to lack of accountability and consequence management.</p> <p>-An inability or unwillingness to address audit findings by the Auditor General (AG).</p> <p>-Office of the Premier delivering services falling within the mandates of other departments.</p> <p>-Outsourcing of core functions.</p>	<p>-NW Coordinating Committee established, led by Office of the Premier to guide on transversal issues.</p> <p>-Improved controls and governance resulting in unqualified audit.</p> <p>-Various functions, which had been centralised in Office of the Premier in fifth administration, returned depts.</p> <p>-Investigation and termination of irregular contracts and project management unit.</p> <p>-Rebuilding internal capacity for managing ICT in the province and systems stabilized. ICT</p>	<p>-Appointment of Director General.</p> <p>-Completion of ICT strategy.</p> <p>-Establishment of effective provincial labour relations framework.</p> <p>-Transfer of Community Development Workers to COGTA.</p> <p>-Finalisation of Provincial Macro Organisation of Government process.</p> <p>-Finalisation of priority disciplinary cases.</p>

	governance has been restored through establishment of Provincial ICT steering committee. -Massive reduction of irregular expenditure.	
NW Department of Health - s100(1)(b)		
Reasons for intervention	Progress made	Outstanding priorities
<ul style="list-style-type: none"> -Collapse of governance structures, Supply Chain Management (SCM) and financial controls, resulting in high levels of accruals and failure to manage contracts. -Labour unrest due to dysfunctional performance management system, non-resolution of grievances and bonus payments. -Fraud, corruption and dereliction of duty by senior officials. -High vacancy rates, especially at management level. -Collapse of services at hospitals and clinics, requiring the intervention of the SANDF. -Emergency services under-resourced and under-capacitated. 	<ul style="list-style-type: none"> -SCM contracts reviewed and disciplinary processes commenced – two senior managers including HOD dismissed, four lower level officials dismissed. -The labour environment stabilized through agreements organised labour, and the re-establishment of the Provincial Bargaining Chamber. -Key management vacancies filled and over 5000 permanent appointments made. Appointed 11 senior managers of which three were NWDoH officials who were promoted. -A ten-year maintenance and refurbishment plan for hospitals is being implemented. -147 EMS vehicles (ambulances, patient transport, response and forensic vehicles deployed since intervention to insource EMS services. 	<ul style="list-style-type: none"> -Appointment of the new Head of Department. -Correcting the budget baseline for the Department to prevent on-going problem of accruals. -Stabilisation of pharmaceutical section. Improvement of ICT infrastructure -Automation of NWDoH document management and information generation processes
NW Department of Education - s100(1)(b)		
Reasons for intervention	Progress made	Outstanding priorities

<p>-Non-compliance with the legislative and regulatory frameworks of government.</p> <p>Infrastructure school built programme was fraught with irregularities and abuse of Treasury Regulations Section 16A6 to appoint contractors, large sums of funds lost.</p> <p>-Supply chain management challenges including irregular awarding of huge contracts without going through procurement processes.</p> <p>-Human resource management challenges including irregular appointment of inappropriately qualified personnel.</p> <p>-Impasse with labour on the implementation of the approved organizational structure.</p>	<p>-Matric results increased to 86.6% in 2019 (up 5.7% from 2018.)</p> <p>-Filled vacant posts of principals, Deputy principals and head of departments</p> <p>12 procurement related investigations completed.</p> <p>-Irregular expenditure is reduced by R1.2 billion, awaiting condonation by the relevant authority.</p> <p>-New business processes for financial management and invoice tracking system are adopted.</p> <p>-New bid committees established.</p> <p>-Built technical specialists appointed to improve management of school construction projects.</p> <p>-Impasse on organizational structure has been addressed and the structure is being implemented.</p>	<p>-Appoint an audit firm to investigate the remaining irregular and wasteful expenditure.</p> <p>-Implementation of the structure for the district development model</p> <p>-Implementation of consequence management on investigated cases.</p> <p>-Appoint four senior managers and capacitate risk, internal control and supply chain management units.</p> <p>-Recruit infrastructure engineers.</p> <p>-Improve infrastructure, planning and performance.</p> <p>Strengthen financial and human resource management.</p>
NW Community Safety and Transport Management - s100(1)(b)		
Reasons for intervention	Progress made	Outstanding priorities
<p>-Lack of internal controls and systems.</p> <p>-Poor implementation of supply chain processes and financial management.</p> <p>-Lack of proper compliance and governance monitoring.</p> <p>-Several problematic contracts causing high levels of irregular expenditure (e.g. scholar</p>	<p>-Revised all SCM policies.</p> <p>-Developed new contract management system.</p> <p>-Established a new bid adjudication committee and introduced project specific evaluation committees.</p>	<p>-Key contracts that were cancelled due to irregularities/illegalities need to be concluded (under close supervision- before section 100(1)(b) ends.</p>

transport, airport management companies and North West Transport Investments (NTI)).	<ul style="list-style-type: none"> -Risk management unit enhanced (the best performing unit with full compliance in all areas.) -Implemented Post Audit Action Plans, trained staff to monitor compliance & detect possible IUF's. -Conducted several investigations on irregular contracts, set aside learner transport contract, cancelled SA Express contract and opted out of irregular security contract. -Intervened to stop liquidation of provincial transport company -Northwest Transport Investments. 	<ul style="list-style-type: none"> -Outstanding investigations and consequence management on concluded investigations. -Finalise/regularise irregular expenditure. -Continue with stabilisation of NTI and improve liquidity after overturn of liquidation. -Finalise fit-for-purpose organisational structure. -Clear repeat AGSA negative findings.
NW Department of Public Works and Roads - s100(1)(b)		
Reasons for intervention	Progress made	Outstanding priorities
<ul style="list-style-type: none"> -The department reduced the scope of its mandate over time and deviated from its role as custodian of the asset management plan. -Interference in procurement of services for unfunded mandates. -Ineffective financial management. -The maintenance budget for roads was consumed by unfunded mandates emanating from the Premier's Office which aggravated backlogs in road maintenance. -The department lacked technical expertise in the built environment. 	<ul style="list-style-type: none"> -Unblocked construction projects. -R1,3bn for road projects in 19/20. -109 road projects implemented under Roads Recovery Plan, creating 9 035 jobs. -Graders and TLBs procured for the first time in three years. -Co-ops; brick plants; community contractor and road maintenance programmes resuscitated. -Criminal cases opened for crimes including fraud, and intimidation. 	<ul style="list-style-type: none"> -Filling of critical vacancies. -Finalization of Ayamah and Open Waters forensic investigations. -Finalise Infrastructure Delivery Management System (IDMS) protocols on building infrastructure for all departments. -Finalise the assessment of all Mega Projects. -Office Space and Multi-Tenancy Office Project for the Provincial Government. -Sale of redundant properties.

	<p>62 752 job opportunities created through the EPWP programme, 61 local contractors and 40 SMME's in road maintenance projects (R 220million).</p> <p>-285 positions advertised and 99 positions have been filled to date.</p> <p>-Reviewed & improved financial governance structures & controls.</p>	<p>-Implementation of Information Management Systems.</p>
NW Provincial Treasury - s100(1)(a)		
Reasons for intervention	Progress made	Outstanding priorities
<p>-Major weaknesses in supply chain management (SCM) and in the monitoring and support of municipal finance management.</p> <p>-Financial controls in the finance cluster had collapsed due to historically accumulated unauthorised expenditure, irregular expenditure and accruals. This was largely due to non-compliance with SCM laws and regulations.</p> <p>-The Provincial Treasury itself achieved a clean audit, though demonstrated weaknesses in its fiscal oversight role.</p>	<p>-SCM framework for provincial departments and entities reviewed and adopted.</p> <p>-Provincial Treasury SCM Unit Organizational Structure approved and of key personnel in progress.</p> <p>-Completed competency assessment for approximately 720 SCM officials for both the MFMA and PFMA and individual competency gaps identified.</p> <p>-NT assisted the PT to finalise a Contract Management Framework for the Province.</p>	<p>-Condonation of irregular expenditure.</p> <p>-Implementing the contract management project for municipalities.</p> <p>-Undertake skills audit and upskilling of municipal Budget and Treasury Office and Provincial Treasury's MFM unit.</p> <p>-Municipal intervention – invocation and implementation of s139 of MFMA.</p> <p>-Develop implementation plan for SCM capacity building support.</p>
NW Cooperative Governance and Traditional Affairs - s100(1)(a)		
Reasons for intervention	Progress made	Outstanding priorities
<p>-Failure to approve and finalise the organizational structure.</p> <p>20 out of 22 municipalities obtained disclaimers or qualified audit opinions in 2016-17.</p>	<p>-Provincial department achieved clean audit indicating improvements in governance and financial management.</p>	<p>-Fit-for-purpose organisational structure.</p> <p>-Migrate Community Development Workers from Office of Premier to COGTA.</p>

<p>-12 municipalities were dysfunctional, requiring urgent intervention.</p> <p>Poor financial management.</p> <p>-Inadequate implementation of audit improvement plans and weak municipal support by the department.</p> <p>-Water and sanitation support functions were weak.</p>	<p>-Situation at municipalities remains matter of concern.</p> <p>-Water and sanitation challenges continue to negatively impact the province.</p>	<p>-Review and implement section 154 municipal support plans issued in July 2018.</p>
NW Department of Human Settlements - s100(1)(a)		
Reasons for intervention	Progress made	Outstanding priorities
<p>-The department did not meet its targets in line with the approved business plan.</p> <p>-There has been frequent changes of incumbency to the Head of Department post, impacting on management stability.</p> <p>-Poor audit outcomes due to irregular expenditure.</p> <p>-Lack of technical capacity.</p>	<p>-The Human Settlements Development Grant Business Plan for 2019\2020 completed, approved and implemented.</p> <p>-The department achieved its actual targets on delivery of services sites and units build during period under review.</p> <p>-Title Deeds Restoration Grant business plan developed and implemented.</p> <p>-Multi-Year Human Settlements Development Plan and Projects Readiness Matrix developed.</p>	<p>-Establishment of new departmental structures (effectively non-existent).</p> <p>-End reliance on outsourced Project Management Unit.</p> <p>-Transfer of North West Housing Corporation houses to beneficiaries.</p> <p>-Completion of blocked projects.</p>
NW Department of Social Development - s100(1)(a)		
Reasons for intervention	Progress made	Outstanding priorities
<p>-Non-compliance with SCM processes.</p> <p>-Lack of internal controls and audit findings not actioned by management.</p> <p>-Non-compliance with Occupational Health and Safety Act.</p> <p>-Collapse of services due to break down in labour relations.</p>	<p>-Sufficient progress has been made on the ministerial directives to warrant issuing a close out report. The national department will continue to provide support on the challenges regarding</p>	<p>-Appointment of HOD.</p>

	infrastructure that face the provincial department.	
NW Department of Agriculture and Rural Development - s100(1)(a)		
Reasons for intervention	Progress made	Outstanding priorities
<ul style="list-style-type: none"> -Structural weaknesses in the department that included inadequate business planning and execution of programmes and projects. -Lack of alignment between strategy capacity and capabilities. -Challenges in the use of an implementing agent: Agridelight resulting in problems with project implementation. 	<ul style="list-style-type: none"> -The use PMUs in the DARD was halted. There is noticeable improvement in DARD implementing projects by itself. -Forensic audit into Agridelight matter. -Forensic audit into the Comprehensive Agricultural Support Programme conditional grants. -Transfer of assets to beneficiaries completed. -New organisational structure approved. -The engineering capacity within DARD strengthened. 	<ul style="list-style-type: none"> -Appointment of HOD. -Incomplete agro processing projects. -Investigation and consequences management into the prior year irregular expenditure of R1 billion. -Processing and court challenges of the Close Out Report from the Agridelight PMU, which has in turn submitted additional invoices amounting to over R30 million.
NW Department of Tourism - s100(1)(a)		
Reasons for intervention	Progress made	Outstanding priorities
<ul style="list-style-type: none"> -Conflation of powers between the administration and political leadership. -Assessment of oversight processes between the Department and the North West Tourism Board. -Improving financial management, contract management. -Enhancement of governance arrangements. 	<ul style="list-style-type: none"> -Tourism function transferred from the abolished North West Department of Tourism to the North West Department of Economic Development, Environment, Conservation and Tourism (DEDET) with effect from 28 May 2019. -NW Parks Board and the NW Tourism Board have been merged in line with the recommendations from national department. 	<ul style="list-style-type: none"> -The National Department of Tourism is to discontinue the section 100(1) (a) intervention but continue to support the DEDET in its additional tourism function, including areas which are not fully completed.

5. Committee Observations with regards to the implementation of the 2018 Committee recommendations by the IMTT before the Oversight Visit on 15 – 18 March 2021,

- Based on the progress report, the Committee observed that although some matters were still outstanding, however, the Inter Ministerial Task Team (IMTT) had made some good progress in the North West Province, especially given the advent of Covid 19 pandemic in 2020, which made things difficult and posed significant challenges for the affected departments and administrators to do their work properly;
- The Committee observed that due to the number of outstanding matters, which still need to be addressed by the intervention team, the IMTT had reviewed its earlier decision to terminate the intervention by the end of the 2020/21 financial year and the Committee welcomed the extension of the intervention period, which will be reviewed in June 2021;
- The Committee observed that the legislation to enable the effective implementation of the intervention was underway, however, this will still need to be presented to the State Law Advisors and the Department of Planning, Monitoring and Evaluation (DPME) for the *socio economic impact assessment* in 2020/21;
- The Committee noted the lack of urgency in the filling of funded critical vacant positions with capable and professional expertise in order to ensure stability and progress in the Province, particularly in the Provincial Department of Health, which was affected by labor unrest as a results of vacancies not being filled in health facilities. Members of the Unions had also raised the matter in their submission during the Committee oversight visit in 2018;
- The Committee noted the improved matric pass rate despite the fact that schools had been closed for five months due to unrest, and it was informed that all Matriculants were moved to a safe place during that period - hence the province managed to maintained a good pass rate;
- The Committee felt that the presentation did not indicate whether there were any cases or charges against the former Premier of the North West, since the transgressions and irregularities had happened under his leadership. The Committee further noted that the Provincial Department of Cooperative Governance and Human Settlements would provide more detailed report around the challenges emerged from the merger that resulted to the JB Marks Municipality being placed under administration (Section 139 of the Constitution);

- The Committee noted that there were serious outstanding issues that still needed to be addressed before the section 100 intervention could be withdrawn and more concerning was that some of those issues seemed to be time consuming and very far from completion;
- Furthermore, the Committee noted the slow movement in relation to investigating, and prosecuting cases emanated from Section 100 intervention by law enforcement agencies as well as recovering of funds lost to the State due maladministration and corruption;
- The Committee observed that there was no clear and articulated exit strategy for the intervention team to withdraw the process in a sustainable and constructive manner and to ensure that there is no collapse of systems and processes once the intervention has been lifted;
- The Committee noted that all North West personal protective equipment (PPE) alleged cases that took place in some municipalities were being investigated by the law enforcement agencies (SIU and the HAWKS);
- The Committee noted that the Learner Transport and Security contracts were complex and posing major challenges for the Province since 2010 and that the law enforcement agencies were going to provide progress made around the Agridelight regarding unlawful contracts that were awarded in this regard;

6. Committee observations with regards to the implementation of the 2018 Committee recommendations by the IMTT on 31 May 2021, post the Oversight Visit on 15 – 18 March 2021

- The Committee notes that the Director General and HODs for Health, Social Development and Agriculture and Rural Development posts have been filled;
- The Committee notes that some HOD contracts for Department of Public Works and Roads, Arts, Culture and Recreation, Human Settlements and Department of Cooperative Governance and Traditional Affairs had expired and processes were underway to address this;
- The Committee notes the following progress on the disciplinary actions taken by various departments:
 - Office of the Premier –The two cases initiated under section 100 have been concluded - (one dismissed, one sanctioned with one month without pay);

- Department of Health – Four cases are in progress – (two senior managers dismissed, including the Head of Department);
- Department of Public Works and Roads – One priority case is in progress. (Chief Director: Roads dismissed, Director: Legal Services resigned; the HOD's case was concluded on 17 May 2021 (guilty verdict));
- Department of Community Safety and Transport Management – Two cases are in progress. (More will follow after the SIU investigation into the set-aside Learner Transport contract.)
- Department of Education – Disciplinary processes have been recently initiated against five officials, based on the recommendations of forensic investigations. (Director: SCM was dismissed, and the Chief Director: Infrastructure resigned);
- The Committee notes that the conclusion of investigations by the SIU is expected to result in more officials facing disciplinary processes;

The Committee notes the progress around criminal investigations related to public funds as follows:

- The National Prosecuting Authority (NPA) together with the Directorate for Priority Crimes Investigation (DPCI) report against 51 criminal cases related to public funds in the North West:
 - **13 (previous report 17)** cases enrolled for trial;
 - **2 (previous report 2)** cases to be enrolled;
 - **6 (previous report 14)** cases are awaiting guidance of decision from NPA;
 - **17 (previous report 8)** cases are under investigation by the Directorate of Priority Crimes Investigation (DPCI); and
 - **15 (previous report 10)** cases have been finalised (5 guilty, 1 not guilty, (unchanged from previous report), 6 declined to prosecute (previous report 4), 3 provisionally withdrawn.)
- The Committee notes that the Asset Forfeiture Unit (AFU) is currently involved in efforts to recover funds in priority cases;
- The Committee notes that the President approved a new proclamation in March 2021 authorising the Special Investigating Unit (SIU) to investigate matters related to the Department of Public Works and Roads (Ayamah Consulting) and that the SIU is currently undertaking investigations under seven (7) Presidential Proclamations in the province;

- The Committee continues to be concerned about the level of instability in the local government sphere in the North West Province, where about ten (10) municipalities are reportedly in distress, namely: Kgetlengrivier Local Municipality, Tswaing Local Municipality, Ditsobotla Local Municipality, Ramotshere Moiloa Local Municipality, Ratlou Local Municipality, Dr Ruth Segomotsi Mompati District, Matlosana Local Municipality, Madibeng Local Municipality, JB Marks Local Municipality and Mahikeng Local Municipality;
- The Committee notes the package of intervention measures, which are being implemented by both National and Provincial Department of Cooperative Governance together with Treasuries to address the crises in several municipalities driven by a range of issues including, parallel councillors, corruption, maladministration, defiance of provincial interventions, failing water and sanitation systems, private rate payers withholding revenues, vandalism and theft of infrastructure, gangsterism, and criminal attacks to officials, huge amount of Eskom and Water Boards debts;
- The Committee notes that the enabling legislation has been developed and consulted with affected government departments, together with concomitant regulations, and that COGTA has concluded agreements with DPSA on the reconfigured Bill for further processing and the Bill has been submitted to State Law Advisors and other relevant institutions;

While noting the progress made by the IMTT as at the 31st of May 2021, the Committee remained concerned about the outstanding priorities in the following Departments:

Department Name	Outstanding priorities
Office of the Premier s100 (1)(b)	-Facilitating the filling of HOD positions; - Finalisation of priority disciplinary cases. -Implementation of ICT strategy for the province.
NW Department of Health - s100(1)(b)	-Correcting the budget baseline for the department to prevent on-going problem of accruals. -Stabilisation of pharmaceutical section.

	<ul style="list-style-type: none"> -Improvement of ICT infrastructure. -Automation of NWDoH document management and information generation processes.
NW Department of Education - s100(1)(b)	<ul style="list-style-type: none"> -Implementation of the district organizational structure. -Implementation of consequence management on investigated cases. -Appointment of senior managers and continue capacitation of risk, internal control and supply chain management units. -Recruitment of infrastructure engineers, including Chief Director for Infrastructure. -Continuous strengthening of financial and human resource management.
NW Community Safety and Transport Management - s100(1)(b)	<ul style="list-style-type: none"> -Key contracts that were cancelled due to irregularities/illegalities need to be concluded under close supervision. -Finalise DC cases that have commenced as part of consequence management on concluded investigations. -Finalise/regularise irregular expenditure. Develop a Turnaround Plan for NTI -Facilitate the CEO and CFO positions at NTI. -Finalise the NTI Corporate Plans. -Finalise fit-for-purpose organisational structure.
NW Department of Public Works and Roads - s100(1)(b)	<ul style="list-style-type: none"> -Recruitment of HOD and Chief Directors for Facilities, Building & Infrastructure.

	<ul style="list-style-type: none"> -Finalization of SIU investigation on roads. -Resolve office space and implement multi-tenancy office project for the provincial government. -Sale of non-core assets. -Condonation of irregular expenditure worth R4,3 billion.
NW Provincial Treasury - s100(1)(a)	<ul style="list-style-type: none"> -Condonation of irregular expenditure. -Implementing the contract management project for municipalities. -Municipal intervention – invocation and implementation of s139 of MFMA.
NW Cooperative Governance and Traditional Affairs - s100(1)(a)	<ul style="list-style-type: none"> -Recruitment of new HOD. -Fit-for-purpose organisational structure. -Review and implement section 154 municipal support plans issued in July 2018. -Migration of section 154 municipal support plans into the draft DDM One Plans which have been developed for the 4 district municipalities. -Adoption of the first generation DDM One Plans by 30 June 2021.
NW Department of Human Settlements - s100(1)(a)	<ul style="list-style-type: none"> -Appointment of HOD and CFO. -Appointment of Grant Fund Manager to oversee the implementation of the business plan and the HSD Grant respectively. -Improve audit outcome for current financial year. -Finalisation of organisational structure.

NW Department of Social Development - s100(1)(a)	- None
NW Department of Agriculture and Rural Development - s100(1)(a)	-Conclusion of consequences management processes arising from forensic investigation. -Processing and court challenges of the Close Out Report from the Agridelight PMU, which has in turn submitted additional invoices amounting to over R30 million.
NW Department of Tourism - s100(1)(a)	-The national Department of Tourism is to discontinue the section 100(1)a intervention but continue to support the DEDECT in its additional tourism function, including areas which are not fully completed.

7. The Committee observations with regards to the National Treasury and the Office of the Auditor General's submissions on 19 February 2021:

- That the intervention team has yet to implement a number of things such as ensuring the credibility of departmental budgets, the recruitment of capable and competent officials in key management and leadership positions, eradicating irregularities with respect to procurement and spending, as well as improving grant expenditure and performance of the departments under Section 100 administration;
 - Despite the progress reported, the Committee noted that the National Treasury could not provide a timeframe as to when the intervention team would be in a position to withdraw from the Province, despite the review which will take place in June 2021;
 - In addition, the Committee noted that for the State's intervention in the Province to be effective and sustainable, the intervention team require the Provincial leadership to enact political will and the support of oversight structures such as the Provincial Legislature and Parliament;
- 8. Regarding the Auditor-General's extended powers in terms of the Public Audit Amendment Act (No.5 of 2018), the Committee questioned the Auditor-General's**

intentions to enact and enforce the provision that allows the Auditor-General to issue a certificate of debt to an official found to be in contravention of laws governing public expenditure;

9. The Committee observations with regards to the law enforcement agencies submissions on 08 March 2021:

- The Committee noted that the presentations of the various law enforcement agencies did not address progress with regard to allegations and forensic findings that were specific to the departments under Section 100 administration. Whilst the Committee welcomed the update on outcomes of investigations conducted in municipalities, it highlighted that emphasis should have been on matters relating to provincial departments as it would have been more relevant to the Committee and aligned to the mandate of the Committee;
- The Committee said that it would have appreciated more details and more information around challenges relating to delays and any other factors that hinder the finalisation of investigations;
- The Committee noted that the investigation and legal process is a very protracted process that may take a number of years to conclude. The Committee made a point that more needed to be done to accelerate the legal process for citizens to be assured that justice will be served;
- The Committee highlighted that bigger cases, particularly the ones relating to provincial departments, need to be prioritised and cases should be attended to as soon as they are reported to combat corruption;
- The Committee raised concerns around the lack of consequence management when it comes to some of the cases and the lack of urgency in finalising investigations;
- The Committee noted that the law enforcement agencies experienced a lack of capacity and resources over the last few years and that efforts are underway to restore capacity and improve resources;
- The Committee was concerned about the level of collaboration between the law enforcement agencies and oversight bodies such as the National Treasury and the Auditor-General's Office with respect to forensic and audit investigations that have been concluded or are underway;
- The Committee also called on the Head of the National Prosecuting Authority to publicly comment on the resignation of the North West's Director of Public Prosecutions and the

criminal allegation of the Head of the North West Special Commercial Crimes Unit and assure citizens that agencies mandated to uphold the law could be trusted to do so;

10. Stakeholders engagements and Committee observations during follow - up oversight visit in the North West Province on 15 – 18 March 2021

From 15 until 18 March 2021, the Committee had follow up visits to government facilities to assess the implementation of 2018 oversight visit recommendations and engagements with various stakeholders in the Province, wherein observations and appropriate recommendations are made. Due to the vastness of the Province, the Committee delegation was divided into two groups to cover more grounds and provide sufficient consultation with all the relevant stakeholders, the list of the two groups is attached below:

Group 1: was composed of the following Members of Parliament and officials: Mr TSC Dodovu (ANC and Group Leader), Mr M Nchabeleng (ANC), Mr S Zandamela (EFF), Ms C Visser (DA), Mr P Dlomo (Content Advisor), Ms P Ntaka (Researcher) and Mr L Ben (Committee Assistant).

Group 2: consisted of the following Members and officials were, Ms Z Ncitha (ANC and Group Leader), Mr F Du Toit (Freedom Front +), Mr N Mfuku (Content Advisor), Ms Y Brown (Researcher) and Mr N Mangweni (Committee Secretary).

11. Submission made by Standing Committee on Public Accounts (SCOPA) in the North West Legislature on 15 March 2021;

The North West Standing Committee on Public Accounts Committee (referred to as SCOPA) provided the Committee with a detailed account of their oversight activities and findings per department subject to Section 100 intervention as follows;

- There was a challenge in getting Administrators to account before the Committee. It was alleged that Administrators had indicated that they were not accountable to the Provincial Legislature, but accountable to the relevant national sector Ministers;
- Given that some of the departments subject to Section 100 intervention still receive poor audit outcomes, SCOPA members questioned the value gained when taking into account the cost of the intervention, which has been alleged to have costed R70 million to date;
- SCOPA members reported their disappointment with the performance of law enforcement agencies with respect to slow progress made in investigating corruption related cases;

- Forensic investigations are undertaken, but no action is taken to implement the forensic report recommendations;
- Further, payments continue without verification of work done and contracts that are expired, are extended in contravention of the laws that govern public finances;
- SCOPA questioned whether the Administrator of the Department of Community Safety and Transport Management also being the Administrator of the North West Transport Investment (NTI), does not create conflict of interest in terms of the accountability function;
- Contracts are awarded to companies outside of the North West, without consideration for the development of small businesses registered in the province. Unemployment was one of the challenges that gave rise to the unrest in the province and yet nothing is being done to support Local Economic Development within the province;
- SCOPA members further expressed that insourcing as opposed to outsourcing should have also been given careful consideration, especially because insourcing would mean that more people are employed and the costs associated with outsourcing would be avoided;
- SCOPA members also questioned the criteria used to appoint Administrators, given that former Department Heads are brought in as Administrators. It was also noted that some of the challenges that require intervention were present when the former Head occupied the post;
- SCOPA members also questioned what the basis was for the extension of the intervention? It was further expressed that the extension would not necessarily solve any of the challenges that were highlighted;
- SCOPA also requested that the terms of references (TOR) of Administrators are communicated with the Legislature in order to monitor and evaluate the performance of the Administrators.

11. Recommendations:

- There is a need for a framework to regulate the working relationship or interface between Administrators and Provincial Legislature to ensure proper engagement on progress with regards to intervention and clear line of accountability to be redefined. Developing productive working relationships is of utmost importance for the intervention, because it

will assist and foster a positive environment in the workplace, that would yield service delivery improvement;

- On the allegations of R70 million cost incurred for accommodation and security personnel of Administrators during the intervention period, a breakdown of cost should be provided to the Committee in order to identify and appreciate the individual elements that comprise the total cost;
- The Inter-Ministerial Task Team (IMTT) needs to clarify the criteria used to appoint Administrators and whether they are subjected to a vetting process before appointments are made;
- With regards to the placement of officials that have been found guilty or have allegations of maladministration or misconduct should not be allowed to move from one public entity to another until consequence management processes have been finalised;

12. Submission made by the Premier and MECs in the North West on 15 March 2021

The Premier made a presentation to the Committee covering governance and institutional capability, departmental performance over the last three years, outstanding issues that still need to be addressed and key lessons emanating from the intervention.

- The Premier reported that at the beginning of the intervention, his primary goal was to restore governance and stabilise the relationship between the Provincial Government and the Public;
- For the most part, the Office of the Premier reported that the intervention was necessary, but that the intervention cannot be ongoing without an end as it creates instability;
- The intervention should allow for departments to progress from Section 100 (b) to Section 100 (a) and towards exiting the intervention;
- Further, the role of provincial Members of the Executive (MEC) should be clarified when the functions and responsibility of the Provincial MEC Is vested with the national Minister.
- The Premier expressed that a key challenge was that the terms of the memorandum of understanding (MOU) were not being honoured. The result of this was that coordination work and reporting had suffered.

- The Premier highlighted that there is no clear legislative framework for Section 100 intervention, where there are no objective performance assessment mechanisms to effectively track the performance of the Administrators.

13. Recommendations:

- The enabling legislation and regulatory frameworks need to be expedited in order to govern and regulate interventions for both Section 100 and 139 of the Constitution, as well as the relationship between the Administrators, the Provincial Executive and the Legislature;
- Implementation protocols and key objective performance assessment mechanisms to monitor and evaluate the work of the Administrators need to be clearly spelt out in the legislation;

14. Submission made by Labour Unions on 15 March 2021

The following labour unions made presentations to the Committee: National Education, Health and Allied Workers' Union (NEHAWU), South African Democratic Teachers Union (SADTU) and Police and Prisons Civil Rights Union (POPCRU).

The unions reported the following:

- Administrators have not engaged the labour representatives regarding the intervention, with respect to addressing labour concerns and progress made in this regard. Furthermore, the forums that were created for the purposes of ensuring proper engagement and consultations have collapsed;
- Called for the removal of the Administrators in the Department of Education and the Department of Community Safety and Transport Management. It was alleged that the Administrators are more of a hindrance than of assistance and that there is regression within some Departments;
- There was lack of consequence management, as illegal contracts were terminated, but the transgressors received no consequences;
- Further, no feedback was provided to complainants regarding criminal proceedings instituted against individuals who were guilty of corruption;

- Specific references were made to allegations of corruption in the education district offices that the Administrator fails to follow-up on;
- It was also noted that the North West Educational Department has the highest rate of vacancies with respect to budgeted posts within the country, yet posts are not filled;
- Similarly, the Unions reported that the Department of Community Safety and Transport Management alleges that there is no money to fill vacancies;
- The Unions are not convinced that any progress has been made since, particularly in respect of issues on the ground, as many challenges remained unchanged since 2018;
- The Unions committed to provide the Committee with a joint report highlighting their key concerns regarding the lack of progress on labour issues and service delivery issues by the intervention;

15. Site Visit: Mahikeng Provincial Hospital observations

The Provincial Department of Health together with the Hospital Management team, namely the Acting CEO, made a presentation on the following issues:

- The Committee noted the progress made with regards to the service performance in terms of access to care, availability of medicines, patient safety, values and attitudes and waiting times, which had improved from 59.7 percent in 2019/20 to 69.8 percent in 2020/21;
- The Committee welcomed the appointment of Bid Committees but remained concerned about the lack of training for Bid Committee Members, which was expected to be rescheduled in 2021/22;
- The Committee noted the increase in the appointment of health workers between 2018/19 and 2020/21 as follows:
 - 633 posts have been filled of which 275 are permanent, 311 are contract and 42 are part-time;
 - A total of 23 specialists across various disciplines have been appointed but there are still challenges around the recruitment and retaining medical and nursing specialists;
- The Committee noted that the project of two new boilers is at practical completion and that once completed and fully functional, they will be able to sustain the laundry and kitchen needs for the hospital;
- Whilst the Committee noted that the hospital was operating with only four autoclaves but was concerned that only one of these was operational at the time of oversight visit as well

as the challenges around water supply which affected the operationalisation of other autoclaves;

- The Committee was concerned that the catering services were outsourced with the laundry and kitchen equipment was not functional and the hospital was relying on other institutions or hospitals to meet its laundry needs and this will only be address in the next financial year;
- The Committee expressed concerned that whilst the mortuary was operating 7 days a week, there were still challenges around old fridges experiencing continuous breakdowns, 8 fridges not being functional and the fact that there was limited capacity to run the mortuary- more porters were needed;
- The Committee noted with concerned that some patient transporting vehicles needed to be replaced as these had very high mileages, their lifespan had been exhausted and posing a danger to patients during transportation;
- The Committee noted with concerned the level of underspending of budgets in key areas such as health professional training and the HIV& AIDS conditional grants component and reiterate that this was negatively affecting key service delivery areas within the facility;
- The Committee was concerned about the lack of ICT infrastructure to ensure that there was electronic record system in place;
- The Committee was concerned about the none filling of key senior or managerial positions including the Chief Executive Officer, which has been vacant since 2015. The high vacancy rate in the hospital results in staff being overloaded with work and the hospital indicated that to augment available staff, additional overtimes were used and there were also posts that had been advertised;
- The Committee noted and welcomed the state of preparedness demonstrated by the facility to administer the vaccination programme, wherein different vaccination stations were set up within premises.

16. Recommendations:

- Whilst the Committee welcomed the appointment of Bid Committee Members, however it urges the North West Department of Health to ensure that members of such committees are given proper training as soon as possible;
- Whilst the Committee welcomed the increase in the appointment of staff in various disciplines, it is of the view that the Department together with facility management need

to develop proper recruitment & retention strategy for health professionals including medical and nursing specialist;

- That the Provincial Department of Health together with the hospital managements expedite the filling of the Chief Executive Officer post, which has been vacant since 2015 and other key management positions at the time of Committee visit;
- That the Provincial Department of Health together with facility managements must develop and put measures in place to prevent and address nepotism and maladministration during recruitment processes and given that this is a widespread phenomenon, the Provincial Department of Health should work with the National Department of Health, National Treasury, Provincial Treasury and the law enforcement agencies to develop such measures;
- That the Provincial Department of Health together with the facility management urgently find an amicable solution to the problems raised by labour unions, including the payment of overtimes since February 2018 and addressing all worker's grievances;
- With regards to the four autoclaves that existed with only one of these being operational at the time of oversight visit as well as the challenges around water supply, the Committee urges the Department together with municipalities to urgently address water challenges so as to ensure that all four autoclaves were operational as part of addressing facility's operational capacity challenges.
- With regards to the outsourcing of catering and laundry services, the Committee is of the view that the Department together with the hospital management need to address facility equipment and general infrastructure, particularly for laundry and kitchen as part of building internal capacity;
- With regards to the mortuary, whilst the Committee welcomes the operation of the mortuary 7 days a week, however, it is of the view that the Provincial Department of Health together with the facility management must ensure that old fridges are urgently replaced and fast track the recruitment of additional porters;
- The investigation around the alleged corruption in the coal tender should be expedited and any disciplinary process against implicated officials must be finalised urgently;

17. Office of the Health MEC

Following the briefing by the Hospital Management team, the “*walk about*” and the engagement with the workers of the Mahikeng Provincial Hospital, the Office of the MEC engaged the Committee on issues relating to the coal tender, the security tender, the Rakoma

investigation, irregular appointments, corruption and nepotism as well as the issue of advanced payments made for services not yet been rendered.

The Office of the MEC submitted the following issues:

- That the law enforcement agencies tend to be selective about the cases they choose to attend or resolve;
- With respect to the coal tender and the allegations of corruption, the matter is being investigated by both the SAPS and a firm of attorneys was appointed by the department to deal with the case;
- With respect to the security tender and concerns around appointments not being properly done or favouring companies outside the province, it was highlighted that the bidding requirements were too restrictive, which resulted in local companies not being considered for the tender;
- It was noted that nepotism and corruption in the health sector is widespread and is often driven by external political interests that are highly coordinated; the intention is to capture the department;
- A disciplinary enquiry of one of the officials had commenced and the other one to be served with charges before end of March 2021;
- The Office of the MEC committed to providing the Committee with an updated report, which will speak to all the concerns raised by the Committee Members.

18. Mahikeng Hospital: NEHAWU Shop - Steward submission:

18.1 NEHAWU Shop - steward in Mahikeng Hospital made the following submission:

The Union had initially welcomed the intervention as they had hoped it would bring about change. Whilst there were various engagements with the Administrator, no actions were implemented as agreed.

- The Committee was concerned about the none filling of key senior or managerial positions including the Chief Executive Officer, which has been vacant since 2015. The high vacancy rate in the facility results in staff being overloaded with work.
- The Committee expressed concerned around the none payment of overtimes since the 2018 February.

- The Committee expressed concerned around the outsourcing of catering services and security and that each time the contract is supposed to come to an end, it keeps being extended.
- The Committee was concerned that theatres are not fully operational and the amount of money spent on this projects that seeks to ensure theatres are fully functional does not yield any results.

The union committed to providing the Committee with a report highlighting their key concerns regarding the lack of progress on labour and service delivery issues.

19. Site Visit: Tshepong Hospital observations

The CEO of the facility presented on progress achieved since the NCOP visit in 2018 and on the hospital's capacity with respect to beds, human resource levels as well as medical and surgical services offered and the quality of service provision.

- The Committee welcomed the reduced vacancy rate to 12.5 percent and that the facility had received approval from the Health Administrator to fill all the remaining vacancies;
- The Committee welcomed the introduction of a computerised electronic system, which has been put in place to ensure proper management of patient records;
- The Committee noted the interventions to manage the overflow of patients, where additional beds were made available on the floor of the facility. This had been alleviated by opening an additional admission ward; and by implementing a system whereby doctors do rounds in the morning and afternoon so that patients that don't need any further treatment get discharged;
- The Committee also welcomed the establishment of the Occupational Health Services (OHS) Committee and its operationalisation, where about 88 individuals were provided with accredited OHS training;
- The Committee noted that the performance management system had to be reviewed to ensure that the policy was being properly implemented. The fact that management received training from Head Office on the Performance Management Policy, with performance reviews to be done bi-annually and finals scores are moderated at Head Office before payment of bonuses can be made was progressive. In the past some payments of bonuses were made, while there was no portfolio of evidence being assessed to warrant such payments;

- The Committee noted the effort by the facility to put in place control measures to limit over-expenditure, however, it was concerned about the budget cuts and expenditure related to funding Westvaal Hospital Covid-19 services;
- The Committee noted that the Westvaal Hospital property belongs to Harmony Mines and the hospital had hoped that the company assist by donating the property to the North West Government and this would provide an opportunity to use the facility as District Hospital;
- The Committee expressed concerns around the gangsters or thugs that are using intimidation tactics and threats to interfere with the tendering processes and the fact that law enforcement agencies were not helpful in addressing such incidents;
- The Committee welcomed the effort to ensure that Pharmaceutical issues had been addressed and are now within availability norms. Furthermore, when the depot experiences challenges of limited stock, the facility is allowed to use direct delivery vouchers from the suppliers and the expired drugs expenditure target was reduced to 5 percent;
- Whilst the Committee noted that the facility only outsources the administration of catering services and other outsourced services were contractors authorised by the Province, the Committee reiterated that local business or contractors needed to be empowered and considered for government tenders with a view to ignite local economic growth;
- The Committee was concerned about the challenges of the overloaded facility system, due to the non-availability of district hospital as a result of the impact of mine closures;
- The Committee was concerned that 5 of the 6 generators had reached their lifespan and resulting in continuous breakdown and it was becoming costly for the hospital to maintain;
- The Committee welcomed the implementation of the previous oversight visit report where all funds that were lost due to financial misconduct, corruption, transgression of the PFMA, irregular contracts, overpayments, are now being recovered and consequence management is implemented accordingly;

20. Recommendations:

- The Committee is of the view that **LOCALISATION** is critical in ensuring sustainable and inclusive local economic growth and therefore believes that more needs to be done to empower and support local business;
- The Provincial Department of Health, National Treasury, National Department of Health together with the Provincial Treasury ensure that adequate funding for the provincial

health function is obtained and clear monitoring and financial control systems are put in place as required by Section 38 of the Public Finance Management Act of 1999, in order to realise the success of the intervention, especially given the advent of Covid – 19 pandemic and the need to roll out the vaccine;

- The Committee reiterate that cases of threats and intimidation by gangsters and thugs should be opened with SAPS and the relevant law enforcement agencies need to address this matter quite expeditiously since this affect service delivery for the poor and vulnerable;
- With regards to the challenges of the overloaded hospital system, the Committee recommended that the Provincial Department of Health should engage Harmony Gold executive for them to donate the Westvaal Hospital to the Department and develop a clear maintenance plan and budget;
- The Committee urges the Provincial Department of Health together with the hospital management to urgently put replacement plan in place to address the challenge of generators which have reached their lifespan and the Committee is of the view that entering into maintenance contracts would not provide a sustainable solution;
- With regards to the maternal mortality in facility where there was a ratio $<120/100000$ annual target for 2020/21, the Committee requested the actual numbers or breakdown to be forwarded within 14 days after the oversight visit before the adoption of the report for quarter 1,2 and 3 as opposed to percentages;
- That the Provincial Department of Health should device a remedial action aimed at bringing a clear balance on its budget which has a cumulative over expenditure, and ensure that proper budget management practices are put in place, and give priority to health care service core functions;

21. Site Visit: Alabama Primary School observations

The Principal of the School provided the Committee with the background of the school, its current capacity to accommodate learners, progress made with regard to NCOP recommendations of 2018, including some of the challenges facing the school.

- The Committee noted that Alabama Primary is non-fee school and forms part of the National School Nutrition Programme, providing all 1 288 learners with one meal per day;
- The Committee welcomed the unqualified audit opinions received by the facility for the past three years;

- The Committee welcomed the progress in the implementation of the 2018 NCOP recommendations as follows:
 - All Grade R teachers are fully qualified with either a diploma or degree in Grade R Teaching or Foundation Phase;
 - Security remains an issue and this is due to budgetary constraints and the Education Department is prioritising riskier areas;
 - Irrigation remains a challenge, but the school was provided with a borehole to assist with the irrigation of the school grounds. The borehole and hosepipes are not as effective and a more sustainable solution is required;

The Committee noted that funding needed for security to prevent vandalism and theft of school property remained a challenge for the facility;

The Committee was concerned about the water and electricity bill, which had escalated from R15 000 on average to R45 000 ever since the movement into the new school structure. The School does not have any water and electricity account arrears, but have indicated that sustaining the payments is becoming a challenge;

The Committee was further concerned that during Covid-19 lockdown the school continued to receive a municipal bill of R45 000, yet the school was not operational during this time. The School has raised the matter with the Municipality and are also querying whether they had been billed correctly prior to the lockdown;

The Committee noted the concerns shared by the School Governing Body (SGB) Chairperson around the need to secure the school, the need for maintenance staff as one person is not enough given the size of the school buildings and grounds, as well as, the need for irrigation to maintain the school grounds;

The Committee received an update from the Education District Officer on scholar transport at Vyfhoek Primary School with regards to the implementation of Committee recommendations of the 2018 oversight visit, as follows:

- Scholar transport routes are being verified and payments are based on this verification process;
- 40 learners from the farm areas are receiving transport services. While learners that reside in the townships pay for their own transport;

- The Department of Community Safety and Transport Management are in the process of recovering money from scholar transport operators that were over-paid;
- The Department undertook to provide the Committee with a report on the actual figures that needed to be recovered and amount that had been recovered thus far from the scholar transport operators;
- The Committee also noted that the computers at the laboratories were over 14 years, and the software was outdated;

22. Recommendations:

- With regards to the inadequate budget, the Committee is of the view that budget is being cut across government departments and the country, Alabama school may have to rely on fundraising and seek support from the community and local business to support the school in funding their security, irrigation and facility maintenance needs, until budget allocations have improved. Furthermore, the Provincial Department of Education needs to assist the facility with new computers including software update and security;
- The Provincial Department of Education together with the School management should follow up on the issues of inaccurate and escalating water and electricity bill from R15000 to R45000, which might eventually be unmanageable and get the matter resolved urgently. It will also be important to revisit the other previous financial year's bills, including other facilities;
- With regards to the scholar transport report, the Committee recommended that the provincial Department of Transport must make sure that the efforts to recovery monies lost due to over payments of scholar transport operators is expedited and consequence management is implemented in this regard to any implicated individuals.

23. Unannounced Site Visit: Kgosi George Dick Montshioa Airport, Mahikeng

The Committee made an unannounced site visit to the Kgosi George Dick Montshioa Airport. The Administrator briefed the Committee on issues relating to SA Express, the cost of security personnel, the economic benefit as well as the concern around the airport not being operational.

The Committee noted that an advance payment of R50 million was paid to SA Express in 2015 to resuscitate the flight route between Mahikeng Airport and OR Tambo Airport, where SA express was supposed to fly on regular basis;

The Committee was concerned that SA express has not been operating since May 2018 and as such there is little or no movement at the airport as it is not operational and whether there was any business case for the Airport.

The Committee noted that the security contracts, was a month-to-month contract, which was responding to public outcries and to avoid vandalism.

- The Committee was informed that procurement processes were above board;
- It was indicated that insourcing was going to be a challenge at the moment because if jobs were to be promised and given to people, there will be a need to make sure that the Airport will still be around in the future;

The Administrator undertook to provide the Committee with a formal report that responds to the concerns that were raised by the members.

24. Recommendations:

- A policy decision by government needs to be finalised soon, so that the Airport can be operational even if it is not limited to aviation services. The IMTT needs to consider this as part of resuscitating and rebuilding North West economy, otherwise government investment in the form of properties and other assets on site will go to waste or being vandalised;
- There is a need to explore various ways in which the Airport properties can be repurposed to further contribute towards North West economic development and job creation.

25. Site Visit: G.S. Phoi Secondary School observations

The Principal of G.S Phoi Secondary School outlined the factors contributed to underperformance in the school and some of the intervention strategies that the school had implemented as a way of addressing the challenges of poor performance. The Principal also spoke to the progress that has been made with regard to the 2018 NCOP recommendations.

- The Committee was concerned about the deterioration of matric pass rate for the past 5 years in the school, where pass rate fell from 56.8 percent in 2016 to 46.1 percent in 2017. Following the intervention, there was an improvement, where in 2018 the pass rates increased to 64.1 percent but fell to 50 percent in 2019, and owing mainly to the pandemic, in the 2020 the pass rate decreased to 16.7 percent;

- The Committee noted some of the factors that contributed to the underperformance, which included the fact that the class of 2020 was in grade 9 at the time of the community protests in 2017, which disturbed their schooling at the time;
- Subsequent protests in 2018 and 2019 also robbed the class of 2020 months of schooling and for these years, learners had to be assessed on a limited scope of the curriculum that they had covered in class. They were then promoted to the next class even though they were not assessed on the full curriculum. Owing to the gaps in their foundation and their learning as well as playing continuous catch-up because of the community protests, evidently, this impacted negatively on their later schooling outcomes. This was further compounded by the pandemic, as was reflected by the significant drop in the matric pass rate in 2020;
- The Committee noted and welcomed interventions to ensure that catch plan was in place such as in-school camps, which included extra classes during the afternoons and weekends, team teaching with neighbouring schools, revision classes and motivational talks, were arranged to try get the learners to catch-up on the class/learning time that was disrupted;
- The Committee also noted with concerned that in-school camps proved to not be a success because of staffing challenges and poor attendance by the learners and that some learners were child-headed households which affected their attendance for these extra classes;
- The Committee expressed its concerned about the 3 vacant posts for departmental heads, which needed to be filled by the School;
- The Committee welcomed the new intervention strategies for the 2021 matric class-to address content gaps as follows:
 - For morning classes, 45min was added to the time table;
 - For afternoon classes, 90 min was set aside on a daily basis;
- The Committee remained concerned about the shortage of classrooms, which was also a challenge even in during the 2018 oversight visit and the then Committee made recommendations to address this and Committee further noted that there were only 2 mobile classrooms that were in good in condition out of six (6) that was provided by the Department of Education.
- Whilst the Committee welcomed the efforts to ensure that sanitation problems were addressed where 20 pre cast toilets were erected in 2019, but it was concerned about the unavailability of water both in the Schools and around local communities;

- The Committee again welcomed the effort made to address the shortage of Learner Teacher Support Material (LTSM) for all grades, tools of trade such as duplicating paper and photocopy machines, and a shortage of learner tables and chairs;
- The Committee was concerned about the fact that the two service providers who had been appointed for scholar transport withdrew just when the investigation of duplicate invoices started, this resulted in the overloading of buses and the late coming of learners and as such it put the lives of learners at risk. The Committee welcomed the initiative of learners being given bicycle as part of the intervention, but was concerned about the maintenance of such assets;
- The Committee observed that, a retrieval policy for the LTSM was developed and adopted by the School Governing Body (SGB) and this had yielded positive results as the retrieval rate in 2020 was 93 percent compared to 55 percent in 2018;
- The Committee raised concerned that there was no proper infrastructure in place for the school kitchen and school fencing was not in good condition.

26. Recommendations:

- That the Provincial Department of Education together with the School management ensure that the wide range of issues such as staffing, infrastructure challenges, shortage of classrooms and the kitchen, scholar transport and security is urgently addressed;
- The Committee is of the view that child-headed households need to be given special attention, so that learners are able to perform at an optimal level without any barriers affecting them;
- The Committee requested the Administrator of Education to provide it with clear plans on how the Department intends to restructure its budget for 2021/22 and the Committee emphasised that the issue of underspending was unacceptable given the many challenges facing rural schools.

27. Submission made by School Governing Body and Community Forum of Madibogo Pan during the site visit

In their presentation to the Committee, the SGB and the Community Forum of Madibogo, outlined the following key challenges:

27.1 The School Governing Body (SGB) submission in the GS Phoi High School Site Visit:

- The issue of the road Z482, that is still in bad condition was one of reasons that led to community protests, where part of the consequences of the unrest affected learning time for learners and when the Department tried to intervene it was too late;
- There is no school kitchen and storage building;
- Whilst the mobile classrooms have been helpful, they remain in poor conditions;
- The school is too far for many learners as its located in the outskirts of the village;
- Appealing for assistance from the Provincial Department of Education and Social Development to intervene in the cases of child-headed households.

27.2 Madibogo Pan Community Forum Submission:

- The Forum requested that it receives feedback on the progress that has been made in terms of the Z482 road, the incomplete RDP houses and the challenge of an unreliable water supply;
- The Forum expressed that the community has a problem with high levels of crime and yet the nearest police station is situated far away from the village;
- It further expressed that with the community growing, an additional primary school was needed;
- The Forum requested that it gets an update into the investigation of the sports facility that was budgeted for but remains incomplete;
- The Forum further requested that it also gets an update into the R4 million that was earmarked for classrooms to address the issue of overcrowding; and it was highlighted that out of the R4 million that was set aside, only painting was done and the contractor converted existing classrooms into an admin block;
- The Forum needed progress report on the investigation of corruption that happened in the sport facility called Cover Ground.

28. Recommendations:

- A correspondence to the Mayor and the Premier's office should be written to indicate that they must provide feedback regarding the community concerns raised in the section above within 2 months, Parliament will follow-up with the Mayor and Premier to establish whether the community concerns were addressed;
- The Committee was very clear that the Provincial Department of Public Works and Roads must prioritise road Z482, which led to community unrest in the area;

- That the local municipality together with the Provincial Department of Human Settlements must ensure that RDP housing projects are properly implemented and finalise timeously in the area;
- The Committee is of the view that provincial government must always ensure there is value for money for each projects executed, the Committee recommends that the Department of Education investigate the expenditure of R4 million, which was earmarked to address overcrowding in the School;
- The Bill of Rights in Chapter 2 of the Constitution guarantees that everybody has the right of access to basic education - therefore, the Provincial Department of Education together with the Department of Social Development should consider creating a very deliberate programme to assist child headed households, which will ensure that their situation does not interfere with their studies.

29. Site Visit: Madibogo-Pan Primary School observations

The Principal of Madibogo- Pan Primary School gave the Committee a short tour around the school, where he highlighted the following key challenges that face the school.

The Committee was informed that the primary school was experiencing severe infrastructure challenges, where most of the school buildings were dilapidated, not maintained and the roof was damaged by storm;

The Committee was also informed that the facility had also suffered from cases of vandalism, mainly because the school does not have security, which further exacerbates the issue of infrastructure backlogs and it raises concerns around the safety of learners and government assets;

The Committee noted the issue of poor road conditions and the issue of education assistants (EAs) and general assistants (GAs) who have not been paid since December 2020. The EAs and the GAs were deployed for the purposes of ensuring continued learning and teaching in a safe environment and were supposed to be paid by SETA.

30. Recommendations:

- The Provincial Department of Education together with SETA must ensure that the payment of education assistance and general assistance in Madibogo Pan Primary School and other Schools is urgently addressed;

- That the Provincial Department of Education together with provincial treasury need to find ways to address school infrastructure maintenance and security concerns. Local businesses can also be requested to adopt a school and assist where necessary;

31. Madibogo-Pan Bridge and Road observations

The North West Department of Public Works and Roads provided the Committee with a presentation on the status of the North West Provincial Roads Network. However, the Committee made a decision that the Administrator should not proceed with the presentation as it was not addressing the full scope of projects that needed to be reported upon. The Committee undertook to send a list of specific questions, which the Administrator needed to respond to. The responses have since been received.

32. Site Visit: Emergency Management Services Centre for City of Matlosana observations

The Health Department provided the Committee with a Status Report on the Matlosana Emergency Management Services (EMS) Station and progress made with regard to 2018 NCOP recommendations.

- The Committee noted that a comprehensive communication system tender, which includes live tracking vehicles, dashboard cameras and computer-aided dispatch system was issued, however responding bids were costly than the R15 million, which was budgeted for. Furthermore, the Head Office has instructed the EMS to undertake a market analysis exercise to determine the cost of the desired communication system;
- The Committee noted with concern that disciplinary action against the suspended Director of EMS has not been concluded. The suspension lasted for a period of one year and eight months and the official was reported back on duty in the Quality Assurance Section. The Committee expressed disappointment on the long disciplinary delays in the suspension of staff given the financial implications;
- The Committee noted that EMS building accommodation remains a challenge and an analysis was undertaken of current EMS facilities, which resulted in a submission on the infrastructure needs to the IDTS. The long-term plan is to have custom-built, fit-for-purpose EMS facilities;
- The Committee noted that EMS fleet also remained a challenge due to the vehicle procurement function falling within the Department of Community Safety and Transport Management. The Committee was informed that the Department is not responsive to the

needs of the EMS, as there were delays in procurement, delivery of operationalisation of EMS vehicles and the maintenance of such vehicles;

- The Committee was informed that processes were underway to devolve the function from the Department of Community Safety and Transport Management back to the Department of Health due to the lack of support from the Department of Community Safety and Transport Management in respect to maintenance and procurement of fleet;
- The Committee noted that although EMS staff establishment has 94 positions, the station has 81 officials currently, and 13 vacancies. The vacancies are due to staff resignation and retirement;
- The Committee observed that the number of ambulances was 16 at the time of oversight visit, but those that were operational only amounted to 6 and the rest were on repairs. The ideal situation is to have 16 operational ambulances, based on the population norms and standards but because of the staff complement only 10 ambulances could be operated;
- The Committee observed that the biggest challenge confronting the EMS personnel was safety, particularly in informal settlements areas. EMS personnel were targeted by criminals and high jacked, robbed and sometimes raped;
- The Committee welcomed the efforts by the Province, which intends procuring new fleet, to replace withdrawn and high mileage fleet. This process is intending to address the challenges on urban response time by ambulances;

Part of the successes reported since the intervention includes:

- Matlosana EMS was allocated 3 Advanced Life Support (ALS) Paramedics.
- The station received ALS equipment, consisting of ventilators, infusion pumps, syringe driver and transport incubators;
- There are 11 licensed private service providers, which may be utilised to assist when the Provincial EMS is overstretched;
- Although there is inadequate budget leading to challenges of inefficient communication system, the Province has advertised a Communication Solution tender in 2020, which would include live tracing of vehicles, dashboard camera and computer aided dispatch system;
- Further, 88 ambulances were distributed to districts in 2018/19 financial year;

33. Recommendations:

- That the Department of Public Service and Administration (DPSA) needs to provide government departments with guidance on how to best deal with public officials that hinder the disciplinary process through delaying tactics. It should also provide a directive on the maximum period that an official can be on suspension. For instance, the case of the EMS Director should be promptly investigated and finalised. The longer the postponement of the delays, the greater the financial loss and service delivery deficiencies incurred. Therefore, the Department needs to aim at ensuring strict adherence to timeframes and work towards minimising costs relating to employees who are on suspensions;
- With respect to challenges involving maintenance and procurement of red-fleet, it is recommended that the Department of Health should explore other procurement models, for example leasing. Further, the Administrator for Health, together with her executive management, should arrange an engagement or an administrative process with the DCST, to address fleet challenges and insurance of ambulances in the meantime. As a long term and sustainable solution, an administrative process needs to be established through intergovernmental relations to resolve the issue of devolving fleet management and procurement function back to individual departments;
- With regards to the safety of EMS personnel, the Committee urges all residents to protect EMS personnel while they are rendering this very important service and often these attacks take place in extremely vulnerable communities, where emergency services are needed the most;
- The Committee believes that communication system for the EMS staff is vital, therefore the Provincial Department of Health must expedite the process of procuring such system, which would include live tracing of vehicles, dashboard camera and computer aided dispatch system;

34. Site Visit: Social Development Service: Matlosana Service Point observations

The Acting Head of Department presented progress made with regard to 2018 NCOP recommendations.

The presentation specifically highlighted the following:

- Office accommodation remains a challenge, particularly the Maquassi Hills Service Point. Social services are being conducted from a Community Hall, which is not conducive, for maintaining the privacy of people that seek social services;
- The main point of contention is that the Department of Public Works and Roads is not providing the Department of Social Development with the services that it is mandated to. The Social Development MEC called upon the Committee to support the Department in its submission to the Provincial Executive to devolve the infrastructure build function to the Department of Social Development;
- Irregular expenditure incurred by the Department of Social Development mainly emanates from the continued extension of expired lease contracts. The continued extensions of lease contracts have been attributed to the Department of Public Works and Roads, not processing submissions that indicate the need to issue new lease tenders, six months prior to contract expiration;
 - The Department has also appointed additional State Accounts to assist in improving internal controls, so as to minimise the incurrence of irregular expenditure;
 - The Department is also working with the Provincial Treasury to investigate past irregular expenditure;
- The Department has also attempted to come up with alternative solutions to the issue of office accommodation by issuing a tender for prefabricated structures, however the tender was not successful as the bidders did not meet the criteria due to a lack of the technical skill required to build the structures;
- The HOD post was advertised, but there were some challenges and had to be re-advertised; Interviews have taken place and the preferred candidate list is before the Minister of Social Development for approval;
- A Director has been appointed in the SCM unit and people with insufficient qualifications have been moved out of the unit;
- OHS is functional, with Chief Compliance Officers appointed at provincial and at district level; SHE representative are also in place at service points. There are also regular engagements with labour unions on OHS;
- In respect to staff complement at the Matlosana Service Point, it was reported that there are 139 officials, comprising of 19 officials in Administration, 106 Social Workers and Social Auxiliary Workers and 14 Community Development Workers. Of the 139 officials, there are only 58 offices to accommodate the officials;

- The Committee has observed the challenges reported on the leasing of buildings, which resulted in delays and irregular expenditure on the Department, because of the Department of Public Works and Roads. As a consequence, the Department is not spending on infrastructure because of these delays, resulting in some of the allocation taken away by the National Treasury.

Progress reported on since the intervention included:

- All broken lamps and light bulbs are frequently monitored, reported and replaced;
- To maintain an unimpeded workspace for every employee, all boxes have been cleared and operations are currently normal;
- The District Office is conducting monthly compliance monitoring of the OHS Act and Covid-19 Workplace Health Safety Measures;

35. Recommendations:

- The Department of Social Development to provide the Committee with a detailed report on the status of all lease contracts and buildings occupied by the department and its service points with cost implications;
- The Administrator of the Department of Public Works and Roads needs to address the issues raised by the Department of Social Development regarding office accommodation and the six-month notification of lease contracts before it expires. This continues to negatively affect the cash flow and expenditure trends of the Department of Social Development;
- In addressing the challenges of overcrowding due to the appointment of more personnel over time, the Department should consider the provision of additional space, linked with its Human Resources Plan, with determined timeframes;
- The Committee is of the view that any employee with insufficient qualification should be subjected to personal development programme and other additional trainings as oppose to moving them to other units, where they might have no experience whatsoever.

36. Stakeholder and other organizational representatives' engagement

The purpose and rationale for the engagements with different stakeholders and organizational representatives was to afford an opportunity for them to share their views on the progress made by Section 100 intervention of the Constitution in the Province. This was precipitated by the

collapse and failures of governance, financial management, accruals, service delivery, legislative compliance and supply chain management (SCM).

36.1 Contributions by the Political Advisor JB Marks Local Municipality

It was reported that during the initial invocation of the Section 100 of the Constitution, there was hope that the Province would make a turnaround towards good governance. However, due to failure to see successful prosecution of those who are involved in acts of misconduct, people were disappointed;

Part of the responsibility of Administrators was to resuscitate the Province's financial management performance. However, some of the audit outcomes of the Provincial Departments were still disappointing. In addition, Administrators were doing their own things, particularly in the Department of Public Works and Roads, and were not assisting to turnaround the situation;

36.2 Contributions by the Councillor of Matlosana Local Municipality

It was indicated that the application of Section 100 of the Constitution in the Province was not useful and effective. Programmes that were supposed to be implemented were not being implemented, and this had led to service delivery collapse and things were somehow getting worse.

The following key issues were also reported:

- During the invocation of Section 100, an allocation for roads was promised to be transferred to Dr Kenneth Kaunda District Municipality, but it was never transferred;
- There is a white elephant in the form of Jouberton Community Health Centre in Klerksdorp, and Sekhing Community Health Centre in Vryburg;
- Provincial and national departments need to honour their payments obligations to municipalities for the monies they owed for basic services and other municipal services as the lack of payment results in financial crisis and collapse of many municipalities;
- When Matlosana Local Municipality was placed under Section 139 of the Constitution, its funds were looted.

36.3 Contributions by the Councillor of Maquassi Hills Local Municipality

It was indicated that although the Municipality was placed under administration, nothing has improved thus far. The resolutions taken by the Administrator were not implemented;

The political factions in the North West has also contributed to the collapse of the provincial government. Hence the extension of the intervention would not assist or improve the governance challenges.

36.4 Contributions by the Councillors of Dr Kenneth Kaunda District Municipality

It was also indicated that the intervention was not assisting, and there are challenges and some audit outcomes show regress. That political interference had contributed to collapse of the governance in the Province. The councillors requested that the intervention be ended, and the money to be reallocated to municipalities, since they are the sphere that is closest to the people;

In addition, it was reported that all municipalities under the Dr Kenneth Kaunda District were under Section 139 of the Constitution, however, Administrators were not communicating with councillors effectively;

36.5 Contributions by the Councillors of JB Marks Local Municipality

It was reported that the Department of Health was a disaster, with EMS not being accessible during load shedding periods. Further, funding was promised before the merger of Potchefstroom and Ventersdorp, however, after the merger no funding was transferred. Since the intervention started, there has been no housing projects implemented;

Furthermore, the Provincial Government was not assisting the churches, particularly, sites and buildings were needed for churches and that municipalities are selling the sites for churches at R120 000 per site;

Although all provinces receive the equitable share from National Treasury, the situation in other provinces in terms of road infrastructure has improved. But in North West the road infrastructure remains in a dire condition, and there are potholes everywhere;

37. Observations on the Stakeholder Engagements

- Most municipal councillors were of the view that the intervention was not assisting and therefore, it should be withdrawn and have funds reallocated for other basic services;
- The culture of none payment for basic services was not only a challenge between citizens and municipalities but even some provincial and national government departments were not honouring their payment obligations with respect to municipal services and this has negative affect on municipal revenues.

38. Contributions by the IMTT Coordinators on Oversight Assessment

38.1 Administrator for the Office of the Premier

- The Administrators in the Province are supported by teams consisting of 6 officials each, and are heavily supported by the IMTT;
- The entire costs of the intervention have been paid by the national department, and not the Province;
- There were threats levelled against Administrators, as a result a threat assessment was done by the SAPS, which recommended that protection be provided to all Administrators;
- In terms of accountability, administrators report and account to the provincial legislature;
- In respect to progress registered to date, stability has been attained and this was confirmed by the Auditor-General. In addition, over expenditure has stabilised and in some cases, decreased;
- Although an exit plan is being processed, there is still a lack of understanding on the application of section 100 (1) (a) and (b) of the Constitution. Particularly on the powers of the Administrators versus the role of the MEC and Head of Department.

38.2 Recommendations

- Administrators must find space for engagement with the unions and other sector civic organisations, especially in the Department of Education and Community Safety and Transport;
- A list of all cases opened and withdrawn with the SAPS should be forwarded to the Committee, including case numbers;
- Details on the costs of intervention should be forwarded to the Committee, including the terms of reference of Administrators.

38.3 Administrator for the Department of Public Works and Roads

The Administrator reported that it was difficult to find office accommodation for departments in small towns and that is why the Department is opting for the lease option. Further, the Administrator contended that the claim that tenders of the Department were awarded to contractors outside the Province, was an allegation that cannot be proven. Lastly, the

proclamation signed by the President for the SIU to investigate corruption, malpractice and maladministration in the Department was welcomed.

38.4 Administrator for the Department of Education

The Administrator reported that some Members of the Legislature have approached him for tenders; That the Business Forum was disturbing the Department from working, as they are always there and demanding tenders;

In respect to the relationship with the unions, meetings are held every month. The meeting minutes would be provided to the Committee as proof.

38.5 Engagement with Traditional Leaders

It was reported that there is no formal position on the intervention by the Provincial House of Traditional Leaders;

Although there was an intervention in the Province, not much has changed, but rather a deterioration of service delivery was observed;

In addition, the performance status of municipalities in the Province was a worrying factor. There is no compliance with legislation and submission of reports and financial statements to the Auditor-General, and Human Settlements' projects remain unfinished and this was a concern for the Traditional Leadership.

39. General Observations of the Committee on Section 100 Intervention in the North West

39.1 One of the observations from previous Section 100 and 139 interventions was that quick fixes do not always work. Quick fixes only scratch the surfaces and in most cases fail to achieve sustainable results. An intervention of this nature and magnitude in North West, needed more time to sustain the corrective measures that will be employed by the Administrators;

39.2 The Committee was concerned about the lack of early warning system to detect provincial challenges prior being put under Section 100 intervention, which could assist the Province to take corrective actions immediately and avoid being put under Section 100 intervention;

39.3 The Committee is very much concerned about the slow progress made in fast tracking the process of finalising enabling legislation to guide Section 100 and 139 intervention of the Constitution, since the last reporting on 15 February 2021 by the IMTT. The Constitution is silent and vague on the role of administrators who are sent to a province or municipality, rather

memorandum of understanding and implementation protocols are used instead and these have no legal standing to be enforced;

39.4 The intervention approach and outcomes must give effect to the spirit of cooperative governance and intergovernmental and interdepartmental relations, as well as sustainability measures beyond the intervention and should not be viewed as a tick box exercise;

39.5 The Committee has vehemently expressed its concerned with regards to the slow progress made by the law enforcement agencies in investigating, prosecuting and arresting individuals who have allegedly been involved in corruption and maladministration in the Province. The Committee is of the view that there is a need to pick up speed and pace at which these cases are being dealt with and where capacity remains a challenge it must be addressed urgently;

39.6 The Committee expressed concerns around the lack of cooperation, teamwork, coordination and interdepartmental relations amongst all structures and role players to ensure effective implementation of Section 100 intervention in the Province, this includes both political and administrative structures which are given a responsibility to ensure accountability and those that are required to account;

39.7 The Committee remains concerned about the budgetary constraints, accruals and baselines, particularly in the North West Department of Health, which remains a risk to service delivery and it notes the discussions that are ongoing between the National and Provincial Treasury;

39.8 The Committee observed that the Provincial Department of Tourism has been discontinued and all tourism functions are transferred to the Department of Economic Development, Environment, Conservation and Tourism (DEDET);

39.9 The Committee notes the instability in North West Department of Human Settlements, and it is of the view that this might have a severe negative consequence on service delivery. The Committee also welcomes and supports the efforts by the National Department to appoint a grant fund manager to address this. The Committee was also concerned about the fact that the North West Department of Human Settlement does not conduct vetting process to service providers before a tender is awarded, for instance a huge amount was paid to a contractor, whose project remained incomplete citing the inability to hire certain machines and equipment locally; it was further indicated that the Department intends putting the contractor on terms, failing which, his contract could be terminated;

39.10 Whilst noting some audit improvements, the Committee expressed concerns around the cost escalations, including irregular expenditure in certain areas, particularly in the infrastructure projects which are implemented by the Provincial Department of Public Works and Roads, the Committee believes that this opens up an opportunity for corruption and looting of state resources;

39.11 Whilst noting the progress made by the law enforcement agencies, the Committee remains concerned about the capacity to expedite and finalise cases of Departments affected by Section 100 intervention. An observation was made about a possibility of huge number of the high profile cases, which might be handed over to the law enforcement agencies once the State Capture Commission has concluded its work and yet there are still questions around capacity;

39.12 The prior provision of support to a province is not a precondition for intervention. The national government is under a constitutional duty to assist provinces, by legislative and other means, “to develop the administrative capacity required for the effective exercise” of their executive authority of implementing, inter alia, provincial legislation and all national legislation within the functional areas listed in Schedules 4 and 5 of the Constitution (Section 125(3));

39.13 Powers and implementation of Section 100 intervention should be seen as a measure of last resort, where the problem cannot be resolved through ordinary intergovernmental and cooperative government processes. There is broad agreement that the national government is committed to ensuring the stabilisation of the North West Province, to such an extent that interventions are exceptional and not regular occurrences;

39.14 The Committee notes that the instability of municipalities in the North West continues to undermine service delivery and social cohesion in the Province and that the National COGTA has developed a package of measures, including dissolution of municipal councils, administrative interventions, as well as diversion of municipal infrastructure grant funding to implementing agents in terms of Section 21 of DORA;

39.15 The Committee observed that the National Prosecuting Authority (NPA) was dealing with 51 cases regarding the North West Section 100 intervention, where 13 are already in courts, 6 waiting for NPA decision, 17 still under investigation, 15 has been finalised and only 2 being enrolled;

40. Cross Cutting Committee Recommendations:

Having done a proper assessment of the work of the IMTT, engagements with various stakeholders and site visits in respect to the review of the intervention by the National Executive in the North West Province, the Ad Hoc Committee recommends the following:

40.1 That the Committee has noted the progress made by the IMTT in the North West intervention such as audit report improvement, capacity building for service delivery by filling key management posts, investment in infrastructure and improved systems, however given some outstanding challenges on the ground, the intervention in terms of Section 100 of the Constitution in North West Province should continue, until the National Executive undertake a review process;

40.2 That the IMTT should continue to closely monitor the implementation of directives to ensure achievement of outstanding priorities in the section 100(1)(b) departments and the challenges in the Departments of Human Settlements are addressed urgently;

40.3 Whilst noting that most functions, which were previously centralised in the Premier's Office have been transferred back to their departments, irregular project management units and outsourcing has been terminated. It is the Committee's view that there is still a need for monitoring mechanisms and early warning information systems for provinces to indicate potential problems before they become endemic, so that the National Executive is able to take corrective measures before problems are quite deeper;

40.4 That the IMTT should ensure full capacitation of departments at senior levels to ensure that the administration leaves a stable senior management leadership in place is expedited and transfer of skills takes place as soon as possible, including the urgent appointment of qualified and experienced HODs where contracts have expired;

40.5 The IMTT should make sure that the Minister of Department of Social Development fast track the appointment of the HODs and other key management positions including hospital CEOs and particularly for the North West Department of Social Development, where the HOD position has been vacant since the intervention started;

40.6 That the IMTT ensures that issues around the inability to promptly respond to property and office accommodation needs by Provincial Public Works including lease agreement for office accommodation for Social Development are addressed by the Department together with Public Works and Roads. This remains a challenge which has led to the Provincial Department

of Social Development experiencing delays in its infrastructure expenditure and irregular expenditure due to the failure to properly manage lease agreements by Provincial Department of Public Works and Roads. Alternatively, the IMTT should look into dissolution of function of property management from Public Works back to other departments as a long term solution to the current problem;

40.7 That the IMTT should ensure that the Minister of Transport together with the Provincial Department of Community Safety and Transport Management resolve the issues around inability to promptly respond to provincial Health transport needs including the procurement and maintenance of EMS fleet for the Provincial Department of Health as soon as possible. During its oversight visit the Committee noted that most of the EMS vehicles were not maintained, with high mileage and some have exhausted their lifespan. Alternatively, the IMTT should look into dissolution of EMS vehicle function from the provincial Department of Safety and Transport back to the provincial Department of Health as a long term solution;

40.8 That law enforcement agencies must address issues of capacity, integrity and allegations of corruption in their own ranks, where some cases are being withdrawn without valid reasons and whistle blowers and witnesses not being protected and interviewed, so as to avoid unnecessary delays to finalise all cases related to the North West Section 100 intervention. That progress and challenges in all the cases open with SAPS, Hawks and considered by the NPA, particularly those that are subject to Section 100 intervention be quarterly reported to the NCOP for close monitoring, including case numbers and these cases must be processed and finalised expeditiously;

40.9 The Committee urges all role players of the North West intervention to engage one another in good faith and work together with a common view to restore good governance and accountability culture to improved service delivery in the Province. IMTT together with the Provincial executive must urgently address all systemic and structural challenges around the interface between the Administrators, Provincial Legislators and Provincial Executive and the proposed enabling legislation should also address some of these issues for future interventions. The Provincial Legislature together with other provincial oversight bodies must continue to assist the IMTT to implement a successful intervention to improve service delivery on the ground;

40.10 That the IMTT together with the provincial government ensure proper and sustainable internal control measures, fraud prevention systems, monitoring and evaluation, audit units and

independent audit committees must be put in place and consequence management should be enforced in all incidents of unauthorised, irregular and fruitless and wasteful expenditure, possible abuse of the SCM system (including fraud, corruption and improper conduct), and allegations of financial misconduct and financial offence, and ensure that these incidents are appropriately dealt with. Ensure that all infrastructure projects, especially those implemented by Provincial Department of Public Works and Roads, proper planning and interdepartmental planning is done and projects are implemented according to the approved scope and deviations are kept at minimum levels to avoid cost escalations;

40.11 That the IMTT together with the provincial government ensure that any outstanding or pending disciplinary cases of officials alleged to have been involved in the financial misconduct and maladministration are expedited and be properly finalised to minimise severe financial implications for the state;

40.12 That the IMTT must expedite the process of the legislative framework, present it to the State Law Advisors and let DPME urgently conduct socioeconomic impact assessment for the enabling legislation to guide the Section 100 intervention given the lessons learned from the challenges posed by the Eastern Cape, Free State, Limpopo and Gauteng interventions in the past and now in the North West Province;

40.13 That the IMTT ensures that the Minister of Basic Education together with the Provincial Department of Education, National Treasury and Provincial Treasury find resources within the allocated budgets to address the much needed school infrastructure maintenance backlogs and security issues in the North West schools to avoid the high level of government assets vandalism and drug abuse. Security will bring order in some drug dominated areas, which affect schooling and it will also reduce the high demand on infrastructure repairs and maintenance as a results of vandalism. Accelerated Schools Infrastructure Delivery Initiative Programme (ASIDI), which is funded through schools' backlog infrastructure grant can be modified to cater for such much maintenance and school repairs;

40.14 That the IMTT ensures that the Minister of Health together with the Provincial Department of Health, National Treasury and Provincial Treasury find resources within the allocated budgets to address the much needed hospital infrastructure maintenance backlogs including kitchen equipment, mortuary equipment, laundry services and other general hospital infrastructure in the North West Province. The Minister must make sure that proper systems are put in place to achieve value for money on such expenditure;

40.15 Notwithstanding the fact that some labour unions expressed unhappiness with the Section 100 intervention in the North West and alleged that most forums which were established for government and labour to engage had since collapsed, the Committee notes the ongoing engagements between the IMTT, labour and communities with a view to maintain labour peace. The Committee urges the IMTT and Provincial Government of North West together with Unions to revive forums and structures where engagement between parties take place with a view to create stability and improved service delivery in the Province;

40.16 The IMTT together with the Provincial Government ensure that the ultimate exit strategy in the North West Province addresses the change management imperatives, such as skills transfer, address capacity challenges and capability of the Provincial Government to function effectively, strong performance monitoring, establishment of independent governance as well as accountability structures and institutionalising new standard operating procedures. The exit strategy should take into account that a successful intervention provides for adequate period of transition to ensure stability post the intervention. The IMTT should submit the exit strategy to the Committee prior the implementation to withdraw the intervention. This will allow the Committee to make its own assessment on whether the strategy addresses all the systemic issues raised in the Committee Reports;

40.17 The NCOP, Government, Civil Servants and other state structures can play their roles in helping the North West Province, but it is vitally important that political parties there are stable and function effectively to play their roles too. The participation of Civil society also needs to be strengthened and contribute more to ensuring that the Province is brought back to its normality and functions effectively;

40.18 The NCOP, through the Select Committee on CoGTA needs to develop a framework, based on the Committee's experience and understanding of the North West intervention and other Section 100 interventions, on how provinces can be more effectively monitored, so that early warning signs are better picked up before the Section 100 intervention is considered for any province faltering in governance and internal control systems. The aims of such a framework would include trying to prevent a province deteriorating to the extent that a Section 100 intervention becomes necessary. The lessons learnt from these interventions, including the type of measures that work effectively and need to be identified and form part of this framework.

40.19 There needs to be more effective cooperation between the NCOP committees and other counterparts in the provincial legislatures so that both the NCOP and the legislatures are far more effective in our oversight of the provincial executives, thereby reducing the prospects of Section 100 interventions.

41. Committee Resolution

The Committee notes some progress being made in the North West Province, however, given the magnitude of outstanding challenges, which still persist in the Province of North West, the Committee is of the view that continuous and regular monitoring of the intervention as required by Section 100 (2) (c) of the Constitution, which includes visiting government facilities and vigorous engagements with various organisations, IMTT, Provincial Executive and Communities in the North West until the situation has improved and the review process has been undertaken will be vital. The NCOP should ensure that Parliamentary sector committees obtain this report so that they can follow up on the set of recommendations made by the Ad Hoc Committee Inquiring into the North West Section 100 Intervention.

The Ad Hoc Committee enquiring into s100 intervention in North West province adopted its oversight on the Section 100 intervention in North West Province with the exception of Democratic Alliance abstaining from the adoption process and the Freedom Front + opposing the adoption of the report.

Annexure A: NW Department of Education responses on issues raised by the Committee during oversight visit on 15 – 18 MARCH 2021

<u>Department of Education</u>	<u>RESPONSES</u>
<i>Site Visit: Alabama Primary School</i>	
Some 2018 recommendations were implemented, except the following:	
- <i>Funding for security to avoid theft and vandalism remained unresolved;</i>	<p>The Department has very limited budget for safety and security in schools. Hence, the Department prioritised deployment of Security to the Vulnerable and Risk schools, all 11 Mega farm Schools, 32 Special Schools and departmental Offices.</p> <p>The level of vandalism was very high during the national lockdown and school holidays.</p>
- <i>Sustainable water infrastructure for irrigation system remained unresolved;</i>	<p>The school has been provided with a well-equipped borehole for irrigation of the school garden</p>
- <i>Municipal bill of R45000 needed to be addressed urgently, where the school continued to receive water bill even when it was closed during COVID – 19;</i>	<p>The problem of high municipal bills is that it is likely that schools have been valuated at higher values than before resulting in higher in rates and taxes. This matter is being investigated in several schools in the province.</p> <p>Furthermore, it seems municipalities charged schools for rates and taxes instead of Public Works and Roads.</p> <p><i>With regard to the municipal bill which moved from R18 000 to R45 000 per month for the Alabama School, the municipality is not</i></p>

	<i>cooperating to provide detailed information but the District Director is addressing the matter.</i>
- <i>Internal capacity to maintain the school infrastructure was needed;</i>	Most poor schools do not have human resource to assist in maintaining the infrastructure. Alabama Primary School has General Assistants who assist in maintaining the school infrastructure. Also, the screeners and cleaners and the BEEI contractors assist in general maintenance of the school.
- <i>Computers at the laboratory were more than 14 years old and needed attention;</i>	The Department is providing information Communication Technology (ICT) equipment to all public schools in the province, however due to budget constraints the allocation is very low. The outbreak of Covid - 19 pandemic and subsequent national lockdown resulted in the budget for ICT been directed for the purchase of tablets and laptops for matric learners and their educators.
• <i>Department of Community Safety and Transport was still in the process of recovering monies from scholar transport operators who were over – paid;</i>	The Department of Community Safety and Transport Management is in the best position to respond to this matter.
• <i>The Department undertook to provide the Committee with actual figures of amount to be recovered;</i>	The Department appointed Morare Consulting to investigate the demolishing of the old asbestos schools for R5 million and construction of 8 schools under TR 16A which include the new Alabama Primary School. The total cost to build Alabama Primary School was R144 million. The firm later declined to proceed with

	the investigation. The process of appointing a new service provider is in progress.
• Site Visit: GS Phoi High School	
<i>The 2018 oversight recommendations were not entirely implemented and the presentation did not speak to the progress:</i>	
- <i>Shortage of classrooms, school infrastructure challenges (kitchen, fencing) and staffing was still unresolved;</i>	Four mobile classrooms have been delivered and fourteen seat precast toilets were installed, borehole drilled and equipped. Appointed 2 Departmental Heads and 4 Teachers.
- <i>Scholar transport (2 service providers withdrew) and security to prevent vandalism remains a challenge;</i>	The Department of Community Safety and Transport Management to respond on this item.
- <i>Under expenditure on education budget remained a challenge and the Committee requested the Administrator to submit plans on how he intends improving expenditure such that the province does not lose its own budget to other provinces due to unspent funds;</i>	<p>During the 2018/19 and 2019/20 financial years the Department of Education underspent its allocated budget due to poor planning, lack of capacity, unlawful contracts and Professional Service Providers (PSPs) etc.</p> <p>Vacant posts of Engineers and Quantity Surveyors advertised more than twice without attracting suitable candidates.</p> <p>For the financial year 2020/21, the Department of Education spent its allocated EIG budget.</p> <p>However, we attached the plan that drives the implementation of the infrastructure as directed by the NCOP Ad Hoc Committee, Infrastructure Programme Management Plan (IPMP) and Infrastructure Programme Implementation Plan (IPIP).</p>

- <i>The unavailability of running water remained unresolved, especially for sanitation;</i>	Borehole drilled and equipped and precast VIP waterborne sanitation was provided to the school.
- <i>Matric pass rate had drastically decreased owing to COVID – 19 pandemic;</i>	As a way of intervening to increase the pass rate 2 Departmental Heads, 4 Educators have been appointed. Vacation camps and Saturday classes conducted to improve learner performance.
- <i>The road that led to the school is still in bad condition;</i>	Department of Public Works and Roads is working on the solution and is well positioned to share light on this matter
- <i>SGB: Mobile classrooms were helpful but remained in poor condition;</i>	The two mobile classrooms to be repaired in June 2021.
- <i>The SGB appealed for help to the Department of Education to assist the child headed households;</i>	The Department of Social Development has the mandate to assist in this regard.
Madibogo Pan Community Forum Submission:	
• <i>Feedback on the progress that has been made in terms of the Z482 road, the incomplete RDP houses and the challenge of an unreliable water supply.</i>	Department of Public Works and Roads
• <i>The forum expressed the fact that the community has a problem with high levels of crime and yet the nearest police station is situated far away from the village.</i>	Department of Community Safety and Transport

<ul style="list-style-type: none"> • <i>It further expressed that with the community growing, an additional primary school was needed.</i> 	The Department will conduct a needs assessment or feasibility study regarding the need for the primary school.
<ul style="list-style-type: none"> • <i>The forum requested that it gets an update into the investigation of the sports facility that was budgeted for but remains incomplete.</i> 	Department of Sport ,Arts and Culture
<ul style="list-style-type: none"> • <i>The forum further requested that it also gets an update into the R4 million that was earmarked for classrooms to address the issue of overcrowding. They highlighted that out of the R4 million that was set aside, only painting was done and the contractor converted existing classrooms into an admin block.</i> 	According to the report from the school in 2013 Batsogile Middle School received an allocation of R2.3 million for renovation which included roofing of the whole school, floor tiling and paving in front of two blocks of the school. No classrooms were converted into an administration block. All the moneys are reported to have been paid to the contractor upon completion of the project in 2014.
Site Visit: Madibogo Pan Primary School	
<ul style="list-style-type: none"> - <i>Maintenance of infrastructure remained unresolved; the roof was damaged by storm in some buildings and never repaired;</i> 	An assessment was conducted and the school will be repaired or rehabilitated during the 2021/22 financial year.
<ul style="list-style-type: none"> - <i>Vandalism and security also remained a challenge;</i> 	The Department has very limited budget for safety and security in schools. Hence, the Department prioritised deployment of Security to the Vulnerable and Risk schools, all 11 Mega farm Schools, 32 Special Schools and departmental Offices. The level of vandalism was very high during the national lockdown and school holidays.

- <i>Education assistance and general assistance were not paid since December last year;</i>	All the Basic Education Employment Initiative (BEEI) fixed term contractors in the department were paid for their 4 months contracts.
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Annexure B: NW Department of Health responses to issues raised by the Committee during the oversight visit on 15 – 18 MARCH 2021

<i>DEPARTMENT OF HEALTH Site Visit: Mahikeng Provincial Hospital</i>	<i>RESPONSES</i>
<i>The 2018 oversight recommendations were not entirely implemented as follows:</i>	The 2020/21 progress following the NCOP visit to NWDoH in march is as follows:
<i>- Bid Committee was appointed but not yet trained;</i>	Training is scheduled to be done in the first quarter. Whilst awaiting Provincial Treasury, the Chief Director Supply Chain in the department will conduct in-service training to the committees.
<i>- Proper recruitment process (nepotism) and retention strategy for medical staff such as health professionals and nursing specialists needed to be developed;</i>	The hospital branch has developed an SOP which intended to deal with improving the recruitment processes across the province. The SOP is at its final stage and will be ready for use for posts that will be advertised in June 2021.
	The new hospital CEO for MPH has resume her duties as from the 01st April 2021.

<p><i>- The Chief Executive Officer position, which had been vacant since 2015, including other key managerial positions needed to be filled;</i></p>	
<p><i>- Payment of overtimes for workers had not been done since February 2018;</i></p>	<p>Management is in the process of validating the issue of unpaid overtime since 2018. The current minimum work has not revealed any unpaid overtime.</p>
<p><i>- Hospital Infrastructure such as laundry and kitchen was still not yet addressed since the previous oversight in 2018; hence the continuous outsourcing of catering and security;</i></p>	<p>Laundry machines are repaired as follows: 1 Industrial dryer, Sluice, Speed queen washing machine, 1 compressor and 1 Industrial Roller iron await spare parts. Motivation to increase the number of staff in Laundry will be submitted.</p> <p>The same professional team working in the Laundry have started the work to have the Kitchen pots replaced. However, the outsourcing of catering and security is the provincial strategy and it affects all facilities.</p>
<p><i>- Mortuary fridges needed to be replaced to avoid continuous breakdown; and more porters needed to be appointed;</i></p>	<p>The mortuary fridges replaced and are currently functional and are maintained. Furthermore, 24 unclaimed bodies were buried on the 19th May 2021 which increased the hospital</p>

Annexure C: Responses to the outstanding questions raised by the Committee on 15 March 2021, during oversight visit;

Question 1. What has been the impact of the administrators in the province seeing that irregular expenditure is still reported each year and what measures have they put in place to ensure that cases of non-compliance do not continue? When will the irregularities of the past be addressed?

The intervention has recorded positive impact in a number of areas, despite a challenging and often hostile environment. Capacity for service delivery has been built through filling key management posts, investment in infrastructure and equipment and improved systems. Capacity building has taken place across departments to strengthen supply chain management. Irregular project management units and costly outsourcing contracts have been terminated and processes are underway to recover losses to the State. Provincial departments have been reconfigured to align with national norms. Community and labour peace has been achieved and maintained through ongoing engagements with workers on issues of concern. Alignment of planning between departments to deliver on service delivery priorities has taken place. Functions previously centralised in the Premier's Office have been transferred back to their original departments

The latest audit results (2019/20) show a significant improvement in the number provincial departments receiving unqualified audits (from 4 in 2018/19 to 7 in 2019/20). This improvement ends five years of decline and stagnation in audit results. One of the five departments under section 100(1)(b) – the Office of the Premier – received an unqualified audit for the first time since 2014/15. The Department of Education maintained its unqualified status. The three remaining departments under section 100(1)(b) (the Departments of Health, Public Works and Roads and Community Safety and Transport Management) received qualifications, however the areas of where qualification were reduced. 2

Irregular expenditure (IR) in the province remains a challenge, however the most recent audit results recorded a 31% decrease in annual IR, (from R3.8 billion to R2.6 billion)¹ in departments under section 100(1)(b). Of the R2.6 billion, R1.8 billion (69%) of the IR incurred in 2019/20 was because of multi-year contracts irregularly entered into before the intervention. These contracts took time to set aside, because - although they were irregular – they were providing critical services. as this would have had an adverse impact on service delivery. The

administrators have successfully terminated or regularised these contracts (such as leaner transport and the transversal security contract), which will reflect as a significant reduction in annual irregular expenditure in 2020/21. The historic irregular expenditure stood at R23,2 billion by the end of 2019/20. The condonation of this has been a stubborn challenge, with a number of challenges being faced by the administrators in their efforts to deal with this. The National Treasury, working with the Provincial Treasury have developed a roadmap process to deal with the past irregularities. This road map is attached as an appendix to this document.

Recognising that one of the departments received a qualification for incomplete disclosure of irregular expenditure

Question 2. What are the reasons for the regression of the audit outcome and service delivery deterioration in some departments in the provinces if the administrators were doing their work effectively?

As discussed above, the departments under section 100(1)(b) did not see a regression in audit outcomes. In the departments where there were qualifications matters of emphasis raised by the Auditor General of South Africa (AGSA) have significantly reduced, with qualifications attributed to historic contractual obligations. In terms of service delivery there are a number of examples where improvement has been registered. These include in the services provided by the Department of Health, the Department of Social Development and a steady improvement in the matric results. These have been detailed in the *Progress Report to the National Council of Provinces Ad Hoc Committee*. The one department that received a disclaimer was the newly established Department of Human Settlements. This department – which is under section 100(1)(a), with the HOD of the former NW Department of Tourism appointed as accounting officer - was confronted with significant capacity and governance challenges, which resulted in the disclaimer. These challenges are being addressed with the support of the National Department of Human Settlements. The AGSA summarised its 2019/20 assessment of the North West province with the following statement: “Encouraging trend, but there is a need to embed preventative controls and promote a culture of consequence management”. 3

Question 3. What informed the decision to provide administrators with security officers?

Administrators were provided with close protectors based on threat assessments conducted by security officials in each of the intervening national departments, the State Security Agency and SAPS Crime Intelligence.

Question 4. What has happened to the R134 million, an amount which was inadvertently transferred to Bojanala Local Municipality and disappeared immediately? Has this money been recovered? Have the implicated officials been charged?

The funds intended to finance project implementation for human settlements by the Rustenburg Local Municipality were erroneously paid over to the Bojanala District in the 2018/19 financial year by the then NW Department of Local Government and Human Settlements. The National Department of Human Settlements confirms that Bojanala District repaid R134 million on 19 November 2020 to the Provincial Treasury account.

The Municipal Manager and CFO of Bojanala District were charged internally and were dismissed. A criminal case into the matter is under investigation by the South African Police Service.

Question 5. Whether the Ayamah Consulting case was resolved and recovered the prepayments which were made including the R103 million as stated by the Ad Committee Report?

The contract between Ayamah Engineering Consultants expired in May 2018. The department has instituted a forensic investigation on the matter, which was carried out by National Treasury. Further to the investigation, the department has also conducted an assessment on the work done by Ayamah Engineering Consultants with a view to determine value received on the R103 million prepayment.

In terms of the investigation and the assessment, the department did not receive full value, as some of the work that was supposed to be done could not be verified. The department has commenced processes to recover the payments where work done could not be verified.

The Presidency has since issued a proclamation (Proclamation 210 of 2021) for the Special Investigations Unit to investigate the matter. The investigation has started and is expected to be finalised by end of January 2022. 4

Question 6. Whether there are any high profile politicians who happened to have interests into the government tenders and contracts?

The administrators have not uncovered any evidence directly linking high profile politicians with interests in government tenders and contracts.

Question 7. Whether there was any particular reason for the Inter–Ministerial Task Team (IMTT) not to subject the administrators to the vetting process in pursuit to avoid appointing individuals with compromised track records?

The appointment of administrators was the responsibility of the individual intervening national departments, with the approval of the responsible ministers. These appointments were done in line with relevant prescripts and policies.

Question 8. The Committee requested a breakdown by line items for the R70 million expenditure, which is incurred as an expenditure for the administrators, including their security cost.

The amount of R70 million was reported as part of the input made by National Treasury to the committee on 19 February 2021. This is a costing of the intervention from June 2018 to October 2020, based on expenditure incurred by departments intervening in terms of section 100(1)(b), (as well as the Department of Planning, Monitoring and Evaluation (DPME), which was responsible for the appointment of a Coordinator). The total was based on the compensation expenditure for staff contracted specifically for the intervention, but excluded compensation for those officials who were fulltime employees. The line item costs for goods and services included expenditure on security for the administrators, as well as travel and accommodation for the administrators and their teams, as well as expenditure on forensic investigations contracted by National Treasury.

As indicated by the Convenor of the IMTT, a full evaluation of the cost of the intervention will be undertaken at the close of the intervention.

<i>Breakdown of costs from June 2018 – October 2020.</i>	Staff contracted in for the intervention in addition to departmental establishment	Security	Travel	Accommodation	Totals
Intervening national department					

DPME	R 1 417 144	R 0	R 403 911	R 1 014 377	R 2 835 432
DPSA	R 9 519 659	R 490 380	R 3 835 869	R 4 721 206	R 18 567 114
DoH	R 0	R 454 240	R 862 034	R 4 761 918	R 6 078 192
DOT	R 0	R 0	R 0	R 4 695 000	R 4 695 000

Question 9. Whether there were any deviations by administrators from the agreed performance objectives as stated in the signed MOUs and implementation protocols? What is being done to correct this?

The agreed performance objectives as stated in the signed MOUs and implementation protocols have guided the work of the administrators at all times. In the course of implementation, as a result of deeper analysis, project plans were amended with addition of projects, amendment of timeframes and in some cases, the shelving of projects initially deemed relevant.. In addition, administrators were appointed as accounting officers for the departments under s100(1)(b) and were therefore also required to perform management functions not explicitly stated in the implementation protocols. However, these are in line with their responsibilities as required by sections 36 and 38 of the PFMA.

Question 10. Why was the local businesses or companies were not being considered for business opportunities in government to empower local people, alleviate poverty, address inequalities and unemployment and to ensure that the local economy was growing?

All procurement under the responsibility of the administrators is done mindful that a key focus of the intervention is to address irregularities and corruption of supply chain management processes. Therefore, adhering to the prescripts of the Public Finance Management Act and section 217 of the Constitution has been a priority. It is however not true that local businesses were excluded from business opportunities. Where they tendered or quoted for the provision of goods and services, such tenders and quotes for services and products were objectively

considered in terms of the prescripts of the Preferential Procurement Policy Framework Act 5 of 2000.

Question 11. Whether the IMTT coordinators together with the administrators have developed measures to engage with the public sector unions on regular basis as per the Ad Hoc Committee recommendations? If not, Why not?

Regular meetings with public sector unions were held in terms of department policies and recognition agreements.

Question 12. Whether there has been consequence management instituted against companies whose contracts were irregular prior the intervention and thus were terminated when the intervention started and whether monies lost to the state have been recovered in the affected departments?

Consequence management processes are underway against several companies who benefitted from irregular contracts. These companies include service providers and project management units in the Office of the Premier, Department of Health, Department of Education, Department of Public Works and Roads, North West Development Corporation Department of Agriculture, and Rural Development, Department of Community Safety and Transport Management.

The administrators have referred several matters to the Special Investigations Unit and the Directorate of Priority Crime Investigation (DPCI) for investigation. The courts have been approached to set aside illegal contracts and the Asset Forfeiture Unit has been approached to freeze assets pending the outcome of criminal investigations.

More details can be found in the detailed departmental narrative reports provided to the committee as part of the *Progress Report To The National Council Of Provinces Ad Hoc Committee*.

Question 13. Why are the forensic reports recommendations not being implemented to ensure consequence management and recover the lost monies to the state? What has the IMTT done to ensure that these reports are implemented?

The forensic reports recommendations are being implemented to ensure consequence management. The reports have been shared with DPCI for further criminal investigations. The Asset Forfeiture Unit (AFU) is closely working with DPCI to recover the proceeds.

Question 14. When will the HOD be appointed in the Department of Agriculture?

The newly appointed HOD, Mr T.Z. Mokhatla, took office on 1 April 2021.

Question 15. Why have disciplinary proceedings not been instituted against the alleged transgressors?

The committee is requested to provide details to enable this question to be answered.

Question 16. What progress has been made particularly with respect to service delivery challenges that gave rise to the need for the intervention?

The collapse of health services in the province was one of the priority service delivery failures that gave rise to the intervention. Progress with regard to addressing these challenges has included filling of management and clinic vacancies, addressing infrastructure and equipment shortages as well as addressing long outstanding labour relations problems. Services provided by the Department of Social Development were 7

also severely affected by labour unrest in April 2018. The Department has also showed progress in service delivery, with several performance indicators showing improvements, such as:

- Number of older persons accessing community based care and support services improved from 6 813 in 2018/19 to 7 556 in 2019/20.
- Number of older persons accessing statutory services also improved from 1 573 in 2018/19 to 4 286 in 2019/20.
- Number of persons accessing social rehabilitation services improved from 4 771 in 2018/19 to 6 604 in 2019/20.
- Number of children accessing registered ECD programmes improved from 36 948 in 2018/19 to 52 224(59 961 as audited by AG) in 2019/20.
- Number people accessing food through DSD feeding programmes (Centre based) increased by 21 593 between 2018/19 (15 479) and 2019/20(50 319).

Significant challenges in the delivery of basic services remain unresolved at the local government level. The national department of COGTA and the National Treasury are working closely with their provincial counterparts to address this.

More details, together with progress of other departments, is presented in the *Progress Report to the National Council of Provinces Ad Hoc Committee*.

Question 17. How was the security at the airport appointed given the accounts by SCOPA members that the security is below par?

Shaya Security was appointed by MAMCO (Mahikeng Airport Management Company) and PAMCO (Pilanesberg Airport Management Company) for GD Montshioa Airport and Pilanesberg Airport, respectively. MAMCO and PAMCO were appointed by SA Express, therefore upon termination of SA Express, their contracts were automatically terminated. The Aviation Security Company was also terminated and a month-to-month contract entered by and between Shaya Security and Projects and the Department, with the intention to advertise an open tender. This was as a result of the contract being declared as irregular by the Auditor-General and Provincial Internal Audit. The tender was advertised in the previous financial year but appointment was not done due to issues raised by the Provincial Treasury.

Therefore, in order to close the irregular expenditure, the Department resolved to terminate the month to month contract and appoint a security company through a close bid for a period of five (5) months while the procurement of the longer duration unfolds. Currently, the aviation company, Bothbest (PTY) Ltd has been appointed to render aviation security services at both airports. Procurement of the new service provider(s) is underway. The current aviation security company was appointed to render services at both GD Montshioa and Pilanesberg International Airport at a cost of R 1 050 000 per month; compared to R1 200 000 per month that was sometimes paid to Shaya Security.