



**PROGRESS REPORT TO THE AD HOC
COMMITTEE OF THE NATIONAL COUNCIL OF
PROVINCES**

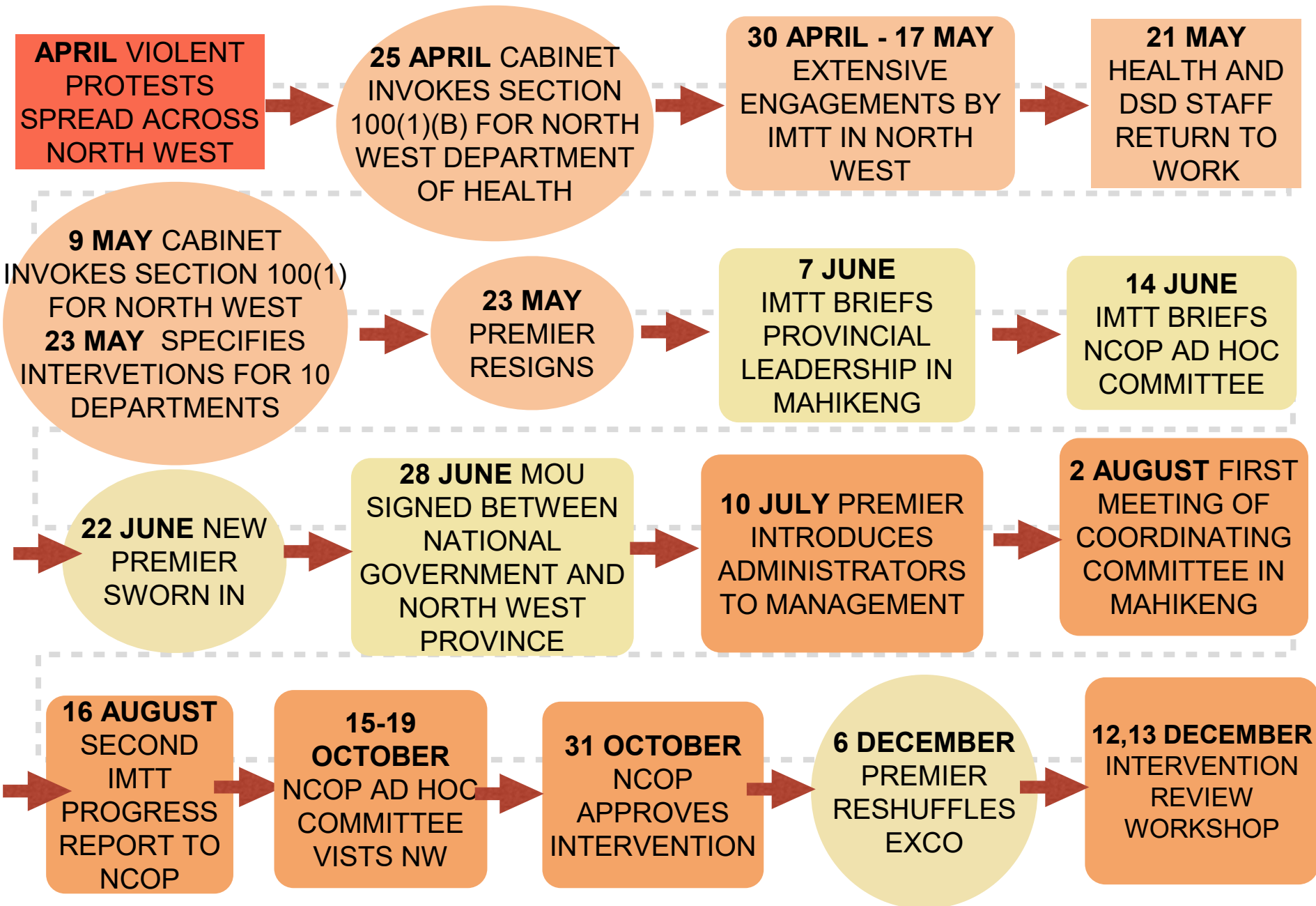
**INTER-MINISTERIAL TASK TEAM FOR THE
NORTH WEST PROVINCE**

6 February 2019

Overview of presentation

- Timeline of intervention
- Areas of improvement
- Update on cross-cutting issues
- NCOP recommendations
 - Disciplinary action
 - Criminal investigations
 - Improved compliance, coordination and service delivery
 - Sector specific recommendations
- Summary progress reports from departments

Timeline of intervention in the North West



Areas of Achievement

- Medicine availability at the Provincial depot is now at 76% (up from 53% in July 2018) and in hospitals at 83% (up from 67% in April 2018)
- Key vacant executive positions are being filled in Public Works and Roads
- Four out of five operating theatres in Mahikeng Hospital are now functional
- Provincial road maintenance programme revived, with contractors now on site for 33 roads
- Client Management Unit set up to improve service to Public Works' clients
- Matric results show an 81,1 % pass rate (an increase of 1,66% from 2017)
- Sanitation projects in 102 schools have been identified for fast tracking by the end of March 2019
- Scholar Transport moved from NTI (Northwest Transport Investments) to the Transport Department, and route monitoring and verification process completed (pending final audit)
- 1514 serviced sites and 4899 housing units completed
- All outstanding organisational structures for departments are being prioritized through a dedicated task team in the Office of the Premier –These will be resolved by 1 April 2019

Areas of achievement

- **Establishment of internal control systems**
 - ✓ E.g. Establishment of loss control committees, invoice tracking systems, supply chain management training, etc.
- **Progress on dealing with irregular contracts and Project Management Units**
 - ✓ E.g. Nepo Data Dynamics, Mediosa, Ayamah Consulting all terminated
- **Addressing irregular expenditure and audit findings**
 - ✓ Process of condonation and consequence management for historic irregular expenditure
 - ✓ Implementing Post Audit Action Plans to prevent future occurrences
- **Disciplinary actions and criminal investigations**
 - ✓ E.g. Hawks investigating 46 cases, involving R2,497 billion

Update - Changes to the Provincial EXCO

- The Premier reshuffled his Executive Council on 6 December 2018
 - Four MECs were relieved of their duties and new MECs appointed
 - Three MECs were moved to new positions in the EXCO
 - Three MECs were kept in their positions

The reshuffle has had an impact on the intervention, requiring Administrators to build new relationships and a shared understanding with the new MECs.

The process of orientating the new MECs on the implementation of Section 100 in their new departments is on-going.

Update - Changes to the Provincial EXCO

Position	Before	After
Health	Hon. Magome Masike	Hon. Madoda Sambatha
Public Works and Roads	Hon. Mmule Maluleke	Hon. Oageng Molapisi
Rural Economy and Agriculture Development	Hon. Manketsi Tlhape	Hon. Desbo Mohono
Social Development	Hon. Hoffman Galeng	Hon. Fenny Gaolaolwe
Local Government and Human Settlements	Hon. Fenny Gaolaolwe	Hon. Motlalepule Rosho
Finance	Hon. Wendy Nelson	Hon. Maphefo Matsemela
Education	Hon. Sello Lehari	Hon. Sello Lehari
Community Safety and Transport Management	Hon. Mpho Motlhabane	Hon. Mpho Motlhabane
Tourism	Hon. Desbo Mohono	Hon. Wendy Nelson
Culture, Arts and Traditional Affairs	Hon. Ontlametse Mochware	Hon. Ontlametse Mochware

Update - Preparations for the sixth administration

The formation of the sixth administration after the May 2019 elections will have significant implications for the North West Section 100 intervention. These include:

- A new National Parliament and new NCOP members
- A new Provincial Legislature with a fresh mandate from the people of North West
- The appointment of new Cabinet Ministers
- The appointment of a new Premier and a new provincial EXCO

The intervention team will prepare and submit a detailed hand-over report to the sixth administration. This will detail progress made and plans for how remaining issues will be tackled over the three-to-six month period to December 2019.

Update - Security Situation

- South African Police Service reports that the security situation remains unpredictable with sporadic incidents of unrest and peaceful crowd incidents being reported.
- The incidents are not linked to the presence of the intervention in the Province, according to SAPS.
- For the reporting period from 21 November 2018 to 28 January 2019 there have been 74 unrest incidents and 131 peaceful incidents reported.
- The overall trend for unrest incidents in the Province is downward.

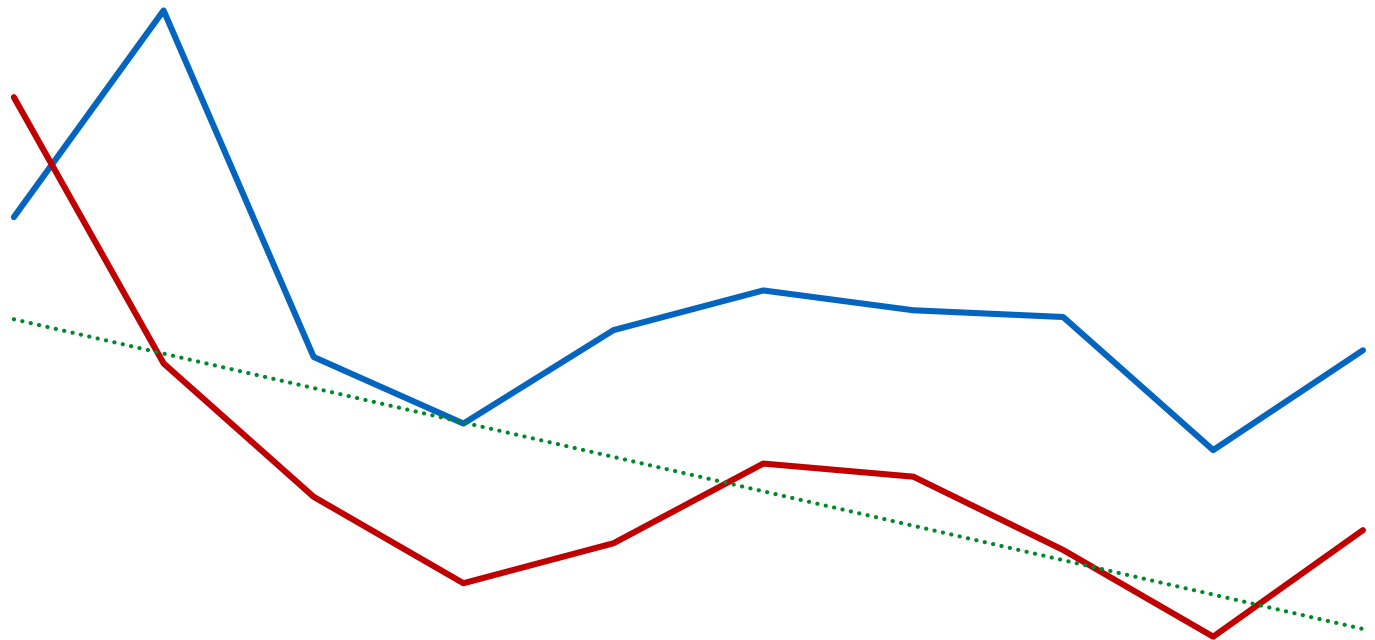
Breakdown of Unrest incidents

- Labour related - 4
- Service Delivery - 67
- National Election Registration - 1
- Taxi Related - 2

Breakdown of Peaceful incidents

- Service Delivery - 59
- Education Related - 12
- Taxi Related - 4
- Funerals monitored - 3
- March monitored - 4
- Festivals monitored - 14
- Labour related - 21
- Political Meetings and visits monitored - 3
- National Election Registration - 11

Trends for protests in North West (April 18 - Jan 19)



	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Peaceful	73	104	52	42	56	62	59	58	38	53
Unrest	91	51	31	18	24	36	34	23	10	26

Update - Developments at Local Government

Eight municipalities in the Province are currently under administration, in terms of section 139 of the Constitution and section 137 of the Municipal Finance Management Act.

- There is improvement in terms of MIG expenditure in Ditsobotla and Ngaka Modiri Molema DM.
- Governance and institutional systems have been stabilised in Ramotsere Moilwa municipality.
- Consequence management to municipal officials involved in VBS investment are being implemented in Mafikeng, Moretele and Madibeng.
- Ratlou is deteriorating in its performance due to political interference in administration.
- Dr Ruth SM district is faced with water challenges that has led to sewer spillages as funds for water projects were invested in VBS.
- JB Marks - service delivery has collapsed, following the merger of Ventersdorp and Tlokwe municipalities.

Progress on NCOP Recommendations

The Ad Hoc Committee made the following recommendations in its report to NCOP:

- Disciplinary action be instituted forthwith on all employees and/or officials who are alleged to have committed acts of misconduct, serious misconduct and/or financial misconduct;
- Criminal proceedings should be instituted forthwith against all implicated persons who are alleged to have committed any criminal offences and that legal processes be initiated to recover any loss suffered by the State as a result of the criminal conduct of such persons;
- Compliance with legislation should be enforced to enhance good governance, sound financial management, accountability, robust oversight of monitoring and evaluation functions of the intervention housed in the Office of the Premier and extended to the District Offices to improve coordination between all departments in terms of the Intergovernmental Relations Act, as well as restore service delivery in the Province;
- That the committee reaffirms its recommendations as cited per sector.

NCOP Recommendation - Disciplinary Action

- The Heads of Department for Health and Public Works and Roads have been suspended and are facing disciplinary action related to financial misconduct
- Two chief directors have been suspended on charges linked to irregular payments to the Project Management Unit in the Office of the Premier
- In Department of Health, five other officials are facing disciplinary charges linked to fraud, corruption and transgression of Treasury regulations and the PFMA involving more than R 350 million
- Four junior officials and one middle manager are facing disciplinary processes related to corrupt conduct, dishonesty and fraud in the Department of Social Development.
- The Administrators for the Department of Education and Sports Development and Community Safety and Transport Management report that while no formal charges have yet been put to employees, investigations are underway.
- 42 cases of corruption and maladministration are being reviewed by the Office of the Premier. 11 of these cases have so far been referred for disciplinary action.

NCOP Recommendation - Criminal Investigations

Status of cases investigated by DPCI (HAWKS)

Directorate for Priority Crime Investigation (DPCI) is handling forty nine (49) cases involving theft, fraud and contraventions of the Prevention and Combating of Corrupt Activities Act, 2004.

These cases are related to government contracts in the North West. The status is as follows:

- **10** cases on the court roll for trial
- **21** cases pending decision by the National Prosecuting Authority
- **3** cases declined to prosecute
- **15** cases pending investigation
- Amount involved in these cases: **R2,497 billion**

NCOP Recommendation - Criminal Investigations

Matters referred to the Special Investigating Unit (SIU): 44

- **6** matters where the motivation for proclamation was drafted and submitted to Minister of Justice
- **3** matters covered by existing proclamations relating to (Scholar Transport, EPWP and Roads) are under investigation
- **20** matters on which the SIU is waiting for more information
- **3** matters under investigation by the Hawks [*already included in the 49 cases of the Hawks*]
- **3** matters investigated and criminal referrals initiated
- **7** matters have been closed/pended because of insufficient evidence
- **2** matters have been referred to other agencies

NCOP Recommendation - Improved Compliance, Coordination and Service Delivery

- Legislative compliance is a core focus of the intervention and is being advanced through the various intervention protocols and directives.
- A war room to direct and coordinate efforts to address service delivery breakdown has been established in the Office of the Premier.
- The war room incorporates the District Offices and the Community Development Workers and is located in the monitoring and evaluation function of the Office of the Premier, under the direction of the Administrator.

Specific Recommendations per Sector

The recommendations per sector emerging from the site visits are reported in detail in the accompanying report (See section 3.8 of the Report.)

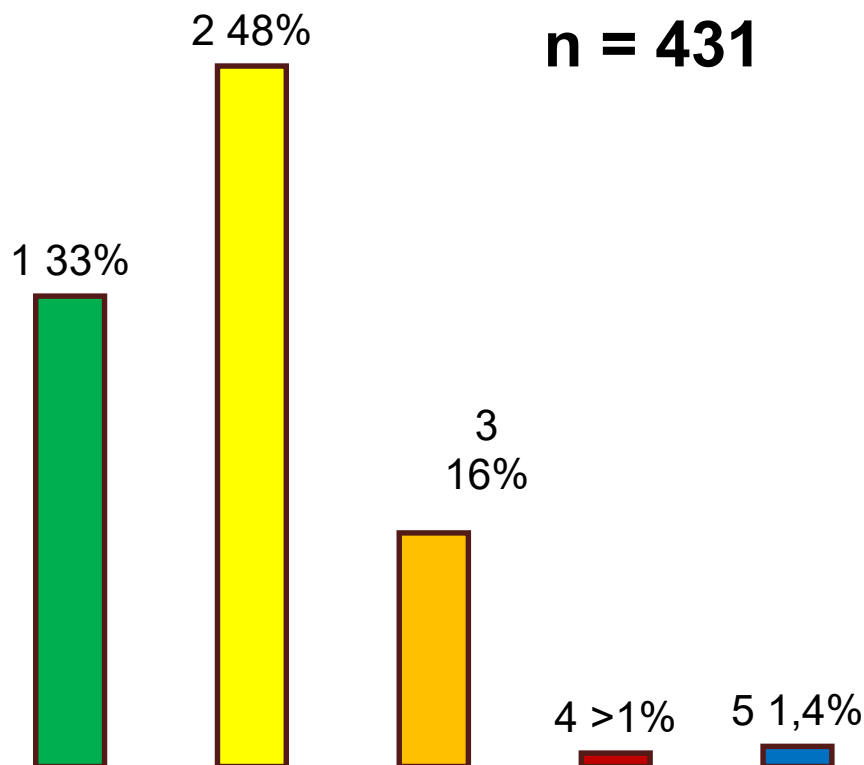
Highlights include:

- CEO for Mahikeng Hospital has been appointed and starts on 1 March 2019
- Two Heads of Department (HOD) posts are in the process of being filled at G.S Phoi School in Ratlou. Two mobile classrooms delivered to the school
- Forensic investigation underway into Ayamah Consulting. HOD of Public Works and Roads suspended and facing disciplinary charges
- Transport Department has completed verification of Scholar Transport routes
- Disciplinary processes are in progress against six managers in the Department of Health (including the HOD), for cases of fraud, corruption and transgression of treasury regulations and PFMA

Progress on intervention plans

The chart below indicates the combined status of all actions across all intervention plans.

(33% of all actions in the combined intervention plans has been completed) – See Annex 2



Notes:

1. 70 tasks are reported as “**behind schedule**”. These are actions that are progressing, but have not met their deadlines, due to complex processes such as the finalisation of departmental structures.
2. Four tasks are reported as “**stalled**”. These are one from Local Government (establishment of a credible indigent register); two from Rural Environment and Agriculture Development and one from Tourism. The stalled actions for READ and Tourism relate to non-submission of information by the Provincial Department.
3. The six tasks reported as “**not started**” are in the Health Department. These are scheduled in the plan to start later. This is not cause for concern.

Office of the Premier

Achievements

- The contract with Nepo Data Dynamics to run a Project Management Unit (PMU) in the Office of the Premier has been terminated.
- Two chief directors have been suspended for alleged illegal procurement through the Nepo contract, which was originally procured at R12 million and ballooned to over R240 million.

Progress summary

- Government Chief Information Office and the DDG for Service Delivery have been deployed to the Province to enhance capacity in the Premier's Office
- The management of the Information Communication Technology (ICT) Unit has been moved to the Office of the Administrator to strengthen oversight. The State IT Agency (SITA) is assisting to ensure that all ICT procurement is regularized.
- Migration of North West Development Cooperation to the Finance Economic and Enterprise Development Department has been finalized.
- Review of 2016/17 Performance Management Assessments completed for Department of Health. This was a major concern for Labour.
- All outstanding organisational structures for departments are being prioritized through a dedicated task team.

Office of the Premier

Challenges and threats

- Transfer of the North West Development Corporation (NWDC) to the Provincial Department of Economic Development (Section 100(1)(a)) makes it difficult to oversee and direct the clean up of NWDC and its subsidiaries
- Slow pace on investigations by the criminal justice system
- Increased service delivery protests in the North West requiring the intervention of Office of the Premier

Actions going forward

- Engagement with Provincial and National Treasuries on issues at NWDC
- Improve coordination between National Treasury, JCPS and Administrators on forensic investigations
- Strengthen war room to direct and coordinate efforts to address service delivery breakdowns
- Implementation of Post Audit Action Plan for Auditor General findings
- Assess capacity needs and develop a capacity building plan to mitigate the vacuum that may arise through the disengagement of the ICT PMU
- Engagement with all programmes on budgeting to align to National Treasury Guidelines

Department of Health

Progress summary

- Medicine availability in hospitals at 83% (up from 67% in April 2018) and at 74.8% at the depot (up from 53% in June 2018)
- 96% of the accruals to suppliers cleared (R889,720,814 of R992,462,969)
- Four of five operating theatres at Mafikeng Hospital have been returned to functionality, the fifth needs additional staff and equipment. Permanent CEO appointed
- A total of 2198 posts were advertised in 2018. (35 posts have been filled and 85 are in active recruitment)

Challenges and threats

- Sporadic labour unrest (Ongoing engagement with unions and workers)
- Wastage in the SCM processes (Analysis and remedial action underway)
- Budget shortfall (Discussions with National and Provincial Treasury continue and the costing of Primary Health Care and hospital services has been completed)
- The poor infrastructure in hospitals and clinics (Implementation of plans underway)

Department of Health

Actions going forward

- Complete the process of PMDS correction
- Continue the process of consequence management
- Continue to fill priority posts
- Complete training for senior managers on labour relations
- Complete the Business Case for the Organizational Structure
- Complete payment of accruals
- Complete the determination of the required baseline funding need
- Increase medicine availability to 85%
- Continue the process of strengthening emergency medical services
- Continue with the invoice verification process and supply chain management reform
- Increase medicine availability at facilities to 85%
- Continue with the processes for improvement of catering, linen and security services
- Complete a costed automation framework for key processes including patient record management

Department of Education and Sports Development

Achievements

- National Senior Certificate examinations - The NW attained 81,1 % pass rate, which is an increase of 1,66% from 2017. Interventions were implemented in schools affected by protests.

Progress summary

- **Infrastructure** – Department at tender stage for two schools, 57 sanitation projects, 8 storm damaged schools, and 87 fencing projects. Tenders for 48 additional sanitation and 35 storm damaged schools will be advertised in February 2019. Mobile classrooms have been ordered to address overcrowding in the interim.
- **Audit of appointments** - A total of 986 out of 1 142 appointments made between 2014 to 2018 (86,3%) have been audited, about 57 files are still outstanding.
- **Scholar transport** – 8 503 deserving learners from 64 schools are without transport to school. An audit of the Scholar Transport routes will be undertaken in March 2019.
- **Undocumented learners** have been reduced from 51 705 to 37 347.
- **Performance Improvement Strategy** – Turnaround strategies are being developed and will be rolled out for schools that underperformed in the 2018 NSC exams.
- **Learning and Teaching Support Materials (LTSM)** - Stationery deliveries at 100%, textbooks from publishers to warehouse is at 93,7%, and the distribution of books to schools is at 88%.

Department of Education and Sports Development

Challenges and threats

- **Disruption of schooling.** Protests for services other than schools continue to disrupt teaching and learning. Learners at Ramokokastad could not attend classes from July – December 2018. Schooling resumed from January, and a recovery plan is being implemented at the school.
- **Safety in Schools.** Drugs and gangsters in schools threaten the programmes of teaching by educators.
- **Integration and transformation.** There are areas in the Province where integration and transformation is a challenge.

Actions going forward

- Summit arranged for February 2019 to address challenges related to safety in schools, as well as to mobilise stakeholders around the protection of learning and teaching.
- A Provincial task team to be set up to address integration and transformation in schools.
- Ensure that the delivery of LTSM including textbooks top-up is at 100% by the end of February 2019.
- Interviews and appointment of the critical professional posts in the built environment.
- Close monitoring of the recovery plan on conditional grants.
- Work with National Treasury on investigating irregular contracts and apply consequence management for misconduct, serious misconduct and/or financial misconduct.
- Closely monitor the implementation of priority infrastructure projects.

Department of Public Works and Roads

Achievements

- Initiation of roads maintenance recovery plan to address community protests pressure points. Contractors on site maintaining 33 roads as part of Phase one (1) of the project.
- Client management Unit established in the HoDs office.
- Resumed EPWP revitalization programme, finalized allocation of projects to 63 Vukuphile contractor development beneficiaries, finalized the operationalization of brick making plants.
- Payments of rates and taxes to Municipalities is up to date and Treasury has approved an additional adjustment budget.
- Implementation of Occupational Health and Safety assessment on office accommodation resumed in January 2019
- Immovable property register assessment complete and resulted in identified 476 non-core immovable properties for disposal consideration.

Department of Public Works and Roads

Progress summary

- Suspension of Head of Department and disciplinary process underway
- Submission of R660 million irregular expenditure report for condonement, as per guidance from Provincial and National Treasury
- Organizational structure reviewed and Human Resources Capacity recruitment process resumed.
- Advertisement of two executive positions (CFO and CD: Building Infrastructure)
- Service Delivery and Cost Benefit Assessments for property management function
- Forensic investigation into Ayamah Consulting contract underway with National Treasury
- Post Audit Action Plan in place

Challenges and threats

- Outstanding legal and disciplinary cases
- Outstanding and disputed claims and invoices
- Disgruntled communities as a result of unfunded commitments made for upgrading of roads
- Province under-budgeting for upgrading and maintenance of roads

Department of Public Works and Roads

Actions going forward

- Implementation of Phase 2 of the Roads Maintenance Programme. Scoping has been completed on 41 roads for gravelling and re-gravelling projects
- Implement recommendations on community based employment creation programmes
- Site establishment of brick making plants and contractor development contract site as a continuation of EPWP revitalization Programm
- Implementation of the recommendations for property management service delivery
- Implementation of the Audit Action Plan
- Management of outstanding legal and disciplinary cases
- Initiation of the total facility maintenance programme for office and prestige accommodation
- Continue to monitor the investigation into Ayamah Consulting Engineers

Community Safety & Transport Management

Achievements

- Route verification completed for Scholar Transport - further auditing is underway

Progress summary

- Avoided irregular expenditure and litigations through cancelling of non-compliant bids
- Restructuring of departmental bid committees completed, and training provided
- Reconstituted Advisory Committee to investigate Irregular & Fruitless and Wasteful Expenditure
- Budget has been redirected to overspending critical projects to ensure continuity of service delivery
- Action plans to address the AGSA audit findings are being implemented and monitored
- Initiated tender process for security services, following decision on NWDC contract
- Approval granted for Department of Justice to provide training to community safety staff
- Engagements with SIU regarding investigations on Scholar Transport

Challenges and threats

- Depletion of Scholar and Commuter Transport budgets prior to the end of financial year. Pending legal action against the department by losing bidders (Scholar Transport)
- Under-collection of revenue by the department, especially in the area of traffic operations
- Lack of dedicated project and contract management capacity within the department
- The department is operating on a temporary organisational structure since 2014
- Withdrawal and replacement of some members of Intervention Team

Community Safety & Transport Management

Actions going forward

- Site visits to traffic centres and district offices to audit assets
- Monitor the implementation of cost-containment measures
- Engagement with Provincial Treasury on Scholar Transport budget challenges
- Put measures in place to improve revenue collection
- Finalise security tender, to minimise irregular expenditure
- Close monitoring of Commuter Transport and audit of Scholar Transport route verification
- Issue tender for “intervention routes” within Scholar Transport to minimise irregular expenditure
- Engage the Office of the Premier regarding organisational structure
- Training of officials as per identified training needs
- Review of recruitment processes in certain programmes within the department

Local Government and Human Settlements

Progress summary – Local Government

- Ditsobotla municipality has spent more than 93% of allocated funds for the period under review. The district provides water to the community of Rietfontein through water tankering as the community did not have water during the last NCOP visit. Lichtenburg Business Chamber donated 2 transformers to energize 3 boreholes to increase water levels from 40% - 70% storage capacity.
- Through the cost re-imburement intervention by COGTA Ngaka Modiri Molema has performed above 45% and MIG funds are no longer used for operations as it used to be in the number of years.
- Since 2014 Ramotshere Moila LM institutional and governance systems collapsed. Upon the assumption of the Administrator the municipality has stabilised. All senior managers posts have been filled and governance and institutional systems stabilised.
- After investigations in relation to VBS, the municipal manager of Mafikeng municipality has been dismissed and a case has been opened with law enforcement agencies, in Moretela the MM is on suspension, Madibeng the MM resigned. The MEC to intervene in DR Ruth SM for council to resolve regarding the MM..

Local Government and Human Settlements

Challenges and threats

- The Administrator in Kagisano Molopo Municipality has been prevented to enter the municipality by community members called the Local Business Forum and has received death threats.
- In Maquassi Hills municipality the Administrator has not been able to work since November 2018.
- The transferring of R307 million by DWS budgeted for North West municipalities have a negative impact on stalled water and sanitation projects.

Actions going forward

- Pursue political and legal resolution to resistance to Section 139 interventions
- The MEC to establish Task Team that will conduct an assessment and intervention mechanisms to regressing municipalities
- Concluding recruitment process of priority vacant posts

Local Government and Human Settlements

Human Settlements – Achievement

- 1514 serviced sites and 4899 housing units completed

Progress summary

- Resolved over 1500 cases of stranded beneficiaries whose housing benefit was suspect and/or questionable and could be reconciled to actual delivery of a house
- Completed the statutory 2nd Draft Implementation Plan for 2019/20
- 15 successful community outreach session with 3 500 beneficiary, involving consumer education, project status updates, title deeds checks and registration on National Housing Needs Register.

Challenges, risks and threats

- Beneficiary administration and reconciliation to accounted benefits remains a major challenge. Community outreach is required to ensure smooth unblocking of stalled projects. Sporadic community unrest impacts on progress on projects
- Poor performance of contractors is a risk that requires ongoing monitoring and mitigation
- Community unrest impedes timeous completion of projects

Local Government and Human Settlements

Actions going forward

- Ensure project delivery performance of contractors
- Beneficiary reconciliation to benefits and registration on the National Housing Needs Register
- Identification of and prioritisation of blocked projects
- Roll out 21 community outreach activities in Bojanala, Ngaka Modiri-Molema and Dr Ruth Segomotsi Mompati Districts
- Hand-over completed (housing units and title deeds)

Finance, Economy and Enterprise Development

Progress summary

- Provincial Treasury Organisational Structure approved and vacant critical posts advertised prioritising PSCM and MFMA. HR is currently profiling the applications
- Tabling of the 2018/19 adjustments budget in November 2018
- Service provider appointed to train SCM practitioners has started with training. About 133 self-assessments have been completed in the first week which represents about 44% if compared against the number of invitees
- Regularise reporting of NWDC to Finance, Economy and Enterprise Development (FEED) in November 2018 during adjustments budget
- The existing control systems had been audited by internal audit and based on the findings or weakness identified, a new checklist was developed and circulated to municipalities for implementation

Finance, Economy and Enterprise Development

Actions going forward

Focus Area 1: Provincial Supply Chain Management

- Finalise Provincial SCM Policy Framework and send to departments
- Provincial Treasury has advertised critical vacant SCM posts in October 2018 and HR is currently busy profiling the applications
- Provincial Treasury to provide National Treasury with information required to finalise the application of irregular expenditure for condonation
- Provincial Treasury to submit unauthorised, irregular, fruitless and wasteful expenditure documents to National Treasury after being received from municipalities

Focus Area 2: Municipal Finance Management

- Fill advertised critical vacant posts
- Procure service provider for data cleansing at Mahikeng, Madibeng and Lekwa-Teemane municipalities

Focus Area 3: Financial Governance

- Procure service providers to assist on 2018/19 financial year audit

Focus Area 4: Budget and Public Finance

- Engage on 2019 MTEF budget allocations

Social Development

Progress summary

- Joint Infrastructure Technical Task Team (Department of Social Development and Department Public Works and Roads) report on all OHS non-compliant buildings has been received. Discussions on-going for implementation of recommendations
- The B.5 table was revised to reprioritized allocated funds to the most urgent infrastructure needs
- Reviewed court orders for children legible to remain in foster care is at 2 981 to date - out of the target 9 975
- Annual placement of new children in the foster care system is at 925 - out of target of 1 842.
- The process of procurement of additional office space for Provident House (Mahikeng DSD offices) is at the adjudication stage. Process of adjudication to be finalized by end January 2019
- 80% of the maintenance work at Provident House has been completed by the landlord
- All issues raised at the Matlosana Service Point have been addressed

Social Development

Challenges and threats

- Ongoing labour unrest
- Inadequate tools of trade, particularly ICT equipment and vehicles due to limited financial resources
- Limited resources for office space (upgrades and additions)

Key activities going forward

- Maintenance is continuing at Provident House, Tswaing Service Point and Greater Taung Service Point. Maintenance completed at: Amos House, Mahikeng Service Point, Matlosana Service Point, Bojanala District Office, Lehurutshe Sub-Office, Stella Sub-Office and Ditsobotla Sub-Office (Wandrag Building)
- Disciplinary action against officials causing disruptions at workplace
- Provision of R2,3 million for procurement of equipment and office furniture
- Budget to address infrastructure challenges to be reprioritized over the MTEF cycle
- Implementation and monitoring of plans to reduce foster care backlog

Rural Environment and Agricultural Development

Progress summary

- Forensic investigation into Agridelight has commenced
- Alignment of organizational structure to service delivery strategy nearing completion
- Reversed appointment of North West Development Corporation (NWDC) as a PMU within Rural Environment and Agricultural Development (READ)
- Facilitated that the initiation of a process aimed at recovering funds transferred to NWDC
- Concluded the feasibility assessments of key agricultural projects allowing DAFF to release funding for approved projects
- Concluded assessment of 14 agro-processing projects – three were stopped pending corrective action; one was permanently halted due to major structural defects

Challenges and threats

- The AgriDelight close-out report is critical for proper accounting as currently there are service providers claiming to have done work for READ based on instructions of AgriDelight. Payment to these creditors may lead to unauthorised, irregular or fruitless expenditure; or litigation of READ
- Low spending on the Springbokpan AgriPark, which is a critical project for the revitalisation of agriculture and agro-processing

Rural Environment and Agricultural Development

Actions going forward

- Meeting of the Political Principals to be organised to address issues regarding implementation of the Directives
- READ to obtain progress report from the courts on the AgriDelight matter. READ to devise a strategy in dealing with outstanding claims emanating from the contracts initiated by AgriDelight
- DAFF, READ and DRDLR to meet and discuss AgriParks and craft a plan outlining roles and responsibilities relating to the establishment of AgriParks

Department of Tourism

Areas of Achievement

- Corrected separation of powers between MEC Office and Department
- 3 of 5 construction projects that had audit findings on procurement procedures corrected and commenced.
- Financial delegations have been approved and communicated to staff. Other necessary internal control tools have been developed. The amended delegations address issues related to strengthening internal control environment and risks associated particularly with irregular expenditure
- Capacity for addressing audit findings created.

Department of Tourism

Progress summary

- A detailed assessment of the capacity at the North West Tourism Board completed, revealing “highly concerning state” related to governance, financial management, mandate creep and potential duplication and management issues.
- Minister and MEC support the amalgamation of the Parks Board and the Tourism Board in the NW as part of the rationalisation of the SOEs in the NW Province. The Minister and MEC will meet the Premier and READ MEC on this
- Financial delegation have been approved and communicated to staff. Other necessary internal control tools have been developed. The amended delegations address issues related to strengthening internal control environment and risks associated with particularly irregular expenditure

Actions going forward:

- Complete business case and procedures (including legislative amendments) for amalgamation of Boards.
- In depth due diligence assessment of Dirapeng to inform what needs to be done re: tourism assets
- Finalise investigations into irregular expenditure

Conclusion

The intervention continues to make advances in addressing the governance and service delivery challenges facing the Province:

- Medicine availability at the Provincial depot is increasing now at 76% (up from 53% in July 2018) and in hospitals at 83% (up from 67% in April 2018)
- Key vacant executive positions are being filled in Public Works and Roads
- Four out of five operating theatres in Mahikeng Hospital are now functional
- Provincial road maintenance programme revived, with contractors now on site for 33 roads
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- Sanitation projects in 102 schools have been identified for fast tracking by the end of March 2019
- Scholar Transport moved from NTI (Northwest Transport Investments) to the Transport Department, and route monitoring and verification process completed (pending final audit)
- 1514 serviced sites and 4899 housing units completed
- All outstanding organisational structures for departments are being prioritized through a dedicated task team in the Office of the Premier –These will be resolved by 1 April 2019.

Conclusion

- Gains are being made to establish effective internal control systems, address irregular expenditure, illegal contracts and outsourcing, address reoccurring audit findings and pursue disciplinary and criminal actions against officials and others implicated in fraud, corruption and financial misconduct
 - All departments implementing post audit actions plans
 - PMUs contracts terminated and under investigation
 - Disciplinary processes underway against 25 officials
 - Criminal investigations into R2,497 billion worth of contracts
- Departments are reviewing their intervention mandates, with a view to enhancing the plans where needed
- IMTT will engage with the new EXCO to address strategic and fundamental matters
- Preparations are being made for the transition to the sixth administration to ensure continuity, and preserve and advance the gains made by intervention

NGIYATHOKOZA DANKIE KE A LEBOGA
NGIYABONGA
NDIYABULELA
INKOMU NDI KHOU
LIVHUHA

Thank you



planning, monitoring
& evaluation

Department:
Planning, Monitoring and Evaluation
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