



# LIMPOPO

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## PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

### **Media Statement**

**For Immediate Release**

**Date: 16 August 2018**

#### **Statement on the Executive Council (EXCO) meeting of the 15<sup>th</sup> August 2018**

Limpopo Provincial Government Executive Council held a meeting on the 15<sup>th</sup> August 2018 at the Office of the Premier, Executive Council Boardroom, Polokwane.

The Premier, Mr Chupu Stanley Mathabatha as Chairperson of EXCO extended a special welcome to the two newly appointed MECs, namely MEC for Agriculture and rural Development (Mr. Baisikopo Makamu) and MEC for Sport, Arts and Culture (Ms. Thandi Moraka).

#### **Grant Payments Transition Progress Report**

A report on the Grants Payments Transition was presented to the Executive Council. It highlighted that the Constitutional Court has on the 23<sup>rd</sup> March 2018 suspended the invalidity declaration of the contract between Cash Paymaster Services (CPS) and the South African Social Security Agency (SASSA) by six months effective from 01 April 2018. The judgement applied to the cash payment aspect of the contract only, in terms of which SASSA will no longer have the cash payment method. In Limpopo, SASSA is currently paying approximately 1,644,779 million beneficiaries who receive 2,491,056 million social grants on a monthly basis. In the month of May 2018, SASSA together with the South African Post Office (SAPO) commenced with the card swap process so that

the beneficiaries of the social grants may be migrated from the previous SASSA/CPS payment card to the new SASSA/SAPO payment system at the biometrically enabled cash points as from the 1<sup>st</sup> August 2018.

SASSA has identified 120426 unbanked beneficiaries, and SAPO is in the process of engaging banks to roll-out banking services to areas with no National Payment System, or located in far-flung areas; and banks will open accounts to enable the social grant beneficiaries to access their grants via ATMs and retail pay points even in areas where there is no electricity supply.

The Executive Council noted with appreciation the steady progress made to deal with the migration of the grant payment system from Cash Payment Systems (CPS) to the South African Post Office (SAPO) with effect from the 1<sup>st</sup> October 2018.

The Executive Council directed as follows:-

That SASSA should develop an information dissemination strategy in order to provide regular updates to communities on the migration of the grant payment system from Cash Payment Systems (CPS) to the South African Post Office (SAPO). That there is a need to give serious attention to security at the paypoints where cash payments will continue to be dispensed. That the South African Post Office (SAPO) should develop a clear plan with milestones on their adoption of standard operating procedures developed in conjunction with SASSA so as to ensure that there is seamless transition from the CPS grants payment system; and that SASSA should provide regular updates on the grant payments transition to the Social Sector Cluster Committee.

### **Audit Outcome Trends for 2017/18**

A presentation on the Audit Outcome Trends for 2017/18 was presented. The Office of the Auditor-General as mandated by section 40 (2) of the PFMA has concluded audits of 17 out of 18 institutions (13 Departments and 4 public entities). All departments and public entities, except the Department of Sport, Arts and Culture and Limpopo Economic Development Agency (LEDA), submitted their financial statements to AGSA for audit in line with of section 40 (1) (c) and 55 (1) (c) of the PFMA respectively.

The Province achieved the following audit outcomes for Departments in the 2017/18

financial year:-

- i. One (1) Clean Audit, 7 Unqualified Audits, and 5 Qualified Audits;
- ii. Only Provincial Treasury recorded a clean audit, retaining its status;
- iii. Improvements were reported in two (2) Departments, from Qualified to Unqualified, namely the Department of Agriculture and Rural Development (LDARD) as well as the Department of Co-Operative Governance, Human Settlements and Traditional Affairs (CoGHSTA);  
and
- iv. No regressions were reported for the remaining 10 Departments;

The Province achieved the following audit outcomes for Public Entities in the 2017/18 financial year:-

- v. Three (3) Unqualified audits, 1 Qualified Audit and 1 Outstanding audit;
- vi. Regression were reported in two (2) public entities, namely Limpopo Gambling Board (LGB) who unfortunately did not retain its clean audit status and received an unqualified audit and Gateway Airports Authority Limited (GAAL) who regressed from unqualified to qualified;  
and
- vii. The outstanding audit is for Limpopo Economic Development Agency (LEDA);

In general there has been a reduction on the following items for Departments:-

- viii. Basis of modified opinion has reduced from 21 in 2016/17 to 10 during 2017/18, which represent a 53% improvement;
- ix. Matters of emphasis have also reduced marginally from 30 in 2016/17 to 28 during 2017/18;
- x. Compliance matters findings have also reduced marginally 40 in 2016/17 to 37 during 2017/18, and
- xi. Performance Information increased from 34 issues in 2016/17 to 38 issues during 2017/18;

There has been marginal improvements on the following items for Public Entities:-

- xii. Basis of modified opinion is currently sitting at 1 for 2017/18, which is the same position as 2016/17;
- xiii. Matters of emphasis have reduced from 15 in 2016/17 to 9 during 2017/18;

- xiv. Compliance matters are stagnant for both years at 14 issues; and
- xv. Performance Information has improved at a rate of 50% with 14 issued raised in 2016/17 and 7 issues during 2017/18.

The Executive Council directed that the Executive Management of Departments and Public Entities must develop action plans to address the findings reported by the Auditor General and that the progress made in implementing the action plans should be a standing agenda item in all Executive Management meetings of departments and public entities.

All Heads of Department (HoDs) and Chief Executive Officers (CEOs) report quarterly to EXCO and Provincial Treasury on the progress made in implementing the action plans to address the findings made by the Auditor General, and that all irregular and fruitless & wasteful expenditure, reported in the annual financial statements, be investigated by the end of September 2018 and progress be reported to EXCO. It further directive that the Provincial Treasury should amend the terms of reference on the composition of the Financial Misconduct Boards in departments, and provide for the appointment of members from outside the respective Department to serve in the Boards.

#### **Economic Sector Cluster Programme of Action Quarter 1 Report for 2018/19**

A report on the implementation of the Economic Sector Cluster Programme of Action during the 1<sup>st</sup> quarter of the 2018/19 financial year was presented to the Executive Council. The report provided a detailed account on the achievements made in the implementation of the Economic Sector Cluster Programme of Action and highlighted areas of over and under-performance during the period under review, including the interventions that will be implemented to address the areas of under-performance. The Executive Council approved the Economic Sector Cluster Programme of Action 1<sup>st</sup> quarter progress report for 2018/19 as presented.

#### **Infrastructure Cluster Programme of Action Quarter 1 Report for 2018/19**

A report on the implementation of the Infrastructure Cluster Programme of Action during the 1<sup>st</sup> quarter of the 2018/19 financial year was presented to the Executive Council. The report provided a detailed account on the achievements made in the implementation of the Infrastructure Cluster Programme of Action and highlighted areas of over and under-

performance during the period under review, including the interventions that will be implemented to address the areas of under-performance. The Executive Council approved the Infrastructure Cluster Programme of Action 1<sup>st</sup> quarter progress report for 2018/19 as presented.

### **Consolidated Infrastructure Delivery Report for June 2018**

A report on the consolidated infrastructure delivery report for June 2018 was presented to the Executive Council. The report outlined the physical progress at the end of June 2018 for Provincial Departments implementing physical infrastructure as follows:-

- i. A total of 9,583 infrastructure projects have been handed over by Departments to the Department of Public Works, Roads and Infrastructure for implementation in the 2018/19 financial year;
- ii. 3,647 (or 38.1%) projects are at pre-construction stage;
- iii. 2,276 (or 24%) projects are under construction;
- iv. 3,660 (or 38%) projects are at post construction stage; and

The financial progress for Provincial infrastructure delivery shows that as at the end of June 2018 R1 293 billion (or 24%) has been spent against the total budget allocation of R5.339 billion. The Executive Council approved the consolidated infrastructure delivery report for the period ending June 2018 as presented.

### **Expanded Public Works Programme 1<sup>st</sup> Quarter Report for 2018/19**

A report on the implementation of the Expanded Public Works Programme during the 1<sup>st</sup> quarter of the 2018/19 financial year was presented to the Executive Council. The overall achievement on work opportunities created in the province for the first quarter is 30,099 (or 18%) work opportunities created against the annual target of 171,741.

- a) The Infrastructure Sector created 7,188 (or 7%) work opportunities against the annual target of 91,974;
- b) The Social Sector created 4,641 (or 17%) work opportunities against the annual target of 27,938;
- c) The Environment and Culture Sector created 5,412 (or 52%) work opportunities against the annual target of 10,427; and
- d) The Non-State sector created 12,858 (or 31%) work opportunities against the annual target of 41,401.

The Executive Council noted with concern the following:-

- i. The poor performance by Departments in contributing to job opportunities created in the Infrastructure Sector;
- ii. No explanation provided in the report on the reasons for poor performance by the respective departments; and
- iii. No indication provided on the mitigation measures to be implemented to address the identified gaps.

The Executive Council directed that a Special Executive Council meeting to deal with infrastructure delivery in the Province, in particular the challenges encountered in meeting the set delivery targets as well as the possible mitigation measures should be convened, and all the service delivery entities should be invited to be part of the meeting.

**Application for the Withdrawal of Recognition of Mathebe Chaki Edison and the Recognition of Mathebe Morongwe Edison Catherine as Acting Senior Traditional Leader of Bantwane Traditional Community**

A memorandum on the withdrawal of Recognition of Mathebe Chaki Edison and the recognition of Mathebe Morongwe Catherine as Acting Senior Traditional Leader of Bantwane Traditional Community was presented to the Executive Council meeting.

The Executive Council approved the withdrawal of recognition of Mathebe Chaki Edison and the recognition of Mathebe Morongwe Catherine as Acting Senior Traditional Leader of Bantwane Traditional Community in terms of Section 15(2)(3) and (4) of the Limpopo Traditional Leadership and Institutions Act, No. 6 2005, and that she be remunerated accordingly.

**Replacement of Kgoshi Makgatho Selaelo Prince and Recognition of Makgato Kgolongwana Bernard as Senior Traditional Leader of Makgato Traditional Community**

A memorandum on the replacement of Kgoshi Makgatho Selaelo Prince and Recognition of Makgato Kgolongwana Bernard as Senior Traditional Leader of Makgato Traditional Community was presented to the Executive Council meeting.

The Executive Council approved the withdrawal of the recognition of Manthata Mankwe Rosa in terms of Section 15(4) and the recognition of Manthata Kgotlwana as Senior

Traditional Leader of Manthata Traditional Community in terms of section 12(1)(b) of the Limpopo Traditional Leadership and Institutions Act No. 6 of 2005, and that he be remunerated accordingly.

*Issued by Office of the Premier*

*Contact: Mr Phuti Seloba –Government Spokesperson*

*Cell: 082 807 0796*

*Website: [www.limpopo.gov.za](http://www.limpopo.gov.za)*