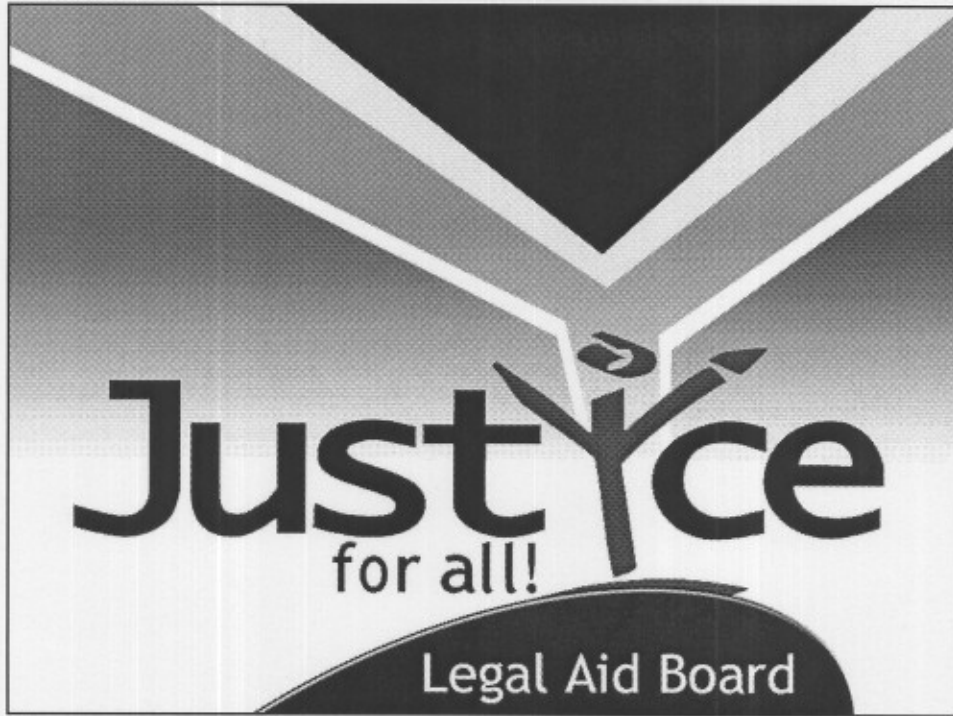


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**REPORT TO PARLIAMENTARY  
COMMITTEE ON JUSTICE AND  
CONSTITUTIONAL DEVELOPMENT**

**7 MARCH 2006**

23 February 2006

LEGAL AID BOARD  
Justice

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## Introductory Comments

- The Legal Aid Board welcomes the opportunity to brief the Portfolio Committee.
- We completed a successful year and have accomplished the roll-out of national infrastructure of Justice Centres and Satellite Offices. We are now focusing on improving access to clients and communities and also on improving the quality of our legal services delivery. We have done a lot in this regard in the past year and will continue to address these areas.
- We have also improved the efficiency of our support platform particularly with the transition to an integrated software package for our finances and legal administration.
- Our challenge still remains our ability to meet the need and demand of communities particularly in rural areas.
- The lack of equitable funding across the Justice Cluster leaves us concerned about our ability to respond to the needs of the cluster.
- In this context, our focus for this new financial year will be on strengthening our client focus and on increasing quality of legal services delivery and addressing the challenges of sustainability.

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## Background

- The LAB is a statutory body established by the Legal Aid Act (Act 22 of 1969). The Object of the Board is to render legal services to indigent persons and to provide legal representation as contemplated in the Constitution.
- The LAB received the following funding for the periods under review to fulfill this constitutional mandate:
  - FY 2004/05 – R390,525,000
  - FY 2005/06 – R440,008,000 (incl of Vat)
  - FY 2006/07 – R501,408,000
- An additional R35m has been allocated for 2006/07 financial year of which R10m is for the legal representation of children.
- This report briefly outlines the following:
  - Our strategic plan
  - Budgets
  - Current LAB capacity to deliver mandate
  - Our delivery record
  - Human Capital strategies

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## Strategic Plan – 2006/07 to 2008/09

- An extensive exercise was executed to revise our strategic plan for the next MTEF cycle. This included consultations with staff and stakeholders. Research was also commissioned to inform the process.
- The following are the three strategies that we have included in our plan:
  - Strategy 1 – The Delivery of quality legal services
  - Strategy 2 – Develop the human capital to support the delivery of quality services
  - Strategy 3 – Develop the institutional capacity to support the delivery of quality legal services.
- Each strategy has various programmes, such as delivery, corporate and support programmes. These will be further detailed as projects in our business plan.
- The DoJ strategic plan was reviewed to ensure alignment of our strategies with that of the dept. The strategic plan has been forwarded to the Minister of Justice for comment.

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## Budget 2004/05

- 2003/04 Budget was R469,577,890
- 2004/05 Budget was R464,681,210 being a 1% decrease from 2003/04.
- The main factor for the decrease was roll over funds of R62 million included in the 2003/04 budget compared to the R47 million in 2004/05.
- The 2004/05 Budget constituted an operating budget of R 455,583,510 and capital budget of R9,097,700.

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## Expenditure for 2004/05 and Budget 2005/06

	Expenditure 31/3/2005	% of Total	Budget 31/3/2006	% of Total
Staff Expenditure	197,632,990	51%	283,812,383	59%
Rental Agreements	14,457,535	4%	17,183,625	4%
Capital Expenditure	4,467,030	1%	1,645,997	0%
Other Expenditure	169,806,466	44%	182,170,060	38%
<b>Total Expenditure</b>	<b>386,364,021</b>	<b>100%</b>	<b>484,812,065</b>	<b>100%</b>

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## Projected Expenditure 2005/06

- The approved budget for 2005/06 was R 484m
- National Treasury approved R89m to be retained to provide for the contingent liability in the 2004/05 annual financial statements, primarily for judicare commitments.
- We project that the 2005/06 budget will be entirely spent except for R10 million which has been allocated for the purchase of the Legal Aid House which will be finalised during the 2006/7.
- National Treasury will be requested to approve a roll over of these funds.

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## Summary of Projected Expenditure 2005/06

	Budget to 31/3/2006		Projections to 31/3/2006	
	Rand	%	Rand	%
Staff Expenditure	253,873,550	45%	231,553,00	42%
Rental Agreements	16,765,941	3%	19,137,600	3%
Capital Expenditure	17,707,311	3%	9,029,263	2%
Other Expenditure	274,961,072	49%	292,746,481	53%
<b>Total Expenditure</b>	<b>563,307,874</b>	<b>100%</b>	<b>552,466,344</b>	<b>100%</b>

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## Budget 2006/07

- The 2006/07 Budget is R466 408 000
- This is 6% more than 2005/06 Budget of R440 408 000
- Interest should amount to R14 128 400
- Available cash flow will be R480 536 400
- The budget is made up as follows:
 

Operating budget	487,789,452
Capital budget	<u>7,910,532</u>
	495,699,984
Less: Depreciation	<u>15,163,584</u>
	<b>480,536,400</b>
- Capital budget of R7,9m constitutes 2% of total budget
- An additional amount of R35m was allocated after detailed motivations to National Treasury

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## Additional allocation of R35m

No	Programme description	Total	Cumulative Total	% Split	No of staff	No. of new matters opened
1	New courts budget	R 3,440,000	R 3,440,000	6%	16	2900
2	Children's Units	R 10,165,000	R 13,605,000	18%	38	7600
3	Commercial Crimes Units	R 1,872,500	R 15,477,500	3%	7	700
4	Increase - General Advice capability	R 2,275,000	R 17,752,500	4%	26	
5	Increase - JC capacity to meet demand	R 6,272,500	R 24,025,000	11%	26	4400
6	Increase - JC management capacity	R 2,330,000	R 26,355,000	4%	8	240
7	Increasing access - satellite office extension	R 5,525,000	R 31,880,000	10%	20	2600
8	Provision of admin capacity @ JCs	R 2,120,000	R 34,000,000	4%		
9	Provision for staff in support departments	R 1,000,000	R 35,000,000	2%		

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## Audit Matters

- The Legal Aid Board once again received an unqualified audit opinion in 2004/2005
- The Auditor General emphasised the following matters:
  - Fixed assets system of controls did not operate effectively throughout the financial year
    - This was as a result of a ineffective systems and poor management
    - Systems have now been improved and this matter has been addressed
  - There were weaknesses in general computer controls
    - This was as a result of the new IT system
    - The system has now been bedded down and the control issues have been addressed
  - The financial statements were withdrawn to effect material changes before resubmission
    - The new IT system could not accurately determine the accrual for Judicare
    - The Judicare accrual was amended to reflect as a contingent liability
    - Processes have been put in place accurately quantify the Judicare contingent liability

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## LEGAL SERVICES DELIVERY

- Current LAB capacity
- Staffing
- Legal Services Delivery
  - Justice Centre Delivery
  - Judicare
  - Co-operation Agreements

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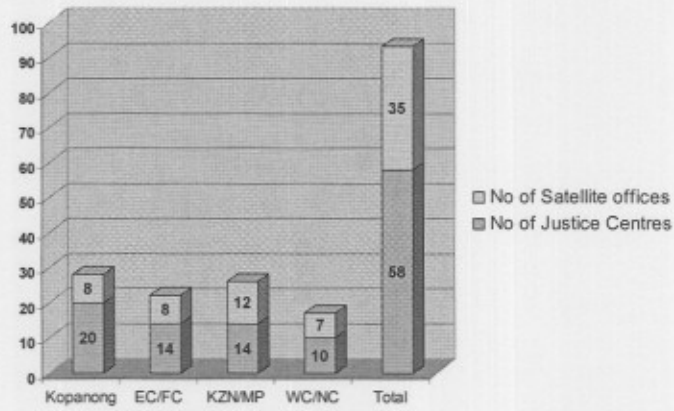
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## Current capacity

- Although the national rollout of Justice Centres has been completed the need for additional offices will be continually reviewed



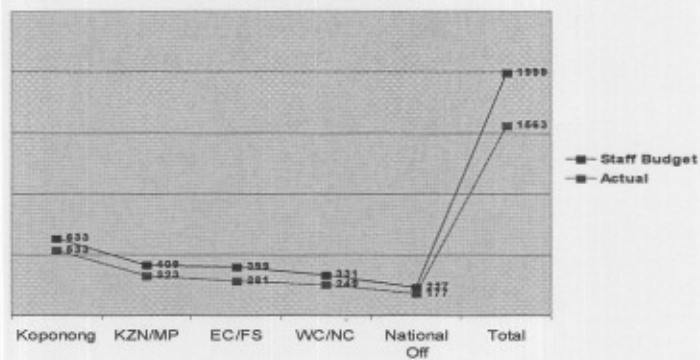
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## Staffing

- 78% of the budgeted 1999 posts were filled by March 2005.  
72% of these posts are for legal staff



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## Legal Services Delivery

- A mixed delivery system model is used for the rendering of legal aid
- The primary delivery vehicle is through justice centres
- Judicare is also used ie. where we contract with private practitioners to render legal aid
- Co-operation agreements with NGOs/university law clinics also increases representation for our clients.

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## 2003/2004 vs 2004/2005 Delivery

Delivery System	2003/04		2004/05		Var %
	Number	%	Number	%	
Justice Centres	236,282	79%	258,185	84%	9%
Judicare	46,613	15%	40,238	13%	-14%
Co-op partners	17,244	6%	8,231	3%	-52%
<b>Total</b>	<b>300,139</b>	<b>100%</b>	<b>306,654</b>	<b>100%</b>	<b>2%</b>

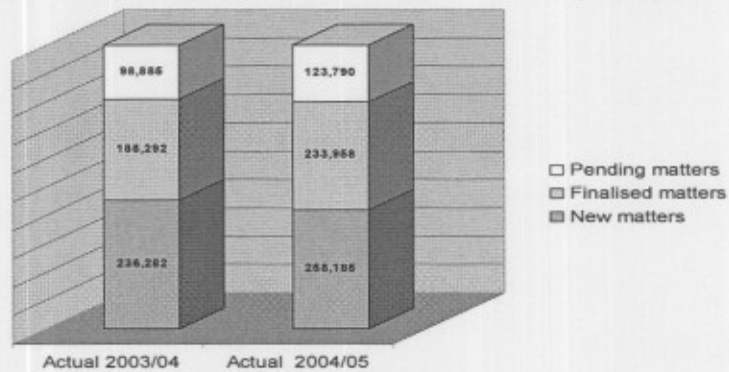
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## Justice Centre delivery

- Our Justice Centres are meeting delivery targets
- New matters increased by 9% and finalisations by 25% last year



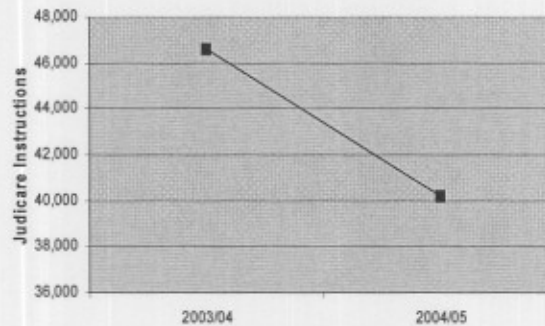
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## Judicare

- In 2003/04 15% of all new matters were allocated to Judicare whereas for 2004/05 it shows a drop to 13% but it will be retained at about 10%



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## Co-operation agreements

- Currently fund 6 partners
- 8,231 new matters and 7,048 finalised by our partners (compared to 17,244 new matters in previous period)
- Decrease in use of partners reflects our own capacity to service these areas

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## Positives/highlights of 2004/05

- **Increased focus on quality**
  - Dedicated supervisory capacity for quality management
  - Focused training programme for candidate attorneys which is monitored
  - Increased training opportunities for all legal professionals
  - Formalised relationships with local JC legal justice stakeholders
  - National judicial officer surveys to obtain independent feedback on the quality of service
  - Client satisfaction surveys implemented
  - Various quality intervention and quality monitoring programmes implemented

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
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## Positives/highlights of 2004/05 Contd

- **Awaiting trial prisoner (ATP) programme**
  - Special project implemented to focus on ATPs in custody for greater than a year.
  - All such ATPs were visited by LAB staff and offered legal representation.
  - ATPs in this category were reduced.
  - Special project to reduce children awaiting trial (CAT) for longer than three months.
  - JC management intervened on an individual level on behalf of such children to identify and remove obstacles

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
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## Positives/highlights of 2004/05 Contd

- **Implementation of Ad-Infinitum software system**
  - Ad Infinitum computer software system went live on 5 April 2004
  - It is an integrated finance and legal administration software package
  - A number of problems were experienced but these have been resolved and the system is now stable.
  - Enhancements to the system are being implemented to ensure that the Legal Aid Board obtains the best possible value from its investment

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## Human Capital Management

- The HCM in the Legal Aid Board seeks to ensure that the LAB places people first
- It is only through people that we can be able to deliver quality legal services to the poor and the vulnerable in accordance with the LAB mandate
- This reinforces the Batho Pele principal

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## HCM Programmes/projects – 2004/05 & 2005/06

- Performance Management System
- Organisational Development
- Employment Equity
- Education, Training & Development
- HR Policies & Procedures
- Recruitment & Selection
- Remuneration & Benefits
- Labour Relations
- Organisational Culture Program

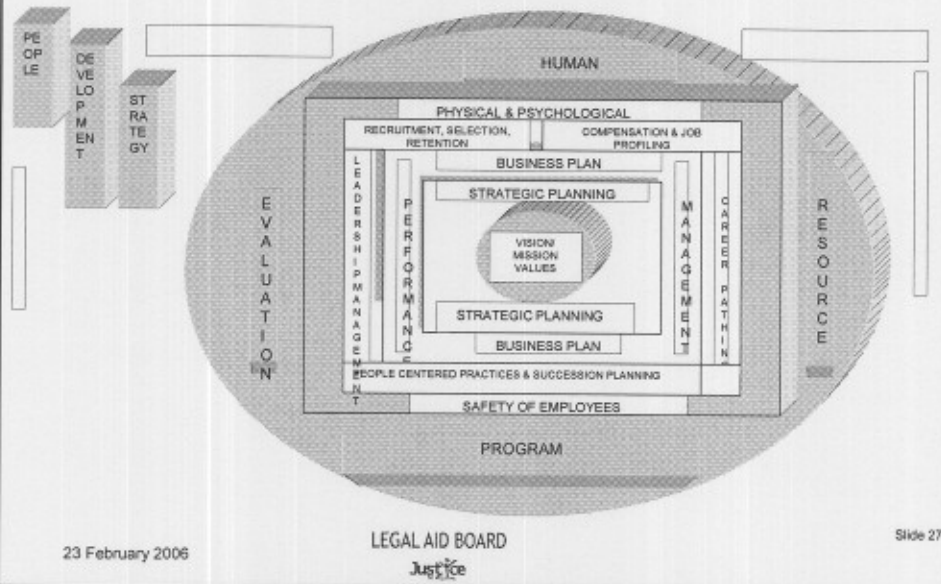
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## People Development Strategy



## Superior Courts Bill – Implications for the LAB

- The Superior Courts Bill does have resourcing implications for the Legal Aid Board
- The Polokwane Justice Centre High Court Unit will require increased resourcing for appeals in the Limpopo General Division
- A High Court Unit will have to be established in Nelspruit to service the Mpumalanga General Division
- The resourcing of the Mafikeng High Court Unit will have to be increased to service the North West General Division
- The Circuit Courts for the Supreme Court of Appeal to hear Appeals may have budgetary implications for the Board
- The Circuit Courts for the General Division may also have financial implications if the number of Circuit Courts increase
- Appeals to the Supreme Court of Appeal once proclaimed by the President will impact significantly on the resourcing requirements of the High Court Unit in Bloemfontein and for the circuit courts of the SCA.
- The overall impact will only be determined once more detail is known

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
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## **LAB CHALLENGES**

- Increasing client accessibility
- Sustainability of legal services delivery
- Quality of legal services
- Salary differential within Justice cluster impacting on the recruitment and retention of legal professional staff
- Supporting the paralegal sector
- Inequitable resourcing across the justice sector

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## **Concluding Comments**

- We thank the Portfolio Committee for this opportunity to brief you on our work
- We seek your support in increasing our capacity to deliver legal services to indigent in our country and in addressing the issues of sustainability

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