



Legal Aid
South Africa

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13 April 2010

The Director General
Department of Justice and Constitutional Development
Private Bag X81
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Fax: 086 644 6406

Dear Ms Msomi

RE: LEGAL AID SOUTH AFRICA BUDGET 2010 & EFFECT OF OSD FUNDING

My letter dated 18 March 2010 has reference. I have to date not received an acknowledgement or response to my letter.

As raised in my letter of 18 March 2010, in terms of Section 3(3) of the PFMA, Legal Aid South Africa as a public entity may not budget for a deficit unless the prior written approval of the National Treasury has been obtained. In my letter I indicated the deficit for OSD Phase I for 2010/11 to be R23,8million. For ease of reference I attach a copy of a letter from the DG:DoJ&CD dated 05.02.2009 in which, in the last paragraph, he committed 'to adjust the baseline of the LAB in the Adjustment Budget with R69,6million subject to periodic reporting of the LAB on projected personnel expenditure...'. Despite this commitment to adjusting the baseline we have only seen an adjustment to our baseline by R50million. The R69,6million for 2009/10 amounts to R73million for 2010/11. The adjustment of the baseline by R50million leaves us with a shortfall of R23million for 2010/11. This is unfortunate because we have already budgeted for 2010/11 on the basis of the DG's commitment. Please note that funding these amounts from your savings, as and when they become available, is contrary to the intent of the Medium Term Expenditure Framework and leaves us in a very precarious position. Please will you indicate how you intend to abide by this commitment?

If you are unable to abide by this commitment we will be forced to effect the necessary adjustments to our 2010/11 Budget so as to accommodate the R23 million budget shortfall of OSD phase 1. The primary impact of that will unfortunately have to be on service delivery at courts including increased

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delays and backlogs as a result of us reducing the number of practitioners that we can make available at courts.

As per my letter dated, 18 March 2010 the funding for OSD Phase II also remains outstanding. As indicated we are unable to implement OSD Phase II unless we have a commitment to a change in our budget baseline by the amounts indicated in the letter. Discontent amongst staff on the non finalisation of OSD Phase II remains a challenge.

May I request your urgent response to the issues raised above as well as to my letter of 18 March 2010?

With Kind Regards

V. N. Vedalankar

Ms Vidhu Vedalankar
Chief Executive Officer
LEGAL AID SOUTH AFRICA