

ANNUAL REPORT

FOR THE YEAR ENDED
31 MARCH 2017



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Building a Caring Society. Together.

www.dsd.gov.za



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

Life and legacy of
OR TAMBO.
100 YEARS



Why are we called the Department of Social Development?

In July 2000, the Department of Welfare was renamed the Department of Social Development.

We are called the Department of Social Development:

- **Because of our commitment to social transformation**

We are committed to the agenda of social transformation embodied in the principle of social justice and the Bill of Rights contained in our Constitution. We endeavour to create a better life for the poor, vulnerable, and excluded people in our society.

- **Because our task is to reduce poverty and promote social integration**

Our task is to develop and monitor the implementation of social policy that both creates an enabling environment for and leads to a reduction in poverty. We ensure the provision of social protection and social welfare services to all people who live in our land. We conduct research that develops the social indicators necessary for programme implementation and public accountability.

- **Because our work is based on partnerships and the Batho Pele principles of service delivery**

All our work requires extensive and ongoing consultation with all sectors of our society. Our programmes are integrated with those of other government departments and all spheres of government. We work in partnership with NGOs, faith-based communities, the business sector, organised labour, and other role players. We are committed to the Batho Pele (People First) principles, and use them to improve service delivery to our clients and the public.

- **Because our actions are based upon solidarity and engender self-reliance**

As social service professionals, we act on the basis of solidarity with all of humanity. We seek to empower communities and engender self-reliance by creating conditions for sustainable livelihoods. This involves expanding the range of choices available to communities.

- **Because of the range of our human services**

Our development, social protection and social welfare services span the entire life cycle of human life and encompass advocacy, promotion, prevention, care, mitigation and palliation.

Department of Social Development
Vote 17

ANNUAL REPORT

For the year ended 31 March 2017



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REPUBLIC OF SOUTH AFRICA

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Development
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REPUBLIC OF SOUTH AFRICA

Caring Society. Together.

www.dsd.gov.za

VISION

A caring and integrated system of social development services that facilitates human development and improves the quality of life

PART

A

GENERAL INFORMATION

DEPARTMENTAL GENERAL INFORMATION



social development

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Social Development
REPUBLIC OF SOUTH AFRICA

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SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF SOCIAL DEVELOPMENT

The Hon. Ms B.O. Dlamini
Minister of Social Development
Private Bag X 855
PRETORIA
0001

Honourable Minister

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017

I have the pleasure of presenting the Annual Report of the Department of Social Development for the year 1 April 2016 to 31 March 2017.

The Annual Report has been prepared as required by Section 40(1)(d) of the Public Finance Management Act, 1999 (Act 1 of 1999), and Part III J3 of the Public Service Regulations, 2001.

Nelisiwe Vilakazi
Acting Director-General

FOREWORD BY THE MINISTER

for the year ended 31 March 2017



It is with great pride and pleasure that we present the annual report of the Department of Social Development (DSD) for the financial year under review. This report outlines progress made in the past year across all key areas of our work as expressed in the Medium Term Strategic Framework and in the Annual Performance Plan.

We are pleased that, once again, the Department has achieved a clean audit outcome as we did in previous financial years. Taken together with the achievements contained in this report, the clean audit affirms that we have kept to our Government's commitment to build an efficient, effective and development-oriented public service. These achievements also reflect our tireless efforts to fight persistent challenges of poverty, unemployment and inequality. Our programmes are part of government-wide policy initiatives anchored on Outcome 13: *An inclusive and responsive social protection system* envisioned in the National Development Plan.

Social Assistance remains Government's largest and effective programme in combating poverty and inequality, especially among vulnerable groups such as children, persons with disabilities and older persons. We expanded the social safety net to more than 17 million South Africans. More than 12 million children benefitted from Child Support Grant, while 3.3 million older persons received Old Age Grant.

We continued to focus on ensuring universal access to Early Childhood Development services to children in rural areas and informal settlements. In this regard, the conditional grant for the ECD maintenance improvement programme over

the MTEF period will go a long way in assisting us to attain this goal. A total of 1 994 ECD centres will benefit from this programme over the next three years.

The scope and scale of the work of the Department has radically changed over the recent past. In response to these changes, we are driving significant change in the sector, so that collectively we can meet the socio-economic challenges that confront our country. To this end, work is currently underway with regard to the Revised White Paper on Social Welfare that will provide a framework for the development of the long overdue National Social Development Act.

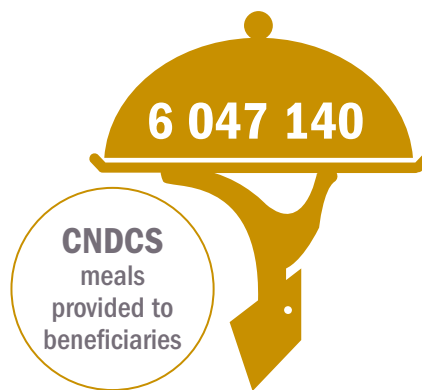
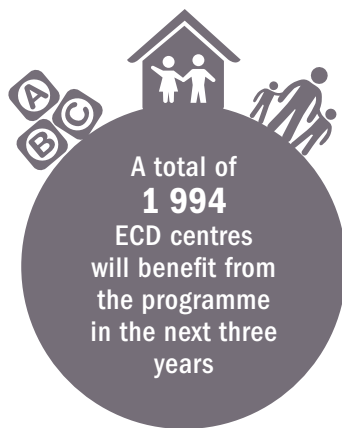
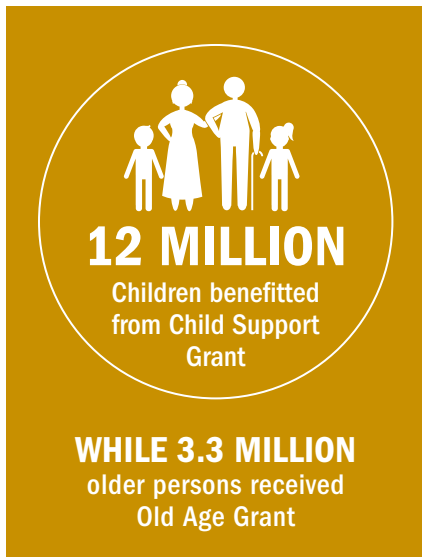
We continue to provide much-needed immediate psychosocial care and support services to the victims of violence. For the period under review, the Gender Based Violence Command Centre attended to over 92 000 calls, including short messages from victims of gender-based violence. The installation of the Skype Line for deaf persons and the short message services is another key innovation that will expand the reach of the centre's services. However, the recent spate of violence against women and children is a poignant reminder that much more remains to be done, most notably in the area of prevention.

We intensified our contribution to Government's radical economic transformation agenda through the Social Relief of Distress and the implementation of the Household Food and Nutrition programme. With the prevailing drought conditions set to persist and the alarming levels of malnutrition in some parts of our country, we need to expand this programme to protect the right of everyone to have access to sufficient, safe and nutritious food. Indeed, we remain committed to ensure that no one is left behind.

Our achievements over the past year are a credit to the commitment and the continued support of the DSD family and the development agencies, civil society, faith-based and community-based organisations. I would like to put on record my profound and sincere gratitude to the Deputy Minister, Ms Hendrietta Bogopane-Zulu, the Acting Director-General, Ms Nelisiwe Vilakazi, her executive team and the entire staff of the Department for their unwavering support as we continue to execute the mandate of this Department and as we implement new ways of improving our work.

A handwritten signature in dark ink, appearing to read 'Bathabile O Dlamini'.

Ms. Bathabile O Dlamini, MP
Minister of Social Development



FOREWORD BY THE DEPUTY MINISTER

for the year ended 31 March 2017



One of the highlights of the financial year under review was Cabinet's approval, for the first time, of the piloting of the Disability Inequality Index. The Index will be used to measure progress in realising the human rights of persons with disabilities in terms of access to basic services, including education, health and employment opportunities. This will also assist in identifying and removing barriers to access these opportunities. The inclusion and empowerment of persons with disabilities is at the core of the 2030 Agenda for Sustainable Development.

Cabinet also supported the government-wide disaggregation of all datasets in terms of gender, disability and age. Both the Disability Inequality Index and the disaggregation of data will assist in the design and implementation of more inclusive and enabling programmes that unlock the vast potential of persons with disabilities to contribute more meaningfully to the development of South Africa. In this regard, the National Disability Rights Awareness Month remained an important initiative through which we seek to combat stereotypes, prejudices and harmful practices relating to persons with disabilities.

The Esidimeni tragedy is a poignant reminder that much more still needs to be done to raise awareness regarding persons with disabilities throughout society, including at the family, community, policy and practice levels, and to foster respect for the rights and dignity of persons with disabilities. We welcome the Health Ombudsman's report and recommendations into this matter. We have begun consultations with provinces to ensure speedy implementation of the Ombudsman's recommendations.

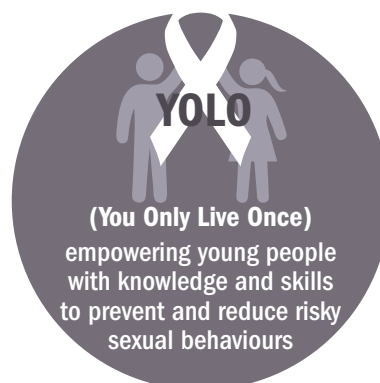
As we continue in our national efforts to build a drug-free South Africa, we conducted educational and awareness-raising campaigns, targeting specific areas where the prevalence of alcohol and substance abuse was high. We look forward to continuing to work in partnership with communities affected by the scourge of nyaope to find long-lasting solutions. We also look forward to the completion and operationalisation of the new treatment and rehabilitation facilities in the new financial year to ensure that those who need treatment receive it.

In the area of HIV and AIDS, a notable achievement was the YOLO (You Only Live Once), a behaviour change programme focusing on empowering young people with knowledge and skills to prevent and reduce risky sexual behaviours. This is in line with the National Adolescent Sexual and Reproductive Health and Rights Framework Strategy, which focuses on advancing and promoting health outcomes, especially the sexual and reproductive health of young people. It is aimed at stemming the tide of new infections amongst young people.

I would like to thank my comrade and colleague Minister Bathabile Dlamini, for her ongoing commitment and leadership of the sector. I also wish to thank the Acting Director-General, Ms Nelisiwe Vilakazi, her executive team and the staff of the Department and congratulate them on their achievements for the financial year under review.

Mrs H Bogopane-Zulu, MP

Deputy Minister of Social Development



REPORT OF THE ACCOUNTING OFFICER



Overview

The Department continued to play a key role in providing a safety net for the poor, marginalised and vulnerable members of our society. Our programmes are geared towards meeting the goals espoused in the National Development Plan (NDP) and Outcome 13: *An inclusive and responsive social protection system*, which envisage social protection as a concept that brings together several elements to address the multidimensional nature of poverty and inequality. This year, the Department and its partners made significant strides in improving the quality of its services to the public, including broadening access to social assistance, Early Childhood Development (ECD) services, victim empowerment, food security, and services to older persons and people with disabilities. We held several events to build public awareness and to extend our presence to areas where our services are most needed.

This year, Cabinet approved the publication of the Social Assistance Amendment Bill for public comments. The Bill seeks, among others, to establish a government vehicle, provide additional benefits, promote savings among grant recipients, ensure shorter turn-around times for dealing with disputes relating to social grants, and allow the South African Social Security Agency (SASSA) to respond speedily in the event of a disaster. The Department, through SASSA, revised the Regulations to the Social Assistance Act, 2004 (Act 13 of 2004) to address the problem of deductions from the social grants. A notable achievement was ensuring that no funeral policy premiums are deducted from the children's grants or grants awarded for a temporary period. The Department will continue to work with its social partners and drive the key policy priorities on these comprehensive social security reforms.

ECD is an essential link in the continuum of services needed to achieve positive educational outcomes. As part of our efforts to ensure universal access to ECD, the Department aligned the South African Programme of Action for ECD: Moving Forward 2013/14–2016/17 to the National Integrated ECD Policy. This programme aims to address nutrition, health, social protection, inclusion of children with disabilities and special needs, stimulation and early learning to ensure the best possible start in life. The Department is implementing an ECD maintenance programme, so that conditionally registered ECD centres can meet the basic requirements for full registration. A two-year conditional grant of R812 million will assist the Department to increase the registration of ECD centres and programmes and the coverage of the ECD subsidy to poor children. This will enable the Department to contribute to the realisation of several outcomes, specifically Outcome 1: *Improved quality of basic education*.

Adoptions remain a priority for securing permanency for children in need of care and protection. To ensure that this care and protection option is available and accessible to all in need, the Department capacitated national and provincial social workers to provide adoptions services. This year, a total of 1 349 adoptions were registered, of which 149 were inter-country adoptions and 1 200 were national adoptions. The Department played a key role in ensuring the safe return of large groups of unaccompanied migrant children who were apprehended and found to be undocumented. These groups included, among others, 57 adults and children from Malawi and Zimbabwe. The Department continued to strengthen relationships with its counterparts in neighbouring countries and hold cross-border meetings with Zimbabwe and Mozambique.

In June 2016, Cabinet approved the comprehensive report on the review of the implementation of the White Paper for Social Welfare, and the Minister launched the review report in October 2016. Following the launch, the Department revised the White Paper, which focuses on the NDP priorities related to social protection and developmental social welfare. This revised White Paper provides a framework for developing the national Social Development Act, which will determine a uniform social development system that takes into account the obligations imposed by the Constitution and other legislation with regard to social development services.

The Department continued implementing the social work scholarship programme, to facilitate access to higher education, especially for youth residing in poor communities. The scholarship programme is a critical pillar in addressing the shortage of social service professionals in the country.

REPORT OF THE ACCOUNTING OFFICER

An allocation of R290 780 000 was transferred to the National Student Financial Aid Scheme (NSFAS) to disburse fees and allowances to 4 374 scholarship students, which included 1 004 students from the 2016 academic intake. The Department also secured R591 269 097 from the scholarship funds to use as a conditional grant for the employment of social work graduates by the social sector because the social sector has (since 2013) been experiencing challenges in employing social work graduates, particularly social work scholarship graduates.

To realise the objectives and ideals of the White Paper on Families, we continued developing and implementing several programmes that target specific areas of concern within families. These include a capacity-building programme for teenage parents that addresses challenges faced by teenage parents who are raising children, while still being children themselves; a strategy to empower families who are faced with the removal of a family member as a result of different social ills such as substance abuse and mental illness; and the national parenting programme (Sinovuyo), which seeks to improve communications between children and parents.

A priority within the social development sector remains the promotion of the rights of older persons and their protection against abuse. We continued to assess and monitor the quality of care provided to older persons in residential care facilities as prescribed by the Older Persons Act, 2006 (Act 13 of 2006). In this regard, during the year we monitored 55 community-based care services and 40 residential facilities providing services to older persons. The Department continued implementing the national Active Ageing Programme, which was held in Limpopo in October 2016. More than 1 800 older persons from

all provinces participated in the programme. Our hosting of Grandparents' Day formed part of creating awareness of older persons abuse and acknowledging the critical role played by older persons in families and within communities. We also started on amendments to the Older Persons Act, which will ensure that we have an inclusive and effective approach to delivering quality services to older persons in the social sector, and the Amendment Bill was gazetted for public comments.

Another priority is achieving the ideal of a drug-free society. The Department continued its efforts to reduce incidents of substance abuse in communities, conducting several campaigns to create awareness and educate people about the effects of drug abuse and related challenges. These included the commemoration of International Day Against Drug Abuse and Illicit Trafficking, a festive season campaign comprising 23 events, and campaigns at institutions of higher learning. To improve accessibility to treatment, the Department is establishing anti-substance abuse public treatment centres in each province. Five additional treatment centres are in progress: one centre in Limpopo and two centres in North West will be operational before the end of the next financial year, while the centres in the Free State (1) and Northern Cape (2) will be completed in the next financial year. Once operational, these centres will provide for the treatment of young persons affected by substance abuse.

The levels of crime and violence directed at vulnerable groups, such as women, children, older persons and people with disabilities, remain unacceptably high. To reduce social crime the Department continued implementing the Integrated Social Crime Prevention Strategy Action Plan in all provinces. We established five provincial multidisciplinary committees on integrated social crime prevention, in Limpopo, Mpumalanga, Northern Cape, Eastern Cape and Gauteng, and a national multi-disciplinary committee consisting of 22 departments. A consolidated progress report on the work of the provincial multidisciplinary committees was compiled. The work of the multidisciplinary committees contributes to the realisation of Outcome 3: *All people in South Africa are and feel safe*. The Department also continued with the operation of the Gender-Based Violence Command Centre (GBVCC). The GBVCC provides immediate care and counselling by social workers to victims of gender-based violence. The number of victims contacting the Centre grew tremendously during the reporting period: more than 92 000 calls and 30 000 USSDs (unstructured supplementary service data in the form of "please call me" short messages) were received. The GBVCC is a best practice model in the fight against GBV and was enhanced this year with the addition of a Skype line (Helpme GBV) for the deaf and an sms-based line (31531) for persons with disabilities.



REPORT OF THE ACCOUNTING OFFICER



Following the feasibility study in 2014/15, this year the Department began the process of establishing the Social Development Sector Academy. Operating policies were developed in consultation with all relevant stakeholders, and the accreditation proposal was submitted to the Health and Welfare Sector Education Training Authority (HWSETA). Once operational, the Academy will ensure that social service professionals are capacitated and learn emerging social welfare skills to maintain the provision of high quality social welfare services.

The Department remains committed to improving the lives of persons with disabilities. During the reporting period, we reviewed the Policy on Residential Facilities for Persons with Disabilities, Norms and Standards and Registration guidelines for alignment with the approved White Paper on the Rights of Persons with Disabilities (WPRPD). The WPRPD was translated into different formats including audio, large print and braille to make it accessible to persons with disabilities. The Department also hosted the annual National Disability Rights Machinery (NDRM) in March 2017, at which national departments, Chapter 9 institutions, the Presidential Working Group on Disability and other stakeholders presented their first annual progress on the implementation of the White Paper since its approval in 2015. The NDRM made recommendations to Cabinet for accelerating the White Paper's implementation, towards achieving the 2019 targets in the Implementation Matrix.

HIV and AIDS continue to devastate the lives of many and remain a major obstacle to realising the goal of ensuring Outcome 2: *A long and healthy life for all South Africans*. In view of this, we continued to implement Social and Behavioural Change (SBC) programmes aimed at reducing new HIV and AIDS infections, mitigating the psychosocial and economic

impact of HIV and AIDS and other chronic conditions, and strengthening the capacity of communities and systems, in line with the National Strategic Plan (NSP) on HIV and AIDS and TB (2017–2022). The Department partnered with the South African National AIDS Council (SANAC) to scale up the implementation of SBC programmes. A total of 609 implementers were trained to implement the You Only Live Once (YOLO), Community Capacity Enhancement, Families Matter and the Sex Workers programmes. We also partnered with the National Association of People Living with HIV and AIDS (NAPWA) in order to put people living with HIV at the centre developing their programmes, to understand their journey with HIV, and to share and document their positive experiences. Through these efforts, the Department will be better placed to contribute to the realisation of the goals of Outcome 2: *A long and healthy life for all South Africans*.

Non-Profit Organisations (NPOs) play a vital role in delivering services on behalf of the Department. The NPO Act, 1997 (Act 71 of 1997) requires the Department to maintain a register of all registered and de-registered NPOs. The registration of NPOs grew phenomenally, with 172 429 NPOs on the register as at the end of the financial year. The Department held 101 NPO roadshows in 94 local municipalities, reaching 8 248 NPOs, of which 4 436 registered on site. The Department also developed an NPO Act Amendment Bill, which is the first step towards amending the 1997 NPO Act.

As part of strengthening community development practice, the Department developed the Community Development Practice Policy, and norms and standards, aimed at regulating and professionalising the practice of community development. We hosted a national community development conference, which deliberated on the community development policy, norms and standards, working standards and professionalisation.

REPORT OF THE ACCOUNTING OFFICER



In line with the national Policy on Food and Nutrition Security, the Department continued implementing the Household Food and Nutrition Security Programme. The number of Community Nutrition and Development Centres (CNDs) expanded to 212, providing over six million meals to 302 357 beneficiaries. The Department also linked cooperatives and small, medium and micro enterprises to economic opportunities arising from Social Relief of Distress Programme, including 273 food production cooperatives supplying the CNDs and 775 sewing cooperatives supplying school uniform to 116 201 qualifying learners.

The Department continued implementing Programme Mikondzo, our flagship service delivery initiative and a vehicle for government interaction with communities. During the year, the Department increased the programme's footprint and implemented service delivery interventions in more than 1 200 wards, with a focus on vulnerable individuals, households and communities. Several projects were integrated into Programme Mikondzo, showing that government can go a long way in improving the livelihoods of poor and vulnerable people through working with other critical stakeholders such as private sector organisations. In this regard, a notable achievement was the partnership between the Department and Coca Cola Beverages SA and the MTN SA Foundation, which allowed Programme Mikondzo to fast-track the provision of services to people with disabilities. These services included the installation of computer laboratories to more than 10 schools and centres for people with various forms and categories of disabilities, and the donation of the Hydraform brick-making machine to the Ratlou Local Municipality and its community.

Throughout this year, the Department continued to play a major role in promoting South Africa's foreign policy goals, as outlined in Outcome 11: *Creating a better South Africa, a better Africa and a better world*. Strategic bilateral negotiations were held with, among others, Mexico, Bulgaria, Denmark, the United States of America, Lesotho, Swaziland, Zimbabwe, Namibia, Benin, Nigeria, and Kenya, and the Agreement on Social Security with the Netherlands was considered for review. These interactions provided an opportunity for sharing knowledge and experience on social development issues and best practices. Similarly, the Department continued to participate in international bodies, including the United Nations (UN) and African Union (AU) Commissions, BRICS (Brazil, Russia, India, China and South Africa), the Southern African Development Community (SADC), the International Social Security Association (ISSA) and Partners in Population and Development.

This year, the Department spent 99.6% of its budget of more than R147 billion, mostly on social assistance. The creation of an enabling environment for achieving the Department's targets remains a constant feature of our operations. As part of a new, evolving, results-based management culture, we continue to work on strategies that improve our planning processes and strengthen management structures. In so doing, we are able to interrogate effectively our plans and targets, and ensure that our expenditure is informed by detailed expenditure plans. We assessed our programme performance against predetermined objectives, as required by relevant legal prescripts, and reported on this performance to the Minister, National Treasury, the Presidency and Parliament. A notable outcome of these efforts was that the Department received a clean audit for the fourth consecutive year.

REPORT OF THE ACCOUNTING OFFICER

Overview of Financial Results

Departmental receipts

Departmental receipts	2016/2017			2015/2016		
	Estimate	Actual amount collected	(Over)/under collection	Estimate	Actual amount collected	(Over)/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax receipts	–	–	–	–	–	–
Sale of goods and services other than capital assets	307	6	(301)	2	3	(1)
Interest, dividends and rent on land	18 011	20 592	2 581	16 212	12 312	3 900
Sale of capital assets	300	–	(300)	–	–	–
Financial transactions in assets and liabilities	30 798	56 948	26 150	48 792	11 611	37 181
Total	49 416	77 546	28 130	65 006	23 926	41 081

The Department does not generate income. The major revenue item is interest earned on social grant funds transferred to SASSA, which are then transferred by SASSA to the appointed contractor who pays the beneficiaries. The Department cannot accurately estimate the amount that will be recovered in a given year. It is also difficult to budget accurately for interest received, as this depends on the rate at which SASSA disburses its funds.

Programme expenditure

Programme name	2016/2017			2015/2016		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
P1: Administration	350 131	349 746	385	305 053	305 053	–
P2: Social Assistance	139 498 691	138 915 640	583 051	129 818 278	128 333 376	1 484 902
P3: Social Security Policy and Administration	6 981 273	6 980 942	331	6 717 420	6 716 424	996
P4: Welfare Services Policy Development and Implementation Support	718 563	713 086	5 477	678 287	676 403	1 884
P5: Social Policy and Integrated Service Delivery	384 571	383 214	1 357	374 602	374 417	185
Total	147 933 229	147 342 628	590 601	137 893 640	136 405 673	1 487 967

REPORT OF THE ACCOUNTING OFFICER

Budget

The initial budget allocation for the Department of Social Development for the 2016/17 financial year amounted to R148.9 billion. During the 2016 Adjusted Estimates of National Expenditure process, an amount of R1 billion was declared as a saving and unspent on social grants due to a slower than anticipated increase in the number of newly eligible children and disability grant beneficiaries. An amount of R4.5 million was also declared as a saving and unspent on compensation of employees due to a slower filling of funded vacant posts in the Department.

This reduced the budget allocation of the Department to R147.93 billion for the 2016/17 financial year.

Virements

At the closure of the 2016/17 financial year, the following virements were effected:

Per main division:

i) Programme 1: Administration R11.619 million

An amount of R11.619 million was shifted to Programme 1 to fund the increased expenditure levels for the Minister, Deputy Minister and staff involved in social sector outreach programmes.

ii) Programme 3: Social Security Policy and Administration (R15.727 million)

An amount of R15.727 million was shifted from Programme 3 to Programme 1: Administration and Programme 5: Social Policy and Integrated Service Delivery.

iii) Programme 4: Welfare Services Policy Development and Implementation Support (R2.759 million)

An amount of R2.759 million was shifted from Programme 4 to Programme 5: Social Policy and Integrated Development, to fund the increased expenditure levels in Community Development.

iv) Programme 5: Social Policy and Integrated Service Delivery R 6.867 million

An amount of R6.867 million was shifted from Programmes 3 and 4 to Programme 5, to fund the increased expenditure levels in Community Outreach programmes and the additional funding required in Population and Development.



Per economic classification:

i) Goods and Services (R15 000)

An amount of R15 000 was shifted from Goods and Services to Transfers and Subsidies, to fund the increased contribution of "Foreign Government and International Organisations" for the International Social Services membership fees due to exchange rate influence.

ii) Transfers and Subsidies (R15 000)

National Treasury approved an increased contribution towards "International Social Services" membership fees due to exchange rate influence.

Unauthorised, fruitless and wasteful expenditure

Reasons for irregular and unauthorised expenditure

- Non-compliance to the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) and National Treasury Practice Notes: SCM processes were not followed. Unforeseen and unavoidable need for additional goods or services during departmental activities.

Reasons for fruitless and wasteful expenditure

- Fruitless and wasteful expenditure relating to hotel no-shows and damages to hired vehicles.

REPORT OF THE ACCOUNTING OFFICER

Irregular, fruitless and wasteful expenditure

Expenditure	R'000
Irregular expenditure	625
Fruitless and wasteful expenditure	265

Steps taken to address and prevent recurrence

- Engage with officials in affected directorates.
- Review the finance policies and delegations in line with National Treasury Practice Notes and Circulars.
- Issue circulars to sensitise officials in the department on the implications of financial misconduct.
- Review and strengthen the controls where they are found to be lacking.
- Facilitate, coordinate, and provide guidance and advisory services in terms of audit queries through implementing and monitoring audit action plans. Test the environment to ensure compliance and implementations of actions.
- Institute disciplinary actions against officials found liable for the irregular expenditure.

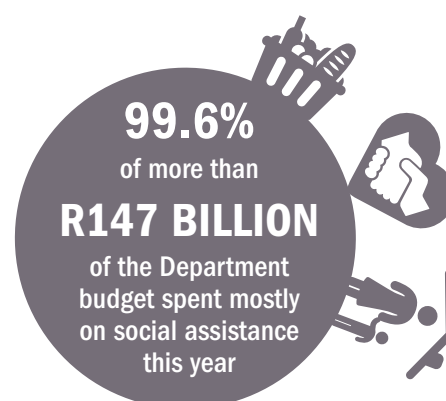
Future plans

The Department is leading the implementation of the commitments under Outcome 13: *An inclusive and responsive social protection system*. This outcome includes actions to strengthen social welfare service delivery through legislative reforms; to expand and accelerate social welfare service delivery to the poor, vulnerable and special focus groups; to develop a comprehensive social protection plan and deepen social assistance; and to expand access to social security. The Department's Medium Term Strategic Framework, which is also premised on the NDP, fits in well with the deliverables of this outcome.

For the remainder of the medium term, the Department's main objectives are: with regard to strengthening social welfare service delivery through legislative reforms, to consult on and approve the reviewed White Paper for Social Welfare and the social welfare service delivery framework; and with regard to deepening social assistance and expanding access to social security, to work towards universal access to old age and child support grants; develop policy proposals for mandatory retirement, disability and survivor benefits cover; to complete the policy on expanding the CSG to orphans and vulnerable children; and to improve the administration process to ensure better access to social assistance; also to develop legislation on reforms to the social assistance programme.

In line with the approved national Integrated Early Childhood Development Policy, the Department will continue to make investments aimed at increasing access to quality ECD services. The Department will be amending the NPO Act, 1997 (Act No. 71 of 1997), to ensure that NPOs can deliver services without any obstacles, and will continue to monitor the implementation of the WPRPD.

The Department recommits itself to the implementation of the Household Food and Nutrition Security Strategy, in partnership with NPOs, and will continue to target poor communities using the network of CNDs. The Department will also provide capacity-building in food and nutrition security with relevant stakeholders and institutions, create community work opportunities and monitor the roll-out and implementation of the programme. Furthermore, through Programme Mikondzo, the Department will continue to deepen democracy, improve government visibility and obtain a deeper understanding of the plight of people living in the poorest areas of the country.



REPORT OF THE ACCOUNTING OFFICER

The Department will develop a five-year (2018–2022) Sector Human Resources Plan, in collaboration with provincial departments, that responds to the NDP's call to strengthen social service professions to meet the country's social welfare needs. Furthermore, together with relevant stakeholders, the Department will continue to develop the National Integrated Social Protection System, which seeks to address integrated planning, reporting and effective monitoring and evaluation. This system will provide real-time information on service delivery.

Public-private partnerships

The Department did not enter into any public-private partnerships during the reporting period.

Discontinued activities/activities to be discontinued

The amendment of the Fund-Raising Act is underway. It is envisaged that the consolidation of the Disaster Relief, Social Relief, Refugee Relief and State President funds will be concluded in the 2017/18 financial year.

Supply Chain Management (SCM)

The Department did not consider any unsolicited bid proposal for the 2016/2017 financial year. Processes and systems for preventing irregular expenditure are in place. Approved SCM policies are in place, and circulars are issued at regular intervals to improve compliance in SCM. Challenges are experienced when procuring goods or services, especially for outreach programmes in rural areas, where promoting local SMMEs and cooperatives is difficult because suppliers are not able to comply with SCM requirements. SCM continuously liaises with project managers and provides guidance and assistance where necessary, to ensure that the Department complies with SCM prescripts.

Exemptions and deviations received from the National Treasury

There were no exemptions from the PFMA or Treasury Regulations, or deviation from the financial reporting requirements received during the reporting period.

Gifts and donations received in kind from non-related parties

Purpose	Amount paid directly to service provider
	R'000
KFW	
HIV and AIDS: Care and Support Programme	7 953
Implementation of a care and support programme targeting child- and youth-headed households in KwaZulu-Natal, Limpopo and North West (Consultancy Services).	
JICA	
Disability Mainstreaming Programme	1 403
Conducting disability mainstreaming programme relating to training for officials and people with disabilities, monitoring and evaluation, and networking activities.	
USAID	
Early Childhood Development Programme	675
Placement of staff members within Social Development to provide technical assistance and project management services for the Isibindi project.	
Early Childhood Development Programme	735
Placement of staff members within Social Development to provide technical assistance and project management services for strengthening the Early Childhood Development Programme.	

REPORT OF THE ACCOUNTING OFFICER

Purpose	Amount paid directly to service provider
	R'000
UNICEF	
Early Childhood Development Programme	1 289
Strengthening of the Early Childhood Development Programme.	
PACT/USAID	
Government Capacity Building Systems	87 873
Strengthening the capacity of the South African government, in particular the Department of Social Development, to improve service outcomes for orphans, vulnerable children and youth, and to reduce the incidence of HIV and AIDS.	
Airports Company South Africa (ACSA)	
Rights of Persons with Disabilities	931
Strengthening service delivery in day care centres for children with disabilities started by parents of these children.	

Donations in cash

An amount of R45.893 million was spent on the German Development Bank (KfW) funded project for continuation of construction of Community Care Centres and commencement of the capacity building programmes. In the 2016/17 financial year, five (5) Community Care Centres in KwaZulu-Natal, three (3) in North West and two (2) in Limpopo were under construction. The centres will be inspected in April and May 2017 respectively.

The Global Fund project for strengthening the monitoring and evaluation systems for the programme for orphans and other children made vulnerable by HIV and AIDS came to an end on 30 September 2016, by which stage the Department had spent R5.249 million. Most the expenditure was for salaries of the data capturers appointed in eight provinces, the project manager and the project coordinator.

Events after the reporting

No major events happened after the reporting period

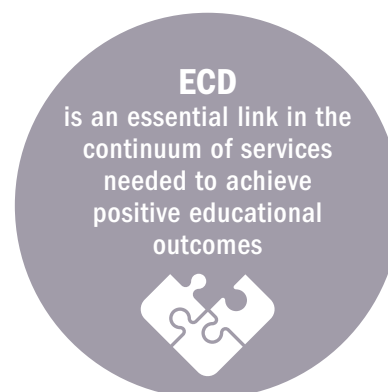
In conclusion, I would like to thank the Minister, the Deputy Minister, the CEOs of SASSA and the NDA, the staff of the Department, our provincial counterparts and all stakeholders who contributed to the work of the Department during the reporting period.



Nelisiwe Vilakazi

Acting Director-General

Department of Social Development



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

Statement of responsibility for and confirmation of accuracy of the annual report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2017.

Yours faithfully

Nelisiwe Vilakazi

Acting Director-General

Department of Social Development

31 May 2017

STRATEGIC OVERVIEW

Vision

A caring and self-reliant society.

Mission

To transform our society by building conscious and capable citizens through the provision of integrated social development services.

Values

- Human dignity is a fundamental human right that must be protected in terms of the Constitution of South Africa and facilitates freedoms, justice and peace.
- Respect is showing regard for one another and the people we serve and is a fundamental value for the realisation of development goals.
- Integrity is ensuring that we are consistent with our values, principles, actions, and measures and thus generate trustworthiness amongst ourselves and with our stakeholders.
- Accountability refers to our obligation to account for our activities, accept our responsibility for them, and to disclose the results in a transparent manner.
- Equality refers to our obligation to ensure equal access to services, participation of citizens in the decisions that affect their lives and the pursuit of equity imperatives where imbalances exist.

Principles

We seek to embody the Batho-Pele Principles in our efforts so as to ensure that our service provision is done in humane ways and results in positive and sustainable outcomes for the citizens of South Africa.

- Consultation: people should be consulted about the level and quality of services they receive and, wherever possible, be given a choice.
- Service standards: people should be told what level and quality of services they will receive.
- Access: all citizens should have equal access to the services to which they are entitled.
- Courtesy: all people should be treated with courtesy and consideration.
- Information: people should be given full, accurate information about the services they receive.
- Openness and transparency: about how the department is run, how much it costs, and who is in charge.
- Redress: if a promised standard of service is not delivered, people should be offered an apology, an explanation and a speedy remedy. When complaints are made, people should receive a sympathetic, positive response.

- Value for money: public services should be provided economically and efficiently.

Strategic Priorities

The Department has identified and committed itself to the following key priorities:

- Expand Child and Youth Care Services (Isibindi programme)
- Social Welfare Sector Reform and services to deliver better results
- Deepening Social Assistance and extending the scope of Social Security
- Increase access to Early Childhood Development (ECD)
- Strengthening Community Development interventions
- Combat Substance Abuse and Gender-Based Violence
- Increase household food and nutrition security (Food for all)
- The protection and promotion of the rights of older persons and people with disabilities
- Establish Social Protection Systems to strengthen coordination, integration, planning, Monitoring and Evaluation of services.

In addition, the Department contributes to the realisation of some of the following 14 government outcomes:

1. Improved quality of basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive economic growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Vibrant, equitable and sustainable rural communities with food security for all.
8. Sustainable human settlements and improved quality of household life.
9. Responsive, accountable, effective and efficient developmental local government system.
10. Protect and enhance our environmental assets and natural resources.
11. Create a better South Africa and contribute to a better and safer Africa in a better world.
12. An efficient, effective and development-oriented public service.
13. An inclusive and responsive social protection system.
14. Nation building and social cohesion.

LEGISLATIVE AND OTHER MANDATES



The Constitution

The Department of Social Development derives its core mandate from the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). Section 27(1)(c) of the Constitution provides for the right of access to appropriate social assistance to those unable to support themselves and their dependents. In addition, Section 28(1) of the Constitution sets out the rights of children with regard to appropriate care, basic nutrition, shelter, healthcare and social services, and detention.

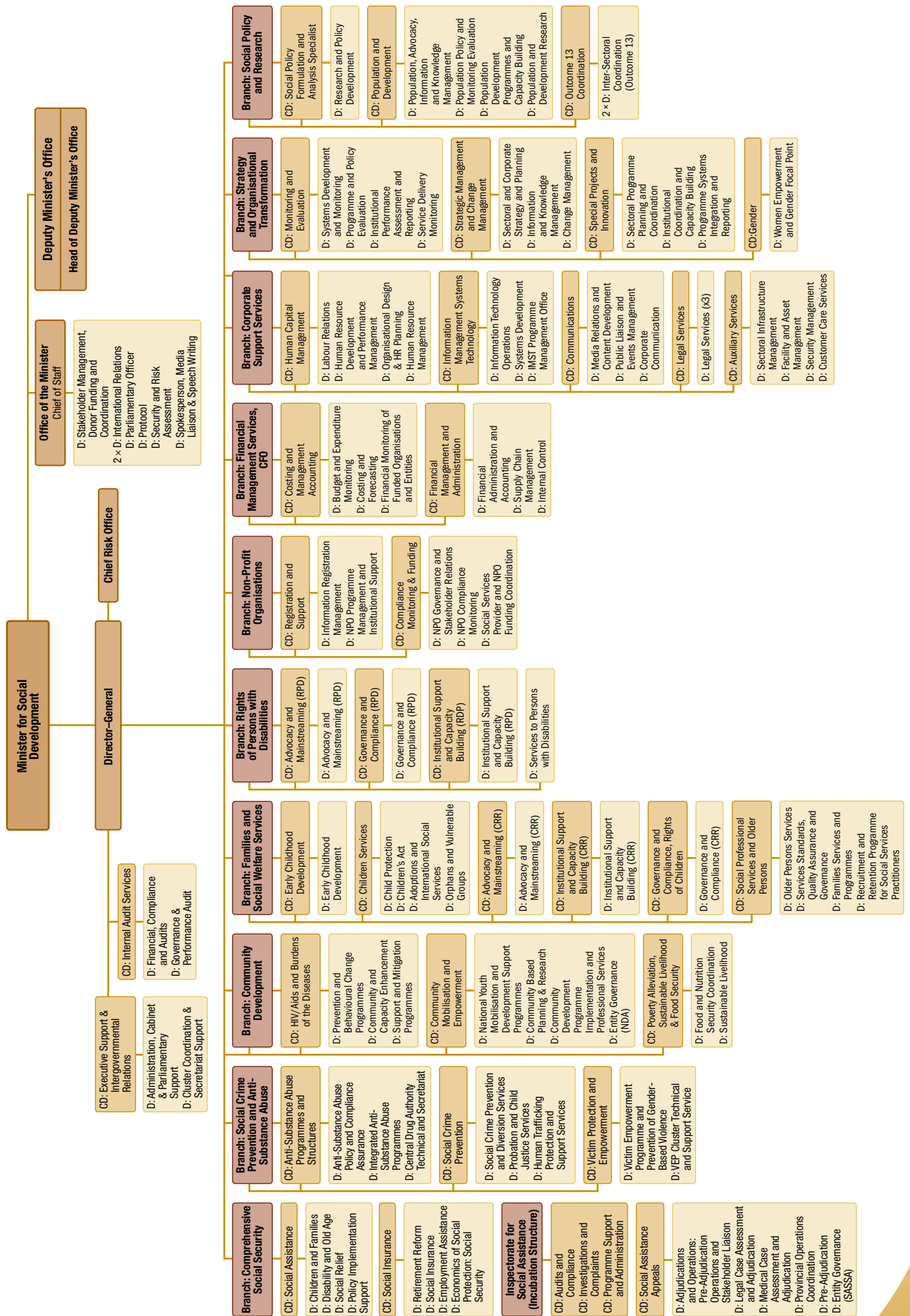
Schedule 4 of the Constitution further identifies welfare services, population development, and disaster management as functional areas of concurrent national and provincial legislative competence.

The following existing laws constitute the legal framework for the Department of Social Development in South Africa:

Acts of Parliament

- Children's Act, 2005 (Act 38 of 2005)
- Children's Amendment Act, 2007 (Act 41 of 2007)
- Fund-raising Act, 1978 (Act 107 of 1978)
- Non-Profit Organisations Act, 1997 (Act 71 of 1997)
- National Development Agency Act, 1998 (Act 108 of 1998), as amended by Act No. 6 of 2003
- Older Persons Act, 2006 (Act 13 of 2006)
- Prevention and Treatment of Drug Dependency Act, 1992 (Act 20 of 1992)
- Prevention of and Treatment for Substance Abuse Act, 2008 (Act 70 of 2008)
- Probation Services Act, 1991 (Act 116 of 1991)
- Social Assistance Act, 2004 (Act 13 of 2004)
- Social Assistance Amendment Act, 2010 (Act 5 of 2010)
- Social Service Professions Act, 1978 (Act 110 of 1978)
- The National Welfare Act, 1978 (Act 100 of 1978)
- The South African Social Security Agency Act, 2004 (Act 9 of 2004)

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT ORGANISATIONAL STRUCTURE



PUBLIC ENTITIES REPORTING TO THE MINISTER

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
South Africa Social Security Agency (SASSA)	The South African Social Security Agency Act, 2004 (Act 9 of 2004) The Social Assistance Act, 2004 (Act 13 of 2004 as amended)	Transfer and subsidies	The key functions of SASSA include the effective management, administration and payment of social assistance in addition to: <ul style="list-style-type: none"> the processing of applications for social assistance: grants for older persons, war veterans, child support, care dependency foster children and disability, as well as grant-in-aid and social relief of distress; the verification and timely approval of grant applications; the management and reconciliation of grant payments to eligible beneficiaries by contractors; the marketing of social assistance; and quality service assurance, by ensuring compliance with norms and standards, as well as fraud prevention and detection.
National Development Agency (NDA)	The National Development Agency Act, 1998 (Act 108 of 1998 as amended)	Transfers and subsidies	The key functions of the NDA include grant funding, capacity-building and research and development to civil society organisations. The NDA's key strategic objectives, as prescribed in the legislation, are to: <ul style="list-style-type: none"> grant funds to civil society organisations for the purpose of meeting the developmental needs of poor communities; strengthen the institutional capacity of organisations for long-term sustainability; proactively source funds for the purposes of achieving its development objectives; promote consultation, dialogue and sharing of developmental experiences to debate and influence developmental policies; and develop strategies to collaborate with local community development trusts, foundations, government clusters and civil society organisations.
The Central Drug Authority	Prevention of and Treatment for Substance Abuse Act, 2008 (Act 70 of 2008).	Operational/ functionality costs	The key functions of the Authority are to: <ul style="list-style-type: none"> give effect to the National Drug Master Plan; advise the Minister on any matter affecting the substance and drug abuse environment; and promote measures relating to the prevention and combating of the abuse of drugs.





PART
B

PERFORMANCE
INFORMATION

AUDITOR–GENERAL’S REPORT: PREDETERMINED OBJECTIVES



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

The Auditor–General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in other legal and regulatory requirements section of the auditor’s report.

Refer to page 151 of the Report of the Auditor–General, published as **Part E: Financial Information**.

OVERVIEW OF DEPARTMENTAL PERFORMANCE

Voted Funds

	Main appropriation	Adjusted appropriation	Actual amount spent	Over/under expenditure
Appropriation	R'000	R'000	R'000	R'000
Department of Social Development	148 937 729	147 933 229	147 342 628	590 601
Responsible Minister	Minister of Social Development			
Administering Department	Department of Social Development			
Accounting Officer	Acting Director-General of the Department of Social Development			

Aim of vote

Ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.

Programmes

Programme 1: Administration

To provide leadership, management and support services to the department and the social sector.

Programme 2: Social Assistance

To provide social assistance to eligible beneficiaries in terms of the Social Assistance Act, 2004 (Act 13 of 2004) and its regulations.

Programme 3: Social Security Policy and Administration

To provide social security policy development, administration of social grants, administrative justice and the reduction of incorrect benefits payments.

Programme 4: Welfare Services Policy Development and Implementation Support

To create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards and best practices, and support implementing agencies.

Programme 5: Social Policy and Integrated Service Delivery

To support community development and promote evidence-based policy making in the department and the social development sector.

The Service Delivery Environment in 2016/17

The social development sector delivers its services in an environment marked by high levels of poverty, unemployment and inequality. To respond adequately to these challenges, the Department has committed itself to implementing a number of interventions in the areas of social assistance, social welfare and community development. The Department is leading the coordination of Outcome 13: *An inclusive and responsive social protection system*. This shift in government focus, from measuring outputs towards measuring policy outcomes, has given the Department a unique opportunity to help achieve some of the government-wide outcomes and goals of the National Development Plan (NDP).

Social assistance

A cornerstone of the fight against poverty and inequality, especially among children and older persons, remains the provision of comprehensive social security, including income support and a safety net for the poor. This year, the Department, through the South African Social Security Agency (SASSA), expanded the safety net to more than 17 million beneficiaries. Of these, more than 12 million children benefitted from the Child Support Grant (CSG) and 3.3 million older persons received the Old Age Grant (OAG). By augmenting the incomes of recipients, these grants enabled the Department to contribute directly to the realisation of Outcome 7: *Vibrant, equitable and sustainable rural communities with food security for all*, Outcome 2: *A long and healthy life for all South Africans* and Outcome 13: *An inclusive and responsive social protection system*.



**MORE THAN
1 800**

participated in the National Active Ageing Programme, which aims to improve the health of older persons by engaging them in activities.



Social security reform

The Discussion Paper on Comprehensive Social Security was released and tabled for discussion at the National Economic Development and Labour Council (NEDLAC). Consultations will be conducted under the auspices of a NEDLAC Task Team on Social Security, with a view to finalising the proposals for consideration by Parliament during 2017/18. Training sessions with civil society organisations have been conducted in three provinces (Gauteng, Eastern Cape and KwaZulu-Natal) in order to empower stakeholders to engage with the wide-ranging and complex contents of the discussion paper. During the reporting period, the Department completed a technical report and discussion papers aimed at providing a more detailed explanation of the issues related to the introduction of mandatory social insurance for retirement, death and disability benefits, and universalisation of the OAG and CSG. The Department also submitted to Cabinet the Social Assistance Amendment Bill, which will be introduced to Parliament in the next financial year.

Professional social services

In June 2016, Cabinet approved a comprehensive report on the review of the implementation of the White Paper for Social Welfare. In October 2016, the Minister launched the review report and, subsequently, the White Paper was revised. The revised White Paper provides a framework for developing the national Social Development Act, which will determine a uniform social development system that takes into account the obligations imposed by the Constitution and other laws with regard to social development services.

Scholarships are an important pillar in addressing the shortage of social service professionals. During the period under review, a total of R290 780 000 was transferred to the National Student Financial Aid Scheme (NSFAS) to administer scholarship funds on behalf of the Department.

The Department awarded 4 374 social work scholarships, including 1 004 of the new intake in the 2016 academic year. Furthermore, the Department secured R591 269 097 from the scholarship funds to use as a conditional grant for the employment of social work graduates by the social sector.

Cabinet approved the Policy for Social Service Practitioners. The policy facilitates the recognition of emerging social service practitioners and transforms the South African Council for Social Service Professions (SACSSP) to be inclusive of all recognised social service professions. This policy also serves as a basis for the amendment of Social Service Practitioners' Bill.

Care and services to older persons

As the custodian of the Older Persons Act, 2006 (Act 13 of 2006), the Department ensures the protection and promotion of the rights of older persons. To achieve the objectives of the Act, in October 2016 the Department implemented the National Active Ageing Programme in Limpopo. More than 1 800 older persons from all provinces participated in the programme, which improves the health of older persons by engaging them in activities that promote an optimal level of social, physical, mental and emotional well-being. The Department also hosted Grandparents' Day in Mpumalanga, to highlight the plight of older persons and to appreciate their contribution in families and communities.

Another notable achievement was in February 2017, when Cabinet approved the Draft Amendment Bill for gazetting for public comments. The Draft Bill seeks to amend the Older Persons Act in order to close the gaps currently experienced during its implementation. To strengthen service provision to older persons, the Department monitored 55 community-based services and 40 residential facilities for older persons. All these efforts contribute to the realisation of Outcome 2: *A healthy life for all South Africans.*

People with disabilities

The Department remains committed to improving the lives of persons with disabilities. To this end, the Department reviewed the Policy on Residential Facilities for Persons with Disabilities, the Norms and Standards, and the Registration Guidelines for Residential Facilities, to align them with the approved White Paper on the Rights of Persons with Disabilities (WPRPD). To ensure that the WPRPD is accessible to persons with disabilities, the White Paper was translated into different formats including audio, large print and braille. The translation of the WPRPD into South African sign language and other official languages will be completed in the next financial year.

Following the Provincial Disability Rights Machinery conducted in six provinces (except for Limpopo, North West and Gauteng), in March 2017 the Department hosted the Annual National Disability Rights Machinery (NDRM). The NDRM provided a platform for national departments, Chapter 9 Institutions, the Presidential Working Group on Disability and other stakeholders to present their progress on implementing the WPRPD since its approval in 2015. The Department also coordinated the Disability Rights Awareness Month from 3 November to 3 December 2016.

Children

The provision of Early Childhood Development (ECD) services is inspired by our goal of investing in child development as a primary means of improving human capital and reducing levels of inter-generational poverty. In pursuit of this goal, in April 2016 the Children's Amendment Bill and the Children's Second Amendment Bill were tabled in Parliament and subsequently approved by the National Assembly. The President assented to the two Bills, which were published for public information in January 2017. The Department aligned the SA Programme of Action for ECD: Moving Forward 2013/14–2016/17 to the National Integrated ECD policy. The programme's aim is to address nutrition, health, social protection, the inclusion of

children with disabilities and special needs, and stimulation and early learning to ensure the best possible start in life.

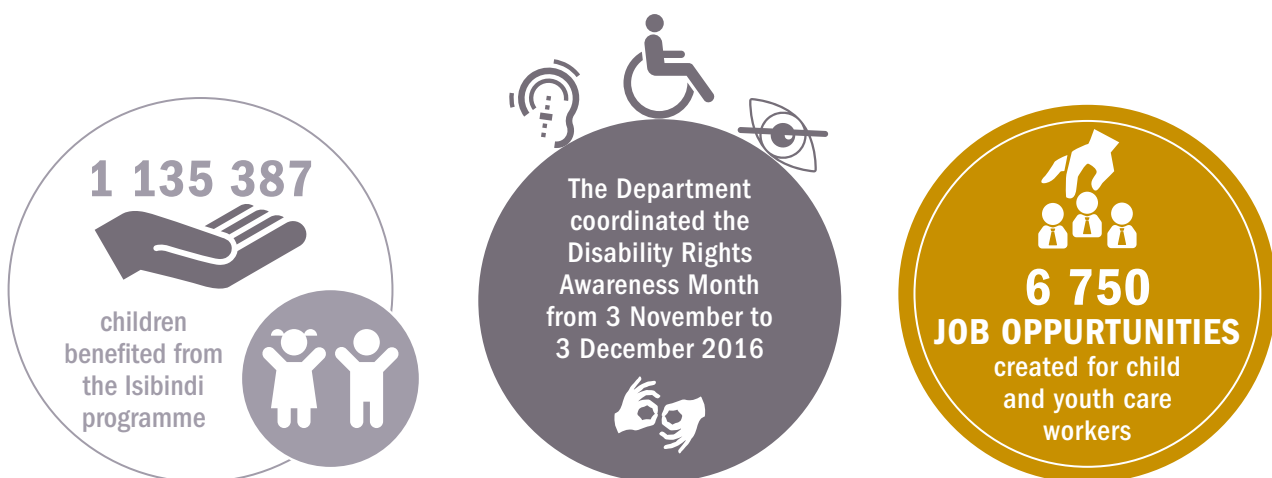
The Department is implementing the Isibindi model in all provinces, with the purpose of reaching and strengthening Orphans and Vulnerable Children (OVC) services in local communities. To date, 1 135 387 children have benefited from the Isibindi programme, which has also created job opportunities for 6 750 child and youth care workers.

Adoption remains a priority for securing permanency for children in need of care and protection. In the past, only designated and accredited organisations and private practitioners provided adoption services. To make adoption services more accessible to prospective parents, government social workers will also be able to provide this service. In this regard, the Department capacitated national and provincial social workers on adoption services. A total of 1 349 adoptions were registered, including 1 200 national adoptions and 149 inter-country adoptions.

All these efforts contribute towards Outcome 3: *All people in South Africa are and feel safe* and Outcome 13: *An inclusive and responsive social protection system*.

Families

The Department, in consultation with relevant stakeholders, developed three programmes to target specific areas of concern within families: (i) the capacity-building programme for teenage parents, which addresses challenges faced by teenagers who are raising children, while still being children themselves; (ii) a strategy aimed at empowering families who are faced with the removal of a family member because of social ills, such as substance abuse and mental illness; (iii) The national parenting programme (Sinovuyo), which seeks to improve communications between parents and children. Four provinces – Limpopo, North West, Northern Cape and KwaZulu-Natal – received training about this programme.



Social crime prevention

The Department contributes towards Outcome 3: *All people in South Africa are and feel safe*, through policy development and implementation. During the reporting period, the Department completed the Draft Review of the Policy Framework on Accreditation of Diversion Services. The reviewed framework was subsequently approved by both the internal structures and the Welfare Services Forum. A total of 122 master trainers from all provinces were trained in the therapeutic programmes for children aged 10–12. Other key achievements include the establishment of five multi-disciplinary committees on social crime prevention in Limpopo, Mpumalanga, Northern Cape, Eastern Cape and Gauteng, and a national multi-disciplinary committee consisting of 22 departments.

Victim empowerment

In response to the lack of legislation regulating victim empowerment services, the Department is in a process of finalising the Victim Support Services (VSS) Bill, which was certified by the State Law Advisors. The purpose of the Bill is to address the gaps identified in all the existing victim empowerment-related legislations, such as the Domestic Violence Act, 1998 (Act 116 of 1998). To inform the development of this legislation, the Victim Empowerment Programme (VEP) Guidelines and Policy were reviewed and finalised. In 2016/17, the number of victims contacting the Gender-Based Violence (GBV) centre increased considerably: the centre received a total of 123 869 national calls. These included 92 679 calls, 30 954 USSDs (unstructured supplementary service data in the form of “please call me” short messages) and 236 sms. The command centre was enhanced with the addition of a Skype line (Helpme GBV) for the deaf community and an sms-based line (31531) for persons with disabilities. All these efforts contribute to Outcome 3: *All people in South Africa are and feel safe*.

HIV and AIDS

In response to the National Strategic Plan (NSP) on HIV and AIDS and TB (2017–2022) mandate, the Department continues to implement the Comprehensive Strategy on HIV, STIs and TB in all provinces. The strategy provides guidance to the Department, and various partners and structures on how to tackle the twin epidemics of HIV and TB in a more integrated manner. In 2016/17, the Department entered into a partnership with the South African National AIDS Council (SANAC), transferring R28 million to fund 11 organisations that are implementing Social Behaviour Change (SBC) programmes in eight provinces (except the Western Cape) – a total of 609 participants were trained to implement the SBC programmes. In addition, 403 Community-Based Organisations (CBOs) were trained in the Community-Based Information Monitoring System (CBIMS) and 403 organisations from eight provinces were trained in data quality management.

With the support of the United States Agency for International Development (USAID), the Department initiated Thogomelo, a project aimed at enhancing the skills of community caregivers in order to improve the quality of care provided to beneficiaries of home- and community-based care services. A total of 248 participants underwent the Thogomelo assessors training and master training workshops of training service providers, while 432 organisations in all provinces were trained in psychological support services guidelines. This forms part of the Department’s contribution to Outcome 2: *A long and healthy life for all South Africans*.

Youth Mobilisation

A milestone was reached in the area of youth development and empowerment when more than 1 800 youth participated in nine leadership camps, each organised by the provincial department of social development. This culminated into the 5th National Youth Camp attended by 982 young people.





Non-profit organisations

The Department received 29 113 annual reports from Non-Profit Organisations (NPOs), of which 27 861 (96%) were processed within two months. A total of 4 077 NPOs were trained in accordance with the prescripts of Non-Profit Organisations (NPO) Act, 1997 (Act 71 of 1997). The Department secured R2 million of funding from the Health and Welfare SETA (HWSETA) to train 232 Community Development Practitioners (CDPs): 165 CDPs were trained in 2016/17, and the remaining 67 will be trained in the new financial year. To improve on the Department's accessibility to the NPO sector, 101 NPO roadshows were conducted in 94 local municipalities and reached 8 248 NPOs. The Department developed the partnership model for state-civil society and relevant stakeholders, and subsequently consulted internally, with provinces and with the NPO sector. The Department funded 33 NPOs that provide services for older persons, people with disabilities, orphans and vulnerable children, children, families, social crime prevention programmes, anti-substance abuse programmes etc. The Department is obliged maintain a register of all NPOs that have been registered and de-registered in terms of the NPO Act. The register increased by 12%, from 153 667 in 2015/16 to 172 429 registered NPOs in 2016/17. The Department is currently reviewing the NPO Act and has developed an NPO Amendment Bill for consideration by Parliament in the next financial year.

Food and nutrition security

In line with the Food and Nutrition Security Policy, the Department continued implementing the Food and Nutrition Security Programme. The number of Community Nutrition and Development Centres (CNDCs) were expanded from 167 to 212, feeding a total of 302 357 beneficiaries. More than 944 job opportunities were created in provincial food distribution centres and CNDCs, and 409 cooks were trained in food service. These efforts are the Department's contribution to the realisation of Outcome 7: *Vibrant, equitable and sustainable rural communities with food security for all* and Outcome 13: *An inclusive and responsive social protection system*.

Programme Mikondzo

The Department continued implementing Programme Mikondzo with the aim of accelerating service delivery, organising more than 70 Ministerial Outreach Programmes in 1 235 wards across all provinces, 37 for the Minister and 29 for Deputy Minister. Both the Minister and Deputy Minister conducted 7 evidence based public participation programmes together. A total of 364 335 households and communities were profiled, and 1 512 community-based plans were developed in all provinces. In collaboration with stakeholders such as Coca Cola Beverages SA and the MTN SA Foundation, Programme Mikondzo fast-tracked the provision of services to people with disabilities. These services included the installation of computer laboratories to more than 10 schools and centres for people with disabilities. The Department partnered with the MTN-SA Foundation for the purchase of a Hydraform brick-making machine to the Ratlou Local Municipality and its community.

Governance and institutional development

Maintaining sound organisational and business practice is an integral part of promoting accountability and efficiency in the Department. In this regard, financial audits were conducted in accordance with the standards and requirements of the Institute of Internal Auditors and the Department's Audit Charter. Reports detailing the audit findings were submitted to the Audit Committee and the Department's top management, who took the necessary corrective action to address identified deficiencies. The Department submitted quarterly risk management reports and programme performance reports on predetermined objectives to the executive authority, the National Treasury, the Presidency and the Auditor-General. The Department also continued to implement sound financial management practices aimed at promoting the efficient use of resources. This forms part of the Department's contribution to Outcome 12: *An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship*.

International obligations

As a strategic partner of Brazil, Russia, India, China and South Africa (BRICS), South Africa supports the adoption of important international resolutions that seek to protect and promote human rights for children, older persons, and youth and persons with disabilities. To this end, the Department participated in key meetings at the United Nations (UN), African Union (AU), South African Development Community (SADC), International Social Security Association, Partners in Population and Development and other international agencies. The Department also participated in the World Social Security Forum, which was held in Panama in November 2016. Negotiations and bilateral agreements continued with the following countries: Mexico, the State of Maryland in USA, Angola, Zimbabwe, Lesotho, Botswana, Swaziland and Namibia. All these efforts contribute towards Outcome 11: *Creating a better South Africa, a better Africa and a better world.*



Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Complaints management	Citizens	21 days turnaround to resolve complaints	15 days turnaround to resolve and close complaints	78%

Batho-Pele arrangements with beneficiaries

Current/actual arrangements	Desired arrangements	Actual achievements
Customer Care Helpdesk Outreach Programme	Attend 20 outreach programmes per annum	Attended 15 outreach programmes

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Social services handbook	Electronic dissemination of services	Social services budgeting booklet has been printed
Information brochures pamphlets etc.	Electronic dissemination of services	Social services budgeting booklet has been printed

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints management helpdesk	E-CRM driven complaints mechanisms	Complaints management helpdesk

Overview of the Organisational Environment in 2016/17

The Department experienced several disruptions, in the form of protected strike actions organised by trade unions, during the reporting period. These protest actions included the following issues: review of the occupational specific dispensation for social service practitioners, entry salary levels, introduction of rural allowances for social services professionals, extension of danger allowances to all categories, provision of working tools and improved working conditions in the provincial departments of social development and Non-Governmental Organisations (NGOs). The Democratic Alliance organised a legal march against the Department concerning the urgent appointment of a service provider to pay social grants, as the Department's contract with Cash Paymaster Services (CPS) was due to expire on 31 March 2017. The Department committed to table, negotiate and conclude all the issues raised by trade unions in the Public Health and Social Development Sectoral Bargaining Council.

The Department made considerable strides in reducing its vacancy rate, including appointing the Director-General and filling 51 posts below Senior Management Service (SMS) level. The Department also facilitated the appointments of chief executive officers to SASSA and the National Development Agency (NDA). The Inspectorate for Social Assistance is expected to contribute to the effective, transparent, accountable and coherent governance of the social assistance system. As part of the institutionalisation of the inspectorate unit, the Investigations Framework, Financial and Compliance Audits Framework and Comprehensive Stakeholder Analysis Framework were developed and approved. The inspectorate will be operationalised in a phased approach.

Key policy developments and legislative changes

Key policies developed or approved during the reporting period include the following:

- Parliament approved and the President assented to the Children's Amendment Bill and Children's Second Amendment Bill.
- The Department submitted the Social Assistance Amendment Bill to Cabinet.
- Cabinet approved the Older Persons' Amendment Bill for gazetting for public comment.
- The Heads of Social Development Sector (HSDS) Forum approved the Community Development Policy.
- Cabinet approved the Policy for Social Service Practitioners, 2016.
- The Welfare Services Forum approved the Policy Framework on Accreditation of Diversion Services.

Strategic outcome-oriented goals

The Department's strategic goals, which are informed by its priorities and government-wide outcomes, are:

- Expand Child and Youth Care Services (Isibindi programme).
- Social Welfare Sector Reform and services to deliver better results.
- Deepening Social Assistance and extending the scope of Social Security.
- Increase access to Early Childhood Development (ECD).
- Strengthening Community Development interventions.
- Combat Substance Abuse and Gender-Based Violence.
- Increase household food and nutrition security (Food for all).
- The protection and promotion of the rights of older persons and people with disabilities.
- Establish Social Protection Systems to strengthen coordination, integration, planning, Monitoring and Evaluation of services



EXECUTIVE MANAGEMENT



Ms Nelisiwe Vilakazi
*Acting Director-General,
Department of Social Development*



Mr Clifford Appel
Chief Financial Officer



Ms Lumka Oliphant
*Acting Deputy Director-General:
Strategy and Organisational
Transformation*



Mr Oupa Ramachela
*Acting Deputy Director-General:
Corporate Support Services*



Mr Brenton Van Vrede
*Acting Deputy Director-General:
Comprehensive Social Security*



Ms Conny Nxumalo
*Deputy Director-General: Welfare Services Policy
Development and Implementation Support*



Mr Peter Netshipale
*Deputy Director-General: Social Policy
and Integrated Service Delivery*



Mr Mzolisi Toni
*Deputy Director-General: Rights of
Persons with Disabilities*

1

PROGRAMME

ADMINISTRATION

Performance information by programme



PART
B

Programme Purpose

To provide leadership, management and support services to the Department and the Social Sector.

Executive Support

Through this unit, the Department collaborated internally and externally with various stakeholders, to ensure that the meetings of departmental governance structures and the Social Protection, Community and Human Development (SPCHD) Cluster were convened, as required by the Intergovernmental Relations Framework. The meetings create an enabling environment that strengthen and improve the coordination of government work by various sector departments and other role-players, as they implement government priorities condensed in the Government Programme of Action. During the reporting period, 11 cluster meetings were scheduled and nine meetings were convened.

The Department successfully processed the following items at the Cluster, to obtain Cabinet approval:

- Comprehensive Report on the Review of the Implementation of the White Paper for Social Welfare, 2007
- Reporting Procedure for the Periodic Reporting on the UN Convention on the Right of Persons with Disabilities
- Status of the Disability Inequality Index
- Ten Years of SASSA beneficiary education campaign logo
- Second Country Report on the implementation of the African Charter on the Rights and Welfare of the Child, for processing to the AU in January 2017
- Policy for Social Service Practitioners, 2016
- Older Persons Amendment Bill, 2016

Coordination was also improved by strengthening working relations with sector departments that are part of the Justice, Crime Prevention and Security Cluster, the Governance and Administration Cluster and the International Cooperation, Trade and Security Cluster. The purpose of cluster work is to strategically promote government planning, decision-making

and service delivery. In addition, 20 internal management meetings were convened to improve and strengthen the departmental governance structures.

Intergovernmental Relations

Since the adoption of the 2030 Agenda for Sustainable Development, the social development international programme has intensified. The Department targeted key sector-specific meetings within strategic multilateral platforms such as the United Nations (UN), African Union (AU) and other international agencies. The 30th Special Session of the UN General Assembly on World Drug Problem held in New York in April 2016 set the scene for South Africa's future anti-drugs efforts.

In November 2016, the Department participated in the World Social Security Forum that was held in Panama under the auspices of International Social Security Association (ISSA). The Department also led a high-level national delegation to present the Country Report on the UN Convention on the Rights of the Child in Switzerland and attended AU meetings on drugs, population and social development. At ministerial level, key bilateral engagements continued to be negotiated and implemented with, among others, Mexico, the USA, Angola, Zimbabwe, Lesotho, Botswana, Swaziland and Namibia, while efforts were made to consolidate areas of mutual interests with Bulgaria and other partners abroad.

Risk and Infrastructure

To improve the infrastructure for providing social services, the Department has embarked on a project of building and upgrading community care centres. In 2016/17, 13 community care centres were constructed: six in the North West, five in KwaZulu-Natal and two in Limpopo. These centres will ensure that all the orphans and vulnerable children as a result of HIV/AIDS are taken care of. In addition, the Risk Management programme was effectively coordinated, resulting in Level 4 Management Performance Assessment Tool (MPAT) rating from the Department of Planning Monitoring and Evaluation (DPME).





Gender

The Department audited four programmes/policies for gender mainstreaming and presented audit reports to the relevant units. Non-financial data indicators, indicators on children, and the Disability Inequality Index Conceptual Framework were gender mainstreamed. The Department also capacitated 222 officials, including interns, in gender sensitisation and mainstreaming diversity management.

Through collaboration with the Japan International Cooperation Agency (JICA), a total of 38 women were trained on Kaizen, a women economic empowerment programme that focuses on quality management, self-grading and how women's businesses grow.

The Department hosted several events and campaigns related to women empowerment and gender equality, including:

- The Take a Girl Child to Work Day event, in which 40 learners from various schools in Pretoria participated. The event focused on raising awareness around critical issues that affect young people and exposing participants to careers within the social sector.
- To commemorate Women's Month, the unit hosted an event for 137 officials to engage men in achieving gender equality. The event was well supported and raised critical issues related to gender inequality and patriarchy within the Department.
- In October 2016, 28 female SMS members from DSD, SASSA and NDA attended the Public Service Women Management meeting, a platform where female SMSs can discuss issues affecting women in the Public workplace, with the purpose of steering the organisation towards the achievement of 8 Principle-Action Plan for Women Empowerment and Gender Equity in the Public workplace.

The unit supported the Pink Drive, which offers screenings for breast and cervical cancer to women and testicular cancer to men, and maintained regular communications about the Orange Day Campaign, which encourages people to wear something orange on the 25th of every month as a pledge to end violence against women and children.

Monitoring and Evaluation

The Department continued to improve the social development sector performance through Monitoring and Evaluation (M&E). A results-based M&E framework for Outcome 13, which includes a theory of change and log frame, was developed in consultation with all relevant stakeholders. The framework seeks to improve planning, monitoring and reporting on Outcome 13 indicators by all relevant stakeholders. Provincial heads of departments agreed upon additional indicators that will be reported on a quarterly basis until 2018/2019.

The Department continued implementing its multi-year evaluation plan. The implementation of the Isibindi programme was evaluated and a report compiled. An evaluation of the Integrated Social Crime Prevention Strategy implementation has been accepted in the National Evaluation Plan for the next financial year.

Other initiatives included successfully coordinating the Department's annual self-assessment in terms of the MPAT, led by the DPME, and the compilation of quarterly and annual performance reports, which were submitted to relevant stakeholders including National Treasury, the Auditor-General of South Africa (AGSA), DPME and Parliament. Quarterly performance reviews were conducted with programme managers to assess their achievements against targets and to recommend corrective actions in areas where targets were partially or not achieved. The Department received a clean audit on performance information in 2015/16, i.e. an unqualified audit outcome where there were no material findings on the usefulness and reliability of reported performance information. Furthermore, the unit coordinated the Department's inputs to the State of the Nation Address in February 2017. This contributed to Outcome 12: *An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship* and Outcome 13: *An inclusive and responsive social protection system*.



Legal Services

Through this unit, the Department successfully achieved its strategic objectives in respect of contract management. The processing of contracts through the contract management system contributed to reducing possible litigation risks, and ensuring compliance with the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999).

Communications

The unit generated media coverage for all departmental events and outreach programmes for both the Minister and the Deputy Minister. The Department also secured free media partnerships with YOTV, Ackermans Radio and Jet FM. Media enquiries received during the year were mostly related to orphaned and vulnerable children, the repatriation of children from foreign countries and SASSA (as a result of uncertainty over the payment of social grants). The Department responded to all enquiries.

The Department hosted media briefings on the Social Assistance Amendment Bill and the Isibindi model focusing on Grade 12 learners, which generated print and broadcast media coverage. Key campaigns, such as Child Protection Week, the Children's Parliament, Disability Rights Summit, National Youth Camp and SASSA Ten Years anniversary celebrations, also received widespread media coverage.

Alongside physical engagements with South Africans across the country, the Department attracted a vast following through its online and social media platforms. The Department hosted 73 events reaching 224 880 people. The Department hosted Child Protection Week from 29 May to 04 June 2016 and acquired a sponsorship of R2.7 million from Tiger Brands.

Internal Audit

This unit conducted financial, compliance, governance, performance and information technology audits in accordance with the Auditing Standards of the Institute of Internal Auditors and the Department's Internal Audit Charter. The assessments were aimed at assessing the adequacy and effectiveness of the risk management, control and governance systems. A total of 23 risk-based audits were completed during the reporting period. Where the systems and controls were found to be adequate and effective, assurance was provided to management. Weaknesses identified during the audits were communicated and remedial steps recommended to all relevant managers. As directed by the Internal Audit Coverage Plan, risk areas were audited, thus enhancing the Department's control environment. Management and the audit committees were instrumental in ensuring that corrective actions were taken to address the identified weaknesses, which assisted the Department in strengthening the control environment.

Human Capital Management

Sector Education and Training

In contribution towards a skilled and capable workforce, the Directorate: Sector Education and Training developed and implemented a Workplace Skills Plan, as per the regulation of the Skills Development Act, 1998 (Act 97 of 1998). A total of 301 officials at all levels, including interns, attended skills development courses within the Department, while 125 officials receive bursaries to study towards qualifications in various study areas. The Department's internship programme placed 57 interns in various functional areas. The unit

continued to provide technical support to line managers for implementing various capacity-building programmes.

To enhance its organisational efficiency, effectiveness and accountability, the Department sought to manage its staff in a consultative, supportive and non-discriminatory way. Performance agreements, work plans, mid-term reviews and annual performance appraisals were completed in line with the departmental performance management and development system. Performance feedback and outcomes of the performance assessments were communicated to all staff members.

Human Resource Management

To enable the Department to deliver on its mandate and objectives, all the vacant posts need to be filled timeously. The Department was unable to fill all vacant posts because of a reduction in its compensation of employees' budget over the Medium Term Expenditure Framework. Nevertheless, the Department did fill the critical post of the Director-General, as well as 51 posts below SMS level. The Department also facilitated the appointments of chief executive officers at SASSA and the NDA.

Finance

Financial management and administration

The Department continued its efforts to develop and implement effective financial management and administration policies. Supply Chain Management (SCM) appointed the Bid Specification Committee to consider specifications and terms of references for all goods and services valued at

above R500 000. SCM policies and the financial management policies and prescripts were presented at departmental branch meetings and workshops. Internal Control coordinated audits effectively and contributed towards the Department achieving a clean audit.

Costing and management accounting

The Department continued to oversee the management and administration of social grants by SASSA, and remained accountable for the R139.4 billion received for the payment of social grants. The unit has worked closely with line functions in analysing expenditure trends and financial compliance, to ensure that appropriated funds are spent in line with the Department's mandate.

Information Management and Technology

This unit continued to support the Departments' core functions and to align itself to government's broader strategy of integrating systems and implementing mobile solutions in order to transform how social services are delivered. An integration layer between the Department and the South African Police Service (SAPS) was developed to automate exchange of information regarding the children who are in conflict with the law. The Department upgraded its legacy system – Child Protection Register (CPR) which entail a register of children who are abused and the register of people who are not eligible to be working with children.



Executive Support and Intergovernmental Relations

Strategic objectives	Performance indicator	Baseline	Actual achievement for 2015/16	Annual target 2016/17	Actual output 2016/17	Reason for deviation from 2016/2017 target
Transformative corporate support to enable enhanced DSD service delivery by 2019	% of SPCHD Cluster decisions monitored and reported	Monitor and report on 100% of SPCHD Cluster decisions	All 10 scheduled SPCHD Cluster meetings were convened. The unit monitored and followed up on all decisions taken. An update was given in every meeting	Monitor and report on 100% of SPCHD Cluster decisions	<ul style="list-style-type: none"> The Unit monitored and followed up on all decisions taken at the SPCHD Cluster and SPCHD Technical Working Group meetings held during the period under review. Progress was reported at senior management structures 	No deviation
	Number of international engagements facilitated	Facilitate DSD participation in 6 international events	Bilateral agreements are under negotiations with USA; Democratic Republic of Congo (DRC), Kenya, Benin, Nigeria, Bulgaria and Peru, while benchmark exchanges were conducted with Chile; Sweden and Thailand. An agreement was also signed with Lesotho. The Department participated in the following international bodies: 7 UN Commissions; 1 BRICS, 2 SADC, 4 AU and 2 PPD	Facilitate DSD participation in 6 international events	<ul style="list-style-type: none"> Participation was facilitated for more than six international events Strategic bilateral engagements with Mexico, Bulgaria, Denmark, State of Maryland in USA, Lesotho, Swaziland, Zimbabwe, Namibia Benin, Nigeria and Kenya were undertaken and negotiated. Agreement on Social Security with the Netherlands was considered for review. All targeted sector-specific UN and AU engagements were achieved as well as PPD, IFA, and ISS and ISSA. 	<p>The Department participated in other special international conferences convened by various multilateral institutions such as the UN. These were not ordinary statutory annual engagements that are planned for. Most multilateral bodies are responding to the recently adopted 2030 Agenda on Sustainable Development therefore 2016/17 was literally the first year since the adoption of the 2030 Agenda by the UN General Assembly in September 2015. At bilateral level, the Department had to react to proposals presented by different counterparts in terms of on-going negotiations that were not finalised in the past year or reviewing existing bilateral MOUs and Agreements i.e. Netherlands, USA and Bulgaria.</p>

Strategy Development and Business

Strategic objectives	Performance indicator	Baseline	Actual achievement for 2015/16	Annual target 2016/17	Actual output 2016/17	Reason for deviation from 2016/2017 target
Transformative corporate support to enable enhanced DSD service delivery by 2019	Number of Community Care Centres constructed	New indicator	–	Construct 18 Community Care Centres	<ul style="list-style-type: none"> 13 Community Care Centres were constructed, as follows North West (6), KwaZulu-Natal (5) and Limpopo (2) 	<ul style="list-style-type: none"> The contract with Sekabokeng Contractor who is constructing 3 Community Care Centres (CCC) was terminated impacting on the completion of the projects. The funding for the 1 CCC in Bergville was confirmed late by the donor hence the construction could only start in November 2016. 1 CCC got cancelled due to insufficient funds from donor.
	Number of anti-substance treatment centres constructed	Construction of 1 anti-substance treatment centre in North West	1 treatment centre was completed in North West province	Construct 2 anti-substance treatment centres in Northern Cape (NC) and Free State (FS)	<ul style="list-style-type: none"> The construction of anti-substance abuse treatment centres in NC and FS were not completed. 	<ul style="list-style-type: none"> NC: In April 2016, there was a court interdict to stop all work on site by the contractor. It was only after the court sitting in November 2016, where it was resolved, that the contractor initially appointed could continue with the work. The contractor resumed work in January 2017. FS: The under-performance by the contractor has resulted in a delay in the completion of the project.
Strategies to overcome under performance						
<ul style="list-style-type: none"> The acceleration plan is in place to fast-track the completion of the 4 Community Care Centres that are still outstanding. Close monitoring by the National (Infrastructure unit and the CFO's office) on the construction of the 2 anti-substance abuse treatment centre. 						

Gender

Strategic objectives	Performance indicator	Baseline	Actual achievement for 2015/16	Annual target 2016/17	Actual output 2016/17	Reason for deviation from 2016/2017 target
Transformative corporate support to enable enhanced DSD service delivery by 2019	Number of gender-responsive policies	New indicator	156 DSD officials capacitated on gender mainstreaming	Facilitate the integration of gender into 4 policies	<ul style="list-style-type: none"> 2 policies and 2 programmes were reviewed 	The high-level output indicates that the Chief Directorate will focus on both "Gender responsive policies and programmes". However, erroneously, the indicator confined the target to only policies.
Strategies to overcome under performance						
The Gender unit will prioritise the reviewing of policies as stipulated in the Annual Performance Plan of the Department in the next financial year.						

Monitoring and Evaluation

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/16	Annual target 2016/17	Actual outputs 2016/17	Reason for deviation from 2016/2017 target
Transformative corporate support to enable enhanced DSD service delivery by 2019	Outcomes-Based Framework	M&E tools for social protection finalised and implemented	M&E system was updated and aligned to relevant outcomes	Develop common set of indicators aligned to the Outcomes-Based Framework	<ul style="list-style-type: none"> A results-based M&E Framework with indicators were developed and consulted with all relevant stakeholders. Indicators have been incorporated into the non-financial data. 	No deviation
	Evaluation reports	<ul style="list-style-type: none"> Implementation evaluation of the National Drug Master Plan. Implementation evaluation of Isibindi model. Diagnostic evaluation of regulatory framework and legislation for NPOs 	Evaluation Report has been compiled as well as the 1/5/25 (short report on evaluation of the National Drug Master Plan) report. The Evaluation Report on Regulatory Framework and Legislation for NPOs has been produced.	Conduct Implementation Evaluation of the Older Persons Act	<ul style="list-style-type: none"> Data collection instruments were developed and approved. 	The implementation of the project was delayed due to the finalisation of the appointment of the service provider. There was also a delay from the Ethics Committee which halted fieldwork.
Strategies to overcome under performance						
Future evaluation studies will be planned to run over a 2-year cycle as there are lot of dependencies.						

Legal Services

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/16	Annual target 2016/17	Actual outputs 2016/17	Reason for deviation from 2016/2017 target
Transformative corporate support to enable enhanced DSD service delivery by 2019	% of legally sound contracts	90% of contracts vetted through the contract management system	All (100%) contracts (81 service level agreement and 19 memoranda of understanding) vetted through the contract management system	Develop and vet 98% of contracts through the contract management system	A total 99 contracts were received and all (100%) were vetted through the contract management system	No deviation

Communications

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/16	Annual target 2016/17	Actual outputs 2016/17	Reason for deviation from 2016/2017 target
Transformative corporate support to enable enhanced DSD service delivery by 2019	Number of followers on social media accounts	Reach 120 000 people via DSD website and accounts	108 371 831 people were reached through marketing and advertising initiatives.	20 000 followers on social media accounts	Number of followers on social media reached were 3 324 203	The reason for overachieving is the use of social media management companies during our Child Protection Week, Youth Camp, and SASSA Grant Payment Campaigns, which boosted our numbers considerably, due to paid for advertising. Paid-for advertising allows for massive reach on our social media platforms through advertising on Facebook and Twitter.
	Number of public participation events hosted for Minister and Deputy Minister	Host 20 public participation events each for Minister and Deputy Minister	62 evidence-based Public Participation Programmes were conducted: 43 for the Minister and 19 for the Deputy Minister.	Host 24 public participation events each for Minister and Deputy Minister	73 evidence-based public participation programmes were conducted: 37 for the Minister and 29 for Deputy Minister. Both the Minister and Deputy Minister conducted 7 evidence-based public participation programmes together.	This is the direct result of the improved service delivery model reaching out to more communities.

Internal Audit

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/16	Annual target 2016/17	Actual outputs 2016/17	Reason for deviation from 2016/2017 target
Transformative corporate support to enable enhanced DSD service delivery by 2019	Number of risk-based projects audited as per the Internal Audit Coverage Plan	Audit 24 risk-based projects	24 risk-based projects audited	Audit 28 risk-based projects	23 risk-based project audits were conducted in period under review	High vacancy rate within the Directorate Internal Audit Services
Strategies to overcome under performance						
The Directorate: Internal Audit in consultation with Chief Directorate: Human Capital Management is in the process of filling the vacant positions						

Human Capital Management

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/16	Annual target 2016/17	Actual outputs 2016/17	Reason for deviation from 2016/2017 target
Transformative corporate support to enable enhanced DSD service delivery by 2019	Sector Human Resources Plan (SHRP)	Develop and approve the SHRP	The SHRP was not developed	Approve the SHRP	The SHRP was not approved	Given the magnitude of the task at hand, especially the interface and engagement with critical stakeholders, the approval could not be done before 31 March 2017.
	Vacancy rate	Reduce vacancy rate to 8%	Vacancy rate is 14%	Reduce vacancy rate to 6%	The vacancy rate is at 19%	Filling of 113 of the 168 vacant posts are held in abeyance due to reduction in compensation budget. Nine SMS posts have been prioritised by EXCO for filling.
Strategies to overcome under performance						
<ul style="list-style-type: none"> Sector HR Plan – The draft document is disseminated to obtain constructive inputs and comments Coordinating urgent meetings between DSD and PactSA / USAID to monitor progress and identify challenges in order to map the way-forward. Vacancy Rate – the prioritisation of posts to determine the critical funded posts for filling and identification of vacant unfunded posts for abolishment is underway with all Branches. 						

Finance

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/16	Annual target 2016/17	Actual outputs 2016/17	Reason for deviation from 2016/2017 target
Transformative corporate support to enable enhanced DSD service delivery by 2019	Unqualified audit report on Annual Financial Statements (AFS)	Unqualified audit report on AFS	The Department obtained Unqualified Audit Opinion from Auditor-General South Africa on its 2014/15 audited Annual Financial Statements	Unqualified audit report on AFS	The Department obtained an unqualified audit opinion from the AGSA on its 2015/16 audited Annual Financial Statements	No deviation

Information Management Technology

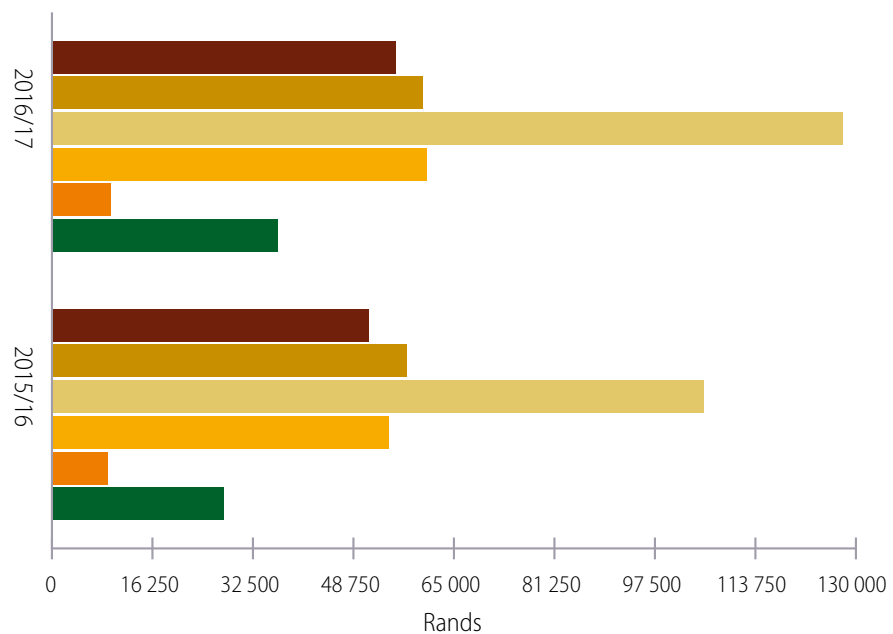
Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/16	Annual target 2016/17	Actual outputs 2016/17	Reason for deviation from 2016/2017 target
Transformative corporate support to enable enhanced DSD service delivery by 2019	Integrated sector-wide ICT service delivery platform	Automation of corporate business. Integration of welfare service systems and community development systems	<ul style="list-style-type: none"> Appointed service provider. Project charter was completed 	Develop the Child Protection Register and Alternative Care	Child Protection Register and Alternative Care were developed and tested	No deviation
		Automation of corporate business. Integration of welfare service systems and community development systems	<ul style="list-style-type: none"> Appointed service provider. Project charter was completed 	Upgrade NISIS to include community profiles	NISIS upgrade which includes community profiles were developed and tested	No deviation

Linking Performance with Budgets – Programme 1: Administration

P 1: ADMINISTRATION						
Details per sub-programme R'000	2016/17			2015/16		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
1.1 Ministry	55 623	55 513	110	51 171	51 171	–
1.2 Departmental Management	59 941	59 941	–	57 339	57 339	–
1.3 Corporate Management	128 062	127 787	275	105 414	105 414	–
1.4 Finance	60 537	60 537	–	54 383	54 383	–
1.5 Internal Audit	9 548	9 548	–	8 946	8 946	–
1.6 Office Accommodation	36 420	36 420	–	27 800	27 800	–
Total	350 131	349 746	385	305 053	305 053	–

PROGRAMME PURPOSE

To provide leadership, management and support services to the Department and the Social Sector.



P 1: ADMINISTRATION



Ministry



Corporate
Management



Internal Audit



Departmental
Management



Finance



Office
Accommodation

2

PROGRAMME

SOCIAL ASSISTANCE

Performance information by programme



PART
B

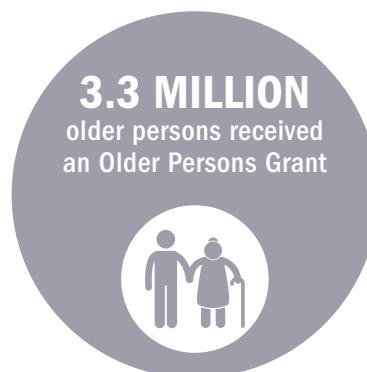
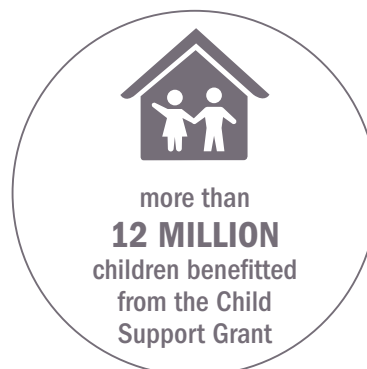
Programme Purpose

To provide social assistance to eligible beneficiaries in terms of the Social Assistance Act, 2004 (Act 13 of 2004) and its regulations.

Social Assistance

A cornerstone of the fight against poverty and inequality, especially among children and older persons, remains the provision of comprehensive social security, including income support for the poor. The Department, through the South African Social Security Agency (SASSA), expanded the safety net to more than 17 million South Africans during the period under review. Of these, more than 12 million children benefitted from the Child Support Grant (CSG), while 3.3 million older persons received an Older Persons Grant (OPG). These grants augmented the incomes of beneficiaries and enabled the Department to contribute directly to the realisation of Outcome 7: *Vibrant, equitable and sustainable rural communities with food security for all*, Outcome 2: A long and healthy life for all South Africans and Outcome 13: *An inclusive and responsive social protection system*.

Within grant administration, a major challenge is the illegal and unauthorised deductions from social grants for (among others) pre-paid airtime, electricity and repayment of loans. These deductions often leave the grant beneficiaries with very little of the grant to take home. To address this problem, the Department, through SASSA, revised the Regulations to the Social Assistance Act in May 2016. The revised regulations will ensure that no funeral policy premiums are taken from children's grants or grants awarded for a temporary period only. Further revisions to deal with all other deductions from social grants are underway.



Social Assistance

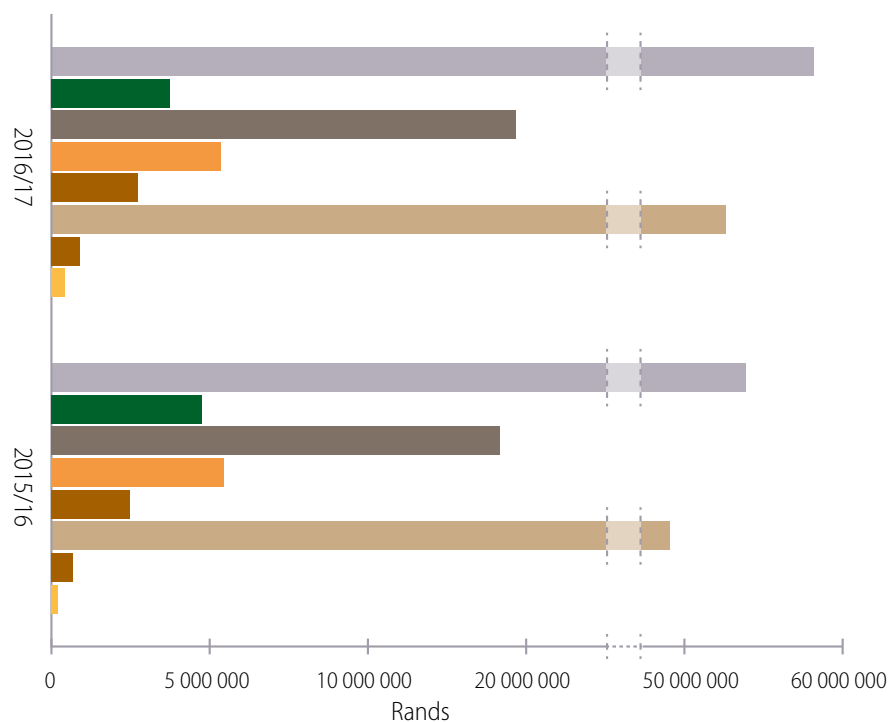
Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To improve and increase access to social security by 2019	Number of social grant beneficiaries					
	Older Persons Grant	3 181 959	3 194 087	3 300 054	3 302 202	No deviation
	Child Support Grant	12 042 973	11 972 900	12 348 357	12 081 375	No deviation
	War Veterans Grant	223	245	162	176	It is impossible to accurately project the decrease in number of beneficiaries on this grant. The numbers are negligible when compared to other grants.
	Disability Grant	1 112 767	1 085 541	1 085 898	1 067 176	No deviation
	Care Dependency Grant	142 180	131 040	147 791	144 952	No deviation
	Foster Child Grant	490 538	470 015	460 830	440 295	No deviation
	Grant-in-Aid	104 232	137 806	164 756	164 349	No deviation
	Number of Social and Disaster Relief (SRD) applications awarded	160 000	366 769 applications processed	400 000	461 750	Accessibility of SRD by poor communities has exceeded the target by 61 750, which is also a reflection of poor communities experiencing undue hardship. Furthermore, the drought followed by floods had a severe impact on poor communities, necessitating the need to access SRD and Disaster Relief.
Strategies to overcome under performance						
The annual targets are based on projections and as such the Department accepts any output within 5% (margin of error) of the projected eligible beneficiaries.						

Linking Performance with Budgets – Programme 2: Social Assistance

P 2: SOCIAL ASSISTANCE						
Details per sub-programme R'000	2016/17			2015/16		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Old Age	58 459 478	58 327 000	132 478	53 311 707	53 134 481	177 226
2.2 War Veterans	4 622	3 850	772	5 214	4 842	372
2.3 Disability	20 188 422	19 850 553	337 869	19 407 761	19 166 969	240 792
2.4 Foster Care	5 521 995	5 327 659	194 336	5 599 585	5 408 370	191 215
2.5 Care Dependency	2 681 824	2 613 892	67 932	2 486 430	2 394 702	91 728
2.6 Child Support	51 380 579	51 555 181	(174 602)	47 810 174	47 308 008	502 166
2.7 Grant-in-Aid	581 771	650 311	(68 540)	517 195	503 085	14 110
2.8 Social Relief	680 000	587 192	92 808	680 212	412 919	267 293
Total	139 498 691	138 915 638	583 053	129 818 278	128 333 376	1 484 902

PROGRAMME PURPOSE

To provide social assistance to eligible beneficiaries in terms of the Social Assistance Act, 2004 (Act 13 of 2004) and its regulations.



P 2: SOCIAL ASSISTANCE DISTRIBUTION



3

PROGRAMME

SOCIAL SECURITY POLICY AND ADMINISTRATION

Performance information by programme



PART
B

Programme Purpose

To provide for social security policy development, administration of social grants, administrative justice and the reduction of incorrect benefits payments.

Social Security Policy Development

The Discussion Paper on Comprehensive Social Security was released and tabled for discussion at the National Economic Development and Labour Council (NEDLAC). This discussion paper is an opportunity to build a social security system that promotes social solidarity and cohesion in the country as required by the Constitution. Key proposals relate to both social insurance and social assistance, which include the introduction of mandatory cover for retirement, disability and survivor benefits, gradual elimination of means tests for some grants, expansion of unemployment insurance benefits, improved institutional coordination, regulatory reforms, alignment with the national health insurance and the creation of a common client interface for social security beneficiaries. The consultation process will be conducted under the auspices of the NEDLAC Task Team on Social Security, with a view to finalising the proposals for consideration by Parliament during 2017/18.

The Department has also completed a technical report and discussion papers aimed at explaining in greater detail issues related to the introduction of mandatory social insurance for retirement, death and disability benefits, and universalisation of the Old Age Grant (OAG) and Child Support Grant (CSG). The technical report offers further details on benefit design, contribution rates, the envisaged National Social Security Fund, proposed governance and regulatory provisions, and financing and implementation options.

During the reporting period, the Department published the publication of the Social Assistance Amendment Bill for public comments. The Bill seeks, among others, to:

- allow for additional amounts to be paid to social grant beneficiaries;
- establish the Supplementary Benefits Fund for the provision of funeral benefits and savings;
- remove the reconsideration mechanism within SASSA, to ensure shorter turn-around times for dealing with disputes

related to applications and reviews of social grants, resulting in efficiencies as the recipient would be assisted within the shortest possible time;

- institute the Inspectorate for Social Assistance as a government component; and
- provide social relief of distress in the event of a disaster.

Once completed, the Amendment Bill will establish a government vehicle to provide these additional benefits, promoting savings among grant recipients and allowing SASSA to respond speedily in the event of a disaster.

The Department will continue to work with its social partners and drive the key policy priorities on these comprehensive social security reforms.

Appeals Adjudication

The Appeals Adjudication Unit (ITSAA) and SASSA continued their collaboration, which contributed towards an increase in the percentage of appeals adjudicated within the 90-day period from receipt of an appeal. A total of 2 235 appeals were adjudicated, of which 1 914 (85.64%) were adjudicated within 90 days. Similarly, all appeals (100%) received with complete records from SASSA were finalised within 90 days of receipt. These achievements contributed to Outcome 13: *An inclusive and responsive social protection system*.

Inspectorate for Social Assistance

The Inspectorate for Social Assistance is expected to contribute to the effective, transparent, accountable and coherent governance of the social assistance system. During the period under review, the Inspectorate for Social Assistance developed strategic frameworks, which set direction and guidance on conducting the unit's core business. These frameworks include the (i) Financial and Compliance Audits Framework, (ii) Investigations Framework, and (iii) Stakeholder and Partnership Strategy. The Social Assistance Act is being amended in order to allow the Inspectorate to change organisational form, from that of a national department to a government component. Ultimately, the Inspectorate will ensure that the integrity of the Social Assistance Framework and systems is maintained. The Inspectorate will be operationalised in a phased-in approach.



Social Security Policy Development

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/16	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To improve and increase access to social security by 2019	Policy on the universalisation of benefits to older persons	Consultations on the universalisation of the Old Age Grant	Both social grant increases and means test adjustments were made	Complete policy on the universalisation of benefits to older persons	The policy on the universalisation of benefits to older persons was completed	No deviation
	Discussion paper on the universalisation of the CSG	Draft discussion paper on tax reform proposals	Draft policy proposal was developed. Proposal will be completed once a study on tax options is done. Inception and first progress reports on the tax options study were completed.	Complete discussion paper on the universalisation of the CSG	The discussion paper on the universalisation of the CSG was completed	No deviation
	Legislation to increase the value of the CSG to Orphans and Child Headed Households	Consultations and costing of policy proposal completed. Policy approved by Cabinet	Consultations and costing were completed, and final policy was approved by Cabinet.	Submit Social Assistance Amendment Bill to Cabinet	Social Assistance Amendment Bill was submitted to Cabinet	No deviation
	Policy on mandatory cover for retirement, disability and survivor benefits	Finalise policy proposal on mandatory cover	No consultations were conducted since the paper was not released due to the pending Cabinet approval	Develop a technical report on mandatory cover for retirement, disability and survivor benefits	Technical report on mandatory cover for retirement, disability and survivor benefits was developed	No deviation

Appeals Adjudication

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To improve and increase access to social security by 2019	% of appeals adjudicated within 90 days	65% of appeals adjudicated within 90 days of receipt	A total of 2 759 appeals were adjudicated, of which 82.53% (2 277) within 90 days of receipt	Adjudicate 70% of appeals within 90 days of receipt	A total of 2 235 appeals were adjudicated, of which 85.6% (1 914) were adjudicated within 90 days of receipt	No deviation
		100% of appeals received from SASSA with complete records adjudicated within 90 days of receipt	100% (1 019 of 1 019) appeals received from SASSA with complete records were adjudicated within 90 days of receipt	Adjudicate 100% of appeals received from SASSA with complete records within 90 days of receipt	100% (1 243 of 1 243) of appeals received from SASSA with complete records were adjudicated within 90 days of receipt	No deviation

Inspectorate for Social Assistance

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To improve and increase access to social security by 2019	Financial and Compliance Audits Framework	Incubate the Inspectorate within the branch Comprehensive Social Security as a transitional measure	The Unit has incubated the Inspectorate within the branch Comprehensive Social Security by developing the following strategic draft frameworks: Investigations Framework, Financial and Compliance Audits Framework, and Comprehensive Stakeholder Analysis	Approve the Financial and Compliance Audits Framework	The Financial and Compliance Audits Framework was approved	No deviation
	Investigations framework	Incubate the Inspectorate within the Branch: Comprehensive Social Security as a transitional measure	The Unit has incubated the Inspectorate within the branch Comprehensive Social Security by developing the following strategic draft frameworks: Investigations Framework, Financial and Compliance Audits Framework, and Comprehensive Stakeholder Analysis	Approve the Framework for Investigations	The Investigations Framework was approved	No deviation

Inspectorate for Social Assistance *(continued)*

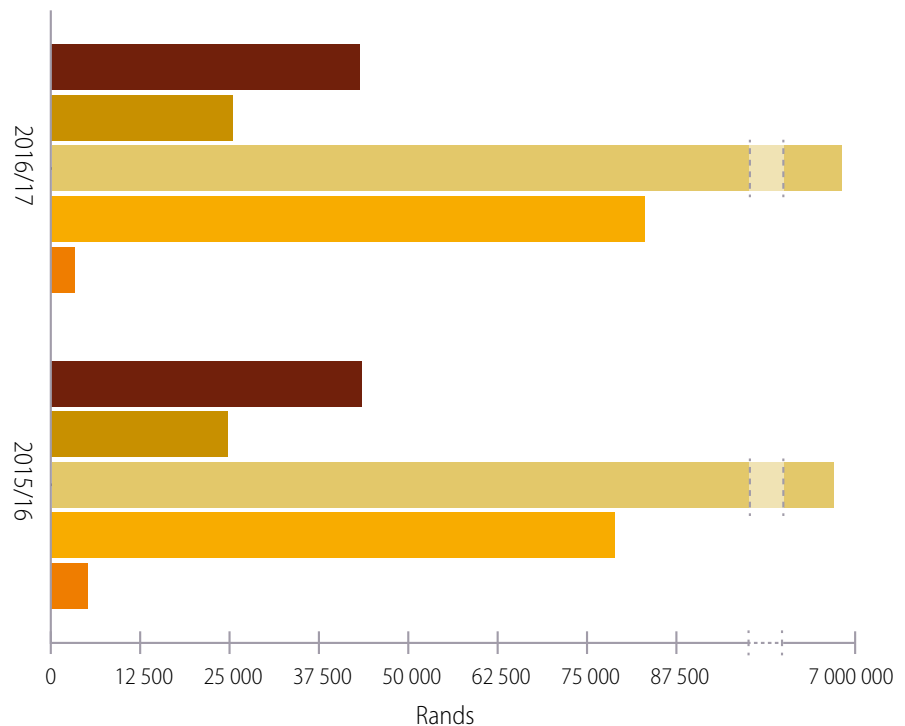
Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
	Inspectorate for Social Assistance Stakeholder & Partnership Strategy	Incubate the Inspectorate within the Branch: Comprehensive Social Security as a transitional measure	The Unit has incubated the Inspectorate within the branch Comprehensive Social Security by developing the following strategic draft frameworks: Investigations Framework, Financial and Compliance Audits Framework, and Comprehensive Stakeholder Analysis	Develop and implement Stakeholder and Partnership Strategy	<ul style="list-style-type: none"> The Stakeholder and Partnership Strategy was developed and approved. Roundtable engagements were held with various SASSA Regional, District and Local Offices. Further roundtable engagements were held with SASSA Head Office and the Hawks. Two memoranda of understanding with the Department of Home Affairs and the South African Police Service were developed 	No deviation

Linking Performance with Budgets – Programme 3: Social Security Policy and Administration

P 3: SOCIAL SECURITY POLICY AND ADMINISTRATION						
Details per sub-programme R'000	2016/17			2015/16		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Social Security Policy Development	43 248	43 135	113	43 462	43 452	10
3.2 Appeals Adjudication	25 685	25 467	218	25 780	24 803	977
3.3 Social Grants Administration	6 825 866	6 825 866	–	6 564 085	6 564 077	8
3.4 Social Grants Fraud Investigation	83 066	83 066	–	78 885	78 885	–
3.5 Programme Management	3 408	3 408	–	5 208	5 207	1
Total	6 981 273	6 980 942	331	6 717 420	6 716 424	996

PROGRAMME PURPOSE

To provide for social security policy development, administration of social grants, administrative justice and the reduction of incorrect benefits payments.



P 3: SOCIAL SECURITY POLICY AND ADMINISTRATION



Social Security
Policy Development



Appeals
Adjudication



Social Grants
Administration



Social Grants Fraud
Investigation



Programme
Management

4

PROGRAMME

WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

Performance information by programme



PART
B

Programme Purpose

To create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards, best practices, and support implementing agencies.

Professional Social Services and Older Persons

In line with the objectives of social protection, as espoused in the National Development Plan (NDP), the Department continued to create and strengthen the social welfare system to ensure effective delivery of quality social welfare services.

In June 2016, Cabinet approved a comprehensive report on the review of the implementation of the White Paper. The Minister launched the review report in October 2016, after which the Department revised the White Paper. The revised White Paper focuses on the NDP priorities related to social protection and developmental social welfare. It provides a framework for the development of the Social Development Act, which will determine a uniform social development system that takes into account the obligations imposed by the Constitution and other laws with regard to social development services. The revised White Paper will be consulted with all critical stakeholders during the next financial year.

The Department also embarked on a nationwide analysis of geographic distribution and workload requirements of social service practitioners. The purpose of the analysis was to develop a quantitative demand and supply model for social service practitioners which would recommend strategies for integrated workforce planning. Data was collected through questionnaires that were sent to social service practitioners, Human Resources (HR) managers and supervisors between June and November 2016. A draft demand and supply model was then developed.

To ensure the effective delivery of social welfare services, the Department continued to capacitate social work managers and supervisors, social workers and social auxiliary workers in provinces through generic intervention processes and supervision tools. Regular monitoring visits on the implementation processes and tools were conducted.

The Department continued implementing the social work scholarship programme to facilitate access to higher education, especially for youth residing in poor communities. Scholarships are awarded to qualifying students registered for the bachelor degree in social work. The National Student Financial Aid Scheme (NSFAS) continues to administer the scholarship on behalf of the Department. An amount of R290 780 000.00 was transferred to NSFAS to disburse fees and allowances to 4 374 students, of which 1 004 students were part of the new intake for the 2016 academic year.

To improve operational efficiency and ensure effective implementation of the social work scholarship programme, the Department conducted a national consultative workshop. Provincial departments, students and university staff participated in the workshop to finalise the review of the



social work scholarship policy. The objective of this policy is to train youth in order to increase the capacity of qualified social workers employed by the welfare services sector.

Since 2013, the social sector has experienced challenges in employing social work graduates, particularly social work scholarship graduates. In finding solutions to this challenge, the Department secured R591 269 097 from the scholarship funds, to use as a conditional grant for the employment of social work graduates by the social sector for a period of three years.

In preparation for implementing the recruitment and retention strategy for social service practitioners, the Department conducted national and provincial consultative workshops with social workers, social auxiliary workers, community development practitioners and HR practitioners on the draft implementation plan for the strategy. This plan will guide the strategy's implementation by provincial departments of social development. The strategy and implementation plan have been approved.

Recognising the need to support newly qualified social service practitioners, the Department developed an induction programme for newly appointed social service practitioners in line with the Induction Policy for Social Service Practitioners. This programme was piloted during 2016/17 and will be implemented in the new financial year. The induction programme aims to ensure the successful transition of newly appointed social service practitioners into the organisation and to contribute to the mandate of the Department.

The South African Council for Social Service Professions (SACSSP) is established in terms of the Social Service Professions Act, 1978 (Act 110 of 1978) to regulate recognised and registered social service practitioners irrespective of where they practise in the country. During the reporting period, the Department facilitated the appointments of new council members (SACSSP) as well as professional boards for social work and child and youth care work. Furthermore,

Cabinet approved the Policy for Social Service Practitioners, which recognises emerging social service practitioners and transforms the SACSSP to be inclusive of all recognised social service professions. This policy also serves as a basis for the amendment of Social Service Practitioners' Bill.

The Department developed the Social Service Practitioners' draft Bill to amend the Social Service Professions Act, 1978 (Act 110 of 1978) and conducted consultations on the draft Bill in all provinces.

The Department continued to monitor the implementation of social work indaba resolutions in line with the action plan developed in 2015. Two workshops were held with national and provincial stakeholders to review implementation and develop quick wins in order to improve working conditions and revitalise social work practice. A standardised package of office tools was developed to guide the procurement of resources required by social workers in various provincial service offices, to enhance the performance of social work professionals.

As the custodian of Older Persons Act, 2006 (Act 13 of 2006), the Department ensures the protection and promotion of the rights of older persons. To achieve the Act's objective of older persons remaining active in communities for as long as possible, the Department implemented the national Active Ageing Programme in Limpopo in October 2016. More than 1 800 older persons from all provinces participated in the programme, which targets males and females aged 60 years and above from rural, informal settlements, peri-urban and urban areas. The programme aims to improve the health of older persons by engaging them in activities that promote an optimal level of social, physical, mental and emotional well-being. It is in line with national and international policy and legislative frameworks. Over the past nine years, the Department has partnered with the departments of health and sports and recreation, NGOs and local municipalities to implement the programme.

The Department has embarked on a process to amend the Older Persons Act in order to close the gaps experienced by key stakeholders during the Act's implementation. In February

2017, Cabinet approved the Draft Amendment Bill for gazetting for public comments.

A priority within the social development sector is protecting older persons against abuse. To create awareness of the critical role that older persons play in families and communities, as well as the problem of older persons' abuse, the Department hosted Grandparents' Day in Mpumalanga. In addition, to strengthen service provision to older persons, 55 community-based care services and 40 residential facilities for services to older persons were monitored for compliance with the norms and standards. All these efforts and achievements contributed to Outcome 13: *An Inclusive and responsive social protection system*.

Early Childhood Development

The South African Programme of Action for Early Childhood Development (ECD): Moving Forward 2013/14–2016/17 was aligned to the national Integrated ECD Policy. This programme aims to address nutrition, health, social protection, the inclusion of children with disabilities and special needs, and stimulation and early learning to ensure the best possible start in life. Following the approval of the Integrated ECD Policy, a need was identified to review the Children's Act, 2005 (Act 35 of 2005) and municipal by-laws. To this end, the regulatory framework was developed and highlights the areas where the Children's Act needs amending. This regulatory framework has been consulted with relevant stakeholders.

The Department consulted National Treasury to get a conditional grant to increase the number of children subsidised and improve the physical structures of ECD centres. The conditional grant was awarded which came into effect in 2017/18 until 2019/20. This grant is divided into two components namely to increase the number of children subsidised and to improve the ECD infrastructure. Over the next three years, a total of 1 994 ECD centres will benefit from this programme.

To quantify the amount of investment required to improve access to ECD services, the Department will finalise its ECD



infrastructure plan in 2017/18. The plan will outline the number and location of ECD centres that need to be constructed to improve access. An envisaged critical impediment to implementing the plan is the current fragmented funding sources spread across different departments that would need to be consolidated and ring-fenced for ECD infrastructure investment. This work is planned to unfold in the 2017/18 with National Treasury and the Department of Cooperative Governance and Traditional Affairs as the key stakeholders. All these efforts and achievements contributed to Outcome 1: *Improved quality of basic education* and Outcome 13: *An Inclusive and responsive social protection system*.

Children Services, Orphans and Vulnerable Children

Adoption remains a priority for securing permanency for children in need of care and protection. In the past, only designated and accredited organisations and private practitioners provided adoptions services. In future, to make adoption services more accessible to prospective parents, government social workers stationed at local service offices will also be able to provide these services. In this regard, the Department capacitated national and provincial social workers to ensure that they are able to render effective adoption services. A total of 1 349 adoptions were registered, including 1 200 national and 149 inter-country adoptions.

International Social Services (ISS) involve social work services related to unaccompanied and separated migrant children, and trans-national families; and support and reunification services to children whose parents are imprisoned in other countries. Regularised engagements with countries bordering South Africa, such as Mozambique and Zimbabwe, involving government and non-governmental stakeholders are

continuing. During this year, a total of 77 new referrals were received, and 26 cases closed, leaving the Department with 313 cases that are still active.

The Department was also involved in the safe return of some large groups of unaccompanied migrant children who were apprehended and found to be undocumented in the country. They included 57 adults and children from Malawi and Zimbabwe. Securing the safe return of these children involved the Department working with various stakeholders, including provincial social workers, embassies, the International Organization for Migration, SAPS, the International Criminal Police Organisation (Interpol), as well as the departments of international relations and cooperation, home affairs and health.

To address the growing need for a response to deal with unaccompanied and separated minor children, the Department established a national intergovernmental/sectoral steering committee, which has produced a comprehensive mapping study and accompanying implementation plan. A large part of this work is related to the mandate of the Department of Home Affairs. This platform will be used to engage stakeholders with the aim of enhancing collaboration and joint planning, and addressing the many challenges and procedural barriers faced by this category of children and youth.

In response to the increasing numbers of Orphans and Vulnerable Children (OVC), the Department is implementing a range of community-based services that are aligned to the NDP priorities. A five-year project (2013–2018) is the implementation of the Isibindi model in all provinces, with the purpose of reaching and strengthening OVC services in local communities. Prevention and early intervention services to OVC are rendered through 365 NGO implementing partners. To date, 1 135 387 children have benefited from the project, which has also created job opportunities for 6 750 child and youth care workers.





During the reporting period, the Department conducted a mid-term review of the Isibindi model, to assess management and technical implementation approaches and evaluate the key results and outcomes against set objectives and targets. The review's recommendations includes among others:

- strategy development and resource planning
- enhance the professional status of child and youth care workers
- working conditions and job satisfaction
- streamline current Monitoring and Evaluation (M&E) systems for optimal data generation.

The Department has also finalised the sustainability plan for the Isibindi model. In the next financial year, a costed sustainability plan will be developed to inform the implementation of the community-based child and youth care services after 2018. The plan will cover, among others, strategic planning, organisational capacity, financial arrangements, funding, leadership and governance, M&E, and reporting.

Amendments to the Children's Act, 2005

In April 2016, the Department tabled the Children's Amendment Bill and the Children's Second Amendment Bill in Parliament, and briefed both the Portfolio Committee on Social Development and the Select Committee on Social Services. After public hearings in all provinces, Parliament approved the Children's Amendment Bill and the Children's Second Amendment Bill in December 2016. The President assented to the two Bills, which were published for public information in January 2017.

Drafting of the Child Care and Protection Policy

The drafting of the Child Care and Protection Policy began in 2016, and a draft was presented at the National Child Care and Protection Forum in June 2016. After incorporating inputs

received from the forum and other stakeholders, a second version was submitted in March 2017. The policy is expected to be completed in the next financial year, and its purpose is to guide the implementation, review and amendment of the Children's Act.

Compliance Reports on Regional and International Obligations

In March 2016, the Department received a list of issues from the UN Committee on the Rights of the Child. Between April and May 2016, information and data were collected from relevant national departments, and the report on the list of issues was finalised. After being approved by Cabinet in May 2016, the report was deposited at the UN through Department of International Relation and Cooperation (DIRCO) in June 2016. In September 2016, DIRCO presented this report to the Convention on the Rights of the Child at the 73rd Session of the UN Committee on the Rights of the Child held in Switzerland. The Committee subsequently sent the concluding observations that South Africa needs to address. These observations will be presented to Cabinet for approval before being disseminated to the public.

Child Rights Advocacy

As part of advocating and mobilising communities to uphold the rights and responsibilities of children, the Department conducted dialogues with 40 girl learners during the Take the Girl Child to Work Day in May 2016. The Department further facilitated child participation during the International Children's Day and the Nelson Mandela Children's Parliament. These processes are in line with South Africa's constitutional obligations, and with the AU and UN's call for greater child participation on matters affecting children. During the reporting period, the Department also conducted nine inter-sectoral capacity-building workshops on children's rights and responsibilities in all provinces.

Social Crime Prevention

The Department is mandated with implementing the Probation Services Act, 1991 (Act 116 of 1991) as amended, the Children's Act and the Child Justice Act, 2008 (Act 75 of 2008). The Department also contributes towards Outcome 3: *All people in South Africa are and feel safe*, through a comprehensive approach that addresses the key social and environmental risk factors associated with crime.

During the reporting period, the Department completed the Draft Review of the Policy Framework on Accreditation of Diversion Services. The reviewed framework was approved by the Deputy Directors-General (DDG) Forum and the Welfare Services Forum. As part of the policy approval process, the Department completed and submitted a report on the Socio-Economic Impact Assessment System (SEIAS), an implementation plan and a Cabinet Memorandum as required, before presenting the framework to the Development Committee. The framework will be approved in the new financial year.

As part of implementing the Integrated Social Crime Prevention Strategy, the Department established five provincial multi-disciplinary committees on integrated social crime prevention in Limpopo, Mpumalanga, Northern Cape, Eastern Cape and Gauteng, as well as a national multi-disciplinary committee consisting of 22 departments. A consolidated progress report on the work of the provincial multi-disciplinary committees was completed.

In response to the Child Justice Act requirements, the Department trained 122 master trainers from all provinces in therapeutic programmes for children aged 10–12, including playing through the forest (life skills programme), stop to start (substance abuse prevention programme), I am me (sexual offending prevention programme), and planting hope (aftercare programme). All these initiatives contribute to Outcome 3: *All people are and feel safe*.

Victim Empowerment Programme

The Department developed a draft Victim Support Services Bill in response to the lack of legislation regulating victim empowerment services, especially shelters for abused women and their children. The Bill's purpose is to address the gaps identified in existing victim empowerment-related legislations, such as the Domestic Violence Act which is silent on the role of Department and the management and registration of shelter services for abused women and their children. Several consultative workshops were held with internal and external stakeholders on the Bill. The SEIAS report was certified by the Office of the Presidency as part of the legislative drafting process, and the State Law Advisors have certified the Bill.

As a prerequisite to the development of the Bill, the Victim Empowerment Programme (VEP) Policy and Policy Guidelines were reviewed and finalised. Both documents will be tabled to Cabinet for approval in the new financial year.

The Gender-Based Violence Command Centre (GBVCC) continued to provide comprehensive integrated services to

victims of gender-based violence. The number of victims contacting the GBVCC grew tremendously: the centre received 92 679 calls, 30 954 USSDs (unstructured supplementary service data in the form of "please call me" short messages) and 236 sms, or a total of 123 869 national calls.

The command centre was enhanced with the addition of a Skype line (Helpme GBV) for the deaf community and an sms-based line (31531) for persons with disabilities. These improvements make the centre a best practice model in the fight against gender-based violence. All these efforts contribute to Outcome 3: *All people in South Africa are and feel safe*.

As planned, during the 16 Days of Activism for No Violence Against Women and Children, the Department conducted a national awareness campaign in the North West Province, in the Bojanala District which has a high prevalence of human trafficking because of being a mining area. The national Department of Justice participated and presented the draft national Trafficking in Persons Policy Framework, with the purpose of preparing the North West Trafficking in Persons Task Team to develop the provincial implementation plan for 2017. The Modderspruit community committed to join community police forums to spread the knowledge acquired and empower the broader community.

White Doors are established in order to provide temporary shelter/safe spaces to victims of gender-based violence, mainly women and children but not excluding men. Five White Doors/Safe Spaces of Hope were established during the reporting period:

- Thengani White Door/Safe Space of Hope in Kwa-Zulu Natal
- Eluncedweni White Door/Safe Space of Hope in Eastern Cape
- Khanyiselani Development Centre in KwaZulu-Natal
- The Victorious Community in Limpopo
- Northern Cape NGO Coalition

Despite the challenges experienced by the identified organisations, the Department provided ongoing mentoring and coaching to service providers and obtained funding for these five White Doors/Safe Spaces of Hope.

The Department led the 2nd Victim Satisfaction Survey on behalf of the Justice, Crime Prevention and Security Cluster, with the purpose of determining the satisfaction levels of victims of crime with the services offered by JCPS cluster departments. A preliminary report was submitted.

Following the recommendation of the feasibility study carried out in 2014/15, the Department began the process of establishing the Social Development Sector Academy. Operating policies for the Academy were developed in consultation with all relevant stakeholders, and the accreditation proposal was submitted to the Health and Welfare Sector Education Training Authority (HWSETA). The Academy seeks to ensure that social service professionals are continuously capacitated in order to deliver high-quality social welfare services.



The Department facilitated the development of the VEP Information Management System for collecting data of all victims who access VEP services. The system will enable the sector to track and report on victims within the service value chain. During the period under review, personnel were trained at 141 VEP sites, which are connected and are currently collecting data on the VEP Information Management System.

Families

The White Paper on Families aims to enable the seamless provision of services to families, with a particular focus on early intervention and family support services. In consultation with relevant stakeholders, the Department developed three programmes to target specific areas of concern within families:

- The capacity-building programme for teenage parents, which addresses challenges faced by teenagers who are raising children while still being children themselves. It is aimed at assisting teenagers to cope better with parenting. The programme was approved and will be implemented in the next financial year.
- A strategy aimed at empowering families who are faced with the removal of a family member because of social ills, such as substance abuse and mental illness. The strategy identifies different intervention processes that prepare families to accept the member back into the family life, having dealt with the issues that necessitated the removal of the family member in the first instance. The strategy was approved and will be implemented in the next financial year.
- The national parenting programme (Sinovuyo) seeks to improve communications between children and parents. It empowers parents on how best to communicate with their children without using corporal punishment but still achieve expected discipline from their children. Four

provinces – Limpopo, North West, Northern Cape and KwaZulu-Natal – received training on these programmes, and other provinces will be trained in the new financial year. The training is the basis for effective implementation of this programme in subsequent financial years.

Anti-Substance Abuse

The Prevention of and Treatment for Substance Abuse Act, 2008 (Act 70 of 2008) and the National Drug Master Plan (NDMP) 2013–17 guide the provision of anti-substance abuse services, which include prevention, early intervention, treatment, reintegration and aftercare.

The Department conducted several awareness and education campaigns on substance abuse, including:

- The festive season campaign, comprising 23 events across all provinces, targeting commuters at railway stations, bus stations, taxi ranks and shopping malls, and people living and/or working in farm areas.
- Campaigns at institutions of higher learning in Gauteng, Free State, Mpumalanga and KwaZulu-Natal, targeting newly admitted students. This campaign will continue to reach out to students at other institutions.

The Department, in partnership with the Gauteng Department of Social Development, used the International Day Against Drug Abuse and Illicit Trafficking to create awareness about the effects of drug abuse and related challenges on communities.

The Department also organised a roundtable for the prevention of substance abuse among youth and children, and drafted a plan of action to address the scourge of substance abuse.

Youth and children are the target group for the drug rehabilitation centres that the Department is establishing.

In June 2016, the treatment centre in Eastern Cape (Port Elizabeth) was officially opened and is currently operational, while the centre in Limpopo (Seshego) has been completed and will be operational in the next financial year.

The NDMP is the national blueprint aimed at guiding the combating of substance abuse in the country. The Department completed the evaluation of the NDMP 2013–2017, which assessed the extent to which the NDMP has been implemented and identified successes and challenges. An evaluation report was completed. The review of the NDMP began, and a draft 2018–2022 was developed after national and provincial departments, provincial substance abuse forums and local drug action committees had actively participated in the review consultation.

An audit of local drug action committees was conducted in Limpopo, Mpumalanga, Gauteng and the Eastern Cape, and the remaining provinces will be audited during 2017/18. The Department also held roadshows in all provinces about establishing community-based services, especially in under-served areas, and capacitated 26 local drug action committees to facilitate the establishment, registration and management of community-based services.

In October 2016, the Department hosted a delegation from the International Narcotics Control Board (INCB) with the purpose of ensuring that South Africa is complying with the *United Nations Single Convention on Narcotic Drugs of 1961, as amended by the 1972 Protocol, Convention on Psychotropic Substances of 1971 and United Nations Convention against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances of 1988*. A progress report, which was prepared and shared with the INCB, was well received.

HIV and AIDS

The Department's HIV and AIDS Programme focus is on reducing new infections through social and behaviour change, mitigating the psychosocial and economic impact of HIV and AIDS and other chronic conditions among vulnerable groups, and strengthening the capacity of communities and systems. This is in line with the National Strategic Plan (NSP) on HIV and AIDS and TB (2017–2022). In response to the NSP's mandate, the Department continues to implement in all provinces the Comprehensive Strategy on HIV, STIs and TB, which provides guidance to the Department, and various partners and structures on tackling the twin epidemics of HIV and TB in a more integrated manner.

In 2016/17, the Department entered into a partnership with the South African National AIDS Council (SANAC) to scale up the implementation of Social and Behaviour Change (SBC) programmes in eight provinces (except Western Cape). The Department transferred R28 million to SANAC, to be used to fund 11 organisations that are implementing the compendium of SBC programmes in 13 districts, targeting young people between 15 and 24 years, families and communities. A total of 609 implementers were trained to implement the You Only Live Once (YOLO),

Community Capacity Enhancement, Families Matter and the Sex Workers programmes. In addition, 403 Community-Based Organisations (CBOs) were trained on the Community-Based Information Monitoring System (CBIMS), and 403 organisations were trained in data quality management.

With the support of the United States Agency for International Development (USAID), the Department initiated Thogomelo, the first accredited training for community caregivers in South Africa. The project's main objective is to enhance the skills of community caregivers in order to improve the quality of care provided to beneficiaries of the home- and community-based care services. Meetings were held in five provinces (Eastern Cape, Mpumalanga, Free State, Gauteng and North West) to share the Thogomelo project's results of the past nine years. The Department facilitated the Thogomelo assessors training and master training workshops for service providers, conducting orientation workshops on the guidelines for establishing and managing children and adult support groups in four provinces: Eastern Cape, KwaZulu-Natal, Limpopo and Mpumalanga. A total of 248 participants were reached.

The Department partnered with the National Association of People Living with HIV and AIDS (NAPWA) in order to put people living with HIV at the centre of development of their programmes, to understand their journey with HIV, and to share and document their positive experiences. Quilt workshops were held in all provinces and attended by people affiliated to NAPWA.

During the year under review, the Department finalised the Psychosocial Support Services (PSS) guidelines, and organised workshops on these guidelines through the Government Capacity-Building Support (GCBS). To this end, 1 122 participants from 432 organisations, and 213 DSD officials (18 national and 195 provincial/district) from across all provinces were trained in the PSS guidelines.

In an effort to regulate community-based service delivery, the Department conducted desktop research on the situation of community care workers. In the next financial year, a policy framework for managing community-based workers within the social development sector will be developed.

Rights of Persons with Disabilities

The Department remains committed to improving the lives of persons with disabilities. To this end, the Department reviewed the Policy on Residential Facilities for Persons with Disabilities, the Norms and Standards, and the Registration Guidelines for Residential Facilities, to align them with the approved White Paper on the Rights of Persons with Disabilities (WPRPD). Key alignment areas included:

- Persons with disabilities accessing residential facilities are able to enjoy their full political, human, social and economic rights.
- Persons with disabilities living in residential facilities or at home are empowered with relevant support systems congruent to their needs and that enable them to live as independently as possible.

- Where feasible, persons with disabilities in residential facilities are re-integrated into family and community life.
- Care and protection services are provided that address the needs of the residents.

Consultations on the reviewed policy will be completed during the next financial year.

To ensure that the WPRPD is accessible to persons with disabilities, it was translated into different formats, including audio, large print and braille. The translation of the WPRPD into South African sign language and other official languages will be completed in the next financial year.

The Department continued with coordinating the implementation of the WPRPD through roadshows. Roadshows were held in the Eastern Cape, Mpumalanga and Free State through Provincial Disability Rights Machineries, and in the Western Cape, Northern Cape and KwaZulu-Natal through Provincial Executive Councils and Provincial Disability Rights Machineries. The roadshows were also held with several state-owned enterprises, sector-specific forums and national government departments through management committee meetings. In March 2017, the Department hosted the annual National Disability Rights Machinery (NDRM), which provided a platform for national departments, Chapter 9 Institutions, the Presidential Working Group on Disability and other stakeholders to present their progress on implementing the WPRPD since its approval in 2015. The NDRM made recommendations to Cabinet for accelerating the implementation of the WPRPD to achieve the 2019 targets set in the Implementation Matrix.

From 3 November to 3 December 2016, the Department successfully coordinated the 2016 Disability Rights Awareness Month, which promotes the human and socio-economic rights

of persons with disabilities. The national launch on 3 November coincided with the handing-over of the MTN SA Foundation Multi-Purpose Media Centre for Deafblind learners at the Sibonile School for Visually Impaired Learners in Meyerton. On 3 December, the National Day of Persons with Disabilities, a commemoration took place to honour the lives lost in the Esidimeni Tragedy.

South Africa's pioneering work in promoting and protecting the rights of persons with disabilities continues to elevate its international profile. The Department was able to showcase its products and approaches through participating on international platforms such as the United Nations Conference of States Parties to the Convention on the Rights of Persons with Disabilities (UNCRPD). This led to South Africa (represented by the Department) being invited to participate in two high-level panels during the 2016 UN Social Forum, which focused on the 10th anniversary of adoption of the UNCRPD by the General Assembly, in Geneva in October 2016.

During the reporting period, Cabinet approved the Disability Inequality Index (DII) and its piloting. The DII is a key tool for tracking inequality between persons with disabilities and persons without disabilities and provides a strategic high level quick scan on the measurement of the inequality gap. This assists in targeting government interventions more inclusively. The Department will work in partnership with Statistics South Africa (STATSSA) to pilot the DII and standardize the measurement of disability.

Cabinet also supported the government-wide disaggregation of all data sets in terms of gender, disability and age. The Department will facilitate training workshops with provincial departments of Social Development on disaggregation of data and standardization of disability measure.



Professional Social Services and Older Persons

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual outputs 2016/2017	Reasons for deviation from 2016/17 target
To strengthen social welfare service delivery through legislative & policy reforms by 2019	White Paper on Social Welfare	Review implementation of the White Paper on Social Welfare	<ul style="list-style-type: none"> The review of the implementation of the White Paper was completed. Broad consultation with the social development sector was carried out. Comprehensive implementation review and a summary report were developed and presented to MINMEC. 	Revise White Paper on Social Welfare	The White Paper for Social Welfare was revised	No deviation
	Demand and supply model for social service practitioners	Conduct geographic distribution study on social services workforce	<ul style="list-style-type: none"> Geographic distribution on social service workforce was conducted through desktop review. 	Develop a demand and supply model for social service practitioners	The demand and supply model for social service practitioners was developed.	No deviation
	Recruitment and Retention Strategy for Social Service Practitioners (SSP)	Develop the Draft Recruitment and Retention Strategy for SSP	<ul style="list-style-type: none"> Draft Recruitment and Retention Strategy for Social Service Practitioners was developed. 	Submit the Recruitment and Retention Strategy for SSP for approval	The Recruitment and Retention Strategy was submitted and approved by the Heads of Social Development Sector (HSDS) Forum.	No deviation
	Number of youth awarded with social service scholarships	Award 1 300 youths with social service scholarships	<ul style="list-style-type: none"> 1 860 new scholarships were awarded. 	Award 1 000 youths with social service scholarships	New scholarships were awarded to 1 004 youths.	The extra four students were identified and referred by the universities
	Social Service Practitioners Bill	Submit the Social Service Practitioners Bill to the Cabinet for gazetting	<ul style="list-style-type: none"> The Social Service Practitioners Policy was finalised and supported by the HSDS Forum. 	Consult on the draft Social Service Practitioners Bill	Consultations were conducted to finalise draft Bill for Social Service Practitioners.	No deviation
	Older Persons Amendment Bill	Finalise Older Persons Amendment Bill	<ul style="list-style-type: none"> The draft Bill was developed and presented to the DDG Forum and Welfare Services Forum. The draft Bill was not presented to MANCO, the HSDS Forum and MINMEC as planned. 	Submit the Older Persons Amendment Bill to Cabinet for approval	Older Persons Amendment Bill was submitted to Cabinet and approved for gazetting for public comments.	No deviation
	Active Ageing Programme implemented	Facilitate the implementation of the Active Ageing Programme	<ul style="list-style-type: none"> The national Active Ageing Programme was successfully implemented by all provinces. The national programme was held from 25–30 October 2015 in Kimberley, NC. 	Coordinate the implementation of the national Active Ageing Programme	National Active Ageing Programme was implemented in Limpopo in October 2016. All provinces participated.	No deviation

Early Childhood Development

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual outputs 2016/2017	Reasons for deviation from 2016/17 target
To strengthen social welfare service delivery through legislative & policy reforms by 2019	ECD Programme of Action	Approve ECD Policy	ECD policy was approved by Cabinet.	Align ECD Programme of Action with ECD policy	The ECD Programme of Action was aligned to the ECD Policy	No deviation
	Regulatory framework for ECD	Address fragmented ECD policy provision by different departments and municipalities	A draft concept paper on the legislative alignment for ECD was developed.	Align the regulatory framework with ECD Policy	The regulatory framework was aligned with the ECD Policy	No deviation
	ECD infrastructure plan	New indicator	–	Revise ECD infrastructure plan	The ECD infrastructure plan was revised	No deviation
	ECD Maintenance and Improvement Plan	New indicator	–	Develop an ECD Maintenance and Improvement Plan	The ECD Maintenance and Improvement plan was developed	No deviation

Children Services, Orphans and Vulnerable Children

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual outputs 2016/2017	Reasons for deviation from 2016/17 target
To strengthen social welfare service delivery through legislative & policy reforms by 2019	% of adoptions registered with complete records	Increase the number of children adopted by 10% (2 178)	National adoptions: 978 Inter-country adoptions: 187 Total: 1 165	Register 100% of adoptions received from Children's Courts with complete records	A total of 1 349 adoptions have been registered which includes 1 200 national adoptions and 149 inter-country adoptions.	No deviation
	Sustainability plan for the Isibindi model	Monitor the implementation of the Isibindi model in the provinces	The implementation of the Isibindi model in the provinces was monitored, and the monitoring report is available	Finalise the sustainability plan for the Isibindi model	The sustainability plan for the Isibindi model was finalised	No deviation
	Mid-term review of Isibindi model	New indicator	–	Complete mid-term review of Isibindi model	The mid-term review of Isibindi model was completed	No deviation
	Policy framework for foster care	Develop foster care project plan. Audit of current foster care placements	The audit on current foster care placements was completed in nine provinces.	Develop a policy framework for foster care	Policy framework for foster care was developed	No deviation

Children Services, Orphans and Vulnerable Children *(continued)*

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual outputs 2016/2017	Reasons for deviation from 2016/17 target
	Number of capacity-building workshops on children's rights and responsibilities (CRR)	8 national advocacy and capacity development workshops on CRR	A total of 10 advocacy and capacity development workshops were held in MP (2), WC (1), GP (2), KZN (3) and LP (2).	Conduct 9 intersectoral capacity-building workshops on children's rights and responsibilities	A total of 9 inter-sectoral capacity-building workshops on children's rights and responsibilities in all provinces were conducted	No deviation
	Amendments to the Children's Act	Children's Second Amendment Bill introduced to Parliament	Briefing of Portfolio Committee on the Children's Second Amendment Bill was held in August 2015. Subsequent to this, two public hearings to obtain comments on the Children's Amendment Bill were held in September 2015.	Children's Second Amendment Bill considered by Parliament	The Children's Amendment Bill and the Children's Second Amendment Bill were approved by Parliament. The President assented to the two Bills and they were published for public information on 19 January 2017	No deviation
	Child care and protection policy	New Indicator	–	Develop a child care and protection policy	The Child Care and Protection Policy was developed	No deviation
	Compliance reports on regional and international obligations	9 provincial workshops on child rights governance and compliance	Nine provincial workshops on child rights governance and compliance were held in nine provinces.	Submit compliance reports on regional obligations to AU structures	Second report on the African Charter on the Rights and Welfare of the Child was submitted to the AU.	No deviation

Social Crime Prevention and Victim Empowerment

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual outputs 2016/2017	Reasons for deviation from 2016/17 target
To strengthen social welfare service delivery through legislative & policy reforms by 2019	Policy Framework for the Accreditation of Diversion Services	Review the Policy Framework	<ul style="list-style-type: none"> A draft reviewed document was developed and provincial consultations took place in all provinces between October 2015 and March 2016. A national consultative review workshop was held in Gauteng. 	Approve the Policy Framework	Policy Framework on Accreditation of Diversion Services policy was approved by DDG forum and Welfare Service Forum	No deviation
	Number of provinces trained on therapeutic programmes	7 provinces trained on therapeutic programmes	–	Train 9 provinces on therapeutic programmes	All provinces were trained on therapeutic programmes	No deviation

Social Crime Prevention and Victim Empowerment (continued)

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual outputs 2016/2017	Reasons for deviation from 2016/17 target
	Number of provincial multi-disciplinary committees on Integrated Social Crime Prevention	Monitor and support implementation of the Integrated Social Crime Prevention Strategy	<ul style="list-style-type: none"> All provincial departments of social development implemented the Integrated Social Crime Prevention Strategy Action Plan. A consolidated report on the implementation plans of prevention and early intervention programmes in nine provinces was produced and is available. 	Establish 5 provincial multi-disciplinary committees on Integrated Social Crime Prevention	<ul style="list-style-type: none"> 5 provincial multi-disciplinary committees were established in GP, LP, MP, NC, and EC. A consolidated report on provincial multi-disciplinary committees was compiled. 	No deviation
	Bill on Victim Support Services	Submit Bill to the Cabinet for gazetting	The Victim Support Services (VSS) Bill was refined during consultations with stakeholders and then submitted to the State Law Advisors for certification.	Finalise consultations and submit Bill to State Law Advisors (SLA) for certification	Consultations were finalised with the relevant stakeholders. The Victim Support Services Bill was also certified by the State Law Advisors.	No deviation
	Number of GBV victims accessing command centre	Increase the number of people accessing the command centre by 10% (2 850)	<ul style="list-style-type: none"> The GBV Command Centre attended to 51 440 calls and serviced 8 929 cases between 1 April 2015 and 31 March 2016. In addition, 55 328 USSDs (please call me short messages) were received and then called back by the GBVCC agents. 	Increase the number of people accessing the command centre by 5% (2 993)	<ul style="list-style-type: none"> During the period April 2016–March 2017, the total number of calls that came through to the GBVCC are as follows: <ul style="list-style-type: none"> Total number of calls received: 92 679 Total number of USSDs ("please call me") attended to: 30 954 Total sms received: 236 The total number of Annual calls received is therefore: 123 869. 	Target was exceeded because of introduction of the Vodacom Foundation marketing strategy of advertising the GBVCC USSD (*120*7867#) and the number 0800428428 to its clientele periodically. This strategy had an impact in increasing the number of calls as well as the USSDs/sms received at the call Centre.
	Implementation report on the Prevention and Combating of Trafficking in Persons Framework	Train officials in 9 provinces to implement the National Policy Framework	All nine provinces were trained on the Trafficking in Persons Policy Framework, and a consolidated report was completed.	Conduct a national Human Trafficking Awareness Campaign	The National Human Trafficking Awareness campaign was conducted during the 16 Days for No Violence Against women and children in North West	No deviation

Social Crime Prevention and Victim Empowerment *(continued)*

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual outputs 2016/2017	Reasons for deviation from 2016/17 target
	Report on 2nd Victim Satisfaction Survey	Conduct the 2nd Victim Satisfaction Survey	<ul style="list-style-type: none"> The Human Science Research Council was appointed as the service provider to conduct the 2nd Victim Satisfaction Survey. A report on literature review was submitted by HSRC. 	Conduct the 2nd Victim Satisfaction Survey	A preliminary report for the 2nd Victim Satisfaction Survey has been submitted	The service provider experienced challenges with fieldwork which delayed the finalisation of the 2nd victim satisfaction survey report and has since requested for a no-cost three months extension to finalise survey report
	Operating Policy Guidelines for the Social Development Sector Academy	Gain approval of the Social Development Sector Academy concept	A proposal of the recommended model for DSD Academy was developed and submitted for approval.	Develop Operating Policy Guidelines for the Social Development Sector Academy	The operating policies for the Social Development Sector Academy were developed and accreditation proposal submitted to the HWSETA.	No deviation
	Strategy for supporting families facing risk of imminent removal of a family member	Develop a strategy for supporting families facing the risk of imminent removal of a family member	A strategy was developed and consulted in four provinces (KZN, EC, NC and WC).	Approve the strategy for supporting families facing the risk of imminent removal of a family member	The Strategy was presented and approved by the DDG Forum	No deviation
	Capacity-building programme for teenage parents	Develop a capacity-building programme for teenage parents	A draft capacity-building programme for teenage parents was developed and consulted in five provinces (GP, LP, MP, NW and FS).	Approve the capacity-building programme for teenage parents	The Programme was presented and approved by the DDG Forum	No deviation
	Number of provinces trained to implement the national parenting programme	New Indicator	–	Train 4 provinces to implement the national parenting programme	Four provinces (KZN, NW, LP, & NC) were trained on the national parenting programme	No deviation

Social Crime Prevention and Victim Empowerment *(continued)*

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual outputs 2016/2017	Reasons for deviation from 2016/17 target
	Number of substance abuse education and awareness campaigns	Conduct substance abuse education and awareness campaigns in 35 local municipalities	Education and awareness Campaigns were conducted in 37 local municipalities.	Conduct 3 substance abuse education and awareness campaigns	A total of 11 anti-substance abuse education and awareness campaigns conducted. One in Gauteng (GP) and 10 in the following institutions of higher learning University of Zululand (2), Tshwane University of Technology (1), University of Pretoria (2), University of Johannesburg (4) and University of Free State (1).	Target was exceeded because of the greater demand for conducting campaigns in institutions of higher learning, and campaigns will be conducted in other institutions of higher learning in the next financial year.
	Number of provinces capacitated to establish Community Based Treatment Services	Conduct roadshows in 9 provinces to improve access to Community Based Treatment Services	Roadshows were conducted in all provinces to increase access to community-based services.	Capacitate 9 provinces to establish Community Based Treatment Services	Nine provinces were capacitated to establish Community Based Treatment Services	No deviation
	Revised National Drug Master Plan (NDMP)	Facilitate the implementation of the NDMP in 9 provinces and by 5 key national departments	The development of the NDMP was facilitated with the departments of higher education, basic education, and international relations and cooperation, the South African Revenue Services and National Youth Development Agency. The development of Drug Master Plans (DMPs) was facilitated in MP, KZN, NC, and GP Ekurhuleni Metro LDAC.	Review the NDMP	NDMP 2013/17 was reviewed and a draft was developed	No deviation
Strategies to overcome underperformance						
The submission requesting for approval for the no-cost extension for HSRC to finalise the Victim Satisfaction Survey has been approved by the Acting Director-General and the related addendum has been developed by the Chief Directorate: Legal Services for signing by both parties. A meeting between the Project Leader from HSRC and the Chief Director: Families and Social Crime Prevention has been scheduled for 18 May 2016 to discuss the revised timeframes for the Victim Satisfaction Survey timeframes.						

HIV and AIDS

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/16	Annual target 2016/17	Actual outputs 2016/17	Reasons for deviation from 2016/17 target
To strengthen social welfare service delivery through legislative & policy reforms by 2019	Number of trainees on HIV and AIDS related programmes	Reach 2 100 000 people through PSS	1 058 558 beneficiaries were reached through PSS.	Train 300 organisations to implement PSS	432 organisations were trained to implement PSS	Exceeded the quarterly target due to GCBS support. PACT appointed Repssi to assist in rolling out training on psychosocial support guidelines
		400 CBOs trained to utilise CBIMS <ul style="list-style-type: none"> 1 233 535 (1 230 655) people reached through social behaviour change programmes. 540 GBs and 2 340 Mpintshis trained 	603 CBOs were trained on CBIMS. 517 implementers were trained in behaviour change.	Train 400 CBOs to utilise CBIMS Train 500 implementers on social behaviour change	403 CBOs were trained to utilise CBIMS 609 implementers were trained on social behaviour change	Exceeded only by 3 Target exceeded because Mott MacDonald provided more funding through the GCBS programme to train more implementers to implement the social and behaviour change programme
	Policy framework for the management of community-based workers (CBWs) in the Social Development Sector (SDS)	Draft policy guidelines for the utilisation of CBWs	The draft Policy Framework on the management of community-based workers is to be finalised by 2019	Conduct situational analysis of CBWs	A desktop research on the situational analysis of community care workers was conducted	No deviation

Rights of Persons with Disabilities

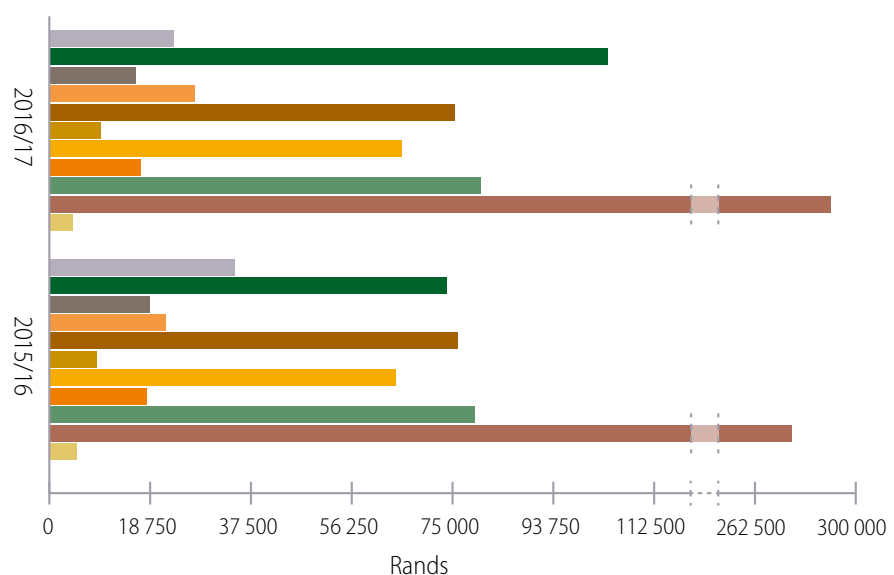
Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/16	Annual target 2016/17	Actual outputs 2016/17	Reasons for deviation from 2016/17 target
To strengthen social welfare service delivery through legislative & policy reforms by 2019	Policy on Disability Welfare Services	N/A	Cabinet approved the White Paper on the Rights of Persons with Disabilities (WPRPD) and its Implementation Matrix on 9 December 2015.	Update draft Policy on Disability Welfare Services	The draft Policy was presented at various forums, including the Welfare Services Forum in February 2017 and was updated based on the inputs received.	No deviation
	National strategic frameworks to support implementation of the WPRPD	Develop NDRP and implementation tools	–	Develop 2 National Strategic Frameworks for implementing the WPRPD	Two Frameworks on Universal Access and Design, and Reasonable Accommodation were developed and released for public comments in November 2016.	No deviation
	Disability Rights Information Portal	New indicator	–	Develop Disability Rights Information Portal Phase 1	Target was not achieved.	Activity suspended following the resignation of the Project Manager in October 2016
	Pilot project for implementing the WPRPD	New Indicator	–	Conduct a pilot project for implementing the WPRPD	Target was not achieved. Phase 2 implementation on the 3 sites continuing through an appointed service provider.	Project was expanded and brief changed following stakeholder consultations at provincial and local level, extending Phase 2 implementation by 12 months
	Disability Inequality Index	Finalise the Disability Inequality Index	Disability Inequality Index was developed in partnership with Stats SA.	Update the Disability Inequality Index	The Index was updated and Cabinet approved piloting of the Disability Inequality Index for the next two years.	No deviation
Strategies to overcome underperformance						
<ul style="list-style-type: none"> The development of the Information Portal is suspended due to lack of staff capacity, as the Project Manager resigned. The Business Plan for the Pilot project has been finalised and will be implemented in the next financial year (2017/18) 						

Linking Performance with Budgets – Programme 4: Welfare Services Policy Development and Implementation Support

P 4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT						
Details per sub-programme R'000	2016/17			2015/16		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Service Standards	25 264	23 110	2 154	36 258	34 452	1 806
4.2 Substance Abuse	103 794	103 770	24	73 919	73 875	44
4.3 Older Persons	16 120	16 012	108	18 728	18 697	31
4.4 People with Disabilities	27 228	27 139	89	21 569	21 569	–
4.5 Children	76 494	75 461	1 033	76 029	76 026	3
4.6 Families	9 631	9 631	–	8 830	8 830	–
4.7 Social Crime Prevention & Victim Empowerment	67 284	65 620	1 664	64 449	64 449	–
4.8 Youth	17 002	16 967	35	18 038	18 038	–
4.9 HIV and AIDS	80 463	80 271	192	79 161	79 161	–
4.10 Social Worker Scholarship	290 780	290 780	–	276 144	276 144	–
4.11 Programme Management	4 503	4 327	176	5 162	5 162	–
Total	718 563	713 088	5 475	678 287	676 403	1 884

PROGRAMME PURPOSE

To create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards, best practices, and support implementing agencies.



P 4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT



5

PROGRAMME

SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

Performance information by programme



PART
B

Purpose

To support community development, and promote evidence-based social policy in the Department and the Social Development Sector.

Social Policy Research and Development

The Social Policy Research and Development unit contributes towards deepening discourse in social policy and evidence-based policy making through developing and producing research and policy briefs. These briefs are derived from research and policy initiatives undertaken by the Department and its partners and focus on issues such as policy considerations for fostering children with disabilities, youth mortality patterns and the likely impact of fiscal consolidation on social protection expenditure. The unit continued to play a critical role in coordinating and providing analytic support for the development of various policies by the Department.

The Department partnered with the Southern African Development Community (SADC) regional office for United Nations Educational, Scientific and Cultural Organization (UNESCO), the Human Sciences Research Council (HSRC) and the University of South Hampton to arrange the inaugural Management of Social Transformations (MOST) school of sustainability science. The MOST school attracted policy-makers, researchers and academics from across the region under the theme: "Role of social policy in sustainability". The Department extended its partnership with the Southern Africa Social Policy Research Institute to train its officials on methodologies for poverty profiling and mapping. This training will enable the Department to better target poverty-alleviation programmes. This unit continued to contribute to Outcome 12: *An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.*

Special Projects and Innovation

This unit continued to coordinate the implementation of the Expanded Public Works Programme (EPWP) in

Social Sector. Programmes that contribute to EPWP Social Sector include Home- and Community-Based Care, Early Childhood Development (ECD), the National School Nutrition Programme, Kha Ri Gude and Expansion Programmes. Participants in these programmes receive stipends or skills development, and are considered as Work Opportunities (WO) created. The social sector is currently at 45% of the five-year target, with 472 352 WO created, of which 134 375 WO were created during the reporting period. All these efforts contribute to realisation of Outcome 4: *Decent employment through inclusive economic growth.*

The Department participated in the Inter-Ministerial Committee (IMC) on Public Employment Programme (PEP) led by the Deputy President. To strengthen the coordination of programmes, several institutional arrangements have been instituted. These include the National Steering Committee, the Extended National Steering Committee and Provincial Steering Committees, which convene either monthly or bi-monthly. Another notable achievement was the development of the theory of change and an M&E plan for the EPWP Social Sector. This has led to a common understanding of the programme by all stakeholders and contributed to effective implementation.

During the reporting period, the Department, through the Community Work Programme (CWP), provided social services, such as home and community-based care, ECD, sustainable livelihoods and anti-substance abuse, at 102 CWP sites in all provinces. Training on community development approaches took place at 24 sites in four provinces (Mpumalanga, North West, Limpopo and the Eastern Cape), to ensure that these approaches are mainstreamed within the CWP. The Department worked with the Department of Corporate Governance on incorporating community development indicators for the social sector into the CWP management information system. Training on the new system was conducted in all the CWP sites, and reporting on these indicators will commence in the new financial year.

The social sector is currently at

45%

of the five-year target, with

134 375

work opportunities
created in one year





Population and Development

The Department compiled a draft Policy+20/ICPD+25 progress review papers under the themes of gender equality, equity and women empowerment; migration and urbanisation; sexual reproductive health and rights; and dynamics of a changing population age structure: causes and consequences. The Department coordinated and evaluated the implementation of the 4th United Nations Population Fund (UNFPA) Country Programme through the National Coordinating Forum, which supports eight priority districts in the Eastern Cape and KwaZulu-Natal.

The Department developed three draft reports based on the priority research areas contained in the 2016/17 work plan of the IMC on Population Policy: *Gender, State of Knowledge and Urbanisation in South Africa*, and *Dynamics of a Changing Population Age Structure*. The reports highlight the causes and consequences of a changing population age structure to inform planning, particularly realising the demographic dividend.

The community-level Ezabasha dialogues are an integral part of the national Adolescent Sexual and Reproductive Health and Rights (ASRHR) campaign that was developed and implemented by the Department. Ezabasha creates a platform for young people to share their understanding, experiences, and challenges regarding ASRHR and assists in identifying ASRHR needs among young people and developing appropriate interventions. A total of 74 Ezabasha ASRHR campaign dialogues were held in five provinces: Western Cape, North West, KwaZulu-Natal, Eastern Cape and Gauteng. In October 2016, the State of World Population 2016 report was launched at the national ASRHR seminar.

Three national Population Policy seminars were held during the reporting period, and in July 2016 World Population Day was commemorated in Port Elizabeth. As part of increasing the capacity to integrate population factors into development

plans and programmes, nine short training courses were conducted:

- 2 Applied Population Studies and Research (APSTAR) courses
- 1 Population, Health and Planning for Development course
- 1 Population-Environment-Development (PED) nexus training,
- 5 inter-generational communication training in ASRHR courses.

The Department awarded five international scholarships, to participants from Tunisia, Ghana, Nigeria, Vietnam and Zimbabwe, for the PED nexus training at the University of the Free State in April 2016. The Department also awarded four scholarships for Partners in Population and Development country participants, from Gambia, Kenya, Uganda and Ghana, to attend the post-graduate Diploma in Population and Policy Analysis at the North West University. The Department continues to mentor five Population Studies graduates within the National Population Unit since September 2015.

Non-Profit Organisations (NPO)

Since the promulgation of the Non-Profit Organisations (NPO) Act, 1997 (Act 71 of 1997) in 1998, the registration and reporting of NPOs have increased substantially. The Department maintains a register of all registered and NPOs, which is available to the public. The register increased by 12%, from 153 667 in 2015/16 to 172 429 in 2016/17. During this financial year the Department received 29 601 new NPO applications of which 97% thereof (28 860) was processed within 2 months of application.

A range of interventions were implemented to improve registration and access, including the processing of new applications for NPO registration, administering and maintaining the NPO system, and conducting NPO roadshows.

The roadshows are aimed at improving access to services by the NPO sector, reducing registration time, providing information to Community-Based Organisations (CBOs) and NPOs, and increasing NPO compliance by reaching out to organisations at the municipal level, allowing organisations to register and to submit reports on the spot. During the reporting period, 101 roadshows were held in 94 local municipalities across all provinces, reaching 8 248 NPOs. A total of 4 436 NPOs were registered and 3 418 NPO reports were submitted on site. The Department will continue to conduct roadshows across all provinces, as a way of promoting access to NPO services and increasing the registration of NPOs.

During the reporting period, the Department received a total of 29 113 NPO annual reports, of which 27 861 (96%) were processed within two months. Nevertheless, the NPO register shows a high level of non-compliance by registered NPOs and a decline in NPO annual report submissions. The Department engaged in a drive to promote compliance by the registered NPOs to the NPO Act. The Department's capacity-building programme trains NPOs on pre-registration requirements, NPO governance and compliance with different legislative frameworks including the NPO Act. Given the high number of registered NPOs, priority was given to emerging NPOs and those that were not compliant with NPO legislation. In this regard, 4 077 NPOs were trained across the provinces.

Community Development Practitioners (CDPs) play a critical role in enhancing capacities of NPOs. The Department secured R2 million of funding from the Health and Welfare Sector Education and Training Authority (HWESETA) to train 232 CDPs from all districts on various capacity-building methodologies, such as facilitation, mentoring and coaching: 165 CDPs were trained in 2016/17, and the remaining 67 will be trained in the next financial year.

The collective contribution of Civil Society Organisations (CSOs) is an important source of innovation for social inclusion and addressing goals as espoused in the Sustainable Development Goals (SDGs) and NDP vision 2030. During the period under review, the Department revitalised an NPO

Interdepartmental Forum, which coordinates all government departments to discuss issues relating to NPOs governance. Four NPO intergovernmental forums were coordinated, while four provincial forums were launched (in Limpopo, Gauteng, North West and Northern Cape) and 19 district forums were formed (eight in Eastern Cape and 11 in KwaZulu-Natal). The forums raised a number of issues that the Act does not address. Accordingly, the Department drafted an NPO Act Amendment Bill for submission to Parliament.

The Department developed the partnership model for state-civil society, NPOs and relevant stakeholders in order to build, strengthen and maintain partnerships with the NPO sector. The model was consulted with internal structures, provinces and the NPO sector. The Department supports the sector by providing funding for the rendering of social services and is currently reviewing the Policy on Financial Awards (PFA), which seeks to guide the Department's response to the funding of NPOs and ensure their effective management. The Department acknowledges the constrained levels of NGO financing and resourcing. During the period under review, the Department funded 33 organisations at a value of R12 162 000 for services to older persons, people with disabilities, orphans and vulnerable children, families, social crime prevention programs and anti-substance abuse programmes.

Community Mobilisation and Empowerment

This year the Heads of Social Development Sector (HSDS) Forum approved the Community Development Practice Policy, which is aimed at regulating and professionalising community development practices. It is also meant to standardise practices by setting up ethical considerations for community development practice, and National Qualifications for Community Development NQF Levels 5 and 8.

The Department developed generic and quantitative norms and standards for community development, as well as the capability assessment report to prepare provinces for the





implementation of these norms and standards in the new financial year. From these norms and standards, community development ratios were developed, outlining the geographic spread of community development practitioners, supervisors, assistant managers and managers.

In November 2016, the Department hosted a national community development conference, which was attended by community development practitioners from all provinces. The Conference deliberated on the Practice Policy, Norms and Standards for Community Development, Working Conditions, and Professionalisation of Community Development. National task teams were established to ensure that the conference resolutions were implemented.

The Department also developed community mobilisation guidelines, which seek to mobilise and empower communities to carry out community action research and to find community-driven solutions, in partnership with government. These guidelines will assist government to develop strategies that address the challenges faced by communities and households.

The Department facilitated conversations (using the community capacity empowerment methodology) with various groups within communities to inform policies and develop strategies for community development. In this regard, 302 officials were trained in the community capacity enhancement methodology, to empower them to facilitate community conversations. The Department further trained 857 community action researchers in household profiling.

During the reporting period, the Department continued implementing Programme Mikondzo, organising Ministerial Outreach Programmes, monitoring the implementation of DSD policies and providing support for the implementation of integrated community development plans. Regular meetings were convened to ensure that progress reports were compiled and presented to various forums. More than 20 Ministerial Outreach Programmes were organised in 1 235 wards across all

provinces, reaching 763 110. Other notable achievements were the profiling of 364 335 households and 1 938 communities, and the development of 1 512 community-based plans across all provinces.

Programme Mikondzo has shown that government can improve the livelihoods of poor and vulnerable people through working with other critical stakeholders, such as private sector organisations. The Department successfully integrated several projects into Programme Mikondzo. In partnership with stakeholders, such as Coca Cola Beverages SA and the MTN SA Foundation, Programme Mikondzo fast-tracked services to people with disabilities. These services included the installation of computer laboratories to more than 10 schools and centres for people with various disabilities. This forms part of the Department's contribution towards implementing the White Paper on the Rights of Persons with Disabilities, which Cabinet approved in December 2015. The Department also coordinated a donation of R800 000 from the MTN-SA Foundation for the purchase of a Hydraform brick-making machine to the Ratlou Local Municipality and its community.

To further strengthen integration, the Department conducted a basic audit on how the Department of Cooperative Governance implements community development at CWP sites. The audit provided the opportunity to identify areas of commonality, areas that need to be strengthened, and limitations to implementing community interventions in line with community development processes and approaches. Following the audit, the Department hosted a Community Development Learning Forum session in August 2016. The session provided an opportunity to acquaint provincial community development counterparts with the CWP and to devise areas of collaboration at community level. Several community development approaches, such as sustainable livelihoods, poverty reduction strategy, asset-based community development, participatory rural appraisal, and organisational workshops, were demonstrated.

Youth Mobilisation

The mandate of the Department, in contribution to National Youth Development Agency (NYDA) strategy, is to mobilise young people, contribute to their life skills and develop skills for employability, and enhance their livelihoods. During the reporting period, the Department developed draft guidelines that will provide a framework for CDPs within the social development sector for the methodical implementation of youth mobilisation programmes for self-sufficient and reliant youth.

This year, a milestone was reached in the area of youth development and empowerment when more than 1 800 youth participated in nine leadership camps, each organised by the provincial department of social development. These provincial youth camps culminated in the 5th National Youth Camp, which was attended by 982 youths. The youths were provided with leadership skills, to become ambassadors who make an impact in their local areas. On the occasion of this five-year milestone, 40 camp alumni representing youth who have been positively affected by the camp programme, were invited as guests of honour to share their journeys and give advice to their successors.

The Department reviewed and consulted with provinces on guidelines for youth structures. The aim of these guidelines is to mainstream youth development programmes in the Department and to serve as a point of reference and a coherent approach for the establishment of youth structures. A draft Youth Development Strategy 2015–2020 was developed and will be consulted in the next financial year. This strategy will greatly improve the sector's efforts to develop the youth and give further expression to the principles of social and economic justice, human rights, empowerment, participation and active citizenship that are imbued in the Constitution.

Poverty Alleviation, Sustainable Livelihoods and Food Security

The NDP provides a framework for the reduction of poverty and inequality. To realise the objectives of the NDP, Government approved the Food and Nutrition Security Policy

to ensure the availability, accessibility and affordability of safe and nutritious food at national and household levels to its citizens. The Department is committed to reducing food insecurity by contributing to the implementation of the National Food Security Policy and is contributing to radical economic transformation by linking cooperatives to economic opportunities emerging from its programmes, in particular the Social Relief of Distress (SRD) Programme. During the reporting period, the Department linked 1 048 cooperatives to economic opportunities arising from SRD. These included 775 sewing cooperatives supplying school uniform to 116 201 qualifying learners to the value of R205 604 515.19 and 273 food production cooperatives supplying Community Nutrition and Development Centres (CNDs) to the value of R8 460 124.44. Through the National Development Agency (NDA) and working in partnership with other government departments, the Department facilitated training and capacity-building workshops in which 979 cooperatives participated. The Department also developed a framework for the economic empowerment of women through cooperatives.

The Department has rolled out the National Food and Nutrition Security Plan and implemented the Household Food and Nutrition Security Programme across all provinces. During the period under review, the Household Food and Nutrition Security Programme expanded from 167 to 212 CNDs, feeding a total of 302 357 beneficiaries with about 6 047 140 meals. More than 900 job opportunities were created in Provincial Food Distribution Centres (PFDCs) and CNDs as cooks, general workers, etc. The Department trained 409 cooks in food service and provided 520 uniforms (procured from local cooperatives) to cooks and workers in PFDCs and CNDs.

The Department collaborated with the Department of Health and Family Health International 360 (FHI360) in piloting the Nutrition Assessment, Counselling and Support (NACS) capacity-building project, which seeks to mainstream NACS in all feeding programmes based at DSD centres. The pilot project capacitated 40 DSD programme managers and implementing agents.



Social Policy Research and Development

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To build self-reliant communities through programmes and policies that strengthen capacities and capabilities by 2019	Number of officials trained in social policy and policy analysis	Train 50 officials	31 officials were trained.	Train 50 officials	41 officials were trained	Due to cost containment measures, attendance by participants was lower than targeted
	Number of evidence-based social policies developed and reviewed	Develop and review 1 social policy in collaboration with the relevant directorate	Two policy analysis inputs were produced: Policy on the Special Housing Needs and the Draft Policy Framework on the Integration of Refugees into Local Communities.	Develop and review 1 social policy in collaboration with the relevant directorate	Reviewed the Victim Empowerment Policy in collaboration with VEP unit	No deviation
	Number of research and policy briefs disseminated	Develop and disseminate 4 policy briefs	Four research and policy briefs were developed: the views of National Treasury on social grants and their impact entering the national minimum wage debate; minimum wage as a social development issue and a women's issue; the social sector's contribution to radical socio-economic transformation; National Health Insurance; key considerations for Social Development.	Develop and disseminate 4 policy briefs	Four research and policy briefs were developed and disseminated	No deviation
Strategies to overcome under performance						
During 2017/18, the training will shift to the third quarter, to allow Departmental officials to participate						

Special Projects and Innovation

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To build self-reliant communities through programmes and policies that strengthen capacities and capabilities by 2019	Number of work opportunities (WO) created through EPWP Social Sector	46 768 WO created	19 845 work opportunities were created.	Create 152 263 WO through EPWP Social Sector	134 375 WO were created through EPWP Social Sector	Not all provinces were able to capture work opportunities in time and some had challenges with the Reporting System
	Number of Community Work Programme (CWP) sites providing social development services	Facilitate the provision of integrated social development services at 42 CWP sites	DSD services were provided to 43 CWP sites.	Provide social development services at 60 CWP sites	Social development services were provided to 102 CWP sites	During the financial year we managed to bring on board other social sector stakeholders who provided different trainings for CWP participants and officials at various sites. Furthermore, CWP sites were trained on the revised Management Information System focusing on Social Sector Services
	Number of Military Veteran Households participating in DSD-DMV EPWP project profiled	Facilitate provision of 7 social development services to Military Veterans	Two DSD services were provided to military veterans through SRD and employment by creating 191 work opportunities through EPWP.	Profile 450 Military Veteran Households participating in DSD-DMV EPWP project	No profiles conducted	Preparations with SASSA and the affected MVs took longer to finalise and resulted in implementation being delayed.
Strategies to overcome under performance below						
<ul style="list-style-type: none"> The Sector will be convening a high-level meeting of Ministers, MECs and Heads of Departments to find a solution to the issue of declining budgets and reporting challenges due to capacity constraints within departments. These are among the main causes of the programme not meeting its targets. The issue of profiling for Military Veterans will be escalated to Provincial DSD Heads of Department meeting and possibly MINMEC to ensure commitment to the programme and dedicated capacity to coordinate services within DSD. 						

Population and Development

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To build self-reliant communities through programmes and policies that strengthen capacities and capabilities by 2019	Population Policy and International Conference on Population and Development (ICPD) PoA progress reviews	Disseminate Policy+15/ICPD+20 Synthesis Report	The Synthesis Report on the Policy+15/ICPD Programme of Action+20 review was officially launched by the Minister on South Africa Day during the African Population International Conference (December 2015). Printed and electronic copies of the report were disseminated widely after the launch, within and outside of the country.	Draft Policy+20/ICPD+25 progress review thematic papers	Draft Policy+20/ICPD+25 progress review thematic papers were produced	No deviation
	UNFPA Country Programme developed and coordinated through the National Coordination Forum (NCF)	Monitor the 4th UNFPA Country Programme through the NCF	National Coordination Forum (NCF) meetings were conducted to monitor and coordinate the implementation of the 4th UNFPA Country Programme of Support to the Government of South Africa in eight priority districts in the Eastern Cape and KwaZulu-Natal in June and November 2015, and March 2016.	Coordinate and evaluate the 4th UNFPA Country Programme through the NCF	The 4th UNFPA Country Programme was coordinated and evaluated through the NCF	No deviation
	Reports on the implementation of the National Adolescent Sexual and Reproductive Health and Rights (ASRHR) Framework Strategy	Coordinate and monitor the National ASRHR Framework Strategy and IMC for Population Policy Work Plan	Project plans were developed to outline activities for each of the five priority areas contained in the National ASRHR Framework Strategy.	Coordinate and monitor the implementation of the National ASRHR Framework Strategy	The National ASRHR Framework Strategy implementation was coordinated and monitored	No deviation
	Reports on the implementation of the Inter-Ministerial Committee (IMC) for Population Policy Work Plan	Implement, coordinate and monitor the IMC for Population Policy Work Plan for 2015/16	The planned activities were coordinated and monitored through regular Technical Committee meetings, and written reports for each priority area, were tabled in November 2015. However, the implementation plan for 2016 has not yet been developed	Coordinate and monitor the IMC for Population Policy Work Plan for 2016–19	The IMC for Population Policy Work Plan for 2016–19 was coordinated and monitored	No deviation
	Research produced	Coordinate the research programme of the IMC for Population Policy	Concept notes were developed on the priority research areas contained in the 2015/16 work plan of the Inter-Ministerial Committee (IMC) on Population Policy, in consultation with lead and partner departments.	Coordinate the research programme of the IMC for Population Policy	The research programme of the IMC for Population Policy was coordinated	No deviation

Population and Development *(continued)*

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
	Number of Advocacy Seminars	Conduct 4 National Population Policy seminars	Four national Population Policy seminars were held in October– December 2015, including the commemoration of World Population Day (July 2015), a two-day seminar (October 2015), the official launch of the State of the World Population Report and the official launch of the Policy+15/ICPD Programme of Action+20 Synthesis Report (2 December 2015).	Conduct 4 national population policy seminars	3 national population policy seminars were conducted	The national population policy seminar with parliamentarians postponed to 14 June 2017
		Conduct 40 ASRHR campaign dialogues	82 local/community-level ASRHR (Ezabasha) campaign dialogues were conducted during 2015/16, covering seven provinces: Limpopo, Eastern Cape, North West, Western Cape, KwaZulu-Natal, Mpumalanga and Gauteng.	Conduct 40 ASRHR campaign dialogues	74 ASRHR campaign dialogues were conducted	The additional dialogues were done as a follow up to the Ministerial outreach programme
	Number of short training courses supported and monitored	Support and monitor 6 short training courses	Six short training courses were conducted, including on: population health and planning for development; inter-generational communication; PED nexus; applied population studies and research (APSTAR).	Support and monitor 8 short training courses	Supported and monitored 9 short training courses	5 instead of 4 Inter-generational Communication training sessions on ASRHR were conducted in July 2016 in preparation for the World Population Day in Nelson Mandela Bay due to Ministerial event with the youth
		Number of Population Studies graduates mentored	Maintain 26 bursaries for undergraduate studies	26 bursary holders were registered at the Walter Sisulu University (Eastern Cape) and North- West University (North West), for undergraduate studies in population and development.	Mentor 15 Population Studies graduates	Mentored 5 Population Studies graduates
	Number of international scholarships awarded	Award 5 international scholarships	<ul style="list-style-type: none">Five scholarships for PPD country participants (from Vietnam, Kenya, Ghana, Tunisia and Pakistan) were awarded.Five scholarships were awarded for post-graduate students from Zimbabwe, Kenya, Ghana, Gambia and Uganda.	Award 5 international scholarships	5 international scholarships were awarded	No deviation
		Strategies to overcome under-performance				
The National Policy Seminar will be conducted in the new financial year						

Non-Profit Organisations Registration and Support

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To build self-reliant communities through programmes and policies that strengthen capacities and capabilities by 2019	% of NPO registration applications processed within 2 months of receipt	Process 98 % of applications within 2 months of receipt	31 183 applications were received and processed, of which 30 711 (98.5%) were processed within two months.	Process 99% of applications within 2 months of receipt	Processed 97% (28 860 of 29 601) of applications within 2 months.	The NPO system was unavailable from the 25th April-24th June 2016. This has led to delays in processing of application
	Number of local municipalities reached through the NPO roadshows	Conduct NPO National Roadshows in 70 Local Municipalities	107 NPO roadshows were held across 93 local municipalities.	Conduct NPO National Roadshows in 80 Local Municipalities	Conducted 101 NPO roadshows in 94 local municipalities	The overachievement was due to number of requests made by Programme Mikondzo to implement more Roadshows in Mikondzo LMs to address the needs identified in those areas.
	Number of NPOs trained on governance and compliance with the NPO Act	Train 3 000 NPOs	3 569 NPOs were trained	Train 3 000 NPOs on governance and compliance with the NPO Act	4 077 NPOs were trained on governance and compliance with the NPO Act	Overachievement can be attributed to high demand for the service. When conducting NPO training sessions, the invitations are sent to a specific number of NPOs in line with the target. However more often the invited NPOs would inform others who would then attend though uninvited as they also need the intervention.

Non-Profit Organisations Compliance Monitoring and Funding Coordination

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To build self-reliant communities through programmes and policies that strengthen capacities and capabilities by 2019	% of NPO reports processed within 2 months of receipt	Process 90 % reports within 2 months	30 681 reports received and processed, of which 29 830 (97%) were processed within two months.	Process 95% of NPO reports within 2 months	29 113 reports received and processed, of which 27 861 (96%) were processed within two months.	No deviation
	SDS Financing Policy	Approval of the PFA	Reviewed policy not yet approved	Conduct extended sector consultations on the Sector Financing Policy	<ul style="list-style-type: none"> Extended sector consultative sessions were conducted DSD Sector Funding Policy and supporting documents in place 	No deviation
	Partnership Model for the State, NPOs and relevant stakeholders	Approved Partnership Model in place	Draft state-civil society partnership model in place but not yet approved	Conduct extended sector consultations on the Partnership Model for the State, NPOs and relevant stakeholders	Extended sector consultative sessions conducted State-Civil Society Partnership Model in place	No deviation
	Draft NPO Amendment Bill	Draft the NPO Amendment Bill	Draft NPO Amendments Bill was completed	Introduce the NPO Amendment Bill in Parliament	There has been consultation with the NPO Sector and the report that informs amendment was completed.	The process of introduction of the Bill was delayed by the introduction of the Socio-Economic Impact Assessment System (SEIAS) process which was introduced in 2016 for all legislative changes to comply with.
Strategies to overcome under performance						
The consultation will be done with key stakeholders in line with Socio Economic Impact Assessment System process.						

Community Mobilisation and Empowerment

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To build self-reliant communities through programmes and policies that strengthen capacities and capabilities by 2019	Community Development Practice Policy	Approval of Community Development Practice Policy	The Community Development Forum approved the Community Development Practice Policy.	Submit Community Development Practice Policy for approval	Community Development Practice Policy submitted for approval	No deviation
	Capacity Assessment tool for Community Development Norms and Standards	Facilitate the implementation of the Community Development Norms and Standards	Implementation Report for Norms and Standards was completed	Assess community development capability against Community Development Norms and Standards	Community Development Capability was assessed and a report was compiled	No deviation
	Guidelines for community mobilisation and empowerment	New Indicator	–	Develop community mobilisation and empowerment guidelines	Guidelines for Community mobilisation and Empowerment were developed	No deviation
	Guidelines for the implementation of community development interventions	New indicator	–	Draft guidelines for the implementation of community development interventions	Draft guidelines for the implementation of community development interventions were developed	No deviation
	Number of wards reached through community outreach programmes	Reach 256 wards through Mikondzo	1 731 wards were reached through Programme Mikondzo	Reach 450 wards through community outreach programmes	2 058 wards reached through community outreach programme	Overachievement is due to intensive Mobilisation of communities at Ward level either through special Social Development Days such as Youth Month, October Month. The Community Development programme plays a critical role in facilitation of community dialogues for Programme Mikondzo, preparation for Ministerial visits that's where communities at various wards are reached. Lastly the Community Development unit is also involved in conducting awareness programmes at community level as a means of empowerment

Community Mobilisation and Empowerment *(continued)*

Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
	Youth Mobilisation Guidelines	8 000 youths participating in mobilisation programmes	131 900 youth participated in youth mobilisation programmes nationally.	Develop draft Youth Mobilisation Guidelines	Draft youth mobilisation guidelines were developed	No deviation
	Number of youths attending national leadership camps	1 400 youths to attend leadership camps	1 798 youth attended youth leadership camps in all provinces	1 000 youths to attend national leadership camp	982 youth attended National Youth Camps	The actual attendance for the camp, as per the master list, was 1009. However not all could sign the attendance register due to hospital admissions and withdrawals caused by severe illnesses and bereavements
	Guidelines on youth structures	52 youth clubs established	1 067 youth structures were established.	Review guidelines on youth structures	Youth structures guidelines were reviewed and distributed to provinces	No deviation
	Social Development Youth Strategy	Youth Development Strategy 2015–2020	Strategy review process was not concluded during the period under review. Submission for appointment of Bid Evaluation Committee (BEC) was approved, tender was advertised and proposals received.	Develop Draft Social Development Youth Strategy	Draft Social Development Youth Strategy was developed	No deviation
Strategies to overcome under performance						
Youth Mobilisation: The less than targeted participation during the youth camps was as a result of an inefficient system which did not allow all attendees to sign the register daily. In future the unit will streamline its systems to record all arrivals to camp immediately, as also introduce release forms to be signed by all participants who leave the camp.						

Poverty Alleviation, Sustainable Livelihoods and Food Security

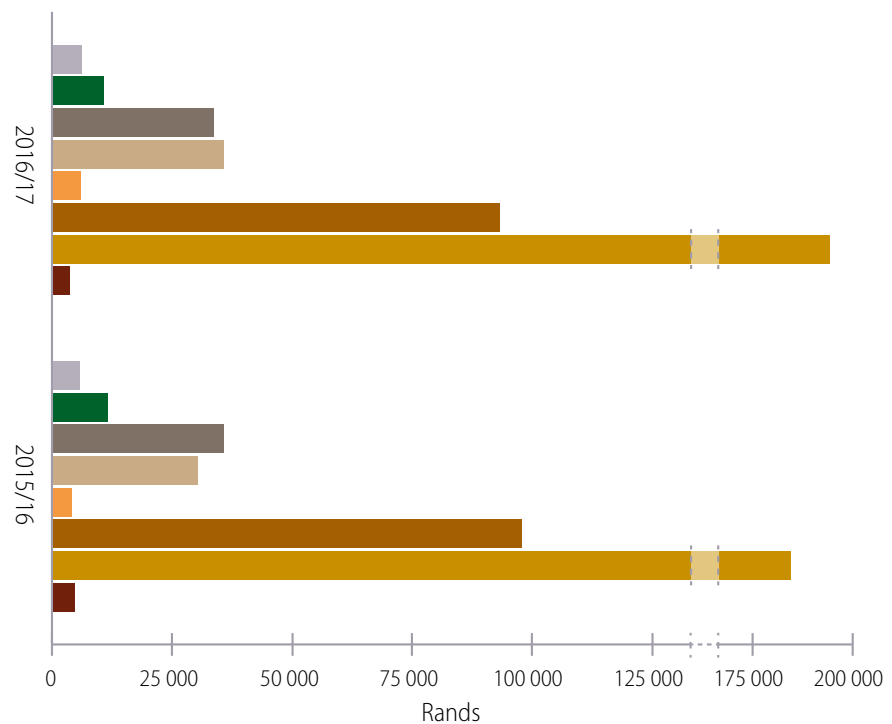
Strategic objectives	Performance indicator	Baseline	Actual achievement 2015/2016	Annual target 2016/17	Actual output 2016/17	Reasons for deviation from 2016/17 target
To build self-reliant communities through programmes and policies that strengthen capacities and capabilities by 2019	Framework for linking co-operatives to economic opportunities in the SDS	Train 300 cooperatives	–	Develop a framework for linking cooperatives to economic opportunities in the SDS	The framework was developed	No deviation
	Women Empowerment Framework for the SDS	New indicator	–	Develop the Women Empowerment Framework for the SDS	The framework was developed	No deviation
	Integrated Food Security and Nutrition Plan	New indicator	–	Facilitate implementation of the Integrated Food Security and Nutrition Programme in 9 provinces	<ul style="list-style-type: none"> The Household Food and Nutrition Security Programme was rolled out as contribution to the Integrated Food Security and Nutrition Programme in 9 provinces A Technical Working Group was established at National government level and within DSD to facilitate implementation of the plan. 	No deviation
	Number of people accessing food through Community Nutrition and Development Centres (CNDs)	40 000 people accessing food through CNDs	379 094 people accessed food through DSD programmes	60 000 people accessing food through CNDs	A total of 302 357 people accessed food through CNDs	No deviation
	Assessment report on SDS Food Security and Nutrition Programmes	New indicator	–	Assess SDS Food Security and Nutrition Programmes	An assessment of DSD food and nutrition security programmes was undertaken	No deviation

Linking Performance with Budgets – Programme 5: Social Policy and Integrated Service Delivery

P 5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY						
Details per sub-programme R'000	2016/17			2015/16		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
5.1 Social Policy Research and Development	6 131	6 062	69	5 891	5 758	133
5.2 Special Projects and Innovation	11 749	10 749	1 000	11 600	11 600	–
5.3 Population Policy Promotion	33 962	33 762	200	35 815	35 763	52
5.4 Registration and Monitoring of Non-Profit Organisations	35 767	35 679	88	30 301	30 301	–
5.5 Substance Abuse Advisory Services and Oversight	5 902	5 902	–	4 078	4 078	–
5.6 Community Development	93 246	93 246	–	97 795	97 795	–
5.7 National Development Agency	194 153	194 153	–	184 381	184 381	–
5.8 Programme Management	3 661	3 661	–	4 741	4 741	–
Total	384 571	383 214	1 357	374 602	374 417	185

PROGRAMME PURPOSE

To support community development, and promote evidence-based social policy in the Department and the Social Development Sector.



P 5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY



Social Policy Research and Development



Population Policy Promotion



Substance Abuse Advisory Services and Oversight



National Development Agency



Special Projects and Innovation



Registration and Monitoring of Non-Profit Organisations



Community Development



Programme Management

TRANSFER PAYMENTS

Transfer Payments to Public Entities

South African Social Security Agency (SASSA)	
Services rendered by the public entity	SASSA's objectives are to ensure the effective and efficient administration, management and payment of social assistance grants.
Amount transferred to the public entity R'000	6 908 931
Amount spent by the public entity R'000	7 259 553
Achievements of the public entity	<ul style="list-style-type: none"> As at 31st March 2017, SASSA paid 17 200 525 social assistance benefits, up from 16 991 634 in 2015/16. This represents a 1.2% increase. During 2016/17, the Integrated Community Registration Outreach Programme visited 618 poor wards, enabling vulnerable people to access government services, while Programme Mikondzo carried out 57 service delivery interventions. These programmes contributed immensely to the increase in new applications processed: 2 062 452 new social grant applications were processed during this financial year. SASSA continued to improve its turnaround time for processing of social grants. In the period under review, 90% (1 864 437 out of 2 062 452) of new social grant applications were processed within 10 days. And it should be noted that the majority of these applications were completed within one day. SASSA made 461 750 Social Relief Distress (SRD) awards, ranging from cash, food parcels, vouchers and school uniform. To improve the conditions under which beneficiaries are served, SASSA converted 179 open pay points to fixed structures, mostly through migrating to community halls and churches. SASSA also undertook an audit of 367 local SASSA offices, to ensure that they are functioning within acceptable norms and standards. SASSA processed 164 610 Foster Child Grant reviews, to enable eligible recipients to remain on the register and so continue to receive their benefits.



National Development Agency (NDA)	
Services rendered by the public entity	The NDA provides grants and capacity-building to Civil Society Organisations (CSOs) that implement development programmes in poor communities
Amount transferred to the public entity R'000	194 153
Amount spent by the public entity R'000	214 587
Achievements of the public entity	<ul style="list-style-type: none"> • The NDA's capacity-building programme trained and mentored 3065 CSOs to improve compliance with the NPO Act of 1997. • In addition, 2880 CSOs received training in organisational management, to enhance their management capabilities, while 706 CSOs were trained in community development practices, to ensure best practice and professionalism in their service delivery. • A total of 143 previously funded projects were exited into sustainable programmes during the year.
National Student Financial Assistance Scheme (NSFAS)	
Services rendered by the public entity	The NSFAS administers the Social Work Scholarship programme
Amount transferred to the public entity R'000	290 780
Amount spent by the public entity R'000	277 608
Achievements of the public entity	4 434 students were awarded scholarships, of which 1 004 were new awards for the 2016 academic year.

Although the NSFAS is not a public entity reporting to the Minister of Social Development, the transfer to NSFAS has been classified in the Standard Chart of Accounts as transfers to Agencies and Accounts.



Transfer Payments to all Organisations other than Public Entities

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with S38(1)(j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
South African National AIDS Council	Non-profit organisation	Providing technical and administrative support for the implementation of the Social Behaviour Change Programme.	Yes	56 315	13 034	Challenges in finalising agreements with provincial implementing agents. The signed service level agreements will be implemented until 2017/18 financial year.
South African Older Persons Forum (SAOPF)	Non-profit organisation	Strengthening the existing older persons forums in all provinces for the protection of the rights of older persons.	Yes	1 505	1 505	
National Institute Community Development and Management (NICDAM)	Non-profit organisation	Establishing the national emergency response team.	Yes	1 000	1 115	Expenditure includes funds rolled over from the 2015/16 financial year.
Partners in Sexual Health (PSH)	Non-profit organisation	Providing services as a national body, by developing, supporting and monitoring the implementation of policies, legislation and programmes to strengthen families.	Yes	708	195	The implementation of the 2016/17 funded activities to be completed by January 2018.
SONKE Gender Justice	Non-profit organisation	Providing services as a national body by developing, supporting and monitoring the implementation of policies, legislation and programmes to strengthen families.	Yes	708	101	The implementation of the 2016/17 funded activities to be completed by January 2018.
Kagisano	Non-profit organisation	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in Gauteng.	Yes	5 453	7 570	Expenditure includes funds rolled over from the 2015/16 financial year.
Adventist Development and Relief Agency/Provincial Distribution Centre	Non-profit organisation	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in the Free State.	Yes	5 453	7 362	Expenditure includes funds rolled over from the 2015/16 financial year.
South African Food Security and Development Agency	Non-profit organisation	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in KwaZulu-Natal.	Yes	5 453	6 540	Expenditure includes funds rolled over from the 2015/16 financial year.
Nonesi Development and Legal Advice	Non-profit organisation	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in the Eastern Cape.	Yes	5 453	7 226	Expenditure includes funds rolled over from the 2015/16 financial year.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with S38(1)(j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Makotse Women's Club	Non-profit organisation	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in Limpopo.	Yes	5 453	6 586	Expenditure includes funds rolled over from the 2015/16 financial year.
Ilitha Labantu	Non-profit organisation	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in the Western Cape.	Yes	10 181	11 468	Expenditure includes funds rolled over from the 2015/16 financial year.
Motswedi Wa Sechaba	Non-profit organisation	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in North West.	Yes	5 453	7 529	Expenditure includes funds rolled over from the 2015/16 financial year.
Thabang Information Centre	Non-profit organisation	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in the Northern Cape.	Yes	5 453	8 040	Expenditure includes funds rolled over from the 2015/16 financial year.
Kago Yabana Foundation	Non-profit organisation	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in Mpumalanga.	Yes	5 453	6 215	Expenditure includes funds rolled over from the 2015/16 financial year.
South African National Deaf Association	Non-profit organisation	Mobilising and advocating the rights of deaf people for their effective participation in the society on an equal basis with others.	Yes	350	75	The remainder of 2016/17 funded activities will be implemented in the 2017/18 financial year.
Moonlight Foundation for Autism	Non-profit organisation	Providing support to children and young people with autism.	Yes	800	362	The outstanding activities for the 2016/17 will be finalised in the 2017/18 financial year using unspent funds.
Albinism Society of South Africa	Non-profit organisation	Protecting and promoting human rights of persons with albinism, and stopping attacks and discrimination of persons with Resolution L25 as stipulated by the High Commissioner of Human rights.	Yes	1 000	385	Unspent funds will be used on finalising funded activities in the 2017/18 financial year.
Disabled Children's Action Group	Non-profit organisation	Promoting and protecting the rights of children with all forms of disabilities.	Yes	1 200	529	The unspent funds relate to outstanding activities on the Disability Rights Activism Workshop, which will be finalised in the first quarter of the 2017/18 financial year.
Deafblind South Africa	Non-profit organisation	Enhancing self-representation and capacity development of persons who are deafblind, their families and care givers.	Yes	244	–	Funded activities amended and to be finalised in 2017/18 using the available funds.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with S38(1)(j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
South African Federation For Mental Health	Non-profit organisation	Facilitating research in order to inform social development in the area of mental health disability.	Yes	352	352	
National Shelter Movement	Non-profit organisation	Rendering services to shelters for women and their children affected by gender-based violence from all nine provinces of South Africa.	Yes	800	117	The remainder of 2016/17 funded activities will be implemented in the 2017/18 financial year.
Lifeline South Africa	Non-profit organisation	Rendering toll-free helpline services and telephonic counselling to callers affected or experiencing gender-based violence.	Yes	1 339	1 140	All unspent funds will be used in the 2017/18 financial year.
National Peace Accord Trust	Non-profit organisation	Rendering services to ex-combatants, youth and children who have been abused, have experienced various types of trauma and have been as negatively impacted as victims of state criminal activities.	Yes	920	4	The remainder of 2016/17 funded activities will be implemented in the 2017/18 financial year.
Khulumani Support Group	Non-profit organisation	Rendering victim empowerment programmes to support the transformation of victims into victors and active citizens who are enabled to work together to develop capacities for self-reliance, economic activity and citizen engagement for transformation activities in their local communities.	Yes	512	238	The remainder of 2016/17 funded activities will be implemented in the 2017/18 financial year.
Foundation for Victims Of Crime	Non-profit organisation	Providing capacity-building in victim support services to the victims and witnesses of crime and violence nationwide.	Yes	432	182	The remainder of 2016/17 funded activities will be implemented in the 2017/18 financial year.
ChildLine South Africa	Non-profit organisation	Providing services as a national body by developing, supporting and monitoring implementation of policies, legislation, and norms and standards for social welfare services for children.	Yes	974	974	The organisation spent the total amount received from the department.
Afrikaanse Christlike Vroue Federasie (ACW)	Non-profit organisation	Providing services as a national body by developing, supporting and monitoring implementation of policies, legislation, and norms and standards for social welfare services for children.	Yes	1 266	560	Funded activities to be implemented in the 2017/18 financial year.
Centre for Early Childhood Development	Non-profit organisation	Providing services as a national body by developing, supporting and monitoring implementation of policies, legislation, and norms and standards for social welfare services for children.	Yes	749	110	Recruitment of ECD centres from the Northern Cape is that these centres operate in remote and isolated areas.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with S38(1)(j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Child Welfare South Africa	Non-profit organisation	Providing services as a national body by developing, supporting and monitoring implementation of policies, legislation, and norms and standards for social welfare services for children.	Yes	1 865	932	
National Institute for Crime Prevention and Reintegration of Offenders	Non-profit organisation	Developing a framework for an integrated social crime prevention strategy in practice, using partnership and practical approach at local level.	Yes	1 054	388	Project commenced in August 2016 with a completion date of July 2017.
Die Ondersteuningsraad (RATA)	Non-profit organisation	Providing services as a national body by developing, supporting and monitoring the implementation of policies, legislation, and norms and standards for social welfare services for children.	Yes	963	963	
SA Congress for Early Childhood Development	Non-profit organisation	Providing services as a national body by developing, supporting and monitoring implementation of policies, legislation, and norms and standards for social welfare services for children.	Yes	632	276	The project will be implemented until January 2018; unspent funds will be used to finalise project activities.
Suid Afrikaanse Vroue Federasie	Non-profit organisation	Providing services as a national body by developing, supporting and monitoring implementation of policies, legislation, and norms and standards for social welfare services for children.	Yes	762	762	
Khulisa Social Solution	Non-profit organisation	Providing services as a national body by developing, supporting and monitoring implementation of policies, legislation, and norms and standards for social welfare services for children.	Yes	796	258	The project commenced in September 2016 and will be finalised by August 2017. Unspent funds will be used to finalised project activities.
Population Association of South Africa	Non-profit Organisation	Supporting the sustainability, enhancement, development and capacity-building of demography scholarship in South Africa.	Yes	200	200	

Transfer payments budgeted for but not made

The table below reflects the transfer payments that were budgeted for in the period 1 April 2016 to 31 March 2017 but were not made.

Name of transferee	Purpose for which the funds were used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Apostolic Faith Mission Executive Welfare Council	Developing and delivering integrated social welfare services to abandoned, vulnerable, orphaned and children with special needs	723	0	Delayed submission of compliance document.
South African Council of Social Work Professions	Ensuring an ethically competent and efficient group of social service practitioners	1 741	0	Prior year allocated funding not accounted for.

CONDITIONAL GRANTS

Conditional Grants and Earmarked Funds Paid

The tables below describe each of the conditional grants and earmarked funds paid by the Department.

Table 1

Department/municipality to whom the grant has been transferred	Free State Provincial Department of Social Development
Purpose of the grant	To provide funding for the construction of a substance dependency treatment facility in the Free State.
Expected outputs of the grant	<ul style="list-style-type: none"> Reduction in recurrence of substance abuse. Affordable public treatment programmes.
Actual outputs achieved	<ul style="list-style-type: none"> Revised construction programme received from the contractor on 24 March 2017. In construction phase at the end of the financial year. <ul style="list-style-type: none"> Clearview fence at 15%. Road paving at 50%. Storm-water channel at 90%. Sewer line started at site boundary. Superstructure brickwork to Block D at 90%, Block C and G at 70%, Block F at 80%. Surface beds not completed.
Amount per amended DORA (R'000)	R42 500
Amount transferred (R'000)	R42 500
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R14 565 R11 million relates to funds rolled over from the 2015/16 financial year.
Reasons for the funds unspent by the entity	The delay in spending was as a result of the late start of actual construction, partly because the agreement allowed for an advance payment, and the Contractor had to arrange for an advanced payment guarantee. The earthworks were also more challenging than the Contractor had anticipated.
Monitoring mechanism by the transferring department	Monthly and quarterly progress reports were submitted by the Free State Provincial Department of Social Development, and site visits were conducted to monitor progress.

Table 2

Department/municipality to whom the grant has been transferred	Northern Cape Provincial Department of Social Development
Purpose of the grant	To provide funding for the construction of a substance dependency treatment facility in the Northern Cape.
Expected outputs of the grant	<ul style="list-style-type: none"> Reduction in recurrence of substance abuse. Affordable public treatment programmes.
Actual outputs achieved	<ul style="list-style-type: none"> A revised project implementation plan was submitted. Earthworks were completed. Construction works are in progress.
Amount per amended DORA (R'000)	R43 000
Amount transferred (R'000)	R43 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R1 826
Reasons for the funds unspent by the entity	The delay in construction is as a result of construction being stopped following a court interdict initiated by one of the tenderers who was of the opinion that they deserved the contract. The final judgement in the matter was delivered on 11 November 2016, with a two-week period for appeal applications up to 28 November 2016. The construction recommenced on 1 February 2017.
Monitoring mechanism by the transferring department	Monthly and quarterly progress reports were submitted by the Northern Cape Provincial Department of Social Development, and site visits were conducted to monitor progress.



DONOR FUNDS

Donor Funding in Cash

Table 1

Name of donor	German Development Bank (KfW)
Full amount of the funding	€7 849 118 The total project funds amount to €9 9 000 000, of which €2 050 882 is for consultancy services to be paid by donor directly to the service provider.
Period of the commitment	2013 to December 2017
Purpose of the funding	Care and support project for Orphans, Vulnerable Children and Youth (OVCY) focusing on the construction of Community Care Centres (CCCs) and implementation of capacity-building programmes
Expected outputs	<ul style="list-style-type: none"> 17 CCC built and furnished. Capacity-building programmes implemented.
Actual outputs achieved from 01 April 2016 to 31 March 2017	<ul style="list-style-type: none"> The construction of CCCs for OVCY (care and support project) continued in three provinces (KwaZulu-Natal, North West and Limpopo). The centres have not yet been completed and will be transferred to the provinces upon completion. Training at CCCs was carried out on: Psychosocial Support guidelines for 13 CCCs, Support Groups guidelines for 5 CCCs, Norms and Standards for 17 CCCs and Monitoring and Evaluation for 17 CCCs.
Amount received in the 2016/17 financial year (R'000)	R45 944
Amount spent by the department/ on behalf of the department in the 2016/17 financial year (R'000)	R45 944
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Submission of quarterly reports

Table 2

Name of donor	Global Fund
Full amount of the funding	R19 600 000
Period of the commitment	1 October 2013 to 30 September 2016 (April to September 2016 was the close-out period)
Purpose of the funding	To improve data quality, Monitoring and Evaluation (M&E) systems for the HIV and AIDS Programme.
Expected outputs	<ul style="list-style-type: none"> Strengthening HIV and AIDS Programme monitoring, reporting and evaluation systems at provincial, district and local levels. Creation of evidence base for HIV and AIDS programmes.
Actual outputs achieved from 01 April 2016 to 31 March 2017	<ul style="list-style-type: none"> 49 data capturers (in 8 provinces), a project manager and a project coordinator were appointed. Training was conducted on data quality, data analysis and improving of data in decision-making. Data was reported in the Community-Based Information Monitoring System (CBIMS).
Amount received in the 2016/17 financial year (R'000)	R2 382
Amount spent by the department/ on behalf of the department in the 2016/17 financial year (R'000)	R5 249
Reasons for the funds unspent	<ul style="list-style-type: none"> N/A. A claim has been submitted to the Department of Health for an amount of R2.867 million.
Monitoring mechanism by the donor	Quarterly reports were submitted to the donor.

Table 3

Name of donor	Criminal Asset Recovery Agency (CARA)
Full amount of the funding	R26 000 000
Period of the commitment	1 July 2012 to 30 September 2017
Purpose of the funding	To improve victim empowerment services by providing capacity-building and funding to emerging organisations and shelters.
Expected outputs	<ul style="list-style-type: none"> Funding and building the capacity of Civil Society Organisations (CSOs) that provide services to victims of crime. Funding to shelters for victims of crime and vulnerable groups.
Actual outputs achieved from 01 April 2016 to 31 March 2017	<ul style="list-style-type: none"> Funds were transferred to 24 CSOs for implementing various activities under the Victim Empowerment Programme. Capacity-building was conducted to funded CSOs in Limpopo, Northern Cape, Western Cape and North West.
Amount received in the 2016/17 financial year (R'000)	R0 (Funds carried over from the 2016/17 financial year)
Amount spent by the department/ on behalf of the department in the 2016/17 financial year (R'000)	R3 908
Reasons for the funds unspent	Projects expected to be finalised in the 2017/18 financial year.
Monitoring mechanism by the donor	Quarterly reports submitted to the donor.

Donor Funding in Kind

Table 1

Name of donor	German Development Bank (KfW)
Full amount of the funding	2 050 881.8 Euro (from the 9.9m Euro)
Period of the commitment	2013 to December 2017
Purpose of the funding	Consulting services for the care and support project for Orphaned and Vulnerable Children and Youth (OVCY).
Expected outputs	<ul style="list-style-type: none"> Providing project management services for the OVCY 1 and OVCY 2 projects on the construction of 17 Community Care Centres (CCCs). Implementing of capacity-building programmes.
Actual outputs achieved from 01 April 2016 to 31 March 2017	<p>Project management services provided during the financial year with the following overall achievements:</p> <ul style="list-style-type: none"> CCCs for OVC (care and support project) continued in three provinces (KwaZulu-Natal, North West and Limpopo). The centres have not yet been completed and will be transferred to the provinces upon completion. Training was given on: the Psychosocial Support guidelines to 13 CCCs, Support Groups guidelines for 5 CCCs, Norms and Standards for 17 CCCs and Monitoring and Evaluation for 17 CCCs.
Amount received in the 2016/17 financial year (R'000)	R7 953
Amount spent by the department/ on behalf of the department in the 2016/17 financial year (R'000)	R7 953
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	<ul style="list-style-type: none"> Quarterly reports were submitted to donor, and steering committee meetings were held. A donor-appointed consultant was guiding and monitoring the project on behalf of the donor.

Table 2

Name of donor	USAID Pact SA
Full amount of the funding	N/A
Period of the commitment	September 2013 to 30 September 2018
Purpose of the funding	To strengthen the Department of Social Development's (DSD) response to the social and structural barriers that increase the vulnerability of orphaned and vulnerable children and youth (OV CY) to the human immunodeficiency virus (HIV), sexually transmitted infections (STIs) and tuberculosis (TB), addressing specific constraints hampering the health and social development system to achieve better outcomes for OV CY (e.g. those affected by poverty, child abuse, neglect and exploitation).
Expected outputs	<ul style="list-style-type: none"> Strengthened coordination, management and oversight of community care service structures that protect and care for the most vulnerable children and their families. Strengthened inter-sector integration and coordination between DSD and other government departments such as health and education. Building of a supportive multi-sector environment for vulnerable children led by DSD through strengthening the system at national and provincial level. Improved, timely availability of reliable data on programme performance, M&E, and information on the social effects of HIV and AIDS, and other vulnerabilities faced by children.
Actual outputs achieved to 31 March 2017	<ul style="list-style-type: none"> Between October 2016 and March 2017, YOLO reached 1 176 OV CY through 25 NPOs (Gauteng 20, Free State 5). An additional 74 NPOs in 14 priority districts were contracted to roll out YOLO and ZAZI and facilitators trained. The Induction Programme was successfully piloted in KwaZulu-Natal and North West provinces and inputs from the pilot were incorporated into the final draft of the Induction Programme. Between October 2016 and March 2017, 151 367 OV CY were reached with a core package of social services across eight provinces and 17 districts in South Africa. A skills development audit was carried out of 6 744 SSPs, and the top priority skills gaps identified were: Service Integration Procedures, Family Therapy, HIV Case Management. DSD North West finalised their integrated service delivery approach for welfare services at ward level. The Department reviewed and implemented changes on prototypes, development and testing of National integrated social information systems (NISIS), intake, alternative care management (ACM), and Child Protection Register (CPR). A comprehensive Learning Agenda was developed, setting out a plan of action to produce and disseminate a range of technical and learning products. A manual was developed, to provide guidance for service delivery, including assessment and case management tools. The draft M&E framework for Outcome 13 sub-outcome 5, which is aimed at strengthening coordination, integration, planning, monitoring and evaluation of social protection services, was finalised. It includes the development of a Theory of Change (ToC) and the M&E plan for the entire social sector. In support of this, a ToC workshop was conducted in Gauteng with 74 DSD managers from different programmes to enhance their understanding of the ToC methodology and apply it to their respective programmes. <p>Training conducted during the reporting period</p> <ul style="list-style-type: none"> Two-day workshops on alternative care training were held in the Eastern Cape and Mpumalanga provinces, attended by approximately 142 child protection social workers and supervisors. 65 Social work supervisors were trained as master trainers in Free State and Limpopo provinces. Health Care referral training workshops were conducted in KwaZulu-Natal and reached 80 Social Service Practitioners (SSPs).

Name of donor	USAID Pact SA
Actual outputs achieved to 31 March 2017 (continued)	<p>Training conducted during the reporting period (continued)</p> <ul style="list-style-type: none"> • NPOs in Gauteng, Mpumalanga and North West were trained in guidelines and tools for identifying and referring children needing HIV testing, treatment and adherence support, and 301 community-level mentors were trained to support community caregivers. • 27 participants, from six NPOs, a Child and Youth Care Centre and members of the national DSD were trained in the therapeutic programme for children and their families affected by sexual abuse, and received mentoring support after the training. • 523 facilitators (from the DSD, NPOs and SSPs from child and youth care centres) were trained on YOLO and ZAZI social behaviour change programmes. • 32 supervisors across all provinces were trained in the Induction Programme, which improves social worker knowledge of child protection legislation and strengthens skills and techniques for enhanced intervention. • 221 officials (57 from North West, 64 from Limpopo and 100 from KZN) attended capacity-building workshops focusing on sound Monitoring, Evaluation, Resolution, and Learning (MERL) processes. • Capacity-building workshops on CBIMS took place in Limpopo for 55 participants and 26 Master Trainers (HIV and AIDS coordinators from all the Districts) and in KZN for 63 participants • Excel training for departmental officials: intermediate training for 18 officials in Gauteng, and advanced training for 34 officials in Limpopo and 8 officials in Gauteng. <p>Reviews of policies and programmes</p> <ul style="list-style-type: none"> • The review of the ZAZI programme was completed, enhancing HIV prevention, treatment and support elements, and a desktop review was conducted into parenting programmes that are being implemented through the Department and NPO partners at national and provincial level. • As part of the review of the Recruitment and Retention Strategy, a national consultative workshop on the draft Reviewed Recruitment and Retention Strategy was held. • The review of the Sector Funding Policy (SFP) was completed, and the draft policy were presented to DSD national and provincial working group for validation of content and ensure issues are adequately articulated. To ensure successful implementation of the reviewed policy, the development of the baseline costing model and M&E framework is in progress. • The Department's generic intervention processes and tools (case management) were reviewed and subsequently revised by a task team comprising national and provincial personnel. <p>Inputs into the National Strategic Plan (NSP) for HIV and AIDS, STIs, and TB 2017–2022.</p> <ul style="list-style-type: none"> • Two consultative workshops were held with DSD national and provincial personnel to refine their inputs into the NSP. • A meeting took place on 19 December 2016 to finalise DSD inputs into the social and structural driver's chapter of the NSP and to identify objectives, sub-objectives and programmes that should go into the NSP.
Amount received in the 2016/17 financial year (R'000)	R87 873
Amount spent by the department/ on behalf of the department in the 2016/17 financial year (R'000)	R87 873
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Programme steering committee overseeing work-plan implementation includes DG, DDGs, USAID and Pact Senior Management.

Table 3

Name of donor	Japan International Cooperation Agency (JICA)
Full amount of the funding	The amount is not specified in the agreement.
Period of the commitment	9 May 2016 to 8 May 2020
Purpose of the funding	To enhance the capacities of DSD in empowering persons with disabilities and in mainstreaming disability.
Expected outputs	<ul style="list-style-type: none"> • The information of situation and resources for the empowerment of persons with disabilities and disability mainstreaming in South Africa is managed within DSD. • Approaches for implementing empowerment of persons with disabilities and disability mainstreaming are developed by DSD. • Resources (human resources, relevant organisations, partnership etc.) are strengthened for empowerment of persons with disabilities and disability mainstreaming. • Functions of DSD to collaborate and coordinate with relevant organisations of the neighbouring countries for empowerment of persons with disabilities and disability mainstreaming are strengthened.
Actual outputs achieved from 01 April 2016 to 31 March 2017	<ul style="list-style-type: none"> • Project for the Promotion of Empowerment of Persons with Disabilities and Disability Mainstreaming started on 9 May 2016. • DSD and JICA are setting up the project infrastructure, including the project team, working group at each study site and the Joint Coordinating Committee (JCC)). • The project team visited project sites, 11 times in Limpopo and twice in the Free State. • The JCC held two meetings: on 21 July 2016 (30 people participated) and on 14 March 2017 (30 people participated). • In Limpopo, the project team conducted a team-building workshop and disability mainstreaming training, and established a self-help group of persons with disabilities and peer counselling. • The project purchased a project vehicle and multi-functional printer.
Amount received in the 2016/17 financial year (R'000)	R1 403
Amount spent by the department/ on behalf of the department in the 2016/17 financial year (R'000)	R1 403
Reasons for the funds unspent	N/A. The budget was spent as planned.
Monitoring mechanism by the donor	<ul style="list-style-type: none"> • Two JICA experts were dispatched to the national DSD to assist officials in implementing and monitoring the project. • Monthly reports are prepared to monitor performance.

Table 4

Name of donor	USAID-FHI360
Full amount of the funding	R1 361 931.84
Period of the commitment	15 July 2015 to 15 July 2017
Purpose of the funding	Strengthening the Early Childhood Development (ECD) Programme
Expected outputs	<ul style="list-style-type: none"> • Provide technical management and coordination support to the ECD Programme. • Provide technical guidance and support to DSD and other ECD stakeholders in developing and implementing the ECD policy at national, provincial and local level. • Identify and organise capacity-building on the approved ECD Policy, Children's Act (registration of the ECD programmes) and the parental/primary caregiver capacity-building training package, including training, coaching and mentoring of government officials in the Department of Social Development at national, provincial and district levels. • Contribute towards inter-sectoral coordination, collaboration and networking between government departments, civil society, developmental organisations and the private sector at all levels. • Identify gaps and potential areas for research on ECD at household level.

Name of donor	USAID-FHI360
Actual outputs achieved in the 2016/17 financial year	<ul style="list-style-type: none"> • A memorandum and letters for the provincial Heads of Department (HODs) concerning the parental/primary caregiver capacity-building training package were submitted to the DDG: Welfare Services for consideration and signing, after which the letters were sent to the HODs and the National Development Agency (NDA). • The ECD Focus Group of the National Child Care and Protection Forum was briefed on the progress pertaining to the arrangements for the capacity-building sessions on 18 August 2016. • The facilitator's guidelines, based on the ECD Policy, was completed in collaboration with the United Nations International Children's Emergency Fund (UNICEF) and tested in nine capacity-building workshops on the ECD Policy and Comprehensive ECD Programme held in the nine provinces. The workshops were organised in collaboration with the provincial departments of social development and took place in Rustenburg, North West on 10–11 May 2016 (92 people attended); East London, Eastern Cape on 17–18 May 2016 (87 people attended); Kimberley, Northern Cape on 20–21 June 2016 (110 people attended); Mpumalanga on 5–6 July 2016 (62 people attended); Gauteng on 19–20 July 2016 (250 people attended); Limpopo on 23–24 August 2016 (126 people attended); Free State 6–7 September 2016 (45 people attended); Durban, KwaZulu-Natal on 1–2 November 2016 (115 people attended); and Parow, Western Cape on 22–23 November 2016 (164 people attended). A total of 1051 people attended the capacity-building workshops. The pre- and post-tests results of the nine workshops, as well as the expectations and overall evaluations, were completed together with one report on the North West workshop. • Provincial social workers who have been trained as master trainers were invited to be part of the facilitating team of the parental programme workshops. • Workshops on the parental/primary caregiver capacity-building training package at which participants were trained as master trainers took place in: Port Elizabeth, Eastern Cape from 19–23 September 2016 (29 participants: 26 social workers, 2 ECD practitioners and one FHI360 director); Rustenburg, North West from 24 to 28 October 2016 (28 social service professionals); Kimberley from 6–10 February 2017 (22 social workers, 11 from Free State and 11 from Northern Cape) and the Western Cape (30 social workers, 8 from provincial DSD, 1 from the Department of Correctional Services – Pollsmoor Correctional Centre – and 1 from the NDA). • One new official from the Chief Directorate: ECD in the national DSD was trained as a master trainer in East London and given the opportunity to co-facilitate in the Cape Town workshop. • A concept paper on the mapping of stakeholders was developed and circulated to members of the Sub-committee for ECD Policy and Legislation for comments. • A format was created for the ECD Policy implementation plan and submitted to Price Waterhouse Coopers (PwC) for the catalyst workshop on the ECD Policy planned for 8–9 June 2016 at Saint Georges Conference Centre. The workshop inputs were received on 26 September 2016 from PwC. • The draft implementation plan was developed and the National Interdepartmental Committee for ECD facilitated a special meeting on 17 March 2017 where the inputs from the departments of social development housing and basic education were discussed. Only five departments provided inputs for the Implementation Plan. • The process of obtaining inputs from ECD experts on the identification of gaps and potential areas for research on the ECD household level has started and is ongoing.
Amount received in the 2016/17 financial year (R'000)	R735
Amount spent by the department/ on behalf of the department in the 2016/17 financial year (R'000)	R 735
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	<ul style="list-style-type: none"> • Monthly, quarterly and annual reports are submitted to the Donor • Monthly meetings

Table 5

Name of donor	USAID-FHI360
Full amount of the funding	R1 500 000.00
Period of the commitment	8 December 2014 to 7 December 2016
Purpose of the funding	To offer technical assistance and project management services for the Isibindi programme
Expected outputs	<ul style="list-style-type: none"> ● Manage, coordinate, plan and oversee the implementation of the Isibindi model in all provinces and active participation in the Isibindi Stakeholder Steering Committee. ● Create an evidence base for HIV and AIDS programmes. ● Review, upgrade and upscale capacity-building initiatives, including training, coaching and mentoring for key stakeholders at national, provincial and district levels on the technicality and management of services. ● Establish, facilitate and maintain partnerships with provinces, relevant government departments, the donor community, development organisations, civil society, South African Council of Social Science Professionals (SACSSP) and HWSETA at all levels. ● Support strategic management and the scale-up of the Isibindi model to all provinces. ● Manage a stakeholder forum and meetings and ensure the participation of relevant representatives from the children's sector to advise and provide oversight and guidance to the process (e.g. Childline, Yezengani Network, Children's institute, ACCESS, etc.). ● Plan for the institutionalisation and sustainability of the capacity-building programme to ensure a smooth implementation of the Isibindi programme in all provinces.
Actual outputs achieved from 01 April to 31 March 2017	<p>Mid-term review</p> <ul style="list-style-type: none"> ● The contract was finalised with Mott MacDonald, the service provider appointed to do the mid-term review (MTR) of the Isibindi programme. ● The inception report for the MTR of the Isibindi programme was finalised. ● The MTR was launched with national DSD, provinces, NACCW, FHI360 and Mott MacDonald and the inception report was presented and the next steps planned. ● The MTR dissemination workshop was held on 17 November 2016. ● The sustainability plan dissemination presentation took place on 7 December 2016. <p>M&E results framework</p> <ul style="list-style-type: none"> ● The M&E framework was finalised and displays the results that national DSD intends achieving by 2018. This helps by : <ul style="list-style-type: none"> ○ clearly outlining the key deliverables and focusing on the outcome; ○ measuring progress toward key deliverables by going back to the beginning of the project and collected data and update; ○ establishing an evidence-based approach to monitoring and evaluating the Isibindi projects; ○ Using the result framework to improve planning and better identify potential synergies within NDSD. ● Questionnaires were administered and data collected from all nine provinces at district level on the status of readiness for roll-out of CBIMS on 29 July 2016. ● The results framework and tools were finalised, in partnership with PACTSA on 17–18 May 2016. This led to skills transfers to 30 DSD officials the and strengthening of the Isibindi M&E system, resulting in: <ul style="list-style-type: none"> ○ OVCs increased from 130 182 to 936 760; ○ CYCWS increased from 2875 to 7392; ○ NGOs increased from 297 to 358; ● The community child and youth care services conceptual framework was drafted and presented to the OVC unit to solicit.

Name of donor	USAID-FHI360
<p>Actual outputs achieved from 01 April to 31 March 2017 (continued)</p>	<p>Financial systems</p> <ul style="list-style-type: none"> The use of Isibindi budget by NACCW and implementing partners was assessed to align with performance reported on the November 15, 2016. Financial reporting by provinces and NACCW improved. Provincial and NACCW financial data was collected and submitted to the national DSD costing unit, which developed the bid on prevention and early intervention services to children that was presented to National Treasury on 7 November 2016. <p>Database and repository</p> <ul style="list-style-type: none"> Databases were updated to reflect the 936 760 OVCs reached, 7392 CYCWs trained, 358 implementing partners and repository by national, provinces and NACCW monthly. The database increases the ability to keep track of and analyse project performance. A wider communication was promoted among stakeholders on the project documentation in their provinces. <p>Reporting</p> <ul style="list-style-type: none"> A comprehensive report on the implementation of the Isibindi model was developed, using information received from provincial chief directors – the reporting improved in all provinces. The quarter 3 report for DSD and POE was compiled. The provincial coordinators meeting was held on the 7–8 December 2016 at which the MTR findings and recommendations were presented. <p>Stakeholder mapping</p> <ul style="list-style-type: none"> The stakeholder mapping concept note for the Isibindi programme was refined to identify relevant stakeholders who contribute positively. Partnerships were developed with Foundation for Professional Development (FPD), Price Waterhouse Coopers (PWC), ASA group, PD group, Accenture, Deloitte, EOH (Tshepo 500 000), Department of Higher Education and Training (DHET), PACTSA, UNICEF and South African Institute for Chartered Accountants (SAICA) and South African National AIDS Council (SANAC); currently, 65 partners contribute positively to the programme. A funding proposal of R1 968 320.00 for two Isibindi sites (Libode and Lwandile in the Eastern Cape) was submitted to South African National AIDS Council (SANAC). USAID agreed to extend the TA-Isibindi project from December 2016 to December 2019, and terms of reference were drafted. <p>Child and youth care workers (CYCWs)</p> <ul style="list-style-type: none"> A total of 1551 CYCWs were successfully screened against the national child protection register: 96 in Eastern Cape, 181 in Free State, 320 in Gauteng, 274 in Limpopo, 102 in Mpumalanga, 174 in North West, 30 in Northern Cape and 231 in KwaZulu-Natal. The register includes names of people found guilty of crimes against children and those found not guilty but declared by the court to be unsuitable to work with children. <p>Sustainability plan</p> <ul style="list-style-type: none"> Information on the Isibindi project was shared at technical committee and skills transfer consultation sessions. Deliverables for the sustainability plan were finalised, i.e. the inception report, skills transfer plan and report, programme implementation evaluation report, database of current Isibindi implementers, CYCW career pathways report, final costed sustainability plan and the risk management plan). A feedback session on lessons learned, recommendations and scenario planning took place on 23 November 2016. The service provider, KPMG, developed three possible scenarios to be costed for the sustainability plan.

Name of donor	USAID-FHI360
<p>Actual outputs achieved from 01 April to 31 March 2017 (continued)</p>	<p>Learning and development programme</p> <ul style="list-style-type: none"> ● A total of 26 433 learners benefited from tertiary education (700), scholarships/bursaries (45), youth camps (40), career expos (8 714), learnerships (20), mentorship (96), IEC material (10 032) and skills development (726). Highlights include: <ul style="list-style-type: none"> ○ 7 learners from Gauteng received a learnership in IT including R1 500 stipend per month for 24 months, to study systems such as SAP, Cisco and Microsoft. ○ 30 learners began studying for a BA in Administration through the Maharishi institute on 1 April 2016. ○ Three learners applied (on 26 May 2016) for a scholarship at Tomorrow Trust to study business management. ○ 42 learners attended the SAICA national maths development camp. ○ 3 500 learners benefited from the distribution of past exam (maths and other subjects) to 358 Isibindi sites in partnership with SAICA, UNICEF and ABSA. ○ 38 CYCWs/mentors attended a career development train-the-trainer session in Gauteng, organised by the DSD, NACCW and SAICA and facilitated by DHET on the 5–6 July 2016. The session's aim was to increase knowledge about career choices, (technical or academic), highlight entrance requirements for tertiary institutions and enable the CYCWs to train others and thus increase capacity at site level. <p>HWSETA</p> <ul style="list-style-type: none"> ● An improvement plan for NACCW and provinces was developed and approved with a focus on training regulation compliance. ● An improvement plan to improve compliance to HWSETA regulations and procedures was implemented. ● 55 sites for CYCW training were validated, in Limpopo (38), Free State (13) and Northern Cape (4). ● The turnaround time for printing of certificates was reduced from 8 months to 4 months. ● Compliance to HWSETA regulations increased in all provinces and NACCW. ● 367 CYCWs graduated in Gauteng <p>Other activities involved:</p> <ul style="list-style-type: none"> ● 350 CYCWs, social auxiliary workers and social workers received training from the Foundation for Professional Development on integrated management of sexual and gender-based violence in North West, Free State and Gauteng. The training enhances gender mainstreaming on Isibindi project. ● A database of 8 000 OVCs was shared with the DSD unit that deals with the rights of people with disability, to ensure the assessment of all the children living with disabilities. ● NPO capacity-building on compliance to NPO Act was conducted for all Isibindi partners.
Amount received in the 2016/17 financial year (R'000)	R675
Amount spent by the department/ on behalf of the department in the 2016/17 financial year (R'000)	R675
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Monthly reporting.

Table 6

Name of donor	Airports Company South Africa (ACSA)
Full amount of the funding	R1 000 000
Period of the commitment	1 April 2016 to 31 March 2017
Purpose of the funding	To implement the Izingane Kuqala Project (started by parents in KwaZulu-Natal) that benefits children with profound disabilities at risk of compounded marginalisation who are enrolled in day care centres.
Expected outputs	<ul style="list-style-type: none"> Improved developmental outcomes for children with severe disabilities at risk of compounded marginalisation at the development of a cost model for replication at other sites. The development of a costed community-based service delivery model for replication at other sites.
Actual outputs achieved from 01 April 2016 to 31 March 2017	<ul style="list-style-type: none"> Specialised assistive devices provided to Masibambaneni Day Care Centre in Umlazi. Fact-finding visits conducted at 25 mainstream ECD centres in Umzumbe LM, Ndwedwe LM and Umlazi LM, which are near to each project site. Planned clinical sites visits for children with mobility needs in three sites to be done in November 2017. Centre-based specialised equipment for rehabilitation and simulation of children delivered to Masibambaneni Day Care Centre (Now named MASAN for: Masibambaneni Safety Net for Children with Disabilities). Caregivers at MASAN were trained in the use of the specialised rehabilitation equipment for children with mobility needs.
Amount received in the 2016/17 financial year (R'000)	R931
Amount spent by the department/ on behalf of the department in the 2016/17 financial year (R'000)	R931
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	<ul style="list-style-type: none"> Monthly reports from the service provider (Uhambo Foundation) Reports from the DSD project team informed by Centre improvement committee and Local Steering Committees established in all project sites. On-site visits to Umzumbe LM, Ndwedwe LM and Masibambaneni Day Care Centre in Umlazi LM



Table 7

Name of donor	UNICEF
Full amount of the funding	\$5 745 000
Period of the commitment	January 2013 to December 2017
Purpose of the funding	To strengthen the Early Childhood Development (ECD) Programme
Expected outputs	Improved access to integrated ECD services with a focus on the most vulnerable children.
Actual outputs achieved from 01 April 2016 to 31 March 2017	<ul style="list-style-type: none"> • The meeting of the National Interdepartmental Committee for ECD was held on 7 and 8 June 2016. • The National Integrated ECD Policy was disseminated to all the provinces, NDA and relevant national departments. • 118 officials were trained on the parental/primary caregiver programme: 29 from the Eastern Cape (26 social workers, 2 ECD practitioners and 1 director from FHI360); 33 from the Western Cape, 14 from the Free State, 14 from the Northern Cape and 28 from North West. The trained officials are expected to train parents and primary caregivers of young children, including the ECD practitioners in their respective districts at the community level. • Meeting for the development of the ECD Policy Implementation Plan took place on 6 October 2016. • Meeting on the development of funding norms and standards for partial care facilities (ECD centres) took place on 17 October 2016. • Meeting of the ECD Inter-Sectoral Forum took place on 30 November 2016. • Meeting on the Local Government By-laws Review/Feasibility Study for ECD took place 26 October 2016 • National Interdepartmental Committee meeting on regulatory framework linked to the National Integrated ECD Policy took place on 8 December 2016 • The workshop for the ECD Conditional Grants was held on 13 and 14 February 2017.
Amount received in the 2016/17 financial year (R'000)	R1 289
Amount spent by the department/ on behalf of the department in the 2016/17 financial year (R'000)	R1 289
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Documented reporting on the support provided.



CAPITAL INVESTMENTS

Capital Investments, Maintenance and Asset Management Plan

Capital investments

The Department's movable capital assets consist mainly of:

- office furniture and equipment,
- vehicles,
- IT infrastructure and equipment, and
- kitchen appliances

The Department received funding from the German Development Bank (KfW) to build centres for orphans and other vulnerable children (care and support project) in three provinces: KwaZulu-Natal, North West and Limpopo. The total amount of R45.893 million was spent in 2016/17 financial year towards building the centres. The centres have not yet been completed and will be transferred to the Provinces on completion.

The immovable capital assets owned by the Department are White Door houses for victim empowerment, in the Eastern Cape (Queenstown and Port Elizabeth) and North West (Mmakau).

Asset management

The Department's asset register complies with the minimum information required in terms of Asset Management Guidelines issued by National Treasury. During the period under review, the Department conducted stock-takes of assets, as required by the Department's asset management policy. The Department embarked on a full-blown asset verification process and cleaning up the asset register. Some of the lost assets are still under investigation. All newly acquired assets were reconciled against accounting records. The asset management office ensures that requests for assets comply with the departmental policies, norms and standards before any asset is approved for procurement.

Maintenance

The IT assets come with a vendor warranty ranging from one to three years. Once the warranties expire, the Department enters into maintenance agreements with relevant vendors.





PART

C

GOVERNANCE



1. Introduction

The Department is committed to maintaining the highest standards of governance in the management of public finances and resources. As a result, effective risk management, anti-corruption and fraud prevention, occupational safety and adherence to the Public Service Code of Conduct are fundamental for good governance and administration. The frameworks and procedures discussed below are core pillars of the Department's corporate governance arrangements, and are developed and implemented based on relevant legislation as well as best practice.

2. Risk Management

The Department adopted the Public Sector Risk Management Framework and developed a risk management policy and strategy to guide the function. Risk assessments are conducted annually with all business units to identify risks that could impede the attainment of their objectives and to develop mitigation plans to address such risks. There is a functional Risk Management Committee that meets on a quarterly basis to review the progress that the Department is making in addressing its risks and to provide strategic direction and overall advice to the Accounting Officer on risk management. Risk management is a standing item on the agenda of the Audit Committee, and reports are presented to this committee on all matters pertaining to risk management. In this way the Audit Committee is able to provide relevant guidance and monitoring of the Department's risk management system.

There is progress in the management of risks which has resulted in an improvement in the Department's performance. However, the Department will continue to intensify its risk management processes and monitoring systems at an executive management level to enforce accountability.

3. Fraud and Corruption

The Anti-Corruption and Fraud Prevention (ACFP) Policy is intended to curb all forms of corruption and fraud within the Department. The policy demonstrates the Department's

attitude towards all forms of corruption and fraud by re-enforcing existing regulations aimed at the preventing, detecting, investigating and resolving corruption and fraud. It is a dynamic strategy that will continuously advance, as the Department's circumstances change.

Annexure A of the policy explains the Department's ACFP Plan, while Annexure B explains the ACFP Response Plan and provides details of how the Department and its employees should respond to all incidents or suspected incidents of corruption and fraud. Annexure C of the policy sets out how staff should raise concerns with the appropriate line management, or specifically appointed persons in the Department, where they have reasonable grounds for believing that there is fraud and corruption within the Department. Management encourages staff to raise matters of concern responsibly through the procedures laid down in annexure. The policy will be reviewed in the next financial year.

It is the responsibility of all employees of the Department to report all incidents of corruption and fraud or similar conducts relating to actual or potential financial losses. The reporting procedures are dealt with in detail in the Response Plan (Annexure B).

The first step is for the employee to approach his/her immediate supervisor/manager. Should the manager find the complaint to be substantiated, he/she will consult with Internal Audit on whether the matter should be investigated internally or referred to the appropriate external body such as the South African Police Service (SAPS). In the case of the employee's immediate supervisor/manager or senior management being the subject of the complaint, he/she should inform Internal Audit.

Concerns are best raised in writing and should include: the background and history of the concern (where possible giving names, dates and places) and the reason why the individual is particularly concerned about the situation. Those who are uncomfortable with stating their concern in writing can call the Public Service Commission hotline number (0800 701 701). The earlier the concern is reported, the easier it is to take action and initiate recovery procedures where necessary.

4. Minimising Conflicts of Interest

All 109 members of the Senior Management Service (SMS), from director level upwards, were required to disclose their financial interests for the 2016/17 disclosure period by 30 April 2016. Members of the Bid Evaluation and Bid Adjudication Committees as well as the Evaluation Panel members declared their interests by signing a Declaration of Interest Register at every meeting. Members who declared any interest in any of the committee meetings were requested by the chairperson to recuse themselves from the proceedings. All suppliers and service providers were required to sign the government's Standards Bidding Document (SBD4) declaration of interest form.

5. Code of Conduct

The Code of Conduct provides guidance to employees on what is expected of them from an ethical point of view, both in their individual conduct and in their relationships with others. In other words, it is a guideline on how officials should conduct themselves in the workplace.

The Department expects employees to comply with the Code of Conduct. Formal and/or progressive disciplinary steps are taken against any official who are in breach of it. If an official breaks a rule, his/her manager issues an *audi alteram partem*-rule letter to afford the official the opportunity of responding to the alleged transgression. Depending on the nature of the transgression and based on the official's response, a decision is taken as to whether or not formal disciplinary or progressive disciplinary steps should be instituted against the official.

For a progressive disciplinary process, the outcome is communicated to the official who has the right to appeal (other than Senior Management Service (SMS) members) against the sanction by filing an appeal to the appeal authority (the Minister). For a formal disciplinary process, the disciplinary hearing is convened after the crafting of charges, and the

outcome of the process is communicated to the employee. The employee still has a right to appeal (other than SMS members) against the outcome of the hearing by communicating the appeal to the appeal authority (the Minister).

6. Safety, Health and Environmental Issues

In November 2016, the Department trained officials to be Safety, Health and Environment (SHE) representatives, fire marshals and first-aiders. After the trained officials were appointed in February 2017, the Occupational Health and Safety (OHS) Committee was re-established. Dates for committee meetings for the financial year 2017/2018 were discussed and consolidated. The committee meets four times a year as stipulated in the Act, but this does not prevent the committee from meeting when the need arises.

In conjunction with the Human Sciences Research Council's (HRSC) OHS Committee, the departmental OHS Committee conducted an emergency evacuation of the HSRC building in February 2017. The Department's OHS Committee is planning an in-house first-aid review and a mock drill exercise in May 2017.

The trained OHS representatives conduct monthly inspections and compile a report on issues relating to the health and safety aspects of the building. The security management team then consolidates all reports and conveys this information to the maintenance team, so that they may resolve the risks and hazards.

In March 2017, the Security Management/Directorate circulated a mail requesting officials to be trained as fire marshals, first-aiders and SHE representatives. The Security Management/Directorate is planning for the training to be conducted in June 2017 and is in the process of displaying the OHS Act and the OHS Policy on all departmental floors. The profiles of all OHS members, with contact details, will also be displayed on all floors.



7. Portfolio Committees

The Department was invited to several meetings with the Portfolio Committee on Social Development, and details are provided in the table below.

Dates of meetings	Purpose of the meeting	Resolutions and recommendations
06 April 2016	The Department and the South African Social Security Agency (SASSA) reported on their 2016 Strategic and Annual Performance Plans, with the Deputy Minister.	<ul style="list-style-type: none"> The Committee resolved the matter of illegal deductions from SASSA bank accounts by taking the matter to Court. The Committee is of the view that the refund should be given to the victims of illegal deductions immediately after the matter is resolved. SASSA raised the issue of many pay points that are in the open, without cover. SASSA is working toward having them all beneath roofed structures. SASSA plans to implement an electronic queue monitoring system to assist with queues. The Department briefed the committee on its Strategic Plan 2015–2020 and Annual Performance Plans 2016/17.
20 April 2016	Children's Amendment Bill and Children's Second Amendment Bill: adoption	<ul style="list-style-type: none"> The Department provided advice on whether the amendment to Section 186(1) should remain in the Children's Second Amendment Bill. The Department acknowledged the current crisis in foster care and the backlogs. The Minister of Social Development has appointed a ministerial committee to review the entire foster-care system and how the Department can most effectively improve the quality of life of vulnerable children. The Committee adopted its report, which had investigated murders taking place in Eastern Cape, where women were being attacked and murdered for their social grants. It was suggested that there be follow up and a progress report on the matter. Both the Children's Amendment Bill and the Children's Second Amendment Bill were unanimously adopted with suggested amendments.
31 August 2016	The Department reported on its 2nd quarter performance report (July–September 2016), in the presence of the Deputy Minister.	<ul style="list-style-type: none"> The Chairperson interrupted the Department's presentation of its 2nd quarter programme performance and expenditure, citing that the information was dense, detailed and that the Committee needed more time to read and analyse the presentation and to formulate questions. It was resolved that the meeting should be adjourned and the remainder of the information be presented within the next couple of weeks.
14 September 2016	The Department reported on its 2nd quarter performance report (July–September 2016), in the presence of the Deputy Minister.	<ul style="list-style-type: none"> The Department briefed the Committee on its performance against targets in each programme, and its financial situation, in the 3rd and 4th quarters of the 2015/16 financial year. The Department reported a 66% achievement of its planned performance, and a 12% partial achievement, with only six targets not achieved. Cited as reasons for non-achievement were: financial constraints, cancellation of meetings, delays in response by service providers and lack of capacity, to mention a few. Underspending by various programmes was explained, e.g. underspending in programmes related to households was as a result of slower spending on foster care, disability and war veterans, as fewer people had claimed. Members were pleased to see an overachievement in targets relating to victim empowerment and gender-based violence programmes but enquired after the monitoring and evaluation of these programmes, to ensure that the centres delivered desired results.

Dates of meetings	Purpose of the meeting	Resolutions and recommendations
21 September 2016	The Department replied to questions on its 3rd and 4th quarter 2015/16 performance; and gave a briefing on 1st quarter 2016 performance	<ul style="list-style-type: none"> • The Department first answered questions outstanding from the previous meeting, relating to spending in the 3rd and 4th quarters of the 2015/16 financial year. • The Committee asked for a further breakdown on the travelling figures, indicating how much was spent on each aspect of travel. It was stressed that in future the Department should come with all figures fully prepared. • The Department should work on improving its irregular expenditures and budget properly in the future. • The Committee suggested that changes to the departmental budget should be approved by the Committee because budgets came before the Committee for approval in the first place.
12 October 2016	The Department and the National Development Agency (NDA) reported on their 2015/16 Annual Reports with AGSA/FFC inputs and the Minister present.	<ul style="list-style-type: none"> • The NDA was required to submit its proposed strategic plan for 2016–2020 to the DSD (Department of Social Development) for approval. • The Auditor-General of South Africa (AGSA) has recommended that the Accounting Officer of DSD and accounting authorities of SASSA and the NDA exercise oversight and strengthen their internal controls. • The accounting authority of NDA must ensure that quality performance reporting is performed, as the NDA received an unqualified conclusion on predetermined objectives due to material adjustments. • AGSA again recommended that the committee monitors the filling of critical vacant positions at SASSA and NDA. • The Audit Committee recommended that they monitor the internal audit plan to ensure that it is executed in time. • The Committee encouraged the DSD to budget properly in the future and avoid virements and irregular expenditure. • The DSD has committed to prioritise the issue of filling vacant posts in the new financial year. • The Committee will engage with provincial social development departments which do not utilise the money planned for the absorption of social work graduates. • The Department will also prioritise targets that were not fully met in the next financial year.
26 October 2016	National Disability Policy, Social Development Budget Review and Recommendations Report	<ul style="list-style-type: none"> • The Department was appreciated for the presentation regarding services offered to children with disabilities, in that it focused on integrating them into the mainstream system from an early age. • The Committee recommended that there be no limit or end time for the rehabilitation process, which should be easily accessible and have no waiting list. • The high demands in various provinces for more education centres for persons with disabilities should be resolved by revamping the current schools to allow these persons to join mainstream schools. • The Department emphasised that communities are being mobilised to apply for Grant in Aid, which is a grant that provides additional benefits to recipients of old age or disability grants.

Dates of meetings	Purpose of the meeting	Resolutions and recommendations
08 Mar 2017	SASSA weekly report, Department of Social Development quarter two performance report and report on new organogram, with the Deputy Minister.	<p>Recommendations:</p> <ul style="list-style-type: none"> The Committee recommended that SASSA updates them daily to avoid the Committee being blamed for stifling the presentation. The Committee recommended that SASSA makes them aware of the details of litigation since it has been dealing with this matter for a long time. <p>Resolutions:</p> <ul style="list-style-type: none"> The Department's Deputy Director-General: Integrated Community Development stated that after developing an integrated food and nutrition security plan for the country, each department is supposed to have consultations with its own stakeholders. The Committee noted the presentation of the new structure for the Department and suggested that the Department return with a clearer presentation, since the Committee was not aware of the new structure before its submission to the Department of Public Service and Administration.
15 Mar 2017	SASSA weekly report, the Department's 3rd quarter performance report, East Rand under-funded child welfare organisations' petition	<ul style="list-style-type: none"> A petition from the residents of East Rand arising from the huge under-funding of child welfare organisations in the area was presented to the Committee by Mr. M Waters as a result of his findings during a constituency visit. As a consequence of this under-funding, children were not receiving the services they were entitled to by the Constitution and the Children's Act. The Committee asked the Department to submit its funding model to the Committee to promote a better understanding of how funds were disbursed. SASSA presented a progress report: so far a ministerial task team has been established to guide the process, to ensure social grant payments in April 2017, and to monitor the transition plan going forward. A team was also to be set up to negotiate with Cash Paymaster Services (CPS) to ensure business continuity once the Constitutional Court had provided its directive and the National Treasury had approved the deviation from normal procurement processes. The Department presented its financial and performance report for the 3rd quarter: targets achieved declined by 16% when compared to the second quarter; partially achieved targets increased by 16%, from 7% in the 2nd quarter to 23% in the 3rd quarter; and unmet targets decreased by 2%, from 15% in the 1st quarter, to 13% in the 2nd and 3rd quarters. The Committee recommended a review of the implementation of the Food Security Programme. The committee was also concerned about delays in the completion of the anti-substance abuse treatment centres in the Northern Cape and Free State provinces.



8. SCOPA Resolutions

The Department appeared before the Standing Committee on Public Accounts (SCOPA) during the reporting period. Issues raised and the Department's responses are presented in the table below:

Resolution No.	Subject	Details	Response by the department	Resolved Yes/No
1	SASSA, with the Minister: hearing on irregular, fruitless and wasteful expenditure (23 November 2016)	<p>In the presence of the Minister of Social Development, the Auditor-General (AG) and the Hawks, SASSA was asked to explain irregular expenditure involving the following:</p> <ul style="list-style-type: none"> • R316 million (CPS contract) • R414 million (physical security) • R233 million (Trifecta/Delta Office lease) • R75 million (SAB&T) • R20 million in other irregular expenditures. <p>SASSA was also asked to explain fruitless and wasteful expenditure relating to the following:</p> <ul style="list-style-type: none"> • R4.4 million (damaged vehicles) • R1.2 million (Mikondzo event) • R3.5 million (for which no details were provided). <p>The meeting also wanted assurance that payments to SASSA grant beneficiaries would be insured rather than outsourced to Cash Paymaster Services (CPS) from 1 April 2017.</p>	<ul style="list-style-type: none"> • The expenditure of R316 million was payment authorised in terms of the supply chain management delegations within SASSA. In 2012, the AG objected to the approval of the variation order, which did not go through National Treasury and was without adequate and acceptable approval documents. • The variation arose when CPS argued that they had put in a tender to register nine million grant recipients but there were actually in excess of 21 million recipients. Therefore, reimbursement costs amounting to R316 million were payable, given that in excess of 11 million children and procurators were enrolled in addition to the initial 9 million beneficiaries as per attached annexure initialised by SASSA on the bid document. These costs also included the extension of time for the bulk enrolment project that attracted overtime, infrastructure costs and other administrative costs. • The R414 million relates to a six-month physical security contract which was extended when it lapsed because proceedings to appoint a replacement company had not been finalised. Security companies sourced were not found to be compatible, and the contract had to be extended several times. • The R233 million was for lease payments made to Trifecta (Pty) Ltd/Delta Property Fund, as a result of the consolidation of provincial departmental assets and liabilities by SASSA into one national entity to align with Section 23 of the SASSA Act. This included the ten-year lease agreements which were signed for five offices, leading to an accumulated expenditure of R233 million from 2006 to 2015/16. • SAB&T was awarded a three-year contract for fraud investigation within SASSA. Although not the highest scoring bidder, the company was appointed based on recommendations from the Bid Evaluation Committee to appoint the second highest scoring bidder, Nexia SAB&T. The Bid Adjudication Committee recommended that the highest scoring bidder, Nexus Forensic Services (Pty) Ltd, be appointed instead, but the former CEO accepted the Bid Evaluation Committee's recommendation. The company was later stopped after a court judgement found the appointment to be irregular. • Part of the other irregular expenditure is the payment of R6.7 million made to the former Chief Executive Officer of SASSA as a settlement in a lawsuit against SASSA. • The Mikondzo event was cancelled due to the absence of the Minister who had other commitments with the Office of the President. • The Department indicated that there had been money recovered from the R4.4 million vehicle damages, but did not indicate how much had been recovered. • The R3.5 million was spent on close protection services (private security) for officials in the Department who were threatened after they travelled to Brazil to visit South Africans imprisoned there for drug offences. Threats were made mainly to the Minister and the Chief Director: Communications. Security was provided for the threat and exposure experienced. 	No resolutions were received from the Committee.

Resolution No.	Subject	Details	Response by the department	Resolved Yes/No
2	Hearing on Cash Paymaster Services' (CPS) contract (28 February 2017)	<p>The Department and SASSA appeared before SCOPA for a hearing into SASSA's irregular, fruitless and wasteful expenditure and about the CPS contract.</p> <p>Both the Minister and the SASSA CEO were absent, and an acting CEO had been appointed on the morning of the day.</p> <p>SCOPA raised concerns about the representatives present and whether they had sufficient information to answer the detailed prepared questions. SCOPA decided to ask questions only on the CPS contract, as the SASSA project manager was present.</p> <p>SCOPA asked the following questions:</p> <ul style="list-style-type: none"> Why did SASSA not have contingency plans in place when the CPS contract was deemed invalid? Details about the Ministerial Advisory Committee – who assisted the Minister to establish an in-house grant payment system by 1 April, procurement, what options did SASSA have in the midst of the crisis and their negotiations with CPS? Why was CPS charging a 30% to 50% increase on its R16.44 fee per grantee payment per month? Where would DSD get the money from to accommodate the increase, since National Treasury had not supported an extended contract with CPS unless the Constitutional Court permitted this? 	<p>SASSA acknowledged its failure to meet the deadline and insisted that extending the CPS contract was "the safest option" to ensure grants would be paid on 1 April 2017.</p> <p>The Department indicated that National Treasury would be requested to consider a deviation from the competitive bidding process for SASSA, given the urgency of the situation.</p> <p>The Ministerial Advisory Committee was established on 2 September 2013. They provided a preliminary report in October 2014 and submitted a final report in December 2014.</p> <p>The R16.44 was a five-year capped fee as per the current contract. As SASSA did not have a business case for future contract(s), the other figures were an indication to National Treasury of what could have been paid if they were using a CPI-related figure instead of a capped fee. The figures are tentative and not what could be charged by CPS.</p> <p>The negotiations with CPS will be done within the confines of the existing budget.</p>	No resolutions were received from the Committee.

Resolution No.	Subject	Details	Response by the department	Resolved Yes/No
3	Minister of Social Development briefing on Cash Paymaster Services' (CPS) contract (07 March 2017)	<p>This was a joint meeting with the Standing Committee on Appropriations and the Portfolio Committee on Social Development.</p> <p>The meeting was a follow-up from the previous meeting (on Tuesday 28 February 2017, following the initial engagement in November 2016. As members of Parliament and as South Africans, the Committee was concerned that people be paid their grants on 1 April 2017. The fundamental thrust of SCOPA was to determine how SASSA had reached this point of crisis.</p>	<p>The Department objected to talk of a national crisis, as grants would be paid on 1 April 2017.</p> <ul style="list-style-type: none"> The Department explained that in 2014 the Constitutional Court had found the previous contract with CPS to be invalid. The Court instructed the Department to redo the tender process, which took two years, but then the two main bidders for the tender withdrew. A Ministerial Advisory Committee had given advice on this process, and some of the advisory committee members were appointed to lead some of the work streams. There were alleged procedural irregularities in these appointments that National Treasury had not yet approved. In October 2016, it was established that the Department and SASSA's intention to take over the responsibility for paying grants was such a huge task that they were not going to meet the deadline of 1 April 2017. The magnitude of the task and the time required had been underestimated. It was alleged that the banks had committed and accepted to join SASSA in the disbursement process, but a letter was received in December 2016 stating that the banks were not aware of such a commitment or who had made it. The South African Post Office had been considered, but it was felt that it would be unable to cope with the enormity of the task in the short term. The Department and SASSA provided assurance that grants would be paid on 1 April 2017. 	No resolutions were received from the Committee.



9. Prior Modifications to Audit Reports

The Department received an unqualified audit report. There were no matters that had an effect on the auditor's report.

10. Internal Control Unit

The Internal Control Unit is entrusted to ensure that effective, efficient and transparent internal control systems are maintained within the Department in conformity with the requirements of the Public Finance Management Act (PFMA) and Treasury Regulations. Its focus areas are to:

- ensure proper and effective financial document management;
- coordinate effective responses to internal and external audit queries, including the monitoring of the management of the action plan;
- facilitate the reviews and development of departmental financial policies and guidelines;
- monitor the implementation of and compliance with financial legislative requirements, e.g. PFMA, Treasury Regulations and related prescripts;
- monitor systems, transactions and staff etc. in order to identify financial misconduct and non-compliance with relevant prescripts and processes;
- facilitate the implementation of appropriate systems and processes to ensure effective, efficient, economical and transparent use of departmental resources;
- design and facilitate the implementation of internal controls for managing, safeguarding and maintaining all departmental assets, as well as the maintenance of its liabilities; and
- effectively manage a departmental loss assets register.

During the period under review, the Internal Control Unit effectively coordinated the external audits and

identified critical areas, such as financial misconduct and safeguarding of financial documents. It also developed the Audit Implementation Action Plan, conducted reviews based on this plan and monitored the implementation of the recommendations by managers. Furthermore, the unit conducted an assessment based on irregularities emanating from supply chain management, and recommendations were made for areas that required improvements.

Compliance with financial prescripts for payment batches was monitored, and the financial documents were safely kept in lockable areas. Findings of non-compliance were reported to the relevant managers for corrective action.

A dashboard report to confirm drivers of internal controls was effectively coordinated and facilitated. The report required controls that are able to prevent, or detect and correct misstatements/control deviations/instances of non-compliance in a timely manner. The assessment conducted revealed that such controls are in place, although there is a need for continuous monitoring to maintain the controls.

11. Internal Audit and Audit Committees

Internal Audit and Audit Committees

The Audit Committee plays an important role in ensuring that an entity functions according to good governance, accounting and audit standards. It also monitors the adoption of appropriate risk management arrangements.

Key activities and objectives of the internal audit function

Key activities and objectives of the internal audit function are to provide independent, objective assurance and consulting services aimed at adding value to and improving

the Department's operations. It helps the Department to accomplish its objectives by introducing a systematic, disciplined approach to evaluation, thus improving the effectiveness of risk management, control and governance processes.

Summary of audit work done

The Directorate conducted Financial, Compliance, Information Technology, Governance and Performance Information audits in accordance with the International Standards for the Professional Practice of Internal Auditing, as well as the Department's Internal Audit Charter.

Internal Audit planned to conduct 28 risk-based audit projects as per the Internal Audit Coverage Plan; 23 internal audit projects were carried out, and audit reports were discussed with management and the Audit Committee.

Key activities and objectives of the Audit Committee

Key activities and objectives of the Audit Committee are to provide oversight on financial reporting, risk management, internal controls, compliance, ethics, management, and internal and external auditors. In the process, it reviews the Department's internal audit plans and activities, and management plans and processes for risk management, control and governance.

Attendance of audit committee meetings

The Audit Committee consists of the members listed in the table below. As per its approved terms of reference, the Audit Committee should meet at least quarterly.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date of contract expiry	No. of Meetings attended
Adv M B Madumise (chairperson)	<ul style="list-style-type: none"> B Proc LLB MBA Graduate Diploma in International Trade Law 	External member	N/A	1 September 2013	31 August 2016	04
Mr J E van Heerden (contract extended)	National Diploma in State Accounts and Finance	External member	N/A	April 2010	31 August 2016	04
Ms B Mnganga	<ul style="list-style-type: none"> B Comm Hons BCompt Certificate in Theory of Accounting Certificate in Theory and Practice of Accounting 	External member	N/A	1 September 2013	31 August 2016	04
Ms A D B Moloto	<ul style="list-style-type: none"> Masters in Business Leadership BA(Psychology) Hons Masters Diploma in Human Resources Management BA (Social Work) 	External member	N/A	1 September 2013	31 August 2016	04

12. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2017.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with its charter and has

discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

Appointment of the Audit Committee

We have noted with serious concern that the Department has operated without an Audit Committee for a period spanning more than six months as the contract of the previous Audit Committee had expired at the end of August 2016 and the current Audit Committee was only appointed after the beginning of the current Financial Year. The Audit Committee



plays a pivotal role in the evaluation of management procedures with regard to internal control, risk management and governance processes.

The Effectiveness of Internal Control

The system of internal control was effective in the year under review although a few instances of non-compliance were reported by internal and external auditors.

In-Year Management and Monthly/Quarterly Report

The Department has reported monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

South African Social Security Agency (SASSA)

The Audit Committee is concerned that the Department of Social Development is not playing an effective oversight role on the South African Social Security Agency (SASSA). The Department should develop a comprehensive governance model that will also outline the Department's oversight role on SASSA.

Management of Departmental Funds

We have noted that the Department has not established effective protocol to manage funds entrusted to the Board. The

Department should exercise effective management oversight on the departmental funds to ensure compliance with the PFMA and other legislation applicable to the management of the funds. The Department's oversight role on the funds should be reflected on the oversight framework of the Department.

Auditor-General's Report

The Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

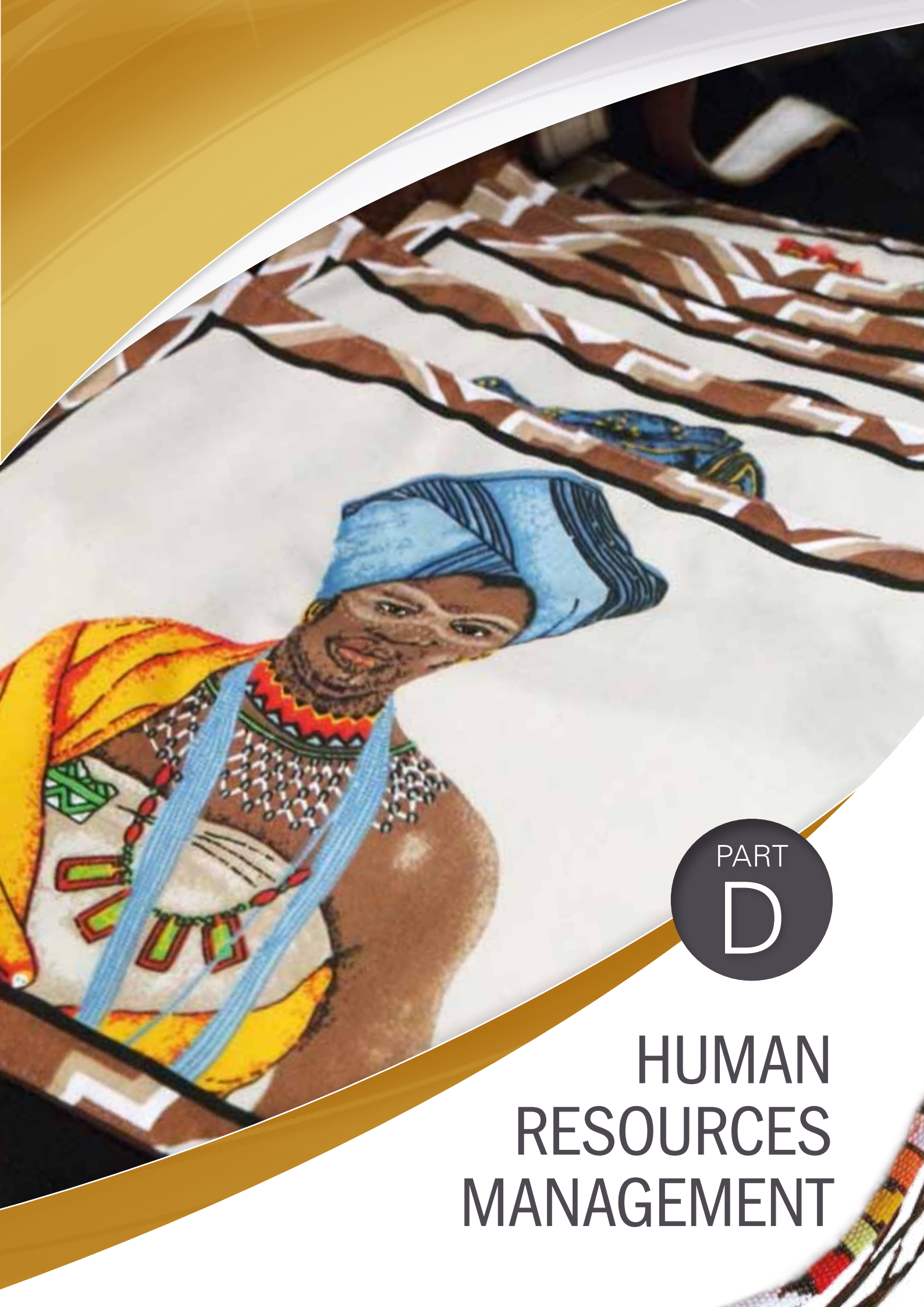
Conclusion

The Audit Committee wishes to congratulate the Accounting Officer, the Chief Financial Officer and Management on the unqualified audit opinion on the financial statements and the performance information of the Department. Lastly, we wish to thank the Auditor-General of South Africa for his value-adding contribution and interactions with the Department.

Adv M B Madumise

Chairperson, DSD Audit Committee

Date: 31 July 2017



PART

D

HUMAN RESOURCES MANAGEMENT



Mr. Oupa Ramachela
Acting Deputy Director-General:
Corporate Support Services

1. Legislation Governing Human Resources Management

The Constitution (Chapter 10 (195(1)(h))) compels the public service to be governed by democratic values and principles, including good Human Resources (HR) management practices to maximise human potential. Therefore, human capital management in the public service is governed by a myriad of pieces of legislation, regulations, bargaining council resolutions and directives. Key among them are:

- Public Service Act
- Public Service Regulations
- Labour Relations Act
- Skills Development Act
- Skills Development and Levies Act
- Basic Conditions of Employment Act
- Promotion of Administrative Justice Act
- Promotion of Access to Information Act
- DPSA Directives
- Public Service Co-ordinating Bargaining Council (PSCBC) Resolutions, and
- Public Health and Social Development Sectorial Bargaining Council (PHSDSBC) Resolutions

Given the fact that human resource management is governed by such a large regulatory framework, it is compliance-driven to a large extent. However, the field of human resources has shifted from being merely compliance and administratively driven to being more of a strategic business partner, in terms of understanding the Department's core business and advising on HR matters in order to ensure that the Department's mandate is met.

2. Overview of Human Capital Matters in the Department

2.1 The value of human capital in the Department

HR as a function is well established in the Department through the Chief Directorate: Human Capital Management. There are four directorates, focusing on the main pillars of:

- Human Resources Development and Performance Management
- Labour Relations
- Organisational Design and Human Resource Planning
- Human Resources Management (HR administration, recruitment & selection and employee health and wellness)

The Chief Directorate has a complement of 46 officials responsible for all aspects of HR. All HR policies are developed, although some are being revised, in line with the recently approved Public Service Regulations, 2016. Delegations in terms of the Public Service Act, 1994 (as amended) and Public Service Regulations, 2016, are in the process of being reviewed. HR processes and systems are well established.

Human capital management is the heartbeat of any organisation, and human resource practices must ensure that human capital is optimally utilised and developed, and that the morale of officials is kept high through a conducive working environment.

To give effect to the above, the Department ensures that all its HR policies are regularly reviewed to remove any barriers to effectiveness and to keep up with the needs of employees. The Department has developed retention measures, through the Occupational Specific Dispensation (OSD) for social service professions and related occupations, and participates in a task team responsible for the retention of social workers in the sector.

Some of the norms and standards that the Department endeavours to uphold are appreciating the value of employees in the Department, maintaining a vacancy rate of no more



than 6%, ensuring that all grievances are addressed within three months, and having a fully operational performance management and development system.

Noting that the key to unlocking human capital is the continuous development of employees, the Department undertakes, on an annual basis, to establish development areas for employees. These development areas inform a skills development plan that embraces the principle of life-long learning. Furthermore, the Department is currently developing a skills auditing and competency framework to address the skills gap in the social services profession.

2.2 HR priorities for the year under review and the impact of these priorities

Five HR priorities for the year under review were identified.

Reduce the vacancy rate to 6%

In order for the Department to be fully functional it is critical that posts are filled as soon as possible. The target of 6% was not met for various reasons, chief among these being cost containment measures that resulted in the reduction of the compensation for employees' budget for the Department by R76 million over the Medium Term Expenditure Framework.

Notwithstanding the above, the Department made good progress in filling posts: the Director-General: Social Development, and 51 posts below Senior Management Service (SMS) level were filled. The Department also facilitated the appointments of chief executive officers to South African Social Security Agency and the National Development Agency.

Develop and implement a sector human resources plan for 2018–2022

The Department undertook a process of developing a five-year sector HR plan (2018–2022). This goal forms part of the departmental Annual Performance Plan (APP). A number of strides or achievements were made towards this goal. These achievements have played a significant role in robust engagements and discussions with critical stakeholders on various platforms. These discussions aimed to gather information that can inform forecasting and future planning, so that the workforce and its capacity may be strengthened, the high turnover rate addressed and the required level of skills ensured. All these aspects will help the Department to optimally deliver on its mandate.

Implement a Workplace Skills Plan

In contribution towards a skilled and capable workforce, the Directorate: Human Resource Development and Performance Management, developed and implemented a Workplace Skills Plan, as per the regulation of the Skills Development Act, 1998

(Act 97 of 1998) A total of 301 officials at all levels, including interns, attended identified skills development courses within the Department.

To enhance the Department's formal skills base, 125 officials received bursaries to study towards qualifications in various study areas. The Department continued its internship programme, placing 57 interns in various functional areas and continued to provide technical support to line managers for implementing various capacity-building programmes.

Manage performance

To enhance its organisational efficiency, effectiveness and accountability, the Department sought to manage its staff in a consultative, supportive and non-discriminatory way. In total, 119 performance agreements, 768 work plans, 593 mid-term reviews and 657 annual performance appraisals were completed in line with the departmental Performance Management and Development System (PMDS). Performance feedback and outcomes of the performance assessments were communicated to all staff members.

Provide labour relations support

The Department endeavours to comply with norms and standards in terms of the finalisation of misconduct cases. Various interventions were successfully implemented to continuously build the capacity of employees in the Department, including (but not limited to) developing a code of conduct for public servants and other theme-based labour relations matters.

2.3 Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

Over and above the OSD for social service professions and related occupations, the Department also develops an annual HR Plan.

The HR Plan seeks to ensure that the Department has the requisite capacity and capability at any given time to deliver on its mandate. It has taken note of the 12 government outcomes, the 18 sector priorities and the three outcomes that the Minister must contribute towards achieving government's objectives.

Government departments are required to develop and submit annual HR plans and progress reports to the Department of Public Service and Administration (DPSA). The purpose of this HR plan is to identify future scarce and critical skills within the Department that need to be prioritised and filled through normal recruitment and selection practices. The Department reached this goal by submitting its annual HR plan and progress reports on time.

2.4 Employee performance management framework

Performance management involves planning, reviewing, evaluating, recognising and rewarding performance. Performance management within the Department is a structured process conducted within an approved framework, which includes adherence to legislative requirements such as the Public Service Act, 1994 (as amended) as well as Part VIII of the Public Service Regulations 2001 (as amended). The requirement of Chapter 4 of the SMS handbook and the approved departmental PMDS policy are also taken into consideration.

Performance appraisals are conducted on an annual basis and can be regarded as part of a larger process of linking individual performance management and development to organisational performance. The performance assessment tool clearly links performance to the key performance areas and indicators as set out in performance agreements (for SMS) and work plans (for officials). Mid-term reviews are conducted and performance moderation committees convene annually to moderate the performance of all qualifying officials and to make recommendations for performance incentives.

2.5 Employee wellness programmes

As part of being a strategic partner and ensuring a conducive environment for employees, the Department has a dedicated health and wellness sub-directorate to manage the implementation of the four pillars of the DPSA's Employee Health and Wellness (EHW) Strategic Framework: HIV and AIDS, and TB management, health and productivity management; Safety, Health, Environment, Risk and Quality (SHERQ) management; and wellness management.

With regards to HIV and AIDS and TB, there is regular condom distribution, HIV and AIDS awareness creation as well as the commemoration of international calendar days such as the Candlelight Memorial and World Aids Day.

Awareness about health and productivity management is created among employees by inviting experts in specific fields to provide information sessions and by arranging health risk screenings twice a year. Financial management sessions are conducted annually to provide employees with information that will assist them in managing their finances.

SHERQ management is taken care of through the nomination of safety representatives and the safety committee which meets regularly.

For wellness management, two EHW practitioners who are qualified social workers provide counselling and debriefing sessions to employees in need. Information sessions are conducted for all employees. Specialised services are rendered through referrals to specialists, at the Department's expense in terms of the EHW policy. The flagship programme under this pillar is the annual sports day, which takes place in September. Employees are encouraged to participate in the fun walk, soccer and netball matches and other activities, to get the less sport-inclined moving and active.

2.6 Policy development highlights

Policy development and review is an integral part of the Chief Directorate's operational plan. During the period under review the following policies were developed or reviewed:

- Organisational review and design policy (approved)
- Job evaluation policy (reviewed)
- Bereavement policy (reviewed)
- Recruitment and selection policy, approved and implemented in the 2014/15 financial year (reviewed)
- Staff exit policy, approved and implemented in the 2014/15 financial year (reviewed)
- Employment equity policy (developed)
- Change management policy (developed)
- PMDS policy (reviewed)
- HIV and AIDS and TB Management (reviewed)
- Health and productivity policy (developed)
- Wellness management (reviewed)

2.7 Challenges faced by the Department

The cost containment and efficiencies announced by the Minister of Finance in February 2016 during the budget speech have affected the entire public service, with all departments required to demonstrate in their HR plans how they will manage their personnel establishments. Departments must manage their workforces within the allocated compensation budget limit. From an HR perspective, this means that the Department will have to prioritise the critical posts that need to be filled within the current financial year, taking into account the available budget and the turnaround time for the filling of posts. Furthermore, the Department will abolish all unfunded posts that are not critical, due to the inadequate budget for filling of posts.

2.8 Future HR plans and goals

The Department, in collaboration with all provincial social services departments, is currently developing a five-year (2018–2022) Sector HR Plan, in response to the National Development Plan's call to strengthen social service professions in order to meet the country's social welfare needs.

The Department is also focusing on ensuring alignment and standardisation within the organisational structure for social development, especially at provincial level, to optimally render services, and on the implementation of approved pieces of legislation.

3. Human Resources Oversight Statistics

3.1 Personnel-related expenditure

The following tables summarise the final audited personnel-related expenditure by programme and by salary bands. In particular, they provide an indication of the:

- amounts spent on personnel, and
- amounts spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
P1: Administration	349 733	186 704	0.00	0.00	53	184
P3: Social Security Policy & Administration	384 047	80 888	0.00	0.00	21	80
P4: Welfare Service Policy Development & Implementation Support	6 980 942	46 704	0.00	0.00	1	46
P5: Social Policy and Integrated Service Delivery	768 167	144 073	0.00	0.00	19	142
Total	8 482 889	458 369	0.00	0.00	5	451

Table 3.1.2 Personnel costs by salary band

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1–2)	13	0		465 901
Skilled (Levels 3–5)	16 700	3.58	77	216 882
Highly skilled production (Levels 6–8)	78 490	16.85	244	321 682
Highly skilled supervision (Levels 9–12)	174 666	37.49	263	664 130
Senior and top management (Levels 13–16)	120 183	25.8	107	1 123 206
Contract (Levels 1–2)	0	0	0	0
Contract (Levels 3–5)	9 246	1.98	29	318 820
Contract (Levels 6–8)	23 125	4.96	77	300 325
Contract (Levels 9–12)	18 061	3.88	29	622 796
Contract (Levels 13–16)	9 500	2.04	8	1 187 540
Periodical remuneration	6 237	1.34	133	46 892
Abnormal appointment	3 267	0.7	49	66 681
Total	459 489	98.62	1 016	452 253



Table 3.1.3 Salaries, overtime, home owner's allowance and medical aid by programme

Programme	Salaries		Overtime		Home owner's allowance (HOA)		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
P1: Administration	140 646	76.9	731	0.4	3 545	1.9	5 492	3
P3: Social Security Policy and Administration	63 226	77	0	0	704	1.7	2 395	5.7
P4: Welfare Service Policy Development & Implementation Support	38 110	79	0	0	654	1.25	1 038	2.1
P5: Social Policy and Integrated Service Delivery	82 362	78.8	169	2	1 361	1.3	1 993	1.9
Total	300 907	77.4	818	6	5 203	1.6	9 310	2.6

Table 3.1.4 Salaries, overtime, home owner's allowance and medical aid by salary band

Salary band	Salaries		Overtime		Home owner's allowance (HOA)		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 1–2)	8	59.2	0	0	1	9.1	23.9	13
Skilled (Levels 3–5)	10 040	69.8	210	1.5	823	5.7	831	5.8
Highly skilled production (Levels 6–8)	47 227	71.5	245	4	2 575	3.9	4 117	6.2
Highly skilled supervision (Levels 9–12)	114 518	77.8	343	2	1 503	1	3 885	2.6
Senior management (Level 13–16)	80 691	80.1	2	0	1 437	1.4	1 051	1
Contract (Levels 1–2)	2 764	95.5	0	0	0	0	0	0
Contract (Levels 3–5)	7 937	93.9	7	1	0	0	0	0
Contract (Levels 6–8)	17 742	93.8	5	1	12	1	1	0
Contract (Levels 9–12)	13 269	85.8	5	1	0	0	74	5
Contract (Levels 13–16)	6 711	83	0	0	0	0	24	3
Periodical remuneration	0	0	0	0	0	0	0	0
Total	300 907	77.4	817	2	6 352	1.6	9 986	2.6

3.2 Employment and vacancies

The tables in this section summarise the position with regard to employment and vacancies, specifically the number of posts in the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post in an establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme

Programme	Number of posts in approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
P1: Administration	442	361	18.33	54
P3: Social Security Policy and Administration	102	85	16.67	4
P4: Welfare Service Policy Development and Implementation Support	228	199	16.2	27
P5: Social Policy and Integrated Service Delivery	270	248	8.15	95
Total	1 042	893	14.30	180

Table 3.2.2 Employment and vacancies by salary band

Salary band	Number of posts in approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (Levels 1–2)	1	0	0	0
Skilled (Levels 3–5)	102	80	21.57	0
Highly skilled production (Levels 6–8)	296	252	16.22	0
Highly skilled supervision (Levels 9–12)	321	266	17.13	0
Senior management (Levels 13–16)	131	112	17.56	2
Contract (Levels 1–2)	51	51	0	51
Contract (Levels 3–5)	27	27	0	26
Contract (Levels 6–8)	76	76	0	73
Contract (Levels 9–12)	29	29	0	25
Contract (Levels 13–16)	8	8	0	3
Total	1 042	893	14.30	180

Table 3.2.3 Employment and vacancies by critical occupations

Critical occupation	Number of posts in approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related: Permanent	106	92	13.21	15
Client informs. clerks (switchboard reception inform. clerks): Permanent	13	13	0	0
Communication and information related: Permanent	8	7	12.50	0
Community development workers: Permanent	18	17	5.56	0
Computer system designers and analysts: Permanent	9	7	22.22	3
Finance and economics related: Permanent	1	0	0	0
Financial and related professionals: Permanent	36	28	22.22	3
Financial clerks and credit controllers: Permanent	34	23	32.35	3
Food services aids and waiters: Permanent	3	1	66.67	0
General legal administrative & related professionals: Permanent	5	4	20.00	0
Head of department/chief executive officer: Permanent	1	0	0	0
Human resources & organisational development & related professionals: Permanent	18	17	5.56	0
Human resources clerks: Permanent	10	8	20.00	0
Human resources related: Permanent	10	10	0	0
Information technology related: Permanent	5	5	0	0
Language practitioners, interpreters & other communication: Permanent	3	1	66.67	0
Library, mail and related clerks: Permanent	25	25	0	6
Logistical support personnel: Permanent	22	20	9	0
Material-recording and transport clerks: Permanent	10	9	10	1
Messengers, porters and deliverers: Permanent	11	9	18	2
Other administration & related clerks and organisers: Permanent	323	281	13	84
Other administrative policy and related officers: Permanent	1	1	0	0
Other information technology personnel: Permanent	15	12	23.08	2
Other occupations: Permanent	2	2	0	0
Printing and related machine operators: Permanent	2	0	0	0
Psychologists and vocational counsellors: Permanent	1	1	0	0
Risk management and security services: Permanent	12	9	25.00	0
Secretaries & other keyboard operating clerks: Permanent	5	5	0	0
Security officers: Permanent	4	3	25.00	0
Senior managers: Permanent	131	112	16.54	4
Social sciences related: Permanent	61	42	29.51	0
Social work and related professionals: Permanent	137	129	4.38	57
Total	1 042	893	14.30	180

3.3 Filling of SMS posts

Table 3.3.1 SMS post information as on 31 March 2017

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	4	4	100%	0	0%
Salary Level 15	9	7	77.8%	2	22.2%
Salary Level 14	31	24	77.4%	7	22.6%
Salary Level 13	90	77	85.6%	13	14.4%
Total	135	113	83.7%	22	16.2%

Table 3.3.2 SMS post information as on 30 September 2016

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	4	4	100%	0	0%
Salary Level 15	9	8	88.9%	1	11.1%
Salary Level 14	31	24	77.4%	7	22.6%
Salary Level 13	90	79	87.8%	11	12.2%
Total	135	116	85.9%	19	14.0%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2016 to 31 March 2017

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised 6 months after becoming vacant	Number of vacancies per level filled 6 months after becoming vacant	Number of vacancies per level not filled within 6 months but filled within 12 months
Director-General/Head of Department	0	0	0
Salary Level 16	-	-	-
Salary Level 15	2	0	0
Salary Level 14	1	0	0
Salary Level 13	0	0	0
Total	3	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded, vacant SMS posts advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 to 31 March 2017

Reasons for vacancies not advertised within six months

- Aligning of job descriptions due to reviewed organisational structure that was approved by the Minister of Social Development on 8 December 2016.
- The authority to approve the advertising of SMS posts is vested with the Minister of Social Development.
- Due to the implementation of cost containment measures, 9 of the 22 vacant SMS posts became unfunded.

Reasons for vacancies not filled within 12 months

- Unavailability/competing work demands of selection committee members.
- Filling these types of posts within the required time frame is often difficult, because some appointments need to be approved by Cabinet and rely on the availability of ministers to serve on selection committees.
- Filling of posts has been held in abeyance due to a reduction in the compensation budget that resulted in re-prioritisation of critical posts.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2016 to 31 March 2017

Reasons for vacancies not filled within 12 months
None

3.4 Job evaluations

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their organisation. In terms of the regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job evaluation by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Number of posts in approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1–2)	1	1	100.00	0	0	0	0
Skilled (Levels 3–5)	102	22	21.57	18	81.82	4	18.18
Highly skilled production (Levels 6–8)	296	80	27.03	9	11.25	27	33.75
Highly skilled supervision (Levels 9–12)	321	163	50.78	35	21.47	4	2.45
SMS Band A	84	51	60.71	0	0	0	0
SMS Band B	35	15	42.86	3	20.00	0	0
SMS Band C	8	5	62.50	0	0	0	0
SMS Band D	4	1	25.00	0	0	0	0
Contract (Levels 1–2)	51	0	0	0	0	0	0
Contract (Levels 3–5)	27	0	0	0	0	0	0
Contract (Levels 6–8)	76	0	0	0	0	0	0
Contract (Levels 9–12)	29	5	17.24	3	60.00	0	0
Contract (Band A)	6	4	66.67	0	0	0	0
Contract (Band B)	0	0	0	0	0	0	0
Contract (Band C)	1	1	100.00	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Total	1 042	348	33.40	71	20.40	57	16.38

Table 3.4.2 provides a summary of the number of employees whose positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into new posts and some posts upgraded might also remain vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 to 31 March 2017

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Employees with a disability	0	0	0	0	0
Total	0	0	0	0	0

Table 3.4.3 summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation per occupation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Senior management	1	13	14	The manager was given a salary level above what is determined by their job evaluation in order to retain them. (Counter offered)
Administration	0	0	0	0
Total	1	13	14	0
Total number of employees whose salaries exceeded the level determined by job evaluation				1
Percentage of total employed				0

The following table summarises the beneficiaries of the above in terms of race, gender and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	1
Employees with a disability	0	0	0	0	0
Total	1	0	0	0	1
Total number of employees whose salaries exceeded the grade determined by job evaluation	1	0	0	0	1

3.5 Employment changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Number of employees at beginning of period April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1–2)	1	0	0	0.00
Skilled (Levels 3–5)	135	2	3	2.22
Highly skilled production (Levels 6–8)	237	0	7	2.95
Highly skilled supervision (Levels 9–12)	251	1	8	3.19
SMS Bands A	72	1	4	5.56
SMS Bands B	29	0	1	3.45
SMS Bands C	6	0	1	16.67
SMS Bands D	3	0	0	0.00
Contract (Levels 1–2): Permanent	57	57	6	10.53
Contract (Levels 3–5): Permanent	77	2	50	64.94
Contract (Levels 6–8): Permanent	70	9	4	5.71
Contract (Levels 9–12): Permanent	31	1	6	19.35
Contract (Band A): Permanent	6	0	0	0.00
Contract (Band B): Permanent	0	0	0	0.00
Contract (Band C): Permanent	1	0	0	0.00
Contract (Band D): Permanent	1	0	0	0.00
Total	977	73	90	9.21

Table 3.5.2 Annual turnover rates by critical occupation

Critical occupation	Number of employees at beginning of period April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related: Permanent	99	1	8	8.08
Client info. clerks (switchboard reception info. clerks): Permanent	13	1	0	0.00
Communication and information related: Permanent	7	0	0	0.0
Community development workers: Permanent	17	0	0	0.00
Computer system designers and analysts: Permanent	8	0	0	0.00
Financial and related professionals: Permanent	1	0	0	0.00
Financial clerks and credit controllers: Permanent	30	0	0	0.00
Food services aids and waiters: Permanent	27	0	2	7.41
General legal administration & related professionals: Permanent	1	0	0	0.00
Human resources & organisational development & related professionals: Permanent	18	0	0	0.00
Human resources clerks: Permanent	10	0	1	10.00
Human resources related: Permanent	10	0	0	0.00
Information technology related: Permanent	5	0	0	0.00
Language practitioners, interpreters & other communication: Permanent	1	0	0	0.00
Library, mail and related clerks: Permanent	24	1	0	0.00
Logistical support personnel: Permanent	20	1	0	0.00
Material-recording and transport clerks: Permanent	10	0	0	0.00
Messengers, porters and deliverers: Permanent	9	1	1	11.11
Other administration & related clerks and organisers: Permanent	340	59	60	17.65
Other administrative policy and related officers: Permanent	1	0	0	0.00
Other information technology personnel: Permanent	12	0	2	16.67
Other occupations: Permanent	2	0	0	0.00
Printing and related machine operators: Permanent	1	0	1	100.00
Psychologists and vocational counsellors: Permanent	1	0	0	0.00
Risk management and security services: Permanent	12	0	3	25.00
Secretaries & other keyboard operating clerks: Permanent	5	0	0	0.00
Security officers: Permanent	3	0	0	0.00
Senior managers: Permanent	114	1	6	5.26
Social sciences related: Permanent	46	0	2	4.35
Social work and related professionals: Permanent	126	8	4	3.17
Total	977	73	90	9.21

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2016 to 31 March 2017

Termination Type	Number	% of total resignations
Death	4	4.44
Resignation	31	34.44
Expiry of contract	52	57.78
Dismissal – operational changes	0	0.00
Dismissal – misconduct	0	0.00
Dismissal – inefficiency	0	0.00
Discharged due to ill-health	0	0.00
Retirement	3	3.33
Transfer to other public service departments	18	1.84
Other	0	0
Total	108	11.0
Total number of employees who left as a % of total employment	–	11.0

Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 to 31 March 2017

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progression to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	99	0	0.00	53	53.54
Client info. clerks (switchboard reception info. clerks)	13	0	0.00	11	84.62
Communication and information related	7	0	0.00	7	85.71
Community development workers	17	0	0.00	7	41.18
Computer system designers and analysts.	8	0	0.00	6	75.00
Financial and related professionals	30	0	0.00	17	53.67
Financial clerks and credit controllers	27	0	0.00	16	59.26
Food services aids and waiters	1	0	0.00	1	100.00
General legal administration & rel. professionals	4	0	0.00	2	50.00
Human resources & organisational development & related professionals	18	0	0.00	12	66.67
Human resources clerks	10	0	0.00	5	50.00
Human resources related	10	0	0.00	7	70.00
Information technology related	5	0	0.00	3	60.00
Language practitioners, interpreters & other communication	1	0	0.00	1	100.00
Library mail and related clerks	24	0	0.00	11	45.83
Logistical support personnel	20	0	0.00	15	75.00

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progression to another notch within a salary level	Notch progression as a % of employees by occupation
Material-recording and transport clerks	10	0	0.00	7	70.00
Messengers, porters and deliverers	9	0	0.00	7	77.78
Other administration & related clerks and organisers	340	0	0.00	112	32.94
Other administrative policy and related officers	1	0	0.00	1	100.00
Other information technology personnel	12	0	0.00	8	66.67
Other occupations	2	0	0.00	0	0.00
Printing and related machine operators	1	0	0.00	0	0.00
Psychologists and vocational counsellors	1	0	0.00	1	100.00
Risk management and security services	12	0	0.00	0	0.00
Secretaries & other keyboard operating clerks	5	0	0.00	2	40.00
Security officers	3	0	0.00	2	66.67
Senior managers	114	0	0.00	7	6.14
Social sciences related	46	0	0.00	30	65.22
Social work and related professionals	126	0	0.00	46	36.51
Total	977	2	0.20	396	40.53

Table 3.5.5 Promotions by salary band for the period 1 April 2016 to 31 March 2017

Salary band	Employees 1 April 2016	Promotions to another salary level	Salary band promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary band
Lower skilled (Levels 1–2)	1	0	0.00	0	0.00
Skilled (Levels 3–5)	135	0	0.00	38	28.15
Highly skilled production (Levels 6–8)	237	0	0.00	166	70.04
Highly skilled supervision (Levels 9–12)	251	1	0.40	170	67.73
Senior management (Levels 13–16)	110	1	0.91	8	7.27
Contract (Levels 3–5): Permanent	77	0	0.00	0	0.00
Contract (Levels 6–8): Permanent	70	0	0.00	8	11.43
Contract (Levels 9–12): Permanent	31	0	0.00	5	16.13
Contract (Levels 13–16): Permanent	8	0	0.00	1	12.50
Other: Permanent	57	0	0.00	0	0.00
Total	977	2	0.20	396	40.53

3.6 Employment equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	44	4	3	5	44	2	4	7	113
Professionals	81	1	2	4	173	5	2	13	281
Technicians and associated professionals	36	1	1	5	60	5	1	4	113
Clerks	113	1	2	2	225	6	3	12	364
Service and sales workers	9	0	0	0	3	0	0	0	12
Skilled agriculture and fishery workers	6	0	0	0	4	0	0	0	10
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	289	7	8	16	509	18	10	36	893
Employees with disabilities	6	0	1	2	7	0	0	0	16

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2017

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (Levels 15–16)	2	2	0	0	4	0	0	0	8
Senior management (Levels 13–14)	38	2	3	6	38	2	4	7	100
Professionally qualified and experienced specialists and mid-management	83	2	3	8	145	7	3	15	266
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	70	1	1	2	153	6	3	12	248
Semi-skilled and discretionary decision making	39	0	1	0	39	0	0	1	80
Unskilled and defined decision making	20	0	0	0	31	0	0	0	51
Contract (top management): Permanent	2	0	0	0	0	0	0	0	2
Contract (senior management): Permanent	3	0	0	0	3	0	0	0	6
Contract (professionally qualified): Permanent	8	0	0	0	20	0	0	1	29
Contract (skilled technical): Permanent	16	0	0	0	58	2	0	0	76
Contract (semi-skilled): Permanent	8	0	0	0	18	1	0	0	27
Contract (unskilled): Permanent	0	0	0	0	0	0	0	0	0
Total	289	7	8	16	509	18	10	36	893

Table 3.6.3 Recruitment by occupational band

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	2	0	0	0	2
Unskilled and defined decision making	24	0	0	0	33	0	0	0	57
Contract (senior management): Permanent	0	0	0	0	0	0	0	0	0
Contract (professionally qualified): Permanent	0	0	0	0	1	0	0	0	1
Contract (skilled technical): Permanent	0	0	0	0	8	1	0	0	9
Contract (semi-skilled): Permanent	1	0	0	0	1	0	0	0	2
Contract (unskilled): Permanent	0	0	0	0	0	0	0	0	0
Total	25	0	0	0	47	1	0	0	73
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.4 Promotions by occupational band

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	1	0	0	1	0	0	0	3
Senior management	0	0	0	0	6	0	0	0	6
Professionally qualified and experienced specialists and mid-management	55	1	2	7	91	3	2	10	171
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	51	1	1	2	99	3	1	8	166
Semi-skilled and discretionary decision making	19	0	0	0	18	0	0	1	38
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (top management): Permanent	1	0	0	0	0	0	0	0	1
Contract (senior management): Permanent	0	0	0	0	0	0	0	0	0
Contract (professionally qualified): Permanent	2	0	0	0	3	0	0	0	5
Contract (Skilled technical): Permanent	2	0	0	0	6	0	0	0	8
Total	131	3	3	9	224	6	3	19	398
Employees with disabilities	2	0	0	2	3	0	0	0	7

Table 3.6.5 Terminations by occupational band

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	0	0	0	0	1
Senior management	2	0	0	0	3	0	0	0	5
Professionally qualified and experienced specialists and mid-management	4	0	0	0	3	0	0	1	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	2	0	0	2	7
Semi-skilled and discretionary decision makers	2	0	0	0	1	0	0	0	3
Unskilled and defined decision makers	4	0	0	0	2	0	0	0	6
Contract (professionally qualified): Permanent	1	0	0	0	3	1	0	1	6
Contract (skilled technical): Permanent	1	0	0	0	2	0	0	1	4
Contract (semi-skilled): Permanent	21	1	0	0	28	0	0	0	50
Contract (unskilled): Permanent	0	0	0	0	0	0	0	0	0
Total	39	1	0	0	44	1	0	5	90
Employees with disabilities	1	0	0	0	1	1	0	0	3

Table 3.6.6 Disciplinary action by occupational band

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	13				24			1	38

Table 3.6.7 Skills development by occupational band

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	0	1	8	0	2	2	22
Professionals	14	0	0	2	23	2	1	3	45
Technicians and associated professionals	25	0	0	1	52	1	0	1	78
Clerks	21	0	0	0	69	4	1	2	99
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Interns	25	0	0	0	32	0	0	0	57
Total	94	0	0	4	184	7	4	8	301
Employees with disabilities	0	0	0	1	1	0	0	0	2

3.7 Signing of performance agreements by SMS members

Table 3.7.1 Signing of performance agreements by SMS as on 31 May 2016

SMS level	Total number of funded SMS posts	Total number of SMS posts	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0
Salary Level 16	2	2	2	100%
Salary Level 15	7	7	7	100%
Salary Level 14	26	26	26	100%
Salary Level 13	79	79	79	100%
Total	114	114	114	100%

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 March 2016

Reasons
N/A

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2016

Reasons
N/A

3.8 Performance rewards

To encourage good performance, the Department granted the following performance rewards during the year under review. The information is presented in terms of race and gender, disability, salary band and critical occupations.

Table 3.8.1 Performance rewards by race, gender and disability

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	189	797	24.1	4 324	24 796
Male	69	288	24.3	1 710	24 796
Female	120	509	24.0	2 614	21 609
Asian	2	21	11.8	68.34	34 172
Male	1	9	14.3	34.17	34 172
Female	1	12	10.0	34.17	34 172
Coloured	6	25	0.24	2 036	39 976
Male	2	7	28.6	43.71	21 855
Female	4	18	22.2	159.91	39 976
White	7	50	0.14	114.63	19 945
Male	0	14	0	114.63	0
Female	7	36	19.4	0	19 945
Total	204	893	23.4	437	399 760

Table 3.8.2 Performance rewards by salary band for personnel below senior management service level

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower skilled (Levels 1–2)	0	0	0	0	0	0%
Skilled (Levels 3–5)	37	107	31.4	255	7 754	0%
Highly skilled production (Levels 6–8)	78	324	24.6	1 051	14 215	0%
Highly skilled supervision (Levels 9–12)	89	295	29.4	2 405	28 643	1%
Total	204	726	28.1	2 584	50 612	1%

Table 3.8.3 Performance rewards by critical occupation

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Administrative related	27	92	30.43	792.39	28 299.63
Client inform. clerks (switchboard reception inform. clerks)	4	13	30.77	32.31	8 076.63
Communication and information related	3	7	42.86	85.73	28 576.74
Community development workers	10	17	58.82	244.53	24 452.69
Computer system designers and analysts	3	7	42.86	50.95	16 983.06
Financial and related professionals	6	28	21.43	137.72	22 954.00
Financial clerks and credit controllers	8	23	34.78	167.02	20 877.71
Food services aids and waiters	1	1	100.00	9.34	9 344.40
General legal administration & related professionals	1	4	25.00	11.76	11 756.70
Head of department/chief executive officer	0	0	0	0	0
Human resources & organisational development & related professionals	5	17	29.41	85.72	17 144.10
Human resources clerks	2	8	25.00	19.72	9 860.31
Human resources related	3	10	30.00	102.52	34 172.28
Information technology related	1	5	20.00	14.59	14 586.45
Language practitioners, interpreters & other communication	1	1	100.00	19.63	19 627.80
Library, mail and related clerks	7	25	28.00	76.94	10 992.09
Logistical support personnel	2	20	10.00	25.02	12 508.29
Material-recording and transport clerks	4	9	44.44	42.37	10 591.92
Messengers, porters and deliverers	7	9	77.78	39.25	5 606.64
Other administration & related clerks and organisers	56	281	20.64	713.84	12 307.58
Other administrative policy and related officers	0	1	0	0.00	0
Other information technology personnel	6	10	60.00	96.03	16 005.24
Other occupations	0	2	0	0	0
Printing and related machine operators	0	0	0	0	0

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Psychologists and vocational counsellors	0	1	0	0	0
Rank unknown	0	0	0	0	0
Risk management and security services	1	9	11.11	10.47	10 473.30
Secretaries & other keyboard operating clerks	1	5	20.00	11.78	11 776.68
Security officers	2	3	66.67	13.29	6 644.34
Senior managers	11	111	9.89	1 038.53	94 584.05
Social sciences related	14	43	34.88	434.10	28 939.68
Social work and related professionals	18	131	13.74	575.96	31 997.64
Total	204	893	23.29	4 851.49	23 326.73

Table 3.8.4 Performance related rewards (cash bonus), by salary band for senior management services

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	4	79	0.05	240	60 208	0.04
Band B	4	26	15.3	270	67 503	0.04
Band C	2	7	2.85	527	177 075	0.03
Band D	0	2	0	0	0	0
Total	10	114	0.9	345	86 440	0.11

3.9 Foreign workers

Tables 3.9.1 and 3.9.2 summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band

Salary band	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Levels 6–8)	1	33.33	2	33.33	1	33.33
Highly skilled supervision (Levels 9–12)	1	33.33	2	33.33	1	33.33
Senior management (Levels 13–16)	1	33.33	2	33.33	1	33.33
Contract (Levels 6–8)	0	0	0	0	0	0
Contract (Levels 9–12)	0	0	0	0	0	0
Contract (Levels 13–16)	0	0	0	0	0	0
Total	3	100.00	6	100	3	100.00

Table 3.9.2 Table 3.9.2 Foreign workers by major occupation

Major occupation	01 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	3	100.00	6	100.00	3	100.00
Total	3	100.00	6	100.00	3	100.00

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave

Salary band	Total days	% of days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1–2)	0	0	0	0	0	0
Skilled (Levels 3–5)	557	40.39	83	11.4	6.71	385.00
Highly skilled production (Levels 6–8)	1753	44.15	210	28.85	8.35	2 005.00
Highly skilled supervision (Levels 9–12)	1651	48.15	240	32.97	6.88	3 913.00
Top and senior management (Levels 13–16)	473	49.05	74	10.16	6.39	1 761.00
Contract (Levels 1–2)	4	0	3	.41	1.33	1.00
Contract (Levels 3–5)	132	38.64	39	5.36	3.38	87.00
Contract (Levels 6–8)	323	24.77	58	7.97	5.57	362.00
Contract (Levels 9–12)	140	32.14	19	2.61	7.37	251.00
Contract (Levels 13–16)	7	100	2	0.27	3.5	24.00
Total	5040	43.83	728	100	6.92	8 789.00

Table 3.10.2 Disability leave (temporary and permanent)

Salary band	Total days	% of days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1–2)	0	0	0	0	0	0
Skilled (Levels 3–5)	0	0	0	0	0	0
Highly skilled production (Levels 6–8)	144	100	2	40	72	162.00
Highly skilled supervision (Levels 9–12)	116	100	3	60	38.67	343.00
Senior management (Levels 13–16)	0	0	0	0	0	0
Total	260	100	5	100	52	506.00

Table 3.10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual leave

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1–2)	0	0	0
Skilled (Levels 3–5)	1 589	110	14.45
Highly skilled production (Levels 6–8)	5 462	277	19.72
Highly skilled supervision (Levels 9–12)	6 641	297	22.36
Senior management (Levels 13–16)	2 464	113	21.81
Total	16 156	797	20.27

Table 3.10.4 Capped leave

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2017
Lower skilled (Levels 1–2)	0	0	0	0
Skilled (Levels 3–5)	0	0	0	0
Highly skilled production (Levels 6–8)	10	1	10	26.9
Highly skilled supervision (Levels 9–12)	4	2	2	26
Senior management (Levels 13–16)	1	1	1	50.98
Total	15	4	3.75	32.72

The following table summarises payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave pay outs

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay out for 2016/17 due to non-utilisation of leave for the previous cycle			
Capped leave pay outs on termination of service for 2016/17	1 493	83	17 990
Current leave pay out on termination of service for 2016/17	682	57	11 964
Total	2 175	140	19 390

3.11 HIV and AIDS and health promotion programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
N/A	



Table 3.11.2 Details of health promotion and HIV and AIDS programmes

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Chief-Director: Human Capital Management Mr D Chinappan
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		Two employee health and wellness practitioners Budget: R360 000
3. Has the Department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of this programme.	√		Wellness management programmes Counselling, crisis intervention and trauma debriefing. Proactive interventions: Sexual harassment, weight loss sessions, mental health, financial wellness and annual sports activities. Health and productivity programmes Health and risk screenings which include blood pressure, cholesterol, blood sugar and HIV counselling and testing. HIV and AIDS and TB management: Commemoration of HIV and AIDS calendar events: Candlelight Memorial, World Aids Day and STI/Condom Week. HIV and AIDS counselling and testing, and monitoring of condom distribution.
4. as the Department established (a) committee(s) as contemplated in Part VI E.5(e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		Employee Health and Wellness Committee Director: Human Resource Management Director: Occupational Health and Safety Deputy-Director: Gender Deputy Director: HIV and AIDS Prevention Deputy Director: Care and Support Deputy-Director: Population Development Employee Health and Wellness Unit branch representative
5. as the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		HIV and AIDS and TB Management Policy Health and Productivity Management Policy Wellness Management Policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		HIV and AIDS awareness re stigma and discrimination Counselling and support services Linking employees with external support groups Referrals to ARV clinics Linking employees with chronic disease management programme
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√		HIV counselling and testing Total number of employees tested: 207 Females: 140 Males: 67
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programmes? If so, list these measures/indicators.	√		EHW monthly reports DPSA quarterly reports Systems monitoring tool MPAT

3.12 Labour relations

Table 3.12.1 Collective agreements

Subject Matter	Date
Agreement on special leave for employees in the National Department of Social Development.	25/11/2016

The following table summarises the outcomes of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	1	2.8
Written warning	13	36
Final written warning	10	28
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	12	33.2
Total	36	100

Table 3.12.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Assault	1	2.7
Unauthorised absenteeism	4	11.1
Disrespect and unprofessional behaviour	5	14
Theft	1	2.7
Irregular expenditure	8	22.2
Failure to submit receipt of payment	8	22.2
Unauthorised site inspection	9	25.1
Total	36	100

Table 3.12.4 Grievances logged

	Number	% of Total
Number of grievances resolved	5	83
Number of grievances not resolved	1	17
Total number of grievances logged	6	100

Table 3.12.5 Disputes logged with councils

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	1	100
Total number of disputes logged	1	100

Table 3.12.6 Strike actions

Total number of person working days lost	14 080
Total cost working days lost	14 080
Amount (R'000) recovered as a result of no work, no pay	To be determined by Human Resource Management

Table 3.12.7 Precautionary suspensions

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspension	0



3.13 Skills development

This section highlights the efforts of the Department with regard to skills development.

Table 3.13.1 Training needs identified

Occupational category	Gender	Number of employees as on 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	58	0	41	0	41
	Male	59	0	27	0	27
Professionals	Female	193	0	80	0	80
	Male	106	0	51	0	51
Technicians and associated professionals	Female	236	0	95	0	95
	Male	91	0	40	0	40
Clerks	Female	64	0	135	0	135
	Male	51	0	65	0	65
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Interns	Female	0	0	32	0	32
	Male	0	0	25	0	25
Sub-total	Female	551	0	383	0	383
	Male	307	0	208	0	208
Total		858	0	591	0	591

Table 3.13.2 Training provided for the reporting period

Occupational category	Gender	Number of employees as on 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	58	0	15	0	15
	Male	59	0	13	1	14
Professionals	Female	193	0	37	2	39
	Male	106	0	12	4	16

Occupational category	Gender	Number of employees as on 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Technicians and associated professionals	Female	236	0	58	2	60
	Male	91	0	29	1	30
Clerks	Female	64	0	91	2	93
	Male	51	0	25	0	25
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Interns	Female	0	0	64	2	66
	Male	0	0	47	1	48
Sub-total	Female	551	0	265	8	273
	Male	307	0	126	7	133
Total		858	0	391	15	406

3.14 Injury on duty

The following tables provide basic information regarding injury on duty.

Table 3.14.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	2	100

3.15 Utilisation of consultants

The following tables present information on the utilisation of consultants in the Department. In terms of the public service regulations, 'consultant' means a natural or juristic person or a partnership who or which provides, in terms of a specific contract on an ad hoc basis, any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice
- The drafting of proposals for the execution of specific tasks or
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017

Project title	Total number of consultants who worked on project	Duration (work days)	Contract value in Rands
Appointment of a service provider to review and finalise the National ECD infrastructure Spatial Plan	6	180	R496 527.00
Appointment of a service provider to draft the EPWP Social Sector Theory of Change and M&E framework	3	12	R1 12 941.00
Appointment of a service provider for editorial services for the policy on disability welfare services	3	35.5	R296 400.00
Appointment of a service provider for the maintenance and support of the existing Enterprise Project Management Tool Solutions	2	365	R459 640.00
Appointment of a service provider to assist and support the Department to finalise the draft of the state civil society partnership model between the Department and non-profit organisations	4	180	R470 000.00
Appointment of a service provider for the editing, design, layout and printing of the annual report (2016/2017)	6	60	R499 479.60
Appointment of a service provider to develop and facilitate the youth camp programme	23	50	R472 000.00
Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rands
7	47	882.5	R 280 6951.60

Table 3.15.2 Analysis of consultant appointments using appropriated funds in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2016 to 31 March 2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups who worked on the project
Appointment of a service provider to review and finalise the National ECD Infrastructure Spatial Plan	0%	13.75%	0%
Appointment of a service provider to draft the EPWP Social Sector Theory of Change and M&E framework	40%	40%	1
Appointment of a service provider for editorial services for the policy on disability welfare services	100%	100%	3
Appointment of a service provider for the maintenance and support of the existing Enterprise Project Management Tool Solutions	26.74%	47.37%	2
Appointment of a service provider to assist and support DSD to finalise the draft of the state civil society partnership model between the DSD and non-profit organisations	100%	100%	4
Appointment of a service provider for the editing, design, layout and printing of the annual report 2016/2017	0%	40%	0
Appointment of a service provider to develop and facilitate the youth camp programme	100%	100%	23

Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2016 to 31 March 2017

Project title	Total number of consultants who worked on project	Duration (work days)	Donor and contract value in Rands
None			

Table 3.15.4 Analysis of consultant appointments using donor funds in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2016 to 31 March 2017

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups who work on the project
None			



Part

E

FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

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REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 17: DEPARTMENT OF SOCIAL DEVELOPMENT

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Social Development set out on pages 154 to 196, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Social Development as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 03 of 2016) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

7. The supplementary information set out on pages 197 to 207 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance

with the MCS prescribed by the National Treasury and the requirements of the PFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods

REPORT OF THE AUDITOR–GENERAL TO PARLIAMENT ON VOTE 17: DEPARTMENT OF SOCIAL DEVELOPMENT

that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017.

Programmes	Pages in the annual performance report
Programme 2 – Social assistance	45–48
Programme 4 – Welfare services policy development and implementation support	55–72

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Social assistance
 - Welfare services policy development and implementation and support

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 47, and 64 to 71 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets.

Report on audit of compliance with legislation

Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Other information

21. The accounting officer is responsible for the other information. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
24. I have not yet received the annual report. When I do receive this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected I may have to re-issue my auditor's report amended as appropriate.

Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

02 August 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR–GENERAL TO PARLIAMENT ON VOTE 17: DEPARTMENT OF SOCIAL DEVELOPMENT

Annexure: Auditor–general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor’s report, I also:
 - Identify and assess the risks of material misstatement of the statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer, which constitutes the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department of Social Developments’ ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a department to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Appropriation per programme

Voted funds and direct charges R'000	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
PROGRAMME									
1. Administration	338 512	–	11 619	350 131	349 746	385	99.9	305 053	305 053
2. Social Assistance	139 498 691	–	–	139 498 691	138 915 638	583 053	99.6	129 818 278	128 333 376
3. Social Security Policy and Administration	6 997 000	–	(15 727)	6 981 273	6 980 942	331	100.0	6 717 420	6 716 424
4. Welfare Services Policy Development And Implementation Support	721 322	–	(2 759)	718 563	713 088	5 475	99.2	678 287	676 403
5. Social Policy and Integrated Service Delivery	377 704	–	6 867	384 571	383 214	1 357	99.6	374 602	374 417
TOTAL	147 933 229	–	–	147 933 229	147 342 628	590 601	99.6	137 893 640	136 405 673

RECONCILIATION WITH STATEMENT OF FINANCIAL PERFORMANCE

Add:									
Departmental receipts				77 546				23 926	
NRF Receipts				–				–	
Aid assistance				48 326				76 175	
Actual amounts per Statement of Financial Performance				148 059 101				137 993 741	
Add:									
Aid assistance					55 101				76 152
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance (Expenditure)					147 397 729				136 481 825

Appropriation per economic classification

Economic classification	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	797 487	(15)	–	797 472	797 075	397	100.0	775 530	774 553
Compensation of employees	454 357	4 793	(4 793)	454 357	454 163	194	100.0	419 894	419 894
Goods and services	343 130	(4 808)	4 793	343 115	342 912	203	99.9	355 636	354 659
Transfers and subsidies	147 125 401	15	–	147 125 416	146 538 435	586 981	99.6	137 108 137	135 621 147
Provinces and municipalities	85 500	–	–	85 500	85 500	–	100.0	47 500	47 500
Departmental agencies and accounts	7 395 243	–	–	7 395 243	7 395 173	70	100.0	7 104 706	7 104 698
Higher education institutions	2 469	–	–	2 469	2 400	69	97.2	1 499	1 467
Foreign government and international organisations	4 290	15	–	4 305	4 126	179	95.8	4 294	4 053
Non-profit institutions	113 027	–	–	113 027	109 563	3 464	96.9	107 709	105 904
Households	139 524 872	–	–	139 524 872	138 941 673	583 199	99.6	129 842 429	128 357 525

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Economic classification	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	10 341	–	–	10 341	7 118	3 223	68.8	9 973	9 973
Buildings and other fixed structures	1 442	–	204	1 646	228	1 418	13.9	295	295
Machinery and equipment	8 398	–	198	8 596	6 890	1 706	80.2	8 910	8 910
Software and other intangible assets	501	–	(402)	99	–	99	–	768	768
Payment for financial assets	–	–	–	–	–	–	–	–	–
TOTAL	147 933 229	–	–	147 933 229	147 342 628	590 601	99.6	137 893 640	136 405 673

Programme 1: Administration

	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB-PROGRAMME									
1. Ministry	41 561	–	14 062	55 623	55 513	110	99.8	51 171	51 171
2. Department Management	64 576	–	(4 635)	59 941	59 941	–	100.0	57 339	57 339
3. Corporate Management	125 066	–	2 996	128 062	127 787	275	99.8	105 414	105 414
4. Finance	59 844	–	693	60 537	60 537	–	100.0	54 383	54 383
5. Internal Audit	12 838	–	(3 290)	9 548	9 548	–	100.0	8 946	8 946
6. Office Accommodation	34 627	–	1 793	36 420	36 420	–	100.0	27 800	27 800
TOTAL	338 512	–	11 619	350 131	349 746	385	99.9	305 053	305 053
ECONOMIC CLASSIFICATION									
Current payments	333 956	–	10 308	344 264	344 173	91	100.0	296 105	296 105
Compensation of employees	191 356	–	(4 547)	186 809	186 703	106	99.9	169 652	169 652
Goods and services	142 600	–	14 855	157 455	157 470	(15)	100.0	126 453	126 453
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	1 803	–	(182)	1 621	1 551	70	95.7	1 685	1 685
Departmental agencies and accounts	1 378	–	–	1 378	1 308	70	94.9	1 211	1 211
Households	425	–	(182)	243	243	–	100.0	474	474
Payments for capital assets	2 753	–	1 493	4 246	4 022	224	94.7	7 263	7 263
Machinery and equipment	2 252	–	1 895	4 147	4 022	125	97.0	6 533	6 533
Software and other intangible assets	501	–	(402)	99	–	99	–	730	730
Payment for financial assets	–	–	–	–	–	–	–	–	–
TOTAL	338 512	–	11 619	350 131	349 746	385	99.9	305 053	305 053

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Programme 2: Social Assistance

	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000		R'000	R'000	R'000	%	R'000	R'000
SUB-PROGRAMME									
1. Old Age	58 927 478	(468 000)	–	58 459 478	58 327 000	132 478	99.8	53 311 707	53 134 481
2. War Veterans	3 622	1 000	–	4 622	3 850	772	83.3	5 214	4 842
3. Disability	20 018 422	170 000	–	20 188 422	19 850 553	337 869	98.3	19 407 761	19 166 969
4. Foster Care	5 521 995	–	–	5 521 995	5 327 659	194 336	96.5	5 599 585	5 408 370
5. Care Dependency	2 676 824	5 000	–	2 681 824	2 613 892	67 932	97.5	2 486 430	2 394 702
6. Child Support	51 350 579	30 000	–	51 380 579	51 555 181	(174 602)	100.3	47 810 174	47 308 008
7. Grant-In-Aid	499 771	82 000	–	581 771	650 311	(68 540)	111.8	517 195	503 085
8. Social Relief of Distress	500 000	180 000	–	680 000	587 192	92 808	86.4	680 212	412 919
TOTAL	139 498 691	–	–	139 498 691	138 915 638	583 053	99.6	129 818 278	128 333 376
ECONOMIC CLASSIFICATION									
Current payments	–	–	–	–	–	–	–	–	–
Transfers and subsidies	139 498 691	–	–	139 498 691	138 915 638	583 053	99.6	129 818 278	128 333 376
Households	139 498 691	–	–	139 498 691	138 915 638	583 053	99.6	129 818 278	128 333 376
Payments for capital assets	–	–	–	–	–	–	–	–	–
Payment for financial assets	–	–	–	–	–	–	–	–	–
TOTAL	139 498 691	–	–	139 498 691	138 915 638	583 053	99.6	129 818 278	128 333 376

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Programme 3: Social Security Policy and Administration

	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000		R'000	R'000	R'000	R'000	%	R'000	R'000
SUB-PROGRAMME									
1. Social Security Policy Development	51 028	–	(7 780)	43 248	43 135	113	99.7	43 462	43 452
2. Appeals Adjudication	31 634	–	(5 949)	25 685	25 467	218	99.2	25 780	24 803
3. Social Grants Administration	6 825 866	–	–	6 825 866	6 825 866	–	100.0	6 564 085	6 564 077
4. Social Grants Fraud Investigation	83 066	–	–	83 066	83 066	–	100.0	78 885	78 885
5. Programme Management	5 406	–	(1 998)	3 408	3 408	–	100.0	5 208	5 207
TOTAL	6 997 000	–	(15 727)	6 981 273	6 980 942	331	100.0	6 717 420	6 716 424
ECONOMIC CLASSIFICATION									
Current payments	81 867	–	(14 315)	67 552	67 334	218	99.7	70 920	69 943
Compensation of employees	50 683	–	(3 979)	46 704	46 704	–	100.0	45 614	45 614
Goods and services	31 184	–	(10 336)	20 848	20 630	218	99.0	25 306	24 329
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	6 912 926	–	(184)	6 912 742	6 912 629	113	100.0	6 645 773	6 645 754
Departmental agencies and accounts	6 908 932	–	–	6 908 932	6 908 932	–	100.0	6 642 970	6 642 962
Higher education institutions	2 000	–	–	2 000	2 000	–	100.0	1 000	998
Foreign governments and international organisations	1 774	–	–	1 774	1 661	113	93.6	1 610	1 602
Households	220	–	(184)	36	36	–	100.0	193	192
Payments for capital assets	2 207	–	(1 228)	979	979	–	100.0	727	727
Buildings and other fixed structures	–	–	129	129	129	–	100.0	–	–
Machinery and equipment	2 207	–	(1 357)	850	850	–	100.0	727	727
Payment for financial assets	–	–	–	–	–	–	–	–	–
TOTAL	6 997 000	–	(15 727)	6 981 273	6 980 942	331	100.0	6 717 420	6 716 424

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Programme 4: Welfare Services Policy Development and Implementation Support

	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB-PROGRAMME									
1. Service Standards	28 868	(2 613)	(991)	25 264	23 110	2 154	91.5	36 258	34 452
2. Substance Abuse	101 325	2 413	56	103 794	103 770	24	100.0	73 919	73 875
3. Older Persons	20 549	(2 849)	(1 580)	16 120	16 012	108	99.3	18 728	18 697
4. People With Disabilities	29 273	(2 021)	(24)	27 228	27 139	89	99.7	21 569	21 569
5. Children	76 288	426	(220)	76 494	75 461	1 033	98.6	76 029	76 026
6. Families	8 996	635	–	9 631	9 631	–	100.0	8 830	8 830
7. Social Crime Prevention & Victim Empowerment	62 597	4 687	–	67 284	65 620	1 664	97.5	64 449	64 449
8. Youth	14 561	2 441	–	17 002	16 967	35	99.8	18 038	18 038
9. HIV and Aids	84 220	(3 757)	–	80 463	80 271	192	99.8	79 161	79 161
10. Social Worker Scholarship	290 780	–	–	290 780	290 780	–	100.0	276 144	276 144
11. Programme Management	3 865	638	–	4 503	4 327	176	96.1	5 162	5 162
TOTAL	721 322	–	(2 759)	718 563	713 088	5 475	99.2	678 287	676 403
ECONOMIC CLASSIFICATION									
Current payments	256 290	(15)	(2 859)	253 416	253 416	–	100.0	273 565	273 565
Compensation of employees	135 075	4 793	–	139 868	139 868	–	100.0	129 820	129 820
Goods and services	121 215	(4 808)	(2 859)	113 548	113 548	–	100.0	143 745	143 745
Transfers and subsidies	460 385	15	235	460 635	458 159	2 476	99.5	403 228	401 344
Provinces and municipalities	85 500	–	–	85 500	85 500	–	100.0	47 500	47 500
Departmental agencies and accounts	290 780	–	–	290 780	290 780	–	100.0	276 144	276 144
Foreign governments and international organisations	692	15	(220)	487	621	(134)	127.5	731	653
Non-profit institutions	82 746	–	–	82 746	80 282	2 464	97.0	78 657	76 852
Households	667	–	455	1 122	976	146	87.0	196	195
Payments for capital assets	4 647	–	(135)	4 512	1 513	2 999	33.5	1 494	1 494
Buildings and other fixed structures	1 442	–	–	1 442	24	1 418	1.7	295	295
Machinery and equipment	3 205	–	(135)	3 070	1 489	1 581	48.5	1 161	1 161
Software and other intangible assets	–	–	–	–	–	–	–	38	38
Payment for financial assets	–	–	–	–	–	–	–	–	–
TOTAL	721 322	–	(2 759)	718 563	713 088	5 475	99.2	678 287	676 403

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Programme 5: Social Policy and Integrated Service Delivery

	2016/17							2015/16	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB-PROGRAMME									
1. Social Policy Research and Development	5 552	–	579	6 131	6 062	69	98.9	5 891	5 758
2. Special Projects and Innovation	10 299	–	1 450	11 749	10 749	1 000	91.5	11 600	11 600
3. Population Policy Promotion	31 727	–	2 235	33 962	33 762	200	99.4	35 815	35 763
4. Registration and Monitoring of Non-profit Organisations	35 634	–	133	35 767	35 679	88	99.8	30 301	30 301
5. Substance Abuse Advisory Services and Oversight	5 731	–	171	5 902	5 902	–	100.0	4 078	4 078
6. Community Development	91 283	–	1 963	93 246	93 246	–	100.0	97 795	97 795
7. National Development Agency	194 153	–	–	194 153	194 153	–	100.0	184 381	184 381
8. Programme Management	3 325	–	336	3 661	3 661	–	100.0	4 741	4 741
TOTAL	377 704	–	6 867	384 571	383 214	1 357	99.6	374 602	374 417
ECONOMIC CLASSIFICATION									
Current payments	125 374	–	6 866	132 240	132 152	88	99.9	134 940	134 940
Compensation of employees	77 243	–	3 733	80 976	80 888	88	99.9	74 808	74 808
Goods and services	48 131	–	3 133	51 264	51 264	–	100.0	60 132	60 132
Transfers and subsidies	251 596	–	131	251 727	250 458	1 269	99.5	239 173	238 988
Departmental agencies and accounts	194 153	–	–	194 153	194 153	–	100.0	184 381	184 381
Higher education institutions	469	–	–	469	400	69	85.3	499	469
Foreign governments and international organisations	1 824	–	220	2 044	1 844	200	90.2	1 953	1 798
Non-profit institutions	30 281	–	–	30 281	29 281	1 000	96.7	29 052	29 052
Households	24 869	–	(89)	24 780	24 780	–	100.0	23 288	23 288
Payments for capital assets	734	–	(130)	604	604	–	100.0	489	489
Buildings and other fixed structures	–	–	75	75	75	–	100.0	–	–
Machinery and equipment	734	–	(205)	529	529	–	100.0	489	489
Payment for financial assets	–	–	–	–	–	–	–	–	–
TOTAL	377 704	–	6 867	384 571	383 214	1 357	99.6	374 602	374 417

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2017

1 Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A–G) to the Annual Financial Statements.

2 Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3 Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4 Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme:

PROGRAMMES	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a % of final appropriation %
ADMINISTRATION	350 131	349 746	385	0.11
Current payment	344 264	344 173	91	0.03
Transfers and subsidies	1 621	1 551	70	4.32
Payment for capital assets	4 246	4 022	224	5.28
The underspending relates to delays in the delivering of equipment prior to the closure of the financial year.				
SOCIAL ASSISTANCE	139 498 691	138 915 638	583 053	0.42
Transfers and subsidies	139 498 691	138 915 638	583 053	0.42
The underspending mainly relates to slow spending on foster care, disability and old age as a result of fewer than anticipated projected beneficiaries.				
SOCIAL SECURITY POLICY AND ADMINISTRATION	6 981 273	6 980 942	331	0.01
Current payment	67 552	67 334	218	0.32
Transfers and subsidies	6 912 742	6 912 629	113	0.01
Payment for capital assets	979	979	–	0.00
WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT	718 563	713 088	5 475	0.76
Current payment	253 416	253 416	–	0.00
Transfers and subsidies	460 635	458 159	2 476	0.54
Payment for capital assets	4 512	1 513	2 999	66.47
The under-expenditure mainly relates to delays in planned projects for building and fixed structures as well as the non-payment of non-profit organisations due to non-compliance.				
SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY	384 571	383 214	1 357	0.35
Current payment	132 240	132 152	88	0.07
Transfers and subsidies	251 727	250 458	1 269	0.50
Payment for capital assets	604	604	–	0.00
The under-expenditure mainly relates to the non-payment of non-profit organisations due to non-compliance.				

NOTES TO THE APPROPRIATION STATEMENT*for the year ended 31 March 2017***4.2 Per economic classification**

PROGRAMMES	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a % of final appropriation %
Current payments				
Compensation of employees	454 357	454 163	194	0.04
Goods and services	343 115	342 912	203	0.06
Interest and rent on land	–	–	–	–
Transfers and subsidies				
Provinces and municipalities	85 500	85 500	–	0.00
Departmental agencies and accounts	7 395 243	7 395 173	70	0.00
Higher education institutions	2 469	2 400	69	2.79
Foreign governments and international organisations	4 305	4 126	179	4.16
Non-profit institutions	113 027	109 563	3 464	3.06
Households	139 524 872	138 941 673	583 199	0.42
Payments for capital assets				
Buildings and other fixed structures	1 646	228	1 418	86.15
Machinery and equipment	8 596	6 890	1 706	19.85
Intangible assets	99	–	99	100.00
Payments for financial assets	–	–	–	–

The main underspending mainly relates to households in terms of slow spending on foster care, disability and old age as a result of fewer than anticipated projected beneficiaries.

4.3 Per conditional grant

	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Variance as a % of final appropriation %
SUBSTANCE ABUSE CONDITIONAL GRANT	85 500	85 500	–	0.00

STATEMENT OF FINANCIAL PERFORMANCE*for the year ended 31 March 2017*

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	147 933 229	137 893 640
Departmental revenue	2	77 546	23 926
Aid assistance	3	48 326	76 175
TOTAL REVENUE		148 059 101	137 993 741
EXPENDITURE			
Current expenditure			
Compensation of employees	4	454 163	419 894
Goods and services	5	342 912	354 678
Aid assistance	3	51 120	70 638
Total current expenditure		848 195	845 210
Transfers and subsidies			
Transfers and subsidies	6	146 538 435	135 621 128
Aid assistance	3	3 575	5 124
Total transfers and subsidies		146 542 010	135 626 252
Expenditure for capital assets			
Tangible assets	7	7 524	9 862
Intangible assets	7	–	501
Total expenditure for capital assets		7 524	10 363
TOTAL EXPENDITURE		147 397 729	136 481 825
SURPLUS/(DEFICIT) FOR THE YEAR		661 372	1 511 916
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		590 601	1 487 967
Annual appropriation		590 601	1 487 967
Conditional grants		–	–
Departmental revenue and NRF Receipts	13	77 546	23 926
Aid assistance	3	(6 775)	23
SURPLUS/(DEFICIT) FOR THE YEAR		661 372	1 511 916

STATEMENT OF FINANCIAL POSITION*as at 31 March 2017*

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets		11 444 275	11 015 403
Cash and cash equivalents	9	164 692	759 014
Prepayments and advances	10	11 245 284	10 238 022
Receivables	11	31 432	18 367
Aid assistance receivable	3	2 867	–
Non-current assets		1 332 156	1 256 586
Receivables	11	1 332 156	1 256 586
TOTAL ASSETS		12 776 431	12 271 989
LIABILITIES			
Current liabilities		11 482 882	11 048 817
Voted funds to be surrendered to the Revenue Fund	12	467 063	646 626
Departmental revenue and NRF receipts to be surrendered to the Revenue Fund	13	20 457	17 552
Bank overdraft	14	10 970 275	10 334 714
Payables	15	24 333	40 161
Aid assistance repayable	3	–	9 010
Aid assistance unutilised	3	754	754
Non-current liabilities			
Payables	16	1 290 239	1 215 954
TOTAL LIABILITIES		12 773 121	12 264 711
NET ASSETS		3 310	7 218
Represented by:			
Retained funds		3 310	7 218
TOTAL		3 310	7 218

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
RETAINED FUNDS			
Opening balance		7 218	13 772
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		(3 908)	(6 554)
Closing balance		3 310	7 218
TOTAL		3 310	7 218

CASH FLOW STATEMENT*for the year ended 31 March 2017*

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		147 935 563	137 152 400
Annual appropriated funds received	1.1	147 809 691	137 052 299
Departmental revenue received	2	56 954	11 614
Interest received	2.2	20 592	12 312
Aid assistance received	3	48 326	76 175
Net (increase)/decrease in working capital		(1 111 725)	(1 253 808)
Surrendered to Revenue Fund		(721 267)	(114 748)
Surrendered to RDP Fund/Donor		(9 010)	–
Current payments		(848 195)	(845 210)
Transfers and subsidies paid		(146 542 010)	(135 626 252)
Net cash flow available from operating activities	17	(1 296 644)	(687 618)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(7 524)	(10 363)
Net cash flows from investing activities		(7 524)	(10 363)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in non-current payables		74 285	231 885
Net cash flows from financing activities		74 285	231 885
Net increase/(decrease) in cash and cash equivalents		(1 229 883)	(466 096)
Cash and cash equivalents at beginning of period		(9 575 700)	(9 109 604)
Cash and cash equivalents at end of period	18	(10 805 583)	(9 575 700)

ACCOUNTING POLICIES

for the year ended 31 March 2017

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2 Going concern

The financial statements have been prepared on a going concern basis.

3 Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

4 Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6 Comparative information

6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7 Revenue

7.1 Appropriated funds

Appropriated funds comprise departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy

8 Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

ACCOUNTING POLICIES

for the year ended 31 March 2017

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the Department or in the case of transfers and subsidies when they are due and payable.

Accruals and payables not recognised are measured at cost.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9 Aid assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10 Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the Department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

12 Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy. With regard to Social Assistance debtors, Write-offs are made according to the Policy on Management of Social Assistance debtors as administered by the South African Social Security Agency.

13 Financial assets

13.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

13.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

ACCOUNTING POLICIES

for the year ended 31 March 2017

14 Payables

Loans and payables are recognised in the statement of financial position at cost.

15 Capital assets

15.1 Immovable capital assets

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

15.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

15.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value

and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

16 Provisions and contingents

16.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

16.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

16.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

16.4 Commitments

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

ACCOUNTING POLICIES

for the year ended 31 March 2017

17 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

18 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

19 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20 Changes in accounting policies, accounting estimates and errors

20.1 Changes in accounting policies

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

20.2 Changes in accounting estimates

Changes in accounting estimates are applied prospectively in accordance with MCS requirements whereby the effect of the change in the accounting estimate is recognised in the current and future periods affected by the change.

20.3 Correction of errors

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

21 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

22 Principal-Agent arrangements

The Department is not a party to any principal Agent Arrangements.

23 Departures from the MCS requirements

No departures

24 Capitalisation reserve

The capitalisation reserve comprises financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed of and the related funds are received.

25 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

ACCOUNTING POLICIES

for the year ended 31 March 2017

26 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

27 Inventories (Effective from date determined in a Treasury Instruction)

At the date of acquisition, inventories are recorded at cost price in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

Subsequent measurement of the cost of inventory is determined on the weighted average basis.

28 Public-Private Partnerships

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

29 Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

1 Annual appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2016/17			2015/16	
	Final appropriation R'000	Actual funds received R'000	Funds not requested/ not received R'000	Final appropriation R'000	Appropriation received R'000
Administration	338 512	338 512	–	297 015	297 015
Social Assistance	139 498 691	139 375 153	123 538	129 818 278	128 976 937
Social Security Policy and Administration	6 997 000	6 997 000	–	6 741 165	6 741 165
Welfare Services Policy Development	721 322	721 322	–	677 362	677 362
Social Policy and Integrated Service Delivery	377 704	337 704	–	359 820	359 820
Total	147 933 229	147 809 691	123 538	137 893 640	137 052 299

Funds not requested relates to the payment of grants in terms of slow spending on foster care, disability and old age.

2 Departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services other than capital assets	2.1	6	3
Interest, dividends and rent on land	2.2	20 592	12 312
Transactions in financial assets and liabilities	2.3	56 948	11 611
Departmental revenue collected		77 546	23 926

Increase in revenue collection relates to funds (R31 mil) in respect of grant debtors previously paid over by SIU. Remainder of funds was paid to Revenue after Provinces submitted documents to claim against funds received.

2.1 Sales of goods and services other than capital assets

	Note	2016/17 R'000	2015/16 R'000
Sales of goods and services produced by the department	2	6	3
Other sales		6	3
Total		6	3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

2.2 Interest, dividends and rent on land

	Note 2	2016/17 R'000	2015/16 R'000
Interest		20 592	12 312
Total		20 592	12 312

Increase in revenue received is due to the previous year's revenue collected by SASSA and was only paid to the Department in new financial year.

2.3 Transactions in financial assets and liabilities

	Note 2	2016/17 R'000	2015/16 R'000
Receivables		56 687	11 360
Other Receipts including Recoverable Revenue		261	251
Total		56 948	11 611

Increase is due to funds collected by SIU in respect of grant debtors that was paid to the revenue fund.

3 Aid assistance

	Note	2016/17 R'000	2015/16 R'000
Opening balance		9 764	3 187
Transferred from statement of financial performance		(6 775)	23
Transfers to or from retained funds		3 908	6 554
Paid during the year		(9 010)	–
Closing balance		(2 113)	9 764

3.1 Analysis of balance by source

	Note 3	2016/17 R'000	2015/16 R'000
Aid assistance from RDP	3	(2 867)	9 010
Aid assistance from other sources		754	754
Closing balance		(2 113)	9 764

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

3.2 Analysis of balance

	Note 3	2016/17 R'000	2015/16 R'000
Aid assistance receivable	3	(2 867)	–
Aid assistance unutilised	3	754	754
Aid assistance repayable	3	–	9 010
Closing balance		(2 113)	9 764

The amount of R2 867 million relates to funds receivable from the Department of Health in respect of expenditure incurred from April to September 2016 on the Global fund project. Approval was granted for extension of the project up to 30 September 2016.

4 Compensation of employees**4.1 Salaries and wages**

	Note	2016/17 R'000	2015/16 R'000
Basic salary		312 861	287 808
Performance award		6 788	4 809
Service based		121	202
Compensative/circumstantial		7 278	7 442
Other non-pensionable allowances		79 214	74 183
Total		406 262	374 444

Nominal increase in salaries from 1 April 2016

4.2 Social contributions

	Note	2016/17 R'000	2015/16 R'000
Employer contributions			
Pension		35 682	33 677
Medical		12 078	11 710
Bargaining council		63	63
Insurance		78	–
Total		47 901	45 450
Total compensation of employees		454 163	419 894
Average number of employees		888	897

Increase in employer's contribution relating to pension and medical contributions.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

5 Goods and services

	Note	2016/17 R'000	2015/16 R'000
Administrative fees		3 840	6 037
Advertising		15 800	23 131
Minor assets	5.1	507	589
Bursaries (employees)		1 194	1 133
Catering		13 048	16 203
Communication		16 469	12 704
Computer services	5.2	21 131	7 758
Consultants: Business and advisory services		43 170	40 509
Infrastructure and planning services		3 461	141
Legal services		5 191	3 381
Contractors		1 293	3 584
Agency and support / outsourced services		3 400	3 595
Entertainment		121	663
Audit cost – external	5.3	15 944	13 770
Fleet services		13 671	5 956
Consumables	5.4	5 424	7 643
Operating leases		33 271	24 401
Property payments	5.5	6 168	6 461
Rental and hiring		4 934	9 430
Transport provided as part of the departmental activities		111	1 765
Travel and subsistence	5.6	97 753	121 552
Venues and facilities		27 221	30 733
Training and development		3 253	2 127
Other operating expenditure	5.7	6 537	11 412
Total		342 912	354 678

Decrease in spending on catering and travelling were due to cost efficiency measures implemented during the financial year.
Increase in operating leases relate to office accommodation charges for the financial year.

5.1 Minor assets

	Note	2016/17 R'000	2015/16 R'000
	5		
Tangible assets			
Machinery and equipment		507	589
Total		507	589

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

5.2 Computer services

	Note 5	2016/17 R'000	2015/16 R'000
SITA computer services		9 313	3 799
External computer service providers		11 818	3 959
Total		21 131	7 758

Increase relates to expenditure for NISIS Project.

5.3 Audit cost – external

	Note 5	2016/17 R'000	2015/16 R'000
Regularity audits		12 151	12 713
Computer audits		3 793	1 057
Total		15 944	13 770

Increase due to computer audits being done.

5.4 Consumables

	Note 6	2016/17 R'000	2015/16 R'000
Consumable supplies		721	1 594
Uniform and clothing		118	196
Household supplies		17	339
IT consumables		295	129
Other consumables		291	930
Stationery, printing and office supplies		4 703	6 049
Total		5 424	7 643

Decrease due to cost efficiency savings implemented.

5.5 Property payments

	Note 5	2016/17 R'000	2015/16 R'000
Municipal services		4 177	4 172
Property maintenance and repairs		1 871	2 212
Other		120	77
Total		6 168	6 461

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

5.6 Travel and subsistence

	Note	2016/17	2015/16
	5	R'000	R'000
Local		85 048	105 410
Foreign		12 705	16 142
Total		97 753	121 552

Decrease due to cost containment measures implemented as per National Treasury Instruction.

5.7 Other operating expenditure

	Note	2016/17	2015/16
	6	R'000	R'000
Professional bodies, membership and subscription fees		1 861	682
Resettlement costs		154	268
Other		4 522	10 462
Total		6 537	11 412

Decrease due to cost efficiency savings implemented.

6 Transfers and subsidies

	Note	2016/17	2015/16
		R'000	R'000
Provinces and municipalities	32	85 500	47 500
Departmental agencies and accounts	Annex 1A	7 395 173	7 104 698
Higher education institutions	Annex 1B	2 400	1 467
Foreign governments and international organisations	Annex 1C	4 126	4 031
Non-profit institutions	Annex 1D	109 563	105 904
Households	Annex 1E	138 941 673	128 357 526
Total		146 538 435	135 621 126
Unspent funds transferred to the above beneficiaries			
Provinces and municipalities		80 109	9 000
Total		80 109	9 000

Increase in transfer of the Substance Abuse Conditional Grant to the provinces.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

7 Expenditure for capital assets

	Note	2016/17 R'000	2015/16 R'000
Tangible assets		7 524	9 862
Buildings and other fixed structures	31	228	685
Machinery and equipment	29	7 296	9 177
Intangible assets		–	501
Software		–	501
Total		7 524	10 363

Decrease on Buildings and fixed structures from a donor funded project for the construction of the Community Care Centres in KwaZulu-Natal, North-west and Limpopo Provinces.

7.1 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	7 118	406	7 524
Buildings and other fixed structures	228	–	228
Machinery and equipment	6 890	406	7 296
Total	7 118	406	7 524

7.2 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	9 472	390	9 862
Buildings and other fixed structures	295	390	685
Machinery and equipment	9 177	–	9 177
Intangible assets	501	–	501
Software	501	–	501
Total	9 973	390	10 363

Decrease in capital expenditure due to the fact that in the 2014/15 financial year equipment and vehicles were bought for the Food Relief Programmes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

8 Unauthorised expenditure**8.1 Reconciliation of unauthorised expenditure**

	Note	2016/17 R'000	2015/16 R'000
Opening balance		–	26 168
As restated		–	26 168
Less: Amounts approved by Parliament/Legislature with funding		–	(26 168)
Closing balance		–	–

9 Cash and cash equivalents

	Note	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account		164 684	759 004
Cash receipts		–	2
Cash on hand		8	8
Total		164 692	759 014

The decrease is due to better cash flow management and only requesting actual funds as required for grant payments.

10 Prepayments and advances

	Note	2016/17 R'000	2015/16 R'000
Travel and subsistence		158	458
Advances paid (Not expensed)	10.1	3 738	1 958
SOCPEN advances		11 241 388	10 235 606
Total		11 245 284	10 238 022

Increase in funds transferred to SASSA for the paying of grants to beneficiaries on 1 April 2017.

10.1 Advances paid (Not expensed)

	Note 10	2016/17 R'000	2015/16 R'000
National departments		3 738	1 958
Total		3 738	1 958

Advances paid to Government Communication Information System for delivering media statements and transfers to Department of International Relations for International land arrangements for official trips.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

11 Receivables

	Note	2016/17			2015/16		
		Current R'000	Non- current R'000	Total R'000	Current R'000	Non- current R'000	Total R'000
Claims recoverable	11.1	1 936	15 935	17 871	1 142	15 908	17 050
Staff debt	11.2	161	–	161	10	163	173
Fruitless and wasteful expenditure	11.4	–	–	53	–	53	53
Other debtors	11.3	29 335	1 316 221	1 345 556	17 215	1 240 462	1 257 677
Total		31 432	1 332 156	1 363 641	18 367	1 256 586	1 274 953

11.1 Claims recoverable

	Note 15 and Annex 4	2016/17 R'000	2015/16 R'000
National departments		2 603	1 043
Provincial departments		15 257	15 360
Public entities		11	647
Total		17 871	17 050

The claims issued to other departments were followed up and most of the outstanding claims is fewer than 60 days.

11.2 Staff debt

	Note 11	2016/17 R'000	2015/16 R'000
Staff debt		161	173
Total		161	173

Staff debtors are followed up and recovered on a monthly basis. Debt account is opened for all new debt cases and officials are informed of the debt according to the debt policy of the Department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

11.3 Other debtors

	Note 11	2016/17 R'000	2015/16 R'000
General Suspense		968	2 448
Dept receipt control		1	–
Salary: GEHS REFUND		3	–
Tax Debt		5	32
Ex Departmental Official Debt		810	799
SASSA Debtors		1 343 769	1 254 394
Total		1 345 556	1 257 677

The increase in other debtors is mainly due to the increase in grant debtors managed by SASSA.

11.4 Fruitless and wasteful expenditure

	Note 11	2016/17 R'000	2015/16 R'000
Opening balance		53	53
Total		53	53

11.5 Impairment of receivables

	Note	2016/17 R'000	2015/16 R'000
Estimate of impairment of receivables		1 039 593	906 066
Total		1 039 593	906 066

Impairment of receivables related to the grant debtors.

12 Voted funds to be surrendered to the Revenue Fund

	Note	2016/17 R'000	2015/16 R'000
Opening balance		646 626	62 786
As restated		646 626	62 786
Transfer from Statement of Financial Performance (as restated)		590 601	1 487 967
Voted funds not requested/not received	1	(123 538)	(841 341)
Paid during the year		(646 626)	(62 786)
Closing balance		467 063	646 626

The decrease is due to better cash flow management and only requesting actual funds as required.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

13 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2016/17 R'000	2015/16 R'000
Opening balance		17 552	45 588
As restated		17 552	45 588
Transfer from Statement of Financial Performance (as restated)		77 546	23 926
Paid during the year		(74 641)	(51 962)
Closing balance		20 457	17 552

Decrease in Revenue Accrual is due to SASSA transfer the revenue in time for the Department to pay it over to National Revenue Fund.

14 Bank overdraft

	Note	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account		10 970 275	10 334 714
Total		10 970 275	10 334 714

Bank overdraft is in respect of Social Grant to be paid to beneficiaries on 1 April. Advances is paid during March of a year to the Cash Pay Contractors in order to prepare for the payment of the grants.

15 Payables – current

	Note	2016/17 R'000	2015/16 R'000
Clearing accounts	15.1	924	102
Other payables	15.2	23 409	40 059
Total		24 333	40 161

Decrease is due to SIU recoveries that have been paid over to NRF.

15.1 Clearing accounts

	Note	2016/17 R'000	2015/16 R'000
Salary Income Tax	15	924	102
Total		924	102

Increase is due to funds received in March and will only interfaced in April.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

15.2 Other payables

	Note 15	2016/17 R'000	2015/16 R'000
SASSA claim payable		457	351
Salary Pension Fund		71	–
Disallowance miscellaneous		16 487	34 015
SASSA unallocated receipts		6 394	5 693
Total		23 409	40 059

Decrease is due to SIU recoveries that have been paid over to NRF.

16 Payables – non-current

	Note	2016/17				2015/16
		R'000 One to two years	R'000 Two to three years	R'000 More than three years	R'000 Total	R'000 Total
Advances received	16.1	–	–	362	362	5 512
Other payables	16.2	32 531	24 828	1 232 518	1 289 877	1 210 442
Total		32 531	24 828	1 232 880	1 290 239	1 215 954

Include discussion here where deemed relevant .

16.1 Advances received

	Note 22	2016/17 R'000	2015/16 R'000
Provincial departments		362	5 512
Total		362	5 512

Funds received from the Provincial departments and to be spent on expenditure related to NISIS Project.

16.2 Other payables

	Note 16	2016/17 R'000	2015/16 R'000
Differ Revenue: SASSA and SOCDEV		786	785
Debt receivable income		1 209 793	1 121 615
Debt receivable interest		79 298	88 042
Total		1 289 877	1 210 442

Increase is mainly due to debt receivable income linked to grant debtors.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

17 Net cash flow available from operating activities

	Note	2016/17 R'000	2015/16 R'000
Net surplus/(deficit) as per Statement of Financial Performance		661 372	1 511 916
Add back non cash/cash movements not deemed operating activities		(1 958 016)	(2 199 534)
(Increase)/decrease in receivables – current		(88 635)	(228 701)
(Increase)/decrease in prepayments and advances		(1 007 262)	(1 053 456)
(Increase)/decrease in other current assets		–	26 168
Increase/(decrease) in payables – current		(15 828)	2 181
Proceeds from sale of capital assets		7 524	10 363
Surrenders to Revenue Fund		(721 267)	(114 748)
Surrenders to RDP Fund/Donor		(9 010)	–
Voted funds not requested/not received		(123 538)	(841 341)
Net cash flow generated by operating activities		(1 310 362)	(687 618)

Increase is due to increase in SASSA surrender.

18 Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General account		(10 805 591)	(9 575 710)
Cash receipts		–	2
Cash at commercial banks		–	–
Cash on hand		8	8
Total		(10 805 583)	(9 575 700)

Increase is due to increase in Bank Overdraft to pay grant debtors.

19 Contingent liabilities and contingent assets**19.1 Contingent liabilities**

	Note	2016/17 R'000	2015/16 R'000
Liable to			
Claims against the department	Annex 2	151 203	758
Intergovernmental payables (unconfirmed balances)	Annex 4	3 961	2 216
Total		155 164	2 974

Claims of other departments not yet paid at year end and civil claims against the department not yet finalised.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

19.2 Contingent assets

	Note	2016/17 R'000	2015/16 R'000
Nature of contingent asset			
NEHAWU Strike Action (Hours away from Office)		78	–
Total		78	–

20 Commitments

	Note	2016/17 R'000	2015/16 R'000
Current expenditure			
Approved and contracted		13 582	38 945
Approved but not yet contracted		2 893	2 097
		16 475	41 042
Capital expenditure			
Approved and contracted		130	–
Approved but not yet contracted		–	–
		8 763	471
		8 893	471
Total commitments		25 368	41 513

Commitments were cleared during the financial year.

21 Accruals and payables not recognised**21.1 Accruals**

Listed by economic classification	30 Days	30+ Days	2016/17 R'000	2015/16 R'000
			Total	Total
Goods and services	13 773	12 705	26 478	49 464
Capital assets	132	–	132	558
Total	13 905	12 705	26 610	50 022

	Note	2016/17 R'000	2015/16 R'000
Listed by programme level			
Administration		14 148	28 762
Social Security Policy and Administration		861	891
Welfare Services Policy Development and Implementation		9 627	14 426
Social Policy and Integrated Service Delivery		1 974	5 943
Total		26 610	50 022

Decrease is due to better management of available funds and paying suppliers during the financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

21.2 Payables not recognised

Listed by economic classification	30 Days	30+ Days	2016/17	2015/16
			R'000	R'000
			Total	Total
Goods and services	78	8 338	8 416	10 661
Total	78	8 338	8 416	10 661

Listed by programme level	Note	2016/17	2015/16
		R'000	R'000
Administration		5 961	98
Social Security Policy and Administration		2 455	2 528
Welfare Services Policy Development and Implementation		–	8 035
Total		8 416	10 661

Outstanding claims from other Government Departments and Public Entities to be settled.

Included in the above totals are the following:	Note	2016/17	2015/16
		R'000	R'000
Confirmed balances with other departments	Annex 4	2 072	8 445
Confirmed balances with other government entities	Annex 5	2 383	–
Total		4 455	8 445

22 Employee benefits

	Note	2016/17	2015/16
		R'000	R'000
Leave entitlement		20 267	16 840
Service bonus (Thirteenth cheque)		10 469	10 348
Capped leave commitments		10 179	9 714
Other		369	169
Total		41 284	37 071

At this stage the department is not able to reliably measure the long term portion of the long service awards.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

23 Lease commitments

23.1 Operating leases expenditure

2016/17	Building and other fixed structures	Machinery and equipment	Total
Not later than 1 year	30 213	864	31 077
Later than 1 year and not later than 5 years	60 132	796	60 928
Total lease commitments	90 345	1 660	92 005

2015/16	Building and other fixed structures	Machinery and equipment	Total
Not later than 1 year	23 878	1 047	24 925
Later than 1 year and not later than 5 years	1 942	626	2 568
Total lease commitments	25 820	1 673	27 493

New lease agreement entered into for HSRC Building.

23.2 Finance leases expenditure**

2016/17	Machinery and equipment	Total
Not later than 1 year	1 660	1 660
Later than 1 year and not later than 5 years	1 417	1 417
Total lease commitments	3 077	3 077

2015/16	Machinery and equipment	Total
Not later than 1 year	2 418	2 418
Later than 1 year and not later than 5 years	873	873
Total lease commitments	3 291	3 291

**This note excludes leases relating to public private partnership as they are separately disclosed in note no. 35.

Departmental cell phone contract, contract for 3G cards and GG vehicles are recorded here.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

24 Irregular expenditure**24.1 Reconciliation of irregular expenditure**

	Note	2016/17 R'000	2015/16 R'000
Opening balance		42 746	45 040
Prior period error		–	–
As restated		45 040	45 040
Add: Irregular expenditure – relating to current year		42 746	8 312
Less: Prior year amounts condoned		(37 783)	(10 606)
Less: Current year amounts condoned		(18)	–
Irregular expenditure awaiting condonation		5 569	42 746
Analysis of awaiting condonation per age classification			
Current year		624	8 312
Prior years		4 945	34 434
Total		5 569	42 746
Irregular expenditure mainly relates to the non-compliance of the SCM processes.			

24.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/ criminal proceedings	2016/17 R'000
Non-compliance to SCM and order number was not issued prior to the services being rendered		624
Total		624

24.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2015/16 R'000
Non-compliance to SCM processes		21 989
Non-compliance to SCM processes		15 794
Non-compliance to SCM processes		18
Total		37 801

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

25 Fruitless and wasteful expenditure**25.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2016/17 R'000	2015/16 R'000
Opening balance		1 216	550
Fruitless and wasteful expenditure – relating to current year		270	666
Less: Amounts resolved		(624)	–
Closing balance		862	1 216
Decrease in current year is due to cases being investigated and resolved immediately.			

25.2 Analysis of awaiting resolution per economic classification

	2016/17 R'000	2015/16 R'000
Current	687	784
Capital	175	432
Total	862	1 216

25.3 Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2016/17 R'000
Hotel no show		66
Car damage – accident		192
Shuttle No Show		12
Total		270
Decrease in current year is due to cases being investigated and resolved immediately.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

26 Related party transactions

Related party relationships

The following Entities established in terms of the Fund Raising Act No 107 of 1978 report to the Minister of Social Development:

- Disaster Relief Fund
- Social Relief Fund
- State President Fund
- Refugee Relief Fund

The following Public Entities report to the Minister of Social Development:

- South African Social Security Agency
- National Development Agency

There were no transactions with the above related parties in the reporting period.

These related parties are under the control of the Minister and are compiling their own Annual Financial Statements which reflect the financial activities of the parties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

27 Key management personnel

Political office bearers (provide detail below)	No. of Individuals	2016/17 R'000	2015/16 R'000
Officials:	2	4 211	4 211
Level 15 to 16	9	18 205	15 660
Level 14 (incl. CFO if at a lower level)	28	33 510	32 035
Family members of key management personnel	2	738	962
Total		56 664	52 868

28 Provisions

	Note	2016/17 R'000	2015/16 R'000
Social Assistance Debtors over recovery		17 263	15 136
Total		17 263	15 136

Provision is in respect of grant debtors whose debt has a credit balance.

28.1 Reconciliation of movement in provisions – 2016/17

	Note	Provision 1 R'000	Total provision R'000
Opening balance		15 136	15 136
Change in provision due to change in estimation of inputs		2 127	2 127
Closing balance		17 263	17 263

The provision mainly relates to the calculation of refunds payable to Social Assistance debtors whose payments exceeded the amount receivable. The timing and actual amount of payment is not yet established.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

28.2 Reconciliation of movement in provisions – 2015/16

	Note	Provision 1 R'000	Total provision R'000
Opening balance		9 074	9 074
Increase in provision		6 062	6 062
Closing balance		15 136	15 136

The provision relates to an estimated calculation of refunds payable to Social Assistance debtors whose payments exceeded the amount receivable. The timing and actual amount is not yet established.

Change in Accounting Estimates

The Provision for refund of over-recoveries from Social Assistance debtors is based on the estimated average interest rate of 11.13%. This represents a change to the prior year estimated average interest rate of 11.4%. The rate has been amended in the 2015/16 financial year to incorporate developments in the Standard Interest Rate as published by the Minister of Finance. In addition to other movements in the debtors account balances, the change to the estimated average interest rate has been applied prospectively and retrospectively and resulted in an increase in the provision from R9 074 000.00 in 2014/15 to R14 190 000.00 in 2015/16.

29 Movable tangible capital assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2017

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	85 448	7 173	9 159	83 462
Transport assets	14 053	2 464	–	16 517
Computer equipment	37 141	2 533	6 455	33 219
Furniture and office equipment	23 361	1 155	1 494	23 022
Other machinery and equipment	10 893	1 021	1 210	10 704
Total movable tangible capital assets	85 448	7 173	9 159	83 462

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

29.1 Additions

Additions to movable tangible capital assets per asset register for the year ended 31 March 2017

	Cash R'000	Received current, not paid (paid current year, received prior year) R'000	Total R'000
Machinery and equipment	7 296	(123)	7 173
Transport assets	2 464	–	2 464
Computer equipment	2 656	(123)	2 533
Furniture and office equipment	1 155	–	1 155
Other machinery and equipment	1 021	–	1 021
Total additions to movable tangible capital assets	7 296	(123)	7 173

29.2 Disposals

Disposals of movable tangible capital assets per asset register for the year ended 31 March 2017

	Non cash disposals R'000	Total disposals R'000
Machinery and equipment	9 159	9 159
Computer equipment	6 455	6 455
Furniture and office equipment	1 494	1 494
Other machinery and equipment	1 210	1 210
Total movable tangible capital assets	9 159	9 159

29.3 Movement for 2015/16

Movement in tangible capital assets per asset register for the year ended 31 March 2016

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	78 062	(522)	9 450	1 542	85 448
Transport assets	14 053	–	–	–	14 053
Computer equipment	30 197	116	7 609	781	37 141
Furniture and office equipment	23 021	(78)	1 121	703	23 361
Other machinery and equipment	10 791	(560)	720	58	10 893
Total movable tangible capital assets	78 062	(522)	9 450	1 542	85 448

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

29.3.1 Prior period error

	Note	2015/16 R'000
Nature of prior period error		–
Relating to 2015/16 <i>[affecting the opening balance]</i>		(522)
Total prior period errors		(522)

29.4 Minor assets

Movement in minor assets per the asset register for the year ended as at 31 March 2017

	Machinery and equipment R'000	Total R'000
Opening balance	12 169	12 169
Additions	507	507
Disposals	1 026	1 026
Total minor assets	11 650	11 650

	Machinery and equipment	Total
Number of R1 minor assets	6 417	6 417
Number of minor assets at cost	7 074	7 074
Total number of minor assets	13 491	13 491

Movement in minor assets per the asset register for the year ended as at 31 March 2016

	Machinery and equipment	Total
Opening balance	11 693	11 693
Prior period error	192	192
Additions	589	589
Disposals	305	305
Total minor assets	12 169	12 169

	Machinery and equipment	Total
Number of R1 minor assets	6 095	6 095
Number of minor assets at cost	6 857	6 857
Total number of minor assets	12 952	12 952

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

29.5 Prior period error

	Note	2015/16 R'000
Nature of prior period error		
Relating to 2014/15 <i>[affecting the opening balance]</i>		192
Total prior period errors		192

29.6 Movable assets written off

Movable assets written off for the year ended as at 31 March 2017

	Machinery and equipment R'000	Total R'000
Assets written off	9 428	9 428
Total movable assets	9 428	9 428

30 Intangible capital assets

Movement in intangible capital assets per asset register for the year ended 31 March 2017

	Opening balance R'000	Additions R'000	Closing balance R'000
Software	8 647	–	8 647
Total intangible capital assets	8 647	–	8 647

30.1 Movement for 2015/16

Movement in intangible capital assets per asset register for the year ended 31 March 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	8 146	501	–	8 647
Total intangible capital assets	8 146	501	–	8 647

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

31 Immovable tangible capital assets**Movement in immovable tangible capital assets per asset register for the year ended 31 March 2017**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Buildings and other fixed structures	1 015	–	–	1 015
Dwellings	685	–	–	685
Other fixed structures	330	–	–	330
Total immovable tangible capital assets	1 015	–	–	1 015

31.1 Movement for 2015/16**Movement in intangible capital assets per asset register for the year ended 31 March 2016**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Buildings and other fixed structures	330	685	–	1 015
Dwellings	–	685	–	685
Other fixed structures	330	–	–	330
Total intangible capital assets	330	685	–	1 015

32 Statement of conditional grants paid to the provinces

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION			TRANSFER		SPENT			2015/16
	Division of Revenue Act R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Spent %	Amount received by department R'000	Amount spent by department R'000	% of available funds spent by department %	Division of Revenue Act R'000
Summary by province									
Eastern Cape	–	–	–	–	–	–	–	–	2 000
Free State	42 500	–	42 500	42 500	–	42 500	3 565	8	12 500
Gauteng	–	–	–	–	–	–	–	–	16 000
KwaZulu-Natal	–	–	–	–	–	–	–	–	17 000
Northern Cape	43 000	–	43 500	43 000	–	43 000	1 826	4	–
TOTAL	85 500	–	85 500	85 500	–	85 500	5 391	–	47 500

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2017*

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION			TRANSFER		SPENT			2015/16
	Division of Revenue Act R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Spent %	Amount received by department R'000	Amount spent by department R'000	% of available funds spent by department %	Division of Revenue Act R'000
Summary by grant									
Substance Abuse	85 500	–	85 500	85 500	–	85 500	5 391	6	47 500
Conditional grant	–	–	–	–	–	–	–	–	–
TOTAL	85 500	–	85 500	85 500	–	85 500	5 391	–	47 500

There were no reallocations in the 2016/17 financial year. The Department certifies that all transfers in terms of the Division of Revenue Act were deposited into the primary bank account of both the Free State and Northern Cape provincial Treasuries. The total amount of R80.109 million was unspent by the provincial departments of Social Development in respect of the Substance Abuse conditional grant as at 31 March 2017 of which R38.935 million relates to Free State department of Social Development and R41.174 million relates to the Northern Cape provincial department of Social Development.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2017***ANNEXURE 1A****STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2015/16
	Adjusted appropriation R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of Available funds transferred %	Appropriation Act R'000
National Development Agency	194 153	–	194 153	194 153	100	184 381
South African Social Security Agency	6 908 932	–	6 908 932	6 908 932	100	6 642 962
National Student Financial Aid Scheme (Social Work Bursaries)	290 780	–	290 780	290 780	100	276 144
Health and Welfare Sector Education and Training Authority	1 378	–	1 378	1 308	95	1 211
TOTAL	7 395 243	–	7 395 243	7 395 173	–	7 104 698

ANNEXURE 1B**STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION			TRANSFER			2015/16
	Adjusted appropriation R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Amount not transferred R'000	% of Available funds transferred %	Appropriation Act R'000
North West University	200	–	200	200	–	100	200
University of KwaZulu-Natal	200	–	200	200	–	100	200
University of Witwatersrand	2 000	–	2 000	2 000	–	100	998
University of Stellenbosch	69	–	69	–	69	–	69
TOTAL	2 469	–	2 469	2 400	69	–	1 467

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2017***ANNEXURE 1C****STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION			EXPENDITURE		2015/16
	Adjusted Appropriation Act R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of Available funds transferred %	Appropriation Act R'000
TRANSFERS						
International Social Security Association	1 378	300	1 678	1 576	94	1 512
International Federation for the Aged	51	–	51	–	0	16
International Social Service	251	36	287	266	93	316
Walvis Bay	341	–	341	330	96	320
Partners in Population and Development	758	95	853	788	92	730
International Organisation for Pension Supervisors	76	20	96	85	89	89
UNFPA	506	–	506	506	100	498
International Planned Parenthood Federation	200	–	200	200	100	200
Union for African Population Studies (WITS University)	60	–	60	50	83	50
United Nations International Drug Control Programme	49	–	49	25	51	–
Leadership for Environment and Development – LEAD SA	300	–	300	300	100	300
TOTAL	3 970	451	4 421	4 126	–	4 031

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNEXURE 1D**STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION			EXPENDITURE		2015/16
	Adjusted Appropriation Act R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of Available funds transferred %	Appropriation Act R'000
NON-PROFIT INSTITUTIONS						
TRANSFERS						
Lovelife	–	–	–	–	–	25 000
South African National Aids Council	56 315	–	–	56 315	–	28 331
Soul City	1 000	–	–	–	–	1 046
South African Food Security & Development Agency	3 027	–	–	3 027	–	–
Population Association of South Africa	200	–	–	200	–	200
Kagisano	3 027	–	–	3 028	–	2 865
Meals on wheels	–	–	–	–	–	2 865
Ilitha La Bantu	4 861	–	–	4 862	–	4 888
Motswedi wa sechaba	3 027	–	–	3 027	–	2 865
Makotse	3 027	–	–	3 027	–	2 864
Adventist	3 027	–	–	3 028	–	2 864
Mpumalanga Provincial Food Distribution Centre	3 027	–	–	3 027	–	–
Sinqobile	–	–	–	–	–	2 865
Thabang Information Centre	3 027	–	–	3 027	–	2 865
Nonesi Developments and Legal Office	3 027	–	–	3 027	–	2 865
Subtotal	86 592	–	–	85 595	–	82 383
SUBSIDIES						
Suid Afrikaanse Vroue Federasie	762	–	762	762	100	726
Die Ondersteuningsraad	964	–	964	964	100	917
Sonke Gender Justice	708	–	708	708	100	–
Deaf Federation of South Africa (DEAFSA)	–	–	–	–	–	500
SA Federation for Mental Health	352	–	352	352	100	1 301
SA Council on Alcoholism and Drug Dependence (SANCA)	1 477	–	1 477	1 477	100	1 287
Child Welfare South Africa	1 865	–	1 865	1 865	100	2 395
Apostolic Faith Mission (AFM) (Die Uitvoerende velsynraad van die AGSA)	723	–	723	–	–	689
Family and Marriage Society South Africa (FAMSA)	–	–	–	–	–	1 342
Epilepsy South Africa	–	–	–	–	–	850
Afrikaanse Christlike Vroue Federasie (ACVV)	1 266	–	1 266	1 266	100	1 206
SANDA (South African National Deaf Association)	350	–	350	350	100	–
Disabled Children Action Group (DICAG)	1 200	–	1 200	1 200	100	–
Deaf Blind SA	244	–	244	244	100	–
South African Council for Social Service Profession (SACSSP)	1 741	–	1 741	–	–	–

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

	TRANSFER ALLOCATION			EXPENDITURE		2015/16
	Adjusted Appropriation Act R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of Available funds transferred %	Appropriation Act R'000
NON-PROFIT INSTITUTIONS						
South African Older Persons Forum	1 505	–	1 505	1 505	100	1 249
ChildLine South Africa	974	–	974	974	100	928
SA Depression and Anxiety Group (SADAG)	1 560	–	1 560	1 560	100	1 600
Lifeline South Africa	1 338	–	1 338	1 338	100	1 837
SA Congress for Early Childhood Development	632	–	632	632	100	–
National Shelter Movement	800	–	800	800	100	–
Centre for Early Childhood Development	749	–	749	749	100	713
Khulumani Support Group	512	–	512	512	100	–
National Peace Accord	920	–	920	920	100	–
Moonlight Foundation for Autism (MOOFA)	800	–	800	800	100	–
Autism South Africa	–	–	–	–	–	1 100
Foundation for Victims of Crime	432	–	432	432	100	300
Khulisa Social Solution	796	–	796	796	100	189
The Albanism Society of South Africa	1 000	–	1 000	1 000	100	–
YDF – Youth Development Foundation	–	–	–	–	–	792
NICDAM–Older Persons	1 000	–	1 000	1 000	100	1 133
National Institute of Community Development	–	–	–	–	–	1 457
NICRO	1 054	–	1 054	1 054	100	1 010
Partner in Sexual Health	708	–	708	708	100	–
Subtotal	26 432	–	26 432	23 968	–	23 521
TOTAL	113 024	–	26 432	109 563	–	105 904

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2017***ANNEXURE 1E****STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION			EXPENDITURE		2015/16
	Adjusted Appropriation Act R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of Available funds transferred %	Appropriation Act R'000
HOUSEHOLDS						
TRANSFERS						
Social Grants	140 498 691	(1 000 000)	139 498 691	138 915 638	100	129 543 278
Social Benefit Ex-officials	–	–	–	1 311	–	910
Donation: Food and Nutrition Programme	24 724	–	24 724	24 724	100	23 240
Total	140 523 415	(1 000 000)	139 523 415	138 941 673	–	129 567 428

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNEXURE 1F**STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	Opening				Closing
		Balance R'000	Revenue R'000	Expenditure R'000	Paid back on/ by 31 March	Balance R'000
RECEIVED IN CASH						
CIDA	Child Protection Register	–	–	–	–	–
HW Seta	Various Training Programmes	754	–	–	–	754
Global Fund	Fight Against Aids, TB and Malaria	2 382	2 382	5 249	2 382	(2 867)
KfW	OVCY Care and Support	6 628	55 027	45 944	15 711	–
Subtotal		9 764	57 409	51 193	18 093	(2 113)
RECEIVED IN KIND						
KfW	OVC Care and Support: Implementation of a Care and Support programme targeting child- and youth-headed households in KZN, Limpopo and North West (Consultancy Services)	–	7 953	7 953	–	–
JICA	Conducting disability mainstreaming programme relating to training for officials and people with disabilities, monitoring and evaluation, and networking activities	–	1 403	1 403	–	–
USAID	Maintenance and sustainability of the Children's Services Directory	8 684	–	–	–	8 684
USAID_FH1361	Placement of staff members within Social Development to provide technical assistance and project management services for the Early Childhood Development Chief Directorate during enhancement, testing and training phases,) including other expenditure incurred on behalf of the appointed staff	3	732	735	–	–
USAID_FH1360	Placement of staff members within Social Development to provide technical assistance and project management services for the Isibindi project	–	675	675	–	–
UNICEF	Strengthening of the Early Childhood Development Programme	–	1 289	1 289	–	–
UNICEF	Audit of unregistered child and youth care centres and situational analysis of state houses	433	–	–	–	433
PACT / United States Agency for International Development	Government Capacity Building Systems	–	87 873	87 873	–	–
Airports Company South Africa (ACSA)	To implement the Izingane Kuqala Project for children with profound disabilities in KZN	–	931	931	–	–
Subtotal		9 120	100 856	100 859	–	9 117
TOTAL		18 884	158 265	152 052	18 093	7 004

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNEXURE 1G STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

GRANT TYPE	APRIL 2016 R'000	MAY 2016 R'000	JUN 2016 R'000	JUL 2016 R'000	AUG 2016 R'000	SEPT 2016 R'000	OCT 2016 R'000	NOV 2016 R'000	DEC 2016 R'000	JAN 2017 R'000	FEB 2017 R'000	MAR 2017 R'000	TOTAL R'000
Old age	4 780 341	4 792 038	4 792 522	4 825 083	4 829 306	4 836 888	4 879 095	4 887 266	4 905 488	4 919 448	4 917 840	4 961 687	58 327 002
War veterans	368	353	356	345	333	324	321	312	293	290	275	278	3 849
Disability	1 679 239	1 661 173	1 638 828	1 666 550	1 656 138	1 670 038	1 669 556	1 665 393	1 672 947	1 686 438	1 613 629	1 649 379	19 929 307
Grant in aid	49 306	49 632	50 359	51 735	52 268	53 155	55 421	56 407	57 452	58 291	57 239	59 046	650 311
Foster care	459 537	457 218	458 910	466 250	460 498	467 889	466 540	466 009	471 189	370 218	367 226	416 176	5 327 660
Care dependency	215 110	215 276	214 695	215 936	216 741	217 858	218 635	218 598	220 097	221 698	218 163	221 088	2 613 893
Child support grant	4 226 719	4 231 453	4 212 444	4 219 851	4 229 068	4 233 939	4 352 975	4 329 395	4 357 551	4 366 412	4 337 296	4 379 322	51 476 425
Other	18 802	39 079	30 119	42 364	40 133	65 199	50 095	60 754	60 758	33 251	46 643	99 994	587 192
TOTAL	11 429 423	11 446 222	11 398 233	11 488 112	11 484 484	11 545 290	11 692 638	11 684 135	11 745 775	11 656 045	11 558 311	11 786 970	138 915 638

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNEXURE 2

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

NATURE OF LIABILITY		OPENING BALANCE 1 APRIL 2016 R'000	LIABILITIES INCURRED DURING THE YEAR R'000	LIABILITIES PAID/ CANCELLED/ REDUCED DURING THE YEAR R'000	CLOSING BALANCE 31 MARCH 2017 R'000
CLAIMS AGAINST THE DEPARTMENT					
Civil Claim (War Veteran's Grant Claim)		58	16	74	–
Civil Claim (Disaster Relief – Drought)		552	–	–	552
Civil Claim (Disaster Relief – Storm)		58	150	–	208
Labour Matter: Unfair Labour Practice		90	50	–	140
Unfair Labour Practice		–	1 092	1 092	–
Goods sold and delivered		–	47	–	47
Contract Tender not Awarded		–	150 256	–	150 256
TOTAL		758	151 611	1 166	151 203

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2017***ANNEXURE 3****CLAIMS RECOVERABLE**

	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL		CASH IN TRANSIT AT YEAR END 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Receipt date up to six (6) working days after year end	Amount
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENT								
Department of Health and Welfare – Limpopo	–	–	7 851	7 884	7 851	7 884	–	–
Department of Social Development – Gauteng	–	–	2 870	2 870	2 870	2 870	–	–
Department of Human Settlement	–	–	1 702	–	1 702	–	–	–
Department of Justice (US)	–	–	423	423	423	423	–	–
National Treasury – Free State	–	–	670	670	670	670	–	–
National Treasury – Mpumalanga	–	–	694	694	694	694	–	–
National Treasury (Limpopo)	–	–	2 423	2 423	2 423	2 423	–	–
National Treasury (Free State)	–	–	244	244	244	244	–	–
National Treasury – Over surrender	–	–	670	670	670	670	–	–
National Treasury – Over surrender	8	8	–	–	8	8	–	–
Department of Home Affairs	–	–	–	355	–	355	–	–
Unknown Conversation	–	–	55	55	55	55	–	–
KZN Public Works	–	–	26	26	26	26	–	–
Limpopo Provincial Education	–	–	–	16	–	16	–	–
Department of Science and Technology	–	–	–	32	–	32	–	–
Dept of Telecom and Postal Serv	–	–	–	2	–	2	–	–
Dept of Transport	–	–	–	1	–	1	–	–
Dept of Rural Development	–	–	–	9	–	9	–	–
SASSA – KwaZulu-Natal	–	–	104	104	104	104	–	–
SASSA Trial balance	–	–	10	543	10	543	–	–
SASSA Trial balance	–	–	1	21	1	21	–	–
SASSA (Salaries)	104	–	–	–	104	–	06/04/2017	104
Department of Women	–	–	16	–	16	–	–	–
TOTAL	112	8	17 759	17 042	17 871	17 050	–	104

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNEXURE 4**INTER-GOVERNMENT PAYABLES**

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	Payment date up to six (6) working days before year end	Amount
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice and Constitutional Development	2 072	1 948	383	983	2 455	2 931	–	–
Department of Women	–	6 496	–	–	–	6 496	–	–
Department Performance Monitoring and Evaluation	–	–	–	1 135	–	1 135	–	–
Department of Science and Technology	–	1	–	–	–	1	–	–
Government Printing	–	–	78	98	78	98	–	–
TOTAL	2 072	8 445	461	2 216	2 533	10 661	–	–
OTHER GOVERNMENT ENTITY								
Current								
G- Fleet	2 383	–	–	–	2 383	–	–	–
SASSA	–	–	3 500	–	3 500	–	–	–
Subtotal	2 383	–	3 500	–	5 883	–	–	–
Total Other Government Entities	2 383	–	3 500	–	5 883	–	–	–
TOTAL UNDERGOVERNMENTAL	4 455	8 445	3 961	2 216	8 416	10 661	–	–

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2017***ANNEXURE 5A****INTER-ENTITY ADVANCES PAID (note 10)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	–	669	2 090	387	2 090	1 056
Government Communication and Information Systems	–	2 349	1 648	53	1 648	2 402
Subtotal	–	3 018	3 738	440	3 738	3 458
TOTAL	–	3 018	3 738	440	3 738	3 458

ANNEXURE 5B**INTER-ENTITY ADVANCES RECEIVED (note 16)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000
PROVINCIAL DEPARTMENTS						
Non-current NISIS Project	–	–	362	5 512	362	5 512
TOTAL			362	5 512	362	5 512

Report of the auditor-general to Parliament on the Disaster Relief Fund

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Disaster Relief Fund set out on pages 210 to 217, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Disaster Relief Fund as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the Fund Raising Act of South Africa, 1978 (Act No. 107 of 1978).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the fund in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty related to going concern

6. I draw attention to note 1.12 in the financial statements, which indicates that the fund is in the process of being discontinued. As stated in note 1.12, these events or conditions, along with other matters as set forth in note 1.12, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

8. The supplementary information set out on pages 220 to 248 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP and the general notice issued in terms of the Public Audit Act, 2005 (Act No. 24 of 2005) (PAA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting authority is responsible for assessing the Disaster Relief Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the fund or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

13. The fund is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the Public Finance Management Act, 1999 (Act No. 1 of 1999) and such reporting is also not required in terms of the entity's specific legislation.

Report on audit of compliance with legislation Introduction and scope

14. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the fund's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
15. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Report of the auditor-general to Parliament on the Disaster Relief Fund

Other information

16. The fund's accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report thereon.
17. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.
18. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
19. I have not yet received the annual report. When I do receive this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to re-issue my auditor's report, amended as appropriate.

Internal control deficiencies

I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria

31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure: Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

Financial statements

2. In addition to my responsibility for the audit of the financial statements, as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority.
 - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Disaster Relief Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a fund to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Statement of Financial Performance

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Other income	2	5 949	4 989
TOTAL REVENUE		5 949	4 989
EXPENDITURE			
Administrative expenses	3	(901)	(145)
Audit fees	4	(22)	(2)
Other operating expenses	5	(1 807)	(525)
TOTAL EXPENDITURE		(2 730)	(672)
SURPLUS/(DEFICIT) FROM OPERATIONS		3 219	4 317
SURPLUS/(DEFICIT) FOR THE YEAR		3 219	4 317

Statement of Financial Position

as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Non-current assets		–	–
Current assets			
Cash and cash equivalents	7	84 418	81 199
Account receivable			
TOTAL ASSETS		84 418	81 199
LIABILITIES			
Non-current liabilities		–	–
Current liabilities		–	–
TOTAL LIABILITIES		–	–
CAPITAL AND RESERVES			
Accumulated surplus	8	84 418	81 199
TOTAL NET ASSETS		84 418	81 199

Statement of Changes in Net Assets

as at 31 March 2017

	Accumulated Funds R'000
Balance as at 31 March 2015	76 882
(Deficit) Surplus for the year	4 317
Balance as at 31 March 2016	81 199
(Deficit) Surplus for the year	3 219
Balance as at 31 March 2017	84 418

Cash Flow Statement

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to stakeholder, suppliers and employees			
Grant and project payments	5	(817)	(106)
Payments to suppliers and other	3, 4, 5	(1 913)	(566)
Cash generated from operations	9	(2 730)	(672)
Interest income	2	5 949	4 989
Net cash inflow/(outflow) from operating activities		3 219	4 317
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		–	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		–	–
Net (decrease)/increase in cash and cash equivalents		3 219	4 317
Cash and cash equivalent at beginning of the year		81 199	76 882
Cash and cash equivalent at end of the year	7	84 418	81 199

Notes to the Financial Statements

for the year ended 31 March 2017

1 Summary of significant accounting policies

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- IGRAP 17: Interpretation of the Standard of GRAP on Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset
- IGRAP 18: Interpretation of the Standard of GRAP on Recognition and De-recognition of Land.

1.1.2 The following interpretations have also been issued and are expected to have an insignificant impact on the financial statements, since they generally reflect the interpretations and principles already established under IFRS.

- IGRAP1: Applying The Probability Test On Initial Recognition Of Revenue
- IGRAP2: Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP3: Determining Whether an Arrangement Contains a Lease
- IGRAP4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP6: Loyalty Programmes
- IGRAP7: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP9: Distributions of Non-cash Assets to Owners
- IGRAP10: Assets Received from Customers
- IGRAP11: Consolidation – Special Purpose Entities
- IGRAP12: Jointly Controlled Entities – Non-Monetary Contributions
- IGRAP13: Operating Leases – Incentives
- IGRAP14: Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP15: Revenue – Barter Transactions Involving Advertising Services
- IGRAP16: Intangible Assets – Website Costs

1.2 Currency

These financial statements are presented in South African Rands. All figures are rounded to the nearest one thousand.

1.3 Property, plant and equipment

Items of property, plant and equipment are initially recognised as on acquisition date and are initially recorded at cost.

1.4 Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Income from donations and grants are included in the grant income when these are received.

1.5 Investments

Investments are shown at cost including interest capitalised.

Notes to the Financial Statements

for the year ended 31 March 2017

1.6 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.7 Financial instruments

1.7.1 Recognition

Financial assets and liabilities are recognised in the statement of financial position when the Fund becomes a party to the contractual provisions of the instrument.

1.7.2 Measurement

Financial instruments are initially measured at cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

1.7.3 Financial assets

The Fund's principal financial assets are cash and cash equivalents.

1.7.4 Investments

The investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

1.7.5 Trade and other receivables

Trade and other receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

1.7.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and investments. Cash and cash equivalents are measured at fair value.

1.7.7 Financial liabilities

The Fund's principal financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortisations.

1.8 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

1.9 Provisions

Provisions are recognised when the entity has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate.

1.10 Revenue

1.10.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Notes to the Financial Statements

for the year ended 31 March 2017

1.10.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures.

1.10.3 Grants, transfers and donations

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional.

The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.11 Related party transactions

1.11.1 The Department of Social Development

The executive authority of the Disaster Relief Fund is the Department of Social Development (DSD). Although a related party relationship exists between the DSD and the fund, there were no transactions with DSD.

1.11.2 Relief Fund Boards

A related party relationship exists between the Disaster Relief Fund and the Social Relief Fund, the Refugee Relief Fund and the State President Fund. There were no transactions between the above-mentioned related parties.

1.11.3 National Development Agency (NDA)

A related party relationship exists between the Disaster Relief Fund and the NDA. There were no transactions between the parties.

1.11.4 South African Social Security Agency (SASSA)

A related party relationship exists between the Disaster Relief Fund and SASSA. There were no transactions between the parties.

1.12 Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The process for discontinuation of the Disaster Relief Fund is however, still underway. This will be done through amendment of the Fund Raising Act

2 Revenue

	2016/17 R'000	2015/16 R'000
Interest received	5 949	4 989
Total	5 949	4 989

Notes to the Financial Statements

for the year ended 31 March 2017

3 Administrative expenditure

	Note	2016/17 R'000	2015/16 R'000
Fees for services – board members	12	864	140
Bank charges		9	5
Refreshments		28	–
Total		901	145

4 Audit fees

	2016/17 R'000	2015/16 R'000
Audit fees	22	2
Total	22	2

5 Other operating expenses

	2016/17 R'000	2015/16 R'000
Travel and accommodation	299	93
Equipment (Purchase)	25	–
Legal fees	–	326
Assistance to beneficiaries (DSD)	817	106
Expenditures for events	584	–
Vehicle rental at events	82	–
Total	1 807	525

6 Risk management

6.1 Financial risk factors

6.1.1 Market risk

Market risk is the risk of changes in market prices. Interest rates will affect the Disaster Relief Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Disaster Relief Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

6.1.2 Credit risk

Credit risk is the risk of financial loss to the Disaster Relief Fund if a financial institution or a financial instrument fails to meet its contractual obligations. The Disaster Relief Fund exposure to credit risk is influenced only by the individual characteristics of the financial institutions where funds are deposited or invested. Reputable financial institutions are used for investing and cash handling purposes.

Notes to the Financial Statements

for the year ended 31 March 2017

6.1.3 Financial Assets

	2016/17 R'000	2015/16 R'000
Credit risk affects financial assets		
Cost	79 514	76 882
Additions (decrease) during the year	3 948	2 632
Closing balance	83 462	79 514

6.1.4 Liquidity risk

Liquidity risk is the risk that the Disaster Relief Fund will not be able to meet its financial obligations as they fall due. The Disaster Relief Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due. The Disaster Relief Fund monitors its cash flow requirements and optimizes its cash return on investments.

Cash and cash equivalents

	2016/17 R'000	2015/16 R'000
Cash and cash equivalents		
Cash and balances with banks	956	1 685
Investments	83 462	79 514
Total	84 418	81 199

6.1.5 Interest rate risk

The Disaster Relief Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalised and will therefore not affect the operations of the Disaster Relief Fund.

	Change	2016/17 Effective Rate	2015/16 Effective Rate
Investments	0.86%	7.13%	6.27%

6.1.6 Interest risk sensitivity analysis

	Change	2016/17 R'000	2015/16 R'000
Investments		83 462	79 514
0.86% interest fluctuation impact		717.8	302.15

6.1.7 Foreign exchange risk

The fund does not hedge foreign exchange fluctuations. The fund does not have any foreign account receivables, foreign accounts payables or derivative market instruments.

6.1.8 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

Notes to the Financial Statements

for the year ended 31 March 2017

7 Cash and Cash Equivalents

	2016/17 R'000	2015/16 R'000
Cash – Bank deposits	956	1 685
Cash – Corporation for public deposits	83 140	78 285
Cash – Public Investment Corporation	1 322	1 229
Total	84 418	81 199

Credit quality of cash at bank and short term deposits, excluding cash on hand.

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

8 Retained Income

	2016/17 R'000	2015/16 R'000
Accumulated surplus/(Accumulated deficit)	81 199	76 882
Net Surplus/(Deficit) for the year	3 219	4 317
Total	84 418	81 199

9 Cash Generated from/(Utilised in) Operations

	2016/17 R'000	2015/16 R'000
Surplus/(deficit) for the year	3 219	4 317
(Interest received)	(5 949)	(4 989)
Net cash generated from operating activities	(2 730)	(672)

10 Contingent Liabilities

10.1 The following are the details of claims against the Disaster Relief Fund:

- Civil claim (Disaster relief: Drought) the estimated amount of the claim is R551 700.00 and legal costs are estimated at R1 000 000.00
- Civil claim (Disaster relief: Storm) the estimated amount of the claim is R57 600.00 and legal costs are estimated at R150 000.00

The above matters are still pending and as such have not yet been finalised. However, no prospects of successful claims by the claimants which is likely to decrease the amount reflected as claim or estimated claim against DSD

11 Events after Balance Sheet Date

Subsequent to 31 March 2017, Cabinet has approved the proposed Fund Raising Amendment Bill that should consolidate various funds into one National Development and Relief Fund. According to Government Printers, the Fund Raising Amendment Bill 2017 dated 26 May 2017 was published for comments by 26 June 2017. However, this event does not require adjustments to the financial statements.

Notes to the Financial Statements

for the year ended 31 March 2017

12 Board Members Emoluments

12.1 Activities 2015/16

Names	Designation	Total (R)	Meeting fees (R)	Travel (R)
LL Matsila	Chair Person	19 306	5 453	13 854
CD Khan	Board member	7 462	5 453	2 009
GN Mabaso	Board member	6 948	5 453	1 495
SM Mangena	Board member	17 431	5 453	11 978
Z Mkiva	Board member	13 368	5 453	7 915
BM Modise	Board member	8 752	5 453	3 299
J Modise	Board member	8 514	5 453	3 061
T Mothlathe	Board member	7 358	5 453	1 905
NE Mpungose	Board member	10 056	5 453	4 603
VS Nadesan	Board member	6 549	4 592	1 957
JR Mbalati	Board member	5 696	4 879	817
T Rakoloti	Board member	–	–	–
MW Thango	Board member	12 054	5 453	6 601
PPZ Vezi	Board member	8 709	5 453	3 256
N Mohlala	Board member	7 856	5 453	2 403
Total		140 060	74 907	65 153

12.2 Meeting attendance for the period 1 April 2015 to 31 March 2016

Names	26 Jan 16	25 Feb 16	26 Feb 16	29 Mar 16	30 Mar 16	Total
CD Khan	1	1	1	1	1	5
GN Mabaso	1	–	1	–	–	2
SM Mangena	1	1	1	1	1	5
LL Matsila	1	1	1	1	1	5
Z Mkiva	1	1	–	1	1	4
BM Modise	1	1	–	1	1	4
J Modise	1	1	1	1	1	5
T Mothlathe	1	1	–	1	1	4
NE Mpungose	1	1	1	1	1	5
VS Nadesan	1	1	1	1	1	5
JR Mbalati	1	1	1	1	–	4
T Rakoloti	–	–	–	–	1	1
MW Thango	1	1	1	–	1	4
PPZ Vezi	1	1	1	1	1	5
N Mohlala	1	1	1	–	1	4
Total	14	13	11	11	13	

Notes to the Financial Statements

for the year ended 31 March 2017

12.3 Activities 2016/17

Names	Designation	Total (R)	Meeting Fees (R)	Travel (R)
L Matsila	Chair Person	148 735.71	33 187.50	115 548.21
JM Modise	Member	52 890.50	35 157.50	17 733.00
CD Khan	Member	70 940.55	44 266.88	26 673.67
Z Mkiva	Member	52 634.27	14 637.00	37 997.27
NE Mpungose	Member	68 245.07	26 547.50	41 697.57
BM Modise	Member	65 797.69	34 684.00	31 113.69
T Mothlate	Member	21 330.54	16 354.50	4 976.04
MW Thango	Member	69 201.75	21 955.50	47 246.25
JR Mbalati	Member	21 875.71	16 646.00	5 229.71
V Nadesan	Member	49 391.45	30 566.00	18 825.45
PPZ Vezi	Member	54 569.32	39 462.00	15 107.32
NP Mohlala	Member	27 535.29	15 350.00	12 185.29
MS Mangena	Member	131 719.50	39 175.50	92 544.00
N Mabaso	Member	25 633.21	15 211.00	10 422.21
T Rakoloti	Member	3 485.64	2 870.00	615.64
Total		863 986.20	386 070.88	477 915.32

12.4 Meeting attendance for the period 01 April 2016 to 31 March 2017

Names	Meeting date	Meeting date	Meeting date	Meeting date	Meeting date	Meeting date	Meeting date	Meeting date	Total number of meetings
	27/7/16 + 28/7/16	30/8/16 + 31/8/16	15/9/16	29/9/16 + 30/9/16	14/10/16 + 15/10/16	31/10/16 + 1/11/16	1/12/16 + 2/12/16	28/03/17 + 29/03/17	
L Matsila		X X	X	X X		X	X	X	18
JM Modise		X X	X	X X		X X	X X	X X	19
CD Khan	X	X	X	X X		X	X X	X X	15
Z Mkiva		X		X X	X	X X	X X	X X	17
NE Mpungose	X	X		X X		X		X X	15
BM Modise	X	X X	X	X X		X	X X	X X	19
T Mothlate		X		X		X	X X	X	9
MW Thango		X		X X		X	X X	X X	13
JR Mbalati	X							X X	7
V Nadesan		X		X	X		X X	X X	17
PPZ Vezi	X	X	X	X X		X	X	X X	16
NP Mohlala		X		X		X	X X		9
MS Mangena	X	X X	X	X X		X X	X X	X X	19
N Mabaso		X X				X X	X X	X X	12
T Rakoloti									1
Total	6	18	6	21	2	16	22	24	

Report of the auditor-general to Parliament on the Refugee Relief Fund

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Refugee Relief Fund set out on pages 222 to 228, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Refugee Relief Fund as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the Fund Raising Act of South Africa, 1978 (Act No. 107 of 1978).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the fund in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty related to going concern

6. I draw attention to note 1.11 in the financial statements, which indicates that the fund is in the process of being discontinued. As stated in note 1.11, these events or conditions, along with other matters as set forth in note 1.11, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

8. The supplementary information set out on pages 208 to 219 and pages 229 to 248 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the general notice issued in terms of the Public Audit Act, 2005 (Act No 24 of 2005) (PAA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the Refugee Relief Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the fund or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

13. The fund is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the Public Finance Management Act, 1999 (Act No. 1 of 1999) and such reporting is also not required in terms of the entity's specific legislation.

Report on audit of compliance with legislation

Introduction and scope

14. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the fund's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
15. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Report of the auditor-general to Parliament on the Refugee Relief Fund

Other information

16. The fund's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report thereon.
17. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.
18. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
19. I have not yet received the annual report. When I do receive this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to re-issue my auditor's report, amended as appropriate.

Internal control deficiencies

I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria
31 July 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure: Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

Financial statements

2. In addition to my responsibility for the audit of the financial statements, as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Refugee Relief Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a fund to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Statement of Financial Performance

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Other income	2	37	30
TOTAL REVENUE		37	30
EXPENDITURE			
Administrative expenses	3	(1)	(5)
Audit fees	4	(18)	(2)
TOTAL EXPENDITURE		(19)	(7)
SURPLUS/(DEFICIT) FROM OPERATIONS		18	23
SURPLUS/(DEFICIT) FOR THE YEAR		18	23

Statement of Financial Position

as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Non-current assets			
Current assets			
Cash and cash equivalents	6	605	587
TOTAL ASSETS		605	587
LIABILITIES			
Non-current liabilities		–	–
Current liabilities		–	–
TOTAL LIABILITIES		–	–
NET ASSETS			
Accumulated surplus		605	587
TOTAL NET ASSETS		605	587

Statement of Changes in Net Assets

as at 31 March 2017

	Accumulated Funds R'000
Balance as at 31 March 2015	564
(Deficit) Surplus for the year	23
Balance as at 31 March 2016	587
(Deficit) Surplus for the year	18
Balance as at 31 March 2017	605

Cash Flow Statement

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to stakeholder, suppliers and employees	7	(19)	(7)
Cash generated from / (utilised in) operations		(19)	(7)
Interest received	2	37	30
Net cash inflow/ (outflow) from operating activities		18	23
CASH FLOWS FROM INVESTING ACTIVITIES			
Trading investments		–	–
Net cash inflow / (outflow) from investing activities		–	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flow from financing activities		–	–
Net (decrease) / increase in cash and cash equivalents		18	23
Cash and cash equivalent at beginning of the year		587	564
Cash and cash equivalent at end of the year	6	605	587

Notes to the Financial Statements

for the year ended 31 March 2017

1 Summary of significant accounting policies

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- IGRAP 17: Interpretation of the Standard of GRAP on Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset
- IGRAP 18: Interpretation of the Standard of GRAP on Recognition and De-recognition of Land.

1.1.2 The following interpretations have also been issued and are expected to have an insignificant impact on the financial statements, since they generally reflect the interpretations and principles already established under IFRS.

- IGRAP1: Applying The Probability Test On Initial Recognition Of Revenue
- IGRAP2: Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP3: Determining Whether an Arrangement Contains a Lease
- IGRAP4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP6: Loyalty Programmes
- IGRAP7: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP9: Distributions of Non-cash Assets to Owners
- IGRAP10: Assets Received from Customers
- IGRAP11: Consolidation – Special Purpose Entities
- IGRAP12: Jointly Controlled Entities - Non-Monetary Contributions
- IGRAP13: Operating Leases – Incentives
- IGRAP14: Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP15: Revenue – Barter Transactions Involving Advertising Services
- IGRAP16: Intangible Assets – Website Costs

1.2 Currency

These financial statements are presented in South African Rands. All figures are rounded to the nearest one rand.

1.3 Property plant and equipment

Items of property, plant and equipment are initially recognized as on acquisition date and are initially recorded at cost.

1.4 Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Notes to the Financial Statements

for the year ended 31 March 2017

1.4.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

1.4.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures.

1.4.3 Grants, transfers and donations

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional.

The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognise

1.5 Investments

Investments are shown at fair value including interest capitalised.

1.6 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.7 Financial instruments

1.7.1 Recognition

Financial assets and liabilities are recognized in the statement of financial position when the Fund becomes a party to the contractual provisions of the instrument.

1.7.2 Measurement

Financial instruments are initially measured at cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

1.7.3 Financial assets

The Fund's principal financial assets are investments.

All financial assets are measured at amortised cost, comprising original debt less principle payments and amortizations.

1.7.4 Investments

The investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

1.7.5 Cash and cash equivalents

Cash and cash equivalents are measured at cost.

1.7.6 Financial Liabilities

The Fund's principal financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortizations.

Notes to the Financial Statements

for the year ended 31 March 2017

1.8 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

1.9 Provisions

Provisions are recognised when the entity has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate.

1.10 Related party transactions

1.10.1 The Department of Social Development

The executive authority of the Refugee Relief Fund is the Minister of Department of Social Development (DSD). Although a related party relationship exists between the DSD and the fund, there were no transactions with DSD.

1.10.2 Relief Fund Boards

A related party relationship exists between the Refugee Relief Fund, the Disaster Relief Fund, the Social Relief Fund and the State President Fund. There were no transactions between the above-mentioned related parties.

1.10.3 National Development Agency (NDA)

A related party relationship exists between the Refugee Relief Fund and the NDA. There were no transactions between the parties.

1.10.4 South African Social Security Agency (SASSA)

A related party relationship exists between the Refugee Relief Fund and SASSA. There were no transactions between the parties.

1.11 Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The process for discontinuation of the Refugee Relief Fund is however, still underway. This will be done through amendment of the Fund Raising Act

2 Revenue

	2016/17 R'000	2015/16 R'000
Interest received	37	30
Total	37	30

3 Administrative Expenditure

	2016/17 R'000	2015/16 R'000
Bank charges	1	1
Management fee	—	4
Total	1	5

Notes to the Financial Statements

for the year ended 31 March 2017

4 Audit Fees

	2016/17 R'000	2015/16 R'000
Audit fees	18	2
Total	18	2

5 Risk Management

5.1 Financial risk factors

5.1.1 Market risk

Market risk is the risk of changes in market prices. Interest rates will affect the Refugee Relief Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Refugee Relief Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

5.1.2 Credit risk

Credit risk is the risk of financial loss to the Refugee Relief Fund if a financial institution or a financial instrument fails to meet its contractual obligations.

The Refugee Relief Fund exposure to credit risk is influenced only by the individual characteristics of the financial institutions where funds are deposited or invested. Reputable financial institutions are used for investing and cash handling purposes.

	2016/17 R'000	2015/16 R'000
Credit risk affects financial assets		
Cost	587	564
Additions during the year	18	23
Closing balance	605	587

5.1.3 Liquidity risk

Liquidity risk is the risk that the Refugee Relief Fund will not be able to meet its financial obligations as they fall due. The Refugee Relief Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due. The Refugee Relief Fund monitors its cash flow requirements and optimizes its cash return on investments.

Cash and cash equivalents

	2016/17 R'000	2015/16 R'000
Cash and balances with banks	5	4
Investments	600	583
Total	605	587

Notes to the Financial Statements

for the year ended 31 March 2017

5.1.4 Interest rate risk

The Refugee Relief Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalized and will therefore not affect the operations of the Refugee Relief Fund.

	Change	2016/17 Effective Rate	2015/16 Effective Rate
Investments	1.02%	6.17%	5.15%

5.1.5 Interest risk sensitivity analysis

	2016/17 R'000	2015/16 R'000
Investments	600	583
1.02% interest fluctuation impact	6.12	0.95

The sensitivity of the interest rate was incorrectly calculated in the previous financial year and now corrected.

5.1.6 Foreign exchange risk

The fund does not hedge foreign exchange fluctuations. The fund does not have any foreign account receivables, foreign accounts payables or derivative market instruments.

5.1.7 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

6 Cash and Cash Equivalents

	2016/17 R'000	2015/16 R'000
Cash – Bank deposits	5	4
Cash – Corporation for Public Deposits	25	43
Cash – Public Investment Corporation	575	540
Total	605	587

Credit quality of cash at bank and short term deposits, excluding cash on hand.

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

7 Cash Generated from/(Utilised in) Operations

	2016/17 R'000	2015/16 R'000
Surplus/(deficit) for the year	18	23
(Interest received)	(37)	(30)
Net cash generated from operating activities	(19)	(7)

8 Events after Balance Sheet Date

Subsequent to 31 March 2017, Cabinet has approved the proposed Fund Raising Amendment Bill that should consolidate various funds into one National Development and Relief Fund. According to Government Printers the Fund Raising Amendment Bill 2017 dated 26 May 2017 was published for comments by 26 June 2017. However, this event does not require adjustments to the financial statements.

Report of the auditor-general to Parliament on the Social Relief Fund

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Social Relief Fund set out on pages 231 to 238, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Social Relief Fund as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the Fund-raising Act of South Africa, 1978 (Act 107 of 1978).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the fund in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty related to going concern

6. I draw attention to note 1.10 in the financial statements, which indicates that the fund is in the process of being discontinued. As stated in note 1.10, these events or conditions, along with other matters set forth in note 1.10, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

8. The supplementary information set out on pages 208 to 228 and pages 239 to 248 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the general notice issued in terms of the Public Audit Act, 2005 (Act No 24 of 2005)(PAA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the Social Relief Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the fund or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

13. The fund is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the Public Finance Management Act, 1999 (Act 1 of 1999)(PFMA) and such reporting is also not required in terms of the entity's specific legislation.

Report on audit of compliance with legislation Introduction and scope

14. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the fund with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
15. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Report of the auditor-general to Parliament on the Social Relief Fund

Other information

16. The fund's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.
17. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.
18. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
19. I have not yet received the annual report. When I do receive this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected I may have to re-issue my auditor's report, amended as appropriate.

Internal control deficiencies

I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria

31 July 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure: Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Social Relief Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a fund to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Statement of Financial Performance

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Other income	2	2 391	1 925
TOTAL REVENUE		2 391	1 925
EXPENDITURE			
Administrative expenses	3	(1)	(1)
Audit fees	4	(18)	(2)
TOTAL EXPENDITURE		(19)	(3)
SURPLUS/(DEFICIT) FROM OPERATIONS		2 372	1 922
SURPLUS/(DEFICIT) FOR THE YEAR		2 372	1 922

Statement of Financial Position

as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Non-current assets		—	—
Current assets			
Cash and cash equivalents	8	33 803	31 431
TOTAL ASSETS		33 803	31 431
LIABILITIES			
Non-current liabilities		—	—
Current liabilities			
Other Payables	6	(12)	(12)
TOTAL LIABILITIES		(12)	(12)
CAPITAL AND RESERVES			
Accumulated surplus		33 791	31 419
TOTAL NET ASSETS		33 791	31 419

Statement of Changes in Net Assets

as at 31 March 2017

	Note	Accumulated Funds R'000
Balance as at 31 March 2015		29 497
(Deficit) Surplus for the year		1 922
Restated balance as at 31 March 2016		31 419
(Deficit) Surplus for the year		2 372
Balance as at 31 March 2017		33 791

Cash Flow Statement

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to stakeholder, suppliers and employees	9	(19)	(3)
Cash generated from / (utilised in) operations		(19)	(3)
Deposit	2	–	1
Interest received	2	2 391	1 924
Net cash inflow / (outflow) from operating activities	10	2 372	1 922
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		–	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		–	–
Net inflow / outflow in cash and cash equivalents		2 372	1 922
Cash and cash equivalent at beginning of the year		31 431	29 509
Cash and cash equivalent at end of the year	8	33 803	31 431

Notes to the Financial Statements

for the year ended 31 March 2017

1 Summary of significant accounting policies

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- IGRAP 17 – Interpretation of the Standard of GRAP on Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset
- IGRAP 18 – Interpretation of the Standard of GRAP on Recognition and De-recognition of Land.

1.1.2 The following interpretations have also been issued and are expected to have an insignificant impact on the financial statements, since they generally reflect the interpretations and principles already established under IFRS.

- IGRAP1: Applying The Probability Test On Initial Recognition Of Revenue
- IGRAP2: Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP3: Determining Whether an Arrangement Contains a Lease
- IGRAP4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP6: Loyalty Programmes
- IGRAP7: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP9: Distributions of Non-cash Assets to Owners
- IGRAP10: Assets Received from Customers
- IGRAP11: Consolidation – Special Purpose Entities
- IGRAP12: Jointly Controlled Entities – Non-Monetary Contributions
- IGRAP13: Operating Leases – Incentives
- IGRAP14: Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP15: Revenue – Barter Transactions Involving Advertising Services
- IGRAP16: Intangible Assets – Website Costs

1.2 Currency

These financial statements are presented in South African Rands. All figures are rounded to the nearest one thousand.

1.3 Property plant and equipment

Items of property, plant and equipment are initially recognised as on acquisition date and are initially recorded at cost.

1.4 Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Notes to the Financial Statements

for the year ended 31 March 2017

1.4.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

1.4.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedure

1.5 Investments

Investments are shown at cost including interest capitalized.

1.6 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.7 Financial instruments

1.7.1 Recognition

Financial assets and liabilities are recognized in the statement of financial position when the Fund becomes a party to the contractual provisions of the instrument.

1.7.2 Measurement

Financial instruments are initially measured at fair value which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

1.7.3 Financial assets

The Fund's principal financial assets are investments.

All financial assets are measured at amortised cost, comprising original debt less principle payments and amortisations.

1.7.4 Investments

The investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

1.7.5 Trade and other receivables

Trade and other receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

1.7.6 Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

1.7.7 Financial Liabilities

The Fund's principal financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortisations.

1.8 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

Notes to the Financial Statements

for the year ended 31 March 2017

1.9 Related Party Transactions

1.9.1 The Department of Social Development

The executive authority of the Social Relief Fund is the Minister of the Department of Social Development (DSD). Although a related party relationship exists between the DSD and the fund, there were no transactions with DSD.

1.9.2 Relief Fund Boards

A related party relationship exists between the Social Relief Fund, the Disaster Relief Fund, the Refugee Relief Fund and the State President Fund. There were no transactions between the above-mentioned related parties.

1.9.3 National Development Agency (NDA)

A related party relationship exists between the Social Relief Fund and the NDA. There were no transactions between the parties.

1.9.4 South African Social Security Agency (SASSA)

A related party relationship exists between the Social Relief Fund and SASSA. There were no transactions between the parties.

1.10 Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The process for discontinuation of the Social Relief Fund is however, still underway. This will be done through amendment of the Fund Raising Act

2 Revenue

	2016/17 R'000	2015/16 R'000
Interest received	2 391	1 924
Deposit	–	1
Total	2 391	1 925

3 Administrative Expenditure

	2016/17 R'000	2015/16 R'000
Bank charges	1	1
Total	1	1

4 Audit Fees

	2016/17 R'000	2015/16 R'000
Audit fees	18	2
Total	18	2

Notes to the Financial Statements

for the year ended 31 March 2017

5 Financial Instruments

Financial Liabilities

	2016/17 R'000	2015/16 R'000
Cost	12	12
Movements during the year	–	–
Closing balance	12	12

6 Trade and other payables

	2016/17 R'000	2015/16 R'000
	12	12

7 Risk Management

7.1.1 Market risk

Market risk is the risk of changes in market prices. Interest rates will affect the Social Relief Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Social Relief Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

7.1.2 Credit risk

Credit risk is the risk of financial loss to the Social Relief Fund if a financial institution or a financial instrument fails to meet its contractual obligations. The Social Relief Fund exposure to credit risk is influenced only by the individual characteristics of the financial institutions where funds are deposited or invested. Reputable financial institutions are used for investing and cash handling purposes.

Credit risk affects financial assets

	2016/17 R'000	2015/16 R'000
Cost	31 412	29 494
Additions during the year	2 371	1 918
Closing balance	33 783	31 412

7.1.3 Liquidity risk

Liquidity risk is the risk that Social Relief Fund will not be able to meet its financial obligations as they fall due. The Social Relief Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due.

Notes to the Financial Statements

for the year ended 31 March 2017

Cash and cash equivalents

	2016/17 R'000	2015/16 R'000
Cash and balances with banks	20	18
Investments	33 783	31 412
Total	33 803	31 430

7.1.4 Interest rate risk

The Social Relief Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalized and will therefore not affect the operations of the Social Relief Fund.

	Change	2016/17 Effective rate	2015/16 Effective rate
Investment	0.95%	7.08%	6.13%

7.1.5 Interest risk sensitivity analysis

	2016/17 R'000	2015/16 R'000
Investments	33 783	31 412
0.95% interest fluctuation impact	320.94	132.62

7.1.6 Foreign exchange risk

The fund does not hedge foreign exchange fluctuations. The fund does not have any foreign account receivables, foreign accounts payables or derivative market instruments.

7.1.7 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

8 Cash and Cash Equivalents

	2016/17 R'000	2015/16 R'000
Cash – Bank deposits	20	18
Cash – investment account	33 783	31 412
Total	33 803	31 430

Credit quality of cash at bank and short term deposits, excluding cash on hand.

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

Notes to the Financial Statements

for the year ended 31 March 2017

9 Cash Generated from (Utilised in) Operations

	2016/17 R'000	2015/16 R'000
Surplus/(deficit) for the year	2 372	1 922
(Interest received)	(2 391)	(1 925)
Net cash generated from operating activities	(19)	(3)

10 Net Cash Inflows / Outflows from Operating Activities

	2016/17 R'000	2015/16 R'000
Cash payments to suppliers and employees	(19)	(3)
Cash generated from (utilised in) operating activities	(19)	(3)
Interest received	2 391	1 925
Net cash inflows / outflows from operating activities	2 372	1 922

11 Events after Balance Sheet Date

Subsequent to 31 March 2017, Cabinet has approved the proposed Fund Raising Amendment Bill that should consolidate various funds into one National Development and Relief Fund. According to Government Printers the Fund Raising Amendment Bill 2017 dated 26 May 2017 was published for comments by 26 June 2017. However, this event does not require adjustments to the financial statements.

Report of the auditor-general to Parliament on the State President Fund

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the State President Fund set out on pages 241 to 248, which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the State President Fund as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with of Standards Generally Recognised Accounting Practice (Standards of GRAP) and the Fund Raising Act of South Africa, 1978 (Act No. 107 of 1978).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this report.
4. I am independent of the fund in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty related to going concern

6. I draw attention to note 1.11 to the financial statements, which indicated that the fund was in the process of being discontinued. As stated in note 1.11, these events or conditions, along with other matters as set forth in note 1.11 indicated that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

8. The supplementary information set out on pages 208 to 238 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the general notice issued in terms of the Public Audit Act, 2005 (Act No. 24 of 2005) (PAA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the State President Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the fund or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

13. The fund is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the PFMA and such reporting is also not required in terms of the entity's specific legislation.

Report on audit of compliance with legislation

Introduction and scope

14. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the fund with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
15. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Report of the auditor-general to Parliament on the State President Fund

Other information

16. The fund's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.
17. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.
18. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
19. I have not yet received the annual report. When I do receive this information, if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected I may have to re-issue my auditor's report amended as appropriate.

Internal control deficiencies

I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria

31 July 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure: Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State President Funds ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a fund to cease operations continue as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Statement of Financial Performance

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Other income	2	2 496	2 010
TOTAL REVENUE		2 496	2 010
EXPENDITURE			
Administrative expenses	3	(1)	(1)
Audit fees	4	(23)	(13)
TOTAL EXPENDITURE		(24)	(14)
SURPLUS/(DEFICIT) FROM OPERATIONS		2 472	1 996
SURPLUS/(DEFICIT) FOR THE YEAR		2 472	1 996

Statement of Financial Position

as at 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current assets			
Cash and cash equivalents	6	35 290	32 818
TOTAL ASSETS		35 290	32 818
LIABILITIES			
Non-current liabilities		–	–
Current liabilities		–	–
TOTAL LIABILITIES		–	–
NET ASSETS			
Accumulated surplus		35 290	32 818
TOTAL NET ASSETS		35 290	32 818

Statement of Changes in Net Assets

as at 31 March 2017

	Accumulated Funds R'000
Balance as at 31 March 2015	30 822
(Deficit) Surplus for the year	1 996
Balance as at 31 March 2016	32 818
(Deficit) Surplus for the year	2 472
Balance as at 31 March 2017	35 290

Cash Flow Statement

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees	7	(24)	(14)
Cash generated from / (utilised in) operations		(24)	(14)
Interest received	2	2 496	2 010
Net cash inflow / (outflow) from operating activities		2 472	1 996
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		–	–
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash from financing activities		–	–
Net (decrease) / increase in cash and cash equivalents		2 472	1 996
Cash and cash equivalent at beginning of the year		32 818	30 822
Cash and cash equivalent at end of the year	6	35 290	30 818

Notes to the Financial Statements

for the year ended 31 March 2017

1 Summary of significant accounting policies

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- IGRAP 17: Interpretation of the Standard of GRAP on Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset
- IGRAP 18: Interpretation of the Standard of GRAP on Recognition and De-recognition of Land.

1.1.2 The following interpretations have also been issued and are expected to have an insignificant impact on the financial statements, since they generally reflect the interpretations and principles already established under IFRS.

- IGRAP1: Applying The Probability Test On Initial Recognition Of Revenue
- IGRAP2: Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP3: Determining Whether an Arrangement Contains a Lease
- IGRAP4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP6: Loyalty Programmes
- IGRAP7: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP9: Distributions of Non-cash Assets to Owners
- IGRAP10: Assets Received from Customers
- IGRAP11: Consolidation – Special Purpose Entities
- IGRAP12: Jointly Controlled Entities – Non-Monetary Contributions
- IGRAP13: Operating Leases – Incentives
- IGRAP14: Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP15: Revenue – Barter Transactions Involving Advertising Services
- IGRAP16: Intangible Assets – Website Costs

1.2 Currency

These financial statements are presented in South African Rands. All figures are rounded to the nearest one thousand.

1.3 Property plant and equipment

Items of property, plant and equipment are initially recognized as on acquisition date and are initially recorded at cost.

Notes to the Financial Statements

for the year ended 31 March 2017

1.4 Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.4.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement. Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

1.4.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures,

1.5 Investments

Investments are shown at cost including interest capitalized.

1.6 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.7 Financial instruments

1.7.1 Recognition

Financial assets and liabilities are recognised in the statement of financial position when the Fund becomes a party to the contractual provisions of the instrument.

1.7.2 Measurement

Financial instruments are initially measured at fair value, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

1.7.3 Financial assets

The Fund's principal financial assets are cash and cash equivalents.

All financial assets are measured at amortised cost, comprising original debt less principle payments and amortisations

1.7.4 Investments

The investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

1.7.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and investments. Cash and cash equivalents are measured at fair value.

Notes to the Financial Statements

for the year ended 31 March 2017

1.7.6 Financial Liabilities

The Fund's principal financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortisations

1.8 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

1.9 Provisions

Provisions are recognised when the entity has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate

1.10 Related party transactions

1.10.1 The Department of Social Development

The executive authority of the State President Fund is the Minister of the Department of Social Development (DSD). Although a related party relationship exists between the DSD and the fund, there were no transactions with DSD.

1.10.2 Relief Fund Boards

A related party relationship exists between the State President Fund, the Disaster Relief Fund, the Refugee Relief Fund and the Social Relief Fund. There were no transactions between the above-mentioned related parties.

1.10.3 National Development Agency (NDA)

A related party relationship exists between the State President Fund and the NDA. There were no transactions between the parties.

1.10.4 South African Social Security Agency (SASSA)

A related party relationship exists between the State President Fund and SASSA. There were no transactions between the parties.

1.11 Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The process for discontinuation of the State President Fund is however, still underway. This will be done through amendment of the Fund Raising Act

2 Revenue

	2016/17 R'000	2015/16 R'000
Interest received	2 496	2 010
Total	2 496	2 010

Notes to the Financial Statements

for the year ended 31 March 2017

3 Administrative Expenditure

	2016/17 R'000	2015/16 R'000
Bank charges	1	1
Financial assistance	–	–
Total	1	1

4 Audit fees

	2016/17 R'000	2015/16 R'000
Audit fees	23	13
Total	23	13

5 Risk Management

5.1 Financial risk factors

5.1.1 Market Risk

Market risk is the risk of changes in market prices. Interest rates will affect the State President Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The State President Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

5.1.2 Credit Risk

Credit risk is the risk of financial loss to the State President Fund if a financial institution or a financial instrument fails to meet its contractual obligations.

The State President Fund exposure to credit risk is influenced only by the individual characteristics of the financial institutions where funds are deposited or invested. Reputable financial institutions are used for investing and cash handling purposes.

Credit risk affects financial assets

	2016/17 R'000	2015/16 R'000
Cost	32 818	30 822
Additions during the year	2 472	1 996
Closing Balance	35 290	32 818

Notes to the Financial Statements

for the year ended 31 March 2017

5.1.3 Liquidity risk

Liquidity risk is the risk that the State President Fund will not be able to meet its financial obligations as they fall due. The State President Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due. The State President Fund monitors its cash flow requirements and optimizes its cash return on investments.

Cash and cash equivalents

	2016/17 R'000	2015/16 R'000
Investment	35 286	32 814
Cash and balances with banks	4	3
Total	35 290	32 817

5.1.4 Interest rate risk

The State President Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalized and will therefore not affect the operations of the State President Fund.

	Change	2016/17 Effective rate	2015/16 Effective rate
Investments	0.94%	7.07%	6.13%

5.1.5 Interest risk sensitivity analysis

	2016/17 R'000	2015/16 R'000
Investment	35 286	32 814
0.94% interest fluctuation impact	331.69	138.2

5.1.6 Foreign exchange risk

The fund does not hedge foreign exchange fluctuations. The fund does not have any foreign account receivables, foreign accounts payables or derivative market instruments.

5.1.7 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

Notes to the Financial Statements

for the year ended 31 March 2017

6 Cash and Cash Equivalents

	2016/17 R'000	2015/16 R'000
Cash – Bank deposits	4	3
Cash – investment account	35 286	32 814
Total	35 290	32 817

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

7 Cash Generated from (Utilised in) Operations

	2016/17 R'000	2015/16 R'000
Surplus/(deficit) for the year	2 472	1 996
(Interest received)	(2 496)	(2 010)
Net cash generated from operating activities	(24)	(14)

8 Events after Balance Sheet Date

Subsequent to 31 March 2017, Cabinet has approved the proposed Fund Raising Amendment Bill that should consolidate various funds into one National Development and Relief Fund. According to Government Printers the Fund Raising Amendment Bill 2017 dated 26 May 2017 was published for comments by 26 June 2017. However, this event does not require adjustments to the financial statements.



PART
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ABBREVIATIONS

ACFP	Anti-Corruption and Fraud Prevention	DMV	Department of Military Veterans
ACSA	Airports Company South Africa	DORA	Division of Revenue Act
AFS	Annual Financial Statements	DPME	Department of Planning Monitoring and Evaluation
AGSA	Auditor-General of South Africa	DPSA	Department of Public Service and Administration
APP	Annual Performance Plan	DRC	Democratic Republic of Congo
APSTAR	Applied Population Studies and Research	DSD	Department of Social Development
ASRHR	Adolescent Sexual and Reproductive Health and Rights	ECD	Early Childhood Development
AU	African Union	EHW	Employee Health and Wellness
BEC	Bid Evaluation Committee	EPWP	Extended Public Works Programme
BRICS	Brazil, Russia, India, China and South Africa	EXCO	Executive Committee
CBIMS	Community-Based Information Monitoring System	FHI360	Family Health International 360
CBO	Community-Based Organisation	FPD	Foundation for Professional Development
CBW	Community-Based Workers	FS	Free State
CCC	Community Care Centres	GBV	Gender-Based Violence
CDP	Community Development Practitioner	GBVCC	Gender Based Violence Command Centre
CEO	Chief Executive Officer	GCBS	Government Capacity Building Support System
CNDC	Community Nutrition and Development Centre	GP	Gauteng
CPR	Child Protection Register	HDI	Historically Disadvantaged Individual
CSG	Child Support Grant	HIV	Human Immunodeficiency Virus
CSO	Civil Society Organisation	HoDs	Heads of Departments
CSP	Cash Paymaster Services	HR	Human Resources
CWP	Community Work Programme	HSDS	Heads of Social Development Sector
DDG	Deputy Director-General	HSRC	Human Science Research Council
DG	Director-General	HWSETA	Health and Welfare Sector Education and Training Authority
DII	Disability Inequality Index	ICPD	International Conference on Policy and Development
DIRCO	Department of International Relation and Cooperation	IMC	Inter-Ministerial Committee

INCB	International Narcotics Control Board
ISS	International Social Services
ISSA	International Social Security Association
JCPS	Justice, Crime Prevention and Security Cluster
JICA	Japan International Cooperation Agency
KfW	German Development Bank
KZN	KwaZulu-Natal
LP	Limpopo
M&E	Monitoring and Evaluation
MANCO	Management Committee
MERL	Monitoring, Evaluation, Reporting and Learning
MINMEC	Minister and Members of the Executive Council
MOST	Management of Social Transformation
MOU	Memorandum of Understanding
MP	Mpumalanga
MPAT	Management Performance Assessment Tool
MTEF	Medium-Term Expenditure Framework
MVs	Military Veterans
NACS	Nutrition Assessment, Counselling and Support
NAPWA	National Association of People Living with HIV and Aids
NC	Northern Cape
NCF	National Coordination Forum
NDA	National Development Agency
NDMP	National Drug Master Plan
NDP	National Development Plan
NDRM	National Disability Rights Machinery

NEDLAC	National Economic Development and Labour Council
NEP	National Evaluation Plan
NGO	Non-Governmental Organisation
NISIS	National Integrated Social Information System
NISPIS	National Integrated Social Protection Information System
NPO	Non-Profit Organisation
NSFAS	National Student Financial Aid Scheme
NSP	National Strategic Plan
NW	North West
NYDA	National Youth Development Agency
OAG	Old Age Grant
OHS	Occupational Health and Safety
OPG	Older Persons Grant
OSD	Occupational Specific Dispensation
OVC	Orphans and Vulnerable Children
OVCY	Orphans, Vulnerable Children and Youth
PED	Population-Environment-Development
PEP	Public Employment Programme
PFA	Policy on Financial Awards
PFDC	Provincial Food Distribution Centre
PFMA	Public Finance Management Act
PHSDSBC	Public Health and Social Development Sectorial Bargaining Council
PMDS	Performance Management Development System
PoA	Programme of Action
PSCBC	Public Service Co-ordinating Bargaining Council
PSS	Psychosocial Support Services

SACSSP	South African Council for Social Service Professions	SRD	Social Relief of Distress
SADC	South African Development Community	SSP	Social Service Practitioners
SANAC	South African National AIDS Council	ToC	Theory of Change
SAPS	South African Police Service	UN	United Nations
SASSA	South African Social Security Agency	UNCRPD	United Nation Conference of States Parties to the Convention on the Rights of Persons with Disabilities
SBC	Social and Behaviour Change	UNESCO	United Nations Educational, Scientific and Cultural Organization
SCM	Supply Chain Management	UNICEF	United Nations Children's Fund
SCOPA	Standing Committee on Public Accounts	UNFPA	United Nations Population Fund
SDGs	Sustainable Development Goals	USAID	United States Agency for International Development
SEIAS	Socio-Economic Impact Assessment System	VEP	Victim Empowerment Programme
SHE	Safety, Health and Environment	VSS	Victim Support Services
SHERQ	Safety, Health, Environment, Risk and Quality	WC	Western Cape
SMMEs	Small, Medium and Micro Enterprises	WO	Work Opportunities
SMS	Senior Management Service	WPRPD	White Paper on the Rights of Person with Disabilities
SPCHD	Social Protection Community and Human Development	YOLO	You Only Live Once





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