ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

2018

Building a Caring Society. Together.

www.dsd.gov.za

social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

2030 NDP

ALBERTINA SISULU Centenary 2018

100 Nelson Mandela Centenary 2018 Be the Legacy

WHY WE ARE CALLED 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 that is 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 the 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 on going 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.

social development

Department:
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REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF SOCIAL DEVELOPMENT | VOTE 17

ANNUAL REPORT

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GENERAL INFORMATION

ANNUAL REPORT 2018

PART A

social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

DEPARTMENT GENERAL INFORMATION

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social development

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Social Development
REPUBLIC OF SOUTH AFRICA

SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

The Hon. Ms S. Shabangu
Minister of Social Development
Private Bag X855
Pretoria
0001

Honourable Minister

Annual Report for the year ended 31 March 2018

I have the pleasure of presenting the Annual Report of the Department of Social Development for the year 01 April 2017 to 31 March 2018.

The Annual Report has been prepared as required by Section 40(1) (d) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), and Part III J3 of the Public Service Regulations, 2001.

Mr Mzolisi Toni
Acting Director-General

FOREWORD BY THE MINISTER

FOR THE YEAR ENDED 31 MARCH 2018

During the past financial year, the Department of Social Development has made remarkable achievements and I am proud to write this foreword.

Since 2014, the Department has been leading the implementation of the commitments under Outcome 13: An inclusive and responsive social protection system, which are premised on the National Development Plan (NDP). This report provides a summary of achievements towards the goal of creating a fairer, more humane and more inclusive society. The Social Assistance Programme, which is Government's most effective measure of combating poverty and inequality among the poor and vulnerable, continued to expand. The programme resulted in more than 17.5 million beneficiaries at the end of the financial year. A growing number of children and the elderly formed the majority of the beneficiaries, with more than 12.2 million benefitting from the Child Support Grant, while 3.4 million older persons received the Old Age Grant. On the policy front, we launched South Africa's inaugural Social Budget Bulletin which provides an analysis and periodic review of all social expenditure in the country. The Bulletin will inform and influence the development of comprehensive social protection policies.

We remain determined to ensure universal access to Early Childhood Development (ECD) through the implementation of the National Integrated Policy on ECD. Relevant support structures including the Inter-Ministerial Committee, Interdepartmental Committee and Intersectoral Committee on ECD were established to assess progress and address challenges to ensure that the objectives and goals as set out in the ECD Policy are achieved. Furthermore, we continued to implement the ECD conditional grant to increase access to ECD services for children from poor households and underserviced communities. The Department also continued with the ECD Maintenance Improvement Programme through the infrastructure maintenance grant. This programme has conditionally registered ECD centres to progress from conditional to full ECD registration, thus increasing the number of children accessing ECD services. These efforts will go a long way in assisting us to attain the goal of universal access to ECD services.

The Department continues to work towards enhancing social development services, as envisaged in the NDP. We made notable progress in the development of the revised White Paper for Social Welfare. The revised White Paper was extensively consulted and is now ready for processing through Cabinet structures. The White Paper provides us with 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.

In line with the radical socio-economic transformation agenda, we continued with the implementation of the Household Food and Nutrition Security Programme and the Social Relief of Distress. These programmes continue to have a significant impact in the lives of our people through procurement from emerging producers, cooperatives and Small, Medium and Micro-sized Enterprises (SMMEs). The network of Community Nutrition and Development Centres (CNDCs) successfully expanded from 212 to 221 CNDCs during the reporting period.

On the international front, we continued to participate in a number of key multilateral platforms, aimed at influencing and promoting South Africaís foreign policy goals, and continued to integrate the social development agenda in the work of the relevant African Union (AU) and United Nations (UN) Commissions. Some of the institutions in which we participated include BRICS meeting on Population Ageing, the Conference of State Parties to the Convention on the Rights of Persons with Disabilities and the Multidimensional Poverty Peer Network. We also attended AU meetings on drugs, population and social development, among others. Another notable achievement was that working together with the United Nations Children's Fund (UNICEF), the Department joined the Pathfinder Network to end Violence against Children and this culminated in the 2030 Agenda for Children: End Violence Solutions Summit in Sweden.

We acknowledge that we are operating on a 2015 provisionally agreed organisational structure. Working together with the Department of Public Service and Administration and National Treasury, we will prioritise to conclude the structure to ensure that delivery of the much-needed social development services is not affected.

In conclusion, I wish to thank my predecessor, the former Minister of Social Development, Ms Bathabile Dlamini, the Deputy Minister, the Acting Director-General of the Department, and staff of the national department, our agencies and provincial departments. The achievements in the past year are credit to their commitment towards executing the mandate of this Department. Together with them, we will continue Building a Caring Society , Together.

Ms Susan Shabangu, MP
Minister of Social Development

A total of **R123 million** was transferred to NSFAS for funding of 4 841 students

The network of **CNDCs** was successfully expanded from 212 to 221

2 255 ECD centres across provinces were registered

STATEMENT BY THE DEPUTY MINISTER

FOR THE YEAR ENDED 31 MARCH 2018

During the past financial year, we developed and implemented a range of policies and laws which will assist us to act as a catalyst for social justice in our society. We intensified our efforts to fight poverty and to improve the lives of ordinary South Africans, and the achievements reflected in this report bear testimony to our continued determination to realise this goal. Social Development remains a key player in improving the lives of the majority of our population. As such, we worked hard to provide and expand our services to people with disabilities, those affected by human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS) and the elderly, among others.

The Department remains committed to improving the lives of persons with disabilities. We continued accelerating the implementation of the White Paper on the Rights of Persons with Disabilities (WPRPD) through roadshows and workshops with various stakeholders including our provincial counterparts, municipalities, disability organisations and private sector companies. The Department also participated in various intergovernmental forums and committees to strengthen alignment of plans and policies with the WPRPD. We are also developing national frameworks that will guide the implementation of the WPRPD and they will serve as an intermediate step towards regulation of components of the WPRPD.

HIV and AIDS continue to threaten the well-being of our communities. We continued with the implementation of the National Strategic Plan on HIV, tuberculosis (TB) and sexually transmitted diseases (STIs) (2017-2022), with more emphasis on social and structural drivers of the HIV and AIDS pandemic. In this regard, we continued to implement the Social and Behaviour Change programmes to influence positive social and behaviour change among young people. Another notable achievement was our participation in the eighth South Africa AIDS conference, where we hosted side events to showcase our response to HIV and AIDS.

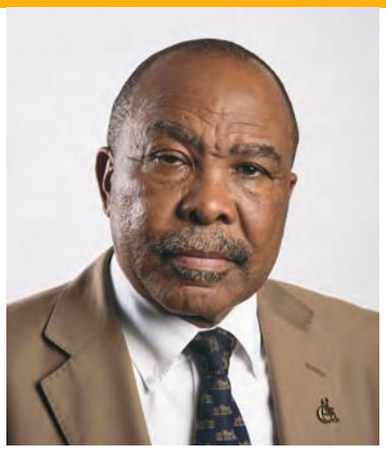
As the custodian of services to older persons, we remain determined to promote and protect their rights. In this regard, we embarked on amending the Older Persons Act due to gaps and challenges experienced during its implementation. In collaboration with the Department of Planning, Monitoring and Evaluation (DPME), we also conducted Evaluation of the Act to assess the extent to which it is being implemented. The outcome will assist in strengthening the Act. To give impetus to our work on victim empowerment, we developed a Draft Victim Support Service Bill (VSS Bill), which seeks to address gaps identified in the existing victim empowerment-related pieces of legislation. We also continued to provide comprehensive and integrated services to victims of gender-based violence. During the period under review, the Gender-Based Violence Command Centre received and responded to more than 140 000 calls including short messages and Please Call Me. We also developed the draft Victims Support Services Bill to address gaps identified in the current victim empowerment legislation. All these efforts form part of our contribution to reducing the high levels of crime and violence against the most vulnerable groups such as women, children, older persons and persons with disabilities. The ongoing violence and murdering of people with albinism is a tear-jerking reminder that more needs to be done in preventing violence and protecting vulnerable groups in our society.

The fight against substance abuse remains uppermost in our minds. We developed the National Drug Master Plan 2018-2022 which will enable us to provide well-coordinated, quality and accessible anti-substance abuse interventions to communities. The implementation of the Plan will continue in the new financial year. We also conducted a number of education and awareness campaigns to educate communities, including children and youth, about the harmful effects of substance abuse. These campaigns were also taken to institutions of higher learning to empower students to resist the temptation of drug and alcohol abuse. This, along with other anti-alcohol and substance abuse initiatives, will help us to realise the ideal of creating a drug-free societ y.

Community-Based Organisations (CBOs) continue to play a vital role in delivering quality services to communities. In this regard, we intensified capacity-building initiatives for community development organisations which are vital partners in building strong, cohesive communities. We also implemented various strategies for Non-Profit Organisations (NPOs) to improve their compliance with legislative requirements. These capacity-building interventions will assist in the development of compliant, credible and accountable NPOs that are able to deliver effective programmes with a positive impact on communities.

The Department alone cannot achieve the vision of building a caring society. This vision can only be realised through the efforts of all South Africans. I therefore wish to acknowledge the contribution of our partners in civil society towards making South Africa a country that looks after its most vulnerable groups. I wish to thank the Minister, the Acting Director-General, the staff of the Department and our provincial counterparts for their support over the years.

Mrs H Bogopane-Zulu, MP
Deputy Minister of Social Development



REPORT OF THE ACCOUNTING OFFICER

OVERVIEW

The Department remained at the heart of Government's commitment to tackling the triple challenges of poverty, unemployment and inequality. We 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 envisages social protection as a concept that brings together several elements through which Government seeks to address the multidimensional nature of poverty and inequality. To this end, the Department and its partners made significant strides in improving the quality of its services to the public. Notable progress was made in expanding access to social assistance, ECD services, victim empowerment, food security, and services to older persons and people with disabilities. A number of events were also held, as part of our efforts to build public awareness of our services and to create a footprint in areas where they are most needed.

The provision of social assistance remains Government's most effective intervention in the fight against poverty and inequality among the poor and vulnerable people. In this respect, more than 17.5 million beneficiaries including 12.2 million children and 3.4 million older persons benefitted from our social safety net. As part of enabling provisions for the payment of improved social assistance benefits for orphaned and vulnerable children, the Department tabled the Social Assistance Amendment Bill in Parliament. The Bill also provides for the establishment of the Inspectorate for Social Assistance as a Government Component and allows for social assistance applicants to make direct appeal to the Independent Appeals Tribunal, among others. Another notable achievement was the publishing and launching of the inaugural Social Budget Bulletin. The Bulletin will be used as a mechanism to report, analyse and review all social expenditure across time, and to inform and influence the development of comprehensive social protection policy in the country.

We maintained our focus on ensuring universal access to ECD services. In this regard, we developed the National Integrated Plan on Early Childhood Development (NIPECD) in collaboration with other government departments and civil society organisations. To further support and fast-track the implementation of the National Integrated Policy on ECD, we established ECD support structures including the Inter-Ministerial Committee, Interdepartmental Committee and Intersectoral Committee to assess progress and address challenges to ensure that the objectives and goals as set out in the ECD Policy are achieved. The Department also continued with the implementation of the ECD conditional grant to increase access to ECD services for children from poor households and underserviced communities. In this regard, 2 255 new ECD centres across the provinces were registered. Furthermore, 827 338 children accessed ECD services. A total of 539 748 children benefitted from the equitable share subsidy, while 60 307 children benefitted from the conditional grant subsidy. The Department also continued with the ECD Maintenance Improvement Programme through the infrastructure maintenance grant. A total of 459 ECD centres benefitted from the ECD infrastructure maintenance grant. All these efforts contribute towards the realisation of the goal of universal access to ECD services. The protection of children from all manner of vulnerability remained uppermost in our minds and during the reporting period, a total of 1 149 adoptions were registered which include 1 022 national adoptions and 127 intercountry adoptions. Similarly, the Department developed the comprehensive Child Care and Protection Policy that clearly articulates Government's overall policy position for the care and protection of children.

Our efforts towards creating an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards continued during the reporting period. In this regard, the Department developed the Demand and Supply Model for Social Service Practitioners which will assist in integrated workforce planning and future projections as well as determining the demand and supply of practitioners in the country. Similarly, we developed a framework for the revised White Paper for Social Development. The revised White Paper will be presented to Cabinet structures for approval, culminating in 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 Department received an allocation of R123 million from National Treasury to enable continued implementation of the Social Work Scholarship Programme, which remains a critical pillar in addressing the shortage of social service professionals in the country. A total of 510 new scholarships were awarded, bringing the total to 4 841 active scholarships. To address the perennial challenge of absorption of social work scholarship graduates, the Department facilitated employment of 566 social work graduates through the conditional grant for employment of scholarship graduates. This grant was approved for implementation over a period of three years starting from 2017/18.

We continued to provide comprehensive and integrated services to victims of gender-based violence through, among others, the Gender-Based Violence Command Centre (GBVCC). During the reporting period, GBVCC received a total of 136 275 calls,12 137 unstructured supplementary service data (USSDs) in the form of Please Call Me short messages and 1557 short message services (SMS's), making a grand total of 149 969 calls. The GBVCC remains a best practice model in the fight against gender-based violence. To further give impetus to our work on victim empowerment, we developed a Draft Victim Support Service Bill (VSS Bill), which seeks to address gaps identified in the existing victim empowerment-related pieces of legislation. All these efforts form part of our contribution to reducing the high levels of crime and violence against the most vulnerable groups such as women, children, older persons and persons with disabilities.

REPORT OF THE ACCOUNTING OFFICER

During the reporting period, we intensified the fight against alcohol and substance. We developed the National Drug Master Plan 2018-2022 which will enable us to provide well-coordinated, quality and accessible anti-substance abuse interventions to communities. The implementation of the Plan will continue in the new financial year. We also conducted a number of education and awareness campaigns to educate communities, including children and youth, about the harmful effects of substance abuse.

These campaigns included the commemoration of the International Day Against Drug Abuse and Illicit Trafficking in North West and the 2017 festive season anti-substance abuse campaigns conducted at railway stations, shopping malls, taxi and bus ranks and farm areas. These campaigns were also taken to institutions of higher learning including Technical Vocational Education and Training (TVET) colleges to educate particularly first-year students about the harmful effects of drug and alcohol abuse. The programme was also aimed at empowering students to resist the temptation to abuse drugs and alcohol. A total of eight institutions of higher learning were reached through this campaign. This, along with other anti-alcohol and substance abuse initiatives, will help us to realise the ideal of creating a drug-free society.

HIV and AIDS continue to devastate the lives of many people and remain a major obstacle to the realisation of the goal of ensuring a long and healthy life for all South Africans (Outcome 2). In view of this, we continued with the implementation of the National Strategic Plan on HIV, TB and STIs (2017-2022), with more emphasis on social and structural drivers of the HIV and AIDS pandemic. In this regard, we continued to implement the Social and Behaviour Change programmes, in partnership with the South African National AIDS Council (SANAC), to influence positive social and behaviour change among young people. A total of 12 organisations were funded to implement the compendium of Social and Behaviour Change (SBC) programmes in 19 districts, targeting young people between 15 and 24 years through the You Only Live Once (YOLO) Programme. Similarly, a total of 810 implementers were trained to implement the SBC programmes. Another notable achievement was our participation in the eighth South Africa AIDS conference. Through partnership with PACT-SA, we hosted side events to showcase our response to HIV and AIDS through various thematic areas.

The Department accelerated the implementation of the White Paper on the Rights of Persons with Disabilities, through provincial roadshows and workshops, development of themes for the annually celebrated National Disability Rights Awareness Month around the WPRPD central themes and pillars as well as through participating in intergovernmental forums and committees to strengthen alignment with the WPRPD. We further developed national frameworks that will guide the implementation of the WPRPD and which serve as an intermediate step towards regulation of components of the WPRPD. International solidarity remains an important platform to change the lives of persons with disabilities. In this regard, for the first time in 11 years of participating in the annual Conference of States Parties to the UN Convention on the Rights of Persons with Disabilities, the Department co-hosted a side event on the Right to Self-Representation by Persons with Disabilities. The Department also supported the training of African countries on the United Nations Department of Economic Development and Social Affairs (UN-DESA) Africa Toolkit on Disability in December 2017.

The promotion of the rights of older persons remained a priority and we continued to monitor Community-Based Care Services and Residential Facilities for compliance with the Norms and Standards for Services to Older Persons. We also embarked on the process of amending the Older Persons Act, 2006 (Act No. 13 of 2006) with the ultimate goal of ensuring that we have an inclusive and effective approach to delivering quality services to older persons in the entire social sector. The Department successfully implemented an Active Ageing Programme comprising the National Parliament for Older Persons, Conference for Older Persons, Annual General Meeting for the South African Older Persons Forum (SAOPF), Choir festival and the Golden Games.

We also commemorated national and international days of awareness for the prevention of abuse of older persons. These included the World Prevention of Elder Abuse Awareness Day and International Day for Older Persons. Our efforts to mobilise young people, contribute to their life skills and skills development for employability and enhance their livelihoods continued during the reporting period. In this regard, the Department hosted the National Youth Camp Programme, attended by 1 047 young people. The youth camp serves as a platform for the Department and its social partners to inculcate positive values, to expose youth to preventative programmes against social ills, and to empower youth and expose them to opportunities for growth and development. Since 2012, the youth camps have reached over 10 000 young people through district, provincial and national camps.

REPORT OF THE ACCOUNTING OFFICER

Civil society organisations play a pivotal role in the delivery of services to communities, especially those who remain beyond the reach of Government in view of the limited resources at our disposal. In this regard, the Department continued to implement a range of national interventions to improve NPOs registration and access to information. These interventions included roadshows and capacity-building sessions that reached out to NPOs at municipal level. As such, NPO roadshows were conducted in 113 local municipalities during the reporting period. During the reporting period, a total of 32 104 applications for NPO registration were received and 31 639 of the applications were processed within two months. This translated into 98.5% of applications processed within two months. These efforts resulted in the phenomenal growth in the number of registered NPOs, which now stands at 188 548 since the inception of the NPO Act.

The Department continued with its contribution towards implementation of the National Food and Nutrition Security Plan through its Food and Nutrition Security Programme. During the period under review, the Department expanded its targeted social protection measures and sustainable livelihood programmes. In this regard, we increased the network of CNDCs to 221 during the reporting period, providing access to food to 282 134 beneficiaries in all provinces. Through this programme, 191 cooperatives and 100 SMMEs were supported through the purchase of food to the value of over R16 million during this reporting period. Furthermore, nine Provincial Food Distribution Centres (PFDCs) were funded with a total of R106 million towards ensuring that poor and vulnerable people have access to food. The Department remained committed to contributing towards radical economic transformation by linking cooperatives to economic opportunities emerging from its programmes, in particular the Social Relief of Distress (SRD) Programme. The reporting period saw a total of 1 607 cooperatives linked to economic opportunities, whereas 778 cooperatives participated in training workshops. These efforts are the Departmentís 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.

During the reporting period, the Department continued with the implementation of Project Mikondzo, which has become an instrument for service delivery improvement. We partnered with stakeholders such as Coca-Cola Beverages SA, Samsung and MTN SA Foundation to fast-track services to poor and vulnerable people, especially persons with disabilities. The services provided were in the form of, among other things, installation of Computer Laboratories at more than 12 schools and centres for persons with disabilities. These efforts form part of the Department's contribution towards the implementation of the White Paper on the Rights of Persons with Disabilities.

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. Together with our strategic partners of Brazil, Russia, India, China and South Africa (BRICS), we supported adoption of significant international resolutions that seek to protect and promote human rights, in particular the rights of children, older persons, youth and persons with disabilities. Strategic international engagements and exchanges of information and experiences were held with, among others, Botswana, Nigeria, Lesotho, Swaziland, Mauritius, Democratic Republic of Congo, Namibia, Benin, Zimbabwe, Mozambique and Seychelles. The Department further strengthened and implemented bilateral cooperation with the USA (State of Maryland), United Kingdom, Italy, Japan, Mexico, China and Netherlands. All these interactions provided an opportunity for sharing knowledge and experience on social development issues and best practices. Similarly , the Department participated in key meetings in platforms such as the United Nations (UN) and African Union (AU) Commissions, South African Development Community (SADC), International Social Security Association (ISSA), Brazil, Russia, India, China and South Africa (BRICS), Partners in Population and Development (PPD) and other international bodies.

This year the Department spent 99.4% of its budget of more than R160 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. W e 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.

REPORT OF THE ACCOUNTING OFFICER

OVERVIEW OF FINANCIAL RESULTS

DEPARTMENTAL RECEIPTS

DEPARTMENTAL RECEIPTS	2017/2018			2016/2017		
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	OVER(UNDER) COLLECTION R'000	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	ACTUAL(UNDER) COLLECTION R'000
Tax receipts	-	-	-	-	-	-
Sale of goods and services other than capital assets	315	13	(302)	307	6	(301)
Interest, dividends and rent on land	15 600	19 485	3 885	18 011	20 592	2 581
Sale of capital assets	487	487	0	300	0	(300)
Financial transactions in assets and liabilities	13 562	32 460	18 898	30 798	56 948	26 150
Total	**29 964**	**52 445**	**22 481**	**49 416**	**77 546**	**28 130**

The Department does not generate income. The major revenue items comprise interest earned on social grant funds transferred to the South Africa Social Security Agency (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.

During 2017/18 financial year, National Treasury did not approve the request from National Development Agency to retain the savings of R30 million from 2016/17. The request from SASSA to retain its savings of R232 million from 2015/16 was also not approved by National Treasury. These funds were paid back to the Department and subsequently returned to revenue, as it was savings of previous financial years. SASSA also reported that the regions collected R348 million in respect of previous years debtors.

PROGRAMME EXPENDITURE

PROGRAMME NAME	2017/18			2016/17		
	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	(OVER)/UNDER COLLECTION R'000	ESTIMATE R'000	ACTUAL AMOUNT COLLECTED R'000	(OVER)/UNDER COLLECTION R'000
P1: Administration	386 438	384 119	2 319	350 131	349 746	385
P2: Social Assistance	151 230 232	150 336 771	893 461	139 498 691	138 915 638	583 053
P3: Social Security Policy and Administration	7 296 237	7 277 717	18 520	6 981 273	6 980 942	331
P4: Welfare Services Policy Development and Implementation	1 056 155	1 011 354	44 801	718 563	713 088	5 475
P5: Social Policy and Integrated Service Delivery	388 706	386 589	2 117	384 571	383 214	1 357
Total	**160 357 768**	**159 396 550**	**961 218**	**147 933 229**	**147 342 628**	**590 60**

REPORT OF THE ACCOUNTING OFFICER

BUDGET

The initial budget allocation for the Department for the 2017/18 financial year amounted to R160.7 billion. During the 2017 Adjusted Estimates of National Expenditure process, an amount of R350 million 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. This reduced the budget allocation of the Department to R160.3 billion for the 2017/18 financial year.

VIREMENTS

At the end of the 2017/18 financial year, the following virements were effected:

Per main division:

Programme 1: Administration – R17.650 million
An amount of R17.650 million was approved to be shifted to Programme 1 to fund the increased expenditure in Ministerial services with the involvement of outreach programmes for the social sector as well as increased spending in Corporate Management in terms of information technology, security and office accommodation requirements during the financial year .

Programme 3: Social Security Policy and Administration – R27.4 million
An amount of R27.4 million was approved to be shifted from Programme 3 to Programme 1: Administration (R17.650 million), Programme 4: Welfare Services Policy Development and Implementation Support (R5.9 million) as well as Programme 5: Social Policy and Integrated Development (R3.850 million) for increased spending programmes during the 2017/18 financial year.

Programme 4: Welfare Services Policy Development and Implementation Support – R5.9 million
An amount of R5.9 million was approved to be shifted from Programme 3 to Programme 4 to fund increased spending programmes during the 2017/18 financial year.

Programme 5: Social Policy and Integrated Service Delivery – R3.850 million
An amount of R3.850 million was approved to be shifted from Programme 3 to Programme 5 to fund increased spending programmes during the 2017/18 financial year.

Per economic classification:

Goods and Services - (R3.033 million)
An amount of R3,033 million was approved to be shifted from Goods and Services to Transfers and Subsidies for an increase towards the contribution of "Foreign Government and International Organizations" and "Higher Education" (R2,500 million) and payments of retirement benefits for "Households (R533 000).

Transfers and Subsidies - R3.033 million

- Approval granted by National Treasury after the 2017 Adjusted Estimates for a new transfer payment to the amount of R2,5 million towards the "International Labour Organisation.
- An amount of R533 000 is additional required for the shortfall on the payment of retirement benefits under Households. This relates to "Capped leave pay-outs" for officials existing the public service through retirement and death benefits.

UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

Reasons for irregular and unauthorised expenditure

- Non-compliance to the Public Financial Management Act, 1999 (Act No. 1 of 1999) and National Treasury Practice Notes: SCM processes were not followed. There was an 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, transport no-shows and car damages to hired vehicles.

Irreguler, fruitless and waste expenditure

Expenditure	R'000
Irregular expenditure	3 097
Irregular Expenditure (Social Relief Distress)	82 056
Fruitless and wasteful expenditure	528

REPORT OF THE ACCOUNTING OFFICER

Steps taken to address and prevent recurrence

- Engaged with affected officials.
- Reviewed financial policies and delegations in line with National Treasury Practice Notes and Circulars.
- Issued circulars to sensitise officials in the Department on the implications of financial misconduct.
- Reviewed and strengthened controls where they were found to be weak.
- Facilitated, coordinated and provided guidance and advisory services in terms of audit queries through the implementation and monitoring of audit action plans. Tested the environment to ensure compliance and implementations of actions.
- Instituted disciplinary actions against officials found liable for irregular, fruitless and wasteful expenditure.
- Recovered expenditure from officials who were found liable for financial misconduct.

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 will continue with the implementation of the commitments under Outcome 13. The main objectives are as follows: with regard to strengthening social welfare service delivery through legislative reforms, we will submit the reviewed White Paper for Social Welfare to relevant structures for approval and with regard to deepening social assistance and expanding access to social security, we will continue with the policy proposals towards universal access to old age and child support grants. Additionally, we will develop policy proposals for mandatory retirement, disability and survivor benefits cover and we will complete the policy on expanding the Child Support Grant (CSG) to orphans and vulnerable children. Also, we will improve the administration process to ensure better access to social assistance and also develop legislation on reforms to the Social Assistance Programme. In particular, the Department is amending the Social Assistance Act to make provisions for the payment of improved benefits for orphaned and vulnerable children, the establishment of the Inspectorate for Social Assistance as a Government Component and to allow for social assistance applicants to make direct appeal to the Independent Appeals Tribunal, among others.

The Department is amending several pieces of legislation to improve implementation and ensure delivery of services without any obstacles. The pieces of legislation being amended include the Social Assistance Act, the Older Persons Act, the Fund Raising Act, the Social Service Professions Act and the Children's Act. We are also developing various policies and frameworks including the Policy Framework on Accreditation of Diversion Services, the Policy on Social Development Services to Persons with Disabilities, the Policy on Universalisation of Benefits of Older Persons, the Policy on Mandatory Cover for Retirement, Disability and Survivor Benefits and the Child Care and Protection Policy. These policies are aimed at creating an enabling environment for the delivery of social development services. We will also continue to monitor the implementation of some of our key policies such as WPRPD and Integrated ECD Policy.

The Department has intensified its efforts to ensure food security through the implementation of the Household Food and Nutrition Security Strategy. In partnership with NPOs, we will continue to target poor communities and households using the growing network of CNDCs. The Department will also provide capacity building in food and nutrition security with relevant stakeholders and institutions to create community work opportunities and monitor the roll-out and implementation of the programme. The Department will also continue with the implementation of the National Strategic Plan on HIV, TB and STIs (2017-2022), with more emphasis on social and structural drivers of the HIV and AIDS pandemic.

Maintaining a healthy working relationship between Government and NPOs is a key factor in delivering social welfare services. The Department is finalising a sector financing policy and partnership model between Government and civil society to improve the relationship between the two sectors. The Department will also continue with capacity building on NPOs to ensure their sustainability and compliance with legislative requirements.

The Department is developing a five-year Sector Human Resources Plan, in collaboration with provincial departments, which responds to the NDP's call to strengthen social service professions to meet the countryís 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.

REPORT OF THE ACCOUNTING OFFICER

PUBLIC PRIVATE PARTNERSHIPS

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

DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The Department is amending the Fund Raising Act (Act No. 107 of 1978). The Amendment Bill seeks to repeal the provisions of the Fund Raising Act, thereby removing duplication of services by dissolving the relief funds. It will also streamline social relief responses to disasters through a single budget and agency . The current social relief of distress regime is fragmented, the legislative framework outdated, the institutional arrangements defunct and delivery to destitute people is unresponsive. SASSA currently provides social relief of distress and is well equipped to respond with social relief in instances of disaster. The amendments will be concluded in 2018/19.

PROPOSED ACTIVITIES

The Department tabled the Social Assistance Amendment Bill in Parliament. The Bill makes provision for the establishment of the Inspectorate for Social Assistance as a Government Component. Once the Bill is approved and promulgated into an Act, the Inspectorate will become an independent entity from the Department, with its own human and financial resources.

SUPPLY CHAIN MANAGEMENT

The Department did not consider any unsolicited bid proposals concluded for the year under review. Supply Chain Management (SCM) processes and systems are in place to prevent irregular expenditure. Approved SCM policies are in place and circulars are issued at regular intervals to improve compliance in SCM. The Department continued to promote the SMMEs and Cooperatives, especially for outreach programmes in rural areas, and SCM worked together with project managers to give guidance and assistance where necessary to ensure that the Department complies with SCM prescripts.

EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

During the financial year, the Department requested approval from National Treasury for exemption from the 2017/18 Conditional Grant Framework for the Substance Abuse Treatment grant on behalf of the Free State Department of Social Development. In line with the Conditional Grant Framework, funds amounting to R14.237 million were earmarked for operationalising Substance Abuse Treatment facilities. The request for exemption was made in terms of Section 36 of the Division of Revenue Act (DORA), 2017 (Act No. 3 of 2017) to allow the Free State Department of Social Development to use the Conditional Grant funds to finalise construction of the treatment facility in the province. National Treasury approval was granted in March 2018. Since the approval was granted close to year end, the funds are expected to be spent in the 2018/19 financial year pending approval of the rollover request from National Treasury.

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	**3 223**
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).	
JICA	
Disability Mainstreaming Programme	**770**
Enhance the capacities of the Department in empowerment of persons with disabilities and disability mainstreaming.	
USAID	
Early Childhood Development Programme	**512**
Placement of staff members within Social Development to provide technical assistance and project management services for the Early Childhood Development programme	

REPORT OF THE ACCOUNTING OFFICER

PURPOSE	AMOUNT PAID DIRECTLY TO SERVICE PROVIDER R'000
PACT / USAID	
Government Capacity Building Systems	**46 184**
To strengthen the capacity of 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	
GIZ – GERMANY	
International Relations	**135**
Workshop on Global Practitioners Learning event on the sustainable development goals and social protection: How to move from Global Politics to National Action in Oaxaca, Mexico.	
UNICEF	
Child Rights and Advocacy	**150**
Review of National Plan of Action for Children	
SAVE THE CHILDREN	
Child Rights and Advocacy	**100**
Celebration of Nelson Mandela Children's Parliament.	
NELSON MANDELA CHILDREN'S FUND	
Child Rights and Advocacy	**150**
Celebration of Nelson Mandela Children's Parliament.	
ILIFA LABANTWANA AND HOLLARD TRUST	
Early Childhood Development Programme	**60**
To develop uniform bylaws to enable ECD registration in the Country	
UNICEF	
Early Childhood Development Programme	**2 309**
Provide Technical support for the strengthening of the Early Childhood Development Programme	

DONATIONS IN CASH

An amount of R2.912 million was spent on the German Development Bank (KfW)-funded project for continuation of construction of Community Care Centres (CCCs) and commencement of the capacity-building programmes. A total of 17 CCCs were planned to be constructed during the reporting period. In this regard, seven CCCs were completed. These include five centres in KwaZulu-Natal and two in Limpopo. The centres in both provinces were handed over to provincial departments for occupation.

One centre in KwaZulu-Natal will be finalised by April 2018. The Department replaced one of the contractors in Limpopo who was responsible for construction of three centres. A new contractor was appointed to complete the construction of such centres in June 2018. Four centres in North West are under construction and two are to be finalised by April 2018. All centres at completion stage are being assessed for works completion inspections before they can be handed over to the Department. Officials in all 17 CCCs were trained on Psychosocial Support Services (PSS).

An amount of R2.385 million was spent on the Global Fund Project in the 2017/18 financial year. A new Memorandum of Understanding was signed on 31 May 2017 with the Department of Health for the Global Fund Project. The purpose of the project is to strengthen monitoring and evaluation systems for the programme for orphans and other children made vulnerable by HIV and AIDS. By the end of March 2018, 52 Data Capturers had been appointed in eight provinces and one Project Manager and one Project Coordinator were appointed at national level. Twelve Data Capturers from KwaZulu-Natal were trained on Community-Based Information Monitoring System (CBIMS) on 05 to 07 March 2018 and six Data Capturers from Gauteng were trained on CBIMS from 19 to 20 March 2018.

EVENTS AFTER THE REPORTING PERIOD

No major events happened after the reporting period. In conclusion, I would like to thank the Minister , the Deputy Minister, the chief executive officers (CEOs) of SASSA and the National Development Agency (NDA), the staff of the Department, our provincial counterparts and all stakeholders who contributed to the work of the Department during the reporting period.

Mr Mzolisi Toni | Acting Director-General:
Department of Social Development

social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR 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 controls 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 2018

Yours faithfully

Mr Mzolisi Toni | Acting Director-General
Department of Social Development
31 July 2018

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 generates 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: This relates to 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 Reform Sector and services to deliver better results
- Deepening Social Assistance and extending the scope of Social Security
- Increase access to 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. A responsive, accountable, effective and efficient local government system
10. Environmental assets and natural resources that are well protected and continually enhanced
11. Create a better South Africa and contribute to a better and safer Africa and world
12. An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship
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 No. 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, health care 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.

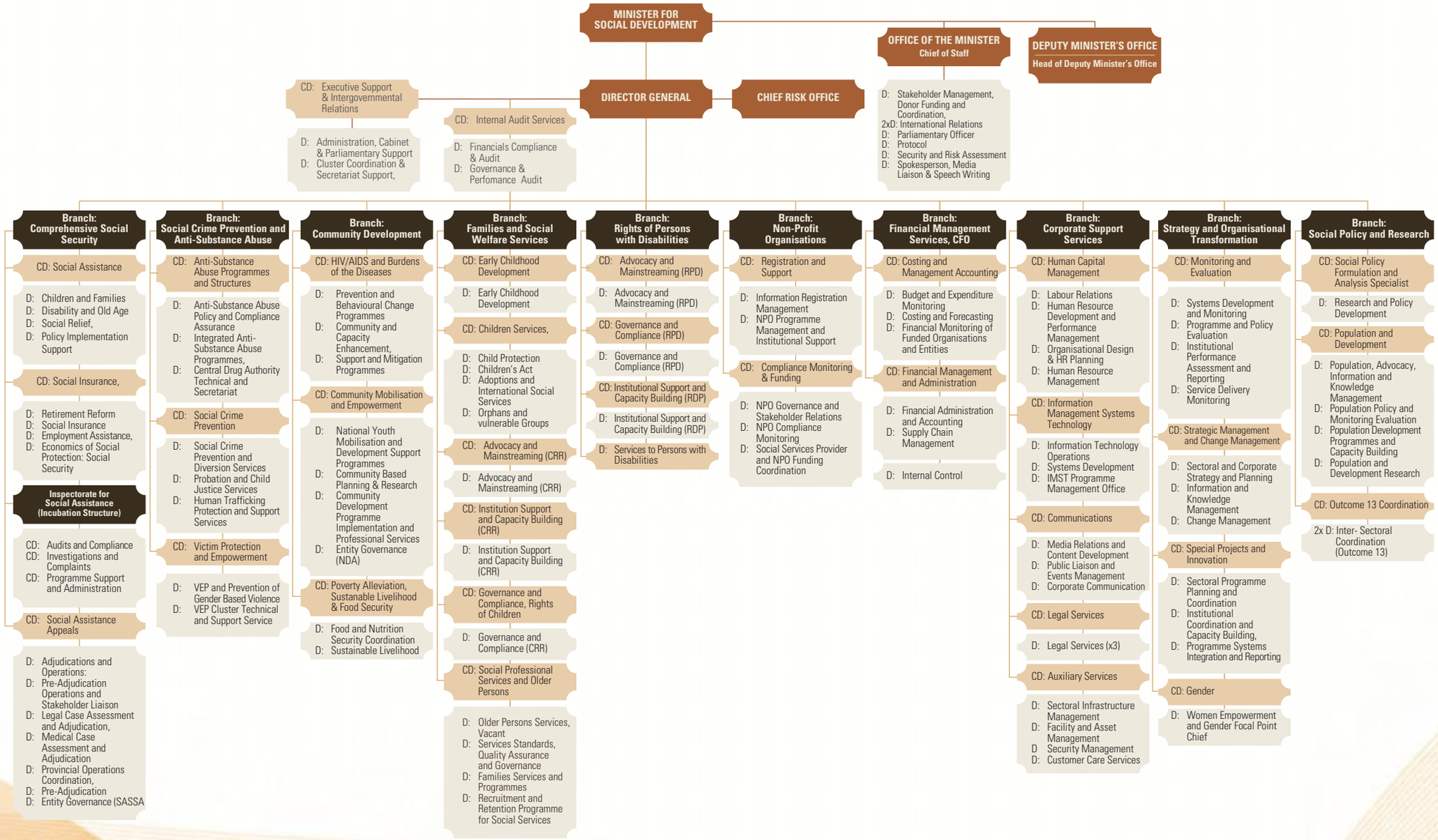
The following existing laws constitute the legal framework for the Department of Social Development in South Africa:

ACTS OF PARLIAMENT

- Children's Act, 2005 (Act No. 38 of 2005)
- Children's Amendment Act 2007 (Act No. 41 of 2007)
- Fund-Raising Act, 1978 (Act No. 107 of 1978)
- Non-Profit Organisations Act, 1997 (Act No. 71 of 1997)
- National Development Agency Act, 1998 (Act No. 108 of 1998), as amended by Act No. 6 of 2003
- Older Persons Act, 2006 (Act No. 13 of 2006)
- Prevention and Treatment of Drug Dependency Act, 1992 (Act No. 20 of 1992)
- Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008)
- Probation Services Act, 1991 (Act No. 116 of 1991)
- Social Assistance Act, 2004 (Act No. 13 of 2004)
- Social Assistance Amendment Act, 2010 (Act No. 5 of 2010)
- Social Service Professions Act, 1978 (Act No. 110 of 1978)
- The National Welfare Act, 1978 (Act No. 100 of 1978)
- The South African Social Security Agency Act, 2004 (Act No. 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	The South African Social Security Agency Act of 2004 (Act No. 9 of 2004) The Social Assistance Act of 2004 (Act No. 13 of 2004 as amended)	Transfer and subsidies	The key functions of the agency include the effective management, administration and payment of social assistance as well as: • The processing of applications for social assistance, namely: Older Persons Grants, War Veterans Grants, Child Support Grants, Care Dependency Grants, Foster Child Grants, Disability Grants, Grant-in-Aid and Social Relief of Distress; • The verification and timely approval of grant applications; • Manage and reconcile the payment of grants to eligible beneficiaries by contractors; • Market social assistance; and • Quality service assurance by ensuring compliance with norms and standards, as well as fraud prevention and detection. The key functions of the agency include grant funding, capacity building and research and development to civil society organisations.
National Development Agency	The National Development Agency Act, 1998 (Act No. 108 of 1998 as amended)	Operational/functionality costs	The key strategic objectives of the NDA, as prescribed in the legislation, are to: • 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 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 No. 70 of 2008)	The key functions of the agency include the effective management, administration and payment of social assistance as well as:	Its key functions are to: • 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.

PERFOMANCE INFORMATION

ANNUAL REPORT 2018

PART B

social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

AUDITOR - GENERAL'S REPORT:
PREDETERMINED OBJECTIVES

The 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 the Report on Other Legal and Regulatory Requirements section of the auditor's report.

Refer to page 173 of the Report of the Auditor-General, published as Part E: **Financial Information.**

OVERVIEW OF DEPARTMENT PERFORMANCE

VOTED FUNDS				
APPROPRIATION	MAIN APPROPRIATION R'000	ADJUSTED APPROPRIATION R'000	ACTUAL AMOUNT SPENT R'000	OVER/UNDER EXPENDITURE R'000
Department of Social Development	160 707 768	160 357 768	159 396 550	961 218
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
Provide leadership, management and support services to the Department and the social sector.

Programme 2: Social Assistance
Provide social assistance to eligible beneficiaries in terms of the Social Assistance Act, 2004 (Act No. 13 of 2004) and its regulations.

Programme 3: Social Security Policy and Administration
Provide for social security policy development, administrative justice, the administration of social grants and the reduction of incorrect benefit payments.

Programme 4: Welfare Services Policy Development and Implementation Support
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
Support community development and promote evidence-based policymaking in the Department and the social development sector.

SERVICE DELIVERY ENVIRONMENT IN 2017/18

The Social Development Sector delivers its services in an environment marked by high levels of poverty, unemployment and inequality. The Department has committed itself through its plans to implement a number of interventions in the areas of social assistance, social welfare and community development services. The Department is also leading the coordination of Outcome 13: An inclusive and responsive social protection system. The commitment by the current administration to focus on policy outcomes has given the Department a unique opportunity to help achieve some of the governmentwide outcomes and goals of the National Development Plan (NDP).

SOCIAL ASSISTANCE

The provision of social assistance continues to be Government's effective primary intervention to reduce poverty and inequality among the poor and vulnerable people. During this reporting period, the Department – through the South African Social Security Agency (SASSA) – provided the safety net to more than 17.5 million beneficiaries. Of these, more than 12 million children benefitted from the Child Support Grant (CSG) and 3.4 million older persons received the Older Persons Grant (OPG). By expanding 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.

SOCIAL SECURITY REFORM

The Department completed consultations on the Social Assistance Amendment Bill and inputs were incorporated into the revised Bill that was approved by Cabinet and subsequently tabled in Parliament. The Bill makes provision for the payment of improved benefits for orphaned and vulnerable children, the establishment of the Inspectorate for Social Assistance as a Government Component and allows for social assistance applicants to make direct appeal to the Independent Appeals Tribunal, among others.

During the reporting period, the Department held engagements with social partners at the National Economic Development and Labour Council (NEDLAC) on the Discussion Paper on Comprehensive Social Security Reform. Social partners developed an engagement matrix for focussed discussions on proposals. The consultation process with the NEDLAC T ask Team on Comprehensive Social Security will continue to the 2018/19 financial year. Consultations on the universalisation of the old age and child support grants, increasing the value of the child support grant for orphans in the care of family, pregnancy and maternal benefits, and improvements to disability assessments were conducted in all provinces. The Department continued its work of preparing for the establishment of the Inspectorate for Social Assistance, which will be empowered to maintain the integrity of the social assistance framework and systems.

PROFESSIONAL SOCIAL SERVICES

During this reporting period, the Department developed a framework for the revised White Paper for Social Welfare. The framework was extensively consulted with the social development sector to solicit buy-in and inputs. The revised White Paper will be presented to Cabinet structures for approval, culminating in the development of the Social Development Act. The Act 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 essential programme in addressing the shortage of social service professionals in the country. During the period under review, the National Student Financial Aid Scheme (NSFAS) continued to administer the scholarship funds on behalf of the Department.

OVERVIEW OF DEPARTMENT PERFORMANCE

For the financial year 2017/18, a total of R123,4 million was transferred to NSFAS for funding of 4 841 students, of which 510 were part of the new intake for the 2017 academic year . Furthermore, the Department facilitated the employment of 566 social work graduates through the conditional grant for employment of scholarship graduates.

CARE AND SERVICES TO OLDER PERSONS

The Department has a responsibility to ensure care, support, promotion and protection of the rights of older persons in line with the Older Persons Act, 2006 (Act No. 13 of 2006). To advance these, in October 2017, the Department successfully implemented the National Active Ageing Programme in KwaZulu-Natal. More than 2 500 older persons from all provinces participated in this 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 is amending the Older Persons Act due to gaps and challenges experienced during its implementation. In May 2017, this Amendment Bill was published in the Government Gazette for public comment and inputs received were consolidated into the Bill. The Bill will be presented to Cabinet for approval for submission to Parliament in 2018/19. Another notable achievement was the Implementation Evaluation of the Older Persons Act conducted in collaboration with the DPME. The evaluation was intended to assess the extent to which the Act is being implemented and how it could be improved. A draft evaluation report is being finalised and the findings and recommendations will be presented to Cabinet during the 2018/19 financial year. All these achievements enabled the Department to contribute to the realisation of Outcome 2: A healthy life for all South Africans.

PERSONS WITH DISABILITIES

The Department remains committed to improving the lives of persons with disabilities. During the reporting period, a Psychosocial Support Programme was developed and consulted with provinces. The programme aims to assist protective workshops with the transformation process and to address their sustainability .

The Department facilitated the establishment of Self-Help Groups (SHG) of persons in 18 rural villages in Limpopo and Free State. The Department continues to provide financial support and monitoring to Non-Governmental Organisations (NGOs) and Disabled Peoples Organisations (DPOs) in order to enhance access and render disability-specific social services. The Department continued to accelerate the implementation of the White Paper on the Rights of Persons with Disabilities. In this regard, roadshows and workshops in provinces and district municipalities, as well as with DPOs and private sector companies were conducted during the reporting period. In addition to these, national frameworks that will guide the implementation of the WPRPD were developed and the Izingane Kuqala pilot project was conducted and embedded in the Orphaned and Vulnerable Children Programme and ECD financing model. This pilot project will address the exclusion and marginalisation of children with severe disabilities living in rural, impoverished communities.

Another notable achievement was that for the first time in 11 years of participating in the annual Conference of States Parties to the UN Convention on the Rights of Persons with Disabilities, the Department co-hosted a side event on the Right to Self-Representation by Persons with Disabilities.

CHILDREN

The provision of ECD services in the country is espoused in the National Development Plan (NDP). As part of the effective implementation of the ECD Policy, the Department developed the National Integrated Plan on Early Childhood Development (NIPECD) in collaboration with 29 government departments, civil society and ECD structures. NIPECD was presented to the T echnical Working Group (TWG) and Social Protection Community and Human Development (SPCHDC) Cluster and will be presented to Cabinet for approval during the 2018/19 financial year.

During the reporting period, the Department registered 2 255 new ECD centres across the provinces. Furthermore, 827 338 children accessed ECD services. A total of 539 748 children benefitted from the equitable share subsidy and 60 307 from the conditional grant subsidy.

A total of 459 ECD centres benefitted from the ECD infrastructure maintenance grant. During the reporting period, a total of 1 149 adoptions were registered, which includes 1 022 national adoptions and 127 intercountry adoptions. While the Children's Act provides substantive protection for the care and protection of children in South Africa, there were gaps in terms of the policy which should ensure effective implementation of the Act. In this regard, the Department developed the comprehensive Child Care and Protection Policy (CCPP) that clearly articulates Governmentís overall policy position for the care and protection of children. This policy was extensively consulted with relevant stakeholders and will be submitted to Cabinet in 2018/19.

FAMILIES

The Department continued to implement the White Paper on Families, with particular focus on early intervention and family support services. During the reporting period, a capacity-building programme for teenage parents was implemented across provinces. This programme is aimed at assisting teenagers to cope better with parenting responsibilities. Similarly , the Department implemented the National Parenting Programme (Sinovuyo) aimed at empowering parents on how best to communicate with their children without resorting to corporal punishment. A total of four provinces were trained on this programme, namely, Northern Cape, North West, Limpopo and KwaZulu-Natal.

SOCIAL CRIME PREVENTION

The Department contributes towards the realisation of Outcome 3: All people are and feel safe through a comprehensive approach that addresses the key social and environmental risk factors that are associated with crime. To this end, the Department established national and provincial multidisciplinary social crime prevention committees with different stakeholders, to promote and foster coordination in the delivery of integrated social crime prevention services. During the reporting period, four provincial multidisciplinary committees were established in KwaZulu-Natal, Western Cape, Free State and North West to work together in reducing the crime rate. In addition, a policy framework on accreditation was reviewed and presented to several structures for approval and will be submitted to Cabinet in 2018/19.

VICTIM EMPOWERMENT

A draft Victim Support Service Bill (VSS Bill) was developed in response to the lack of legislation regulating victim empowerment services, especially shelters for abused women and their children. Subsequent to internal and external consultations with stakeholders, the VSS Bill was certified by the State Law Advisors and will be submitted to Cabinet for approval in 2018/19. The Gender-Based Violence Command Centre (GBVCC) continues to provide comprehensive and integrated services to victims of gender-based violence. During the reporting period, GBVCC received a total of 136 275 calls, Total number of USSD's (please call me) attended to 12 137 and 1 557 SMS's, making a grand total of 149 969. The Department continues to popularise the use of GBVCC services and other platforms to report incidents of gender-based violence.

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 this strategy across all provinces. During the reporting period, in June 2017, the Department participated in the 8th South African AIDS Conference which was held in Durban. Through its partnership with PACT-SA, the Department hosted three satellite sessions at the conference to showcase its response to HIV and AIDS under the following thematic areas: Integrating Child Protection Services and HIV and AIDS interventions to improve OVCY outcomes; Expanding Community-Based Prevention and Early Intervention Services for vulnerable children: Towards an HIV-free generation; and Social Developmentís contribution towards the HIV and AIDS response.

The Department continued to implement its Social and Behaviour Change (SBC) programmes in all provinces in partnership with the South African National AIDS Council (SANAC). In this regard, a total of 810 implementers were trained to implement the SBC programmes. A total of 55 132 and 13 070 people were reached through the YOLO Programme and community dialogues that focus on HIV and AIDS prevention respectively.

OVERVIEW OF DEPARTMENT PERFORMANCE

YOUTH

The Department continued with its efforts to mobilise young people, contribute to their life skills and skills development for employability and to enhance their livelihoods. In this regard, the Department hosted the National Youth Camp Programme, attended by 1 047 youths during the reporting period. This programme empowers youth with knowledge and skills for positive living, active citizenry and social cohesion. Since 2012, the youth camps have reached over 10 000 young people through district, provincial and national camps. The youth camp serves as a platform for the Department and its social partners to inculcate positive values, to expose youth to preventative programmes against social ills, and to empower youth and expose them to opportunities for growth and development.

NON-PROFIT ORGANISATIONS

The Department implemented a range of national interventions to improve NPOs registration and information access. During the reporting period, a total of 32 104 applications for NPO registrations were received, of which 31 792 were processed and 31 639 (98.5%) of these applications were processed within two months. The Department conducted NPO roadshows in 113 local municipalities. The roadshows and capacity-building sessions seek to increase NPO compliance by reaching out to organisations at municipal level.

During the reporting period, the Department capacitated 4 057 NPOs on pre-registration requirements, governance and compliance with different legislative frameworks. The programme contributed towards enhancing understanding of NPOs on how to improve governance practice and compliance with the NPO Act. In pursuit of amending the NPO Act, a series of external consultation was conducted with the NPO sector in all provinces and relevant stakeholders. The draft Bill will be submitted to Cabinet for approval in 2018/19.

FOOD AND NUTRITION SECURITY

The Department contributes towards the implementation of the National Food and Nutrition Security Plan. Respecting this, a network of nine PFDCs were funded with a total of R106 million and about R56 million transferred from the National Department while R50 million was from provincial departments of Social Development. These transfers were towards ensuring that poor and vulnerable people have access to food. In addition to these, a total of 221 CNDCs were supported and provided food to 282 134 beneficiaries in all provinces.

Furthermore, a total of 4 130 developmental activities which include skills training programmes were also facilitated in the CNDCs to complement the nutrition support for beneficiaries. Through this programme, 191 cooperatives and 100 SMMEs were supported through the purchase of food to the value of over R16 million during this reporting period. This programme employs about 1 380 people within the nine (9) PFDCs and 221 CNDCs. A total of 441 cooks were trained to ensure safe food preparation and handling, and 520 uniforms were also provided to the cooks. Twenty drivers were offered training in partnership with Hino SA to ensure safe and efficient use of the programme's fleet. 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.

GOVERNANCE AND INSTITUTIONAL DEVELOPMENT

Maintaining sound organisational and business practice is an integral part of promoting accountability and efficiency in the Department. In this respect, 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 Department of Planning, Monitoring and Evaluation and the Auditor-General. The Department also continued to implement sound financial management practices aimed at promoting the efficient utilisation of resources. This forms part of the Department's contribution to Outcome 12: An efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship.

INTERNATIONAL OBLIGATIONS

South Africa as a strategic partner of Brazil, Russia, India, China and South Africa (BRICS) supported adoption of crucial international resolutions that seek to protect and promote human rights, in particular the right of children, older persons, youth and persons with disabilities. To this end, the Department participated in key meetings in platforms such as United Nations (UN), African Union (AU), South African Development Community (SADC), International Social Security Association (ISSA), Partners in Population and Development (PPD) and other international agencies. The Department also participated in the 5th Annual Multidimensional Poverty Peer Network (MPPN) held in Beijing, China. The Department in partnership with Statistics South Africa (Stats SA) will host the 6th Session of the MPPN.

South Africa was re-elected as the Secretariat of Partners in Population and Development (PPD) for a further term of three years. South Africa, through its international membership, continued robust participation in key social development international bodies such as the International Social Service (ISS) and International Social Security Association (ISSA). Working together with UNICEF, South Africa joined the Pathfinder Network to end Violence against Children; this culminated in the participation in the 2030 Agenda for Children: End Violence Solutions Summit held in Stockholm, Sweden. All these efforts contribute towards Outcome 11: Creating a better South Africa, a better Africa and a better world.

OVERVIEW OF DEPARTMENT PERFORMANCE

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
Gender Based Violence Command Centre	Victims of Gender Based Violence	Respond to Please Call Me requests of GBV victims within 30 minutes of the Please Call Me request	Respond to Please Call Me requests of GBV victims within 30 minutes of the Please Call Me request	Standard achieved

BATHO-PELE ARRANGEMENTS WITH BENEFICIARIES

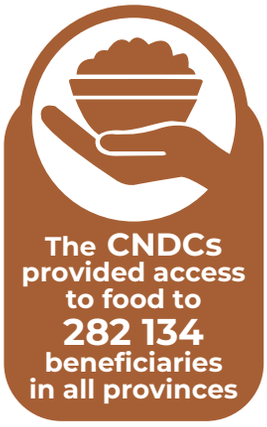
Current/actual arrangements	Desired arrangements	Actual achievements
Customer Service Charter approved and ready for set up at reception area	Reviewed and approved Customer Service Charter with service standards set up at reception	Customer Service Charter approved

SERVICE DELIVERY INFORMATION TOOL

Actual achievements	Current/actual information tools	Desired information tools
Social Services Booklet with all DSD services available	DSD services disseminated in electronic information mechanisms	Social Services Booklet with all DSD services
DSD services disseminated during Mikondzo Outreach Programmes	DSD services disseminated during Mikondzo Outreach programmes	Standard achieved

COMPLAINTS MECHANISM

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints Help Desk set up at DSD with six permanent Complaints Processing Officers to receive, refer and resolve complaints	Integrated Call Centre mechanism for all of DSD and social sector	Complaints Help desk with six complaints processing officers



OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2017/18

The Department did not experience any disruptions such as strike action by staff. However, a number of challenges conspired to delay the full implementation of some of its programmes. These include, among others, the reduction of budget by National Treasury due to austerity measures put in place by the Government to reduce spending on non-service delivery items. This has also led to the Department prioritising the filling of critical posts, especially management positions.

Although the Department is responsible for the appointment of staff, it does not have the authority to conduct suitability checks on prospective employees. The turnaround times taken by other state organs to conduct such suitability checks compromised the Department's ability to fill the vacancy rate to 10%. Given the collaborative nature of some of the Department's work on various policy and legislative initiatives, it can only meet some of its targets if other institutions deliver on their commitments as well.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

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

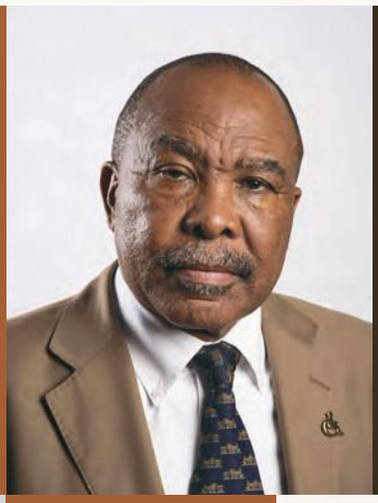
- The Social Assistance Amendment Bill was tabled in Parliament.
- Older Persons Amendment Bill was developed and will be submitted to Cabinet.
- Fundraising Amendment Bill was developed and will be submitted to Cabinet.
- Victim Support Services Bill was developed and will be submitted to Cabinet.
- Social Service Professions Bill was developed and will be submitted to Cabinet.
- Children's Third Amendment Bill was developed and will be submitted to Cabinet.
- The Policy Framework on Accreditation of Diversion Services was developed and will be submitted to Cabinet.
- Policy on Social Development Services to Persons with Disabilities was developed.
- Policy on Universalisation of Benefits of Older Persons was developed.
- Policy on Mandatory Cover for Retirement, Disability and Survivor Benefits was developed.
- Child Care and Protection Policy was developed.

STRATEGIC OUTCOME-ORIENTED GOALS

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

- Expand Child and Youth Care Services (Isibindi Programme)
- Social Welfare Reform Sector 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 persons with disabilities
- Establish Social Protection Systems to strengthen coordination, integration, planning, Monitoring and Evaluation of services

EXECUTIVE MANAGEMENT



Mr Mzolisi Toni
Acting Director -General:

Department of Social Development

Mr Clifford Appel
Chief Financial Officer

Ms Nelisiwe Vilakazi
Deputy Director-General:

Strategy and Organisational Transformation

Ms Brenda Sibeko
Deputy Director-General:

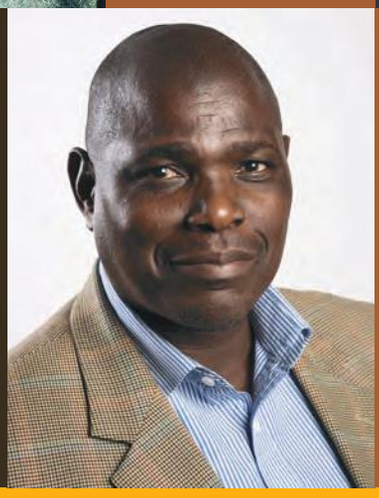
Comprehensive Social Security

Ms Conny Nxumalo
Deputy Director-General:

Welfare Services Policy Development and Implementation Support

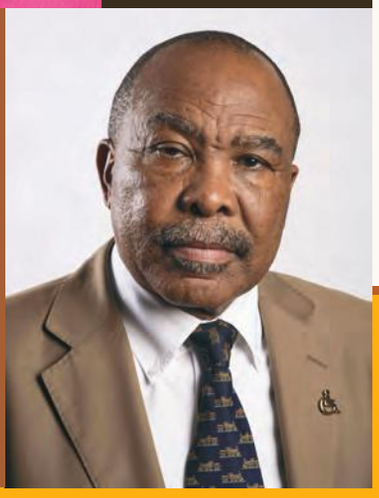
Mr Peter Netshipale
Deputy Director-General:

Social Policy and Integrated Service Delivery



Mr Mzolisi Toni
Deputy Director-General:

Rights of Persons with Disabilities



PROGRAMME 1: ADMINISTRATION

ANNUAL REPORT 2018

PART B1

PERFOMANCE INFORMATION BY PROGRAMME

PROGRAMME PURPOSE

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

EXECUTIVE SUPPORT

The services supported by the unit are aligned to the Department's strategic objective on effective decision-making process. The activities and responsibilities of the unit offer the executive leadership an opportunity to engage and discuss strategic and policy issues, monitor implementation and progress to address challenges that arise and to ensure constant reporting to oversight institutions. The Department, through the Executive Support unit, facilitated and convened 10 Forum of South African Directors-General (FOSAD) Social Protection, Community and Human Development (SPCHD) Cluster meetings during this reporting period.

During the period under review, the Department was able to table and process the following items, among others, before the Cluster:

- Review of the Policy Framework on Accreditation of Diversion Services in SA
- National policy on victim empowerment
- Workplan on the Inter-Ministerial Committee on Population Policy
- National strategic framework for universal access and design and reasonable accommodation for persons with disabilities
- First annual progress report on the implementation of the White Paper on the rights of persons with disabilities
- National adolescent sexual and reproductive health and rights framework strategy
- Inter-Ministerial Committee on population policy: report and recommendations on migration and urbanisation
- Policy on the universalisation of the state benefits to older persons in South Africa – has not been finalised
- National policy for victim support services
- Victim Support Services Bill, 2017
- Older Persons Amendment Bill, 2017
- National Integrated Plan for ECD in South Africa: Towards 2030
- Second victim satisfaction survey report
- Review of the National Drug Master Plan: 2017-2022
- Integrated anti substance Abuse Plan of Action: 2017-2022

INTERNATIONAL RELATIONS

South Africa continued its influence in key multilateral platforms within the UN system including the Commissions for Social Development; Narcotics Drugs; Population and Development; United Nations Educational, Scientific and Cultural Organization (UNESCO); as well as the Conference of State Parties to the Convention on the Rights of Persons with Disabilities. These platforms culminated in the adoption of key social development resolutions within the UN Economic and Social Council (ECOSOC).

Under the chairpersonship of the People's Republic of China, the 2017 Brazil Russia India South Africa (BRICS) Meeting on Population Ageing was convened in Beijing. Building from the successes of the 2017 BRICS engagement, South Africa as the chair of BRICS in 2018 will host the BRICS Meeting on Population Matters. The Minister addressed the 5th Annual Multidimensional Poverty Peer Network (MPPN) held in Beijing, China. The Department in close cooperation with Statistics South Africa (Stats SA) will host the 6th Session of the MPPN. South Africa was re-elected as the Secretariat of Partners in Population and Development (PPD) for a further term of three years. South Africa through its international membership continued robust participation in key social development international bodies such as International Social Service (ISS) and International Social Security Association (ISSA). Working together with UNICEF, South Africa joined the Pathfinder Network to end Violence against Children; this culminated in the participation in the 2030 Agenda for Children: End Violence Solutions Summit held in Stockholm, Sweden.

prioritizing the consolidation of the African agenda, the Department continued to promote cooperation and exchanges through strengthening bilateral relations with, amongst others, Namibia, Benin, Mozambique, Zimbabwe, Lesotho, Angola, and Nigeria.

The Department also participated during SADC and AU Social Development activities on Population, Drug Control and Disability. Under the chairpersonship of the People's Republic of China, the 2017 Brazil Russia India South Africa (BRICS) Meeting on Population Ageing was convened in Beijing. Building from the successes of the 2017 BRICS engagement, South Africa as the chair of BRICS in 2018 will host the BRICS Meeting on Population Matters. The Minister addressed the 5th Annual Multidimensional Poverty Peer Network (MPPN) held in Beijing, China. The Department in close cooperation with Statistics South Africa (Stats SA) will host the 6th Session of the MPPN. South Africa was re-elected as the Secretariat of Partners in Population and Development (PPD) for a further term of three years. South Africa through its international membership continued robust participation in key social development international bodies such as International Social Service (ISS) and International Social Security Association (ISSA). Working together with UNICEF, South Africa joined the Pathfinder Network to end Violence against Children; this culminated in the participation in the 2030 Agenda for Children: End Violence Solutions Summit held in Stockholm, Sweden.

In prioritising the consolidation of the African agenda, the Department continued to promote cooperation and exchanges through strengthening bilateral relations with, among others, Namibia, Benin, Mozambique, Zimbabwe, Lesotho, Angola and Nigeria. The Department also participated during SADC and AU Social Development activities on Population, Drug Control and Disability.

STRATEGY DEVELOPMENT AND BUSINESS

This unit contributes to the effective, transparent and accountable governance of the Department, in particular to the administration of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000). During the period under review, the draft Information and Knowledge Management Policy was developed. The purpose of the policy is to provide guidance and direction on the management of information and knowledge throughout its life cycle, clarify the role and responsibilities, and establish and maintain information and knowledge management practices that conform to regulatory requirements.

GENDER

During the reporting period, the Department audited six policies/programmes for gender mainstreaming and audit reports were presented to the relevant units. These policies/programmes include the Draft Parking Policy, Child Care and Protection Policy, Smoking Policy, Sexual Harassment Policy and Bereavement Policy. During the financial year, the unit capacitated 204 officials on gender sensitisation and mainstreaming. This includes two workshops held with incoming Interns. Through collaboration with the Japan International Corporation Agency (JICA), a total of 655 women were trained on Kaizen. This training focused on total quality management, self-grading and how womenís businesses grow.

As part of institutionalisation of the 8-Principle Action Plan for Promoting Women's Empowerment and Gender Equality within the Public Service workplace, the Department hosted the Public Service Women's Management Week Meeting in August 2017. A total of 57 Senior Managers, both male and female, participated. A compliance report on the outcomes of the meeting was submitted to the Department of Public Service and Administration (DPSA). In addition, the Department submitted its Implementation Plan and Report for Gender Equality for 2017/18 to DPSA as part of Management Performance Assessment Tool (MPAT) requirements.

During this reporting period, the Unit also hosted events and participated in various campaigns. The Take a Girl Child to Work Day saw 80 learners from various schools in the Pretoria area participate, in a day of awareness on critical issues facing young people and exposed to various careers that exist within the Department. During Women's Month the Unit hosted an event for female staff in partnership with Sanlam and was attended by 286 officials from DSD, SASSA and NDA. The theme for the event was Women United in Taking South Africa Forward: The Importance of Me Time. Additionally, during the reporting period, the Unit activitgely participated in thje Sanitary Dignity Camapign led by the Department of Women as well as the LGBTI information sessions led by the Victim Empowerment Programme. The National Gender Forum was successfully launched and two meetings were held during the reporting period. The Forum is comprised of representatives from DSD Branches and Gender Focal Persons from DSD Provincial Offices.

MONITORING AND EVALUATION

Monitoring and Evaluation completed the outcomes based M&E Framework with indicators at all results levels for Outcome 13. The Framework was consulted with all stakeholders and data collection tools and technical indicator descriptions were developed during the reporting period. These tools will be piloted in the new financial year. The Framework and the tools will enable the Department for the first time to report on the results that have been achieved with the implementation of Outcome 13. These indicators will also feed into the National Integrated Social Protection Information System (NISPIS) system to be collected in a more systematic and regular way in the future.

Since the beginning of the implementation of Outcome 13 for the MTSF 2014-2019 period, the Chief Directorate made progress on (NISPIS). For the first time, data on the 2017 Grade 12 learners receiving Social Grants and Isibindi services was shared electronically with a number of key stakeholders such as Department of Basic Education (DBE), SASSA, National Association of Child Care Workers (NACCW) and National Student Financial Aid Scheme (NSFAS). The data was used to measure the investment that government is making in the lives of poor and vulnerable children. A report was produced to highlight their academic performance as education is a key outcome to address intergenerational poverty and inequality. A number of think tank sessions on priority programmes have been held with key stakeholders to develop an evaluation and research agenda. This in turn led the Department to achieve an MPAT score of level 4 for the evaluation standard.

Management of Performance Information in Government is critical for effective planning, budgeting, policy development and implementation, reporting, monitoring and evaluation. During the reporting period, the Department through this unit successfully coordinated and completed the annual MPAT assessment led by the Department of Planning, Monitoring and Evaluation (DPME). The Unit further compiled the Department's quarterly and annual performance reports, which were submitted to relevant stakeholders including National Treasury, the Auditor-General of South Africa (AGSA), DPME and Parliament. In its effort to improve programme performance, the Department conducted quarterly performance reviews with its programme managers to assess performance achievements against set targets and to recommend corrective actions in areas where targets were partially achieved or not achieved. The Department received a clean audit on performance information for the fifth consecutive year in 2016/17, 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 2018. All these efforts contributed to Outcome 12: An efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship and Outcome 13: An inclusive and responsive social protection system.

LEGAL SERVICES

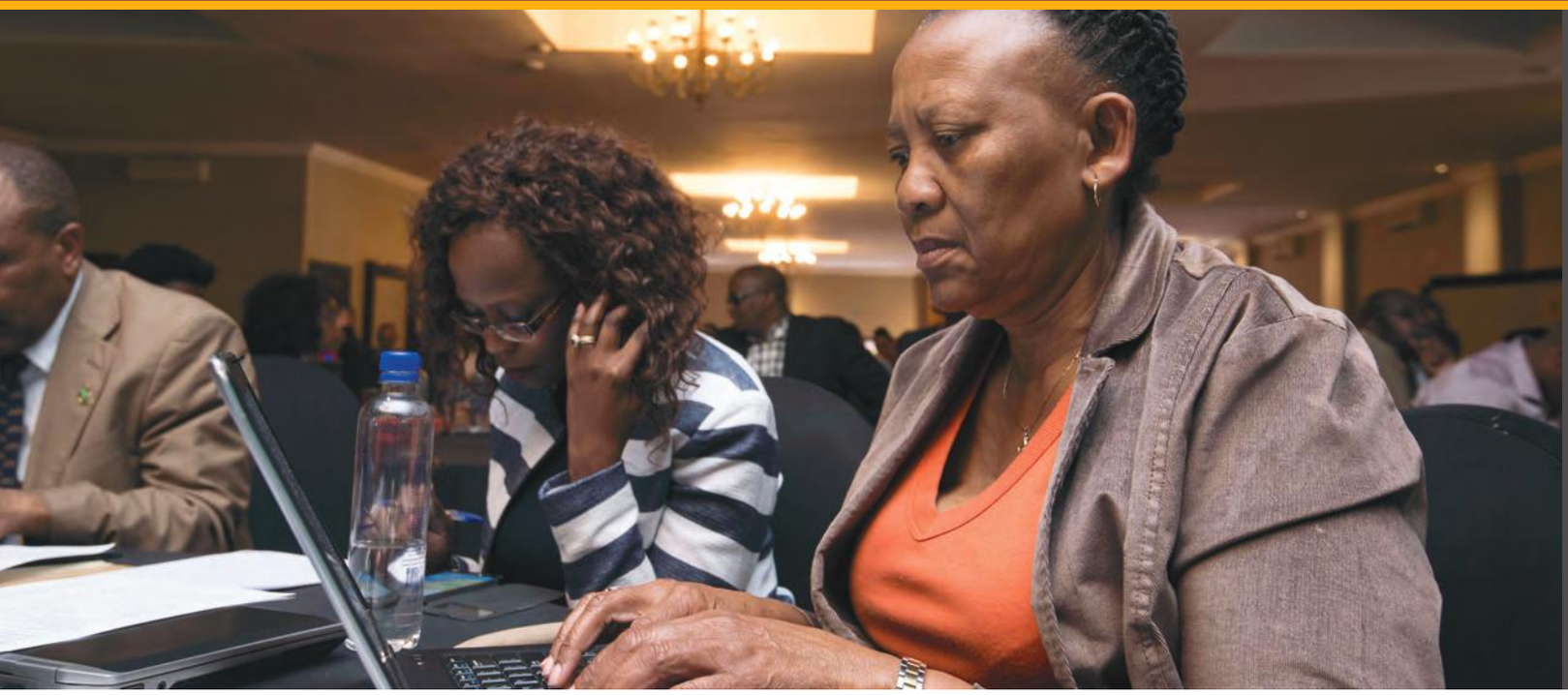
This unit provides professional and effective legal services to the Ministry in line with the DSD strategic objectives by, among others:

- Managing and coordinating legal contracts through contract management system;
- Managing and coordinating the drafting of primary and secondary legislation;
- Managing litigation matters and ensuring legal compliance by the Department; and
- Coordinating and provisioning of general legal advice and legal documents.

Legal Services vetted a total of 114 contracts through contract management system, which is a database to manage the vetting and implementation of contracts. This system was not operational in the third quarter and as such 54 contracts were processed manually. Despite the technical glitches on the system, the unit successfully vetted 100% of all contracts received.

National Department is required to develop and amend legislation as requested by various line functions. There are various pieces of legislation that we are currently processing and these include, among others, the following:

- Social Assistance Amendment Bill
- Older Persons Amendment Bill
- Fundraising Amendment Bill
- Victim Support Services Bill
- Social Services Professions Bill
- Children's Third Amendment Bill



These pieces of legislation are at various stages of development and approval by relevant structures. Litigation within the Department based on contracts and appeals on the Social Assistance Act has reduced significantly. This has been attributed to the litigation strategy implemented by the Department targeted at deterring opportunistic litigants. Despite the reduction in litigation, one of the main challenges is the lack of cooperation from the Office of the State Attorney in informing the Department timeously of matters being filed against the Department and also those matters being set down. Although the Department is able to manage the situation thus far, it may however not be sustainable going forward. The other issue is the high turnover of legal professionals in the unit, which is adversely impacting the capacity within the unit. The slow rate of filling in of vacancies by the Department is indeed a challenge for the unit.

COMMUNICATIONS

The Communications unit developed a Communications Strategy for the social development sector. This strategy was extensively consulted with provincial departments of social development and DSD agencies. Communication in the sector is under-resourced and under-budgeted for. Recommendations were made on a proposed model to finance the strategy. This strategy will also enable the Department to continue to forge relationships with different media stakeholders so that its message is widely received, is better and is in the languages spoken by communities. A total number of 52 Public Participation Programmes (PPPs) were organised with a reach of 72 190 face-to-face interactions. Due to the high cost of communication, creative ways and development communication become paramount in our approach to reaching South Africans. Social media has revolutionised communication and undermined all borders. It continues to be a vital, instant and cheaper form of communication reaching wider audiences nationally, regionally and internationally. As a result of constant growing social media presence, DSD has improved on the reach of youth, women and persons with disability. In this regard, a total of 3 228 210 people were reached via social media platforms, for the period under review. The Department's campaigns have been particularly successful on Facebook and Twitter, reaching 1 352 926 timelines on Facebook and 1 835 200 timelines on Twitter. It is through the Department's social media platforms that information, like the Repatriation of the Zimbabwean Children court case heard in the North Gauteng High Court, generated interest in the country, regionally and internationally (in the Zimbabwe Chronicle and The New York Times).

The Unit produced 49 advisories, 40 media statements and 23 speeches. The Communication Unit also responded to 19 media enquiries and arranged 32 media interviews during the period under review. DSD's constant relationship with Government Communication and Information System (GCIS) has assisted in improving relations with cluster departments. Through marketing and advertising initiatives, Communications expanded its relationship with university campus radio stations, retail store radio stations, UNICEF and the South African Broadcasting Corporation (SABC). The Unit was able to negotiate for better rates, resulting in cost savings to the Departmentís communication budget.

INTERNAL AUDIT

This Chief Directorate conducted financial, compliance, governance, performance and information technology audits in accordance with the 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 26 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. Similarly, weaknesses identified during the audits were communicated and remedial steps were recommended to all relevant managers. Risk areas were audited as directed by the Internal Audit Coverage Plan, thus enhancing the Department's control environment. Management and the Audit Committee were instrumental in ensuring that corrective actions were taken to address identified weaknesses, which assisted the Department in strengthening the control environment.

HUMAN CAPITAL MANAGEMENT

Human Resource Development

In an effort to contribute towards a skilled and capable workforce, the Unit developed and implemented a Workplace Skills Plan. A total of 329 officials at all levels, including Interns, attended identified skills development courses within the Department. To enhance the formal skills base of the Department, 85 officials were supported through a bursary to study towards a qualification in various study areas. The Department continued its Internship Programme and 64 graduate Interns and nine (9) student Interns were placed in various functional areas. The Department continued to provide technical support to line managers for implementing various capacity-building programmes.

Human Resource Development and Performance Management

The Department sought to manage its staff in a consultative, supportive and non-discriminatory way in order to enhance its organisational efficiency, effectiveness and accountability. Performance Agreements (106), Work Plans (710), Mid-Term Reviews (688) and Annual Performance Appraisals (779) 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.

FINANCE

Cost and Management Accounting

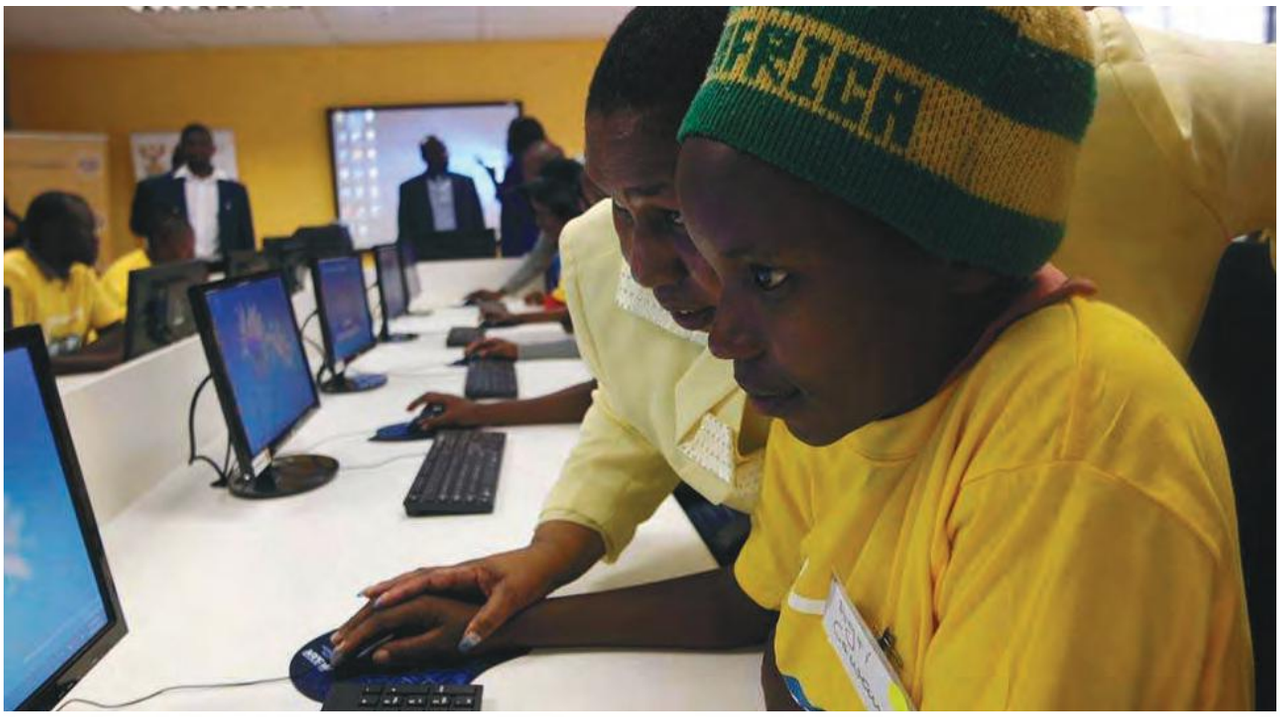
The Department continued to oversee the management and administration of social grants by SASSA and remained accountable for the R151.2 billion received for the payment of social grants. The Unit has worked closely with line functions in analysing expenditure trends and financial compliance to ensure that appropriated funds are spent in line with the Department's mandate. The Unit has also implemented various cost containment measures to ensure that government funds are spent effectively and appropriately during this financial year.

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 reference for all goods and services valued at R500 000 or more. SCM policies and financial policies and prescripts were reviewed and aligned to the relevant instruction notes from National Treasury. Internal control coordinated audits effectively and contributed towards the Department achieving a clean audit in the 2016/17 financial year.

INFORMATION MANAGEMENT AND TECHNOLOGY

The Department is operating on disparate and ageing systems which are no longer considered sustainable for programme delivery. As a result, Integrated Case Management (ICM) system has been developed to improve information sharing and beneficiary case management across the social services sector. The Integrated Case Management System is intended to enable Social Development to deliver key Social Protection programmes more effectively and efficiently. Coupled with the ICM System is the developed Mobile Applications to standardise the capturing of data and thus improve data quality and access to beneficiary information by other government departments. One of the highlights achieved in 2017/18 was the integration of DSD, DBE, SASSA, Department of Higher Education and Training (DHET), NSFAS, Department of Home Affairs (DHA) and National Association of Child Care Workers (Isibindi Programme) systems on 2017 Grade 12 academic performance of social grants beneficiaries. The linkage of data systems across the seven departments/agencies enabled performance analysis of Grade 12 CSG beneficiaries aimed at facilitating automatic allocation of NSFAS bursaries to vulnerable learners and linked to institutions of higher learning.



INTERGOVERNMENTAL RELATIONS AND EXECUTIVE SUPPORT

STRATEGIC OBJECTIVE: ENSURE EFFECTIVE AND EFFICIENT DECISION MAKING AND STAKEHOLDER RELATIONS BY 2019

PERFORMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT FOR 2016/17	ANNUAL TARGET FOR 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Percentage of Social Protection, Community and Human Development (SPCHD) Cluster decisions monitored and reported	100% monitoring and reporting of SPCHD Cluster decisions	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	Monitor and report on 100% of SPCHD Cluster Facilitate	The Unit monitored and followed up on all decisions taken at the 10 Cluster meetings held during the period under review. Progress is reported on a monthly basis	No deviation
Number of international engagements facilitated	Facilitate DSD participation in 6 international events	Participation was facilitated for more than 6 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	DSD participation in 8 international engagements	The Unit facilitated the Department's participation in 13 international engagements	In addition to the statutory engagements of the UN, there were crucial multilateral engagements and bilateral interactions that had to occur during the course of the year which were not on the initial plan.

STRATEGY DEVELOPMENT AND BUSINESS

STRATEGIC OBJECTIVE:	IMPROVE SOCIAL DEVELOPMENT SECTOR (SDS) PLANNING AND PROGRAMME IMPLEMENTATION BY 2019				
PERFORMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT FOR 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/18 TARGET**
Information and Knowledge Management Policy	New indicator	-	Develop Information and Knowledge Management Policy	Information and Knowledge Management Policy was developed	No deviation

GENDER

STRATEGIC OBJECTIVE:	TO ENSURE WOMEN'S EMPOWERMENT AND GENDER EQUALITY THROUGH INTEGRATING GENDER INTO POLICIES, PROGRAMMES AND ACTIVITIES OF DSD, SASSA AND NDA				
PERFORMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT FOR 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/18 TARGET**
Number of gender responsive policies	Facilitate the integration of gender into 4 polices	2 policies and 2 programmes were reviewed	Facilitate integration of gender into 4 policies	The Department facilitated the integration of gender into six policies, namely: • Draft Parking Policy • Child Care and Protection Policy • Smoking Policy • Sexual Harassment Policy • Bereavement Policy • Revised Sexual Harassment Policy	Following the review of the Sexual Harassment Policy, the opportunity arose to review the amendments during the same financial year

MONITORING AND EVALUATION

STRATEGIC OBJECTIVE: IMPROVE SOCIAL DEVELOPMENT SECTOR PERFORMANCE THROUGH M&E BY 2019

PERFORMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT FOR 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Outcomes Based Framework	Develop common Framework with developed set of indicators aligned to the Outcomes-Based Framework	A results-based M&E indicators were and consulted with all relevant Stakeholders. Indicators have been incorporated into the non-financial data	Develop M&E tools to measure Outcomes for Social Protection	Data collection tools for Social Protection/ Outcome 13 were developed	No deviation
Evaluation reports	Conduct Implementation Evaluation of the Older Persons Act	Data collection instruments were developed and approved	Conduct implementation evaluation of social crime prevention strategy	Mapping of all policies, plans and strategies related to Social Crime Prevention was completed. Theory of Change Developed. Preliminary literature review submitted	The delays in the first phase of the evaluation shifted the timelines. This means that the evaluation will be completed in 2018/19 financial year

STRATEGIES TO OVERCOME UNDER PERFORMANCE
The standard operating procedures have been reviewed to minimise delays and risks in the evaluation process.

LEGAL SERVICES

STRATEGIC OBJECTIVE: EFFICIENT AND EFFECTIVE LEGAL SERVICES FOR THE DSD

PERFORMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT FOR 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Percentage of legally sound contracts vetted within 3 days of receipt of all information	98% of contracts developed and vetted through the Contract Management System	The unit received 99 contracts and all (100%) were vetted through the contract Management System	98% of contracts developed and vetted through the Contract management system within 3 days	A total of 114 (100%) contracts were vetted	The contract management system, was dysfunctional from the third quarter 54 contracts were processed manually.

STRATEGIES TO OVERCOME UNDER PERFORMANCE
The contract management system is managed and maintained by IMST through SmartGov. The functioning and/or malfunctioning of same is a technical issue which is beyond legal services and which must be resolved by the IMST. The technical problem and related fault has since been rectified and the Contract Management System is running once again.

COMMUNICATIONS

STRATEGIC OBJECTIVE:	IMPROVE PUBLIC ACCESS TO DSD INFORMATION AND SERVICES AND SUSTAIN EMPLOYEE ENGAGEMENT BY 2019				
PERFORMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT FOR 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/18 TARGET**
Number of public participation events for Minister and Deputy Minister	24 public participation events for the Minister, 24 for the 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	24 public participation events for the Minister, 24 for the Deputy Minister	A total of 52 public participation events were conducted in the period under review; 27 for the Minister 25 for the Deputy Minister	No deviation
Communication Strategies developed	New Indicator	-	Develop Communication for external, internal and online communication	Communication strategy Strategy for the Social Development sector was developed	No deviation

INTERNAL AUDIT

STRATEGIC OBJECTIVE:	PROVIDE INDEPENDENT ASSURANCE AND CONSULTING SERVICES ON RISK MANAGEMENT, CONTROL AND GOVERNANCE PROCESSES.				
PERFORMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT FOR 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/18 TARGET**
Number of risk-based projects audited as per the Internal Audit Coverage Plan	Audit 28 risk-based projects	23 risk-based projects were conducted in the period under review	Audit 26 risk-based projects	26 audit risk based projects were conducted in the period under review	No deviation

HUMAN CAPITAL MANAGEMENT

STRATEGIC OBJECTIVE:	ENSURE ADEQUATE CAPACITY, CAPABILITY AND SOUND EMPLOYEE RELATIONS FOR THE DEPARTMENT TO DELIVER ON ITS MANDATE				
PERFORMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT FOR 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/18 TARGET**
Social Sector Human Resources Plan (SHRP)	Approval of the SHRP	The SHRP was not approved	Submit SHRP to Minister and Members of the Executive Council (MinMEC) for approval	A draft Sector Human Resources Plan was developed consulted extensively with various stakeholders and tabled before the Departmental Management Committee (MANCO)	MANCO took a resolution / decision that a strategy dialogue is required in order to align the Sector Human Resource Plan to the strategy
Social Development Academy	Develop Operating Policy Guidelines for the Social Sector Academy	-	Establish Phase 1 of the Social Sector Academy	Phase 1 of the Social Sector Academy has been established	No deviation
STRATEGIES TO OVERCOME UNDER PERFORMANCE Alignment of the Sector HR Plan to departmental strategy wherein the Strategy conversation / dialogue to be coordinated by the Strategic Management Unit.					

FINANCE

STRATEGIC OBJECTIVE:	TO PROVIDE PROACTIVE STRATEGIC AND FINANCIAL SUPPORT TO DSD, ENABLING DELIVERY OF THE MANDATE				
PERFORMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT FOR 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/2018 TARGET**
Unqualified audit report on Annual Financial Statements (AFS)	Unqualified audit report on AFS	The Department obtained an unqualified audit opinion from the AGSA on its 2015/16 audited Annual Financial Statements	Unqualified audit report on AFS	The Department obtained an unqualified audit opinion from the AGSA on its 2016/17 audited Annual Financial Statements	No deviation

INFORMATION MANAGEMENT AND TECHNOLOGY

STRATEGIC OBJECTIVE	TO PROVIDE PROACTIVE STRATEGIC AND FINANCIAL SUPPORT TO DSD, ENABLING DELIVERY OF THE MANDATE				
PERFORMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT FOR 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/2018 TARGET**
Integrated Social Sector – wide ICT service delivery platform	Develop the Child Protection Register and Alternative Care	The Child Protection Register and Alternative Care were developed and tested	Integrate existing welfare services into the Single Information Case Management System	Four Welfare Services Modules plugged into the Integrated Case Management System	The Integration of existing welfare services into the Single Information Case Management System was not completed due to resource constraints
	Upgrade the National Integrated Social Information System (NISIS) to include community profile			Linking of data systems between DSD, DBE, DHA SASSA, NSFAS was completed to track the 2017 Grade 12 CSG learners academic performance	

STRATEGIES TO OVERCOME UNDER PERFORMANCE

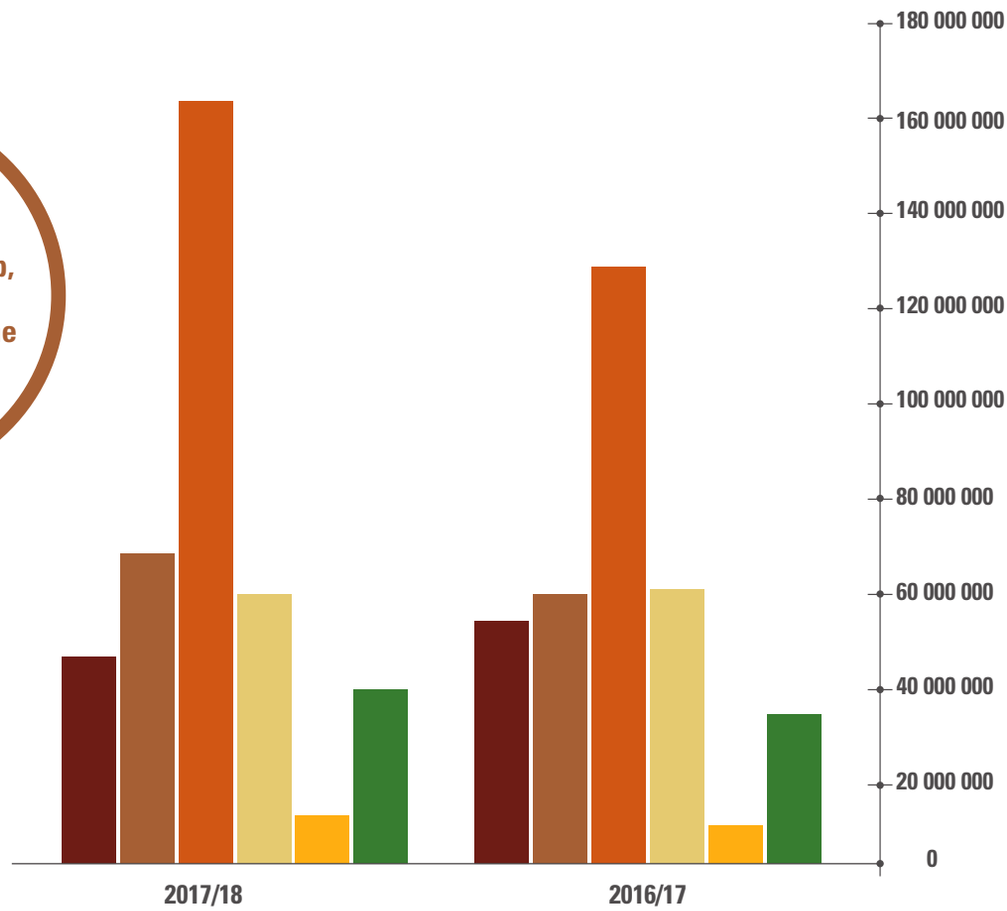
NSFAS to assist with Developers (warm bodies) to come and assist DSD's IMST team to fast track the project delivery and streamline out number of projects over the year under review. Continue to ask for additional funding.

LINKING PERFORMANCE WITH BUDGETS
PROGRAMME 1: ADMINISTRATION

P1: ADMINISTRATION

	2017/18			2016/17		
DETAILS PER SUB-PROGRAMME	**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	44 218	44 123	95	55 623	55 513	110
1.2 Departmental Management	68 454	68 100	354	59 941	59 941	-
1.3 Corporate Management	162 142	161 290	852	128 062	127 787	275
1.4 Finance	60 020	59 323	697	60 537	60 537	-
1.5 Internal Audit	11 346	11 101	245	9 548	9 548	-
1.6 Office Accommodation	40 258	40 182	76	36 420	36 420	-
TOTAL	**386 438**	**384 119**	**2 319**	**350 131**	**349 746**	**385**

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



P1: ADMINISTRATION

PROGRAMME 2: SOCIAL ASSISTANCE

ANNUAL REPORT 2018

PART B2

PERFOMANCE INFORMATION BY PROGRAMME

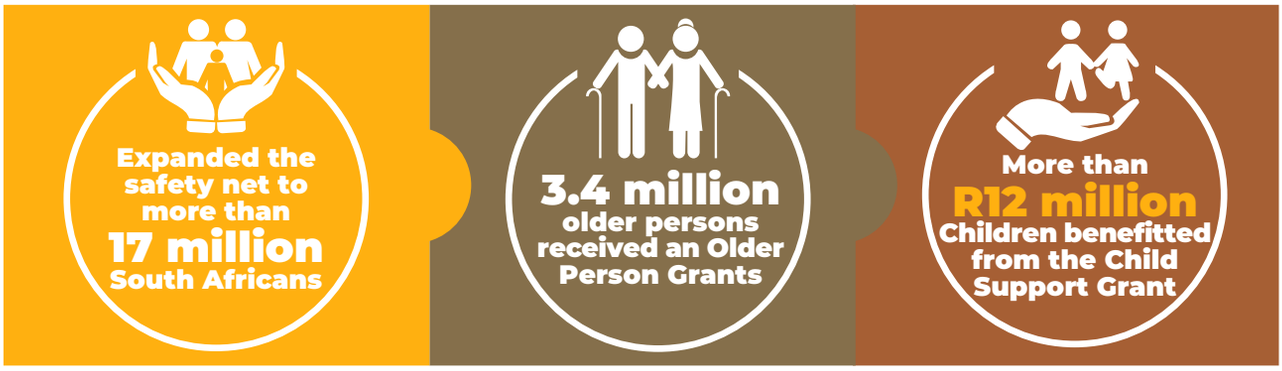
PROGRAMME PURPOSE

To provide social assistance to eligible beneficiaries in terms of the Social Assistance Act (Act No. 13 of 2004) and its regulations.

SOCIAL ASSISTANCE

The coverage of the Social Assistance Programme expanded over the years and continues to serve as one of Government's primary intervention to reduce poverty and provide a safety net to the poor and vulnerable. During the period under review, a total of 17.5 million beneficiaries received social grants. Of these, more than 12 million children benefitted from the Child Support Grant (CSG), while 3.4 million older persons received Older Persons Grant (OPG). The benefit amounts were adjusted during the Medium-Term Budget Policy Statement (MTBPS) to counter inflation, with an average increase of 6% for most grants, which was above inflation.

In the current context of high unemployment and low wages, the Social Assistance Programme is a vital buffer against extreme poverty. Its positive impact on the well-being of vulnerable households has been well documented. In particular, social grants contribute to the reduction of income inequality in the country, while the child support grant has been shown to contribute to improved school attendance, educational attainment and access to food.



SOCIAL ASSISTANCE

STRATEGIC OBJECTIVE:		EXTEND THE PROVISION OF SOCIAL ASSISTANCE TO ELIGIBLE INDIVIDUALS BY 2019				
PERFORMANCE INDICATOR		**BASELINE**	**ACTUAL ACHIEVEMENT FOR 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/18 TARGET**
Number of social grant beneficiaries	Older Persons Grant	3 300 054	3 302 202	3 390 947	3 423 337	No deviation
	Child Support Grant	12 348 357	12 081 375	12 313 407	12 269 084	No deviation
	War Veterans Grant	162	176	124	134	No deviation
	Disability Grant	1 085 898	1 067 176	1 060 874	1 061 866	No deviation
	Care Dependency	147 791	144 952	150 296	147 467	No deviation
	Foster Care Grant	460 830	440 295	420 248	416 016	No deviation
	Grant-in-aid	164 756	164 349	187 841	192 091	Improved accessibility to social grants and beneficiary education
Number of Social Relief Distress (SRD) applications awarded		400 000	461 750	500 000	573 196	Improved accessibility to applicants meeting the qualifying criteria
The annual targets are based on projections and as such the Department accept any output within 5% margin of error of the projected eligible beneficiaries						

LINKING PERFORMANCE WITH BUDGETS

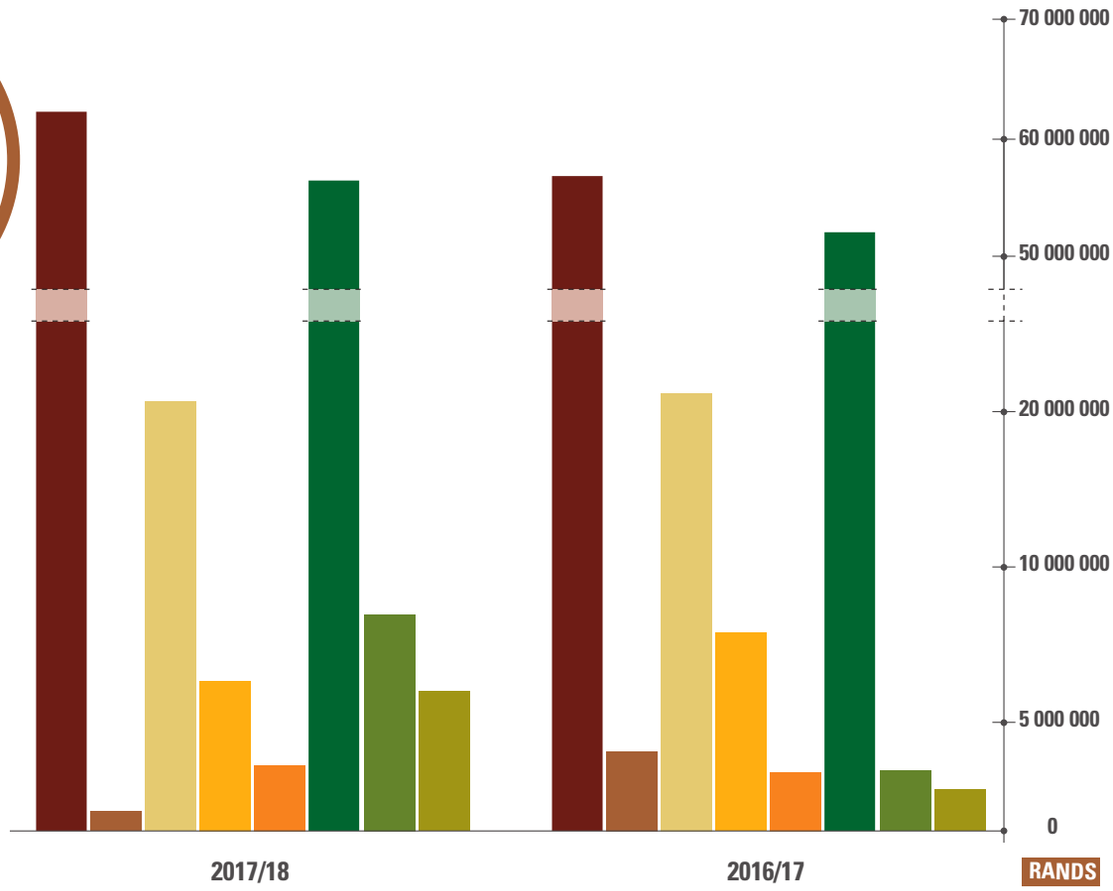
PROGRAMME 2: SOCIAL ASSISTANCE

P2: SOCIAL ASSISTANCE

DETAILS PER SUB-PROGRAMME	2017/18 FINAL APPROPRIATION R'000	2017/18 ACTUAL EXPENDITURE R'000	2017/18 VARIANCE R'000	2016/17 FINAL APPROPRIATION R'000	2016/17 ACTUAL EXPENDITURE R'000	2016/17 VARIANCE R'000
2.1 Old Age	64 158 285	64 130 161	26 104	58 459 478	58 327 000	132 478
2.2 War Veterans	3 935	3 086	849	4 622	3850	772
2.3 Disability	21 045 440	20 944 847	100 593	20 188 422	19 850 553	337 869
2.4 Foster Care	5 375 250	5 207 026	168 224	5 521 995	5 327 659	194 336
2.5 Care Dependency	2 946 454	2 841 422	105 032	2 681 824	2 613 892	67 932
2.6 Child Support	56 231 412	55 847 799	383 613	51 380 579	51 555 181	(174 602)
2.7 Grant-in-Aid	871 476	816 588	54 888	581 771	650 311	(68 540)
2.8 Social Relief	600 000	545 842	54 158	680 000	587 192	92 808
TOTAL	**151 230 232**	**150 336 771**	**893 461**	**139 498 691**	**138 915 638**	**583 053**

PROGRAMME PURPOSE

To provide social assistance to eligible beneficiaries in terms of the Social Assistance Act (Act No. 13 of 2004) and its regulations



P2: SOCIAL ASSISTANCE

PROGRAMME 3
SOCIAL SECURITY POLICY AND ADMINISTRATION

ANNUAL REPORT 2018

PART B3

PERFOMANCE INFORMATION BY PROGRAMME

PROGRAMME PURPOSE

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

SOCIAL SECURITY POLICY DEVELOPMENT

The Department completed its consultations on the Social Assistance Amendment Bill and inputs were incorporated into the revised Bill that was approved by Cabinet and subsequently tabled in Parliament. The Bill makes provision for the payment of improved benefits for orphaned and vulnerable children, the establishment of the Inspectorate for Social Assistance as a Government Component and allows for social assistance applicants to appeal directly to the Independent Appeals Tribunal.

During the reporting period, the Department held engagements with social partners at the National Economic Development and Labour Council (NEDLAC) on the Discussion Paper on Comprehensive Social Security Reform. Social partners developed an engagement matrix for focussed discussions on proposals, which include, among others, the following:

- The introduction of the mandatory cover for retirement, disability and survivor benefits;
- Universalisation of the Old Age Grant and Child Support Grant;
- Expansion of unemployment insurance benefits;
- Improved institutional coordination, regulatory reforms and creation of a common client interface for social security beneficiaries; and
- Building a master social security registry.

The consultation process with the NEDLAC Task Team on Comprehensive Social Security will continue into the 2018/19 financial year. Consultations on the universalisation of the old age and child support grants, increasing the value of the child support grant for orphans in the care of family, pregnancy and maternal benefits, and improvements to disability assessments were conducted in all provinces.

Another notable achievement was the publication and launching of the inaugural Social Budget Bulletin. The Bulletin will be used as a tool to systematically report, analyse and review all social expenditure across time, and to inform and influence comprehensive social protection policy development in the country. The Social Security Review was also peer reviewed and finalised, with its publication and launch planned for the 2018/19 financial year. The publication will provide a platform that bridges existing social security information gaps, disseminating easy-to-understand, recent and reliable social security policy, regulatory framework and topical issues within the social security environment. The Department continued its work of preparing for the establishment of the Inspectorate for Social Assistance, which will be empowered to maintain the integrity of the social assistance framework and systems.

APPEALS ADJUDICATION

The Independent Appeals Tribunal was successful in improving its systems and streamlined collaboration with SASSA; this has contributed towards an increase in the percentage of appeals adjudicated within 90-days of receipt of an appeal. A total of 1 321 appeals were adjudicated, of which 96.6% (1 276) were adjudicated within 90 days. These achievements contributed to Outcome 13: An inclusive and responsive social protection system.

INSPECTORATE FOR SOCIAL ASSISTANCE

The Department continued to prepare for the establisment of an independent Inspectorate for Social Assistance which seeks to contribute to the effective, transparent, accountable and coherent governance of the social assistance system. During the reporting period, the Inspectorate implemented various policies and frameworks which set direction and guidance on conducting its core business. In this regard, five compliance audits were conducted at SASSA regional office. Similarly, the Department also conducted 12 fraud awareness sessions at SASSA district's and local offices. Furthermore, a total of 40 stakeholder engagement sessions were conducted in various districts during the reporting period. As envisaged in the Social Assistance Amendment Bill, the Inspectorate for Social Assistance will be instituted as a Government Component once the Bill is approved.

SOCIAL SECURITY POLICY DEVELOPMENT

STRATEGIC OBJECTIVE:	AN EFFECTIVE AND EFFICIENT SOCIAL SECURITY SYSTEM THAT PROTECTS POOR AND VULNERABLE PEOPLE AGAINST INCOME POVERTY BY 2019				
PERFORMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT FOR 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/18 TARGET**
Policy on universalisation of benefits to older persons	Complete policy on universalisation of benefits to older persons	The policy on the universalisation of benefits to older persons was completed	Submit policy for the universalisation of benefits to older persons for approval	The Policy was processed and supported by all departmental internal governance structures . The policy was approved by the Minister for tabling at the Inter-ministerial Committee (IMC) on Social Security	No deviation
Discussion paper on the universalisation of the CSG	Complete a discussion paper on the universalisation of the CSG	The discussion paper on the Universalisation of the CSG was completed	Consultations on the discussion paper on the universalisation of the CSG	Discussion paper was consulted with all provinces and it has been revised and finalised	No deviation
Legislation to increase the value of the CSG to Orphans and Child-Headed Households	Submit Social Assistance Amendment Bill to Cabinet	Social Development Amendment Bill was submitted to Cabinet	Introduce the Bill to Parliament	Bill submitted to Parliament for consideration.	No deviation
Policy on mandatory cover for retirement, disability and survivor benefits	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	Develop policy on mandatory cover for retirement, disability and survivor benefits	The draft policy paper was developed	No deviation
Policy on voluntary inclusion of informal sector workers in social security	Draft policy paper on voluntary inclusion of informal workers in social security	-	Develop a technical report on voluntary inclusion of informal sector workers in social security	Technical report was not completed due to gaps, in the technical details	The Department could not find a suitable service provider to assist in the development of the technical report. Bid had to be re – advertised
Policy on pregnancy and maternity benefits	Interdepartmental discussion paper on pregnancy and maternity benefits completed	-	Consultations on the draft discussion paper on pregnancy and maternity benefits	Discussion paper was consulted with all provinces and it has been revised and finalised	No deviation

STRATEGIES TO OVERCOME UNDER PERFORMANCE

Technical report on volutary inclusion of informal sector workers in social security will be pioritised for completion in 2018/19 financial year

APPEALS ADJUDICATION

STRATEGIC OBJECTIVE: PROVIDE AN EFFECTIVE, EFFICIENT AND ACCESSIBLE SOCIAL ASSISTANCE APPEALS SERVICE FOR BENEFICIARIES OF SOCIAL ASSISTANCE BY 2019

PERFORMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT FOR 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Percentage of appeals adjudicated within 90 days	Adjudicate 70% of appeals within 90 days of receipt	A total of 2 235 appeals were adjudicated, of which 85.6% (1 914 of 2 235) were adjudicated 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	Adjudicate 70% of appeals within 90 days of receipt	A total of 1 321 appeals were adjudicated, of which 96.6% (1 276 of 1 321) were adjudicated within 90 days of receipt	Continued collaboration with SASSA and access to SASSA's electronic Internal Reconsideration Management System contributed to reaching the target

INSPECTORATE FOR SOCIAL ASSISTANCE

STRATEGIC OBJECTIVE: TO IMPROVE AND INCREASE ACCESS TO SOCIAL SECURITY BY 2019

PERFORMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT FOR 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Financial and Compliance Audits Framework	Approval of the Financial and Compliance Audits Framework	The Financial and Compliance Audits Framework was approved	Conduct 4 Compliance Audit activities at SASSA offices	5 compliance audits were conducted	The extra audit was conducted as a result of the assessment made and availability of hours during the audit process whilst at the local office
Investigations Framework	Approval of the Framework for Investigations	The Investigations Framework was approved	Conduct 9 Fraud Awareness Campaigns	12 fraud awareness campaigns were conducted	The overachievement for Fraud Awareness Campaigns was due for positive response and request for additional campaigns by SASSA

INSPECTORATE FOR SOCIAL ASSISTANCE (continued)

STRATEGIC OBJECTIVE: TO IMPROVE AND INCREASE ACCESS TO SOCIAL SECURITY BY 2019

PERFORMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT FOR 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Inspectorate for Social Assistance Stakeholder and Partnership Strategy	Develop and implement Stakeholder and Partnership Strategy	The Stakeholder and Partnership strategy was developed and approved Roundtable engagements were held with various SASSA regional, district and local offices. Further roundtable engagement were held with SASSA Head Office and the Hawks	Implement the Stakeholder and Partnership Strategy	As part of implementing Stakeholder and Partnership Strategy, the Department conducted 40 stakeholder engagements in the period under review	No deviation

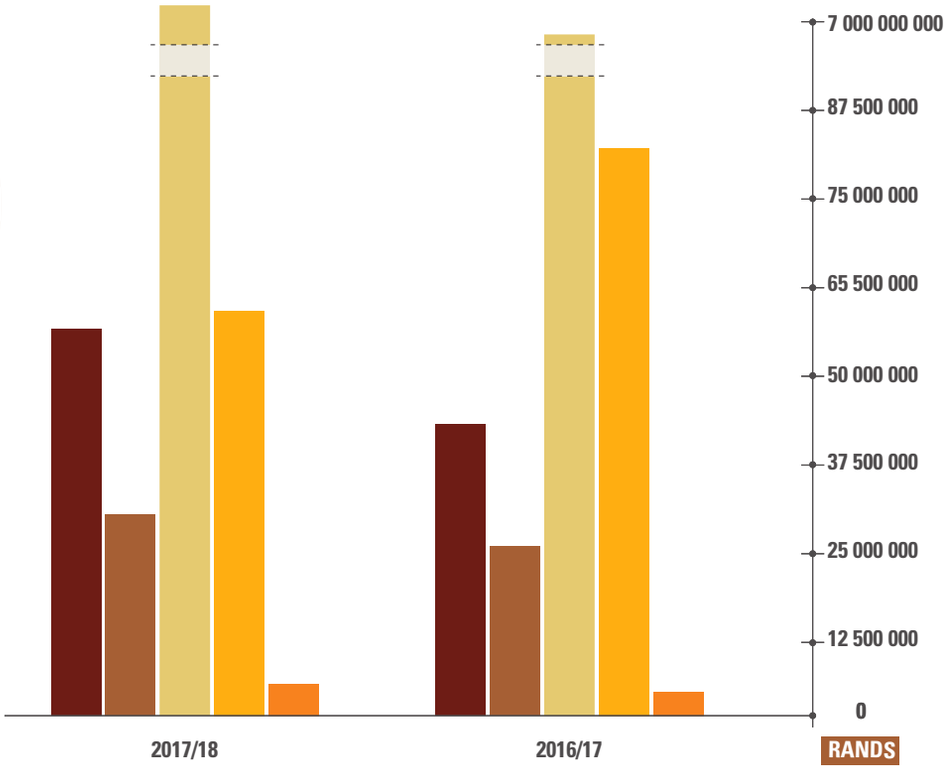
LINKING PERFORMANCE WITH BUDGETS
PROGRAMME 3: SOCIAL SECURITY POLICY AND ADMINISTRATION

P3: SOCIAL SECURITY POLICY AND ADMINISTRATION

	2017/18			2016/17		
DETAILS PER SUB-PROGRAMME	**FINAL APPROPRIATION** R'000	**ACTUAL EXPENDITURE** R'000	**VARIANCE** R'000	**FINAL APPROPRIATION** R'000	**ACTUAL EXPENDITURE** R'000	**VARIANCE** R'000
3.1 Social Security Policy Development	57 085	42 970	14 115	43 248	43 135	113
3.2 Appeals Adjudication	28 507	26 903	1 604	25 685	25 467	218
3.3 Social Grants Administration	7 144 341	7 144 341	-	6 825 866	6 825 866	-
3.4 Social Grants Fraud Investigation	61 719	61 719	-	83 066	83 066	-
3.5 Programme Management	4 585	1 784	2 801	3 408	3 408	-
TOTAL	**7 296 237**	**7 277 717**	**18 520**	**6 981 273**	**6 980 942**	**331**

PROGRAMME PURPOSE

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



P3: SOCIAL SECURITY POLICY AND ADMINISTRATION

PROGRAMME 4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

ANNUAL REPORT 2018

PART B4

PERFOMANCE INFORMATION BY PROGRAMME

PROGRAMME PURPOSE

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

PROFESSIONAL SOCIAL SERVICES AND OLDER PERSONS

Service Standards, Governance and Quality Assurance

During the reporting period, the Department developed the Demand and Supply Model for Social Service Practitioners. The Model provides an analysis of the geographic distribution and workload requirements for practitioners. The Model will assist in determining the population ratio, integrated workforce planning and future projections in terms of the demand and supply of practitioners in the country. Consultation will be made with other key government departments regarding the Model in order to assess their demand for practitioners. Thereafter, it will be submitted to Cabinet for approval.

The Department also developed a framework for the revised White Paper for Social Development. The framework was extensively consulted with the social development sector to solicit buy-in and inputs. The revised White Paper will be presented to Cabinet structures for approval, culminating in 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 respect to social development services.

Professional Support Services

To ensure effective delivery of social welfare services, the Department creates an enabling environment for regulation of Social Service Practitioners. During the period under review, the Department facilitated the development of Social Service Practitioners Bill. The objective of this Draft Bill is to establish the South African Council for Social Service Practitioners, a statutory body mandated to regulate social service practitioners in the country. During the year under review, the Bill was consulted with all relevant stakeholders. The final Draft Bill was submitted to the Office of the Chief State Law Advisor for pre-certification and will subsequently be submitted to Cabinet for approval in the 2018/19 financial year.

The National Student Financial Aid Scheme (NSFAS) continued to administer the scholarship funds on behalf of the Department. For the financial year 2017/18, a total of R123.4 million was transferred to NSFAS for funding of 4 841 students, of which 510 were part of the new intake for the 2017 academic year. In relation to the implementation of the Recruitment and Retention Strategy for Social Service Practitioners, the Department was able to facilitate employment of 566 social work graduates through the conditional grant for employment of scholarship graduates. In this regard, provincial departments spent R181 829 996 as a grant to pay for salaries of these graduates. This grant was approved for implementation over a period of three years starting from 2017/18.

The Department commenced with the implementation of the Recruitment and Retention Strategy for Social Service Practitioners. The main objective of the Strategy is to promote the Department as an employer of choice for social service practitioners as well as ensuring that they remain productive employees in delivering on the departmental mandate. To ensure retention of newly employed social service practitioners, the Department developed an Induction Policy and Induction Programme which will be rolled out by provincial departments in 2018/19. As part of the retention strategy, the Department is implementing the Social Work Veterans Programme, which values experience and knowledge of retired Social Workers in enhancing the capacity of Social Work Practitioners. In this regard, a Draft Policy for the Social Work Veterans Programme was developed to provide a framework for engagement, consultation and possible employment of social work veterans. Finally, the Draft Policy for Recognition of Excellence for Social Service Practitioners was developed and consulted in eight provinces except for Mpumalanga.

Older Persons

The Department has a responsibility to ensure care, support, promotion and protection of the rights of older persons in line with the Older Persons Act, 2006 (Act No. 13 of 2006). To advance these, in October 2017, the Department successfully implemented the National Active Ageing Programme in KwaZulu-Natal. More than 2 500 older persons from all provinces participated in this programme that 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 is amending the Older Persons Act due to gaps and challenges experienced during its implementation. In May 2017, this Amendment Bill was published in the Government Gazette for public comment. Inputs received were consolidated into the Bill. The Bill will be presented to Cabinet for approval for submission to Parliament in 2018/19. Another notable achievement was the Implementation Evaluation of the Older Persons Act conducted in collaboration with the DPME. The evaluation was intended to assess the extent to which the Act is being implemented and how it could be improved. A draft evaluation report is being finalised and the findings and recommendations will be presented to Cabinet in the 2018/19 financial year. The Department is committed to ensuring that caregivers caring for older persons are capacitated and skilled to ensure that older persons receive quality services in line with the legislative frameworks. During the reporting period, a total of 300 caregivers from both Community-Based Care and Support Services and Residential Care Facilities were trained on the accredited Skills Programme for Caregivers. The main emphasis of training was on elder abuse, Alzheimer's, palliative care, first-aid and common chronic diseases in old age. The training was aimed at equipping caregivers with skills and knowledge so that they can be able to identify and deal with issues of elder abuse and Alzheimer's diseases and related illnesses.

The protection of older persons against abuse remains a priority within the Social Development Sector. The Department is implementing an electronic elder abuse register as a mechanism to capture reported cases of alleged elder abuse and monitor convictions for the reported cases.

A total of 88 sites are currently collecting data of the victims of crime and violence on older persons. The Older Persons Abuse Register is currently used by DSD and civil society organisations. A total of 555 cases were reported in all provinces.

The Department commemorated World Prevention of Elder Abuse Awareness Day in June 2017 in Bochum in Limpopo. The International Day for Older Persons was commemorated in October 2017 at Nomaís Home for the Aged in Ga-Rankuwa. The Department monitored 45 Community-Based Care Services and 45 Residential Facilities for compliance with the Norms and Standards for Services to Older Persons. As part of promoting the voice of older persons, the Department through the South African Older Persons Forum conducted capacity-building workshops in 10 districts in KwaZulu-Natal and two (2) districts in Northern Cape to facilitate the establishment of Older Persons Forums. These forums are used as advocacy mechanisms for the promotion of the Rights of Older Persons. All these achievements enabled the Department to contribute to the realisation of Outcome 2: A healthy life for all South Africans.

EARLY CHILDHOOD DEVELOPMENT

The provision of ECD services in the country is espoused in the National Development Plan (NDP). As part of effective implementation of the ECD Policy, the Department developed the National Integrated Plan on Early Childhood Development (NIPECD) in collaboration with 29 government departments, civil society and ECD structures. NIPECD was presented to Technical Working Group (TWG) and Social Protection Community and Human Development Cluster (SPCHDC) and will be presented to Cabinet for approval during the 2018/19 financial year.

During the reporting period, the Department registered 2 255 new ECD centres across the provinces. Furthermore, 827 338 children accessed ECD services. A total of 539 748 children benefitted from the equitable share subsidy and 60 307 from the conditional grant subsidy. A total of 459 ECD centres benefitted from the ECD infrastructure maintenance grant.

The Department together with National Treasury developed the draft financing strategy. The strategy will inform funding of both Centre and Non-Centre-based models including increasing access to children with disabilities, and will be used to mobilise resources from Government and private sector to increase access to quality ECD services. The strategy will also be finalised during the 2018/19 financial year. National Treasury has allocated an amount of R812 million for 2017/18 and 2018/19 as a conditional grant – for subsidy and infrastructure maintenance grant. The subsidy is meant to subsidise children from poor households and underserviced communities in registered programmes to increase coverage access to ECD services. The infrastructure maintenance grant is intended to improve conditionally registered ECD centres to meet the basic requirements in order to become fully registered. This will assist the Department to increase the number of fully registered ECD centres and programmes and in turn increase the number of children accessing ECD services.

Empowerment of parents and caregivers is central to attaining universal access to ECD services. As such, the Department implemented the Parenting Programme, reaching 4 616 parents and caregivers. The purpose of the Programme is to empower and encourage parents and caregivers to participate in developing the potential of their children while they provide care and protection. The Department will continue to train parents and caregivers on parenting during the 2018/19 financial year. The Department developed an Infrastructure Plan and all relevant departments were consulted respecting this Plan. The Plan seeks, among others, to outline roles and responsibilities played by other government departments in the provision of Infrastructure for Early Childhood Development and maximum utilisation of limited resources. Universal access to ECD services can only be realised if Government, civil society, business and the private sector collaborate. In this regard, the Department entered into a partnership with the DG Murray Trust Consortium. The Consortium provides technical support towards implementation of the conditional grant and data collection on ECD centres and the number of children in the ECD centres. This project will commence during the 2018/19 financial year.

CHILDREN SERVICES, ORPHANS AND VULNERABLE CHILDREN (OVC)

Adoptions and International Social Services

Adoption is the legal act of permanently placing a child with a parent other than the birth (or biological) mother or father. An adoption order has the effect of ceasing the parental responsibilities and rights of the biological parents and transferring those responsibilities and rights to the adoptive parents. After the finalisation of an adoption, the adopted child must for all purposes be regarded as the child of the adoptive parents. Previously, social workers employed by the Department were not able to render adoption services. To make adoption services more accessible, the Childrenís Second Amendment Acts was promulgated to make provision for government social workers to render adoption services. Following the promulgation, the Department capacitated social workers across provinces to enable them to provide adoption services.

During the reporting period, a total number of 1 149 adoptions were registered including 1 022 national adoptions and 127 intercountry adoptions. The Children's Act (No. 38 of 2005) makes provision for the Department to keep and maintain a register called the Register on Adoptable Children and Prospective Adoptive Parents (RACAP) for the purpose of keeping a record of adoptable children and a record of fit and proper adoptive parents. The Department is managing this Register to facilitate the matching of available prospective adoptive parents and adoptable children in the country. A total of 446 children and a total of 177 prospective parents were registered in this Register.

Children's Legislation, Compliance Monitoring and Reporting

The care and protection of children remains a key priority for the DSD. Currently, there are 12.5 million children on the CSG; this is an important indicator of the extent of poverty and exclusion in the country. While the Children's Act provides substantive protection for the care and protection of children in South Africa, the gap was an overarching and comprehensive policy that clearly articulates Government's overall policy position for the care and protection of the country's children. The comprehensive Child Care and Protection Policy (CCPP) was developed and will be submitted to Cabinet in the 2018/19 financial year. The Policy, among other key provisions, places significant emphasis on the imperative prioritisation of prevention and early intervention services aimed at reducing the number of children that go through the formal statutory system and who are in court-ordered care such as in foster care or child and youth care centres. South Africa affirmed its commitment to the realisation of children's rights by ratifying both the United Nations Convention on the Rights of the Child and the African Charter on the Rights and Welfare of the Child. The Concluding Observations from the United Nations Committee on the Rights of the Child were disseminated in all provinces during the reporting period.

The Department has an overarching responsibility to monitor this obligation through consultation with all relevant government departments and civil society and by submitting periodic reports to the relevant treaty bodies. South Africa has submitted reportsto both UN and AU committees over the past five years and has received concluding observations and a list of issues respectively that must be considered and responded to by all relevant departments. One of the areas that both treaty bodies were concerned about was the level of authentic children's participation. The Department has therefore developed a children's participation framework and is also reviewing the National Plan of Action for Children in consultation with children countrywide. The National Plan of Action for Children review will include issues raised by both UN and AU committees as part of harnessing the promotion of children's rights in South Africa.

This National Plan of Action for Children (NPAC) will be presented before Parliament during this financial year for approval. The annual Nelson Mandela Children's Parliament is a prominent platform for South Africaís children's voices to be heard about matters that affect them. This year a special session in commemoration of the centenary birth date of Madiba will be held. The Children's Parliament will be held in the National Assembly. This initiative is annually facilitated in collaboration with the Nelson Mandela Children's Fund.

SOCIAL CRIME PREVENTION AND VICTIM EMPOWERMENT

Social Crime Prevention

The Department contributes towards the realisation of Outcome 3: All people are and feel safe through a comprehensive approach that addresses key social and environmental risk factors that are associated with crime. To this end, the Department established national and provincial multidisciplinary social crime prevention committees with different stakeholders, to promote and foster coordination in the delivery of integrated social crime prevention services. During the reporting period, four provincial multidisciplinary committees were established in KwaZulu-Natal, Western Cape, Free State and North West to work together in reducing the crime rate. In addition, a policy framework on accreditation was reviewed and presented to several structures for approval and will be submitted to Cabinet in 2018/19.

This policy will improve services to children in conflict with the law, and encourage parents and community participation in moulding the behaviour of young persons, with a long-term view of reducing repeat offences.

Victim Empowerment Programme

A draft Victim Support Service Bill (VSS Bill) was developed in response to the lack of legislation regulating victim empowerment services, especially shelters for abused women and their children. Subsequent to internal and external consultations with stakeholders, the VSS Bill was certified by the State Law Advisors and will be submitted to Cabinet for approval in 2018/19. The Gender-Based Violence Command Centre (GBVCC) continues to provide comprehensive and integrated services to victims of gender-based violence. During the reporting period, GBVCC received a total of 136 275 calls, 12 137 USSDs and 1557 SMS's, making a agrand total of 149 969 correspondences. The Department continues to popularise the use of GBVCC services and other platforms to report incidents of gender-based violence.

The Department conducted a second Victim Satisfaction Survey on behalf of the Justice Crime, Prevention and Security (JCPS) Cluster with the purpose of determining the satisfaction levels of victims of crime on services rendered by the JCPS Cluster. The final survey report and the related improvement plan to address the recommendation was presented and approved by JCPS and Social Cluster for submission to Cabinet for approval. The Department also facilitates the development of the Victim Empowerment Programme (VEP) Management System for the collection of all victims that access VEP services. This System will enable the sector to track and report on victims within the service value chain. During the period under review, personnel were trained in 207 VEP sites that are connected and are currently collecting data on the VEP information management system.

Families

The Department continued to implement the White Paper on Families with particular focus on early intervention and family support services. During the reporting period, a capacity-building programme for teenage parents was implemented across provinces. This programme is aimed at assisting teenagers to cope better with parenting responsibilities. Similarly, the Department implemented a national parenting programme (Sinovuyo) aimed at empowering parents on how best to communicate with their children without resorting to corporal punishment. A total of four provinces were trained on this programme, namely, Northern Cape, North West, Limpopo and KwaZulu-Natal.

Integrated Anti-substance Abuse Programme

The Prevention of and Treatment for Substance Abuse Act, (Act No. 70 of 2008) prescribes that prevention, early intervention, treatment and reintegration and aftercare services be made available and accessible to communities in South Africa in a coherent, collaborative and coordinated manner. The purpose of the Integrated Anti-Substance Abuse Programme is to develop, review and facilitate the implementation of policy, programmes and services aimed at addressing the scourge of substance abuse amongst communities. During the 2017/18 financial year, the draft National Drug Master Plan (NDMP) 2018-2022 was consulted with all provinces, relevant national departments, civil society, Social Protection, Community and Human Development (SPCHD) and Justice Crime Prevention and Security (JCPS) Clusters and their technical committees. Inputs from all stakeholders were incorporated into the draft NDMP. The draft was finalised and will be submitted to Cabinet in the 2018/19 financial year for approval. The NDMP will enable the provision of well-coordinated, quality and accessible anti-substance abuse interventions to communities.

The Department further commemorated the International Day Against Drug Abuse and Illicit Trafficking in North West (Tlokwe). The event was aimed at creating awareness and educating communities about the harmful effects of substance abuse. Youth dialogues were also conducted to assess the extent to which young people in Tlokwe are affected by drugs and alcohol abuse. Siyalulama Outreach Programme then launched and was implemented in hotspot areas or places highly affected by drug abuse within the Tlokwe community. The Department further implemented the Anti-Substance Abuse Child and Youth Action Plan to ensure that children and youth directly and indirectly affected by substance abuse receive help. During the 2017 festive season, the Department conducted anti-substance abuse campaigns at railway stations, shopping malls, taxi and bus ranks and farm areas.

The Department was supported by other departments such as Health, Transport, the South African Police Service (SAPS), Agriculture, Trade and Industry and civil society. The purpose of the campaign was to ensure that communities enjoy a safer festive season with reduced incidences of alcohol and drug abuse. A total of 21 activation points were reached. The Department conducted anti-substance abuse campaigns at institutions of higher learning, including TVET colleges, to educate particularly first-year students about the harmful effects of drug and alcohol abuse. The Programme was also aimed at empowering students to resist the temptation to abuse drugs and alcohol. A total of eight institutions of higher learning were reached through this campaign.

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 this strategy across all provinces. During the reporting period, in June 2017, the Department participated in the 8th South African AIDS Conference that was held in Durban. Through its partnership with PACT-SA, the Department hosted three satellite sessions at the conference to showcase its response to HIV and AIDS under the following thematic areas: Integrating Child Protection Services and HIV and AIDS interventions to improve OVCY outcomes; Expanding Community-Based Prevention and Early Intervention (PEI) Services for vulnerable children: Towards an HIV-free generation; and Social Developmentís contribution towards the HIV and AIDS response.

The Department continued to implement its Social and Behaviour Change (SBC) programmes in all provinces in partnership with the South African National AIDS Council (SANAC). In this regard, a total of 810 implementers were trained to implement the SBC programmes. A total of 55 132 and 13 070 people were reached through the YOLO Programme and community dialogues that focus on HIV and AIDS prevention respectively.

The Families Matter Programme is a programme which targets parents to enhance their communication with young people on issues of HIV and AIDS and sexual reproductive health. The Department has also reached 3 938 parents on this Families Matter Programme and trained 746 implementers in all provinces. The Department conducted eight provincial and two national consultations on a policy framework for management of community-based workers.

Draft guidelines on the management and operation of CCCs were developed and 103 facilitators were trained in Western Cape (WC), Free State (FS) and North West (NW) provinces. Furthermore, Thogomelo trainings were conducted in Limpopo (LP), NW, Mpumalanga (MP) and Gauteng (GP) with the funding from the Department of Public Works (DPW). The Department collaborated with provinces, Health and Welfare Sector Education and Training Authority (HWSETA) and training service providers (TSPs) to speed up verification of Thogomelo learners.

RIGHTS OF PERSONS WITH DISABILITIES

The Department remains committed to improving the lives of persons with disabilities. During the reporting period, a Psychosocial Support Programme was developed. Provinces were also consulted regarding the Programme. The Programme aims to assist protective workshops with the transformation process and to address their sustainability.

The Department facilitated the establishment of Self Help Group of persons in 18 rural villages in Limpopo and Free State.
The Department continues to provide financial support and monitoring to NGOs and Disabled Peoples Organisations (DPOs) in order to enhance access and render disability-specific social services.

The Department continued to accelerate the implementation of the White Paper on the Rights of Persons with Disabilities. In this respect, roadshows and workshops in provinces and district municipalities, as well as with DPOs and private sector companies, were conducted during the reporting period. The Izingane Kuqala pilot project was concluded and embedded in the Orphaned and Vulnerable Children Programme and ECD financing model. This pilot project will address the exclusion and marginalisation of children with severe disabilities living in rural, impoverished communities.

Other areas of focus included, among others, the following:

- Building the themes and sub-themes of the annually celebrated National Disability Rights Awareness Month around the WPRPD central themes and pillars;
- Participating in intergovernmental forums and committees to strengthen alignment with the WPRPD;
- Developing national frameworks that will guide the implementation of the WPRPD, and which serves as an intermediate step towards regulation of components of the WPRPD; and

- Piloting service delivery approaches that will address the exclusion and marginalisation of children with severe Izingane kuQala disabilities living in rural, impoverished communities.

Another notable achievement was that for the first time in 11 years of participating in the annual Conference of States Parties to the UN Convention on the Rights of Persons with Disabilities, the Department co-hosted a side event on the Right to Self-Representation by Persons with Disabilities. The Department also supported the training of some of the African countries in Africa on the UN-DESA Africa Toolkit on Disability in December 2017.

PROFESSIONAL SOCIAL SERVICES AND OLDER PERSONS

STRATEGIC OBJECTIVE: STRENGTHEN SOCIAL WELFARE SERVICE DELIVERY THROUGH LEGISLATIVE AND POLICY REFORMS BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
White Paper on Social Welfare	Revise White Paper on Social Welfare	The White Paper for Social Welfare was revised	Consult with stakeholders within the sector on the White Paper	Consultative workshops were held with Institutions of Higher Learning, NPOs and other National Government Departments in February 2018 Draft White Paper was further consulted with WSF, NCCPF and internal branches of the Department.	No deviation
Demand and Supply Model for Social Service Practitioners (SSPs)	Develop a Demand and Supply Model for SSPs	The Demand and Supply Model for social service practitioners was developed	Consult with stakeholders within the sector on the Demand and Supply Model	The Demand and Supply Model was consulted with national and provincial stakeholders at a national workshop held on 30-31 May 2017. The Model was further consulted with Institutions of Higher Learning, Professional Boards and Professional Associations in September 2017. The Model was presented to the Welfare Services Forum to solicit their inputs and buy in and was later approved by MANCO in February 2018	No deviation
Recruitment and Retention Strategy for SSPs	Submit the Recruitment and Retention Strategy for SSPs for approval	The Recruitment and Retention Strategy was submitted and approved by the Heads of Social Development Sector (HSDS) forum	Monitor implementation of Recruitment and Retention Strategy for SSPs	Monitored implementation of the Recruitment and Retention Strategy for SSPs. Report on monitoring implementation developed	No deviation
Number of youth awarded with scholarships	Award 1 000 youth with social service scholarships	New scholarships were awarded to 1 004 youths	Award 500 youth with social services scholarships	510 youths were awarded with social service scholarships	The extra 10 students were identified during students support programme

PROFESSIONAL SOCIAL SERVICES AND OLDER PERSONS (continued)

STRATEGIC OBJECTIVE: STRENGTHEN SOCIAL WELFARE SERVICE DELIVERY THROUGH LEGISLATIVE AND POLICY REFORMS BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Social Service Practitioners Bill	Consult on the Draft Social Service Practitioners Bill	Consultations were conducted to finalise draft Bill for Social Service Practitioners	Submit the Bill to Cabinet to obtain approval to gazette for public comments	Finalised consultations and updated the Draft Bill for approval by Social Protection Community and Human Development Cluster and Cabinet	Delays in receiving the precertification from office of the Chief State Law Advisor, which is a prerequisite for approval by Cabinet
Older Persons Amendment Bill	Submit the Amendment Bill to Cabinet for approval	Older Persons Amendment Bill was submitted to Cabinet and approved for gazetting for public comments	Introduction of the Bill to Parliament	The Older Persons Amendment Bill was presented at the Technical Working Group and Social Cluster in January and February 2018 respectively for presentation to Cabinet for approval and its subsequent submission to Parliament. The Amendment Bill could not be presented to Cabinet due to changes in Cabinet	The Older Persons Amendment Bill was supposed to be approved by Cabinet prior to it's introduction to Parliament. Due to changes in the Cabinet during February 2018, the deadline for presentation was not met
Active Ageing Programme implemented	Coordinate the implementation of the national Active Ageing Programme for Older Persons	National Active Ageing Programme was implemented in Limpopo in October 2016. All provinces participated	Conduct Older Persons Parliament	A National Parliament was hosted in October in KZN province. An evaluation of the Parliament including the Active Ageing Programme was conducted for improvement of the programme and planning for the upcoming activities	No deviation

STRATEGIES TO OVERCOME UNDER PERFORMANCE

OLDER PERSONS AMENDMENT BILL TO PARLIAMENT:

- To brief the Minister on the Older Persons Amendment Bill and submit the Amendment Bill to Cabinet for approval and subsequently introduce the Amendment Bill in Parliament in financial year 2018/2019.

SOCIAL SERVICE PRACTITIONERS BILL

- Facilitate pre – certification of the SSP Bill by the Office of the Chief State Law Advisor (OCSLA) and commence presenting the Bill to Social Protection Community and Human Development Cluster and Cabinet.
- Facilitate approval of the SSP Bill by Cabinet for gazetting for public comments.

EARLY CHILDHOOD DEVELOPMENT

STRATEGIC OBJECTIVE: STRENGTHEN CHILD PROTECTION SERVICES AND IMPROVE THE QUALITY OF ECD SERVICES BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/2018 TARGET
National Integrated Implementation plan on ECD Policy	Align ECD programme of action with the ECD Policy	The ECD programme of action was aligned to the ECD policy	Approval of the National Integrated Implementation Plan on ECD Policy	The National Integrated Plan on ECD Policy was approved by SPCHD cluster	No deviation
Number of children subsided through ECD conditional grant	New Indicator	-	Provide subsidies to 59 111 children through ECD conditional grant	Provided subsidies to 60 307 children through ECD conditional Grant	Some provinces paid for less days to cover more children hence the overachievement
ECD infrastructure plan	Draft ECD Infrastructure Plan	The ECD infrastructure plan was revised	Approval of the Infrastructure Plan	The ECD Infrastructure Plan was approved by the Acting Director General	No deviation
Number of ECD Centers benefiting from the ECD maintenance grant	Develop an ECD Maintenanceand Improvement Plan	The ECD Maintenance plan and improvement plan was developed	593 ECD Centers to benefit from the ECD maintenance grant	459 ECD Centres benefitted from the ECD maintenance grant	**EC:** Even though national provided support to the province with the implementation of the maintenance grant, no ECD centres benefited from the grant due challenges within the province **NW:** The strike in the province had an adverse impact on the implementation of the grant and national target. Only 10 ECD centres benefitted from the grant

STRATEGIES TO OVERCOME UNDERPERFORMANCE

The strategy to be employed to overcome underperformance is to ensure that the EC province appoints a dedicated project manager to manage the conditional grant. Both EC and the NW will apply for a rollover of funds to enable them to deal with the ECD centres that they did not complete in 2017/18 if this request is approved. Furthermore, provinces are expected to provide weekly progress reports and national DSD (representatives from infrastructure and ECD programme) will be conducting bi-weekly site visits to provinces to ensure that all challenges are addressed timeously.
The quarterly ECD conditional grant meetings with provinces will continue but the representation from provinces will be elevated to that of a Chief Director. The ECD conditional grant will continue to be a standing item on the agenda of the Heads of Welfare Services, Heads of Social Development and MINMEC where progress is recorded and monitored.

CHILDREN SERVICES, ORPHANS AND VULNERABLE CHILDREN

STRATEGIC OBJECTIVE: STRENGTHEN CHILD PROTECTION SERVICES AND IMPROVE THE QUALITY OF ECD SERVICES BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/2018 TARGET
Percentage of adoptions registered with complete records	Register 100% of adoption cases received from courts	A total of 1 349 adoptions have been registered which includes 1 200 national adoptions and 149 inter- country adoptions	Register 80% of adoptions received from Children's Courts with complete records	A total of 1 251 adoptions were received and 1 149 were registered with the breakdown of 1 022 adoptions being National adoptions while 127 being Inter-country adoptions. This translates to 91% of adoptions registered.	No deviation
National Plan of Action for Children in South Africa	Conduct 9 inter-sectoral capacity building workshops on children's rights and responsibilities	-	Approval of the National Plan of Action for Children in South Africa 2018-2022	Consultations with National and Provincial children's Rights stakeholders were conducted	The approval of the reviewed National Plan of Action for Children was not achieved due to delay in finalising the Plan
Compliance Reports on regional and international obligations	Submit Compliance Reports on regional obligations to the AU structure	Second report on the African Charter on the rights and Welfare of the Child was submitted to the AU	Disseminate concluding observations on the UN Convention on the rights of the child	Disseminated the UN Concluding Observations on the rights of the child in all Provinces	No deviation
Number of provinces capacitated on the Children's Amendment Act and the Children's Second Amendment Act	Second amendment to Children's Act considered by Parliament	-	Build capacity of provinces on the Children's Amendment Act and Children's Second Amendment Act	Conducted capacity building on the Childrenís Amendment Act and the Children's Second Amendment Act in all provinces.	No deviation
Child Care and Protection Policy	Develop a Child Care and Protection Policy	The Child Care and Protection Policy was developed	Consultation with key stakeholders on the Child Care and Protection Policy	Child Care and Protection Policy was consulted and presented at DDG forum in June, Welfare Forum in September	No deviation

STRATEGIES TO OVERCOME UNDER PERFORMANCE
The reviewed National Plan of Action for children will be presented to the cluster and Cabinet before the end 2018/19 financial year

SOCIAL CRIME PREVENTION AND VICTIM EMPOWERMENT

STRATEGIC OBJECTIVE: REDUCE THE INCIDENCES OF SOCIAL CRIME AND SUBSTANCE ABUSE AND FACILITATE THE PROVISION OF SUPPORT SERVICES TO TARGET GROUPS BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Policy Framework on Accreditation of Diversion Services	Approval of the Policy framework on Accreditation of diversion services	Policy framework on Accreditation of Diversion Services policy was approved by DDG forum and Welfare Service forum	Submit Policy framework on Accreditation of Diversion Services to Cabinet for approval	The policy was presented at various structures and was finally approved by JCPS cluster in October 2017 A submission with a Cab Memo, and all attachments has been sent to the Minister for approval to submit to Cabinet.	Approval by Cabinet could not happen due to Cabinet changes
Number of provincial multidisciplinary committees on Integrated Social Crime Prevention established	Establish 5 provincial multidisciplinary committees on Integrated Social Crime Prevention	5 provincial multi-disciplinary committees were established in GP, LP, MP, NC and EC A consolidated report on provincial multi-disciplinary	Establish 4 provincial onmultidisciplinary committees Integrated Social Crime Prevention	Four provincial multidisciplinary committees on the Integrated Social Crime Prevention were established at KZN, WC, FS and NW. A consolidated report on the 4 committees established is in place	No Deviation
Bill on Victim Empowerment Support Services	Finalise consultation on the Bill and submit to the State law advisors for certification	Consultations were finalised with the relevant stakeholders. The Victim Support Services Bill was also certified by state Law Advisors	Submit the Bill to Cabinet to obtain approval to gazette for public comments	The Socio-Economic Impact Assessment Status (SEIAS) report has been certified by the Office of the Presidency. The Victim Support Services Bill (VSS Bill) has been also certified by the State Law Advisors	VSS Bill was submitted to the Minister's office for processing to the Cabinet, however there have been delays in obtaining approval due to Cabinet changes in February 2018

SOCIAL CRIME PREVENTION AND VICTIM EMPOWERMENT (continued)

STRATEGIC OBJECTIVE: REDUCE THE INCIDENCES OF SOCIAL CRIME AND SUBSTANCE ABUSE AND FACILITATE THE PROVISION OF SUPPORT SERVICES TO TARGET GROUPS BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Number of people accessing GBV Command Centre	Increase the number of people accessing GBV command centre services by 5% (13 482)	During the period April 2016 March 2017, the total number of calls that came through to GBVCC are as follows: • 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	Increase the number of people accessing GBV command centre services by 10% (14 830)	During the period April 2017 – March 2018 the total number of calls that came through to the GBVCC are as follows: • Total Number of Calls received: 136 275 • Total Number of USSDs (Please call me) attended to: 12 137 • Total SMSs received: 1 557 • The total number of Annual calls received is therefore: 149,969 The percentage increase using the achievement of 149 969 calls for the reporting period is 1 012.36%	The GBVCC number was marketed through Vodacom promotion in the months of June and July 2018. In addition, a GBV Mass Media Campaign in collaboration with USAID, Brothers for Life and Zazi was conducted in the month of August 2017. Further airings were also done in November-December 2017 as well as in January-February 2018. These had a large impact on the increase of people exposed and accessing the GBV Command Centre
2nd Victim Satisfaction Survey	Conduct the 2nd Victim Satisfaction Survey	A preliminary report for the 2nd Victim Satisfaction Survey has been submitted	Submit the Victim Satisfaction Survey Report to Cabinet for approval	The Second Victim Satisfaction Survey Report was submitted to Minster Office and is yet to be approved by Cabinet	Second Victim Satisfaction Survey Report was submitted to the Ministerís office for processing to the Cabinet, however there have been delays in obtain approval due to Cabinet changes

SOCIAL CRIME PREVENTION AND VICTIM EMPOWERMENT (continued)

STRATEGIC OBJECTIVE: REDUCE THE INCIDENCES OF SOCIAL CRIME AND SUBSTANCE ABUSE AND FACILITATE THE PROVISION OF SUPPORT SERVICES TO TARGET GROUPS BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Number of Victim Empowerment Programme (VEP) sites collecting data	N/A	-	Collecting data from 200 VEP sites	The total of 207 VEP sites are currently collecting data in all provinces	Through monitoring of the implementation of the system, challenges were identified and more VEP sites were connected and data is being currently collected
Number of provinces trained	Approval of the Capacity Building Programme for Teenage Parents	The programme was presented and approved by the DDG Forum	Train 9 provinces on TeenageParenting Programme	All provinces were trained on the Teenage Parenting Programme	No deviation
	Train 4 provinces on the Sinovuyo National Parenting Programme	Four provinces (KZN, NW, LP & NC) were trained on the national parenting programme	Train 4 provinces on Sinovuyo National Parenting Programme	Four provinces were trained on Sinovuyo Parenting Programme namely: NC , NW, LP and KZN	No deviation
Number of Anti-Substance Abuse Awareness Campaigns	Conduct 3 Anti- Substance Abuse 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)	Conduct 3 National Anti – Substance Abuse Awareness Campaigns	Education and awareness campaigns were conducted. • Commemorating the International Day against Drug Abuse and Illicit Trafficking in Potchefstroom, North West Province. • Anti-substance abuse Festive season campaigns were conducted at activation points in all provinces. • A total of 8 education and awareness campaigns were conducted in institutions of higher learning.	No deviation

SOCIAL CRIME PREVENTION AND VICTIM EMPOWERMENT (continued)

STRATEGIC OBJECTIVE: REDUCE THE INCIDENCES OF SOCIAL CRIME AND SUBSTANCE ABUSE AND FACILITATE THE PROVISION OF SUPPORT SERVICES TO TARGET GROUPS BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
National Drug Master Plan (NDMP)	Review NDMP	NDMP 2013-17 was reviewed and a draft was developed	Submit Draft NDMP to Cabinet for approval	Consulted the SPCHD and the JCPS cluster	The draft NDMP was submitted to the Minister's Office for processing to the Cabinet, however there have been delays in obtaining approval due to Cabinet changes

STRATEGIES TO OVERCOME UNDER PERFORMANCE

- The reviewed policy framework on accreditation of diversion services will be submitted to Cabinet in the current financial year. (2018/19) and once approved, capacity building on the reviewed policy will be conducted in four provinces.
- The Victim Satisfaction Survey Report will be submitted to Cabinet for approval in the 2018/19 financial year.
- The VSS Bill will be submitted to Cabinet in the next financial year 2018/19.
- Draft NDMP will be submitted to Cabinet for approval in the next financial year 2018/19.

HIV AND AIDS

STRATEGIC OBJECTIVE	CONTRIBUTE TO THE REDUCTION IN HIV-RISKY BEHAVIOUR AND PROMOTE PSYCHOSOCIAL WELL-BEING AMONGST TARGETED KEY POPULATIONS BY 2019				
PERFOMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/18 TARGET**
Number of trainees on HIV- and AIDS-related programmes	Train 300 organisations on PSS programmes	432 organisations were trained to implement PSS	Train 300 organisations on PSS programmes	229 organisations trained on PSS programmes	The target could not be reached because even though many training workshops were conducted, reaching 773 implementers, some organisations could not send delegates
	Train 500 implementers on social behaviour change	609 implementers were trained on social behaviour change	Train 500 implementers on social behaviour change	658 implementers trained on social behaviour change	The overachievement was due to the request for training beyond the target organisations
Policy framework for management of community -based workers (CBWs) within the SDS	Conduct situational analysis of CBWs in the Social Sector	A desktop research on the situational analysis of community care workers was conducted	Draft policy framework on the management of CBWs	Final draft policy framework was developed	No deviation

STRATEGIES TO OVERCOME UNDER PERFORMANCE
The shortfall of organisations will be trained in the 2018/19 financial year.

RIGHTS OF PERSONS WITH DISABILITIES

STRATEGIC OBJECTIVE: TO PROMOTE, PROTECT AND EMPOWER PERSONS WITH DISABILITIES THROUGH THE DEVELOPMENT AND THE IMPLEMENTATION OF LEGISLATION, POLICIES AND PROGRAMMES

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Policy on Social Development Services to Persons with Disabilities	Update Draft Policy on Social Development Services to Persons with Disability	The draft policy was presented at various forums, including the welfare services forum in February 2017 and was updated based on the inputs received	Submit Policy on Social Development Services to Persons with Disabilities for Cabinet approval to publish for public comment	Not Achieved The policy was not submitted to Cabinet for approval The Peer Review Panel established in November 2017 reviewed and gave input on the policy. The policy was then updated in the line with additional recommended inputs of the panel	It was recognised that a Peer Review process will enrich the content of the policy, prior to its approval by Cabinet
National Strategic frameworks to support implementation of the White Paper on the Rights of Persons with Disabilities (WPRPD)	Develop 2 National Strategic frameworks that support implementation of WPRPD	Two frameworks on Universal Access and Design, and Reasonable Accommodation were developed and released for public comments in November 2016	Develop 2 National Strategic frameworks that support implementation of WPRPD	One National framework on Self Representation was developed	National Framework on Self Representation will be validated by stakeholders at the National Disability Rights Machinery Meeting on 25 April 2018. The National Guidelines for Disability Inclusive Public Participation will be completed in 2018/19. Both Frameworks are delayed due to the work load of the official working on it

RIGHT OF PERSONS WITH DISABILITIES (continued)

STRATEGIC OBJECTIVE: TO PROMOTE, PROTECT AND EMPOWER PERSONS WITH DISABILITIES THROUGH THE DEVELOPMENT AND THE IMPLEMENTATION OF LEGISLATION, POLICIES AND PROGRAMMES

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Disability Rights Information Portal	Develop Disability Rights Information Portal Phase 1	Target was not achieved	N/A	N/A	N/A
Pilot project on the implementation of the WPRPD	Conduct a pilot project on the implementation of WPRPD	Target was not achieved. Phase 2 implementation on the 3 sites continuing through an appointed service provider	Conduct a pilot project to promote implementation of the WPRPD focusing on children with disabilities at risk of experiencing compounded marginalisation	The Izingane Kuqala Model pilot project was conducted and embedded in the Orphaned and Vulnerable Children Programme and ECD financing model	No Deviation
Disability Inequality Index	Update the Disability Inequality Index	The index was updated and Cabinet approved piloting of the Disability Inequality Index for the next two years	Update the Disability Inequality Index	The index was updated	No Deviation

STRATEGIES TO OVERCOME UNDERPERFORMANCE

The draft Policy on Social Development Services to Persons with Disabilities have been updated and shared with the relevant structures for further input.
The updated draft Policy will be consulted with key stakeholders on route to the SPCH FOSAD Cluster in 2018/19.
Drafting of the National Frameworks will be rolled over to 2018/19 financial year and completed by 31st March 2019.

LINKING PERFORMANCE WITH BUDGETS

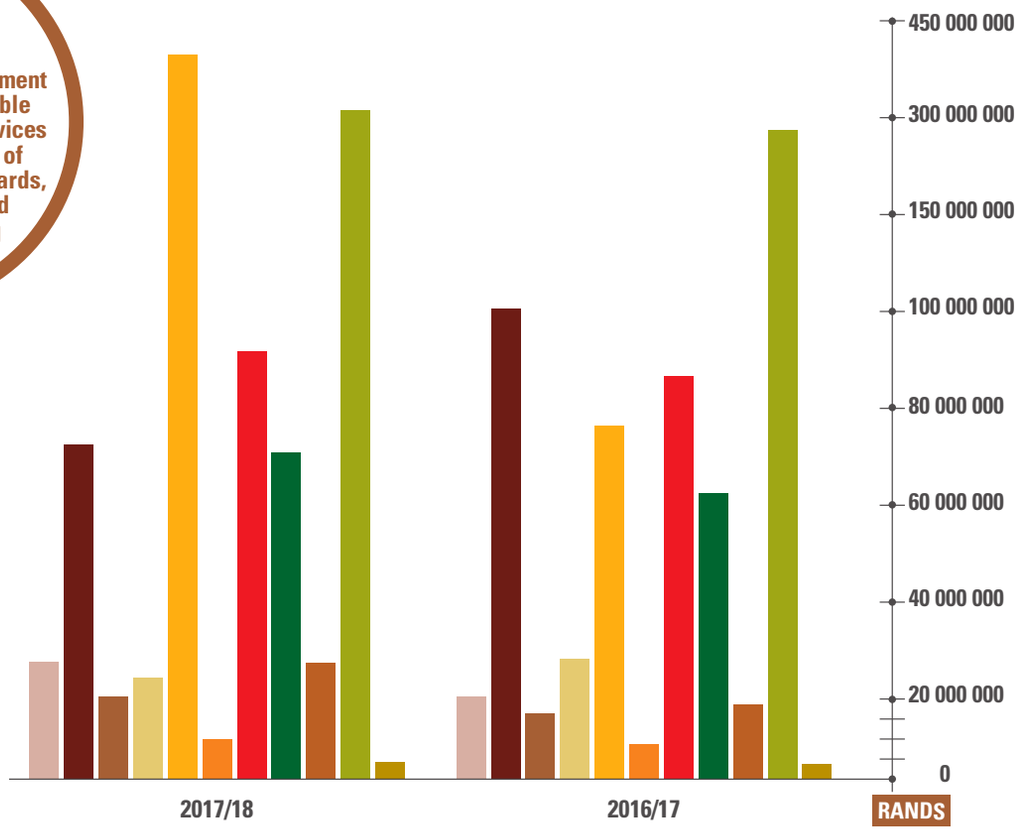
PROGRAMME 4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

P4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

DETAILS PER SUB-PROGRAMME	2017/18			2016/17		
	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	27 528	22 908	4 620	25 264	23 110	2 154
4.2 Substance Abuse	73 647	42 048	31 599	103 794	103 770	24
4.3 Older Persons	20 191	20 100	91	16 120	16 012	108
4.4 People with Disabilities	27 179	26 608	571	27 228	27 139	89
4.5 Children	395 501	390 703	4 798	76 494	75 461	1 033
4.6 Families	10 159	10 021	138	9 631	9 631	-
4.7 Social Crime Prevention & Victim Empowerment	76 079	74 091	1 988	67 284	65 620	1 664
4.8 Youth	18 025	18 009	16	17 002	16 967	35
4.9 HIV and AIDS	98 017	97 133	884	80 463	80 271	192
4.10 Social Worker Scholarship	305 319	305 319	-	290 780	290 780	-
4.11 Programme Management	4 510	4 414	96	4 503	4 327	176
TOTAL	**1 056 155**	**1 011 354**	**44 801**	**718 563**	**713 088**	**5 475**

PROGRAMME PURPOSE

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



P4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

PROGRAMME: 5
SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

ANNUAL REPORT 2018

PART B5

PERFOMANCE INFORMATION BY PROGRAMME

PURPOSE

To support community development and promote evidence-based policymaking in the Department and Social Development Sector

SOCIAL POLICY RESEARCH AND DEVELOPMENT

Policy alignment for the social development sector is imperative for optimal service delivery and as such the Department through its Social Policy Research and Development Sub-Programme continued to contribute towards discourse in social policy and evidence-based policy making during the period under review. This has been achieved through developing and producing research and policy briefs. These briefs are derived from research and policy initiatives undertaken by the Department and its partners. These policy briefs were distributed to initiate and encourage debates in the field of social development and are used as evidence to influence policy design and interventions. The focus was on issues such as exploring how spatial challenges continue to marginalise the poor; the face of poverty in South Africa; expanding social protection system to maximise the countryís investment return on children and youth; and social aspects of HIV and AIDS and migration in South Africa.

During the period under review, the Social Policy Programme continued to support the pro-poor initiatives of Government. This included making contributions to and supporting a governmentwide initiative to assess poverty and its impact in the country. This initiative was led by the Department of Performance Monitoring and Evaluation and the World Bank. Findings from this study will form the basis for social policy development in the country.

SPECIAL PROJECTS AND INNOVATION

Expanded Public Works Programme

The Department, through this Unit, continued to coordinate the Expanded Public Works Programme (EPWP) for the social sector. Coordination activities include institutional arrangements such as National Steering Committee (NSC), Extended National Steering Committee (ENSC), Annual Conference and support to Provincial Steering Committee (PSC) meetings.
During the reporting period, the Unit further responded to challenges on the reporting system through engaging the DPW and organising capacity-building workshops on the Monitoring and Evaluation System. The EPWP social sector programmes include, among others, Home and Community-Based Care (HCBC), ECD, National School Nutrition Programme, Community Safety Programme and the Expansion programmes. Through these programmes, Work Opportunities (WO) are created and these contribute to the overall national target of creating 6 million work opportunities by 2018/19.

At the end of the 2018/19 financial year, the Social Sector created 672 126 Work Opportunities against the third phase target of 1 038 929, which translates to 64.7%. With only one year remaining in the third phase, the sector will make every effort to address the shortfall.

Community Works Programme

The Department collaborated with the Department of Cooperative Governance in the implementation of the Community Work Programme (CWP). The Department is also responsible for the mainstreaming of Community Development Approaches and facilitating the provision of integrated social services in all CWP sites. Through the CWP, the Department strengthened social services such as the HCBC, ECD and Sustainable Livelihoods in 65 CWP sites in six (6) provinces. Training on Community Development Approaches was also conducted in the 38 sites in three provinces (Western Cape, Eastern Cape and Free State).

A learning forum was convened to discuss the ECD program, where an action plan to be implemented by the IA's Provincial CWP coordinators and ECD practitioners was developed. The action plan will see an increased number of ECD centres complying with the norms and standards of ECD.

POPULATION AND DEVELOPMENT

Population Policy Promotion

The Department, through the National Population Unit, is mandated to facilitate, monitor and build capacity for the implementation of the Population Policy and the International Conference on Policy and Development (ICPD) Programme of Action (PoA).

Population Policy and ICPD Programme of Action

The Department compiled draft Policy+20/ICPD+25 synthesis report. The themes covered include: 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 coordinates the implementation of the 4th United Nations Population Fund (UNFPA) Country Programme through the National Coordinating Forum (NCF) which supports eight priority districts in the Eastern Cape and KwaZulu-Natal.

The Department developed country reports to the United Nations Commission on Population and Development (UNCPD), BRICS and Partners in Population Development (PPD) Annual Conference.

The Department developed four reports on the priority research areas contained in the 2017/18 work plan of the IMC on Population Policy. The final research reports produced were on the following priority areas: Gender, State of knowledge and urbanisation in South Africa, and dynamics of a changing population age structure. Five migration roundtables were also held and a migration policy report was developed.

National Adolescent Sexual and Reproductive Health and Rights (ASRHR) Framework Strategy and IMC on Population Policy.

The Ezabasha ASRHR dialogues form an integral part of the overall ASRHR Campaign that was developed and has been implemented by the National Population Unit since 2014. Dialogues are a strategic intervention aimed at addressing a range of ASRHR issues that were identified in wards in Local Municipalities throughout the country, during the data collection phases of the Mikondzo Project. Ezabasha is intended to create a platform for young people to voice out their experiences and challenges on ASRHR, and develop appropriate interventions. Through the Ministerial Outreach Programme to communities, Ezabasha dialogues were also conducted during the reporting period. Furthermore, a total of 63 Ezabasha ASRHR campaign dialogues were held in five provinces, namely: Western Cape, North West, KwaZulu-Natal, Eastern Cape and Gauteng. The Ezabasha dialogues built up two Siyakwazi Camps which were held in the Western Cape and KwaZulu-Natal.

An ASRHR Framework Strategy Monitoring Report was produced in the financial year 2017/18 as well as a report on legislation that governs ASRHR in South Africa. The World Population Day (WPD) was commemorated in October 2017 in Pietermaritzburg, KwaZulu-Natal. The Department conducted five training courses, including the following:

- Applied Population Studies and Research (APSTAR) course
- Post Graduate Diploma in Population Policy Analysis training
- Population, Sustainable Development and Human Rights training session
- Population, Migration, Urbanization and Planning for Development training session
- Four intergenerational communication training in ASRHR

Scholarships and mentorship

The Department awarded four international scholarships for the Post Graduate Diploma in Population Policy Analysis training at North-West University (NWU). The Department also continues to mentor 11 Population Studies graduates within the National Population Unit as of September 2015.

NON-PROFIT ORGANISATIONS (NPOs)

The Department implemented a range of national interventions to improve the NPOs registration and information access. During the reporting period, a total of 32 104 applications for NPO registrations were received, of which 31 792 were processed and 31 639 (98.5%) of these applications were processed within two months. The Department conducted NPO roadshows in 113 local municipalities. The roadshows and capacity-building sessions seek to increase NPO compliance by reaching out to organisations at municipal level.

During the reporting period, the Department capacitated 4 057 NPOs on pre-registration requirements, governance and compliance with different legislative frameworks. The programme contributed towards enhancing understanding of NPOs on how to improve governance practice and compliance with the NPO Act. In pursuit of amending the NPO Act, a series of external consultation was conducted with the NPO sector in all provinces and relevant stakeholders. The draft Bill will be submitted to Cabinet for approval in 2018/19.

The Department implemented various strategies for NPOs to improve submission of their reports and thus reduce the high rate of non-compliance to the NPO Act. In this regard, 32 961 NPO reports were received; of these, 31 762 were processed and 31 662 were processed (96%) within two months.

SOCIAL MOBILISATION AND COMMUNITY EMPOWERMENT

Community Development Practice

The Department conducted workshops in all provinces on Community Development Practice Policy and developed the Community Development Practice Policy Implementation report. Furthermore, nine provincial awareness workshops were conducted on the norms and standards. Subsequently, the Department developed Community Development Norms and Standards Implementation report.

A National Community Development Practice Policy Implementation report consultative Forum was conducted in October 2017 to mobilise, engage and consult with Community Development Practitioners (CDPs) from all sectors for the envisaged professional registration of Community Development Practice with the South African Council for Social Service Professions (SACSSP). A total of four Community Development Professionalization Outreach sessions were conducted in Eastern Cape, Free State, Limpopo and Western Cape.

The Department also piloted the Workload Management Guideline and Customised PMDS Tool in four provinces, namely, Gauteng, KwaZulu-Natal, Mpumalanga and Western Cape. The pilot entailed training and monitoring of 50 CDPs on the Workload Management Guideline and Customised PMDS Tool. The Department developed the Supervision Framework for Social Service Practitioners. Relevant stakeholders were consulted through the National Workshop regarding this Framework.

The Department also consulted HWSETA, the Education Training and Development Practices Sector Education Training Authority (ETDP SETA) and NWU on Community Development for Recognition of Prior Learning (RPL). HWSETA is committed to building the capacity needed within the Community Development Sector through the holistic implementation of the RPL project for 350 Assistant Community Development Practitioners (ACDPs) who lack formal qualifications in line with the approved National Qualifications Framework (NQF) Level 5 Community Development. To this end, a total of 402 ACDPs were pre-screened for inclusion in the RPL pilot project.Furthermore, the Department facilitated the training of 685 CDPs in all provinces on White Paper on the Rights of Persons with Disabilities. This training will enable CDPs to understand, promote, protect and ensure full participation of all persons with disabilities in community development programmes.

Furthermore, the Department facilitated the training of 685 CDPs in all provinces on White Paper on the Rights of Persons with Disabilities. This training will enable CDPs to understand, promote, protect and ensure full participation of all persons with disabilities in community development programmes.

Community Mobilisation and Empowerment

The Strategic Objective of the Branch Community Development is to build self-reliant communities through programmes and policies that strengthen capacities and capabilities by 2019. During the reporting period, the Department developed guidelines on community mobilisation and empowerment and consulted relevant stakeholders with reference to the guidelines. The guidelines seek to mobilise and empower communities to carry out community action research and to find community-driven solutions. The Action Research will assist Government in developing relevant policies and strategies to address challenges faced by communities and households. The guidelines will be implemented in the 2018/19 financial year. Similarly, the Department also trained 853 community action researchers who are receiving a stipend from SASSA.

Another notable achievement during this reporting period is that the Department trained 594 officials on the Community Capacity Enhancement (CCE) methodology which will empower them to facilitate community conversations. The conversations are meant to facilitate participatory democracy with the objective of facilitating a dialogue between Government and communities, leading to a dual setting of a developmental agenda with shared responsibilities and accountability. This will also empower communities local resources for self-development and social capital.

Community Interventions and Implementation Support

During the reporting period, the Department, through this Unit, developed guidelines on implementation of Community Development Interventions. The guidelines were consulted with provinces and have been finalised. Through the Mikondzo Programme, the Department extended its footprint to 774 wards. The Department is in the process of evaluating this Programme to ensure that it remains aligned to policy and legislative imperatives of the country. The evaluation process will be completed in the 2018/19 financial year. The Unit further facilitated and supported the functionality of the National Integrated Social Information System (NISIS) through revamping the existing system and ensuring that it addressed issues related to the war on poverty.

YOUTH DEVELOPMENT

During the period under review, the Department continued with its efforts to mobilise young people, contribute to their life skills and skills development for employability, and to enhance their livelihoods. In this regard, the Department hosted the National Youth Camp Programme attended by 1 047 youths. This programme empowers youth with knowledge and skills for positive living, active citizenry and social cohesion. Since 2012, the youth camps have reached over 10 000 young people through district, provincial and national camps. The youth camp serves as a platform for the Department and its social partners to inculcate positive values, to expose youth to preventative programmes against social ills, and to empower youth and expose them to opportunities for growth and development. As part of youth mobilisation and celebrating youth as agents of change, the Department commemorated the National Youth Month Celebration in Western Cape. The commemoration, through the Robben Island tour, was aimed at exposing the participating group of youth to this place of historical significance.

The Department is leading the sector in developing its National Youth Policy and Strategy 2022. The Strategy will represent a declaration and commitment of the priorities, directions and development support that the Department intends to provide for young people. It sets guidelines and provides the framework for all stakeholders to empower the youth to realise their potential and take advantage of the opportunities available to make positive

contributions to the well being of their communities. During the reporting period, nine consultation sessions and workshops were conducted on the Strategy, targeting youth from all provinces and officials in the provincial departments of social development. The Strategy provides a foundation and direction for the development of an Implementation Plan. The Plan will describe the roles of all agencies concerned with youth development and the programmes, services, facilities and activities they should undertake to achieve the goals and objective of the policy.

POVERTY ALLEVIATION, SUSTAINABLE LIVELIHOOD AND FOOD SECURITY

The Department is committed to contributing towards radical economic transformation by linking cooperatives to economic opportunities emerging from its programmes, in particular the SRD Programme. During the reporting period, a total of 1 607 cooperatives were linked to economic opportunities, while 778 cooperatives participated in training workshops. Over and above this, the Department facilitated training of 40 cooperatives on understanding the value chain concepts, factors of production, livelihoods and markets including governance and accountability. This training coincided with the Gauteng Provincial Summit in August 2017 where 80 cooperatives from the five regions in Gauteng participated in a capacity-building and enhancement session. Furthermore, the Summit assisted cooperatives to develop asset registers to enhance basic bookkeeping and accounting. Discussions were also held with Gauteng Enterprise Propeller (GEP) as part of stakeholder engagement and this led to four cooperatives leading in sewing and agriculture linked to the GEP for financing.

Through the Poverty Alleviation and Sustainable Development Unit, the Department was instrumental in facilitating institutionalisation of the CWP with the purpose of promoting the integration of community development interventions. The objective was to mainstream Community Development into CWP to ensure that CWP does not solely become a Public Employment Programme (PEP) but must be developmental in nature and contribute towards the development of communities. The Unit also participated in the identification of participants of CWP through profiling of households. As a result, CWP participants in ECD centres are employed as cooks and those with Grade 12 certificates are employed to do administration work, whereas others are enrolled as ECD Practitioners on Level 1– 4.

During the reporting period, the Department, through Project Mikondzo, partnered with stakeholders such as Coca-Cola Beverages SA, Samsung and MTN SA Foundation to fast-track services to poor and vulnerable people, especially persons with disabilities. The services provided were in the form of, among other things, installation of Computer Laboratories at more than 12 schools and centres for persons with disabilities. These efforts form part of the Department's contribution towards the implementation of the White Paper on the Rights of Persons with Disabilities.

The Department contributes towards the implementation of the National Food and Nutrition Security Plan. With respect to this, a network of nine PFDCs were funded with a total of R106 million and with about R56 million transferred from the National Department, while R50 million was from provincial departments of Social Development. These transfers were towards ensuring that poor and vulnerable people have access to food. In addition to these, a total of 221 CNDCs were supported and food was provided to 282 134 beneficiaries in all provinces.

Furthermore, a total of 4 130 developmental activities which include skills training programmes were also facilitated in the CNDCs to complement the nutrition support for beneficiaries. Through this programme, 191 cooperatives and 100 SMMEs were supported through the purchase of food to the value of over R16 million during this reporting period. This programme employs about 1 380 people within the nine PFDCs and 221 CNDCs. A total of 441 cooks were trained to ensure safe food preparation and handling, and 520 uniforms were also provided to the cooks. Twenty drivers were offered training in partnership with Hino SA to ensure safe and efficient use of the programme's fleet. 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.

SOCIAL POLICY RESEARCH AND DEVELOPMENT

STRATEGIC OBJECTIVE:	DEEPEN SOCIAL POLICY DISCOURSE AND EVIDENCE - BASED POLICY-MAKING IN THE SDSS AND PROGRAMMES				
PERFOMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/2018 TARGET**
Number of officials trained in social policy and policy analysis	Train 50 officials	41 officials were trained.	Train 50 officials	Training did not take place	Programme was advised to increase its reach and a Regional Conference on Social Policy was instead planned
Number of research and policy briefs disseminated	Develop and disseminate 4 policy briefs	4 research and policy briefs were developed and disseminated	Develop and disseminate 4 policy briefs	4 Research and Policy Briefs were developed as follows: i) Spatial challenges continue to marginalise the poor ii) The face of poverty in South Africa iii) The social aspects of HIV and AIDS and migration in South Africa iv) Expanding the social protection system to maximise the country's investment return on children and youth	No deviation

STRATEGIES TO OVERCOME UNDER PERFORMANCE
The programme will focus on Regional Conference on Social Policy

SPECIAL PROJECTS AND INNOVATION

STRATEGIC OBJECTIVE: FACILITATE MANAGEMENT AND COORDINATION OF CROSS-CUTTING FUNCTIONS FOR DSD AND SOCIAL CLUSTER

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Number of Social Sector coordination forums convened	Create 152 263 work opportunities through EPWP Social Sector	134 375 WO were created through EPWP Social Sector	Convene 32 Social Sector coordination forums	33 Social Sector coordination forums were convened	The Incentive Grant (IG) Workshops contributed to the overachievement
Number of CWP sites providing Social Sector services	60 CWP sites provided with Social Sector services	Social development services were provided to 102 CWP sites	60 CWP sites provided with Social Sector services	65 CWP sites provided with Social Sector services	The North West and Northern Cape provinces opted to convene district sessions, which were attended by all CWP sites in those districts. This resulted in 65 CWP sites being reached, instead of 60

POPULATION AND DEVELOPMENT

STRATEGIC OBJECTIVE: FACILITATE , MONITOR AND BUILD CAPACITY FOR THE IMPLEMENTATION OF THE POPULATION POLICY AND THE DEVELOPMENT OF SOCIAL POLICY

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Number of reports on the Implementation of the Population Policy	3 M&E reports on the implementation of the Population Policy produced	-	Produce 10 reports on the implementation of the population policy	Produced 10 reports on the implementation of the population policy	No deviation
Number of research projects undertaken and supported on Population Policy priorities	4 research projects undertaken and 3 research projects supported	-	Undertake 6 research projects and produce 2 migration policy reports	4 research projects undertaken and 1 migration policy reports produced	Preliminary ethical clearance obtained from the Human Science Research Council (HSRC) pending fulfilment of additional requirements. Cabinet memorandum on the Migration Conference not yet tabled

POPULATION AND DEVELOPMENT (continued)

STRATEGIC OBJECTIVE: FACILITATE , MONITOR AND BUILD CAPACITY FOR THE IMPLEMENTATION OF THE POPULATION POLICY AND THE DEVELOPMENT OF SOCIAL POLICY

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Number of Population advocacy and knowledge sharing programmes	3 advocacy and knowledge sharing programmes	3 national population policy seminars were conducted	3 advocacy and knowledge sharing programmes	Reports on population and development knowledge and information service rendered developed. 63 Ezabasha dialogues and 2 of 3 Siyakwazi Camps were conducted. The State of World Population Report was not launched	1 Siyakwazi Camp was not conducted due to budgetary constraints and extra Ezabasha dialogues were conducted as per Mikondzo requests
Capacity-building programmes to support the Implementation of the Population Policy	5 capacity-building programmes implemented and supported	Supported and monitored 9 short training courses	Implement and support 6 capacity-building programmes	Implemented and supported 5 capacity-building programmes. The Population-Environment -Development (PED) Nexus training session was not conducted	The recommendations from the PED Nexus training course evaluation were incorporated to finalise the new curriculum
Number of progress reports on Population Policy forums and partnerships coordinated	Reports on 4 forums and 3 partnerships	-	Reports on 6 forums and 3 partnerships	3 partnerships and 4 forum reports were produced One of the UNFPA National Coordination Forums, The IMC Technical Committee and the ASRHR Framework Strategy Technical Committee Forums were not conducted respectively	ASRHR Framework Strategy Technical Committee was not held due to budgetary constraints The IMC Technical Committee postponed pending the tabling of the Cabinet memorandum to the Social Protection and Human Development Cabinet Committee

STRATEGIES TO OVERCOME UNDERPERFORMANCE

- The two local case studies ASRHR and the Migration Conference will be conducted in September 2018.
- The launch of the State of World Population Report will be conducted in 2018/19.
- The UNFPA National Coordination Forum will be executed in April 2018.

NON-PROFIT ORGANISATIONS REGISTRATION AND SUPPORT

STRATEGIC OBJECTIVE: TO CREATE AN ENABLING ENVIRONMENT FOR NPOS TO DELIVER EFFECTIVE SERVICES BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/2018 TARGET
Percentage of NPO registration applications processed within 2 months of receipt	Process 99% of applications within 2 months of receipt	Processed 97% (28 860 of 29 601) of applications within 2 months	Process 98% of applications within 2 months of receipt	Received 32 104 applications. Out of the 31 792 applications processed, 31 639 of those applications (98.5%) were processed within 2 months	No deviation
Number of local municipalities reached through the NPO roadshows	Conduct NPO national roadshows in 80 local municipalities	Conducted 101 NPO roadshows in 94 local municipalities	Conduct NPO national roadshows in 90 local municipalities	Conducted NPO roadshows in 113 municipalities	The reason for overachieving on the target for the roadshows is that over and above the planned roadshows, the NPO Chief Directorate received invitations from provinces and local municipalities during the course of the financial year
Number of NPOs trained on governance and compliance with the NPO Act	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	Train 3 000 NPOs on governance and compliance with the NPO Act	Trained 4 057 NPOs on governance and compliance with the NPO Act	The overachievement on the annual target of training 3 000 NPOs was as a result of the following: 1. The number of invited NPOs is not fixed because of uncertainty of attendance by the invited NPOs 2. Invited NPOs further extend invitations to other NPOs that have not been invited to attend the planned training

NON-PROFIT ORGANISATIONS REGISTRATION AND SUPPORT (continued)

STRATEGIC OBJECTIVE:	TO CREATE AN ENABLING ENVIRONMENT FOR NPOS TO DELIVER EFFECTIVE SERVICES BY 2019				
PERFOMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/18 TARGET**
					3. The Programme Management and Institutional Support at times receives additional requests from provinces and other stakeholders for the training of NPOs outside the planned training workshops

NON-PROFIT ORGANISATIONS COMPLIANCE MONITORING AND FUNDING CO-ORDINATION

STRATEGIC OBJECTIVE:	TO CREATE AN ENABLING ENVIRONMENT FOR NPOS TO DELIVER EFFECTIVE SERVICES BY 2019				
PERFOMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/18 TARGET**
Percentage of NPO reports processed within 2 months of receipt	Process 95% reports within 2 months	29 113 reports received and processed, of which 27 861 (96%) were processed within 2 months	95% NPO reports were processed within 2 months	Received 32 961 reports. Out of the 31 762 reports processed, 31 662 (96%) of those reports were processed within 2 months	No deviation
DSD Sector Financing Policy	Extended Sector consultations on the DSD Sector Financing Policy in all provinces	Extended Sector consultative sessions were conducted. DSD Sector funding and supporting documents in place	Submit DSD Sector Financing Policy for approval	The Policy was presented at the Policy Forum in March 2018 and submitted to Welfare Services Forum and MANCO for approval	No deviation
Partnership Model for State, NPOs and relevant stakeholders	Extended Sector consultations on the Partnership Model for State, NPOs and relevant stakeholders	Extended Sector consultative sessions conducted. State-Civil Society Partnership Model is in place	Submit the Partnership Model for State, NPOs and relevant stakeholders for approval	The DSD/NPO Partnership Model was presented at the Policy Forum in March 2018 and submitted to Welfare Services Forum and MANCO for approval	No deviation

NON-PROFIT ORGANISATIONS COMPLIANCE MONITORING AND FUNDING CO-ORDINATION

STRATEGIC OBJECTIVE: TO CREATE AN ENABLING ENVIRONMENT FOR NPOS TO DELIVER EFFECTIVE SERVICES BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
NPO Act Amended	Introduce the Draft Bill on NPO Act to Parliament	There has been consultation with the NPO Sector. The report that informs amendment was completed	Table NPO Amendment Bill in Parliament	Consultation was done with other government departments through an intergovernmental forum Completed consultations as follows: 1 National bodies and networking structures 4 NPO Sector consultations 8 NPO Sector consultations conducted in 5 provinces	The delay in tabling was due to outstanding consultations with NPOs in provinces

STRATEGIES TO OVERCOME UNDERPERFORMANCE

- The NPO Bill will be submitted to Parliament by the end of 2018/19.

SOCIAL MOBILISATION AND COMMUNITY EMPOWERMENT

STRATEGIC OBJECTIVE: FACILITATE AND COORDINATE COMMUNITY DEVELOPMENT EFFORTS TO BUILD VIBRANT AND SUSTAINABLE COMMUNITIES BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Community Development Practice Policy	Submit Community Development Practice Policy Framework for approval	Community Development Practice Policy submitted for approval Practice Policy	Facilitate implementation of the Community Development	Community Development Practice Policy Implementation report developed	No deviation
Capability Assessment tool for Community Development Norms and Standards	Access Community Development Capability against norms and standards	Community Development Capability was assessed and a report was compiled	Facilitate implementation of norms and standards for community development	Community Development Norms and Standards Implementation report developed	No deviation

SOCIAL MOBILISATION AND COMMUNITY EMPOWERMENT

STRATEGIC OBJECTIVE: FACILITATE AND COORDINATE COMMUNITY DEVELOPMENT EFFORTS TO BUILD VIBRANT AND SUSTAINABLE COMMUNITIES BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/18 TARGET
Guidelines on Community Mobilisation and Empowerment	Develop Community Mobilisation and Empowerment guidelines	Guidelines for Community Mobilisation and Empowerment were developed	Submit guidelines on Community Mobilisation and Empowerment for approval	Guidelines on Community Mobilisation and Empowerment submitted for approval	No deviation
Guidelines on the implementation of community development interventions	Draft guidelines on implementation of community development interventions	Draft guidelines for implementation of community development interventions were developed	Submit guidelines on implementation of community development interventions for approval	Guidelines on Community Mobilisation and Empowerment submitted for approval	No deviation
Number of wards reached through community outreach programmes	Reach 450 wards through community outreach programmes	2 058 wards reached through community outreach programmes	Reach 450 wards through community outreach programmes	774 wards reached through outreach programmes	The overachievement is due to the expanded Social Mobilisation drive within communities. More empowerment campaigns were conducted based on the needs identified during community profiling. Increased community dialogues conducted at various wards as a result of Mikondzo Project, Minister and MECs outreach initiatives
Number of youth attending national youth camp	1 000 youth attending national youth camp	982 youth attended national youth camps	1 000 youth attending national youth camp	1 047 youth participated in the national youth camp	The overachievement was due to increased participation from DSD Interns
Social Development Youth Strategy	Develop Draft Social Development Youth Strategy	Draft Social Development Youth Strategy was developed	Submit the Social Development Youth Strategy for approval	Social Development Youth Strategy submitted for approval	No deviation

POVERTY ALLEVIATION, SUSTAINABLE LIVELIHOOD AND FOOD SECURITY

STRATEGIC OBJECTIVE: CONTRIBUTE TO POVERTY ERADICATION AND ELIMINATION OF HUNGER THROUGH SUPPORT TO COMMUNITY-DRIVEN PROGRAMMES AND THE PROVISION OF FOOD AND NUTRITION SECURITY SERVICES BY 2019

PERFOMANCE INDICATOR	BASELINE	ACTUAL ACHIEVEMENT 2016/17	ANNUAL TARGET 2017/18	ACTUAL OUTPUT 2017/18	REASON FOR DEVIATION FROM 2017/2018 TARGET
Number of cooperatives linked to economic opportunities	Develop a framework for linkage of cooperatives to economic opportunities within the sector	The framework was developed	600 cooperatives linked to economic opportunities	1 607 cooperatives linked to economic opportunities	The overachievement is due to increased awareness on economic opportunities available to cooperatives within DSD and SASSA. Implementation of departmental procurement strategy which provides a quota for cooperatives. Increased access that was created through procurement of departmental services from cooperatives. The services include: supply of school uniforms, blankets, dignity packs, supply of fresh produce to CNDCs and catering during departmental events
Number of cooperatives trained	Not applicable	-	600 cooperatives participating in training workshops	778 cooperatives participating in training workshops	Overachievement is due to increased identification of cooperatives through community profiling and social mobilisation processes. Outcome of the profiling process of cooperatives highlighted the need for empowerment of these entities. Hence they were linked with various stakeholders that provided relevant capacity-building programmes. Some trainings were done internally; however, the majority were conducted through partnership with the NDA

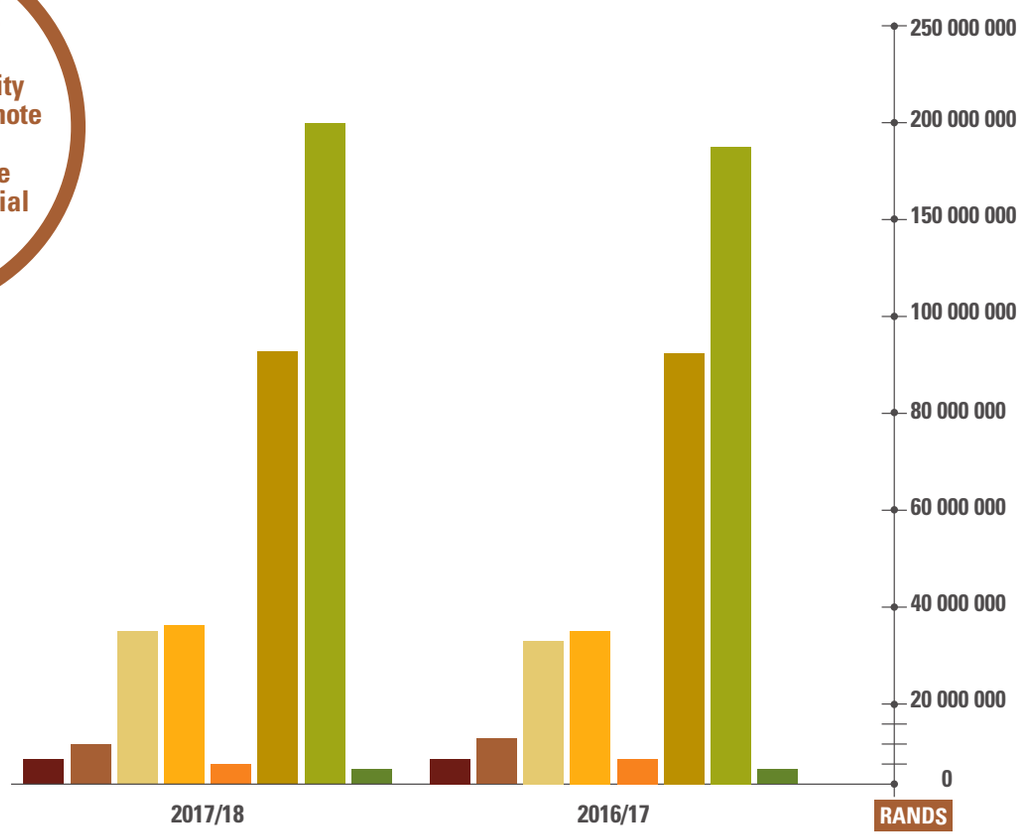
STRATEGIC OBJECTIVE:	CONTRIBUTE TO POVERTY ERADICATION AND ELIMINATION OF HUNGER THROUGH SUPPORT TO COMMUNITY-DRIVEN PROGRAMMES AND THE PROVISION OF FOOD AND NUTRITION SECURITY SERVICES BY 2019				
PERFOMANCE INDICATOR	**BASELINE**	**ACTUAL ACHIEVEMENT 2016/17**	**ANNUAL TARGET 2017/18**	**ACTUAL OUTPUT 2017/18**	**REASON FOR DEVIATION FROM 2017/2018 TARGET**
Integrated Food and Nutrition Security Plan	Facilitate the implementation of integrated Food and Nutrition Security Plan in 9 provinces	-	Facilitate the implementation of the Integrated Food and Nutrition Security Plan in 9 provinces	Implementation of Integrated Food and Nutrition Security Plan implemented in 9 provinces	No deviation
Number of vulnerable individuals accessing food	60 000 people accessing food through CNDCs	A total of 302 357 people accessed food through CNDCs	80 000 people accessing food through CNDCs	282 134 people accessed food through CNDCs	No deviation

LINKING PERFORMANCE WITH BUDGETS
PROGRAMME 5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

P5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

DETAILS PER SUB-PROGRAMME	2017/18 FINAL APPROPRIATION R'000	2017/18 ACTUAL EXPENDITURE R'000	2017/18 VARIANCE R'000	2016/17 FINAL APPROPRIATION R'000	2016/17 ACTUAL EXPENDITURE R'000	2016/17 VARIANCE R'000
5.1 Social Policy Research & Development	5 718	4 889	829	6 131	6 062	69
5.2 Special Projects & Innovation	10 612	10 212	400	11 749	10 749	1 000
5.3 Population Policy Promotion	35 539	35 443	96	33 962	33 762	200
5.4 Registration & Monitoring of Non-Profit Organisations	36 754	36 704	50	35 767	35 679	88
5.5 Substance Abuse Advisory Services & Oversight	4 231	3 630	601	5 902	5 902	-
5.6 Community Development	91 385	91 371	14	93 246	93 246	-
5.7 National Development Agency	201 013	200 916	97	194 153	194 153	-
5.8 Programme Management	3 454	3 424	30	3 661	3 661	-
Total	**388 706**	**386 589**	**2 117**	**384 571**	**383 214**	**1 357**

PROGRAMME PURPOSE
To support community development and promote evidence-based policymaking in the Department and Social Development Sector



P5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

TRANSFER PAYMENTS

TRANSFER PAYMENTS TO PUBLIC ENTITIES

SOUTH AFRICAN SOCIAL SECURITY AGENCY – SASSA

SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY (R'000)	AMOUNT SPENT BY THE PUBLIC ENTITY (R'000)	ACHIEVEMENTS OF THE PUBLIC ENTITY
The South African Social Security Agency's objective is to ensure the effective and efficient administration, management and payment of social assistance grants	7 206 060	7 197 527	SASSA managed to increase the number of social grant in payment including a grant-in-aid from R17 200 52 to R17 509 995. This represents an overall increase of 2%. During the 2016/17 financial year, 669 poor wards were visited through the Integrated Community Registration Outreach Programme (ICROP), enabling vulnerable people to access government services within their reach. Similarly, 41 Project Mikondzo service delivery interventions were conducted. These programmes contributed immensely to the increase of new applications processed during this period. A total of 2 130 731 new social grant applications were processed in the 2017/18 financial year. SASSA continued to improve its efficiency, resulting in reduced turnaround time for the processing of social grants. During the period under review, 94% (2 003 997 of the 2 130 731 cited above) of the new social grant applications were processed within 10 days. It is heartening to report that 82% of these applications were processed within one (1) day. SASSA awarded 573 196 SRD applications; these awards were in different forms, ranging from cash, food parcels, vouchers to school uniform. A total of 171 173 foster child grant reviews were processed to enable eligible recipients to remain in the register and continue to receive their benefits. It should also be noted that on receipt of the North Gauteng Court order of 28 November on the lapsing Foster Care Grants (FCGs), a total of 61 584 FCGs were automatically extended to end of June 2019 or when the children turn 18, whichever comes first Progress made towards the insourcing of the payment system. SASSA appointed the South African Post Office (SAPO) on a government-to-government agreement for the payment of social grants effective 01 April 2018 SASSA managed to open a PMG account in the SARB environment; this account has been used since January 2018 to process ACB direct transfers to banked beneficiaries. The beneficiariesí biometric enrolment was taken over from the service provider and piloted in four Local Offices in the Western Cape, Mpumalanga, Eastern Cape and KwaZulu-Natal The insourcing of the Regulation 26A deductions was taken over from the service provider for implementation by SASSA through Q-Link. A total of 723 348 beneficiaries who had their deductions implemented by the service provider were successfully migrated to Q-Link. In addition, 92 292 active mandates were captured by SASSA at the end of the financial year

TRANSFER PAYMENTS

NATIONAL DEVELOPMENT AGENCY – NDA

SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY (R'000)	AMOUNT SPENT BY THE PUBLIC ENTITY (R'000)	ACHIEVEMENTS OF THE PUBLIC ENTITY
The NDA provides grants and capacity building to civil society organisations that implement development programmes in poor communities	200 913	193 099	In the 2017/18 financial year, the NDA assessed civil society organisations (CSOs) to identify institutional needs and determine appropriate CSO development support to be provided Some 3 944 CSOs were trained and mentored to comply with registration legislation, while 649 CSOs were assisted to register with the appropriate registration authority Additionally, 4 500 CSOs were capacitated in CSO management and 1 341 were trained in community development practice Also, 1 564 CSOs were grant funded for capacity building

NATIONAL STUDENT FINANCIAL AID SCHEME – NSFAS

SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY (R'000)	AMOUNT SPENT BY THE PUBLIC ENTITY (R'000)	ACHIEVEMENTS OF THE PUBLIC ENTITY
The NSFAS administer the Social Work Scholarship Programme	123 489	223 047	510 new scholarships were awarded for the 2017 academic year, increasing the total to 4 841

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

TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES.

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS MADE FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

NAME OF TRANSFEREE	TYPE OF ORGANISATION TRANSFERS TO NPO'S	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT COMPLY WITH 38 (1) (J) OF PFMA	AMOUNT TRANSFER R'000	AMOUNT SPENT BY ENTITY R'000	REASONS FOR THE FUNDS UNSPENT BY ENTITY
South African National Aids Council	NPO	Supporting the implementation of the National Strategic Plan for HIV, TB and STIs 2017 - 2022 (NSP) and promote and secure nationally in South Africa the provision of related educational, prevention, care and treatment programmes and to promote or advocate for the human rights of people infected or affected by HIV, TB and STIs; and research in relation to these diseases and their impact	Yes	R15 000	R10 510	Unspent funds have been scheduled to be utilised in the first quarter of the 2018/19 financial year to finalise funded activities
South African National Aids Council	NPO	Providing technical and administrative support for the implementation of the Social Behaviour Change Programme which is implemented in partnership with provincial implementing partners	Yes	59 131	24 506	Funds spent relates to funds rolled over in the 2016/17 financial year and are paid to implementing agents in line with the payment schedule as per the signed Service Level Agreements. Unspent funds will be released to provincial implementing agents as activities are finalised in the year 2018/19 financial
Population Association of South Africa	NPO	Supporting the sustainability, enhancement, development and capacity building of demography scholarship in South Africa	Yes	200	200	N/A
Nonesi Development and Legal Centre	NPO	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in the Eastern Cape	Yes	3 992	5 300	Expenditure includes funds rolled over from the 2016/17 financial year
Adventist Development and Relief Agency South Africa (ADRA)	NPO	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in the Free State	Yes	6 056	6 177	Expenditure includes funds rolled over from the 2016/17 financial year

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS MADE FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT COMPLY WITH 38 (1) (J) OF PFMA	AMOUNT TRANSFER R'000	AMOUNT SPENT BY ENTITY R'000	REASONS FOR THE FUNDS UNSPENT BY ENTITY
Kagisano South African Food Security and Development Agency	NPO	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in Gauteng	Yes	6 056	7 114	Expenditure includes funds rolled over from the 2016/17 financial year
South African Food Security and Development Agency	NPO	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in KwaZulu-Natal	Yes	6 056	6 214	Expenditure includes funds rolled over from the 2016/17 financial year
Makotse Women's Club	NPO	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in Limpopo	Yes	6 056	6 384	Expenditure includes funds rolled over from the 2016/17 financial year
Thabang Information Centre	NPO	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in the Northern Cape	Yes	3 992	6 884	Expenditure includes funds rolled over from the 2016/17 financial year
Kago Ya Bana	NPO	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in Mpumalanga	Yes	6 056	6 056	N/A
Motswedi Wa Sechaba	NPO	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in North West	Yes	6 056	8 927	Expenditure includes funds rolled over from the 2016/17 financial year
Ilitha Labantu	NPO	Implementing the Household Food and Nutrition Security Programme as a provincial food distribution centre in the Western Cape	Yes	12 335	12 649	Expenditure includes funds rolled over from the 2016/17 financial year

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS MADE FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT COMPLY WITH 38 (1) (J) OF PFMA	AMOUNT TRANSFER R'000	AMOUNT SPENT BY ENTITY R'000	REASONS FOR THE FUNDS UNSPENT BY ENTITY
Afrikaanse Christlike Vroue Vroueverenigingg (ACVV)	NPO	Providing services as a National Body by promoting ethical practice, sustainable service delivery and effective protection services to children and families at risk through capacity building and monitoring as required by the Children's Act	Yes	1 125	84	Unspent funds relate to funded activities to be implemented until November 2018
Centre for Early Childhood Development	NPO	Providing services as a National Body by empowering leaders of emerging NPOs in the Childrenís sector and enhancing their capacity to provide services sustainably through training opportunities and providing mentoring and support	Yes	1 100	123	Unspent funds relate to funded activities to be implemented until November 2018
Childline South Africa	NPO	Providing services as a National Body by providing capacity building, coordinating and monitoring the transformation of services provided by Childline SA affiliates in accordance with legislative frameworks, specifically the Childrenís Act	Yes	974	416	Unspent funds relate to funded activities to be implemented until November 2018
Ntataise Trust	NPO	Providing services as a National Body by building capacity to ensure quality learning and play programmes and to raise awareness and engage stakeholders on ECD programmes	Yes	1 770	258	Unspent funds relate to funded activities to be implemented until November 2018 using unspent funds
Masizakhe Sitjheje Isitjhaba	NPO	Providing services as a National Body by providing services to orphans and vulnerable children through the promotion of services, education and awareness campaigns	Yes	400	27	Unspent funds relate to funded activities to be implemented until November 2018

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS MADE FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT COMPLY WITH 38 (1) (J) OF PFMA	AMOUNT TRANSFER R'000	AMOUNT SPENT BY ENTITY R'000	REASONS FOR THE FUNDS UNSPENT BY ENTITY
Future Generation	NPO	Providing services as a National Body by developing and coordinating advocacy, awareness and creating conversation dia logues, public education programmes on orphans and vulnerable children	Yes	450	230	Unspent funds relate to funded activities to be implemented until November 2018
Abba Specialist Adoptions and Social Services	NPO	Providing services as a National Body by developing and coordinating advocacy, awareness and creating conversations and dialogues and public education programmes on adoption services and to facilitate capacity building of social workers on adoption services	Yes	990	133	Unspent funds relate to funded activities to be implemented until November 2018
South African Congress for Early Childhood Development	NPO	Providing services as a National Body through capacity building on all legislation relating to ECD and awareness raising on the importance of registration of partial care facilities and ECD programmes	Yes	860	130	Unspent funds relate to funded activities to be implemented until October 2018
South African Federation for Mental Health	NPO	Provision of the Psychosocial Support Programme for Protective Workshops	Yes	1 000	297	The 2017/18 contract will only expire on 31 October 2018. Unspent funds relate to activities to be implemented until expiry of the contract
Deafblind South Africa	NPO	To facilitate and coordinate advocacy and awareness in the promotion and prevention of disability (Family support)	Yes	700	241	The amount spent includes funds rolled over from the 2016/17 financial year. Unspent funds relate to funded activities to be implemented until February 2019
Autism South Africa	NPO	Provide the World Health Organisation (WHO) Parent Skills Training Programme: Planning and programme adaptation	Yes	1 723	501	The funded activities will continue to be implemented using unspent funds until the service level agreement expires in October 2018

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS MADE FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT COMPLY WITH 38 (1) (J) OF PFMA	AMOUNT TRANSFER R'000	AMOUNT SPENT BY UNTITY R'000	REASONS FFOR THE FUNDS UNSPENT BY UNTITY
The Albinism Society of South Africa	NPO	To facilitate advocacy and awareness in the promotion of the rights of persons with Albinism and to provide capacity and empowerment to affiliated National and Provincial Structure	Yes	740	615	The amount spent includes funds rolled over from the 2016/17 financial year. Unspent funds relate to funded activities to be implemented until February 2019
South African Council on Alcoholism and Drug Dependence	NPO	Develop substance abuse treatment manuals, professionally edit and print the manuals and conduct training for facilitators and participants	Yes	1 500	1 472	Remaining activities are to be finalised in the 2018/19 financial year using unspent funds. The contract period ends in October 2018
South African Depression and Anxiety Group	NPO	To manage and maintain substance abuse toll-free telephone helpline and provide assistance to service users	Yes	1 579	1 799	The expenditure includes funds rolled over from the 2016/17 financial year. Funded activities are to be implemented up to October 2018 using unspent funds
Families and Marriage Society of South Africa	NPO	Capacitate service providers to implement family development programmes, monitor and evaluate services rendered by affiliates and monitor trends and conduct ongoing research in the field of families	Yes	715	358	Project implementation extended to October 2018. Unspent funds relate to funded activities to be implemented until the end of the project
Suid-Afrikaanse Vroue Federasie	NPO	Providing services as a National Body through developing, monitoring and facilitating the implementation of programmes relating to children, families, older persons and persons with disabilities	Yes	780	322	Project implementation extended to October 2018. Unspent funds relate to funded activities to be implemented until the end of the project
South African Older Persons Forum	NPO	Advocate for the promotion and protection of the rights of older persons, facilitate the establishment of older persons ward forums in three provinces and provide continuous support to provincial Older Persons Forum in all provinces	Yes	1 400	1 400	N/A

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS MADE FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

NAME OF TRANSFEREE	TYPE OF ORGANISATION	PURPOSE FOR WHICH THE FUNDS WERE USED	DID THE DEPT COMPLY WITH 38 (1) (J) OF PFMA	AMOUNT TRANSFER R'000	AMOUNT SPENT BY ENTITY R'000	REASONS FFOR THE FUNDS UNSPENT BY ENTITY
National Institute for Community Development and Management (Older Persons)	NPO	Provide accredited training for caregivers caring for older persons	Yes	1 241	1 066	Project implementation extended to October 2018
National Peace Accord Trust	NPO	Programme design and development of the Psychosocial Support (Eco-therapy) Programme for Military Veterans (MVs) and pilot the Eco-Therapy Programme to other victims of crime and violence	Yes	1 250	1 232	The majority of the expenditure is from the 2016/17 funding which was only implemented in 2017/18. In line with the activity plan, the unspent funds have been budgeted for use in the 2018/19 financial year to finalise the funded activities
National Shelter Movement	NPO	Capacity building of service providers on issues of policy, programmes and legislation to strengthen and maintain the current National Shelter Movement across 9 provinces	Yes	1 705	986	The majority of the expenditure is from the 2016/17 funding which was only implemented in 2017/18. In line with the activity plan, the unspent funds have been budgeted for use in the 2018/19 financial year to finalise the funded activities
National Institute for Community Development and Management (Victim Empowerment Programme)	NPO	Provision of early trauma support following incidences of violence, particularly against women and children at the impact phase so as to mitigate the effects of trauma	Yes	1 742	969	Unspent funds relate to activities that will be finalised in the 2018/19 financial year as per the approved activity plans
Khulisa Social Solution	NPO	Develop norms and standards for adult diversion	Yes	1 386	786	Spending includes funds rolled over from the 2016/17 financial year. Unspent funds are scheduled to be used for planned activities until November 2018

TRANSFER PAYMENTS BUDGETED FOR BUT NOT MADE

THE TABLE BELOW REFLECTS THE TRANSFER PAYMENTS WHICH WERE BUDGETED FOR IN THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018, BUT NO TRANSFER PAYMENTS WERE MADE.

NAME OF TRANSFEREE	PURPOSE FOR WHICH THE FUNDS WERE USED	AMOUNT BUDGETED FOR R'000	AMOUNT TRANSFERRED R'000	REASONS WHY THE FUNDS WERE NOT TRANSFERED
South African Council for Social Service Profession	Ensuring ethically competent and efficient group of social workers	1 839	0	Non-submission of a progress report to account for funds allocated in prior financial years
Child Welfare South Africa	Providing services as a National Body for Child Protection services	717	0	Progress reports not submitted in line with special funding conditions agreed to with the organisation
National Institute for Community Development and Management (Older Persons)	Provide accredited training for caregivers caring for older persons	1 243	1 241	Underpayment of R2 000 resulting from error. The funds to be released at the beginning of 2018/19

CONDITIONAL GRANTS

CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

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

1.1. CONDITIONAL GRANTS ON SOCIAL WORKER

TABLE 1
Employment of Social Workers Conditional Grant – EC

Department/ Municipality to whom the grant has been transferred	Eastern Capel Provincial Department of Social Development
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by the provincial Departments of Social Development (PDSD)
Expected outputs of the grant	• Increase in the employment of social workers who benefitted from the social workers scholarship • Reduction in the backlog of unemployed social worker graduates during the 2017/18 financial year • The total number of social work graduates employed through the provincial social development sector • The number of social work graduates not yet employed at the end of the reporting period
Actual outputs achieved	• The department has appointed 130 social workers through the Social Workers Conditional Grant in the 2017/18 financial year
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R41 649 000 R41 649 000 N/A R26 194 000
Reasons for the funds unspent by the entity	The under-expenditure is due to delays in finalising the appointment of 130 social workers. 122 social workers assumed duties on 02 June 2017 and eight (8) social workers assumed duties on 02 January 2018
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

CONDITIONAL GRANTS

TABLE 2
Employment of Social Workers Conditional Grant - FS

Department/ Municipality to whom the grant has been transferred	Free State Provincial Department of Social Development
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by the PDSD
Expected outputs of the grant	• Increase in the employment of social workers who benefitted from the social workers scholarship • Reduction in the backlog of unemployed social worker graduates during the 2017/18 financial year • The total number of social work graduates employed through the provincial social development sector • The number of social work graduates not yet employed at the end of the reporting period
Actual outputs achieved	• 10 social work graduates were appointed
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R3 252 000 R3 252 000 N/A R1 238 000
Reasons for the funds unspent by the entity	Late appointment of social work graduates
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

TABLE 3:
Employment of Social Workers Conditional Grant - GP

Department/municipality to whom the grant has been transferred	Gauteng Provincial Department of Social Development
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by the PDSD
Expected outputs of the grant	• Increase in the employment of social workers who benefitted from the social workers scholarship • Reduction in the backlog of unemployed social worker graduates during the 2017/18 financial year • The total number of social work graduates employed through the provincial social development sector • The number of social work graduates not yet employed at the end of the reporting period
Actual outputs achieved	• Nine (9) social work graduates were appointed
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R2 453 000 R2 453 000 N/A R2 003 000
Reasons for the funds unspent by the entity	Late appointment of social work graduates
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

CONDITIONAL GRANTS

TABLE 4
Employment of Social Workers Conditional Grant - KZN

Department/ Municipality to whom the grant has been transferred	KwaZulu-Natal Provincial Department of Social Development
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by the PDSD
Expected outputs of the grant	• Increase in the employment of social workers who benefitted from the social workers scholarship • Reduction in the backlog of unemployed social worker graduates during the 2017/18 financial year • The total number of social work graduates employed through the provincial social development sector • The number of social work graduates not yet employed at the end of the reporting period
Actual outputs achieved	• One hundred and sixty six (166) Social Work graduates were appointed
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/ municipality**	R53 459 000 R53 459 000 N/A R36 450 000
Reasons for the funds unspent by the entity	Late appointment of Social Work graduates
Monitoring mechanism by the transferring department	The department uses monthly, quarterly and in year monitoring reports

TABLE 5
Employment of Social Workers Conditional Grant - LP

Department/ Municipality to whom the grant has been transferred	Limpopo Provincial Department of Social Development
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by the PDSD
Expected outputs of the grant	• Increase in the employment of social workers who benefitted from the social workers scholarship • Reduction in the backlog of unemployed social worker graduates during the 2017/18 financial year • The total number of social work graduates employed through the provincial social development sector • The number of social work graduates not yet employed at the end of the reporting period
Actual outputs achieved	• During the financial year 2017/18 the department appointed 212 social workers • In the current financial year (2018/19) the department is maintaining the appointed 212 social workers
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/ municipality**	R46 784 000 R46 784 000 N/A R46 620 000
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	The department uses monthly, quarterly and in year monitoring reports

CONDITIONAL GRANTS

TABLE 6
Employment of Social Workers Conditional Grant - MP

Department/ Municipality to whom the grant has been transferred	Mpumalanga Provincial Department of Social Development
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by the PDSD
Expected outputs of the grant	• Increase in the employment of social workers who benefitted from the social workers scholarship • Reduction in the backlog of unemployed social worker graduates during the 2017/18 financial year • The total number of social work graduates employed through the provincial social development sector • The number of social work graduates not yet employed at the end of the reporting period
Actual outputs achieved	• Forty six (46) Social Work graduates were appointed
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/ municipality**	R14 948 000 R14 948 000 N/A R9 379 000
Reasons for the funds unspent by the entity	Late appointment of Social Work graduates
Monitoring mechanism by the transferring department	The department uses monthly, quarterly and in year monitoring reports.

TABLE 7
Employment of Social Workers Conditional Grant - NC

Department/ Municipality to whom the grant has been transferred	Northern Cape Provincial Department of Social Development
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by the PDSD
Expected outputs of the grant	• Increase in the employment of social workers who benefitted from the social workers scholarship • Reduction in the backlog of unemployed social worker graduates during the 2017/18 financial year • The total number of social work graduates employed through the provincial social development sector • The number of social work graduates not yet employed at the end of the reporting period
Actual outputs achieved	• Two (2) Social Work Graduates were appointed.
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/ municipality**	R572 000 R572 000 N/A R487 000
Reasons for the funds unspent by the entity	Late appointment of Social Work graduates.
Monitoring mechanism by the transferring department	The department uses monthly, quarterly and in year monitoring reports.

CONDITIONAL GRANTS

TABLE 8
Employment of Social Workers Conditional Grant - NW

Department/ Municipality to whom the grant has been transferred	North West Provincial Department of Social Development
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by the PDSD
Expected outputs of the grant	• Increase in the employment of social workers who benefitted from the social workers scholarship • Reduction in the backlog of unemployed social worker graduates during the 2017/18 financial year • The total number of social work graduates employed through the provincial social development sector • The number of social work graduates not yet employed at the end of the reporting period
Actual outputs achieved	• Twenty one (21) Social Work graduates were appointed
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/ municipality**	R6 732 000 R6 732 000 N/A R5 932 000
Reasons for the funds unspent by the entity	Late appointment of Social Work graduates
Monitoring mechanism by the transferring department	The department uses monthly, quarterly and in year monitoring reports

TABLE 9
Employment of Social Workers Conditional Grant - WC

Department/ Municipality to whom the grant has been transferred	Western Cape Provincial Department of Social Development
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by the PDSD
Expected outputs of the grant	• Increase in the employment of social workers who benefitted from the social workers scholarship • Reduction in the backlog of unemployed social worker graduates during the 2017/18 financial year • The total number of social work graduates employed through the provincial social development sector • The number of social work graduates not yet employed at the end of the reporting period
Actual outputs achieved	• Contract appointment of thirty five (35) Social Work graduates additional to the establishment therefore attempting to reduce the number of unemployed social work graduates. • One (1) Social Work graduate assumed permanent appointment
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/ municipality**	R11 981 000 R11 981 000 N/A R9 729 000
Reasons for the funds unspent by the entity	Two (2) social work graduates initially declined the opportunity; therefore, only 35 graduates assumed their duties in April 2017. During the course of the 2017/18 financial year, three (3) more social work graduates exited the programme, two (2) resigned and one (1) received a permanent appointment. It was an administrative challenge to replace the social work graduate who exited, as the Western Cape DSD has to select from a total of 275 social work graduates who were on the backlog list
Monitoring mechanism by the transferring department	The department uses monthly, quarterly and in year monitoring reports

CONDITIONAL GRANTS

1.2. CONDITIONAL GRANTS ON EARLY CHILDHOOD DEVELOPMENT

TABLE 1
Conditional grants and earmarked funds paid - EC

Department/ Municipality to whom the grant has been transferred	Eastern Cape Provincial Department of Social Development
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through partial care facilities To assist existing conditionally registered partial care facilities providing an ECD Programme to meet basic requirements in order to attain full registration
Expected outputs of the grant	**Subsidy** • To increase the number of poor children benefitting from the ECD subsidy for 264 days per annum **Maintenance** • To upgrade and increase the number of conditionally registered ECD centres to full registration
Actual outputs achieved	**Subsidy** • A total of 12 651 poor children benefitted from ECD services • ECD centres were subsidised for 209 days in the 2017/18 financial year and for special day care centres • A total of 12†651 children attended registered centres in the 2017/18 financial year **Maintenance** • A total of 1 011 ECD centres conditionally registered, while 161 out of 180 ECD centres were assessed in the 2017/18 financial year by the Provincial Department of Roads and Public Works • A total of 14 022 children are now in ECD centres that are reregistered
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R56 365 000 R56 365 000 N/A R27 238 000
Reasons for the funds unspent by the entity	**Subsidy** The amount unspent for the subsidy was due to the fact that the grant was allocated to the province for the first time and there were no human resources allocated to manage and administer the additional funds. The province experienced challenges which were caused by the flow of supporting documents among the service points of the Department. This led to the late submission of files due to lack of transport **Maintenance** The administration allocation for the ECD grant was delayed because the posts for quantity surveyor were advertised as per the PCMT approval for one year despite the Department requesting a three-year contract in line with ECD conditional grant The National Department was contacted to assist, since the Minister of Social Development needed to request approval from the Minister of Public Service Administration in line with Public Service Regulations 2016 for contracts to exceed one (1) year

CONDITIONAL GRANTS

Department/ Municipality to whom the grant has been transferred	Eastern Cape Provincial Department of Social Development
	Responses to the 1-year advert were very poor and the national department issued a new specification which changed the post from quantity surveyor to Project Manager Both Project Managers have assumed duties in November and December 2017 respectively Out of 180 ECD centres approved for maintenance during the 2017/18 financial year, 79 had confirmed ownership and technically assessed by DRPW. The department used the option of the SCM tender process Due to lack of technical capacity (slow recruitment of Project Managers and Deputy Directors) as well as slow tender processes, the grant spending has been impacted negatively on maintenance expenditure
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

TABLE 2:
Conditional Grants and Earmarked Funds Paid - FS

Department/municipality to whom the grant has been transferred	Free State Provincial Department of Social Development
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through partial care facilities To assist existing conditionally registered partial care facilities providing an ECD Programme to meet basic requirements in order to attain full registration
Expected outputs of the grant	**Subsidy** • To increase the number of poor children benefitting from the ECD subsidy for 264 days per annum **Maintenance** • To upgrade and increase the number of conditionally registered ECD centres to full registration
Actual outputs achieved	**Subsidies** • A total of 72 ECD centres received their subsidy allocation, while two (2) ECD centres only received their ECD allocations in the fourth quarter due to inactive bank accounts **Maintenance** • All 79 ECD centres benefitted with various items, e.g. fire extinguishers, water tanks and first aid kits installed based on the identified needs per the guidelines. Rollover funds will be used for outstanding building work
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R18 398 000 R18 398 000 N/A R12 937 000

CONDITIONAL GRANTS

Department/municipality to whom the grant has been transferred	Free State Provincial Department of Social Development
Reasons for the funds unspent by the entity	With regard to the subsidy, the unspent funds are due to two (2) ECD centres whose subsidies could not be paid out in the fourth quarter due to challenges with banking details Building work not completed due to high pricing quoted by service providers. Rollover of funds was requested to complete the maintenance in the 2018/19 financial year
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

TABLE 3:
Conditional Grants and Earmarked Funds Paid - GP

Department/municipality to whom the grant has been transferred	Gauteng Provincial Department of Social Development
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through partial care facilities To assist existing conditionally registered partial care facilities providing an ECD Programme to meet basic requirements in order to attain full registration
Expected outputs of the grant	**Subsidy** • To increase the number of poor children benefitting from the ECD subsidy for 264 days per annum **Maintenance** • To upgrade and increase the number of conditionally registered ECD centres to full registration
Actual outputs achieved	• The allocated funds were used for maintenance of the 15 ECD centres • Additional appointment of five (5) employees to assist the department in delivering and monitoring the ECD maintenance grant and two (2) employees to manage the implementation of the subsidy component of the ECDCG • A total of 117 conditionally registered ECDs benefitted through the ECD Conditional Grant, while 9 079 children benefitted from the subsidy component of the ECDCG
Amount per amended DORA Amount transferred Reasons if amount as per DORA not transferred Amount spent by the department/municipality	R38 489 000 R38 489 000 N/A R35 938 000
Reasons for the funds unspent by the entity	Due to the industrial strike in April 2017, the process of engaging first–time applicants for funding was delayed, which resulted in new applicants delaying the registration with the provincial Department of Treasury The applicants that were paid in the second quarter forfeited their first quarter allocation, which resulted in R1.4 million surplus on the subsidy grant Delays in the appointment of the employees (three Works Inspectors were only appointed in September 2017 and two Control Works Inspectors were appointed in October 2017) The department applied for a rollover for a Service Provider that was appointed to assist the department with the assessment. The department was invoice R475 000.00 and payment made in the first quarter of the 2017/18 financial year
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

CONDITIONAL GRANTS

TABLE 4:
Conditional Grants and Earmarked Funds Paid - KZN

Department/municipality to whom the grant has been transferred	KwaZulu-Natal Provincial Department of Social Development
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through partial care facilities To assist existing conditionally registered partial care facilities providing an ECD Programme to meet basic requirements in order to attain full registration
Expected outputs of the grant	**Subsidy** • To increase the number of poor children benefitting from the ECD subsidy for 264 days per annum **Maintenance** • To upgrade and increase the number of conditionally registered ECD centres to full registration
Actual outputs achieved	• A total of 542 ECD centres with 14 615 children that were targeted for the 2017/18 financial year were subsidised. The province applied a tranche payment method of funding in line with the R15 tariff x 264 days
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R71 879 000 R71 879 000 N/A R71 870 000
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	The province is undertaking quarterly monitoring visits to the funded ECD centres A Service Provider was also appointed to conduct validation and verification of the NPOs NPOs submit quarterly reports and attendance registers for children's daily attendance as evidence of attendance

TABLE 5:
Conditional Grants and Earmarked Funds Paid - LP

Department/municipality to whom the grant has been transferred	Limpopo Provincial Department of Social Development
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through partial care facilities To assist existing conditionally registered partial care facilities providing an ECD Programme to meet basic requirements in order to attain full registration
Expected outputs of the grant	**Subsidy** • To increase the number of poor children benefitting from the ECD subsidy for 264 days per annum **Maintenance** • To upgrade and increase the number of conditionally registered ECD centres to full registration

CONDITIONAL GRANTS

Actual outputs achieved	• A total of 4 625 children in 293 ECD centres benefitted from the subsidy in the 2017/18 financial year. Service level agreements for equipment and learning material were signed from 28 to 31 August 2017 in the five (5) districts. Renovations were conducted for 30 ECD centres, while renovations for 30 ECD centres were still in progress at the end of the financial year. During the 2017/18 financial year, the department appointed 212 social workers
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R41 085 000 R41 085 000 N/A R36 034 000
Reasons for the funds unspent by the entity	**Maintenance** 34 ECD sites are still under renovation but in progress. Rollover request has been submitted for the completion of this process **Administration** Delay in appointment of four (4) officials as per the ECD Framework (These officials only assumed duty with effect from December 2017)
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

TABLE 6:
Conditional Grants and Earmarked Funds Paid - MP

Department/municipality to whom the grant has been transferred	**Mpumalanga Provincial Department of Social Development**
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through partial care facilities To assist existing conditionally registered partial care facilities providing an ECD Programme to meet basic requirements in order to attain full registration
Expected outputs of the grant	**Subsidy** • To increase the number of poor children benefitting from the ECD subsidy for 264 days per annum **Maintenance** • To upgrade and increase the number of conditionally registered ECD centres to full registration
Actual outputs achieved	• Increased the provision of ECD services to 4†625 children • Finalised maintenance of 40 ECD centres which were referred for registration • A total of 13 ECD centres are still in progress and are to be finalised in the first quarter of the 2018/19 financial year
Amount per amended DORA **Amount transferred (R'000)** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R25 799 000 R25 799 000 N/A R23 645 000
Reasons for the funds unspent by the entity	Late appointment of staff due to poor response to advertised posts
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

CONDITIONAL GRANTS

TABLE 7:
Conditional Grants and Earmarked Funds Paid - NC

Department/municipality to whom the grant has been transferred	Northern Cape Provincial Department of Social Development
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through partial care facilities To assist existing conditionally registered partial care facilities providing an ECD Programme to meet basic requirements in order to attain full registration
Expected outputs of the grant	**Subsidy** • To increase the number of poor children benefitting from the ECD subsidy for 264 days per annum **Maintenance** • To upgrade and increase the number of conditionally registered ECD centres to full registration
Actual outputs achieved	• Subsidies were provided for 1 221 children in 11 ECD centres • The department appointed a Quantity Surveyor in November 2017 and Admin Clerk and Project Managers to manage and administer the conditional grant
Amount per amended DORA **Amount transferred (R'000)** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R13 761 000 R13 761 000 N/A R11 710 000
Reasons for the funds unspent by the entity	**Maintenance** The underspending under Maintenance was due to challenges experienced in terms of the appointment of suitable local service providers, as they were found to be non-compliant, and since they did not qualify to do the work required. As a result, the market needed to be tested again to source suitable service providers. **Administration** The underspending under Administration was due to the late appointments of the three officials whom were only appointed during August 2017. **Subsidy** The total amount for Subsidy expansion was spent.
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

TABLE 8:
Conditional Grants and Earmarked Funds Paid - NW

Department/municipality to whom the grant has been transferred	North West Provincial Department of Social Development
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through partial care facilities To assist existing conditionally registered partial care facilities providing an ECD Programme to meet basic requirements in order to attain full registration
Expected outputs of the grant	**Subsidy** • To increase the number of poor children benefitting from the ECD subsidy for 264 days per annum

CONDITIONAL GRANTS

	Maintenance • To upgrade and increase the number of conditionally registered ECD centres to full registration
Actual outputs achieved	A total of 15 145 children benefitted from the conditional grant for the 2017/18 financial year. Maintenance has been completed for 10 centres and maintenance for 24 ECD centres is still in progress.
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R32 686 000 R32 686 000 N/A R20 304 000
Reasons for the funds unspent by the entity	Three (3) of the ECD centres targeted did not meet the qualification criteria. Rollover funds to be used to finalise committed maintenance projects in the 2018/19 financial year Delays in the finalisation of business plans and in the appointment of staff contributed to the underspending
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

TABLE 9:
Conditional Grants and Earmarked Funds Paid - WC

Department/municipality to whom the grant has been transferred	**Western Cape Provincial Department of Social Development**
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through partial care facilities To assist existing conditionally registered partial care facilities providing an ECD Programme to meet basic requirements in order to attain full registration
Expected outputs of the grant	**Subsidy** • To increase the number of poor children benefitting from the ECD subsidy for 264 days per annum **Maintenance** • To upgrade and increase the number of conditionally registered ECD centres to full registration
Actual outputs achieved	The department completed the maintenance of 13 identified facilities from the maintenance grant The subsidy grant was utilised to benefit an additional 4 500 children
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R19 150 000 R19 150 000 N/A R18 770 000
Reasons for the funds unspent by the entity	The department outsourced the conditional grant to NGOs (Foundation for community work) to manage the maintenance grant. The agreement mandated the organisation to also recruit and appoint staff. The appointment of staff was only finalised in September 2017. The department spent the subsidy allocation in full for the 2017/18 financial year
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

CONDITIONAL GRANTS

1.3. CONDITIONAL GRANTS ON SUBSTANCE ABUSE TREATMENT CENTRES

TABLE 1:
Conditional Grants on Substance Abuse Treatment Centres - EC

Department/municipality to whom the grant has been transferred	Eastern Cape Provincial Department of Social Development
Purpose of the grant	To provide funding for the operationalisation (including the purchasing of equipment) of substance dependency treatment facilities in the Eastern Cape province
Expected outputs of the grant	• An operational substance dependency treatment facility in the Eastern Cape province
Actual outputs achieved	• Ernest Malgas Treatment was opened in April 2016 • The centre was granted a five (5)-year registration in line with Section 19(70) of the Prevention and Treatment for Substance Abuse Act 70, 2008 • For the 2017/18 financial year, the Centre admitted 199 service users between the ages of 13 and 18 years
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R14 238 000 R14 238 000 N/A R14 238 000
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

TABLE 2:
Conditional Grants on Substance Abuse Treatment Centres - FS

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 operationalisation (including the purchasing of equipment) of substance dependency treatment facilities in the Free State province
Expected outputs of the grant	• An operational substance dependency treatment facility in the Free State province
Actual outputs achieved	• The treatment facilities were not operational by the end of March 2018, as construction of the facilities was still in progress and expected to be finalised by 31 March 2018
Amount per amended DORA **Amount transferred** **Reasons if amount as per DORA not transferred** **Amount spent by the department/municipality**	R14 238 000 N/A Funds were earmarked for operationalisation of the treatment facility. Operationalisation activities not yet started as construction was still in progress at the end of the financial year N/A
Reasons for the funds unspent by the entity	• The initial 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 advance payment guarantee • The earthwork was more challenging than the contractor had anticipated • Labour unrest which was prevalent during the third quarter of 2016/17 delayed the construction process
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

CONDITIONAL GRANTS

TABLE 3:
Conditional Grants on Substance Abuse Treatment Centres - NC

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 operationalisation (including the purchasing of equipment) of substance dependency treatment facilities in the Northern Cape province
Expected outputs of the grant	• An operational substance dependency treatment facility in the Northern Cape province
Actual outputs achieved	• Operationalisation activities not yet started, as construction was still in progress at the end of the financial year. The provincial DSD procured some of the operationalisation equipment
Amount per amended DORA **Amount transferred**	R14 237 000 N/A
Reasons if amount as per DORA not transferred	Funds are transferred subject to submission of a claim that reflects the provincial DSD's readiness to commence with operationalisation. The claim for equipment procured was not received timely. National DSD has submitted a request for a rollover to the National Treasury
Amount spent by the department/municipality	R1 342 000
Reasons for the funds unspent by the entity	Processes to finalise construction of the centre were still in progress at as 31 March 2018. Operationalisation activities could not commence prior to year end
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

TABLE 4:
Conditional Grants on Substance Abuse Treatment Centres - NW

Department/municipality to whom the grant has been transferred	North West Provincial Department of Social Development
Purpose of the grant	To provide funding for the operationalisation (including the purchasing of equipment) of substance dependency treatment facilities in the North West province
Expected outputs of the grant	• An operational substance dependency treatment facility in the North West province
Actual outputs achieved	• Thirty-four (34) personnel appointed (professional and administrative support) • Payments were made to the Department of Health for the provision of inpatient treatment services • Procured office furniture, equipment and other utilities • Equipment for the gym were also procured
Amount per amended DORA **Amount transferred**	R14 238 000 R10 678 000
Reasons if amount as per DORA not transferred	Funds are transferred subject to submission of a claim that reflects the provincial DSD's cash flow requirements. The claim for the last quarter was not received by National DSD
Amount spent by the department/municipality	R10 719 000
Reasons for the funds unspent by the entity	Negative effect of strike action
Monitoring mechanism by the transferring department	The Department uses monthly, quarterly and in-year monitoring reports

DONOR FUNDING

DONOR FUNDING IN CASH

TABLE 1:

Name of donor	German Development Bank (KfW)
Full amount of the funding	€7 668 418 The total project funds amount to €900 000, of which €2 231 581 is for consultancy services to be paid by donor directly to the service provider
Period of the commitment	2013 to 2018
Purpose of the funding	The objective of the project is to enable orphans and vulnerable children and youth to access comprehensive social development services in refurbished and adequately equipped CCCs. Furthermore, these children and youth will benefit at an individual level through the skills development programmes that are aimed at addressing their needs, to gain resilience and for their optimum functioning and development The project is implemented in two (2) components, namely, the technical component and the social component The technical component involves CCCs construction, refurbishment and equipment, while the social component involves the provision of comprehensive social development services and the implementation of skills development programmes for Orphans, Vulnerable Children and Youth (OVCY)
Expected outputs	• Seventeen (17) CCCs built and furnished • Capacitated CCC Management on management skills • Capacitated implementers on comprehensive CCC services • Empowered beneficiaries on skills - life and vocational skills
Actual outputs achieved	Technical Component - Construction of 17 Community Care Centres: Out of 17 CCCs, 7 CCCs have been completed: • KwaZulu-Natal - Five (5) centres have been completed and handed over to KZN DSD. One (1) centre to be finalised by April 2018 • Limpopo - Two (2) centres have been completed and handed over to the province for occupation and service delivery. Replaced one of the contractors responsible for three (3) centres. Completion by the new contractor is estimated around June 2018 • North West - Four (4) centres have reached completion stage and two are to be finalised by April 2018 All centres at completion stage are being assessed for works completion inspections before they can be handed over to the Department **Social Component: Capacity Building of Implementers:** • All seventeen (17) CCCs (6 CCCs in KwaZulu–Natal, 5 CCCs in Limpopo and 6 CCCs in North West) have been trained on PSS • Seventeen (17) CCCs (6 CCCs in KwaZulu-Natal, 5 CCCs in Limpopo and 6 CCCs in North West) have been trained on support groups • Eleven (11) CCCs (6 CCCs in KZN and 5 CCCs in LP) have been trained on the CCC comprehensive package of services

DONOR FUNDING

Amount received in current period **Amount spent by the Department**	R24 805 000 R21 912 000
Reasons for the funds unspent	Unspent funds mainly relate to VAT refunds from SARS. The funds will be used for appointment of service providers for the management capacity building and skills development for beneficiaries once the procurement process is finalised
Monitoring mechanism by the donor	Quarterly reports, audited financial statements and reports, and donor site visits

TABLE 2:

Name of donor	Global Fund
Full amount of the funding	R13 908 118
Period of the commitment	01 April 2016 to 31 March 2019
Purpose of the funding	To improve data quality, monitoring and evaluation systems for the HIV and AIDS Programme
Expected outputs	• Appointment of one (1) national Project Manager, one (1) national Project Coordinator and fifty-two (52) Data Capturers • Strengthening of 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 • One (1) national Project Manager, one (1) national Project Coordinator and fifty-two (52) Data Capturers appointed in eight (8) provinces • Twelve (12) Data Capturers from KwaZulu-Natal were trained on CBIMS on 5-7 March 2018 • Six (6) Data Capturers from Gauteng were trained on CBIMS on 19-20 March 2018 • Eighteen (18) computers for Data Capturers were dispatched via courier to KZN, NW, LP and NC
Amount received in current period	R5 693 000 Included in this amount is an amount of R2.456 million which was received in respect of the over-expenditure in the 2017/18 financial year relating to the contract that ended on 30 September 2016
Amount spent by the Department	R2 385 000
Reasons for the funds unspent	Funds requested were for a period of six (6) months ending on 30 June 2018. Unspent funds will be used for the project in the 2017/18 financial year as planned
Monitoring mechanism by the donor	Quarterly narrative and financial reports submitted to the donor, and audited financial statements

DONOR FUNDING

TABLE 3:

Name of donor	Criminal Asset Recovery Agency (CARA)
Full amount of the funding	R26 000 000
Period of the commitment	01 July 2012 to 30 June 2018
Purpose of the funding	To improve victim empowerment services by providing capacity building and funding to emerging organisations and shelters
Expected outputs	• Funding and capacity building 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	• Funds were transferred to 14 civil society organisations including white door centres and shelters for victims of human trafficking • The Department conducted monitoring and capacity building for civil society organisations in the VEP Sector
Amount received in current period	N/A (Funds carried over from the 2016/17 financial year amounting to R3.313 million)
Amount spent by the Department	R2 681 000
Reasons for the funds unspent	Majority of unspent funds already committed to existing projects and will be transferred in 2017/18 once compliance documents are received
Monitoring mechanism by the donor	Quarterly reports to the donor

DONOR FUNDING

DONOR FUNDING IN KIND

TABLE 1:

Name of donor	German Development Bank (KfW)
Full amount of the funding	€2 231 581
Period of the commitment	2013 to 31 December 2018 (extended)
Purpose of the funding	Consulting services for the care and support project for OVCY
Expected outputs	• Provide project management services for the two (2) OVCY projects on construction of CCCs and implementation of capacity-building programmes
Actual outputs achieved	Provided project management services for the financial year resulting in the following project outputs: • The construction of seven (7) community Care Centres was completed and they have been handed over to provincial DSD: five (5) in KwaZulu-Natal and two (2) in Limpopo • Five (5) Centres have reached stage of completion and will be finalised in April 2018: one (1) in KwaZulu-Natal and four (4) in North West • A total of 17 CCCs were trained on PSS and support groups: six (6) in KwaZulu-Natal, five (5) in Limpopo and six (6) in North West • A total of 11 CCCs were trained on comprehensive package of services: six (6) in KZN and five (5) in LP
Amount received in current period Amount spent by the Department Reasons for the funds unspent	R3 223 000 R3 223 000 N/A
Monitoring mechanism by the donor	Quarterly reports to donor

TABLE 2:

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	09 May 2016 to 08 May 2020
Purpose of the funding	Empower persons with disabilities and enhance disability mainstreaming
Expected outputs	• 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 neighbouring countries for the empowerment of persons with disabilities and disability mainstreaming are strengthened
Actual outputs achieved	• Project for the Promotion of Empowerment of Persons with Disabilities and Disability Mainstreaming started on 09 May 2016

DONOR FUNDING

	• DSD and JICA have set up a project infrastructure such as the project team and working group in Limpopo province. The Joint Coordinating Committee (JCC) which is the highest decision-making body of the project held three (3) meetings • The project team visited project sites in Limpopo and Free State. In Limpopo, the project team conducted a team building workshop and disability mainstreaming training in November 2016. Peer counselling was conducted in March, May, June and August 2017, and the peer counsellor training in January 2018. Training of Advocates on Social Model of Disability took place in March 2018, and the workshop and seminar on SHG of persons with disabilities took place in July 2017 • Project vehicle, multi-functional printer and office equipment (laptops, projectors, etc.) were procured for the two (2) project offices
Amount received in current period **Amount spent by the Department** **Reasons for the funds unspent**	R770 000 R770 000 N/A
Monitoring mechanism by the donor	Two JICA experts were dispatched to the National DSD to assist DSD officials in implementing and monitoring the project Monthly reports are prepared to monitor performance

TABLE 3:

Name of donor	USAID-FHI360
Full amount of the funding	R1 523 033.49
Period of the commitment	15 July 2015 to 30 September 2017 (extension of contract)
Purpose of the funding	Strengthening the Early Childhood Development Programme
Expected outputs	• Provide technical management and coordination support of 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 levels • Identify and organise capacity building on the approved ECD Policy, Childrenís Act (registration of the ECD programmes) and the Parental/Primary Caregiver Capacity Building Training Package, including training, coaching and mentoring for government officials in the Department of Social Development at national, provincial and district levels • Contribute towards intersectoral 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 household level • Revised ECD Chapter for the Child Protection Policy • Fourth version of the implementation plan of the ECD Policy completed • Revised aligned ECD Policy and Childrenís Act document • Support the Chief Directorate: M&E in DSD on the development of the MER Framework based on the National Integrated ECD Policy • Participate in the UNICEF/NECDA/DSD partnership and harmonise the rolling out of the Parental/Primary Caregiver Capacity Building Training with the provinces countrywide
Actual outputs achieved	• A memorandum was compiled for the Minister in April 2017 to obtain approval for a notice to be published in the Government Gazette on the availability of the ECD Policy on the DSD website. Publication of the Notice took place in Government Gazette, Vol 627, No. 41132 of 22 September 2017

DONOR FUNDING

Actual outputs achieved	• Measures are in the process of being put in place for the monitoring of the roll-out of the Parenting Programme by the social service professionals trained since September 2016 to May 2017 in five (5) provinces (Eastern Cape, North West, Free State, Northern Cape and Gauteng) with the target set to reach at least 3 000 parents and primary caregivers. Further to this, DSD and UNICEF have partnered for an accelerated roll-out of the training of parents on the Parenting Programme in collaboration with the National Early Childhood Development Alliance (NECDA) across the country – prioritising parents in Mikondzo municipalities – with the aim of capacitating 17 000 parents through this initiative • The Technical Advisor: ECD prepared a presentation for the UNICEF/NECDA/DSD Partnership on the Parental/Primary Caregiver Capacity Building Parenting Programme Package and co-presented it at the workshop held on 14 to 17 August 2017. A total of 58 people from 23 NGOs as members of the NECDA attended the workshop. Guidance was given to the NGO participants on the implementation of the Parental/Primary Caregiver Capacity Building Parenting Programme Package. The Mid-Upper Arm Circumference (MUAC) was developed by the Family Health International (FHI360) and introduced to NGOs • The outcome of the workshop was to train the technical people, coordinate and harmonise the way forward pertaining to the implementation of the Parental Programme within the UNICEF/NECDA contract. The UNICEF/NECDA/DSD Partnership has been formally introduced to the respective provincial HODs of Social Development in writing (15 September 2017) and the provincial ECD Coordinators during the ECD Focus Group discussion of the National Child Care and Protection Forum (NCCPF) held on 21 September 2017 • The process of obtaining inputs from ECD experts on the identification of gaps and potential areas for research on the ECD and ECD on the household level proceeded and inputs were obtained from The Childrenís Institute, Advocacy Aid, Custoda Trust, FrameWorks (partnering, amongst others, with UNICEF, DST-NRF Centre for Excellence in Human Development at the University of the Witwatersrand and Prevention Research for Community, Family and Child Health at Stellenbosch University). An additional research report was obtained from the Centre for ECD and information was added • The second revision of the first draft of the revised ECD Chapter for the Child Protection Policy was conducted and circulated for comment on 23 July 2017. A working session was facilitated with the ECD staff members in August 2017 and the third revised ECD Chapter for the draft Child Protection Policy was submitted on 28 August 2017 to the Chief Directorate: Legislation. The draft chapter was tabled at the National Child Care and Protection Forum on 20 September 2017; comments received were effected and submitted to the Portfolio Committee for circulation to the Provincial ECD Coordinators • The fourth version of the implementation plan of the ECD Policy was completed and the secretariat of the National Interdepartmental Committee for ECD circulated the fourth draft to the members for comment • The TA: ECD organised a visit to Mother Goose Corner Day Care Centre in Germiston (took place on 29 August 2017) for the ECD staff to observe the implementation of the Reggio Emilia approach in an African context. The principles of the Reggio Emilia approach underpin the NCF which guides the registration of ECD programmes • A close-out report and presentation were compiled for a meeting DSD and USAID and FHI360 management had on 17 October 2017

Amount received in current period **Amount spent by the Department** **Reasons for the funds unspent**	R512 000 R512 000 N/A
Monitoring mechanism by the donor	Monthly, quarterly and annual reports are submitted to the donor. Monthly meetings with the donor
TABLE 4:	
Name of donor	**USAID – Pact SA**
Full amount of the funding	The amount is not specified in the agreement
Period of the commitment	September 2013 to 30 September 2018
Purpose of the funding	The overarching goal is to strengthen DSD's response in addressing social and structural barriers that increase the vulnerability of OVC to human immunodeficiency virus (HIV), STIs and TB and addresses specific constraints hampering the health and social development system to achieve better outcomes for orphaned and other vulnerable children (e.g. those affected by poverty, child abuse, neglect and exploitation)
Expected outputs	• 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 SAG departments such as Health and Education and build a supportive multi-sector environment for vulnerable children led by DSD through system strengthening at the national and provincial levels • Improved timely availability of reliable data on programme performance monitoring and evaluation (M&E) and information on the social effects of HIV and Acquired Immunodeficiency Syndrome (AIDS) and other vulnerabilities faced by children
Actual outputs achieved	• By the end of September 2017, the Government Capacity-Building Support System (GCBS) reached 221 929 OVCY with a core package of social services across eight (8) provinces and 17 districts in South Africa. Of the beneficiaries reached, 66% were under the age of 18 years; of those, 31% of them were within the priority target age of 15-17 years. Under GCBS, services provided to OVCY were strengthened through six core programme components, including the direct support of 86 GCBS Social Workers (SWs) and 14 Social Work Coordinators (SWCs) seconded to DSD in government service points and NPOs, providing service delivery support in 287 DSD sites and 473 technical assistance sites • The GCBS and DSD component working groups jointly drafted a Sustainability Plan to help guide continuity of DSD and USAID investment beyond the life of the GCBS programme. It identifies the key actions and measures needed to transition and institutionalise the major practices, tools, guidelines, systems and products developed by GCBS. These are implemented through the DSD and partners at site, district, provincial and national levels, namely, the core package of OVCY services, the HIV Testing Services, guidelines for social services practitioners, targeted social and behaviour change communication programmes, and workforce Skills Development Needs Analysis and demand and supply modelling • A total of 54 training and workshops were conducted by GCBS in all provinces and participants included, among others, social workers, provincial DSD staff, NPOs and HIV coordinators
Amount received in current period **Amount spent by the Department** **Reasons for the funds unspent**	R46 184 000 R46 184 000 N/A
Monitoring mechanism by the donor	Programme Steering Committee is overseeing work plan implementation. Progress reports presented to the Steering Committee

DONOR FUNDING

TABLE 5:

Name of donor	GI Z– Germany
Full amount of the funding	R135 032
Period of the commitment	01 June to 31 July 2017
Purpose of the funding	• Workshop on global practitioners learning event on sustainable development goals and social protection: How to move from Global Politics to National Action in Oaxaca, Mexico
Expected outputs	• Exchanging South Africaís experience in the implementation of the Sustainable Development Goals (SDG) with other countries
Actual outputs achieved from 01 April to 31 March 2018	A presentation was shared during the workshop outlining the Department's involvement in the Social Protection Programme that contributes to the achievement of the SDGs
Amount received in the 2017/18 financial year	R135 032
Amount spent by the Department or on behalf of the Department in the 2017/18 financial year **Reasons for the funds unspent**	R135 000 N/A
Monitoring mechanism by the donor	Written reports or video as testimonial for participation

TABLE 6:

Name of donor	UNICEF
Full amount of the funding	$5 745 000
Period of the commitment	01 February to 30 September 2017
Purpose of the funding	Strengthening of the Early Childhood Development Programme
Expected outputs	• Provide technical support for the strengthening of the Early
Childhood Development Programme	Actual outputs achieved from 01 April to 31 March 2018 • Development of the ECD Investment Case and compilation of the Report. White Board Animation of the ECD Investment Case. Three-day workshop on the ECD Investment case held from 15 – 17 May 2017. Intersectoral Forum Meeting for the implementation of the ECD Policy held on 11 May 2017 at Protea Hotel, Fire and Ice • Three provinces trained on the Parenting Programme, namely, Northern Cape, Western Cape and Gauteng • Printing and dispatch of Parenting Programme materials to provinces • Appointment of NECDA for the implementation of the Parenting Programme • National Interdepartmental Committee (NIDC) Workshop held on 17 – 18 May 2017 at Alpine Attitude Boutique Hotel for the implementation of the ECD Policy • NIDC Workshop held on 05 and 06 July 2017 for the implementation of the ECD Policy • Service provider appointed for the mapping of non-centre-based programmes
Amount received in the 2017/18 financial year **Amount spent by the Department or on behalf of the Department in the 2017/18 financial year** **Reasons for the funds unspent**	R2 309 000 R2 309 000 N/A
Monitoring mechanism by the donor	Reports and minutes are available regarding meetings held. Copies of the Parenting Programme Training materials were distributed to provinces and NECDA for further roll-out of training

DONOR FUNDING

TABLE 7:

Name of donor	UNICEF
Full amount of the funding	R300 000
Period of the commitment	01 April 2017 to 31 March 2018
Purpose of the funding	Review of National Plan of Action for Children
Expected outputs	National Plan of Action for Children
Actual outputs achieved from 01 April to 31 March 2018	DSD conducted the workshops on the review of National Plan of Action for Children in North West clustered with Free State and Northern Cape provinces on 17 May 2017 DSD and UNICEF appointed the service provider to assist with the review of NPAC. The service provider resumed her duties in the month of February 2018 Child Rights Advocacy Unit developed the NPAC Framework which will be used for the consultation on the review of NPAC
Amount received in the 2017/18 financial year Amount spent by the Department or on behalf of the Department in the 2017/18 financial year	R150 000 R150 000
Reasons for the funds unspent	The Service Provider was paid R150 000 for the service rendered in March 2018. The remaining balance will be paid in May 2018 after the end of contract
Monitoring mechanism by the donor	Monthly report will be submitted to the donor for monitoring purposes

TABLE 8:

Name of donor	Save the Children of South Africa
Full amount of the funding	R100 000
Period of the commitment	01 August to 06 October 2017
Purpose of the funding	Celebration of Nelson Mandela Children's Parliament
Expected outputs	Moving Madiba legacy forward, the ultimate goal of the Children's Parliament is to create a channel for children's participation in democracy and to provide them with a guided opportunity to influence policies as well as programmes and strategies intended to address the realisation of their rights
Actual outputs achieved from 01 April to 31 March 2018	Save the Children of South Africa donated 400 school bags for celebrating Nelson Mandela Childrenís Parliament held in Northern Cape in October 2017
Amount received in the 2017/18 financial year Amount spent by the Department or on behalf of the Department in the 2017/18 financial year	R100 000 R100 000
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	DSD will provide a report to the donor as a monitoring tool

DONOR FUNDING

TABLE 9:

Name of donor	Nelson Mandela Children's Fund
Full amount of the funding	R150 000
Period of the commitment	01 August to 06 October 2017
Purpose of the funding	Celebration of Nelson Mandela Children's Parliament
Expected outputs	Celebration of Nelson Mandela Children's Parliament
Actual outputs achieved from 01 April to 31 March 2018	Moving Madiba legacy forward, the ultimate goal of the Children's Parliament is to create a channel for children's participation in democracy and to provide them with a guided opportunity to influence policies as well as programmes and strategies intended to address the realisation of their rights
Amount received in the 2017/18 financial year Amount spent by the Department or on behalf of the Department in the 2017/18 financial year	R150 000 R150 000
Reasons for the funds unspent	Nelson Mandela Children's Fund will donate 500 t-shirts for celebrating Nelson Mandela Childrenís Parliament which was held in Northern Cape on 06 October 2017
Monitoring mechanism by the donor	DSD will provide a report to the donor as a monitoring tool

TABLE 10: DONOR FUNDING IN KIND - ILIFA LABANTWANA AND HOLLARD FOUNDATION

Name of donor	Ilifa Labantwana and Hollard Foundation
Full amount of the funding	R200 000
Period of the commitment	The DG approved the project in February 2017 but the service provider only commenced in June 2017 The project will take six (6) months from 01 June 2017 to 31 December 2017 (revised 13 April 2018)
Purpose of the funding	To develop uniform bylaws to enable ECD registration in the country
Expected outputs	Universal bylaws Actual outputs achieved from 01 April to 31 March 2018 Compiled the revised draft close-out report
Amount received in the 2017/18 financial year Amount spent by the Department or on behalf of the Department in the 2017/18 financial year	R60 000 R60 000
Reasons for the funds unspent	The Steering Committee was not happy with the final report; the service provider is busy with amendments on the report. The balance will only be released upon satisfactory and signing of the report
Monitoring mechanism by the donor	Check implementation plan on a regular basis to ensure progress

CAPITAL INVESTMENT

Capital investment

The Department's movable capital assets consist mainly of office furniture and equipment, vehicles, IT infrastructure and equipment as well as kitchen appliances. The Department received funding from German Development Bank (KfW) to build community care centres for orphans, vulnerable children and youth. During the year under review, seven (7) community care centres for orphans, vulnerable children and youth with the costs amounting to R52,124 million have been constructed by German Development Bank (KfW) donor funds. Five (5) centres were built at KwaZulu-Natal and two (2) built at Limpopo. The centres will be transferred to the Provinces.

Asset management plan

The Department's assets comply 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 Departmentís policy. All newly acquired assets were reconciled against accounting records. The Asset Management office ensures that requests for assets comply with Departmental policies, norms and standards before any assets were 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.

GOVERNANCE

ANNUAL REPORT 2018

PART C

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

Effective risk management is imperative to the Department to fulfil its mandate, the service delivery expectations of the public and the improvement of its performance. The Department therefore recognises risk management as an integral component of good governance and has adopted the Public Sector Risk Management Framework. Aligned to this, a risk management policy and strategy have been developed to guide the function. Risk planning and assessments are conducted annually with all business units to identify risks that could impede the attainment of set objectives, to develop mitigation strategies to address such risks and to identify potential opportunities. This culminates in a risk assessment report which is approved by both the Chairperson of the Risk Management Committee and the Accounting Officer. The Department has an established and functional Risk Management Committee that meets on a quarterly basis to review the progress the Department is making in addressing its risks and providing strategic direction and advice to the Accounting Officer on risk management. Furthermore, 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. This provides the Audit Committee with the opportunity to monitor the effectiveness of the system of risk management. Internal Audit conducts regular audits on the risk management function to provide an assessment of the effectiveness of risk management and to propose areas for improvement. Risk management is also subjected to the annual MPAT process that is coordinated by the DPME and the Department has been rated level 4 for the past four years. The organisational culture in terms of risk management has been enhanced and this has resulted in an improvement in the management of risks within the organisation. The outcome of this, among others, has led to an improvement in the Department's performance. The Department will continue to intensify its risk management processes and monitoring systems. It will work collaboratively with all business units to ensure that it meets both its strategic and operational objectives.

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 reinforcing existing regulations aimed at the prevention, detection, investigation and resolution of corruption and fraud. It is a dynamic strategy that will continuously advance as the Departmentís circumstances change. Annexure A of the policy explains the Department's ACFP Plan, while Annexure B explains the ACFP Response Plan and provides details on 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 the annexure.

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 Department also has an Anti-Corruption Strategy, aimed at rooting out corruption. The Strategy also serves to raise awareness on corruption within the Department.

The Department is committed to the fight against fraud and corruption, whether the perpetrators are internal or external. Through its Whistle Blowing Policy and procedures, the Department commits to a culture of openness and transparency as well as protection of whistleblowers. This Policy provides a means for staff to raise concerns when there is suspected fraud and corruption within the Department. All concerns raised are treated as confidential. 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. The action taken by the Department will depend on the nature of the concern. Possible actions taken to the matters raised may include an internal investigation by security management services or the forensic investigations division of the Internal Audit, and/or the SAPS or other relevant law enforcement agency may be referred to. To protect individuals, the Department will determine whether an investigation is appropriate and, if so, suitable action will be taken. The Department acknowledges receipt of concerns and provides progress on investigations to the complainants in writing.

Depending on the nature of the matter being investigated, the investigating body may contact the person who raised the concern to provide clarity on the information provided. Investigations will be kept confidential to protect the integrity of the suspected persons in case they are found innocent.

4. MINIMISING CONFLICT OF INTEREST

Members of the Bid Specification, Bid Evaluation and Bid Adjudication Committees declared their interest by signing a Declaration of Interest Register at every meeting. Members who declared their interest in any committee meeting were requested by the chairperson to recuse themselves from the proceedings. All suppliers and service providers were required to sign the Government's Standard Bidding Document (SBD 4) Declaration of Interest form.

5. CODE OF CONDUCT

The Code of Conduct is a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. In other words, it is a guideline as to 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 is 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 officialís 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. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Policy was approved by the Director-General (DG) and commits the Department to ensure a safe and healthy workplace for staff and visitors. The Policy specifies the objectives and responsibilities for implementing that policy and outlines the Department's programme for occupational health, safety and welfare of staff and visitors. To ensure effective implementation of the policy, staff at all levels must recognise their responsibilities. This will require the ongoing incorporation of occupational health and safety principles into work practices, the ongoing commitment of resources to occupational health and safety and communication between all levels of staff. The Department has implemented a number of occupational health and safety measures. These include the establishment of consultative processes, such as Occupational Health and Safety Committees; Health and Safety Management Committee; and Emergency Planning Committee. There is also a reporting system to record and investigate accidents and other health and safety incidents.

7. PORTFOLIO COMMITTEES

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

DATE OF MEETING	PURPOSE OF MEETING	RESOLUTIONS AND RECOMMENDATIONS
03 May 2017	Briefing by the Department on its strategic and annual performance plans.	• The Committee noted the presentation of the annual performance plans of the Department. • The Committee emphasized that the Minister has an obligation to attend these meetings because she is accountable to Parliament. • Members were satisfied with the presentation and unqualified audit report with findings received by the NDA. **The meeting made the following recommendations:** • The Chairperson requested the Acting D-G to submit the operational plan to assist Committee in exercising proper oversight. • The Committee recommended that the Minister develop a strategy to address challenges pertaining to foster care grants. • The Minister should address challenges relating to food security programme and develop ways to make this programme effective. • The Minister should ensure that teenage parents receive proper training and support in parental skills as provided for in the White Paper on Families. • The Minister in partnership with other relevant departments should ensure that the integrated plan that seeks to integrate their food security programmes address the long-term impact of drought, particularly in provinces that had been adversely affected by drought. • The Minister should ensure that more focus on other initiatives to decrease cases of Gender Based Violence (GBV). • The Minister should lobby for additional funds in order to employ social workers.
14 June 2017	Briefing by Department of Social Development on progress made on the Comprehensive Social Security reforms in South Africa	• Members were generally not satisfied with the presentation and it was resolved that a workshop be held to enable Members to engage and understand the presentation clearly. • It was also resolved that implementation of social security should be included in the next presentation.
21 June 2017	Briefing by the Department on Gender based violence Command Centre.	• The members welcomed the presentation. However, raised concerns on the escalating incidences of GBV in the country. • The committee also questioned the visibility of GBV command centres in provinces and level of collaboration between the centres and the police. • The committee further requested a disaggregation of person by age and disability accessing these Centres.

DATE OF MEETING	PURPOSE OF MEETING	RESOLUTIONS AND RECOMMENDATIONS
		• The committee questioned on the success of the green and white doors and the cumulative total in the country. • The department indicated there is a plan in progress for a mass media campaign which involves Brothers For Life and USAID
13 September 2017	The Department progress report on Quarter 4 (January - March 2017) performance	• The Department briefed the committee on its performance against predetermined objectives and its financial standing, in the 4th quarter of the 2016/17 financial year. • The Department reported an increase from 66% to 77% when compared to the third quarter • The Department cited that the expenditure on the programmes varied between 99% and 100%, with areas of under spending including foster care, disability and old age grants due to fewer than anticipated projected beneficiaries among others • The committee raised a concern on the presentation citing that it does not reflect the impact of the Department's initiatives, it only flags numbers. • The Department continued to monitor the set targets in the APP
04 October 2017	Department of Social Development and National Development Agency 2016/17 Annual Reports, with Auditor-General input.	• The AGSA briefed the committee on the Department of Social Development and its entities. • AGSA cited that the Department spent 99.60% of its budget but only achieved 80.30% (86 of 107 targets) • The committee outlined that this data strongly hinted at poor planning structures concerning fiscal and performance functions. • Member expressed concerns on the shifting of funds from core programmes to administration on a yearly basis • The Committee discouraged the virement of funds in programmes and indicated that this will have negative impact on budget allocation during appropriation.
01 November 2017	East Rand chronic underfunding of Child Welfare organisations: Social Development Department response to petition	• The Department and its Gauteng Provincial counterpart presented its response to the Committee on the petition submitted by Mr. Waters. • The petition was prepared on behalf of the East Rand and alluded on the underfunding of child welfare service • The Department acknowledged the issues raised on the petition and the importance of NPO-State partnerships in social service delivery • The Department presented provincial budget allocations, per capita expenditure, transfers to NPO and proposals on the 2016/17 budget.

DATE OF MEETING	PURPOSE OF MEETING	RESOLUTIONS AND RECOMMENDATIONS
		• The Department outlined that of the 19 billion allocated to the Department for 2017/18, 7 billion was spent on NPOs nationally, and of this 70% went to social welfare, children and families and restorative services. • The Committee requested the Department to forward a list of the organisations it was funding. • The Chairperson indicated that there was a need for provinces to come and present their state of readiness and food security strategies.
22 November 2017	Foster Care System: Progress Report by Department of Social Development, with Minister	• DSD and SASSA gave progress report in the foster care system in South Africa • The Department highlighted the number of children receiving foster care grant, the use of court order to place children in foster care, challenges with SASSA pay-outs caused by lapsed court orders. • It was proposed that there was a need to engage with National Treasury to ask for an increase in the DSD's budget allocation. • The child care protection policy would amend the Children's Act and address some of the challenges with the implementation of the foster care system • There is also Inter-sectoral collaborations with the Department of Justice and Constitutional Development to address the implementation challenges of the Child Care Act, and to strengthen and improve foster care services. • The Committee resolved that recruiting of social workers and comprehensive legal solutions would be addressed after the child care protection policy had been approved by Cabinet. • Foster care programme is social service dependent on various stakeholders, therefore there was a need for a collaboration and joint meetings between the DHA, DoH, DBE, DHE and DSD.
7 March 2018	SASSA finances: Internal Audit Committee report; Department Quarter 1 & 2 performance	• The Department briefed the Committee on its mid-term performance Report. • The Department reported a decrease in its performance from 75% to 66% when compared to the first quarter. • The Department reported on the reasons for non-achievement which included: lack of capacity, the failure to meet deadlines by service providers, non-submission of competent evidence and incomplete evidence in reports to support performance and a delay in the appointment of service providers. • The Committee raised concerns with regards to the following: the non-achievements of targets in the second quarter, the continuous repetition of the same mistakes, absorption of social work graduates who are unemployed and the lack of disciplinary action against people who were not performing their duties in order to employ social workers.

8. STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS

The Department did not appear before SCOPA during the reporting period.

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 responsibility of internal control is to identify, mitigate and manage control risks which may hamper the achievement of the Department's objective to effectively, efficiently and economically manage its financial and related resources.
The main functions performed by internal control cover the following areas:-

- Manage effective, efficient and transparent financial (internal) control/inspectorate measures.
- Manage loss control.
- Manage financial and financial-related systems.
- Support with the management of fraud prevention.
- Maintain financial information and knowledge management.
- Maintain governance frameworks.
- Facilitate and participate in committees, forums and oversight bodies.

During the period under review, the Internal Control Unit effectively coordinated 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. 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 promptly. 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 COMMITTEE

The Audit Committee plays a pivotal 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: Internal Audit Services conducted Financial, Compliance, Governance, Information Technology and Performance Information audits in accordance with the
International Standards for the Professional Practice of Internal Auditing and the Department's Internal Audit Charter. Internal Audit planned to conduct 26 risk-based audit projects as per the Internal Audit Coverage Plan. Twenty-six () 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, management plans and processes for risk management, control and governance.

Attending of audit committee meetings

The Audit committee consist of the members listed in the table below. As per its approved terms of reference, the audit committe 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 Resigned	No. of Meetings attended
Adv. M B Madumise (Chairperson)	• B Proc • LLB • MBA • Graduate Diploma in International Trade Law	External Member	N/A	Initially appointed on the 1st September for a period of 3 years. Subsequent to the expiry of the contract, her contract was extended. The new contract came into effect on the 3rd May 2017	N/A	11
Ms D B Moloto	• MBL • BA Hons • M Dip in HRM • BA (Social Work)	External Member	N/A	Initially appointed on the 1st November 2013 for a period of 3 years. Subsequent to the expiry of the contract, her contract was extended. The new contract came into effect on the 30th May 2017	N/A	11
Mr L Yanta	• Bachelor of Accountancy • Chartered Accountant (CA) • Graduate Utility Programme	External Member	N/A	14 May 2017, contract effective for 3 years	N/A	11
Ms N Ndlovu	• MBA • Primary Teachers Diploma • Further Diploma in Educational Management	External Member	N/A	1 October 2017, resigned February 2018	April 2018	5
Mr N Mabaso	• MSc in Public Management • Advance Diploma in Management • Bachelor of Administration (Honours) • Secondary Teachers Diploma	External Member	N/A	12 December 2017, contract effective for 3 years	N/A	3

12 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2018.

Audit Committee Responsibility

The Audit Committee reports that it has carried out its responsibilities in terms of Section 38(1) (a) of the Public Finance Management Act (PFMA) 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, regulated its affairs in compliance with this charter and discharged the responsibilities as contained therein.

Effectiveness of internal controls

The system of internal controls was effective in the year under review. The Audit Committee, however, noted with concern the continuing external audit findings and risks in respect of supply chain management compliance, human resources and information systems.

The Quality of the in-year management and monthly/quarterly reports submitted in terms of legislation

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

Evaluation of Annual Financial Statements

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

South African Social Security Agency (SASSA)

As reported in the previous financial year, the Audit Committee is concerned that the Department is not effectively carrying out oversight role over SASSA. The Audit Committee believes that the absence of a formal, effective and comprehensive governance framework is the primary reason for the adverse audit finding accompanying the Department's audit opinion in the current financial year. The Committee believes that the Department and its stakeholders need to urgently address this matter to mitigate any other potential risks arising from this governance shortcoming.

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.

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Department in its audit. The Committee is pleased with the appointment of the Chief Audit Executive of the internal audit function.

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 2018

HUMAN RESOURCES MANAGEMENT

ANNUAL REPORT 2018

PART D

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 management practices to maximise human potential. Human Capital Management (HCM) in the Public Service is governed by a myriad of pieces of legislation, regulations, bargaining council resolutions and directives. Key amongst them are, but not limited to, the following:

- Public Service Act
- Public Service Regulations
- Labour Relations Act
- Skills Development Act
- Skills Development and Levies Act
- Basic Conditions of Employment Act
- Employment Equity Act
- Promotion of Administrative Justice Act
- Promotion of Access to Information Act
- DPSA Directives
- Public Service Coordinating Bargaining Council (PSCBC) Resolutions and
- PHSDSBC Resolutions

In light of the fact that Human Resources 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 mere compliance and administrative-driven to a more strategic business partner, in terms of understanding the Department's core business and advising on Human Resources (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, focussing on the main pillars of:

- Human Resource 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 compliment of 46 officials responsible for all aspects of HR. All HR policies are being developed though some are being revised in line with the recently approved Public Service Regulations, 2016 as amended. 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. On that account, HR practices must ensure that the human capital is optimally utilised, developed and the morale of the officials is uplifted through a conducive environment.

The Department had a vacancy rate of 17.8% due to a number of reasons. First, the compensation budget was reduced, resulting in not all vacant posts being filled. The unfunded posts could not be removed from the posts establishment due to the prioritisation process. Finally, the turnover rate in the Department during the reporting period was at 16%. This therefore meant that for almost every post that was filled someone left the Department. The Director-General post became vacant in May 2017, which created instability in the leadership of the Department. The post was advertised and at an advanced stage of the recruitment process but was not finalised.

The organisational structure of the Department had to be reviewed to accommodate the Department's inability to fill all vacant posts due to a reduction in budgets across Government. The Department of Public Service and Administration had not agreed with the organisational structure and the Department is operating according to the approved structure of 2015.

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

The HR priorities for the year under review were identified as follows:

Reducing the vacancy rate to 10%

To have a fully effective department, it is critical to fill posts as soon as possible. The target of 10% was not met due to the cost containment measures that resulted in the reduction of the compensation of the employees budget for the Department by R76 million over the Medium-Term Expenditure Framework (MTEF). Various other interventions were utilised to mitigate the potential impact on service delivery. These included the appointment of contract workers and acting appointments. Not withstanding the foregoing, the Department has made good progress in filling posts. The majority of posts were filled on senior management levels in order to provide strategic leadership and direction within their respective areas.

Develop and implement a Sector Human Resources Plan for 2018-2022

The Department undertook a process of developing a five-year Sector Human Resources Plan (2018-2022). There are a number of achievements and/or strides made towards the target, which forms part of the departmental Annual Performance Plan (APP). The achievements have played a significant role in the robust engagements and interface with critical stakeholders, where platforms for discussions were coordinated to gather information in helping the process for future forecasting and planning and also to strengthen the workforce, strengthen capacity, address turnover rate and produce adequate skills. All those aspects will help the Department to optimally render the needs and mandate to achieve its goals and objectives (to enable the sector to deliver optimally on its mandate).

The draft Sector Human Resources Plan was tabled before MANCO on 19 February 2018 with the hope of obtaining approval and endorsement to take it to Heads of Social Development Sector (HSDS). However, MANCO recommended that the Strategy Planning Unit facilitate a strategy dialogue for the Department in order to align the Sector HR Plan with the strategy of the Department. Therefore, the Sector HR Plan is awaiting the strategy dialogue to be facilitated by the strategy and planning unit

Ethics and integrity management

During the period under review, the Department has developed a model to ensure that the ethics and integrity function is managed. This will be institutionalised in the organisational structure when the structure is being reviewed. The Department has ensured a 100% disclosure rate during the reporting period. All employees on salary levels 11 and 12 as well as all officials in the Finance Branch have made disclosure.

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

Over and above the Occupational Specific Dispensation (OSD) for Social Service Professions and Related Occupations, the Department also develops an Annual Human Resources Plan.

The HR Plan seeks to ensure that the Department has the requisite capacity and capability at any given time to ensure that the Department delivers on its mandate. This HR Plan has taken note of the 12 government outcomes, the 18 sector priorities and the three (3) outcomes that the Minister must contribute towards achieving Governmentís objectives. It is a requirement that government departments develop and submit Annual HR Plans and progress reports to the Department of Public Service and Administration. The purpose of this HR Plan is to identify future scarce and critical skills within the department that needs to be prioritised and filled by way of normal recruitment and selection practices. The Department managed to reach this goal by submitting the Annual HR Plan and progress reports on time. The Department conducted a comprehensive skills audit to determine skills gaps and skills shortages for Social Service Professionals required by the Sector to perform and deliver on its mandate. This was preceded by the development of a competency framework specific to the Social Service occupational categories.

In an effort to contribute towards a skilled and capable workforce, as per the regulation of the Skills Development Act (No. 97 of 1998), the Department developed and implemented a Workplace Skills Plan. Some 329 officials at all levels, including Interns, attended identified skills development courses within the Department. To enhance the formal skills base of the Department, 85 officials were supported through a bursary to study towards a qualification in various study areas. The Department continued its Internship Programme and 64 graduate Interns and nine (9) student Interns were placed in various functional areas. We continued to provide technical support to line managers for implementing various capacity-building programmes.

The Department conducts regular exit interviews and the findings are made available to the relevant branches for attention and addressing strategic management issues emanating from the reports. This is done on a quarterly basis.

2.4 Employee performance management framework

The Department sought to manage its staff in a consultative, supportive and non-discriminatory way in order to enhance its organisational efficiency, effectiveness and accountability. Performance Agreements (106), Work Plans (710), Mid-Term Reviews (688) and Annual Performance Appraisals (779) were completed in line with the departmental PMDS. Performance management involves planning, reviewing, evaluating, recognising and rewarding of performance. Performance management within the Department of Social Development is a structured process and is 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, as well as the approved departmental PMDS Policy, is also taken into consideration.

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

2.5 Employee wellness programmes

As part of the role of being a strategic partner and ensuring a conducive environment for employees, the Department is implementing the four pillars of the DPSA EHW Strategic Framework which includes HIV/AIDS and TB Management, Wellness Management, Health and Productivity, and Safety, Health, Environment, Risk and Quality (SHERQ) Management. This is managed by a sub-directorate dedicated to Health and Wellness. With regard to HIV/AIDS and TB, there is regular condom distribution, HIV/AIDS awareness creations as well as commemorating international calendar days such as Candle Light Memorial and World Aids Day. As regards Health and Productivity Management, awareness is created amongst employees by inviting experts in specific fields to provide information sessions and arranging Health Risk screenings two times per annum.

Financial management sessions are conducted annually to provide employees with information that will assist in managing their finances. SHERQ Management is taken care of through the nomination of safety reps and the Safety Committee which meets on a regular basis.

In terms of the last pillar of the strategy, which is Wellness Management, the two Employee Health and Wellness (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 Departmentís expenses in terms of the EHW Policy. The flagship programme under this pillar is the Annual Sports Day which takes place around September each year. Employees are encouraged to participate in the fun walk, soccer and netball matches as well as other activities to encourage those not so sport-inclined.

2.6 Challenges faced by the Department

The cost containment and efficiencies issued by the Minister of Finance in February 2016 during the Budget speech have affected the entire public service where all departments are required to demonstrate in the Human Resources Budget Plans how they will manage their personnel establishments. Therefore, departments must manage their workforce within the allocated compensation budget limit. From an HR perspective, it 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 budget that has been made available for this purpose as well as the turnaround time for filling those posts. The further budget cuts during the reporting period meant that the Department needs to prioritise posts on a continuous basis.

The budget cuts will have a direct impact on the organisational structure, meaning that posts that cannot be funded must be removed. Thus, reorganising and reallocation of work with its concomitant labour relations implications have to be managed. The vacant Director-General post has implications for leadership stability and overall management of the Department, overflowing into the realms of the organisational culture and a conducive work environment.

2.7 Future Human Resources plans/goals

The Department, in collaboration with all Social Services provincial departments, is responding to the call by the National Development Plan, Vision 2030 to strengthen social service professions to respond to the country's social welfare needs, hence currently finalising the five-year 2018-2022 Sector Human Resources Plan. Subsequent to that, the Department is focusing at ensuring that there is alignment and standardisation within the organisational structure for Social Development, especially at a provincial level to optimally render services and implement approved pieces of legislation.

The filling of the Director-General post will create stability in the Department. Also, addressing mandatory organisational structure issues prescribed by the Public Service Regulations such as ethics and integrity management is a priority. It is also vital to finalise the project of the Skills Audit in the incomplete areas and implement the plans derived from the audit findings.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel-related expenditure

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

- Amounts spent on personnel
- 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 (R'000)	Average Personnel Cost Per Employee (R'000)
P1: Administration	384 878	186 609	0.00	0.00	48.50	185.00
P3: Social Security Policy and Administration	7 275 299	47 763	0.00	0.00	0.70	47.00
P4: Welfare Service Policy Development and Implementation Support	1 040 278	80 657	0.00	0.00	20.90	80.00
P5: Social Policy and Integrated Service Delivery	385 835	148 516	0.00	0.00	14.30	148.00
Total	**9 086 290**	**461 135**	**0.00**	**0.00**	**84.4**	**481.00**

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 (Level 1-2)	14.00	0.00	0	0
Skilled (Level 3-5)	17 842	3.80	81	220 272
Highly skilled production (Level 6-8)	84 460	17.90	279	302 724
Highly skilled supervision (Level 9-12)	182 383	38.60	264	690 845
Senior and top management (Level 13-16)	117 537	24.80	103	1 141 136
Contract (Level 1-2)	0	0	0	0
Contract (Level 3-5)	8 825	1.90	92	95 924
Contract (Level 6-8)	21 588	4.60	36	599 667
Contract (Level 9-12)	18 803	4.00	27	696 407
Contract (Level 13-16)	10 019	2.10	9	1 113 222
Periodical Remuneration	2 103	0.80	53	72 132
Abnormal Appointment	3 823	0.40	62	33 919
Total	**467 397**	**98.80**	**1 006**	**464 609**

TABLE 3.1.3: SALARIES, OVERTIME, HOMEOWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME

Programme	Salaries		Overtime		Home Owners Allowance		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	160 992	85.20	770	0.40	3 654	1.90	5 508	2.9
P3: Social Security Policy and Administration	153 908	83.70	132	0.10	2 664	3.2	3 875	4.7
P4: Welfare Service Policy Development and Implementation Support	47 324	86.70	0	0	668	2.5	1 332	4.9
P5: Social Policy and Integrated Service Delivery	42 699	84	0	0	931	1.8	1 561	3.1
Total	**404 923**	**85.6**	**902**	**0.20**	**7 917**	**1.70**	**12 275**	**2.60**

TABLE 3.1.4: SALARIES, OVERTIME, HOMEOWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND

Programme	Salaries		Overtime		Home Owners Allowance		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 (Level 1-2) Skilled (Level 3-5)	9	64.3	0	0	1	7.1	4	8.6
Highly skilled production (Level 6-8)	13 763	76.7	221	1.2	1 091	6.1	1 085	6
Highly skilled supervision (Level 9-12	67 600	79.6	380	0.4	3 259	3.8	4 985	5.9
Senior management (Level 13-16)	158 037	86.0	247	0.1	1 953	1.1	4 823	2.6
Contract (Level 1-2)	103 895	86.5	23	0	1 566	1.3	1 290	1.1
Contract (Level 3-5)	3 823	96.0	0	0	0	0	0	0
Contract (Level 6-8)	8 795	99.1	19	0.2	0	0	0	0
Contract (Level 9-12)	21 429	98.7	12	0.1	15	0.1	1	0
Contract (Level 13-16)	18 109	94.0	0	0	0	0	88	0.5
Periodical	9 462	92.1	0	0	32	0.3	0	0
Remuneration	0	0	0	0	0	0	0	0
Total	**404 893**	**85.6**	**902**	**0.20**	**7 917**	**1.70**	**12 275**	**2.60**

3.2. EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The tables that follow summarise the number of posts on the establishment, the number of employees, the vacancy rate and whether there are any staff members 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 on the 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 on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
P1: Administration	462	375	18.8	67
P3: Social Security Policy and Administration	414	344	16.5	67
P4: Welfare Service Policy Development and Implementation Support	167	139	17.4	69
P5: Social Policy and Integrated Service Delivery	106	86	18.9	4
Total	**1 149**	**944**	**17.8**	**207**

TABLE 3.2.2: EMPLOYMENT AND VACANCIES BY SALARY BAND

Salary Band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (Level 1-2)	54	53	1.9	53
Skilled (Level 3-5)	111	81	27	0
Highly skilled production (Level 6-8)	344	279	18.9	2
Highly skilled supervision (Level 9-12)	342	264	22.8	1
Senior management (Level 13-16)	134	103	23.1	0
Contract (Level 1-2)	0	0	0	0
Contract (Level 3-5)	92	92	0	91
Contract (Level 6-8)	36	36	0	34
Contract (Level 9-12)	27	27	0	22
Contract (Level 13-16)	9	9	0	4
TOTAL	**1 149**	**944**	**17.8**	**207**

TABLE 3.2.3: EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related: Permanent	113	87	23	11
Auxiliary and related workers: Permanent	3	1	66.7	1
Client inform clerks (switchboard reception inform clerks): Permanent	13	12	7.7	0
Communication and information related: Permanent	9	8	11.1	1
Community development workers: Permanent	18	17	5.6	0
Computer system designers and analysts: Permanent	9	7	22.2	3
Finance and economics related: Permanent	0	0	0	0
Financial and related professionals: Permanent	35	28	20	3
Financial clerks and credit controllers: Permanent	35	25	28.6	4
Food services aids and waiters: Permanent	3	1	66.7	0
General legal administration and related professionals: Permanent	5	4	20	0
Head of department/chief executive officer: Permanent	1	0	100	0
Human resources & organisational development and related professionals: Permanent	18	18	0	0
Human resources clerks: Permanent	10	9	10	0
Human resources related: Permanent	11	9	18.2	0
Information technology related: Permanent	5	5	0	0
Language practitioners, interpreters and other communication: Permanent	4	2	50	1
Library mail and related clerks: Permanent	26	23	11.5	7
Logistical support personnel: Permanent	27	22	18.5	5
Material-recording and transport clerks: Permanent	10	8	20	1
Messengers porters and deliverers: Permanent	11	9	18.2	2
Other administration and related clerks & organisers: Permanent	392	338	13.8	

TABLE 3.2.3: EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS (continued)

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related: Permanent	113	87	23	11
Auxiliary and related workers: Permanent	3	1	66.7	1
Other administrative policy and related officers: Permanent	1	1	0	0
Other information technology personnel: Permanent	11	10	9.1	0
Other occupations: Permanent	2	2	0	0
Printing and related machine operators: Permanent	2	1	50	0
Psychologists and vocational counsellors: Permanent	1	1	0	0
Risk management and security services: Permanent	18	16	11.1	3
Secretaries and other keyboard operating clerks: Permanent	5	5	0	0
Security officers: Permanent	4	3	25	0
Senior managers: Permanent	135	105	22.2	4
Social sciences related: Permanent	61	43	29.5	0
Social work and related professionals: Permanent	151	124	17.9	13
Total	**1 149**	**944**	**17.8**	**207**

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	0	0	1	0
Salary Level 16	0	0	0	0	0
Salary Level 15	8	7	87.5	1	12.5
Salary Level 14	31	25	80.6	6	19.3
Salary Level 13	85	71	83.5	14	16.5
Total	**125**	**103**	**82.4**	**22**	**17.6**

TABLE 3.3.2: SMS POST INFORMATION AS AT 30 SEPTEMBER 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	0	0	1	0
Salary Level 16	0	0	0	0	0
Salary Level 15	8	7	87.5	1	12.5
Salary Level 14	31	25	80.6	6	19.3
Salary Level 13	85	71	83.5	14	16.5
Total	**125**	**103**	**82.4**	**22**	**17.6**

TABLE 3.3.3: ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

	ADVERTISING	FILLING OF POSTS	
SMS Level	**Number of vacancies per level advertised In 6 months of becoming vacant**	**Number of vacancies per level filled in 6 months of becoming vacant**	**Number of vacancies per level not filled in 6 months but filled in 12 months**
Director-General/Head of Department	1	0	0
Salary Level 16	0	0	0
Salary Level 15	1	0	0
Salary Level 14	4	0	0
Salary Level 13	5	0	0
Total	**11**	**0**	**0**

TABLE 3.3.4: Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant for the period 01 April 2017 to 31 March 2018

Reasons for vacancies not advertised within 6 months

- The authority to approve the advertising of SMS posts is vested with the Minister of Social Development

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

TABLE 3.3.5: Disciplinary steps taken for not complying with the prescribed time frames for filling SMS posts within 12 months for the period 01 April 2017 to 31 March 2018

- **None**

3.4. JOB EVALUATION

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 rev iew. 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 01 APRIL 2017 TO 31 MARCH 2018

Salary band	Number of Posts on 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 (Level 1-2)	54	1	1.9	0	0	0	0
Skilled (Level 3-5)	111	23	20.7	24	79.1	27	100
Highly skilled production (Level 6-8)	344	80	23.3	9	100	26	100
Highly skilled supervision (Level 9-12)	342	163	47.7	39	94.8	4	100
Senior Management Service (Band A)	87	51	58.6	0	0	0	0
Senior Management Service (Band B)	37	14	37.8	3	100	0	0
Senior Management Service (Band C)	7	4	57.1	0	0	0	0
Senior Management Service (Band D)	3	1	33.3	0	0	0	0
Contract (Level 1-2)	0	0	0	0	0	0	0
Contract (Level 3-5)	92	0	0	0	0	0	0
Contract (Level 6-8)	36	1	2.8	1	100	0	0
Contract (Level 9-12)	27	7	25.9	3	100	0	0
Contract (Band A)	6	2	33.3	0	0	0	0
Contract (Band B)	1	1	100	0	0	0	0
Contract (Band C)	1	1	100	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Total	**1 149**	**349**	**30.4**	**80**	**91.25**	**57**	**100**

The following table 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 the new posts and some of the posts upgraded could also be vacant.

TABLE 3.4.2: PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

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**

The following table 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 BY OCCUPATION

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
Senior Manager	0	0	0	0
Administration	0	0	0	0
Total	**0**	**0**	**0**	**0**
Total number of employees whose salaries exceeded the level determined by job evaluation				**0**
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 01 APRIL 2017 TO 31 MARCH 2018

Beneficiary	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Female	0	0	0	0
Male	0	0	0	0
Employees with disability	0	0	0	0
Total	**0**	**0**	**0**	**0**
Total number of employees whose salaries exceeded the level determined by job evaluation				**0**
Percentage of total employed				**0**

3.5 EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Turnover rates indicate 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 01 APRIL 2017 TO 31 MARCH 2018

Salary Band	Number of employees at beginning of period - April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover Rate
Lower Skilled (Level 1-2)	3	0	0	0
Skilled (Level 3-5)	129	6	2	1.6
Highly Skilled Production (Level 6-8)	212	11	12	5.7
Highly Skilled Supervision (Level 9-12)	237	8	14	5.9
Senior Management Service (Band A)	70	2	3	7.1
Senior Management Service (Band B)	28	1	4	14.3
Senior Management Service (Band C)	5	0	0	0
Senior Management Service (Band D)	3	0	1	13.3
Contract (Level 1-2): Permanent	61	67	62	101.6
Contract (Level 3-5): Permanent	28	66	2	7.1
Contract (Level 6-8): Permanent	79	14	26	32.9
Contract (Level 9-12): Permanent	27	10	13	48.1
Contract (Band A): Permanent	6	1	3	50
Contract (Band B): Permanent	0	0	0	0
Contract (Band C): Permanent	1	0	0	0
Contract (Band D): Permanent	1	1	2	200
Total	**890**	**188**	**147**	**16.50**

TABLE 3.5.2: ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION

Critical Occupation	Number of Employees at beginning of Period - April 2017	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Administrative related: Permanent	90	3	8	8.9
Auxiliary and related workers: Permanent	2	0	1	50
Client inform clerks(switchboard reception inform clerks): Permanent	13	0	0	0

TABLE 3.5.2: ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION

Critical Occupation	Number of Employees at beginning of Period - April 2017	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Communication and information related: Permanent	7	1	0	0
Community development workers: Permanent	17	0	0	0
Computer system designers and analysts: Permanent	7	1	1	14.3
Financial and related professionals: Permanent	27	1	0	0
Financial clerks and credit controllers: Permanent	22	5	0	0
Food services aids and waiters: Permanent	1	0	0	0
General legal administration and related professionals: Permanent	4	0	0	0
Human resources & organisational development and related professionals: Permanent	16	1	0	0
Human resources clerks: Permanent	8	0	0	0
Human resources related: Permanent	9	0	1	11.1
Information technology related: Permanent	5	0	0	0
Language practitioners, interpreters and other communication: Permanent	1	1	0	0
Library mail and related clerks: Permanent	25	1	1	4
Logistical support personnel: Permanent	19	6	1	15.8
Material-recording and transport clerks: Permanent	8	0	1	12.5
Messengers porters and deliverers: Permanent	8	0	0	0
Other administration and related clerks and organisers: Permanent	290	143	93	32.1
Other administrative policy and related officers: Permanent	1	0	0	0
Other information technology personnel: Permanent	10	4	2	20

TABLE 3.5.2: ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION (continues)

Critical Occupation	Number of Employees at beginning of Period - April 2017	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Other occupations: Permanent	2	0	0	0
Printing and related machine operators: Permanent	0	0	0	0
Psychologists and vocational counsellors: Permanent	1	0	0	0
Risk management and securityservices: Permanent	8	7	1	12.5
Secretaries and other keyboard operating clerks: Permanent	5	0	0	0
Security officers: Permanent	3	0	0	0
Senior managers: Permanent	109	6	13	11.9
Social sciences related: Permanent	42	1	3	7.1
Social work and related professionals: Permanent	130	6	19	14.6
Total	**890**	**188**	**147**	**16.50**

TABLE 3.5.3: REASONS WHY STAFF LEFT THE DEPARTMENT FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

Termination Type	Number	% of Total Resignations
Death	3	2.0
Resignation	49	33.3
Expiry of contract	88	59.9
Dismissal - operational changes	0	0
Dismissal - misconduct	0	0
Dismissal - inefficiency	0	0
Discharged due to ill health	1	0.7
Retirement	6	4.1
Transfer to other Public Service Departments	0	0
Other	0	0
Total	**147**	**100**
Total number of employees who left as a % of total employment	**-**	**16.5**

TABLE 3.5.4: PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

Occupation	Employees - 01 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by critical occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	90	3	3.3	68	75.6
Auxiliary and related workers	2	0	0	0	0
Client inform clerks (switchboard reception inform clerks)	13	0	0	9	69.2
Communication and information related	7	0	0	7	100
Community development workers	17	0	0	7	41.2
Computer system designers and analysts	7	0	0	6	85.7
Financial and related professionals	27	0	0	22	81.5
Financial clerks and credit controllers	22	0	0	19	86.4
Food services aids and waiters	1	0	0	1	100
General legal administration and related professionals	4	0	0	3	75
Human resources & organisational development and related professionals	16	1	6.3	13	81.3
Human resources clerks	8	2	25	7	87.5
Human resources related	9	1	11.1	7	77.8
Information technology related	5	0	0	5	100
Language practitioners, interpreters and other communication	1	0	0	1	100
Library mail and related clerks	25	0	0	20	80
Logistical support personnel	19	0	0	15	78.9
Material-recording and transport clerks	8	0	0	7	87.5
Messengers porters and deliverers	8	1	12.5	4	50
Other administration and related clerks and organisers	290	5	1.7	160	55.2
Other administrative policy and related officers	1	0	0	1	100
Other information technology personnel	10	0	0	8	80
Other occupations	2	0	0	0	0
Printing and related machine operators	0	0	0	0	0
Psychologists and vocational counsellors	1	0	0	1	100

TABLE 3.5.4: PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018 (continues)

Occupation	Employees - 01 April 2017	Promotions to another salary level	Salary level promotions as a % of employee by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Risk management and security services	8	0	0	5	62.5
Secretaries and other keyboard operating clerks	5	0	0	3	60
Security officers	3	0	0	1	33.3
Senior managers	109	8	7.3	86	78.9
Social sciences related	42	3	7.1	32	76.2
Social work and related professionals	130	4	3.1	19	14.6
Total	**890**	**28**	**3.10**	**537**	**60.30**

TABLE 3.5.5: PROMOTIONS BY SALARY BAND FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

Salary Band	Employees - 01 April 2017	Promotions to another salary level	Salary level promotions as a % of employee by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Lower skilled (Level 1-2)	3	0	0	0	0
Skilled (Level 3-5)	129	1	0.80	56	43.4
Highly skilled production (Level 6-8)	212	7	3.3	196	92.5
Highly skilled supervision (Level 9-12)	237	8	3.4	162	68.4
Senior management (Level 13-16)	106	9	8.5	85	80.2
Contract (Level 3-5): Permanent	28	0	0	2	7.1
Contract (Level 6-8): Permanent	79	1	1.3	20	25.3
Contract (Level 9-12): Permanent	27	2	7.4	13	48.1
Contract (Level 13-16): Permanent	8	0	0	3	37.5
Other: Permanent	61	0	0	0	0
Total	**890**	**28**	**3.10**	**537**	**60.30**

3.6. EMPLOYMENT EQUITY

TABLE 3.6.1: TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS AT 31 MARCH 2018

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	42	3	3	4	41	2	4	7	106
Professionals	82	1	3	3	169	5	2	11	276
Technicians and associate professionals	39	1	1	5	56	5	1	3	111
Labourers and related workers	6	0	0	0	4	0	0	0	10
Clerks	136	1	3	2	256	8	2	12	420
Service and sales workers	11	0	0	0	8	0	0	0	19
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	1	0	0	0	0	0	0	0	1
Elementary occupations	0	0	0	0	0	0	0	0	0
Unknown	0	0	0	0	0	0	0	0	1
Total	**317**	**6**	**10**	**14**	**535**	**20**	**9**	**33**	**944**
Employees with disabilities	8	0	1	2	6	1	7	0	18

TABLE 3.6.2: TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS AT 31 MARCH 2018

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Level 15-16)	2	1	0	0	5	0	0	0	8
Senior management (Level 13-14)	38	2	3	4	35	2	4	7	95
Professionally qualified and experienced specialists and mid-management	85	2	4	8	143	7	3	12	264
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	78	0	1	2	177	7	2	12	279
Semi-skilled and discretionary decision making	39	0	1	0	40	0	0	1	81

TABLE 3.6.2: TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS AT 31 MARCH 2018 (continues)

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Unskilled and defined decision making	20	0	0	0	32	1	0	0	53
Contract (Top Management): Permanent	1	0	0	0	1	0	0	0	2
Contract (Senior Management): Permanent	3	0	0	0	4	0	0	0	7
Contract (Professionally qualified): Permanent	10	0	0	0	16	0	0	1	27
Contract (Skilled technical): Permanent	10	0	1	0	24	1	0	0	36
Contract (Semi-skilled): Permanent	31	1	0	0	58	2	0	0	92
Contract (Unskilled): Permanent	0	0	0	0	0	0	0	0	0
Total	**317**	**6**	**10**	**14**	**535**	**20**	**9**	**33**	**944**

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	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and mid-management	3	0	1	0	4	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	6	0	0	0	5	0	0	0	11
Semi-skilled and discretionary decision making	4	0	0	0	2	0	0	0	6
Unskilled and defined decision making	23	0	0	0	43	1	0	0	67
Contract (Top Management): Permanent	0	0	0	0	1	0	0	0	1
Contract (Senior Management): Permanent	0	0	0	0	2	0	0	0	2
Contract (Professionally qualified): Permanent	6	0	0	0	4	0	0	0	10

TABLE 3.6.3: RECRUITMENT BY OCCUPATIONAL BAND (continues)

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Skilled technical): Permanent	2	0	1	0	11	0	0	0	14
Contract (Semi-skilled): Permanent	24	1	0	0	40	1	0	0	66
Contract (Unskilled): Permanent	0	0	0	0	0	0	0	0	0
TOTAL	**69**	**1**	**2**	**0**	**114**	**2**	**0**	**0**	**188**
Employees with disabilities	2	0	0	0	0	0	0	0	2

TABLE 3.6.4: PROMOTIONS BY OCCUPATIONAL BAND

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	4	0	0	0	6
Senior Management	36	1	3	4	33	2	4	5	88
Professionally qualified and experienced specialists and mid-management	66	1	1	7	83	2	3	7	170
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	59	0	1	2	126	5	2	8	203
Semi-skilled and discretionary decision making	29	0	1	0	26	0	0	1	57
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Top Management): Permanent	0	0	0	0	0	0	0		0
Contract (Senior Management): Permanent	2	0	0	0	1	0	0	0	3
Contract (Professionally qualified): Permanent	5	0	0	0	10	0	0	0	15
Contract (Skilled technical): Permanent	7	0	0	0	14	0	0	0	21
Contract (Semi-skilled): Permanent	2	0	0	0	0	0	0	0	2
Total	**208**	**2**	**6**	**13**	**297**	**9**	**9**	**21**	**565**
Employees with disabilities	**6**	**0**	**0**	**2**	**3**	**0**	**1**	**0**	**12**

TABLE 3.6.5: TERMINATIONS BY OCCUPATIONAL BAND

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	1	0	0	0	0	0	0	1
Senior Management	2	0	0	2	5	0	0	0	9
Professionally qualified and experienced specia lists and mid-management	3	0	0	0	9	0	0	2	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2	1	0	0	8	0	1	0	12
Semi-skilled and discretionary decision making	2	0	0	0	0	0	0	0	2
Unskilled and defined decision making	23	0	0	0	38	1	0	0	62
Contract (Top Management): Permanent	1	0	0	0	1	0	0	0	2
Contract (Senior Management): Permanent	2	0	0	0	2	0	0	0	4
Contract (Professionally qualified): Permanent	3	0	0	0	10	0	0	0	13
Contract (Skilled technical): Permanent	5	0	1	0	20	0	0	0	26
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	**44**	**2**	**1**	**2**	**94**	**1**	**1**	**2**	**147**
Employees with disabilities	**2**	**0**	**0**	**0**	**1**	**0**	**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	
	9	0	0	0	14	1	0	0	24

TABLE 3.6.7: SKILLS DEVELOPMENT BY OCCUPATIONAL BAND

Occupation catergory	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	7	2	1	0	9	0	0	4	23
Professionals	28	2	2	2	46	3	2	4	79
Technicians and associate professionals	26	0	0	0	66	3	0	1	96
Clerks	23	0	1	35	0	0	0	0	59
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	24	0	0	0	47	1	0	0	72
Total	**108**	**4**	**3**	**2**	**193**	**7**	**3**	**9**	**329**
Employees with disabilities	2	0	0	0	0	0	1	0	3

3.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

TABLE 3.7.1: SIGNING OF PERFORMANCE AGREEMENTS BY SMS AS AT 31 MAY 2017

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	1	0	0	0%
Salary Level 16	2	2	2	100%
Salary Level 15	5	5	5	100%
Salary Level 14	25	25	24	96%
Salary Level 13	74	74	72	97.2%
Total	**107**	**106**	**104**	**98%**

TABLE 3.7.2: REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS AT 31 MAY 2017

Reasons

SMS members in the Office of the Minister failed to comply due to supporting Minister's community outreach programmes.
The Department currently does not have a permanent HOD (the post is funded but vacant).

TABLE 3.7.3: DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS AT 31 MAY 2017

Reasons

Non-compliance matters were referred to the Directorate: Employee Relations for further implementation or handling.

3.8 PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands 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 Employees
African	237	848	28.0	5 793	24 443
Male	80	312	26.0	2 091	26 142
Female	157	536	29.2	3 702	23 562
Asian	5	17	29.4	1 187	23 740
Male	3	9	33.3	1 134	37 802
Female	2	8	25	52.51	26 829
Coloured	9	26	35.0	3 964	44 044
Male	4	6	66.7	262.25	65 563
Female	5	20	25	134.15	26 829
White	15	45	33.3	3 972	26 480
Male	2	12	16.7	66.93	33 463
Female	13	33	39.4	330.36	25 412
Total	**266**	**936**	**28.4**	**6 862**	**25 510**

TABLE 3.8.2: PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SMS 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 (Level 1-2)	0	0	0	0	0	0%
Skilled (Level 3-5)	54	173	31.2	249	8 054	21.5
Highly skilled production (Level 6-8)	107	315	33.10	1 349	13 913	22.6
Highly skilled supervision (Level 9-12)	108	291	37.1	3 038	33 031	9.09
Total	**266**	**779**	**34.1**	**6 638**	**54 998**	**14.2**

TABLE 3.8.3: PERFORMANCE REWARDS BY CRITICAL OCCUPATION

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employees
Administrative related	32	89	36.00	1 106.43	34 576.00
Client inform clerks (switchboard reception inform clerks)	3	12	25.00	21.45	7 149.00
Communication and information related	3	8	37.50	116.76	38 920.00
Community development workers	8	17	47.10	186.80	23 350.00
Computer system designers and analysts	1	7	14.30	43.58	43 577.00
Financial and related professionals	3	28	10.70	92.66	30 887.00
Financial clerks and credit controllers	6	25	0.24	105.60	15 086.00
Food services aids and waiters	1	1	100.00	10.05	10 055.00

TABLE 3.8.4: PERFORMANCE-RELATED REWARDS (CASH BONUS) BY SALARY BAND FOR SMS

Salary Band	Beneficiary Profile			Cost		
	Number Of Beneficiaries	Number of Employees	% of Total within salary bands	Total Cost (R'000)	Average Cost Per Employees	Total cost as per % of the total personnel expenditure
Band A	13	71	18.30	979.87	75 374.80	94.2
Band B	6	26	23.10	528.59	88 098.70	29.5
Band C	3	7	42.90	309.05	103 015.00	0.67
Band D	0	3	0.00	0.00	0.00	0
Total	**22**	**107**	**20.60**	**1 817.51**	**82 614.10**	**12.9**

3.9 FOREIGN WORKERS

The tables that follow 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 2017		31 March 2018		Change	
	Number	% of Total	Number	% of Total	Number	% of Total
Lower skilled	0	0	0	0	0	0
Highly skilled production (Level 6-8)	1	33.3	0	0	-1	0
Highly skilled supervision (Level 9-12)	1	33.3	2	66.7	1	0
Senior management (Level 13-16)	1	33.3	1	33.3	0	0
Contract (Level 6-8)	0	0	0	0	0	0
Contract (Level 9-12)	0	0	0	0	0	0
Contract (Level 13-16)	0	0	0	0	0	0
Total	**3**	**100**	**3**	**100**	**0**	**0**

TABLE 3.9.2: FOREIGN WORKERS BY MAJOR OCCUPATION

Major Occupation	01 April 2017		31 March 2018		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Professionals and managers	3	100	3	100	0	0
Total	**3**	**100**	**3**	**100**	**0**	**0**

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	% 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 (Level 1-2)	0	0	0	0	0	0
Skilled (Level 3-5)	562	63	80	10.8	7	426
Highly skilled production (Level 6-8)	1 545	74.4	221	29.8	7	1 909
Highly skilled supervision (Level 9-12)	1 874	74.1	244	32.9	8	4 770
Top and senior management (Level 13-16)	491	81.9	71	9.6	7	1 917
Contract (Level 1-2)	20	55	10	1.3	2	7
Contract (Level 3-5)	148	48	27	3.6	5	106
Contract (Level 6-8)	398	64.1	63	8.5	6	504
Contract (Level 9-12)	115	73	24	3.2	5	323
Contract (Level 13-16)	10	60	2	0.3	5	37
Total	**5 163**	**72.10**	**742.00**	**100**	**7**	**9 906.00**

TABLE 3.10.2: DISABILITY LEAVE (TEMPORARY AND PERMANENT)

Salary Band	Total Days	% 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 (Level 1-2)	0	0	0	0	0	0
Skilled (Level 3-5)	0	0	0	0	0	0
Highly skilled production (Level 6-8)	266	100	6	42.9	44	336
Highly skilled supervision (Level 9-12)	355	100	8	57.1	44	1 001
Senior management (Level 13-16)	0	0	0	0	0	0
otal	**621**	**100**	**14**	**100**	**44**	**1337.00**

The next table 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 leaves	Average per Employee Employees using Annual Leave
Lower skilled (Level 1-2)	1	1	1
Skilled (Level 3-5)	1 912	120	16
Highly skilled production (Level 6-8)	5 854	297	20
Highly skilled supervision (Level 9-12)	6 957	299	23
Senior management (Level 13-16)	2 404	106	23
Contract (Level 1-2)	502	56	9
Contract (Level 3-5)	573	39	15
Contract (Level 6-8)	1 339	84	16
Contract (Level 9-12)	530	36	15
Contract (Level 13-16)	92	5	18
TOTAL	**20 164**	**1 043**	**19**

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 At 31 March 2018
Lower skilled (Level 1-2)	0	0	0	0
Skilled (Level 3-5)	4	2	2	12
Highly skilled production (Level 6-8)	2	1	2	26
Highly skilled supervision (Level 9-12)	8	4	2	27
Total	**14**	**7**	**2**	**32**

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

TABLE 3.10.5: LEAVE PAYOUTS FOR PERIOD 01 APRIL 2017 TO 31 MARCH 2018

Reason	Total Amount (R'000)	Number of Employees	Average Per Employee (R'000)
Leave payout for 2016/17 due to non-utilisation of leave for the previous cycle			
Capped leave payouts on termination of service for 2017/18	2 188	43	50 884
Current leave payout on termination of service for 2017/18	141	8	17 625
TOTAL	**2 329**	**51**	**45 667**

3.11 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

TABLE 3.11.1: STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

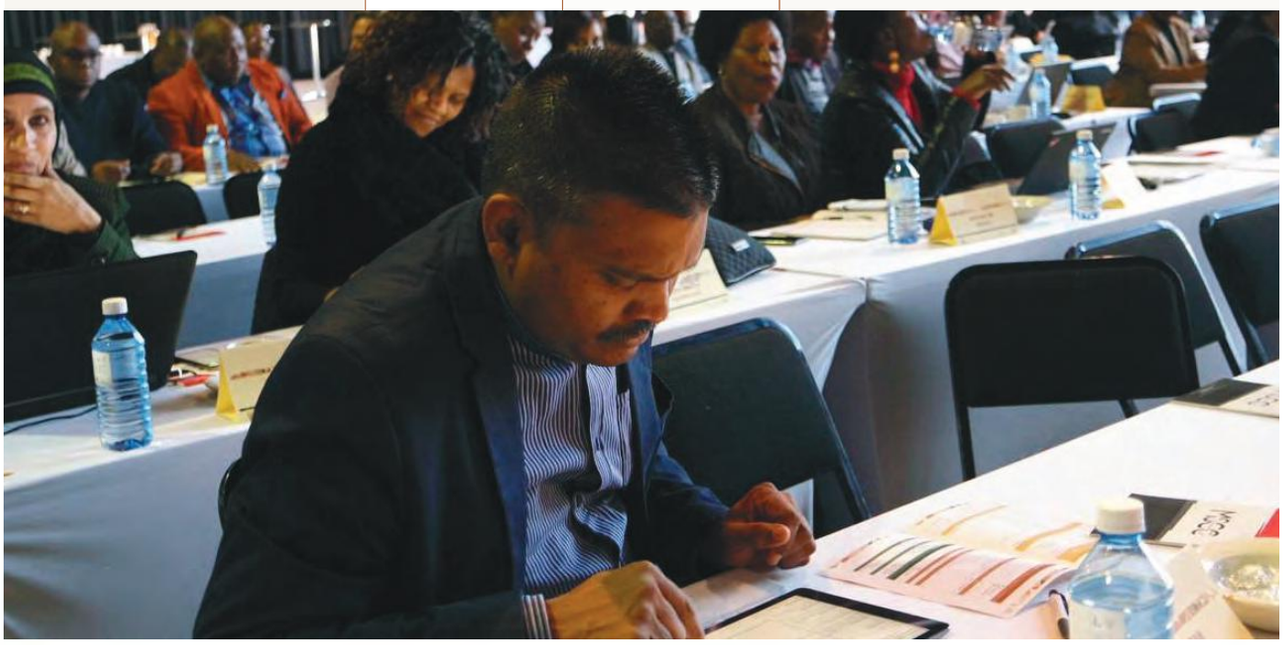
Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
N/A	

TABLE 3.11.2: DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES
(tick the applicable boxes and provide the required information)

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 his/her 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.	✓		2 Employee Health and Wellness Practitioners 1 Intern 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 Programme: Counselling, Crisis Intervention and Trauma Debriefing, Proactive Interventions: Sexual Harassment, Endometriosis Awareness, Beauty Promotion, Intern Support Group, 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/AIDS and TB management: Commemoration of HIV/AIDS calendar events, Candlelight Memorial, World Aids Day and STI/Condom Week. HIV/AIDS counselling and testing as well as monitoring of condom distribution.
4. Has 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/AIDS Prevention - Deputy Director: Care and Support - Deputy Director: Population Development - Employee Health and Wellness Unit Branch: Representatives

TABLE 3.11.2: DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES
(tick the applicable boxes and provide the required information)

QUESTION	YES	NO	DETAILS, IF YES
5. Has 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/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/AIDS Awareness on Stigma and Discrimination - Counselling and support services - Linking employees with external support groups - Referrals to antiretroviral (ARV) clinics - Link 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: 142 • Females: 86 • Males: 56
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its Health Promotion Programme? If so, list these measures/indicators.	✓		- EHW monthly report - DPSA quarterly reports - Systems monitoring tool - MPAT



3.12 LABOUR RELATIONS

TABLE 3.12.1: COLLECTIVE AGREEMENTS

Subject Matter	Date
PHSDSBC Resolution 2 of 2017 - Framework agreement on payment of rural allowance and amendment of the OSD for social service professionals and occupations	**01 June 2017**
PHSDSBC Resolution 3 of 2017 - Amendment of the PHSDSBC Constitution: Admission of Trade Union to the Council	**21 June 2017**
PHSDSBC Resolution 4 of 2017 - Agreement on the payment of a Special Allowance and Danger Allowance	**29 June 2017**

The following table summarises the outcome 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	2	8.3
Written warning	18	75
Final written warning	1	4.16
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	1	4.16
Case withdrawn	2	8.3
Total	**24**	**99.9%**

TABLE 3.12.3: TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS

Type of Misconduct	Number	% of Total
Assault	0	0
Unauthorised absenteeism	0	0
Disrespectful and unprofessional behaviour	1	1
Theft	0	0
Irregular expenditure	0	0
Failure to submit receipt of payment	0	0
Unauthorised side inspection	0	0
Total	**1**	**100%**

TABLE 3.12.4: GRIEVANCES LOGGED

	Number	% of Total
Number of grievances resolved	1	20
Number of grievances not resolved	4	80
Total number of grievances lodged	**5**	**100%**

TABLE 3.12.5: DISPUTES LOGGED WITH COUNCILS

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	1	25
Total number of disputes lodged	**4**	**25%**

TABLE 3.12.6: STRIKE ACTIONS

Total number of persons working days lost	18
Total costs working days lost	To be determined by HRM
Amount (R'000) recovered as a result of no work, no pay	Not yet implemented

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	

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 at 01 april 2017	Training needs identified at start of the reporting period			
			Learnership	Skills Programmes & Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female		0	14	4	18
	Male		0	8	6	14
Professionals	Female		3	23	12	38
	Male		2	15	10	27
Technicians and associate professionals	Female		1	47	21	69
	Male		0	40	13	53
Clerks	Female		0	24	5	29
	Male		1	23	5	29
Service and sales workers	Female		0	0	0	0
	Male		0	0	0	0
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male		0	0	0	0
Craft and related trades workers	Female		0	0	0	0
	Male		0	0	0	0
Plant and machine operators and assemblers	Female		0	0	0	0
	Male		0	0	0	0
Elementary occupations	Female		0	0	0	0
	Male		0	0	0	0
Interns	Female	42	0	41	0	41
	Male	23	0	23	0	23
Sub-total	Female		4	149	42	195
	Male		3	109	34	146
Total			**7**	**258**	**76**	**341**

TABLE 3.13.2: TRAINING NEEDS PROVIDED FOR THE REPORTING PERIOD

Occupational Category	Gender	Number of employees as at 01 april 2017	Training needs identified at start of the reporting period			
			Learnership	Skills Programmes & Other Short Courses	Other forms of Training	Total
Legislators, senior officials and managers	Female		0	9	6	15
	Male		0	4	5	0
Professionals	Female		3	25	19	47
	Male		2	31	11	44
Technicians and associate professionals	Female		1	65	8	74
	Male		0	28	2	30
Clerks	Female		0	36	5	41
	Male		1	24	3	28
Service and sales workers	Female		0	0	0	0
	Male		0	0	0	0
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male		0	0	0	0
Craft and related trades workers	Female		0	0	0	0
	Male		0	0	0	0
Plant and machine operators and assemblers	Female		0	0	0	0
	Male		0	0	0	0
Elementary occupations	Female		0	0	0	0
	Male		0	0	0	0
Interns	Female	42	0	55	104	159
	Male	23	0	33	52	85
Sub-total	Female		4	190	142	336
	Male		3	120	73	196
Total			**7**	**310**	**215**	**532**

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	3	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	**3**	**100%**

3.15 UTILISATION OF CONSULTANTS

The following tables relate to 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 01 APRIL 2017 TO 31 MARCH 2018

Project Title	Total Number of Consultants that Worked on Project	Duration (Workdays)	Contract Value in Rands
Appointment of a service provider to provide technical inputs on contributory social security coverage on informal sector workers with respect to retirement and risk benefits	4	240	R986 331.00
Appointment of a service provider to conduct a cost analysis for the Older Persons Amendments Bill 2017	5	52	R491 354.00
Appointment of a service provider to develop NPO governance norms and standards guidelines	5	40	R470 592.00
Appointment of a service provider to conduct gender mainstreaming training	5	120	R440 000.00
Appointment of a service provider to compile a bill of quantities for early childhood development	4	142	R495 420.17
Appointment of a service provider to provide media messaging services	10	40	R491 586.01
Appointment of a service provider to implement evaluation of Project Mikondzo	1	80	R499 890.00
Appointment of a service provider to design an implementation evaluation of the Household Food and Nutrition Security Programme	2	40	R466 046.25
Appointment of a service provider to facilitate the Youth Camp Programme	20	80	R479 000.00

TABLE 3.15.2: ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIS) FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that work on the project
Appointment of a service provider to provide technical inputs on contributory social security coverage on informal sector workers with respect to retirement and risk benefits	100%	100%	4
Appointment of a service provider to conduct a cost analysis for The Older Persons Amendments Bill 2017	37.12%	37.12%	2
Appointment of a service provider to develop NPO governance norms and standards guidelines	100%	100%	5
Appointment of a service provider to conduct gender mainstreaming training	100%	100%	2
Appointment of a service provider to compile a bill of quantities for early childhood development	100%	100%	4
Appointment of a service provider to provide media messaging services	60%	100%	10
Appointment of a service provider to implement evaluation of Project Mikondzo	100%	100%	1
Appointment of a service provider to design an implementation evaluation of the Household Food and Nutrition Security Programme	100%	100%	2
Appointment of a service provider to facilitate the Youth Camp Programme	100%	100%	20

TABLE 3.15.3: REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

Project Title	Total Number of Consultants that Worked on Project	Duration (Workdays)	Contract Value in Rands
None			

TABLE 3.15.4: ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, IN TERMS OF HDIS FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

Project title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups tha Work on the Project
None			

3.16 SEVERANCE PACKAGES

TABLE 3.16.1: GRANTING OF EMPLOYEE-INITIATED SEVERANCE PACKAGES FOR THE PERIOD 01 APRIL 2017 TO 31 MARCH 2018

Salary Band	Number of Applications Received	Number of Applications Referred to the MPSA	Number of Packages Approved by Department
None			

FINANCIAL INFORMATION

ANNUAL REPORT 2018

PART E

ANNUAL FINANCIAL STATEMENTS FOR NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT FOR THE YEAR ENDED 31 MARCH 2018

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REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 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 176 to 224, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, 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 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by 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, 2017 (Act No. 3 of 2017) (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-generalís responsibilities for the audit of the financial statements section of this auditorís 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) 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.
   Emphasis of matter
6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Irregular expenditure

7. As disclosed in note 24 to the financial statements, the department incurred irregular expenditure of R82 million, which relates to the non-compliance with supply chain management legislation by SASSA in administering the social relief for distress (SRD) on behalf of the department.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 225 to 237 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 Accounting Officer for the Financial Statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Social Development'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 accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Report on audit of compliance with legislation

Introduction and scope

14. 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.
15. 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 that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. 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 2018:

Programmes	Pages in the annual performance report
Programme 2 - Social assistance	46 - 49
Programme 4 - Welfare services policy development and implementation support	56 - 74

17. 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.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- **Programme 2:** Social assistance
- **Programme 4:** Welfare services policy development and implementation support

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the Annual Performance Report on pages 33 to 90 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a number of targets.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 4: Welfare services policy development and implementation support. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 17:

DEPARTMENT OF SOCIAL DEVELOPMENT

Report on the audit of the financial statements

Report on the audit of compliance with legislation

Introduction and scope

22. 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.
23. The material findings on compliance with specific matters in key legislations are as follows:

Procurement and contract management

24. Bid documentation for procurement of commodities designated for local content and production did not meet the stipulated minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8 (2) and, consequently, goods to the value of R2 million were procured from suppliers who did not meet the prescribed minimum threshold for local production and content.

Other information

25. The accounting officer is responsible for the other information. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
26. 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.
27. 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.
28. The other information I obtained prior to the date of this auditor's report is the draft annual report, and the final annual report is expected to be made available to me after 31 July 2018.
29. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact.I have nothing to report in this regard.

30. After I receive and read the final annual report, and if I conclude that there is 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 retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. 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 on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the Annual Performance Report and the findings on compliance with legislation included in this report.

Financial and performance management

32. Management did not review and monitor compliance with applicable legislation in terms of goods and services designated for local production and content as the policies and procedures were not updated with the new requirements for local content.

Other reports

33. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
34. Internal audit of the departmentís entity (South African Social Security Agency) had issued a report on irregular expenditure incurred for social relief of distress grants while acting on behalf of the department. This irregular expenditure is disclosed in the notes to the financial statements.
35. The department, through its entity, actively pursues and issue reports on cases related to fraud and are currently in process of investigating such cases regarding social assistance grants.

Auditor-General

Pretoria

31 July 2018

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 17:

DEPARTMENT OF SOCIAL DEVELOPMENT

Report on the audit of the financial statements

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 departmentís 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 this 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 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'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 Development'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 this auditor's report. However, future events or conditions may cause a department to cease continuing 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.

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 17

APPROPRIATION STATEMENT
for the year ended 31 March 2018

Appropriation per programme

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Voted Funds and Direct Charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
PROGRAMME									
1 Administration	368 788	-	17 650	386 438	384 119	2 319	99.4%	350 131	349 746
2 Social Assistance	151 230 232	-	-	151 230 232	150 336 771	893 461	99.4%	139 498 691	138 915 638
3 Social Security Policy and Administration	7 323 637	-	(27 400)	7 296 237	7 277 717	18 520	99.7%	6 981 273	6 980 942
4 Welfare Services Policy Development and Implementation Support	1 050 255	-	5 900	1 056 155	1 011 354	44 801	95.8%	718 563	713 088
5 Social Policy and Integrated Service Delivery	384 856	-	3 850	388 706	386 589	2 117	99.5%	384 571	383 214
TOTAL	**160 357 768**	**-**	**-**	**160 357 768**	**159 396 550**	**961 218**	**99.4%**	**147 933 229**	**147 342 628**
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				52 445				77 546	
NRF Receipts				-				-	
Aid assistance				27 861				48 326	
Actual amounts per Statement of Financial Performance (Total Revenue)				**160 438 074**				**148 059 101**	
Add: Aid assistance					26 978				55 101
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance Expenditure					**159 423 528**				**147 397 729**

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 17

APPROPRIATION STATEMENT
for the year ended 31 March 2018

Appropriation per economic classification

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**860 393**	**(3 033)**	**-**	**857 360**	**834 258**	**23 102**	**97.3%**	**797 472**	**797 075**
Compensation of employees	476 811	-	-	476 811	461 130	15 681	96.7%	454 357	454 163
Salaries and wages	426 667	-	-	426 667	411 651	15 016	96.5%	406 399	406 260
Social contributions	50 144	-	-	50 144	49 479	665	98.7%	47 958	47 903
Goods and services	383 582	(3 033)	-	380 549	373 128	7 421	98.0%	343 115	342 912
Administration fees	5 589	94	163	5 846	5 395	451	62,3%	3 841	3 856
Advertising	24 266	(3 130)	(3 124)	18 012	16 436	1 576	91,3%	15 799	15 799
Minor Assert	2 322	54	(1 803)	573	528	45	92.1%	507	507
Audit costs: External	17 000	-	(520)	16 480	16 336	144	99,1%	15 944	15 944
Bursaries: Employees	900	-	297	1 197	1 197	-	100,0%	1 194	1 194
Catering: Departmental activities	11 967	1 913	382	14 262	13 899	363	97,5%	13 047	13 047
Communication (G&S)	11 119	230	824	12 173	12 149	24	99,8%	16 466	16 466
Computer services	38 428	-	9 488	47 916	47 916	-	100,0%	21 132	21 132
Consultants: Business and advisory services	35 047	(680)	4 104	38 471	38 932	(461)	101,2%	43 168	43 168
Infrastructure and planning serices	-	-	-	-	-	-	-	3 461	3 461
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	4 349	-	6 823	11 172	12 147	(975)	108,7%	5 409	5 191
Contractors	4 119	(860)	2 376	5 635	5 630	5	99,9%	1 295	1 295
Agency and support / outsourced services	391	-	249	640	640	-	100,0%	3 400	3 400
Entertainment	543	-	(404)	139	111	28	79,9%	123	123
Fleet services (including government motor transport)	5 562	316	2 538	8 416	8 508	(92)	101,1%	13 670	13 670
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory interface	-	-	-	-	-	-	-	-	-
Operating Leases	44 903	103	(3 348)	41 658	41 661	(3)	100.0%	33 268	33 268
Consumable supplies	3 324	39	(2 539)	824	828	(4)	100,5%	724	724
Consumable: Stationery, printing and office supplies	10 075	62	(5 681)	4 456	3 626	830	81,4%	4 703	4 703
Poperty payments	8 408	126	(1 634)	6 900	6 832	68	99,0%	6 228	6 228
Transport provided: Department activity	2 195	-	(1 148)	1 047	-	1 047		111	111
Travel and subsistence	105 507	(714)	572	105 365	101 122	4 243	96,0%	97 756	97 756
Training and development	8 172	149	(5 282)	3 039	2 639	400	86,8%	3 256	3 256
Operating payments	5 743	(67)	2 744	8 420	8 934	(514)	106,1%	6 477	6 477
Venues and facilities	28 864	(1 967)	(5 069)	21 828	21 752	76	99,7%	27 203	27 203
Rental and hiring	4 789	1 299	(8)	6 080	5 910	170	97,2%	4 933	4 933

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

Appropriation per economic classification

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (incl. interest on unitary payment (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**159 100 829**	**3 033**	**-**	**159 103 862**	**158 546 233**	**557 629**	**99.6%**	**147 125 416**	**146 538 435**
Provinces and municipalities	556 392	-	-	556 392	524 358	32 034	94.2%	85 500	85 500
Provinces	556 392	-	-	556 392	524 358	32 034	94.2%	85 500	85 500
Provincial Revenue Funds	556 392	-	-	556 392	524 358	32 034	94.2%	85 500	85 500
Provincial Agencies and Funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	7 408 459	-	-	7 408 459	7 408 332	127	100.0%	7 395 243	7 395 173
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	7 408 459	-	-	7 408 459	7 408 332	127	100.0%	7 395 243	7 395 17
Higher education institutions	477	1 500	-	1 977	1 976	1	99.9%	2 469	2 400
Foreign governments and international organisations	6 965	1 000	-	7 965	6 610	1 355	83.0%	4 305	4 126
Public corporations and private enterprise	-	-	-	-	-	-	-	-	-
Public corporates	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other tranfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprices	-	-	-	-	-	-	-	-	-
Subsidies on products and productions (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	132 614	-	-	132 614	130 056	2 558	98.1%	113 027	109 563
Households	150 995 922	533	-	150 996 455	150 474 901	521 554	99.7%	139 524 872	138 941 673
Social benefits	1 539	533	-	2 072	2 083	(11)	100,5%	1 457	1 457
Other transfers to households	150 994 383	-	-	150 994 383	150 472 818	521 565	99,7%	139 523 415	138 940 362
Payments for capital assets	**11 146**	**-**	**-**	**11 146**	**2 555**	**8 591**	**22.9%**	**10 341**	**7 118**
Buildings and other fixed structures	1 570	-	-	1 570	-	1 570	-	1 646	228
Buildings	1 570	-	-	1 570	-	1 570	-	-	-
Other fixed structures	-	-	-	-	-	-	-	1 646	228
Machinery and equipment	9 050	-	-	9 050	2 023	7 027	22.4%	8 596	6 890
Transport equipment	-	-	-	-	-	-	-	2 464	2 464
Other machinery and equipment	9 050	-	-	9 050	2 023	7 027	22.4%	6 132	4 426
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-		-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	526	-	-	526	532	(6)	101.1%	99	-
Payment for financial assets	**385 400**	**-**	**-**	**385 400**	**13 504**	**371 896**	**3.5%**	**-**	**-**
TOTAL	**160 357 768**	**-**	**-**	**160 357 768**	**159 396 550**	**961 218**	**99.4%**	**147 933 229**	**147 342 628**

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

Programme 1: ADMINISTRATION	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virements	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	36 018	-	8 200	44 218	44 123	95	99.8%	55 623	55 513
2. Department Management	68 504	-	-50	68 454	68 100	354	99.5%	59 941	59 941
3. Corporate Management	146 642	-	15 500	162 142	161 290	852	99.5%	128 062	127 787
4. Finance	65 020	-	-5 000	60 020	59 323	697	98.8%	60 537	60 537
5. Internal Audit	14 346	-	-3 000	11 346	11 101	245	97.8%	9 548	9 548
6. Office Accommodation	38 258	-	2 000	40 258	40 182	76	99.8%	36 420	36 420
TOTAL	**368 788**	**-**	**17 650**	**386 438**	**384 119**	**2 319**	**99.4%**	**350 131**	**349 746**
Economic classification									
Current payments	**364 273**	**-**	**17 650**	**381 923**	**380 912**	**1 011**	**99.7%**	**344 264**	**344 173**
Compensation of employees	193 366	-	-6 000	187 366	186 608	758	99.6%	186 809	186 703
Goods and services	170 907	-	23 650	194 557	194 304	253	99.9%	157 455	157 470
Transfers and subsidies	**1 929**	**-**	**-**	**1 929**	**1 760**	**169**	**91.2%**	**1 621**	**1 551**
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 486	-	-	1 486	1 359	127	91.5%	1 378	1 308
Households	443	-	-	443	401	42	90.5%	243	243
Payments for capital assets	**2 586**	**-**	**-**	**2 586**	**1 447**	**1 139**	**56.0%**	**4 246**	**4 022**
Machinery and equipment	2 060	-	-	2 060	939	1 121	45.6%	4 147	4 022
Software and other intangible assets	526	-	-	526	508	18	96.6%	99	-
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**368 788**	**-**	**17 650**	**386 438**	**384 119**	**2 319**	**99.4%**	**350 131**	**349 746**

Programme 2: SOCIAL ASSISTANCE									
Sub programme									
1 Old Age	64 456 265	- 300 000	-	64 156 265	64 130 161	26 104	100.0%	58 459 478	58 327 000
2 War Veterans	2 935	1 000	-	3 935	3 086	849	78.4%	4 622	3 850
3 Disability	20 951 940	93 500	-	21 045 440	20 944 847	100 593	99.5%	20 188 422	19 850 553
4 Foster Care	5 349 250	26 000	-	5 375 250	5 207 026	168 224	96.9%	5 521 995	5 327 659
5 Care Dependency	2 939 454	7 000	-	2 946 454	2 841 422	105 032	96.4%	2 681 824	2 613 892
6 Child Support	56 136 912	94 500	-	56 231 412	55 847 799	383 613	99.3%	51 380 579	51 555 181
7 Grant-in-aid	793 476	78 000	-	871 476	816 588	54 888	93.7%	581 771	650 311
8 Social Relief Of Distress	600 000	-	-	600 000	545 842	54 158	91.0%	680 000	587 192
TOTAL	**151 230 232**	**-**	**-**	**151 230 232**	**150 336 771**	**893 461**	**99.4%**	**139 498 691**	**138 915 638**
Economic classification									
Transfers and subsidies	**150 844 832**	**-**	**-**	**150 844 832**	**150 323 267**	**521 565**	**99.7%**	**139 498 691**	**138 915 638**
Households	150 844 832	-	-	150 844 832	150 323 267	521 565	99.7%	139 498 691	138 915 638
Payment for financial assets	**385 400**	**-**	**-**	**385 400**	**13 504**	**371 896**	**3.5%**	**-**	**-**
TOTAL	**151 230 232**	**-**	**-**	**151 230 232**	**150 336 771**	**893 461**	**99.4%**	**139 498 691**	**138 915 638**

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

Programme 3: SOCIAL SECURITY POLICY AND ADMINISTRATION

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virements	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 Security Policy Development	75 985	-	- 18 900	57 085	42 970	14 115	75.3%	43 248	43 135
2. Appeals Adjudication	37 007	-	- 8 500	28 507	26 903	1 604	94.4%	25 685	25 467
3. Social Grants Administration	7 144 341	-	-	7 144 341	7 144 341	-	100.0%	6 825 866	6 825 866
4. Social Grants Fraud Investigations	61 719	-	-	61 719	61 719	-	100.0%	83 066	83 066
5. Programme Management	4 585	-	-	4 585	1 784	2 801	38.9%	3 408	3 408
TOTAL	**7 323 637**	**-**	**- 27 400**	**7 296 237**	**7 277 717**	**18 520**	**99.7%**	**6 981 273**	**6 980 942**
Economic classification									
Current payments	**110 196**	**- 2 500**	**- 27 400**	**80 296**	**65 701**	**14 595**	**81.8%**	**67 552**	**67 334**
Compensation of employees	65 951	-	- 4 746	61 205	47 773	13 432	78.1%	46 704	46 704
Goods and services	44 245	- 2 500	- 22 654	19 091	17 928	1 163	93.9%	20 848	20 630
Transfers and subsidies	**7 210 535**	**2 500**	**-**	**7 213 035**	**7 211 718**	**1 317**	**100.0%**	**6 912 742**	**6 912 629**
Departmental agencies and accounts	7 206 060	-	-	7 206 060	7 206 060	-	100.0%	6 908 932	6 908 932
Higher education institutions	-	1 500	-	1 500	1 500	-	100.0%	2 000	2 000
Foreign governments and international organisations	4 230	1 000	-	5 230	4 132	1 098	79.0%	1 774	1 661
Households	245	-	-	245	26	219	10.6%	36	36
Payments for capital assets	**2 906**	**-**	**-**	**2 906**	**298**	**2 608**	**10.3%**	**979**	**979**
Buildings and other fixed structures	-	-	-	-	-	-	-	129	129
Machinery and equipment	2 906	-	-	2 906	298	2 608	10.3%	850	850
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**7 323 637**	**-**	**- 27 400**	**7 296 237**	**7 277 717**	**18 520**	**99.7%**	**6 981 273**	**6 980 942**

Programme 4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

Sub programme									
1. Service Standards	30 028	-	- 2 500	27 528	22 908	4 620	83.2%	25 264	23 110
2. Substance Abuse	74 953	-	- 1 306	73 647	42 048	31 599	57.1%	103 794	103 770
3. Older Persons	20 191	-	-	20 191	20 100	91	99.5%	16 120	16 012
4. People with Disabilities	29 679	-	- 2 500	27 179	26 608	571	97.9%	27 228	27 139
5. Children	398 501	-	- 3 000	395 501	390 703	4 798	98.8%	76 494	75 461
6. Families	9 359	-	800	10 159	10 021	138	98.6%	9 631	9 631
7. Social Crime Prevention and Victim Empowerment	62 401	-	13 678	76 079	74 091	1 988	97.4%	67 284	65 620
8. Youth	14 025	-	4 000	18 025	18 009	16	99.9%	17 002	16 967
9. HIV and AIDS	101 789	-	- 3 772	98 017	97 133	884	99.1%	80 463	80 271
10. Social Worker Scholarships	305 319	-	-	305 319	305 319	-	100.0%	290 780	290 780
11. Programme Management	4 010	-	500	4 510	4 414	96	97.9%	4 503	4 327
TOTAL	**1 050 255**	**-**	**5 900**	**1 056 155**	**1 011 354**	**44 801**	**95.8%**	**718 563**	**713 088**

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APPROPRIATION STATEMENT
for the year ended 31 March 2018

Economic classification									
Current payments	**261 736**	**- 148**	**5 900**	**267 488**	**261 151**	**6 337**	**97.6%**	**253 416**	**253 416**
Compensation of employees	139 344	-	7 746	147 090	146 094	996	99.3%	139 868	139 868
Goods and services	122 392	- 148	- 1 846	120 398	115 057	5 341	95.6%	113 548	113 548
Transfers and subsidies	**783 633**	**148**	**-**	**783 781**	**749 517**	**34 264**	**95.6%**	**460 635**	**458 159**
Provinces and municipalities	556 392	-	-	556 392	524 358	32 034	94.2%	85 500	85 500
Departmental agencies and accounts	-	-	-	-	-	-	-	290 780	290 780
Higher education institutions	477	-	-	477	476		99.8%	-	-
Foreign governments and international organisations	759	-	-	759	613	146	80.8%	487	621
Non-profit institutions	101 819	-	-	101 819	99 261	2 558	97.5%	82 746	80 282
Households	124 186	148	-	124 334	124 809	-475	100.4%	1 122	976
Payments for capital assets	**4 886**	**-**	**-**	**4 886**	**686**	**4 200**	**14.0%**	**4 512**	**1 513**
Buildings and other fixed structures	1 570	-	-	1 570	-	1 570	-	1 442	24
Machinery and equipment	3 316	-	-	3 316	662	2 654	20.0%	3 070	1 489
Software and other intangible assets	-	-	-	-	24	- 24	-	-	-
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**1 050 255**	**-**	**5 900**	**1 056 155**	**1 011 354**	**44 801**	**95.8%**	**718 563**	**713 088**

Programme 5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virements	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	5 718	-	-	5 718	4 889	829	85.5%	6 131	6 062
2. Special Projects and Innovation	10 612	-	-	10 612	10 212	400	96.2%	11 749	10 749
3. Population Policy Promotion	32 439	1 200	1 900	35 539	35 443	96	99.7%	33 962	33 762
4. Registration and Monitoring of Non-Profit Organisations	36 134	420	200	36 754	36 704	50	99.9%	35 767	35 679
5. Substance Abuse Advisory Services and Oversight	5 921	- 1 690	-	4 231	3 630	601	85.8%	5 902	5 902
6. Community Development	89 785	-	1 600	91 385	91 371	14	100.0%	93 246	93 246
7. National Development Agency	200 913	-	100	201 013	200 916	97	100.0%	194 153	194 153
8. Programme Management	3 334	70	50	3 454	3 424	30	99.1%	3 661	3 661
TOTAL	**384 856**	**-**	**3 850**	**388 706**	**386 589**	**2 117**	**99.5%**	**384 571**	**383 214**

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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APPROPRIATION STATEMENT
for the year ended 31 March 2018

Programme 5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

	2017/18							2016/17	
	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
Economic classification									
Current payments	**124 188**	**- 385**	**3 850**	**127 653**	**126 494**	**1 159**	**99.1%**	**132 240**	**132 152**
Compensation of employees	78 150	-	3 000	81 150	80 655	495	99.4%	80 976	80 888
Goods and services	46 038	- 385	850	46 503	45 839	664	98.6%	51 264	51 264
Transfers and subsidies	**259 900**	**385**	**-**	**260 285**	**259 971**	**314**	**99.9%**	**251 727**	**250 458**
Departmental agencies and accounts	200 913	-	-	200 913	200 913	-	100.0%	194 153	194 153
Higher education institutions	-	-	-	-	-	-	-	469	400
Foreign governments and international organisations	1 976	-	-	1 976	1 865	111	94.4%	2 044	1 844
Non-profit institutions	30 795	-	-	30 795	30 795	-	100.0%	30 281	29 281
Households	26 216	385	-	26 601	26 398	203	99.2%	24 780	24 780
Payments for capital assets	**768**	**-**	**-**	**768**	**124**	**644**	**16.1%**	**604**	**604**
Buildings and other fixed structures	-	-	-	-	-	-	-	75	75
Machinery and equipment	768	-	-	768	124	644	16.1%	529	529
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**384 856**	**-**	**3 850**	**388 706**	**386 589**	**2 117**	**99.5%**	**384 571**	**383 214**

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2018

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-H) 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	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
ADMINISTRATION	**386 438**	**384 119**	**2 319**	**0.60%**
Current payments	381 923	380 912	1 011	0.26%
Transfers and subsidies	1 929	1 760	169	8.76%
Payments for capital assets	2 586	1 447	1 139	44.04%
The under-expenditure relate to the delays in the delivering of goods and services as well as capital requirements before closure of the financial year.				
SOCIAL ASSISTANCE	**151 230 232**	**150 336 771**	**893 461**	**0.59%**
Transfers and subsidies	150 844 832	150 323 267	521 565	0.35%
Payments of financial assets	385 400	13 504	371 896	96.50%
The under-expenditure mainly relates to slow spending on foster care and old age as a result of lesser-than-anticipated projected beneficiaries.				
SOCIAL SECURITY POLICY AND ADMINISTRATION	**7 296 237**	**7 277 717**	**18 520**	**0.25%**
Current payments	80 296	65 701	14 595	18.18%
Transfers and subsidies	7 213 035	7 211 718	1 317	0.02%
Payments for capital assets	2 906	298	2 608	89.75%
The under-expenditure mainly relates to slow spending in the establishment of the Inspectorate.				
WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT	**1 056 155**	**1 011 354**	**44 801**	**4.24%**
Current payments	267 488	261 151	6 337	2.37%
Transfers and subsidies	783 781	749 517	34 264	4.37%
Payments for capital assets	4 886	686	4 200	85.96%
The under-expenditure mainly relates to the non-payment of operational costs in terms of the Substance Abuse Conditional grant to the Northern Cape and Free State provinces and delays experienced in the procurement of "White Doors" in provincial and district areas as well as delays in the delivery of computer equipment.				

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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2018

SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY	**388 706**	**386 589**	**2 117**	**0.54%**
Current payments	127 653	126 494	1 159	0.91%
Transfers and subsidies	260 285	259 971	314	0.12%
Payments for capital assets	768	124	644	83.85%

The under-expenditure mainly relate to non-payment of operational costs as well as delays in the delivering of computer equipment.

4.2 Per economic classification	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Variance as a % of Final Appropriation**
	R'000	**R'000**	**R'000**	**%**
Current payments	**857 360**	**834 258**	**23 102**	**2.69%**
Compensation of employees	476 811	461 130	15 681	3.29%
Goods and services	380 549	373 128	7 421	1.95%
Interest and rent on land				
Transfers and subsidies	**159 103 862**	**158 546 233**	**557 629**	**0.35%**
Provinces and municipalities	556 392	524 358	32 034	5.76%
Departmental agencies and accounts	7 408 459	7 408 332	127	0.00%
Higher education institutions	1 977	1 976	1	0.05%
Foreign governments and international organisations	7 965	6 610	1 355	17.01%
Non-profit institutions	132 614	130 056	2 558	1.93%
Households	150 996 455	150 474 901	521 554	0.35%
Payments for capital assets	**11 146**	**2 555**	**8 591**	**77.08%**
Buildings and other fixed structures	1 570	-	1 570	100.00%
Machinery and equipment	9 050	2 023	7 027	77.65%
Software and Intangible assets	526	532	- 6	-1.14%
Payments for financial assets	**385 400**	**13 504**	**371 896**	**96.50%**

The main under-expenditure relates to Social Assistance Grants in terms of slow spending on foster care and old age as a result of lesser-than-anticipated projected beneficiaries.

4.3 Per conditional grant	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Variance as a % of Final Appropriation**
	R'000	**R'000**	**R'000**	**%**
Substance Abuse Conditional Grant	56 950	24 916	32 034	56.25%
Early Childhood Development Conditional Grant	317 612	317 612	0	0.00%
Employment of Social Workers Conditional Grant	181 830	181 830	0	0.00%

The under-expenditure mainly relate to the non-payment of operational costs as well as delays in the delivering of computer equipment

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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
REVENUE			
Annual appropriation	1	160 357 768	147 933 229
Departmental revenue	2	52 445	77 546
Aid assistance	3	27 861	48 326
TOTAL REVENUE		**160 438 074**	**148 059 101**
EXPENDITURE			
Current expenditure			
Compensation of employees	4	461 135	454 163
Goods and services	5	373 128	342 912
Aid assistance	3	2 972	5 227
Total current expenditure		**837 235**	**802 302**
Transfers and subsidies			
Transfers and subsidies	7	158 546 233	146 538 435
Aid assistance	3	2 641	3 575
Total transfers and subsidies		**158 548 874**	**146 542 010**
Expenditure for capital assets			
Tangible assets	8	23 386	53 417
Intangible assets	8	529	-
Total expenditure for capital assets		**23 915**	**53 417**
Payments for financial assets	6	13 504	-
TOTAL EXPENDITURE		**159 423 528**	**147 397 729**
SURPLUS/(DEFICIT) FOR THE YEAR		**1 014 546**	**661 372**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		961 218	590 601
Annual appropriation		961 218	590 601
Departmental revenue and NRF Receipts	13	52 445	77 546
Aid assistance	3	883	(6 775)
SURPLUS/(DEFICIT) FOR THE YEAR		**1 014 546**	**661 372**

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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STATEMENT OF FINANCIAL POSITION
as at 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
ASSETS			
Current assets		**13 307 864**	**11 444 275**
Cash and cash equivalents	9	331 537	164 692
Prepayments and advances	10	12 925 860	11 245 284
Receivables	11	50 467	31 432
Aid assistance receivable	3		2 867
Non-current assets		**1 126 675**	1 332 156
Receivables	11	1 126 675	1 332 156
TOTAL ASSETS		**14 434 539**	**12 776 431**
LIABILITIES			
Current liabilities		**13 319 974**	11 482 882
Voted funds to be surrendered to the Revenue Fund	12	(24 647)	467 063
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	51 328	20 457
Bank overdraft	14	13 044 563	10 970 275
Payables	15	247 279	24 333
Aid assistance unutilised	3	1 451	754
Non-current liabilities			
Payables	16	1 113 936	1 290 239
TOTAL LIABILITIES		**14 433 910**	**12 773 121**
NET ASSETS		**629**	**3 310**
Represented by:			
Retained funds		629	3 310
TOTAL		**629**	**3 310**

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
Retained funds			
Opening balance		3 310	7 218
Transfer from voted funds to be surrendered		(2 681)	(3 908)
Closing balance		**629**	**3 310**
TOTAL		**629**	**3 310**

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CASH FLOW STATEMENT
for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**159 451 722**	**147 935 563**
Annual appropriated funds received	1	159 371 903	147 809 691
Departmental revenue received	2	32 473	56 954
Interest received	2.2	19 485	20 592
Aid assistance received	3	27 861	48 326
Net increase in working capital		(1 271 184)	(1 111 725)
Surrendered to Revenue Fund		(488 637)	(721 267)
Surrendered to RDP Fund/Donor		-	(9 010)
Current payments		(837 235)	(802 302)
Payments for financial assets		(13 504)	-
Transfers and subsidies paid		(158 548 874)	(146 542 010)
Net cash flow available from operating activities	17	**(1 707 712)**	**(1 250 751)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(23 915)	(53 417)
Proceeds from sale of capital assets	2.3	487	-
Net cash flow from investing activities		**(23 428)**	**(53 417)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in non-current payables		(176 303)	74 285
Net cash flow from financing activities		**(176 303)**	**74 285**
Net increase in cash and cash equivalents		(1 907 443)	(1 229 883)
Cash and cash equivalents at beginning of period		(10 805 583)	(9 575 700)
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	18	**(12 713 026)**	**(10 805 583)**

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ACCOUNTING POLICIES
for the year ended 31 March 2018

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.

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ACCOUNTING POLICIES
for the year ended 31 March 2018

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 comprisedepartmental 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.

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ACCOUNTING POLICIES
for the year ended 31 March 2018

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.
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 at cost at the reporting date.
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 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.

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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ACCOUNTING POLICIES
for the year ended 31 March 2018

13	**Investments** Investments are recognised in the statement of financial position at cost.
14	**Financial assets**
14.1	**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.
14.2	**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.
15	**Payables** Loans and payables are recognised in the statement of financial position at cost.
16	**Capital Assets**
16.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the asset register is provided in the notes to financial statements.
16.2	**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. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	**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 a 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 of a capital nature forms part of the cost of the existing asset when ready for use.

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ACCOUNTING POLICIES
for the year ended 31 March 2018

16.4	**Project costs: Work in progress (WIP)** Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work in progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	**Provisions and contingents**
17.1	**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.
17.2	**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.
17.3	**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.
17.4	**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.
18	**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.
19	**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 derecognised when settled or subsequently written off as irrecoverable.
20	**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 derecognised when settled or subsequently written off as irrecoverable.

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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ACCOUNTING POLICIES
for the year ended 31 March 2018

21	**Changes in accounting policies, accounting estimates and errors** **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.
	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.
	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.
22	**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.
23	**Principal-Agent arrangements** The Department is not party to any principal Agent Arrangements.
24	**Departures from the MCS requirements** No departures
25	**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.
26	**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.
27	**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.
28	**Inventories** At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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ACCOUNTING POLICIES
for the year ended 31 March 2018

29	**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.
30	**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.

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

1. Annual Appropriation

	2017/18			2016/17	
	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	386 438	386 438	-	338 512	338 512
Social Assistance	151 230 232	150 244 368	985 864	139 498 691	139 375 153
Social Security Policy and Administration	7 296 237	7 296 237	-	6 997 000	6 997 000
Welfare Services Policy Development and Implementation Support	1 056 155	1 056 154	1	721 322	721 322
Social Policy and Integrated Service Delivery	388 706	388 706	-	377 704	377 704
Total	**160 357 768**	**159 371 903**	**985 865**	**147 933 229**	**147 809 691**

Funds not requested relate to the budget in respect of the payment of social grants where there was a saving.

2. Departmental revenue

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services other than capital assets	2.1	13	6
Interest, dividends and rent on land	2.2	19 485	20 592
Sales of capital assets	2.3	487	-
Transactions in financial assets and liabilities	2.4	32 460	56 948
Total revenue collected		**52 445**	**77 546**
Less: Own revenue included in appropriation		**-**	**-**
Departmental revenue collected		**52 445**	**77 546**

Decrease in revenue is due to no revenue collected during this financial year in respect of grant debtors previously paid over by SIU.

2.1 Sales of goods and services other than capital assets

	Note 2	2017/18 R'000	2016/17 R'000
Sales of goods and services produced by the department		13	6
Other sales		13	6
Total		**13**	**6**

Increase in selling of tender documents to prospective bidders.

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

2.2 Interest, dividends and rent on land

	Note 2	2017/18 R'000	2016/17 R'000
Interest		19 485	20 592
Total		**19 485**	**20 592**

Decrease in interest collected by SASSA due to improved cash flow management to transfer to the third party only the amount needed to pay social grants.

2.3 Sale of capital assets

	Note 2	2017/18 R'000	2016/17 R'000
Tangible assets			
Machinery and equipment	29	487	-
Total		**487**	-

Sale of departmental vehicle on auction held by the Government Garage Johannesburg

2.4 Transactions in financial assets and liabilities

	Note 2	2017/18 R'000	2016/17 R'000
Receivables		32 188	56 687
Other Receipts including Recoverable Revenue		272	261
Total		**32 460**	**56 948**

Decrease in revenue is due to no revenue collected during this financial year in respect of grant debtors previously paid over by SIU.

2.5 Cash received not recognised (not included in the main note)

	2017/18			2016/17		
	Amount received R'000	Amount paid to the revenue fund R'000	Balance R'000	Amount received R'000	Amount paid to the revenue fund R'000	Balance R'000
Name of entity						
National Development Agency	30 418	30 418	-	-	-	-
South African Social Security Agency	232 616	-	232 616	-	-	-
Total	**263 034**	**30 418**	**232 616**	**-**	**-**	**-**

The funds relate to unspent funds surrendered by NDA and SASSA in respect of the 2015/16 financial year.

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

3. Aid assistance

	Note 2	2017/18 R'000	2016/17 R'000
Opening Balance		(2 113)	9 764
As restated		(2 113)	9 764
Transferred from statement of financial performance		883	(6 775)
Transfers to or from retained funds		2 681	3 908
Paid during the year		-	(9 010)
Closing Balance		**1 451**	**(2 113)**

The increase relates to Donor revenue received from KFW(Germany) and Global Fund.

3.1 Analysis of balance by source

	Note 3	2017/18 R'000	2016/17 R'000
Aid assistance from RDP		697	(2 867)
Aid assistance from other sources		754	754
Closing balance		**1 451**	**(2 113)**

3.2 Analysis of balance

	Note	2017/18 R'000	2016/17 R'000
Aid assistance receivable	3	-	(2 867)
Aid assistance unutilised	3	1 451	754
Closing balance		**1 451**	**(2 113)**

The increase relates to Donor revenue received from KFW and Global Fund; not all funds received were spent during the year under review.

3.3 Prior period error

	Note	2017/18 R'000	2016/17 R'000
Nature of prior period error			
Relating to 2016/17			-
OVC Current Expenditure			(45 893)
OVC Capital Expenditure	8.2		45 893
Total prior period errors			-

Prior year error of R45 893 has been adjusted, as this amount relates to Expenditure of Capital Assets (Immovable Assets) and previous year was reported as Current Expenditure.

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3.4 Aid assistance expenditure per economic classification

	Note	2017/18 R'000	2016/17 R'000
Current		2 972	5 227
Capital		21 365	45 893
Transfers and subsidies		2 641	3 575
Total aid assistance expenditure		**26 978**	**54 695**

Decrease relates to slow spending in the construction of OVC community care centres funded by the German Development Bank (KFW).

4. Compensation of employees

4.1 Salaries and wages

	Note	2017/18 R'000	2016/17 R'000
Basic salary		317 194	312 861
Performance award		7 093	6 788
Service based		408	121
Compensative/circumstantial		6 908	7 278
Other non-pensionable allowances		80 054	79 214
Total		**411 657**	**406 262**

Nominal increases for the cost of living adjustments from 1 April 2017.

4.2 Social contributions

	Note	2017/18 R'000	2016/17 R'000
Employer contributions			
Pension		37 142	35 682
Medical		12 274	12 078
Bargaining council		62	63
Insurance		-	78
Total		**49 478**	**47 901**
Total compensation of employees		**461 135**	**454 163**
Average number of employees		**919**	**888**

Increase in employer's contribution relating to pension and medical contributions after the implementation of the Cost of Living adjustments were implemented.

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5. Goods and services

	Note	2017/18 R'000	2016/17 R'000
Administrative fees		5 394	3 840
Advertising		16 437	15 800
Minor assets	5.1	527	507
Bursaries (employees)		1 197	1 194
Catering		13 898	13 048
Communication		12 148	16 469
Computer services	5.2	47 915	21 131
Consultants: Business and advisory services		38 932	43 170
Infrastructure and planning services		-	3 461
Legal services		12 146	5 191
Contractors		5 630	1 293
Agency and support/outsourced services		639	3 400
Entertainment		99	121
Audit cost – external	5.3	16 335	15 944
Fleet services		8 523	13 671
Consumables	5.5	4 455	5 424
Operating leases		41 664	33 271
Property payments	5.6	6 832	6 168
Rental and hiring		5 912	4 934
Transport provided as part of the departmental activities		-	111
Travel and subsistence	5.7	101 122	97 753
Venues and facilities		21 752	27 221
Training and development		2 639	3 253
Other operating expenditure	5.8	8 982	6 537
Total		**373 128**	**342 912**

Increase relate to the contractual agreement with SITA pertaining to the improvement of the Information Technology Infrastructure of the department.

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5.1 Minor assets

	Note 5	2017/18 R'000	2016/17 R'000
Tangible assets		**525**	**507**
Machinery and equipment		525	507
Intangible assets		**2**	**-**
Software		2	-
Total		**527**	**507**

Increase relate to procurement of minor assets.

5.2 Computer services

	Note 5	2017/18 R'000	2016/17 R'000
SITA computer services		47 231	9 313
External computer service providers		684	11 818
Total		**47 915**	**21 131**

Increase relate to the contractual agreement pertaining to departmental Information Technology Infrastructure solution with SITA.

5.3 Audit cost – External

	Note 5	2017/18 R'000	2016/17 R'000
Regularity audits		14 311	12 151
Computer audits		2 024	3 793
Total		**16 335**	**15 944**

Inflation-related increase of audit fees charged by the Auditor-General SA.

5.4 Consumables

	Note 5	2017/18 R'000	2016/17 R'000
Consumable supplies		830	721
Uniform and clothing		193	118
Household supplies		365	17
IT consumables		77	295
Other consumables		195	291
Stationery, printing and office supplies		3 625	4 703
Total		**4 455**	**5 424**

Decrease due to cost efficiency savings implemented regarding buying of stationery and computer consumables.

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5.5 Property payments

	Note 5	2017/18 R'000	2016/17 R'000
Municipal services		4 859	4 177
Property maintenance and repairs		1 971	1 871
Other		2	120
Total		**6 832**	**6 168**

Increase due to price adjustment by Municipality in respect of municipality services charged for the office building.

5.6 Travel and subsistence

	Note 5	2017/18 R'000	2016/17 R'000
Local		91 128	85 048
Foreign		9 994	12 705
Total		**101 122**	**97 753**

Increase due to an increase in domestic travel to departmental events; however, there was a decrease in foreign travel during the year under review.

5.7 Other operating expenditure

	Note 5	2017/18 R'000	2016/17 R'000
Professional bodies, membership and subscription fees		616	1 861
Resettlement costs		177	154
Other		8 139	4 522
Total		**8 932**	**6 537**

Increase in expenditure relating to day-to-day activities.

6. Payments for financial assets

	Note	2017/18 R'000	2016/17 R'000
Debts written off	6.1	13 504	-
Total		**13 504**	**-**

Approval was obtained from National Treasury to write off irrecoverable grant debtors. The amount relates to SASSA Debtors Write-offs.

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6.1 Debts written off

	Note	2017/18 R'000	2016/17 R'000
SASSA Debtors		13 504	-
Total debt written off		**13 504**	**-**

Although approval was granted to write off R385 million grant debtors, only an amount of R366 million was written off at year end. The balance of the debt became recoverable. The write-off was done in line with Instruction Note 2 of 2013/14 issued by National Treasury. The biggest portion of the write-off (R353 million) reduced the deferred revenue, as the debts were discovered subsequent to the financial year in which the overpayment was made.

7. Transfers and subsidies

	Note	2017/18 R'000	2016/17 R'000
Provinces and municipalities	33	524 358	85 500
Departmental agencies and accounts	Annex 1A	7 408 332	7 395 173
Higher education institutions	Annex 1B	1 976	2 400
Foreign governments and international organisations	Annex 1C	6 609	4 126
Non-profit institutions	Annex 1D	130 056	109 563
Households	Annex 1E	150 474 902	138 941 673
Total		**158 546 233**	**146 538 435**

Increase relates to the two new Conditional Grants – Social Worker employment and Early Childhood Development – voted to the department during the 2017/18 financial year and increase in budget for social grants, additional funding received for Conditional Grants to provinces and inflation adjustments to social grants.

8. Expenditure for capital assets

	Note	2017/18 R'000	2016/17 R'000
Tangible assets		**23 386**	**53 417**
Buildings and other fixed structures	31	21 365	46 121
Machinery and equipment	29	2 021	7 296
Intangible assets		**529**	**-**
Software	30	529	-
Total		**23 915**	**53 417**

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8.1 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	**2 021**	**21 365**	**23 386**
Buildings and other fixed structures	-	21 365	21 365
Machinery and equipment	2 021	-	2 021
Intangible assets	**529**	**-**	**529**
Software	529	-	529
Total	**2 550**	**21 365**	**23 915**

Delays with the replacement of Fleet services and procurement of computer equipment. Expenditure under Aid Assistance for Immovable Assets relates to the building of Community Centres in the provinces funded by the Bank of Germany (KfW). Immovable Asset relates to Community Care Centres donated by KFW.

8.2 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**	**46 299**	**53 417**
Buildings and other fixed structures	228	45 893	46 121
Machinery and equipment	6 890	406	7 296
Total	**7 118**	**46 299**	**53 417**

A prior year error of R46 milllion has been adjusted, as this amount relates to Expenditure of Capital Assets (Immovable Assets) and has been reported as Work in Progress in Annexure 5 and Note 31.

9. Cash and cash equivalents

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General Account		331 519	164 684
Cash receipts		9	-
Disbursements		1	-
Cash on hand		8	8
Total		**331 537**	**164 692**

An amount of R232 million was received from SASSA in respect of unspent funds in 2015/16, after the request for the retention was declined by National Treasury and was paid to the Department of Social Development at the end of March.

10. Prepayments and advances

	Note	2017/18 R'000	2016/17 R'000
Travel and subsistence		163	158
Advances paid (Not expensed)	10.1	5 311	3 738
SOCPEN advances		12 920 386	11 241 388
Total		**12 925 860**	**11 245 284**

Increase in funds transferred to SASSA for the payment of grants to beneficiaries on 1 April 2018 as well as advances transferred to Government Communication Information System and Department of International Relations. Invoices were not yet received to clear advances.

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10.1 Advances paid (Not expensed)

	Note	Balance as at 1 April 2017 R'000	Less: Amount expensed in current year R'000	Add: Current Year prepayments R'000	Balance as at 31 March 2018 R'000
National departments	10	3 738	3 684	5 257	5 311
Total		**3 738**	**3 684**	**5 257**	**5 311**

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.

11. Receivables

	Note	2017/18			2016/17		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	11.1	5 234	17 140	22 374	1 936	15 935	17 871
Staff debt	11.2	-	87	87	161	-	161
Fruitless and wasteful expenditure	11.4	-	53	53	-	-	53
Other debtors	11.3	45 233	1 109 395	1 154 628	29 335	1 316 221	1 345 556
Total		**50 467**	**1 126 675**	**1 177 142**	**31 432**	**1 332 156**	**1 363 641**

Decrease in receivables was mainly due to the write off of Grant debtor to the amount of R366 million.

11.1 Claims recoverable

	Note	2017/18 R'000	2016/17 R'000
National departments	11 and Annex 3	1 891	2 603
Provincial departments		15 257	15 257
Public entities		5 226	11
Total		**22 374**	**17 871**

The claims issued to other departments and entities.

11.2 Staff debt

	Note	2017/18 R'000	2016/17 R'000
Current Staff Debt	11	**87**	**161**
Total		**87**	**161**

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.

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11.3 Other debtors

	Note	2017/18 R'000	2016/17 R'000
General Suspense	11	689	968
Debt Receipt Control		18	1
Salary: GEHS Refund		65	3
Salary Reversal		10	–
Tax Debt		2	5
Ex-Departmental Official Debt		810	810
Salary Pension Fund		4	–
SASSA Debtors		1 153 030	1 343 769
Total		**1 154 628**	**1 345 556**

Decrease in receivable is mainly due to the write-off of grant debtors.

11.4 Fruitless and wasteful expenditure

	Note	2017/18 R'000	2016/17 R'000
Opening balance	11	53	53
Total		**53**	**53**

Relates to previous years not yet written off.

11.5 Impairment of receivables

	Note	2017/18 R'000	2016/17 R'000
Estimate of impairment of receivables		889 648	1 039 593
Total		**889 648**	**1 039 593**

Decrease in Impairment is mainly due to the write-off of grant debtors, which had an impact on the calculation of impairment.

12. Voted funds to be surrendered to the Revenue Fund

	Note	2017/18 R'000	2016/17 R'000
Opening balance		467 063	646 626
Transfer from Statement of Financial Performance (as restated)		961 218	590 601
Voted funds not requested/not received	1	(985 865)	(123 538)
Paid during the year		(467 063)	(646 626)
Closing balance		**(24 647)**	**467 063**

Credit balance is due to the fact that not all funds were drawn from National Treasury and the underestimation of the grant expenditure at the end of March 2018 to ensure enough funds are drawn from National Treasury. The drawings could not be amended in time. Funds will be requested from National Treasury in the 2018/19 financial year.

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13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2017/18 R'000	2016/17 R'000
Opening balance		20 457	17 552
Transfer from Statement of Financial Performance (as restated)		52 445	77 546
Paid during the year		(21 574)	(74 641)
Closing balance		**51 328**	**20 457**

Increase in Revenue Accrual relates to funds (R232 million) surrendered by SASSA in respect of unspent funds for the 2015/16 financial year.

14. Bank overdraft

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General Account		13 044 563	10 970 275
Total		**13 044 563**	**10 970 275**

Bank overdraft is in respect of Social Grant to be paid to beneficiaries on 1 April. Advances are 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	2017/18 R'000	2016/17 R'000
Clearing accounts	15.1	–	924
Other payables	15.2	247 279	23 409
Total		**247 279**	**24 333**

Increase in Payables relates to funds (R232 million) surrendered by the South African Social Security Agency (SASSA) in respect of unspent funds for 2015/16 financial year after National Treasury declined the request from SASSA to retain the saving.

15.1 Clearing accounts

	Note	2017/18 R'000	2016/17 R'000
Salary Income Tax		-	924
Total		-	**924**

Clearing of the salary income tax suspense account and no amount was uncleared at year end.

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15.2 Other payables

	Note	2017/18 R'000	2016/17 R'000
SASSA Claim Payable		527	457
Salary Pension Fund		–	71
Disallowance		–	16 487
SASSA Unallocated Receipts		8 224	6 394
Debt Receivable		30	–
HWSETA		3 245	–
Reconstruction and Development Programme (RDP) KFW		2 637	–
National Revenue Fund (SASSA Surrender)		232 616	–
Total		**247 279**	**23 409**

Increase in Payables relates to funds (R232 million) surrendered by SASSA in respect of unspent funds for 2015/16 financial year.

16. Payables – non-current

		2017/18				2016/17
	Note	One to two years R'000	Two to three years R'000	More than three years R'000	Total R'000	Total R'000
Advances received	16.1	-	-	362	362	362
Other payables	16.2	35 867	51 271	1 026 436	1 113 574	1 289 877
Total		**35 867**	**51 271**	**1 026 798**	**1 113 936**	**1 290 239**

Decrease is mainly due to the write-off of grant debtors, which decreases the deferred revenue amount under other payables.

16.1 Advances received

	Note	2017/18 R'000	2016/17 R'000
Provincial departments	16	362	362
Total		**362**	**362**

Funds received from the Provincial departments and to be spent on expenditure related to NSIS Project.

16.2 Other payables

	Note 16	2017/18 R'000	2016/17 R'000
Differ Revenue: SASSA and SOC DEV		733	786
Debt Receivable Income		1 022 229	1 209 793
Debt Receivable Interest		76 975	79 298
Disallowance Miscellaneous (SIU)		13 637	–
Total		**1 113 574**	**1 289 877**

Decrease is mainly due to the write-off of debt balances amounting to R366 million.

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17. Net cash flow available from operating activities

	Note	2017/18 R'000	2016/17 R'000
Net surplus/(deficit) as per Statement of Financial Performance		1 014 546	661 372
Add back non-cash/cash movements not deemed operating activities		(2 722 258)	(1 912 123
(Increase)/decrease in receivables – current		186 446	(88 635)
(Increase)/decrease in prepayments and advances		(1 680 576)	(1 007 262)
Increase/(decrease) in payables – current		222 946	(15 828)
Proceeds from sale of capital assets		(487)	–
Expenditure on capital assets		23 915	53 417
Surrenders to Revenue Fund		(488 637)	(721 267)
Surrenders to RDP Fund/Donor		–	(9 010)
Voted funds not requested/not received		(985 865)	(123 538)
Net cash flow generated by operating activities		**(1 707 712)**	**(1 250 751)**

Increase is due to the increase in prepayment, decrease in surrenders to revenue fund and increase in the voted funds not requested.

18. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General account		(12 713 044)	(10 805 591)
Cash Receipts		9	–
Disbursements		1	–
Cash on hand		8	8
Total		**(12 713 026)**	**(10 805 583)**

Increase in payments in transit and transfers in respect of grants for 1 April 2018.

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

	Note	2017/18 R'000	2016/17 R'000
Liable to **Nature**			
Claims against the department	Annex 2	151 715	151 203
Intergovernmental payables (unconfirmed balances)	Annex 4	6 270	3 961
Total		**157 985**	**155 164**

One of the new claims against the department will be finalised in the new financial year (2018/19).

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19.2 Contingent assets

	Note	2017/18 R'000	2016/17 R'000
Nature of contingent asset			
NEHAWU Strike Action (Hours away from Office)		78	78
Total		**78**	**78**

No decision was made as to whether the funds should be deducted from the officials who participated in the NEHAWU strike during the 2016/17 financial year.

20. Commitments

	Note	2017/18 R'000	2016/17 R'000
Current expenditure			
Approved and contracted		9 974	13 582
Approved but not yet contracted		2 234	2 893
		12 208	16 475
Capital expenditure			
Approved and contracted		1 690	130
Approved but not yet contracted		–	8 763
		1 690	8 893
Total commitments		**13 898**	**25 368**

Most of the commitments relate to the 2017/18 financial year and the decrease is due to the fact that commitments were followed up during the year.

21. Accruals and payables not recognised

21.1 Accruals

			2017/18 R'000	2016/17 R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	8 799	1 204	10 003	26 478
Capital assets	-	-	-	132
Total	**8 799**	**1 204**	**10 003**	**26 610**

	Note	2017/18 R'000	2016/17 R'000
Listed by programme level			
Administration		8 125	14 148
Social Security Policy and Administration		150	861
Welfare Services Policy Development and Implementation		373	9 627
Social Policy and Integrated Service Delivery		1 355	1 974
Total		**10 003**	**26 610**

Improved cash management had the result that the department was able to pay most of the invoices received before year end.

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21.2 Payables not recognised

			2017/18 R'000	2016/17 R'000
Listed by economic classification				
	30 Days	**30+ Days**	**Total**	**Total**
Goods and services	156	2 624	2 780	8 416
Total	**156**	**2 624**	**2 780**	**8 416**

	Note	2017/18 R'000	2016/17 R'000
Listed by programme level			
Administration		2 624	5 961
Social Security Policy and Administration		-	2 455
Welfare Services Policy Development and Implementation		156	–
Total		**2 780**	**8 416**

	Note	2017/18 R'000	2016/17 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 4	2 780	2 072
Confirmed balances with other government entities	Annex 4	–	2 383
Total		**2 780**	**4 455**

Confirmed outstanding claims received from other Government Departments will be settled in the new financial year.

22. Employee benefits

	Note	2017/18 R'000	2016/17 R'000
Leave entitlement		19 636	20 267
Service bonus (Thirteenth cheque)		11 064	10 469
Performance awards		6 902	–
Capped leave commitments		10 341	10 179
Other		233	369
Total		**48 176**	**41 284**

Increase relates to a performance award approved before 31 March 2018 but only paid in 2018/19.

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23. Lease commitments

23.1 Operating leases

2017/18	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	31 754	4 240	35 994
Later than 1 year and not later than 5 years	41 651	334	41 985
Later than 5 years	-	-	-
Total lease commitments		**73 405 4 574**	**77 979**

2016/17	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
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
Later than 5 years	-	-	-
Total lease commitments	**90 345**	**1 660**	**92 005**

The Lease commitment on Machinery and Equipment relates to Photocopy machine and G-Fleet.

23.2 Finance leases

2017/18	Machinery and equipment R'000	Total R'000
Not later than 1 year		276
Later than 1 year and not later than 5 years	276	229
Later than 5 years	229	-
Total lease commitments	-	**505**
	505	

2016/17	Machinery and equipment R'000	Total R'000
Not later than 1 year	1 660	1 660
Later than 1 year and not later than 5 years	1 417	1 417
Later than 5 years	-	-
Total lease commitments	**3 077**	**3 077**

Finance Lease relates to a thirty-six month (36) contract in respect of data cards.

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24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2017/18 R'000	2016/17 R'000
Opening balance		6 173	42 746
Prior period error		-	(1 147)
As restated		6 173	41 599
Add: Irregular expenditure – relating to prior year		1 383	-
Add: Irregular expenditure – relating to current year		83 770	641
Less: Prior year amounts condoned		(7 487)	(36 049)
Less: Current year amounts condoned		(44 993)	(18)
Less: Amounts not condoned and recoverable		(71)	-
Closing balance		**38 775**	**6 173**
Analysis of awaiting condonation per age classification			
Current year		38 766	623
Prior years		9	5 550
Total		**38 775**	**6 173**

Prior Error Adjustments for Irregular Expenditure: The financial misconduct register was not adjusted based on Communication no. 26 of 2016/17; therefore, it affected the opening balance for 2017/18.

24.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Non-compliance to SCM processes	Affected officials were issued with written warning and final written warnings	3 097
Social Relief of Distress (SASSA SRD)		82 056
Total		**85 153**

An amount on Social Relief of Distress (SRD) relates to Possible Irregular Expenditure on SASSA Audit Report.

24.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2017/18 R'000
Non-compliance to SCM and order number was not issued prior to the services	The cases were presented and finalised by the Loss Control Committee	6 104
Non-compliance to SCM and order number was not issued prior to the services (Prior year)	The cases were presented and finalised by the Loss Control Committee (for prior year)written warnings	335
Social Relief of Distress (SRD)		44 658
Social Relief of Distress (SRD)(Prior Year)		1 383
Total		**52 480**

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24.4 Details of irregular expenditure recoverable (not condoned)

Incident	Condoned by (condoning authority)	2017/18 R'000
Non-compliance to SCM processes	The expenditure will be recovered from the affected official	71
Total		**71**

24.5 Prior period error

	2017/18 R'000
Nature of prior period error	
Relating to 2016/17[affecting the opening balance]	(1 147)
Total prior period errors	**(1 147)**

Prior Error Adjustments for Fruitless and Wasteful Expenditure: The financial misconduct register was not adjusted based on audit findings therefore, it affected the opening balance for 2017/18.

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	Note	2017/18 R'000	2016/17 R'000
Opening balance		871	1 216
Prior period error		-	7
As restated		871	1 223
Fruitless and wasteful expenditure – relating to current year		528	272
Less: Amounts resolved		(730)	(624)
Less: Amounts transferred to receivables for recovery		(111)	–
Closing balance		**558**	**871**

Prior Error Adjustments for Fruitless and Wasteful Expenditure: The financial misconduct register was not adjusted based on audit findings therefore, it affected the opening balance for 2017/18.

25.2 Analysis of awaiting resolution per economic classification

	Note	2017/18 R'000	2016/17 R'000
Current year		558	696
Prior years		-	175
Total		**558**	**871**

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25.3 Analysis of current year's (relating to current and prior years) fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Hotel – no show & administration of traffic fines	Warnings and Final written warnings were issued. Funds will be recovered from the affected officials where applicable.	47
Transport – no show	Warnings and Final written warnings were issued. Funds will be recovered from the affected officials where applicable.	2
Car damage	Warnings and Final written warnings were issued. Funds will be recovered from the affected officials where applicable.	316
Services not rendered	Warnings and Final written warnings were issued.	138
Door glass damage	Warnings and Final written warnings were issued.	13
VAT charges	Warnings and Final written warnings were issued.	4
Training – no show	Warnings and Final written warnings were issued.	8
Total		**528**

25.4 Prior period error	**Note**	
		2017/18 R'000
Nature of prior period error		**7**
Relating to 2015/16 [affecting the opening balance]		7
Relating to 2016/17		**841**
Cases were finalised by Loss Control Committee and Accounting Officer approved the recommendations. The affected officials were issued with written and final written warnings		730
Amount recovered from the affected officials		111
Total prior period errors		**848**

Prior Error Adjustments for Fruitless and Wasteful Expenditure: The financial misconduct register was not adjusted based on audit findings therefore, it affected the opening balance for 2016/17.

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26. Related party transactions

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 Central Drug Authority was established in terms of the Prevention of and Treatment for Substance Abuse Act No. 70 of 2008.

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. Although the related parties are reporting to the Minister, the above-related parties compile their own Annual Financial Statements.

27. Key management personnel

	No. of Individuals	2017/18 R'000	2016/17 R'000
Political office bearers (provide detail below)			
Officials:	2	4 255	4 211
Level 15 to 16	10	14 083	18 205
Level 14	29	30 967	33 510
Family members of key management personnel	2	656	738
Total		**49 961**	**56 664**

28. Provisions

	Note	2017/18 R'000	2016/17 R'000
Social Assistance Debtors over-recovery		21 583	17 263
Unfair Labour Practice		1 389	–
Termination of Contract		900	–
Total		**23 872**	**17 263**

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The provision mainly relates to the recalculation of refunds payable to Social Assistance debtors whose payments exceeded the amount owed. The payments will be made once the reasons for overpayments and details of the debtors have been determined.

Change in Accounting Estimates

In the 2016/17 financial year, the amount of R17 262 841 is based on the estimated average interest rate of 11.13%. In the 2017/18 financial year, the SIU recalculated interest payable based on the variable interest rates as published by the Minister of Finance since inception of the debt. This resulted in an increase in the SIU over-recovery from R17 262 841 to an amount of R20 260 261.24. The change to the estimated interest rate has been applied prospectively. An additional amount of R1 323 159.38 relates to credit balances in Social Assistance debtors managed by SASSA on the BAS system. An amount of R1 389 000 relates to Legal Fees for Unfair Labour Practice.

Reconciliation of movement in provisions – 2017/18

	Social Assistance Debtors Over-recovery R'000	Unfair Labour Practice R'000	Termination of Contracts R'000	Total provisions R'000
Opening balance	17 263		-	17 263
Increase in provision	-		1 389	2 289
Change in provision due to change in estimation of inputs	4 320	-	-	4 320
Closing balance	**21 583**	**1 389**	**900**	**23 872**

Reconciliation of movement in provisions – 2016/17

	Social Assistance Debtors Over-recovery R'000	Unfair Labour Practice R'000	Termination of Contracts R'000	Total provisions 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**

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	**83 462**	**2 093**	**3 006**	**82 549**
Transport assets	16 517	-	2 798	13 719
Computer equipment	33 219	1 035	-	34 254
Furniture and office equipment	23 022	810	208	23 624
Other machinery and equipment	10 704	248	-	10 952
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**83 462**	**2 093**	**3 006**	**82 549**

Computer refresh was done during 2016/17; therefore, additions decreased during the year under review. Redundant assets were disposed of during the year.

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Movable Tangible Capital Assets under investigation

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation	Number	Value R'000
Machinery and equipment	44	592

Fast track asset verification system was redeveloped and implemented and asset verification improved. This had the implication on the outcome of the verification; some assets included in the old asset register were not found and now are under investigation to try and locate the assets.

29.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	**2 021**	**72**	**2 093**
Computer equipment	1 167	(132)	1 035
Furniture and office equipment	606	204	810
Other machinery and equipment	248	-	248
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**2 021**	**72**	**2 093**

29.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for Cash R'000	Non-Cash R'000	Total Disposal R'000	Cash Recieved actual R'000
MACHINERY AND EQUIPMENT	**2 798**	**208**	**3 006**	**487**
Transport assets	2 798	-	2 798	487
Furniture and office equipment	-	208	208	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**2 798**	**208**	**3 006**	**487**

Redundant assets were disposed of.

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29.3 Movement for 2016/17

MOVEMENT IN 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**

29.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	-	11 650	11 650
Additions	2	525	527
TOTAL MINOR ASSETS	**2**	**12 175**	**12 177**

	Machinery and equipment	Total
Number of R1 minor assets	5 184	5 184
Number of minor assets at cost	7 349	7 349
TOTAL NUMBER OF MINOR ASSETS	**12 533**	**12 533**

Minor Capital Assets under investigation

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:	Number	Value R'000
Machinery and equipment	46	55

Due to the fast track system implemented, some assets on the old register assets could not be found while verification were done.

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MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 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	5 184	5 184
Number of minor assets at cost	7 074	7 074
TOTAL NUMBER OF MINOR ASSETS	**12 258**	**12 258**

Movement for Minor Assets written off on the first quarter not included in the Asset register, resulting in a discrepancy between the opening balances (2017/18) on the Asset register and published financial statements. There is an adjustment on Number of Minor Assets at R1 value: Number of Minor Assets Adjusted: 1233.

29.5 MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2018

	Machinery and equipment R'000	Total R'000
Assets written off	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	**-**	**-**

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017

	Machinery and equipment R'000	Total R'000
Assets written off	9 428	9 428
TOTAL MOVABLE ASSETS WRITTEN OFF	**9 428**	**9 428**

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Prior Period Error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	8 647	-	529	-	9 176
TOTAL INTANGIBLE CAPITAL ASSETS	**8 647**	**-**	**529**	**-**	**9 176**

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30.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash R'000	Non - Cash R'000	(Development work in progress current cost) R'000	Received current year, not paid (Paid current year, received prioryear) R'000	Total R'000
Software	529	-	-	-	529
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	**529**	**-**	**-**	**-**	**529**

30.2 Movement for 2016/17

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposal R'000	Closing Balance R'000
Software	8 647	-	-	-	8 647
TOTAL INTANGIBLE CAPITAL ASSETS	**8 647**	**-**	**-**	**-**	**8 647**

31 Immovable Tagible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**1 243**	**-**	**52 124**	**-**	**53 367**
Dwellings	685	-	-	-	685
Non-residential buildings	-	-	52 124	-	52 124
Other fixed structures	558	-	-	-	558
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**1 243**	**-**	**52 124**	**-**	**532 367**

The Community Care Centres are completed. Therefore, the handover process was not finalised and thus the centres are recorded on the financial statements of the department as immovable assets owned by the department.

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31.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash R'000	Non-cash R'000	(Capital work in progress - current costs and finance lease payments) R'000	Received current, not payed(Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	**21 365**	**52 124**	**(21 365)**	**-**	**52 124**
Non-residential buildings	21 365	52 124	(21 365)	-	52 124
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	**21 365**	**52 124**	**(21 365)**	**-**	**52 124**

The community Care Centre are completed. Therefore the handover process was not finalised and thus the centres are not recorded on the financial statements of the Department as immovable assets own by the Department.

31.2 Movement for 2016/17

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**1 015**	**-**	**228**	**-**	**1 243**
Dwellings	685	-	-	-	685
Other fixed structures	330	-	228	-	558
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**1 015**	**-**	**228**	**-**	**1 243**

31.2.1 Prior period error	Note	2016/17 R'000
Nature of prior period error		**-**
Relating to 2016/17		**228**
Other fixed structure	8.2	228
Prior year expenditure fixed structure to asset register	8.2	45 893
Prior year work in progress-Immovable	31.3	(45 893)
Total prior period error		**228**

An amount of R228 000 relates to Expenditure of Capital Assets for 2016/17 and is being adjusted. Amount of R45 893 000 relates to Immovable Capital Assets work in progress for 2016/17; the note has been adjusted with the same amount.

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31.3 Capital work in progress

CAPITAL WORK IN PROGRESS AS AT 31 MARCH 2018

	Note	Opening balance 1 April 2017 R'000	Current Year WIP R'000	Ready for use (Assets to the AR)/Contracts terminated R'000	Closing balance 31 March 2018 R'000
Buildings and other fixed structures	Annexure 5	95 365	21 365	52 124	64 606
TOTAL		**95 365**	**21 365**	**52 124**	**64 606**

The building of Community Care Centres in provinces with donor funds has been included in the asset note as well as in the note "work in progress".

	Number of projects		2016/17
Age analysis on ongoing projects	**Planned Contrustruction not started**	**Planned, Construction started**	**Total R'000**
0 to 1 Year	-	4	85 585
Total	-	**4**	**85 585**

CAPITAL WORK IN PROGRESS AS AT 31 MARCH 2017

	Note	Opening balance 1 April 2016 R'000	Prior period error R'000	Current Year WIP	Ready for use (Assets to the AR) Contracts terminated	Closing balance 31 March 2017 R'000
Buildings and other fixed structures	Annexure 5	49 472	45 893	-	-	95 365
TOTAL		**49 472**	**45 893**	**-**	**-**	**95 365**

The opening balance of financial year 2016/17 was restated.

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32. Prior period errors

32.1 Correction of prior period errors

	Note	Amount bef error correction 2016/17 R'000	Prior period error 2016/17 R'000	Restated Amount 2016/17 R'000
Expenditure: Tangible capital assets				
Immovable Tangible Capital Assets	31	-	228	228
Aid Assistance	3	-	-	-
Goods and services	5	45 893	(45 893)	-
Expenditure for capital assets	8	(45 893)	45 893	-
Net effect		**-**	**228**	**228**
Other: Irregular expenditure, fruitless and wasteful expenditure				
Irregular Expenditure Opening Balance	24	42 746	(1 147)	41 599
Fruitless and Wasteful Expenditure Opening Balance	25	1 216	7	1 223
Fruitless and Wasteful Expenditure: 2016/17 relating to current year	25	270	2	272
Net effect		**44 232**	**(1 138)**	**43 094**

Refer to applicable notes for explanations.

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33. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
NAME OF PROVINCE/GRANT	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Summary by province												
Eastern Cape	112 252	-	-	112 252	112 252	-	-	112 252	67 670	44 582	60%	42 500
Free State	35 887	-	-	35 887	21 650	-	-	21 650	14 175	7 475	65%	-
Gauteng	40 942	-	-	40 942	40 942	-	-	40 942	37 941	3 001	93%	-
KwaZulu-Natal	125 338	-	-	125 338	125 338	-	-	125 338	108 320	17 018	86%	-
Limpopo	87 869	-	-	87 869	87 869	-	-	87 869	82 654	5 215	94%	-
Mpumalanga	40 747	-	-	40 747	40 747	-	-	40 747	33 024	7 723	81%	43 000
Northern Cape	28 570	-	-	28 570	14 333	-	-	14 333	13 539	794	94%	-
North West	53 656	-	-	53 656	50 096	-	-	50 096	36 955	13 141	74%	-
Western Cape	31 131	-	-	31 131	31 131	-	-	31 131	28 499	2 632	92%	-
TOTAL	**556 392**	**-**	**-**	**556 392**	**524 358**	**-**	**-**	**524 358**	**422 777**	**101 581**		**85 500**
Summary by grant												
Substance Abuse Conditional Grant	56 950	-	-	56 950	24 916	-	-	24 916	26 299	-	106%	85 500
Early Childhood Development Conditional Grant	317 612	-	-	317 612	317 612	-	-	317 612	258 446	-	81%	-
Employment of Social Workers Conditional Grant	181 830	-	-	181 830	181 830	-	-	181 830	138 032	-	76%	-
	556 392	**-**	**-**	**556 392**	**524 358**	**-**	**-**	**524 358**	**422 777**	-		**85 500**

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	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
NAME OF PROVINCE/GRANT	Division of Revenue Act	Rollovers	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by depart-ment	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
1.Substance Abuse Conditional Grant												
Eastern Cape	14 238	-	-	14 238	14 238	-	-	14 238	14 238	-	100%	42 500
Free State	14 237	-	-	14 237	-	-	-	-	-	-	-	
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	43 000
Northern Cape	14 237	-	-	14 237	-	-	-	-	1 342	(1 342)	-	-
North West	14 238	-	-	14 238	10 678	-	-	10 678	10 719	(41)	-	-
	56 950	**-**	**-**	**56 950**	**24 916**	**-**	**-**	**24 916**	**26 299**	**(1 383)**	-	**85 500**
2.Early Childhood Development Conditional Grant												
Eastern Cape	56 365	-	-	56 365	56 365	-	-	56 365	27 238	29 127	48%	
Free State	18 398	-	-	18 398	18 398	-	-	18 398	12 937	5 461	70%	
Gauteng	38 489	-	-	38 489	38 489	-	-	38 489	35 938	2 551	93%	
KwaZulu-Natal	71 879	-	-	71 879	71 879	-	-	71 879	71 870	9	100%	
Limpopo	41 085	-	-	41 085	41 085	-	-	41 085	36 034	5 051	88%	
Mpumalanga	25 799	-	-	25 799	25 799	-	-	25 799	23 645	2 154	92%	
Northern Cape	13 761	-	-	13 761	13 761	-	-	13 761	11 710	2 051	85%	
North West	32 686	-	-	32 686	32 686	-	-	32 686	20 304	12 382	62%	
Western Cape	19 150	-	-	19 150	19 150	-	-	19 150	18 770	380	98%	
	317 612	**-**	**-**	**317 612**	**317 612**	**-**	**-**	**317 612**	**258 446**	**59 166**		
3.Employment of Social Workers Conditional Grant												
Eastern Cape	41 649	-	-	41 649	41 649	-	-	41 649	26 194	15 455	63%	
Free State	3 252	-	-	3 252	3 252	-	-	3 252	1 238	2 014	38%	
Gauteng	2 453	-	-	2 453	2 453	-	-	2 453	2 003	450	82%	
KwaZulu-Natal	53 459	-	-	53 459	53 459	-	-	53 459	36 450	17 009	68%	
Limpopo	46 784	-	-	46 784	46 784	-	-	46 784	46 620	164	100%	
Mpumalanga	14 948	-	-	14 948	14 948	-	-	14 948	9 379	5 569	63%	
Northern Cape	572	-	-	572	572	-	-	572	487	85	85%	
North West	6 732	-	-	6 732	6 732	-	-	6 732	5 932	800	88%	
Western Cape	11 981	-	-	11 981	11 981	-	-	11 981	9 729	2 252	81%	
	181 830	**-**	**-**	**181 830**	**181 830**	**-**	**-**	**181 830**	**138 032**	**43 798**		

In the 2017/18 financial year, there were no reallocations by the National Treasury or the department as the transferring department as per the Division of Revenue Act. All transfers in terms of this Act were deposited into the primary bank account of the relevant province

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				TRANSFER		2016/17
DEPARTMENTAL AGENCY/ ACCOUNT	Adjusted Appropriation	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
National Development Agency	200 913	-	-	200 913	200 913	100%	194 153
South African Social Security Agency	7 206 060	-	-	7 206 060	7 206 060	100%	6 908 932
National Student Financial Aid Scheme (Social Work Bursaries)	-	-	-	-	-	-	290 780
Health and Welfare Sector Education and Training Authority	1 486	-	-	1 486	1 359	91%	1 308
TOTAL	**7 408 459**	**-**	**-**	**7 408 459**	**7 408 332**		**7 395 173**

ANNEXURE 1B
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

	TRANSFER ALLOCATION				TRANSFER			2016/17
NAME OF HIGHER EDUCATION INSTITUTION	Adjusted Appropriation	Rollovers	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
North-West University	-	-	-	-	-	-	-	200
University of KwaZulu-Natal	-	-	-	-	-	-	-	200
University of the Witwatersrand	-	-	1 500	1 500	1 500	-	%	2 000
Asaswei	-	-	477	477	476	1	%	-
TOTAL	**-**	**-**	**1 977**	**1 977**	**1 976**	**1**		**2 400**

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ANNEXURE 1C
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	TRANSFER ALLOCATION				EXPANDITURE		2016/17
FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	Adjusted Appropriation	Adjusted Appropriation	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
International Social Security Association	1 640	-	-	1 640	1 553	95%	1 576
International Federation for the Aged	25	-	-	25	-	0%	-
International Social Services	348	-	-	348	243	70%	266
Walvisbay	361	-	-	361	345	96%	330
Partners in Population and Development	895	-	-	895	783	87%	788
International Organisations of Pension Supervisors	90	-	-	90	79	88%	85
United Nations Population Fund (UNFPA)	531	-	-	531	531	100%	506
International Planned Parenthood Federation	200	-	-	200	200	100%	200
Union for African Population Studies (WITS UNIV)	50	-	-	50	50	100%	50
United Nations International Drug Control Programme	25	-	-	25	25	100%	25
Leadership for Environment and Development – LEAD SA	300	-	-	300	300	100%	300
International Labour Organisation	-	-	2 500	2 500	2 500	100%	-
TOTAL	**4 465**	**-**	**2 500**	**6 965**	**6 609**		**4 126**

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for the year ended 31 March 2018

ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				TRANSFER		2016/17
NON-PROFIT INSTITUTIONS	**Adjusted Appropriation**	**Rollovers**	**Adjustments**	**Total Available**	**Actual Transfer**	**% of Available funds Transferred**	**Final Appropriation**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**
Transfers							
South African National Aids Council	59 131	-	-	59 131	59 131	100%	56 315
South African National Aids Council	15 000	-	-	15 000	15 000	-	-
Soul City	-	-	-	-	-	-	3 027
South African Food Security and Development Agency	3 270	-	-	3 270	3 270	100%	200
Population Association of South Africa	200	-	-	200	200	100%	3 028
Kagisano	3 270	-	-	3 270	3 270	100%	-
Meals on Wheels	-	-	-	-	-	-	4 862
Ilitha Labantu	6 661	-	-	6 661	6 661	100%	3 027
Motswedi wa Sechaba	3 270	-	-	3 270	3 270	100%	3 027
Makotse Women's Club	3 270	-	-	3 270	3 270	100%	3 028
Adventist Development and Relief Agency South Africa (ADRA)	3 270	-	-	3 270	3 270	100%	3 027
Mpumalanga Provincial Food Distribution Centre	3 270	-	-	3 270	3 270	100%	-
Sinqobile	-	-	-	-	-	-	3 027
Thabang Information Centre	2 157	-	-	2 157	2 157	100%	3 027
Nonesi Development and Legal Office	2 157	-	-	2 157	2 157	100%	
		-	-				
Sub- total	**104 926**	**-**	**-**	**104 926**	**104 926**		**85 595**

Page 93 of the annual report reflects all transfer payments to non-profit organisations inclusive of payments classified asìtransfers to NPOsî and payments classified as ìtransfers to Householdsî in respect of Food Reliefî

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ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				TRANSFER		2016/17
NON-PROFIT INSTITUTIONS	Adjusted Appropriation	Rollovers	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Subsidies							
Suid-Afrikaanse Vroue Federasie	780	-	-	780	780	100%	762
Die Ondersteuningsraad	-	-	-	-	-	-	964
Sonke Gender Justice	-	-	-	-	-	-	708
SA Federation for Mental Health	1 000	-	-	1 000	1 000	100%	352
SA Council on Alcoholism and Drug Dependence (SANCA)	1 500	-	-	1 500	1 500	100%	1 477
Child Welfare South Africa	717	-	-	717	-	-	1 865
Family and Marriage Society South Africa (FAMSA)	715	-	-	715	715	100%	-
Afrikaanse Christlike Vroueverenigingg (ACVV)	1 125	-	-	1 125	1 125	100%	1 266
South African National Deaf Association (SANDA)	-	-	-	-	-	-	350
Disabled Children Action Group (DICAG)	-	-	-	-	-	-	1 200
Deaf Blind SA	700	-	-	700	700	100%	244
South African Council for Social Service Profession (SACSSP)	1 839	-	-	1 839	-	0%	-
South African Older Persons Forum	1 400	-	-	1 400	1 400	100%	1 505
National Institute for Community Development and Management (Victim Empowerment)	1 742	-	-	1 742	1 742	100%	974
Childline South Africa	974	-	-	974	974	100%	1 560
SA Depression and Anxiety Group (SADAG)	1 579	-	-	1 579	1 579	100%	1 338
Lifeline South Africa	-	-	-	-	-	-	632
SA Congress for Early Childhood Development	860	-	-	860	860	100%	800
National Shelter Movement	-	-	-	-	-	-	749
Centre for Early Childhood Development	1 100	-	-	1 100	1 100	100%	512
Khulumani Support Group	-	-	-	-	-	-	920
National Peace Accord Trust	1 250	-	-	1 250	1 250	100%	800
Autism South Africa	1 723	-	-	1 723	1 723	100%	432
Foundation for Victims of Crime	-	-	-	-	-	-	796
Khulisa Social Solution	1 386	-	-	1 386	1 386	100%	1 000
The Albinism Society of South Africa	740	-	-	740	740	100%	-

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ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				TRANSFER		2016/17
NON-PROFIT INSTITUTIONS	**Adjusted Appropriation**	**Rollovers**	**Adjustments**	**Total Available**	**Actual Transfer**	**% of Available funds Transferred**	**Final Appropriation**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**
Welfare Services Organisations	-			-	-	-	1 000
National Institute Community Development and Management (NICDAM) – Older Persons	1 243	-	-	1 243	1 241	100%	-
NICRO	-	-	-	-	-	-	1 054
Partner in Sexual Health	-	-	-			-	708
National Shelter Movement	1 705	-	-	1 705	1 705	100%	-
Abba Specialist Adoptions and Social Services	990	-	-	990	990	100%	-
Ntataise	1 770	-	-	1 770	1 770	100%	-
Masizakhe	400	-	-	400	400	100%	-
Future Generation	450	-	-	450	450	100%	-
Sub-Total	**27 688**	-	-	**27 688**	**25 130**	-	**23 968**
TOTAL	**132 614**	-	-	**132 614**	**130 056**	-	**109 563**

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ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				TRANSFER		2016/17
HOUSEHOLDS	**Adjusted Appropriation**	**Rollovers**	**Adjustments**	**Total Available**	**Actual Transfer**	**% of Available funds Transferred**	**Final Appropriation**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**
Transfers							
Social Grants	151 230 232	-	-	151 230 232	150 336 771	99%	138 915 638
Social Benefit Ex-Officials	2 084	-	-	2 084	2 084	100%	1 311
Food Relief	26 062	-	-	26 062	26 062	100%	24 724
National Student Financial Aid Scheme	123 489	-	-	123 489	123 489	100%	-
TOTAL	**151 381 867**	-	-	**151 381 867**	**150 488 406**		**138 941 673**

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for the year ended 31 March 2018

ANNEXURE 1F
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI-TURE	PAID BACK ON/BY 31 MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash						
HWSETA	Various training programmes	754			-	754
GLOBAL FUND	Fight against Aids, TB and malaria	(2 867)	5 693	2 385	-	441
KFW	OVCY Care and Support	-	22 168	21 912	-	256
Subtotal		**(2 113)**	**27 861**	**24 297**	-	**1 451**
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)	-	3 223	3 223	-	-
JICA	Conducting disability mainstreaming programme relating to training for officials and people with disabilities, M&E and networking activities	-	770	770	-	-
USAID	Maintenance and sustainability of the Children's Services Directory	8 684	-	-	-	8 684
USAID-FHI361	Placement of staff members within the department to provide technical assistance and project management services for the Early Childhood Development Chief Directorate	-	512	512	-	-

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NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI-TURE	PAID BACK ON/BY 31 MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
UNICEF	Audit of unregistered child and youth care centres and situational analysis of state houses	433	-	-	- -	433
PACT/USAID	Government Capacity Building Systems	-	46 184	46 184	-	-
GIZ-Germany	Workshop on Global Practitioners Learning event on the sustainable development goals and social protection, "how to move from Global Politics to National Action" in Oaxaca, Mexico	-	135	135	-	-
UNICEF	Review of National Plan of Action for Children	-	150	150	-	-
Save the Children of SA	Celebration of Nelson Mandela Children's Parliament	-	100	100	-	-
Nelson Mandela Children's Fund	Celebration of Nelson Mandela Children's Parliament	-	150	150	-	-
Ilifa Labantwana and Hollard Trust	To develop uniform by-laws to enable ECD registration in the Country	-	60	60	-	-
UNICEF	Strengthening of the Early Childhood Development Programme	-	2 309	2 309	-	-
Subtotal		**9 117**	**53 593**	**53 593**	**-**	**9 117**
TOTAL		**7 004**	**81 454**	**77 890**	**-**	**10 568**

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

ANNEXURE 1G

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	Janaury 2018	February 2018	March 2018	Total
Grant Type	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Old age	5 273 521	5 275 218	5 310 341	5 310 406	5 325 605	5 342 296	5 336 138	5 354 497	5 372 813	5 389 232	5 397 002	5 443 092	64 130 161
War Veterans	287	283	277	274	274	260	253	248	242	234	226	228	3 086
Disability	1 758 655	1 723 802	1 753 506	1 742 142	1 748 590	1 767 457	1 754 061	1 744 595	1 743 098	1 760 684	1 710 802	1 737 455	20 944 847
Grant in Aid	63 540	63 575	64 948	65 502	66 694	68 258	68 786	69 625	70 474	71 548	71 033	72 605	816 588
Foster Care	449 255	426 799	456 352	447 556	452 673	464 828	459 209	457 794	466 009	359 356	361 307	405 888	5 207 026
Care Dependency	234 561	233 144	235 331	235 170	236 118	237 824	237 096	238 269	238 392	239 181	236 989	239 347	2 841 422
Child Support Grant	4 628 601	4 602 570	4 638 182	4 624 268	4 648 583	4 660 545	4 646 499	4 670 497	4 676 919	4 683 616	4 673 128	4 694 391	55 847 799
Poverty Relief (SRD)	4 591	14 355	29 803	36 376	47 785	47 198	62 988	75 933	74 654	36 395	36 189	79 575	545 842
TOTAL	**12 413 011**	**12 339 746**	**12 488 740**	**12 461 694**	**12 526 322**	**12 588 666**	**12 565 030**	**12 611 458**	**12 642 601**	**12 540 246**	**12 486 676**	**12 672 581**	**150 336 771**

ANNEXURE 2
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

NATURE OF LIABILITY	Opening Balance 1 April 2017	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2018
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Civil claim (Disaster relief – Drought)	552	-	552	-	-
Civil claim (Disaster relief – Storm)	208	-	208	-	-
Labour Matter: Unfair Labour Practice	140	-	-	-	140
Goods sold and delivered	47	-	-	-	47
Contract Tender not Awarded	150 256	-	-	-	150 256
Breach of Contract	-	1 272	-	-	1 272
TOTAL	**151 203**	**1 272**	**760**	-	**151 715**

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for the year ended 31 March 2018

ANNEXURE 3 CLAIMS RECOVERABLE								
	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
GOVERNMENT ENTITY	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Receipt date up to six 6 working days after a year end	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Health and Welfare – Limpopo	-	-	7 851	7 851	7 851	7 851	-	-
Department of Social Development – Gauteng	-	-	2 870	2 870	2 870	2 870	-	-
Department of Justice (IJS)	-	-	1 102	1 702	1 102	1 702	-	-
National Treasury – Adjust Free State	-	-	423	423	423	423	-	-
National Treasury – Mpumalanga	-	-	670	670	670	670	-	-
National Treasury – Limpopo	-	-	694	694	694	694	-	-
National Treasury – Free State	-	-	2 423	2 423	2 423	2 423	-	-
National Treasury – Over surrender	-	-	244	244	244	244	-	-
National Treasury – Over surrender	-	-	670	670	670	670	-	-
Department of Home Affairs	8	8	-	-	8	8	-	-
Department of Mineral Resources	-	-	8	-	8	-	-	-
Unknown Conversion	-	-	55	55	55	55	-	-
KZN Public Works	-	-	26	26	26	26	-	-
SASSA – KwaZulu-Natal	-	-	104	104	104	104	-	-
SASSA – Trial Balance	-	-	5 226	10	5 226	10	-	-
SASSA – Trial Balance	-	-	-	1	-	1	-	-
SASSA (Salaries)	-	104	-	-	-	104	-	-
Department of Women	-	-	-	16	-	16	-	-
	8	**112**	**22 366**	**17 759**	**22 374**	**17 871**	**-**	**-**
TOTAL	**8**	**112**	**22 366**	**17 759**	**22 374**	**17 871**	**-**	**-**

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice and Constitutional Development	2 613	2 072	6 270	383	8 883	2 455	Paid:	6 270
Department of Performance Monitoring and Evaluation	156	-	-	-	156	-	-	-
Gauteng Provincial Treasury	11	-	-	-	11	-	-	-
Government Printing	-	-	-	78	-	78	29/03/2018	-
Subtotal	**2 780**	**2 072**	**6 270**	**461**	**9 050**	**2 533**		**6 270**
TOTAL	**2 780**	**2 072**	**6 270**	**461**	**9 050**	**2 533**		**6 270**

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for the year ended 31 March 2018

ANNEXURE 5
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**95 365**	**21 365**	**(52 124)**	**64 606**
Non-residential buildings	95 365	21 365	(52 124)	64 606
TOTAL	**95 365**	**21 365**	**(52 124)**	**64 606**

The building of Community Care centres in provinces with donor funds has been included in the asset note as well as in the note "work in progress".

	Number of projects		2017/18
Age analysis on ongoing projects	**Planned construction not started**	**Planned construction started**	**Total R'000**
0 to 1 Year	-	4	85 585
Total			**85 585**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	**49 472**	**45 893**	**-**	**95 365**
Non-residential buildings	-	49 472	45 893	-	95 365
TOTAL	-	**49 472**	**45 893**	**-**	**95 365**

The opening balance of financial year 2016/17 was restated.

NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

ANNEXURE 6A
INTER-ENTITY ADVANCES PAID (note 10)

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
ENTITY	**31/03/2018**	**31/03/2017**	**31/03/2018**	**31/03/2017**	**31/03/2018**	**31/03/2017**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
NATIONAL DEPARTMENTS						
Department of International Relations and CO	1 762	-	106	2 090	1 868	2 090
Government Communication and Information System	3 390	-	53	1 648	3 443	1 648
TOTAL	**5 152**	**-**	**159**	**3 738**	**5 311**	**3 738**

ANNEXURE 6B
INTER-ENTITY ADVANCES RECEIVED (note 16)

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
ENTITY	**31/03/2018**	**31/03/2017**	**31/03/2018**	**31/03/2017**	**31/03/2018**	**31/03/2017**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
PROVINCIAL DEPARTMENTS						
NISIS Project	-	-	362	362	362	362
TOTAL Non-current	**-**	**-**	**362**	**362**	**362**	**362**

DISASTER RELIEF FUND

ANNUAL REPORT 2018

PART E

Report of the auditor-general to the Minister of Social Development on the Disaster Relief Fund

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Disater Relief Fund set out on pages 242 to 249, which comprise the statement of financial position as at 31 March 2018, 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 Disater Relief Fund as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP).

Basis for opinion

1. 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 auditor's report.
2. 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.
3. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

4. I draw attention to the matter below. My opinion is not modified in respect of this matter.
5. The enabling act of the fund will be amended, which will result in the dissolution of the fund. As stated in note 13, these events or conditions, along with the other matters as set forth in note 13, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern.

Responsibilities of the accounting authority for the financial statements

6. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the and the general notice issued in terms of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (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.
7. 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 accounting authority either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

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

8. 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Performance information reporting

10. 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 the audit of compliance with legislation

Introduction and scope

11. 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.
12. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

13. The 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 auditorís report.
14. 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.
15. 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.
16. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. No material inconsistencies were identified.

Internal control deficiencies

17. 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 on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria,

31 July 2018

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 and on the fundís 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 this 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 fundís 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 use of the going concern basis of accounting by board of directors, which constitutes the accounting authority, 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 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 auditorís 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 this auditor's report. However, future events or conditions may cause a fund to cease continuing 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.

DISASTER RELIEF FUND
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
REVENUE			
Other income	2	6 313	5 949
TOTAL REVENUE		6 313	5 949
EXPENDITURE			
Administrative expenses	3	(747)	(901)
Audit fees	4	(42)	(22)
Other operating expenses	5	(850)	(1 807)
TOTAL EXPENDITURE		(1 639)	(2 730)
SURPLUS/(DEFICIT) FROM OPERATIONS		4 674	3 219
SURPLUS/(DEFICIT) FOR THE YEAR		4 674	3 219

DISASTER RELIEF FUND
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
ASSETS			
Non-current assets			
Current assets			
Cash and cash equivalents	7	89 092	84 418
TOTAL ASSETS		**89 092**	**84 418**
EQUITY AND LIABILITIES			
NET ASSETS			
CAPITAL AND RESERVES			
Accumulated surplus	9	89 092	84 418
TOTAL NET ASSETS		**89 092**	**84 418**
TOTAL NET ASSETS AND LIABILITIES		**89 092**	**84 418**

DISASTER RELIEF FUND
STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2018

	Accumulated funds R'000
Balance as at 31 March 2016	**81 199**
Surplus/(Deficit) for the year	3 219
Balance as at 31 March 2017	**84 418**
Surplus/(Deficit) for the year	4 674
Balance as at 31 March 2018	**89 092**

DISASTER RELIEF FUND
CASH FLOW STATEMENT
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to stakeholder, suppliers and employees			
Grant and project payments		-	(817)
Payments to suppliers and others	3, 4, 5	(1 639)	(1 913)
Cash generated from operations	9	(1 639)	(2 730)
Interest income	2	6 313	5 949
Net cash inflow/(outflow) from operating activities		**4 674**	**3 219**
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
Net cash flow from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Provisioning for Lottery Board		-	-
Net cash flow from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		4 674	3 219
Cash and cash equivalents at beginning of the year		84 418	81 199
Cash and cash equivalents at end of the year	7	**89 092**	**84 418**

NOTES TO THE FINANCIAL STATEMENT OF THE

DISASTER RELIEF FUND

for the year ended 31 March 2018

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:

- GRAP 20: Related Party Disclosures
- GRAP 32: Service Concession Arrangements: Grantor
- GRAP 34: Separate Financial Statements
- GRAP 35: Consolidated Financial Statements
- GRAP 36: Investments in Associates and Joint Ventures
- GRAP 37: Joint Arrangements
- GRAP 38: Disclosure of Interest in Other Entities
- GRAP 108: Statutory Receivables
- GRAP 109: Accounting by Principals and Agents
- GRAP 110: Living and Non-living Resources

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:

- IGRAP 1: Applying the Probability Test on Initial Recognition of Revenue
- IGRAP 2: Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP 3: Determining Whether an Arrangement Contains a Lease
- IGRAP 4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP 5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP 6: Loyalty Programmes
- IGRAP 7: The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP 8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP 9: Distributions of Non-cash Assets to Owners
- IGRAP 10: Assets Received from Customers
- IGRAP 11: Consolidation Special Purpose Entities
- IGRAP 12: Jointly Controlled Entities Non-monetary Contributions by Ventures
- IGRAP 13: Operating Leases Incentives
- IGRAP 14: Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP15 : Revenue Barter Transactions Involving Advertising Services
- IGRAP 16: 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.

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

Recognition

Financial assets and liabilities are recognised in the balance sheet when the fund becomes a party to the contractual provisions of the instrument.

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.

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 principal payments and amortisations.

NOTES TO THE FINANCIAL STATEMENT OF THE

DISASTER RELIEF FUND

for the year ended 31 March 2018

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.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and investments. Cash and cash equivalents are measured at fair value.

Financial liabilities
The fund's principal financial liabilities are accounts payable. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate.

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 are passed to the consumer.

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's 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.

	2017/18 R'000	2016/17 R'000
2. REVENUE		
Interest received	6 313	5 949
Total	**6 313**	**5 949**
3. ADMINISTRATIVE EXPENDITURE		
Fees for Services – Board Members 12	695	864
Bank Charges	4	9
Refreshments	48	28
Total	**747**	**901**
4. AUDIT FEES	**42**	**22**

NOTES TO THE FINANCIAL STATEMENT OF THE

DISASTER RELIEF FUND

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000

5. OTHER OPERATING EXPENSES

Travel and accommodation	443	299
Equipment (purchase)	-	25
Assistance to beneficiaries (DSD)	-	817
Advertised tenders	111	
Expenditure for events	-	584
Vehicle rental at events	-	82
Legal fees	296	-
Total	**850**	

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 optimising return. The Disaster Relief Fund does not manage this risk aggressively, as investment of funds is 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 to a financial instrument fails to meet its contractual obligations.

	2017/18 R'000	2016/17 R'000

6.1.3 Financial assets

Cost	83 462	79 514
Additions/(decrease) during the year	5 114	3 948
Closing Balance	**88 576**	**83 462**

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 optimises its cash return on investments.

	2017/18 R'000	2016/17 R'000

Cash and cash equivalents

Cash and balances with banks	516	956
Investments	88 576	83 462
Total	**89 092**	**84 418**

NOTES TO THE FINANCIAL STATEMENT OF THE

DISASTER RELIEF FUND

for the year ended 31 March 2018

6.1.5 Interest rate risk

The Disaster Relief Fund manages its interest rate 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.

		2017/18	2016/17
	Change	Effective Rate	Effective Rate
	%	%	%
Investment	**(.01) %**	**7.12%**	**7.13%**

Interest risk sensitivity analysis	**2017/18**	**2016/17**
Investment	88 576	83 462
(0.01) % interest fluctuation impact	8.85	717.8

6.1.6 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.

6.1.7 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

	2017/18 R'000	2016/17 R'000
7. CASH AND CASH EQUIVALENTS		
Cash – Bank Deposits	516	956
Cash – Corporation for Public Deposits	88 576	83 140
Cash – Public Investment Corporation	-	1 322
Total	**89 092**	**84 418**

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.

	2017/18 R'000	2016/17 R'000
8. RETAINED INCOME		
Accumulated surplus/(Accumulated deficit)	84 418	81 199
Net Profit/(Loss) for this year	4 674	3 219
Total	**89 092**	**84 418**

9. CASH GENERATED FROM/UTILISED IN OPERATIONS

Surplus/(deficit) before tax	4 674	3 219
(Interest received)	(6 313)	(5 949)
Adjusted for working capital changes	-	-
Increase/(decrease) in payables	-	-
(Increase)/decrease in receivables	-	-
Net cash flow from operating activities	**(1 639)**	**(2 730)**

NOTES TO THE FINANCIAL STATEMENT OF THE

DISASTER RELIEF FUND

for the year ended 31 March 2018

10. CONTINGENT LIABILITIES

10.1 The following are the details of claims against the Disaster Relief Fund:

In order to reduce the legal costs involved in the Drought Litigation matter in Northern Cape Province, the Disaster Relief Fund Board took a decision to pay 875 claimants the amount of R1 410 per applicant that will amount to R1 233 750. The name list has been sent to the Litigation Attorney for verification as well as appointin g new beneficiaries where applicants are now deceased. T o date, no response from the Litigation Attorney had been received.

11. EVENTS AFTER BALANCE SHEET DATE

None identified to date

12. BOARD MEMBERS EMOLUMENTS

12.1 Activities 2016/17

Names	Designation	Total (R)	Meeting Fees (R)	Travel (R)
L Matsila	Chairperson	148 735	33 187	115 548
JM Modise	Member	52 890	35 157	17 733
CD Khan	Member	70 940	44 266	26 673
Z Mkiva	Member	52 634	14 637	37 997
NE Mpungose	Member	68 245	26 547	41 697
BM Modise	Member	65 797	34 684	31 113
T Mothlate	Member	21 330	16 354	4 976
MW Thango	Member	69 201	21 955	47 246
JS Mbalati	Member	21 875	16 646	5 229
V Nadesan	Member	49 391	30 566	18 825
PPZ Vezi	Member	54 569	39 462	15 107
NP Mohlala	Member	27 535	15 350	12 185
MS Mangena	Member	131 719	39 175	92 544
N Mabaso	Member	25 633	15 211	10 422
T Rakoloti	Member	3 485	2 870	615
Total		**863 986**	**386 070**	**477 915**

12.2 Meeting attendance for the period 01 April 2016 to 31 March 2017

	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	XX	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
JS Rikhotso	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

NOTES TO THE FINANCIAL STATEMENT OF THE

DISASTER RELIEF FUND

for the year ended 31 March 2018

12.3 Activities 2017/18

Names	Designation	Total (R)	Meeting Fees (R)	Travel (R)
L Matsila	Chairperson	101 924	28 548	73 376
JM Modise	Member	50 746	38 764	11 981
CD Khan	Member	29 640	22 170	7 470
Z Mkiva	Member	44 843	33 453	11 390
NE Mpungose	Member	54 245	38 245	16 000
BM Modise	Member	44 366	29 056	15 310
T Mothlate	Member	29 011	26 223	2 788
MW Thango	Member	37 171	21 857	15 314
JS Rikhotso/Mbalati	Member	25 964	21 661	4 303
V Nadesan	Member	61 656	43 177	18 479
PPZ Vezi	Member	53 244	41 036	12 208
NP Mohlala	Member	28 348	16 838	11 510
MS Mangena	Member	121 219	45 735	75 484
N Mabaso	Member	13 044	9 839	3 205
Total		**695 420**	**416 602**	**278 818**

12.2 Meeting attendance for the period 01 April 2017 to 31 March 2018

	Meeting Date	Meeting Date	Meeting Date	Meeting Date	Meeting Date	Meeting Date	Meeting Date	Meeting Date	Total number of meetings
	29/05/17& 30/05/17	27/06/17& 28/06/17	25/07/17& 26/07/17	26/08/17& 27/09/17	11/10/17	05/06/17& 06/12/17	19/01/18& 20/02/18	01/03/18	
L Matsila	X	X	X	X		X		X	6
JM Modise	X X	X X	X X	X X	X	X X	X X	X	14
CD Khan	X X	X X	X X		X				7
Z Mkiva	X X	X	X X	X X		X X	X X	X	12
NE Mpungose	X X	X X	X X	X X	X	X X	X X	X	14
BM Modise		X X	X X	X X	X		X X	X	10
T Mothlate	X	X X	X X	X		X X	X X	X	11
MW Thango		X X	X X	X X			X X	X	9
JS Rikhotso/ Mbalathi	X X			X X		X X	X X	X	9
V Nadesan	X X	X X	X X	X X		X X	X X	X	13
PPZ Vezi	X X	X X	X X	X X	X	X X	X X	X	14
NP Mohlala	X X					X X	X X	X	7
MS Mangena	X X	X X	X X	X X	X	X X	X X	X	14
N Mabaso	X		X X	X					4

13. 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.

Public comments were received and incorporated into the Bill; a Cab Memo submission is on route to the Minister to propose that Cabinet grant permission for the Fund Raising Amendment Bill to be presented to Parliament.

If the Minister is in agreement and Parliament is in support, it is envisaged that the Fund Raising Amendment Bill would be signed off into an Act during this financial year. It is envisaged that with the amendment of the Fund Raising Act all the relief funds with the exception of the South African Defence Force Fund will be consolidated into one National Social Development and Relief Fund. Furthermore, all the Boards will be dissolved and the monies will be transferred into one National Social Development and Relief Fund.

REFUGEE RELIEF FUND

ANNUAL REPORT 2018

PART E

Report of the Auditor-General to the Minister of Social Development 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 254 to 259, which comprise the statement of financial position as at 31 March 2018, 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 Refugee Relief Fund as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP).

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 Refugee Relief 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 the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 09 to the financial statements, which indicates that the enabling act of the fund will be amended, which will result in the dissolution of the fund. As stated in note 09, these events or conditions, along with the other matters as set forth in note 09, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern.

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 SA Standards of GRAP 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 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 the accounting officer either intends to liquidate the fund or to cease operations, or has 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 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 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 this auditor's report.

Other Information

12. The Refugee Relief 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 or the auditor's report thereon.
13. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
14. 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. No material inconsistencies were identified.

Internal Control Deficiencies

15. 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,

31 July 2018

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 those responsible for the financial statements.
- 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 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 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, where applicable, related safeguards.

REFUGEE RELIEF FUND
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
REVENUE			
Other income	2	43	37
TOTAL REVENUE		**43**	**37**
EXPENDITURE			
Administrative expenses	3	(2)	(1)
Audit fees (SPR)	4	(21)	(18)
TOTAL EXPENDITURE		**(23)**	**(19)**
SURPLUS/(DEFICIT) FROM OPERATIONS	7	**20**	**18**
SURPLUS/(DEFICIT) FOR THE YEAR		**20**	**18**

REFUGEE RELIEF FUND
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
ASSETS			
Non-current assets			
Current assets			
Cash and cash equivalents	6	625	605
TOTAL ASSETS		**625**	**605**
LIABILITIES			
Non-current liabilities		-	-
Current liabilities		-	-
TOTAL LIABILITIES		**-**	**-**
NET ASSETS			
Accumulated surplus		625	605
TOTAL NET ASSETS		**625**	**605**

REFUGEE RELIEF FUND
STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2018

	Accumulated funds R'000
Balance as at 31 March 2016	**587**
Surplus/(Deficit) for the year	18
Balance as at 31 March 2017	**605**
Surplus/(Deficit) for the year	20
Balance as at 31 March 2018	**625**

REFUGEE RELIEF FUND
CASH FLOW STATEMENT
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees	7	(23)	(19)
Cash generated from/(utilised in) Operations		**(23)**	**(19)**
Interest received	2	43	37
Net cash inflow/(outflow) from operating activities		**20**	**18**
CASH FLOWS FROM INVESTING ACTIVITIES			
Trading investments		-	-
Net cash flow from investing activities		-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flow from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flow from financial activities		-	-
Net (decrease)/increase in cash and cash equivalents		20	18
Cash and cash equivalents at beginning of the year		605	587
Cash and cash equivalents at end of the year	6	**625**	**605**

NOTES TO THE FINANCIAL STATEMENT OF THE

REFUGEE RELIEF FUND

for the year ended 31 March 2018

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 Currency

These financial statements are presented in South African Rands. All figures are rounded to the nearest one thousand.

1.2 Property, plant and equipment

Items of property, plant and equipment are initially recognised as on acquisition date and are initially recorded at cost.

1.3 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.

1.3.1 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 are passed to the consumer.

1.3.2 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.

1.3.3 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.

1.4 Investments

Investments are shown at fair value including interest capitalised.

1.5 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year .

1.6 Financial instruments

Recognition

Financial assets and liabilities are recognised in the balance sheet when the fund becomes a party to the contractual provisions of the instrument.

Measurement

Financial instruments are initially measured at cost, which includes transaction cost.
Subsequent to initial recognition, these instruments are measured as set out below.

Financial assets

The fund's principal financial assets are investments.

All financial assets are measured at amortised cost, comprising original debt less principal payments and amortisations.

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 .

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Financial liabilities

The fund's principal financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principal payments and amortisations.

NOTES TO THE FINANCIAL STATEMENT OF THE

REFUGEE RELIEF FUND

for the year ended 31 March 2018

1.7 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

1.8 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.

1.9 Related party transactions

1.9.1 The Department of Social Development

The executive authority of the Refugee 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 Refugee Relief Fund, the Disaster Relief Fund, the Social Relief Fund and the State President's 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 Refugee 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 Refugee Relief Fund and SASSA. There were no transactions between the parties.

	2017/18 R'000	2016/17 R'000
2. REVENUE		
Interest received	43	37
Total	**43**	**37**
3. ADMINISTRATIVE EXPENDITURE		
Bank charges	2	1
Total	**2**	**1**
4. AUDIT FEES	**21**	**18**

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 optimising return. The Refugee Relief Fund does not manage this risk aggressively, as investment of funds is 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 to 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.

NOTES TO THE FINANCIAL STATEMENT OF THE

REFUGEE RELIEF FUND

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
Credit risk effects		
Financial assets		
Cost	605	587
Additions during the year	20	18
Closing balance	**625**	**605**

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 optimises its cash return on investments.

	2017/18 R'000	2016/17 R'000
Cash and cash equivalents		
Cash and balances with banks	7	5
Investment	618	600
Total	**625**	**605**

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 capitalised and will therefore not affect the operations of the Refugee Relief Fund.

		2017/18	2016/17
	Change	Effective Rate	Effective Rate
	%	%	%
Investment	0.78	6.95	6.17

Interest risk sensitivity analysis	2017/18	2016/17
Investment	**618**	**600**
0.78 % interest fluctuation impact	**4.82**	**6.12**

The sensitivity of the interest rate was incorrectly calculated in the previous financial year and now corrected.

5.1.5 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.

5.1.6 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

NOTES TO THE FINANCIAL STATEMENT OF THE

REFUGEE RELIEF FUND

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
6. CASH AND CASH EQUIVALENTS		
Cash – Bank Deposits	7	5
Cash – Corporation for Public Deposits	618	25
Cash – Public Investment Corporation	-	575
Total	**625**	**605**

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.

	2017/18 R'000	2016/17 R'000
7. CASH GENERATED FROM/UTILISED IN OPERATIONS		
Surplus/(deficit) before tax	20	18
(Interest received)	(43)	(37)
Net cash flow from operating activities	**(23)**	**(19)**

8. EVENTS AFTER BALANCE SHEET DATE

None identified to date

9. 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.

Public comments were received and incorporated into the Bill; a Cab Memo submission is on route to the Minister to propose that Cabinet grant permission for the Fund Raising Amendment Bill to be presented to Parliament.

If the Minister is in agreement and Parliament is in support, it is envisaged that the Fund Raising Amendment Bill would be signed off into an Act during this financial year. It is envisaged that with the amendment of the Fund Raising Act all the relief funds with the exception of the South African Defence Force Fund will be consolidated into one National Social Development and Relief Fund.

Furthermore, all the Boards will be dissolved and the monies will be transferred into one National Social Development and Relief Fund.

SOCIAL RELIEF FUND

ANNUAL REPORT 2018

PART E

Report of the Auditor-General to the Minister of Social Development 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 264 to 270, which comprise the statement of financial position as at 31 March 2018, 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 Social Relief Fund as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP).

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 Social Relief 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 the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 12 to the financial statements, which indicates that the enabling act of the fund will be amended, which will result in the dissolution of the fund. As stated in note 12, these events or conditions, along with the other matters as set forth in note 12, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern.

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 SA Standards of GRAP 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 Social Relief Fund 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 accounting officer either intends to liquidate the fund or to cease operations, or has 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 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 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 this auditor's report.

Other information

12. The Social Relief 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 or the auditor's report thereon.
13. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
14. 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 auditorís report, I conclude that there is a material misstatement of this other information, I am required to report that fact. No material inconsistencies were identified.

Internal control deficiencies

15. 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
31 July 2018

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 those responsible for the financial statements.
- 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 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 independenc and, where applicable, related safeguards.

SOCIAL RELIEF FUND
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
REVENUE			
Other income	2	2 560	2 391
TOTAL REVENUE		**2 560**	**2 391**
EXPENDITURE			
Administrative expenses	3	(1)	(1)
Audit fees	4	(27)	(18)
TOTAL EXPENDITURE		**(28)**	**(19)**
Surplus/(deficit) from operations		2 532	2 372
SURPLUS/(DEFICIT) FOR THE YEAR		**2 532**	**2 372**

SOCIAL RELIEF FUND
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
ASSETS			
Non-current assets		-	-
Current assets			
Cash and cash equivalents	8	36 335	33 803
TOTAL ASSETS		**36 335**	**33 803**
LIABILITIES			
Non-current liabilities		-	-
Current Liabilities			
Other Payables	6	(12)	(12)
TOTAL LIABILITY		**(12)**	**(12)**
CAPITAL AND RESERVES			
Accumulated surplus		36 323	33 791
TOTAL NET ASSETS		**36 323**	**33 791**

SOCIAL RELIEF FUND
STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2018

	Accumulated funds R'000
Balance as at 31 March 2016	**31 419**
Surplus/(Deficit) for the year	2 372
Balance as at 31 March 2017	**33 791**
Surplus/(Deficit) for the year	2 532
Balance as at 31 March 2018	**36 323**

SOCIAL RELIEF FUND
CASH FLOW STATEMENT
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees	10	(28)	(19)
Cash generated from/(utilised in) Operations		**(28)**	**(19)**
Interest received	2	2 560	2 391
Net cash inflow/(outflow) from operating activities	10	**2 532**	**2 372**
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
Net cash flow from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Provision for future expense		12	12
Net cash flow from financing activities		**12**	**12**
Net inflow/(outflow) in cash and cash equivalents		2 532	2 372
Cash and cash equivalents at beginning of the year		33 803	31 431
Cash and cash equivalents at end of the year	8	**36 335**	**33 803**

NOTES TO THE FINANCIAL STATEMENT OF THE

SOCIAL RELIEF FUND

for the year ended 31 March 2018

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:

- GRAP 20: Related Party Disclosures
- GRAP 32: Service Concession Arrangements: Grantor
- GRAP 34: Separate Financial Statements
- GRAP 35: Consolidated Financial Statements
- GRAP 36: Investments in Associates and Joint Ventures
- GRAP 37: Joint Arrangements
- GRAP 38: Disclosure of Interest in Other Entities
- GRAP 108: Statutory Receivables
- GRAP 109: Accounting by Principals and Agents
- GRAP 110: Living and Non-living Resources

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:

- IGRAP 1: Applying the Probability Test on Initial Recognition of Revenue
- IGRAP 2: Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP 3: Determining Whether an Arrangement Contains a Lease
- IGRAP 4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP 5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP 6: Loyalty Programmes
- IGRAP 7: The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP 8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP 9: Distributions of Non-cash Assets to Owners
- IGRAP 10: Assets Received from Customers
- IGRAP 11: Consolidation Special Purpose Entities
- IGRAP 12: Jointly Controlled Entities Non-monetary Contributions by Ventures
- IGRAP 13: Operating Leases Incentives
- IGRAP 14: Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP 15 : Revenue Barter Transactions Involving Advertising Services
- IGRAP 16: 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.

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 are 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.

NOTES TO THE FINANCIAL STATEMENT OF THE

SOCIAL RELIEF FUND

for the year ended 31 March 2018

1.5. Investments

Investments are shown at cost 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 recognised in the balance sheet 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 principal 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 principal payments and amortisations.

1.8 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

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's 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.

NOTES TO THE FINANCIAL STATEMENT OF THE

SOCIAL RELIEF FUND

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
2. REVENUE		
Interest received	2 560	2 391
Total	**2 560**	**2 391**
3. ADMINISTRATIVE EXPENDITURE		
Bank charges	1	1
Total	**1**	**1**
4. AUDIT FEES	**27**	**18**
5. FINANCIAL INSTRUMENTS		
Financial liabilities		
Cost	12	12
Addition during the year	-	-
Closing balance	**12**	**12**
6. TRADE AND OTHER PAYABLES	**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 optimising return. The Social Relief Fund does not manage this risk aggressively, as investment of funds is 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 to 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.

	2017/18 R'000	2016/17 R'000
Credit risk effect		
Financial assets		
Cost	33 783	31 412
Additions during the year	2 530	2 371
Closing balance	**36 313**	**33 783**

7.1.3 Liquidity risk

Liquidity risk is the risk that the 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 STATEMENT OF THE

SOCIAL RELIEF FUND

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
Cash and cash equivalents		
Cash and balances with banks	22	20
Investments	36 313	33 783
Total	**36 335**	**33 803**

7.1.4 Interest rate risk

The Social Relief Fund manages its interest rate 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 Social Relief Fund.

		2017/18	2016/17
	Change	Effective Rate	Effective Rate
Investment	(.04)%	7.04%	7.08%

	2017/18	2017/18
Interest risk sensitivity analysis		
Investments	36 313	33 783
(0.04) % interest fluctuation impact	**14.52**	**320.94**

7.1.5 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.

7.1.6 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

	2017/18 R'000	2016/17 R'000
8. CASH AND CASH EQUIVALENTS	22	20
Cash – Bank Deposits	36 313	33 783
Cash – Investment Account	**36 335**	**33 803**
Total		

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 STATEMENT OF THE

SOCIAL RELIEF FUND

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000

9. CASH GENERATED FROM/ (UTILISED IN) OPERATIONS

Surplus/(deficit) before tax	2 532	2 372
(Interest received)	(2 560)	(2 391)
Net cash generated from operations	**(28)**	**(19)**

	2017/18 R'000	2016/17 R'000

10. NET CASH INFLOWS/OUTFLOWS FROM OPERATING ACTIVITIES

Cash payments to suppliers and employees	(28)	(19)
Cash generated from/(utilised in) operations	**(28)**	**(19)**
Interest received	**2 560**	**2 391**
Net cash inflows/outflows from operating activities	**2 532**	**2 372**

11. EVENTS AFTER BALANCE SHEET DATE

None identified to date.

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.

Public comments were received and incorporated into the Bill; a Cab Memo submission is on route to the Minister to propose that Cabinet grant permission for the Fund Raising Amendment Bill to be presented to Parliament.

If the Minister is in agreement and Parliament is in support, it is envisaged that the Fund Raising Amendment Bill would be signed off into an Act during this financial year. It is envisaged that with the amendment of the Fund Raising Act all the relief funds with the exception of the South African Defence Force Fund will be consolidated into one National Social Development and Relief Fund.

Furthermore, all the Boards will be dissolved and the monies will be transferred into one National Social Development and Relief Fund.

STATE PRESIDENT FUND

ANNUAL REPORT 2018

PART E

Report of the Auditor-General to the Minister of Social Development 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 275 to 281, which comprise the statement of financial position as at 31 March 2018, 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 State President Fund as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP).

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 State President 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 the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 09 to the financial statements, which indicates that the enabling act of the fund will be amended, which will result in the dissolution of the fund. As stated in note 09, these events or conditions, along with the other matters as set forth in note 09, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern.

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 SA Standards of GRAP 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 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 the accounting officer either intends to liquidate the fund or to cease operations, or has 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 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 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 this auditor's report.

Other information

12. The State President 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 or the auditor's report thereon.
13. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
14. 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 auditorís report, I conclude that there is a material misstatement of this other information, I am required to report that fact. No material inconsistencies were identified.

Internal control deficiencies

15. 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
31 July 2018

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 those responsible for the financial statements.
- 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 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 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 independenc and, where applicable, related safeguards.

STATE PRESIDENT FUND
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018

		2017/18 R'000	2016/17 R'000
REVENUE			
Other income	2	2 674	2 497
TOTAL REVENUE		**2 674**	**2 497**
EXPENDITURE			
Administrative expenses	3	(2)	(1)
Audit fees	4	(18)	(23)
TOTAL EXPENDITURE		**(20)**	**(24)**
Surplus from operations		2 654	2 472
SURPLUS FOR THE YEAR		**2 654**	**2 472**

STATE PRESIDENT FUND
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
ASSETS			
Current assets			
Cash and cash equivalents	6	37 944	35 290
TOTAL ASSETS		**37 944**	**35 290**
LIABILITIES			
Non-current liabilities		-	-
Current liabilities		-	-
TOTAL LIABILITIES		-	-
NET ASSETS			
Accumulated surplus		37 944	35 290
TOTAL NET ASSETS		**37 944**	**35 290**

STATE PRESIDENT FUND
STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2018

	Accumulated funds R'000
Balance as at 31 March 2016	**32 818**
Surplus/(Deficit) for the year	2 472
Balance as at 31 March 2017	**35 290**
Surplus/(Deficit) for the year	2 654
Balance as at 31 March 2018	**37 944**

STATE PRESIDENT FUND
CASH FLOW STATEMENT
for the year ended 31 March 2018

	NOTES	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees	7	(20)	(24)
Cash generated from/(utilised in) operations		**(20)**	**(24)**
Interest received	2	2 674	2 496
Net cash inflow/(outflow) from operating activities		**2 654**	**2 472**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flow from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flow from financial activities		-	-
Net (decrease)/increase in cash and cash equivalents		2 654	2 472
Cash and cash equivalents at beginning of the year		35 290	32 818
Cash and cash equivalents at end of the year	6	**37 944**	**35 290**

NOTES TO THE FINANCIAL STATEMENT OF THE

STATE PRESIDENT FUND

for the year ended 31 March 2018

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:

- GRAP 20: Related Party Disclosures
- GRAP 32: Service Concession Arrangements: Grantor
- GRAP 34: Separate Financial Statements
- GRAP 35: Consolidated Financial Statements
- GRAP 36: Investments in Associates and Joint Ventures
- GRAP 37: Joint Arrangements
- GRAP 38: Disclosure of Interest in Other Entities
- GRAP 108: Statutory Receivables
- GRAP 109: Accounting by Principals and Agents
- GRAP 110: Living and Non-living Resources

1.1.2The 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.

- IGRAP 1: Applying the Probability Test on Initial Recognition of Revenue
- IGRAP 2: Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP 3: Determining Whether an Arrangement Contains a Lease
- IGRAP 4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP 5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP 6: Loyalty Programmes
- IGRAP 7: The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP 8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP 9: Distributions of Non-cash Assets to Owners
- IGRAP 10: Assets Received from Customers
- IGRAP 11: Consolidation Special Purpose Entities
- IGRAP 12: Jointly Controlled Entities Non-monetary Contributions by Ventures
- IGRAP 13: Operating Leases Incentives
- IGRAP 14: Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP 15: Revenue Barter Transactions Involving Advertising Services
- IGRAP 16: Intangible Assets Website Costs
- IGRAP 17: Interpretation of the Standard of GRAP on Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

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.

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 are 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.

NOTES TO THE FINANCIAL STATEMENT OF THE

STATE PRESIDENT FUND

for the year ended 31 March 2018

1.5. Investments

Investments are shown at cost 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 recognised in the balance sheet 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 principal payments and amortisations.

1.7.5 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.

1.7.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and investments. Cash and cash equivalents are measured at fair value.

1.7.6 Financial liabilities

The fund's principal financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principal 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.

1.10.4 South African Social Security Agency (SASSA)

A related party relationship exists

NOTES TO THE FINANCIAL STATEMENT OF THE

STATE PRESIDENT FUND

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
2. REVENUE		
Interest received	2 674	**2 496**
Total	**2 674**	**2496**
3. ADMINISTRATIVE EXPENDITURE		
Bank charges	2	**1**
Financial assistance		
Total	**2**	**1**
4. AUDIT FEES	**18**	**23**

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 optimising return. The State President Fund does not manage this risk aggressively, as investment of funds is 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 to 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.

	2017/18 R'000	2016/17 R'000
Credit risk effects Financial assets		
Cost	35 290	32 818
Additions during the year	2 654	2 472
Closing balance	**37 944**	**35 290**

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 optimises its cash return on investments.

NOTES TO THE FINANCIAL STATEMENT OF THE

STATE PRESIDENT FUND

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
Cash and cash equivalents		
Investment	37 935	35 286
Cash and balances with banks	9	4
Total	**37 944**	**35 290**

5.1.4 Interest rate risk

The State President Fund manages its interest rate 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 State President Fund.

	Change	2017/18 Effective Rate	2016/17 Effective Rate
Investment	(.03)%	7.04%	7.07%

	2017/18	2016/17
Interest risk sensitivity analysis		
Investments	**37 935**	**35 286**
(0.03) % interest fluctuation impact	11.38	331.69

The interest rate sensitivity was incorrectly calculated in the previous financial year.

5.1.5 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.

5.1.6 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

	2017/18 R'000	2016/17 R'000
6. CASH AND CASH EQUIVALENTS		
Cash – Bank Deposits	9	4
Cash – Investment Account	37 935	35 286
Total	**37 944**	**35 290**

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 STATEMENT OF THE

STATE PRESIDENT FUND

for the year ended 31 March 2018

	2017/18 R'000	2016/17 R'000
7. CASH GENERATED FROM/(UTILISED IN) OPERATIONS		
Surplus/(deficit) before tax	2 654	2 472
(Interest received)	(2 674)	(2 496)
Cash generated from operations	**(20)**	**(24)**

8. EVENTS AFTER BALANCE SHEET DATE

None identified to date

No transactions between the parties.

9. 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.

Public comments were received and incorporated into the Bill; a Cab Memo submission is on route to the Minister to propose that Cabinet grant permission for the Fund Raising Amendment Bill to be presented to Parliament.

If the Minister is in agreement and Parliament is in support, it is envisaged that the Fund Raising Amendment Bill would be signed off into an Act during this financial year. It is envisaged that with the amendment of the Fund Raising Act all the relief funds with the exception of the South African Defence Force Fund will be consolidated into one National Social Development and Relief Fund.

Furthermore, all the Boards will be dissolved and the monies will be transferred into one National Social Development and Relief Fund.

ABBREVIATIONS AND ACRONYMS

ANNUAL REPORT 2018

PART F

ABBREVIATIONS AND ACRONYMS

List of Acronyms and Abbreviations

ACDP	Assistant Community Development Practitioner
ACFP	Anti-Corruption and Fraud Prevention
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AIDS	Acquired Immunodeficiency Syndrome
APP	Annual Performance Plan
APSTAR	Applied Population Studies and Research
ARV	Antiretroviral drug
ASRHR	Adolescent Sexual and Reproductive Health and Rights
AU	African Union
BRICS	Brazil, Russia, India, China and South Africa
CARA	Criminal Asset Recovery Agency
CBIMS	Community-Based Information Monitoring System
CBO	Community-Based Organisation
CBW	Community-Based Workers
CCC	Community Care Centres
CCE	Community Capacity Enhancement
CCPP	Child Care and Protection Policy
CDP	Community Development Practitioner
CEO	Chief Executive Officer
CNDC	Community Nutrition and Development Centre
CSG	Child Support Grant
CSO	Civil Society Organisations
CWP	Community Work Programme
DBE	Department of Basic Education
DG	Director-General
DHA	Department of Home Affairs
DHET	Department of Higher Education and Training
DORA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPOs	Disabled Peoples Organisations
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DSD	Department of Social Development
EC	Eastern Cape
ECD	Early Childhood Development
ECOSOC	Economic and Social Council
EHW	Employee Health and Wellness
ENSC	Extended National Steering Committee
EPWP	Expanded Public Works Programme
ETDPSETA	Education Training Development Practices Sector Education Training Authority
FCG	Foster Care Grant
FHI360	Family Health International
FOSAD	Forum of South African Directors-General
FS	Free State
GBV	Gender-Based Violence
GBVCC	Gender-Based Violence Command Centre
GCBS	Government Capacity Building Support System
GCIS	Government Communication and Information System
GEP	Gauteng Enterprise Propeller
GP	Gauteng
HCBC	Home Community-Based Care
HCM	Human Capital Management
HDIs	Historically Disadvantaged Individuals
HIV	Human Immunodeficiency Virus
HR	Human Resources
HSDS	Heads of Social Development Sector
HSRC	Human Science Research Council
HWSETA	Health and Welfare Sector Education and Training Authority
IAs	Implementing Agents
ICM	Integrated Case Management
ICPD	International Conference on Policy and Development
ICROP	Integrated Community Registration Outreach Programme
ICT	Information and Communication Technology
IG	Incentive Grant
IMC	Inter-Ministerial Committee
IMST	Information Management and Systems Technology
ISS	International Social Service
ISSA	International Social Security Association
JCPS	Justice, Crime Prevention and Security
JICA	Japan International Cooperation Agency
KfW	German Development Bank
KPA	Key Performance Area
KZN	KwaZulu-Natal
LP	Limpopo
M&E	Monitoring and Evaluation
MANCO	Management Committee

ABBREVIATIONS AND ACRONYMS

List of Acronyms and Abbreviations

MINMEC	Minister and Members of the Executive Committee's Council
MP	Mpumalanga
MPAT	Management Performance Assessment Tool
MPPN	Multidimensional Poverty Peer Network
MTBPS	Medium-Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
MVs	Military Veterans
NACCW	National Association of Child Care Workers
NCCPF	National Child Care and Protection Forum
NCF	National Coordinating Forum
NDA	National Development Agency
NDMP	National Drug Master Plan
NDP	National Development Plan
NDRM	National Disability Rights Machinery
NECDA	National Early Childhood Development Alliance
NEDLAC	National Economic Development and Labour Council
NFD	Non-Financial Data
NGO	Non-Governmental Organisation
NIDC	National Interdepartmental Committee
NIPECD	National Integrated Plan on Early Childhood Developme
NISIS	National Integrated Social Information System
NISPIS	National Integrated Social Protection Information Syst
NPAC	National Plan of Action for Children
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NSC	National Steering Committee
NSFAS	National Student Financial Aid Scheme
NSP	National Strategic Plan
NW	North West
NWU	North-West University
OCSLA	Office of the Chief State Law Advisor
OPG	Older Persons Grant
OSD	Occupational Specific Dispensation
OVC	Orphans and Vulnerable Children
PDSD	Provincial Departments of Social Development
PED	Population-Environment-Development
PEI	Prevention and Early Intervention
PEP	Public Employment Programme
PFDC	Provincial Food Distribution Centre
PFMA	Public Finance Management Act
PMDS	Performance Management Development System
PoA	Programme of Action
PPD	Partners in Population and Development
PSC	Provincial Steering Committee
PSCBC	Public Service Coordinating Bargaining Council
PSS	Psychosocial Support Services
RACAP	Register on Adoptable Children and Prospective Adoptive Parents
RPL	Recognition of Prior Learning
SABC	South African Broadcasting Corporation
SACSSP	South African Council for Social Service Professions
SADC	South African Development Community
SANAC	South African National AIDS Council
SAOPF	South African Older Persons Forum
SAPS	South African Police Service
SASSA	South Africa Social Security Agency
SBC	Social and Behaviour Change
SBD	Standard Bidding Document
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SDG	Sustainable Development Goals
SEIAS	Socio-Economic Impact Assessment System
SHERQ	Safety, Health, Environment, Risk and Quality
SHG	Self-Help Groups
SHRP	Social Sector Human Resources Plan
SMMEs	Small, Medium and Micro-sized Enterprises
SMS	Senior Management Service
SMS's	Short Message Services
SPCHD	Social Protection Community and Human Development
SRD	Social Relief of Distress
SSP	Social Service Practitioner
Stats SA	Statistics South Africa
STI	Sexually Transmitted Infection
SWC	Social Workers Coordinator
TB	Tuberculosis
TSP	Training Service Provider

ABBREVIATIONS AND ACRONYMS

List of Acronyms and Abbreviations

TVET	Technical Vocational Education and Training
TWG	Technical Working Group
UN	United Nations
UN-DESA	United Nations Department of Economic Development and Social Affairs
UNCPD	United Nations Commission on Population and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USSD	Unstructured Supplementary Service Data
VEP	Victim Empowerment Programme
VSS	Victim Support Service
WC	Western Cape
WO	Work Opportunities
WPD	World Population Day
WPRPD	White Paper on the Rights of Persons with Disabilities
YOLO	You Only Live Once

DESIGNED BY **BLUE DOG CREATIVES**
PRINTED BY **LAW PRINT, MIDRAND**

IMAGES SUPPLIED BY **DEPARTMENT OF SOCIAL DEVELOPMENT**

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Website: www.dsd.gov.za
RP411/2018 ISBN: 978-0-621-46853-3