

Building a Caring Society. Together.

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# 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.





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# GENERAL **INFORMATION ANNUAL REPORT 2019** PART



## DEPARTMENTAL GENERAL INFORMATION

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# SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

### The Hon. Ms Lindiwe Zulu

Minister of Social Development Private Bag X 855 PRETORIA 0001

### **Honourable Minister**

### **Annual Report For The Year Ended 31 March 2019**

I have the pleasure of presenting the Annual Report of the Department of Social Development for the year 1 April 2018 to 31 March 2019.

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 It is my pleasure to present the annual report of the Department of Social Development. This report encapsulates the achievements of the Department for the 2018/19 financial year. It provides a summary of achievements towards the goal of creating a fairer, more humane and more inclusive society.

Over the past Medium-Term Strategic Framework (MTSF) 2014-2019, the Department led the implementation of the commitments under Outcome 13: An inclusive and responsive social protection system, which are premised on the National Development Plan (NDP). Through this outcome, we committed 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.

We continued to expand access to social security through provision of social grants. Social assistance remains one of government's most effective measure of combating poverty and inequality among the poor and vulnerable. A growing number of children and older persons formed a majority of more than 17.8 million individuals who benefited from the different types of grants. We tabled proposals on comprehensive social security reforms with the social partners at the National Economic Development and Labour Council (NEDLAC) during the reporting period. A consensus was reached on key reform recommendations which included, among others, the establishment of a single National Social Security Fund. The finalisation of these reforms will make a significant contribution towards creating a comprehensive social security system that is affordable, inclusive, sustainable and appropriate for all South Africans, in line with the NDP.

We have also advanced in stabilisation of the administration and strengthening of the social grants payment system. We have implemented the necessary court orders, fulfilled the obligations set by the Constitutional Court and concluded a new contract agreement for the payment of social grants with the South African Post Office (SAPO). As such, the payment of social grants is now fully under the administration of the Department, South African Social Security Agency (SASSA) and SAPO.

As envisaged in the NDP, the Department continues to work towards enhancing social development services. Significant progress was made in the development and consultation of the White Paper for Social Development. Once finalised, the White Paper will culminate into the development of the National Social Development Act, which will reposition the Social Development Sector towards achieving the developmental agenda in fulfilling obligations imposed by the Constitution and other laws with regard to social development services.

Early Childhood Development (ECD) remains the apex priority of government. As a Department, we remain determined to ensure universal access to ECD services by all children in the country as mandated by the NDP. We monitored the implementation of the National Integrated ECD Policy through assessing progress and addressing challenges encountered, to ensure that the objectives and goals as set out in the policy are achieved. More focus was placed on strengthening the existing support structures such as the Inter-

Ministerial Committee (IMC), National Interdepartmental Committee (NIDC) and Intersectoral Forum to ensure implementation of all the goals within the ECD Policy.



### FOREWORD BY THE MINISTER

**FOR THE YEAR ENDED 31 MARCH 2019** 

As part of our contribution to the implementation of the Household Food and Nutrition Security Programme, we continued supporting community-driven programmes towards poverty eradication and elimination of hunger. We developed tools such as the Women Empowerment Framework, which targets women in cooperatives, to provide them with necessary skills to participate in the economy. Through these efforts, we continue to ensure that poor and vulnerable groups access economic opportunities and contribute to poverty eradication.

On the international front, we 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. We participated in a number of multilateral platforms to integrate the social development agenda in the work of the relevant African Union (AU) and United Nations (UN) Commissions. Together with our strategic partners of Brazil, Russia, India, China and South Africa (BRICS), we supported the adoption of important international resolutions that seek to protect and promote human rights, in particular, the rights of children, older persons, youth and persons with disabilities.

The Department is still operating on a 2015 provisionally agreed organisational structure. Working together with the Department of Public Service and Administration and National Treasury, we have started the process of concluding the structure to ensure that delivery of the much-needed social development services is not affected. This process will continue in the new financial year to ensure that a full organisational structure is implemented. As the year 2019 marked the end of the MTSF, the Department and all stakeholders contributing to Outcome 13 have started the process of reviewing the MTSF. The revised MTSF will take into consideration the priorities of the new government administration and will cover the period 2019 to 2024.

In conclusion, I wish to thank the Deputy Minister, the Acting Director-General of the Department, all staff of the national Department, our agencies and provincial departments for the past year's achievements and trust that they will remain committed to executing the mandate of this Department. Together with them, we will continue Building a Caring Society, Together.

Ms Lindiwe Zulu, MP Minister of Social Development







12.4 million children benefitted from child support grant

While
3.5 million
older persons received
old age grant



A total of R126 million

was transferred to NSFAS for funding of 4 841 students



A total of **33 196** 

applications for NPO registration were received and processed



A total of **2 009** 

students were awarded scholarships to continues with their studies



During the period under review, we continued to implement a range of policies and laws in intensifying our efforts to fight poverty and to improve the lives of ordinary South Africans. This report outlines our achievements in all key areas of work and bear testimony to our continued determination to realise this goal.

We remain conscious of the fact that we are one of the government institutions at the forefront of improving the lives of the majority of our population. As such, we strengthened efforts to expand our services to people with disabilities, victims of gender-based violence (GBV), the elderly and those affected by the human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS).

We continued accelerating the implementation of the White Paper on the Rights of Persons with Disabilities (WPRPD) through, among others, strengthening the voices of under-represented groups within the disability sector, embedding disability inclusion in government-wide planning and reporting systems, as well as expanding national coordination platforms for implementation of the WPRPD. The Department also commenced with the ratification of the AU Protocol on the Rights of Persons with Disabilities as part of international solidarity in advancing the rights of persons with disabilities. We continue to develop national frameworks that will guide the implementation of the WPRPD and such frameworks will serve as an intermediate step towards regulation of components of the WPRPD.

We continued to implement the social and behavioural change programme to influence positive social and behaviour change among young people, particularly in reducing risky sexual behaviours. A notable achievement was when we hosted the Men Championing Change and the National Boys Assembly, where young boys were afforded an opportunity to discuss issues relating to social and structural drivers of HIV and AIDS. All these efforts are part of our contribution towards the implementation of the National Strategic Plan on HIV, tuberculosis (TB) and sexually transmitted infections (STIs) (2017-2022).

As the custodian of services to older persons, we remain determined to promote and protect their rights. In this regard, we implemented the annual older person's Active Ageing Programme, which also included the annual general meeting of the South African Older Persons Forum. We finalised the Implementation Evaluation of the Older Persons Act, which assessed the extent to which the Act is being implemented. The outcome of the evaluation contributed towards amending the Older Persons Act and closing the gaps and challenges we experienced during its implementation.

We remained confronted by the prevalence and increasing levels of gender-based violence during the reporting period. To give impetus to our work on victim empowerment, we developed the South African Programme of Action addressing GBV. We will strengthen this work by integrating into it the outcomes of the GBV and Femicide Presidential Summit, which was held in October 2018. We also continued to provide comprehensive and integrated services to victims of gender-based violence through the GBV Command Centre.

The centre received and responded to more than 140 000 calls, including short messages and "Please Call Me".



### STATEMENT BY THE DEPUTY MINISTER

**FOR THE YEAR ENDED 31 MARCH 2019** 

The prevalence of substance abuse has reached epidemic levels in many communities. In this regard, the fight against substance abuse remained uppermost in our minds. We developed the Anti-Substance Abuse Policy to respond to the gaps in the Prevention of and Treatment for Substance Abuse Act and to inform the revision of the Act. We also 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 approval and implementation of the plan will continue in the new financial year. We continued with some of our annual 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 society.

Community-Based Organisations (CBOs) remain a vital partner in building strong, cohesive communities. We continued with the capacity building of the CBOs in order to strengthen their capacity to assist us in delivering quality services to communities. We also implemented a number of national interventions to improve registration and compliance with legislative requirements by Non-Profit Organisations (NPOs). 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.

In conclusion, I 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



This annual report provides an account of the financial and service delivery performance of the Department as outlined in the Annual Performance Plan (APP) for the 2018/19 financial year. The report also provides progress on the Department's efforts towards maintaining the highest standards of governance in the management of public finances and resources. We continued to deliver our services in an environment marked by high levels of poverty, unemployment and inequality. Furthermore, we were confronted by high prevalence of social ills such as violence at schools, child abuse, substance abuse and GBV, among others. We remained at the forefront of government in dealing with these issues, placing a demand on the Department to increase access and the quality of its services.

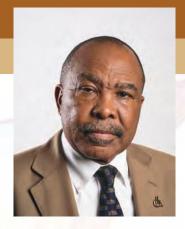
We continued to play a key role in providing a safety net for the poor, marginalised and vulnerable members of our society. In this regard, we expanded access to social assistance, ECD services, victim empowerment services, food security, and services to older persons and people with disabilities, among others. These programmes are all geared towards meeting the goals espoused in the NDP and Outcome 13: An inclusive and responsive social protection system.

The reporting period saw substantial growth in social grants, with an increase of beneficiaries from 17.5 million in 2017/18 to over 17.8 million in 2018/19. In ensuring universal access to ECD services, we continued to monitor the implementation of the National Integrated Plan on Early Childhood Development by our provincial counterparts, other government departments and civil society organisations (CSOs).

We further continued with our efforts towards creating an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards. In this regard, the Demand and Supply Model for Social Service Practitioners (SSPs), which seeks to assist in forecasting the broader future needs of the sector and the required SSPs, was approved. The model will be implemented together with other government departments and key stakeholders. Similarly, we developed the White Paper for Social Development. Once finalised, the White Paper will culminate into the development of the Social Development Act, which will reposition the Social Development Sector towards achieving the developmental agenda.

The Department continued to implement its Social Work Scholarship Programme. An amount of R126 million was allocated to disburse fees and allowances to universities through the National Student Financial Aid Scheme (NSFAS). A total of 2 009 students who were carried through from the 2017/18 financial year were awarded scholarships to continue with their studies. The awarding of new scholarships remains suspended while the social sector focuses on the reduction of unemployed social work graduates. We continued to monitor the implementation of the conditional grant for the employment of social work graduates by our provincial counterparts. In this regard, a total of 237 social work graduates were employed by the Department in the Free State, Gauteng, Western Cape and KwaZulu-Natal during the reporting period.

We intensified our response to the growing trends of GBV through the revision of the Programme of Action (POA) on Violence against Woman and Children. This POA will be strengthened by integrating into it the declaration of the National GBV and Femicide Presidential Summit, which was held in November 2018. We also continued to provide comprehensive and integrated services to victims of gender-based violence through the GBV Command Centre. The centre received and responded to more than 140 000 calls, including short messages and "Please Call Me".



### REPORT OF THE ACCOUNTING OFFICER

### **OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT**

The ideal of a drug-free society remains uppermost in our minds. During the reporting period, we intensified the fight against alcohol and substance. In this regard, we developed the Anti-Substance Abuse Policy to respond to the gaps in the Prevention of and Treatment for Substance Abuse Act and to inform the revision of the Act. We also 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. We also continued with some of our annual 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.

We continued with our commitment to promote, protect and empower persons with disabilities. This was achieved through, among others, strengthening the voices of the under-represented groups within the disability sector, embedding disability inclusion in government-wide planning and reporting systems, as well as expanding national coordination platforms for implementation of the WPRPD. We will continue to develop national frameworks that will guide the implementation of the WPRPD and such frameworks will serve as an intermediate step towards regulation of components of the WPRPD. On the international front, the Department commenced with the ratification of the AU Protocol on the Rights of Persons with Disabilities as part of international solidarity in advancing the rights of persons with disabilities.

As the custodian of services to older persons, the promotion of their rights remained one of our priorities. In this regard, we 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 finalised the Implementation Evaluation of the Older Persons Act, which assessed the extent to which the Act is being implemented. The outcome of the evaluation contributed towards amending the Older Persons Act, 2006 (Act No. 13 of 2006) and closing the gaps and challenges we experienced during its implementation.

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. We coordinated the implementation of the Youth Camp Programme, which has been decentralised throughout provinces. A total of 2 638 youth attended these camps throughout the provinces. The youth camps serve as a platform for the Department and its social partners to empower young people on youth development issues such as inculcating positive values, exposing youth to preventative programmes against social ills, and exposing them to opportunities for growth and development.

In recognising the vital role of CSOs in the delivery of our services to communities, we implemented a number of national interventions to improve the registration of NPOs and their access to information. These interventions include, among others, NPO Roadshows and capacity building sessions, which seek to increase NPO compliance by reaching out to organisations at the municipal level. Another campaign, which was introduced to reduce NPO non-compliance, was the Know your NPO Status (KYNS) campaign. The aims and objectives of this campaign are to encourage NPOs to know their compliance status. When NPOs are conscious of their status, there is a likelihood that they would want to react to any irregularities. All these efforts are part of the Department's NPO compliance strategy, which compels the Department to create access facilities to make it easy and friendly for NPOs to get information and submit their annual reports. During the reporting period, a total of 33 196 applications for NPO registration were received and processed. This brought the total number of registered NPOs since the promulgation of the NPO Act to 224 069.

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 BRICS, we supported the adoption of important international resolutions that seek to protect and promote human rights, in particular, the rights of children, older persons, youth and persons with disabilities.

This year, the Department spent 99.9% of its budget of more than R172 billion mostly on social assistance. We continued to work on strategies to 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. This resulted in the Department having to reconsider some of its targets in the 2018/19 APP. An errata APP was subsequently developed to reflect the revised commitments by the Department. We assessed our programme performance against predetermined objectives, as required by relevant legal prescripts, and reported on this performance to the Minister, National Treasury, the Presidency and Parliament.



### **OVERVIEW OF FINANCIAL RESULTS**

### **DEPARTMENTAL RECEIPTS**

		2018/19			2017/18	
Departmental Receipts	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	294	3	291	315	13	302
Interest, dividends and rent on land	8 375	6 844	1 531	15 600	19 485	(3 885)
Sale of capital assets	-	1 249	(1 249)	487	487	-
Financial transactions in assets and liabilities	7 914	42 582	(34 668)	13 562	32 460	(18 898)
Total	16 583	50 678	(34 095)	29 964	52 445	22 603

The Department does not generate income except from interest on debtors, commission of deductions and parking fees paid by officials. During the reporting period, an amount of R13 609 million was received from the Special Investigation Unit in respect of monies recovered from debtors who fraudulently applied and received grants. The amount for interest received mainly consist of interest received by SASSA in respect of interest received from the credit balance in the FNB bank accounts as well as interest received on social assistance debts.

A total of R43 412 million received as recoveries from previous financial years is made up of amounts received for the following cases:

- Social assistance debtors recovered from beneficiaries on the SOCPEN system
- Monies received in respect of debtors emanating from previous financial years
- Any other monies received in the current financial year relating to expenditure in previous financial years

The Department is not able to accurately estimate the amount, in respect of social assistance debtors, that will be recovered in a given year.

### PROGRAMME EXPENDITURE

		2018/19			2017/18	
Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under expenditure	Final Appropriation	Actual Expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
P1: Administration	391 746	361 367	30 379	386 438	384 119	2 319
P2: Social Assistance	162 860 723	162 709 840	150 883	151 230 232	150 336 771	893 461
P3: Social Security Policy and Administration	7 877 021	7 840 561	36 460	7 296 237	7 277 717	18 520
P4: Welfare Services Policy Development and Implementation support	1 300 440	1 277 837	22 603	1 056 155	1 011 354	44 801
P5: Social Policy and Integrated Service Delivery	392 303	390 312	1 991	388 706	386 589	2 117
Total	172 822 233	172 579 918	242 315	160 357 768	159 396 550	961 218

### **BUDGET**

The initial budget allocation for the Department for the 2018/19 financial year amounted to R172.9 billion. During the 2018 Adjusted Estimates of National Expenditure process, the following adjustments were effected:

- An amount of R100 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.
- R18, 447 million has been approved as rollover funds from the Substance Abuse Conditional Grant for the operationalisation and finalisation of the substance abuse centres in Northern Cape and Free State province.
- An amount of R2, 199 million has been additionally allocated as unforeseen and unavoidable for reconstruction and rehabilitation of the three buildings of SASSA in KwaZulu-Natal (KZN) after it was declared a disaster area.

This reduced the budget allocation of the Department to R172.8 billion for the 2018/19 financial year.

### **VIREMENTS**

At the close of the 2018/19 financial year, no virements were required to be effected between main divisions within the vote in terms of section 43 of the Public Finance Management Act (PFMA).



### UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE

### Reasons for Irregular Expenditure and Unauthorised Expenditure

 Non-compliance with the Public Financial Management Act, 1999 (Act No. 1 of 1999) and National Treasury Practice Notes: Supply Chain Management (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 related to hotel no show, camera and damage to hired vehicles.
- Irregular, fruitless and wasteful expenditure

### Irregular, fruitless and wasteful expenditure

Expenditure	R'000
Irregular Expenditure	7 611
Irregular Expenditure (Social Relief Distress)	6 401
Fruitless and Wasteful Expenditure	713

### Steps taken to address and prevent recurrence

- Engage with affected officials.
- Reviewed financial policies and delegations in line with National Treasury Practice Notes and Circulars.
- Issued circulars to sensitive 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 implementation of actions.
- Instituted disciplinary action against officials found liable for irregular, fruitless and wasteful expenditure.
- Recovered expenditure from officials who were found liable for financial misconduct.

### **FUTURE PLANS**

During the 2014-2019 MTSF, the Department led the implementation of the commitments under Outcome 13: An inclusive and responsive social protection system. The outcome included 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 year 2019 marked the end of the MTSF; as such, the Department and all stakeholders contributing to Outcome 13 have started the process of reviewing the Department's MTSF. The revised MTSF will take into consideration the priorities of the new government administration and will cover the period 2019 to 2024.

The following are some of the objectives from the 2014-2019 year, which will be carried into the new MTSF 2019-2020. There are two main objectives that we focus on. With regard to strengthening social welfare service delivery through legislative reforms, we will submit the reviewed White Paper for Social Welfare to Cabinet for approval. Respecting 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; develop policy proposals for mandatory retirement, disability and survivor benefits cover; complete the policy on expanding the Child Support Grant (CSG) to orphans and vulnerable children; improve the administration process to ensure better access to social assistance; and 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 a direct appeal to the Independent Appeals Tribunal, among others.

In addition to the above objectives, the Department is amending several pieces of legislation to improve the implementation of its programme and to ensure delivery of services without any obstacles. The pieces of legislation being amended include the Social Assistance Act, Older Persons Act, NPO Act, Fundraising Act and the Children's Act. We are also developing various plans, policies and frameworks including the Social Service Practitioners Bill, the Policy on Social Development Services to Persons with Disabilities, the Policy on Universalisation of Benefits of Older Persons, the Policy on Universalisation of the CSG, the Policy on Mandatory Cover for Retirement, Disability and Survivor Benefits, the Anti-Substance Abuse Policy, the National Plan of Action for

Children in South Africa, the Integrated POA addressing GBV, the National Drug Master Plan, 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 Recruitment and Retention Strategy for Social Service Practitioners, the Children's Act, 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.

During the 2019 State of the Nation Address, it was pronounced that the ECD function will be moved to the Department of Basic Education. In this regard, the Department and the Department of Basic Education (DBE) developed a high-level migration plan that will guide this process. There is also a joint task team that has been established to oversee and manage this migration process.



The Department will continue to lead the coordination of the Expanded Public Works Programme (EPWP) for the Social Sector, which comprises the departments of Health, Education, Social Development, Community Safety, and Sports and Recreation South Africa. The Social Sector EPWP Phase 4 Business Plan to be implemented from 2019/20 to 2023/24 has been developed and approved by the Cabinet Committee on Economic Sectors, Employment and Infrastructure Development (ESEID) in December 2018. The agreed target for the social sector for the next five years is the creation of 875 754 work opportunities. This will form the key coordination focus for the sector for the next five years. 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.

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 country's social welfare needs. Furthermore, together with relevant stakeholders, the Department will continue to develop the National Integrated Social Protection System, which seeks to address integrated planning, reporting and effective monitoring and evaluation (M&E). This system will provide real-time information on service delivery.

### **PUBLIC-PRIVATE PARTNERSHIPS**

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

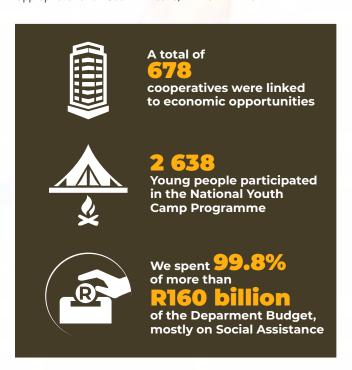
### DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The Department is amending the Fundraising Act (Act No.107 of 1978). The Amendment Bill seeks to repeal the provisions of the Fundraising Act, thereby removing duplication of services by dissolving 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 the 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 2019/20.

Following the general elections in May 2019, a new Cabinet was announced with the Ministry for Women, Youth and Persons with Disabilities. This announcement implies that the function for Rights of Persons with Disabilities may be moved from the Department to this Ministry.

### **PROPOSED ACTIVITIES**

The Department tabled proposals on comprehensive social security reforms with the social partners at NEDLAC during the reporting period. Consensus was reached on key reform recommendations which included, among others, the establishment of a single National Social Security Fund. The finalisation of these reforms will make a significant contribution towards creating a comprehensive social security system that is affordable, inclusive, sustainable and appropriate for all South Africans, in line with the NDP.



### **SUPPLY CHAIN MANAGEMENT**

The Department did not consider any unsolicited bid proposals concluded for the year under review. 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 small, medium and micro-sized enterprises 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 NATIONAL TREASURY

An amount of R89, 280 million was allocated to the Department for the substance abuse treatment conditional grant. These funds were earmarked for operationalisation of substance abuse treatment facilities in the Eastern Cape (EC), Free State (FS), Northern Cape (NC) and North West (NW). During the reporting period, approval was granted by National Treasury for the Free State and Northern Cape Departments of Social Development

to utilise an amount of R8, 800 million and R4, 661 million respectively to finalise construction of treatment facilities in those provinces. The approval to use operationalisation funds to finalise construction of the facilities represents approval of exemption from the 2018/19 Conditional Grant Framework for the substance abuse treatment conditional grant. Approval was granted by National Treasury based on section 36(1) of the Division of Revenue Act, 2018 (Act No. 1 of 2018).

### GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

PURPOSE	AMOUNT PAID DIRECTLY TO SERVICE PROVIDER
	R'000
GERMAN DEVELOPMENT BANK (KFW)	
HIV and AIDS: Care and Support Programme	
Consulting Services on the Orphans, Vulnerable Children and Youth (OVCY) Care and Support project: Implementation of a Care and Support Programme targeting child and youth-headed households in KZN, Limpopo and North West	1 259
JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)	
Rights of Persons with Disabilities Programme	
Enhance capacities of the Department in the empowerment of persons with disabilities and disability mainstreaming	859
ILIFA LABANTWANA AND HOLLARD FOUNDATION	
Early Childhood Development Programme	140
To develop uniform bylaws to enable ECD registration in the country	140
PACT/USAID PACT/USAID	
Government Capacity Building Systems	
To strengthen the Department's response in addressing social and structural barriers that increase the vulnerability of Orphans and Vulnerable Children (OVC) to HIV, sexually transmitted infections (STIs) and TB, and addresses specific constraints hampering the health and social development system from achieving better outcomes for orphaned and other vulnerable children (e.g. those affected by poverty, child abuse, neglect and exploitation)	35 806
UNITED NATIONS CHILDREN'S FUND (UNICEF)	
Child Rights and Advocacy	150
Review of National Plan of Action for Children	150
THE DG MURRAY TRUST	
Early Childhood Development Programme	5 236
Improving the effectiveness of the ECD Conditional Grant effectiveness	J ZJU

### **DONATIONS IN CASH**

An amount of R15, 642 million was spent on a KfW-funded project for the continuation of construction of Community Care Centres (CCCs) and commencement of the capacity building programmes. In addition to the five CCCs for which construction was completed in the 2017/18 financial year, two additional CCCs were completed in Limpopo (LP) and one in KwaZulu-Natal during the 2018/19 financial year. These additional three centres are expected to be completed during the 2019/20 financial year. In North West, the construction of six CCCs is still under way. Three of these centres are almost complete. The Department, in partnership with the German Development Bank, is building 17 CCCs in KZN, NW and LP. Of these, seven were completed and are operational mainly in rural communities. All implementers in the 17 communities where the CCCs are being built have been trained on a comprehensive package of services which include, among others, psychosocial support, support groups, and monitoring and evaluation.

The current Global Fund project commenced in April 2016 and ended on 31 March 2019. The purpose of the project was to improve data quality, and monitoring and evaluation systems for the HIV and AIDS Programme. During the period under review, an amount of R10,525 million was allocated to the Department. The funds were used for the appointment of a national Project Manager, a national Project Coordinator and 52 data capturers in eight provinces. The appointed data capturers were trained on Data Quality Management SOP and Community-Based Information Management System (CBIMS).

### **EVENTS AFTER THE REPORTING PERIOD**

Following the general elections in May 2019, a new Minister for Social Development was appointed. SASSA also concluded the appointment of the Chief Executive Officer (CEO).

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



Mzolisi Toni | Acting Director-General Department of Social Development





### STATEMENT OF RESPONSIBILITY FOR AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

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

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

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

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

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

The Accounting Officer is responsible for establishing, and implementing a system of internal control 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 2019.

Yours faithfully

**Mzolisi Toni** | Acting Director-General **Department of Social Development** 

31 July 2019



### STRATEGIC OVERVIEW

### **Vision**

A caring and self-reliant society

### Mission

To transform our society by building conscious and capable citizens through the provision of comprehensive, integrated and sustainable 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 among 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 and Equity 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 GBV
- 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
- Vibrant, equitable and sustainable rural communities with food security for all
- 8. Sustainable human settlements and improved quality of household life
- A responsive, accountable, effective and efficient local government system
- **10.** Environmental assets and natural resources that are well protected and continually enhanced
- **11.** Creating a better South Africa and contributing to a better and safer Africa and world
- **12.** An efficient, effective and development-orientated 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)
- Fundraising 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 Person's 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; managing and reconciling 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.
National Development Agency	The National Development Agency Act, 1998 (Act No. 108 of 1998, as amended)	Transfers and subsidies	The key functions of the agency include grant funding, capacity building, and research and development of CSOs.  The key strategic objectives of the NDA, as prescribed in the applicable 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)	Operational/ functionality costs	Its key functions are to:  give effect to the Nationa I 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.



# PERFORMANCE INFORMATION **ANNUAL REPORT 2019** PART



# 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 164 of the Report of the Auditor-General, published as **Part E: Financial Information.** 

### **VOTED FUNDS**

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/ Under-expenditure
The state of	R'000	R'000	R'000	R'000
Department of Social Development	172 901 587	172 822 233	172 579 918	242 315
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 policy making in the Department and the Social Development Sector.

### Service delivery environment in 2018/19

The Social Development Sector delivers its services in an environment marked by high levels of poverty, unemployment and inequality. In order to respond adequately to these challenges, 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. Focus from measuring outputs to outcome has given the Department and its partners a unique opportunity to help achieve some government-wide outcomes. 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 government-wide outcomes and goals of the NDP.

### Social assistance

The provision of social assistance remains a cornerstone of the fight against poverty and inequality, especially among children and older persons. As such, the Department, through SASSA, extended the social assistance programme to more than 17.5 million South Africans during the year under review. More than 3.5 million of the beneficiaries were of the Grants for Older Persons, while 12.4 million were the beneficiaries of the CSG. This augmented the income of grant recipients and enabled the Department to contribute 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 policy and administration

The Department continues to formulate policies and legislative proposals for contributory income support aimed at protecting households against life cycle risks such as unemployment, ill health, retirement, and disability and the death of a breadwinner. In pursuit of this goal, the Department developed a discussion paper on the review of the SASSA Act. The discussion paper identified gaps and recommended improvements on the governance of the agency. A draft Policy on the Universalisation of the Child Support Grant was developed, with policy proposals on the removal of the means test on the CSG, and the draft Regulations on Social Assistance Amendment Act were developed during the period under review.

### **Professional social services**

The Department developed the White Paper for Social Development. The paper will reposition the Social Development Sector towards achieving the developmental agenda and also advance the implementation of the Social Protection Services in

accordance with NDP Vision 2030. The Department also developed the Supply and Demand Model for SSPs which seeks to assist in forecasting the broader future needs of the sector and number of SSPs required to respond to the country's future demand for social development services.

During the reporting period, the Department continued to implement its Social Work Scholarship Programme. A total of 2 009 students were awarded scholarships to continue with their studies. For the 2018/19 financial year, an amount of R126 245 000 was allocated to NSFAS to disburse fees and allowance to universities. The Department continued to monitor the implementation of the conditional grants. A total of 237 social work graduates were employed by the provincial departments, namely, Free State, Gauteng, Western Cape and KwaZulu-Natal.

### Services to older persons

The Department successfully implemented the Active Ageing Programme in Free State in October 2018. A total of 90 caregivers from all provinces were trained on the Older Persons Accredited Training Manual as mandated by the Older Persons Act, 2006 (Act No. 13 of 2006). As part of promoting and protecting the rights of older persons, the Department commemorated four obligatory days which are specific to older persons' well-being. These include the World Elder Abuse Awareness Day, International Day of Older Persons, International Grandparents Day and Older Human Rights Champions Day.

### Children

The provision of ECD services is mandated by, among others, the NDP and the National Integrated ECD Policy, which calls for

universal access to ECD services by all children. During the period under review, the Department monitored the implementation of the ECD National Integrated Implementation Plan, which is implemented by 24 national departments and civil society.

The Department continues to monitor the ECD Conditional Grant through reports and quarterly meetings with provincial departments. In this regard, subsidy guidelines and standardised Service Level Agreements (SLAs) were developed to improve the administration of both equitable share and conditional grant. Furthermore, the Department developed the ECD framework in collaboration with the Department of Health in order to deal will challenges in terms of conditional and full registration of ECD centres. The framework was consulted internally and with municipalities in the provinces and piloted in KwaZulu-Natal, Western Cape and Eastern Cape. The Department partnered with DG Murray Trust (consortium) and Ilifa La Bantwana to improve the ECD information management system as part of strengthening provision of ECD services in the country.

In response to the existing gaps in the child care and protection system as well as the legislation, the Department developed amendments of the Children's Act, 2005 (Act No. 38 of 2005). The Bill identifies several strategies to efficiently and effectively address the existing gaps. The Children's Amendment Bill was submitted to Cabinet and approval was granted for the Bill to be submitted to Parliament. The Bill will be considered by Parliament in 2019/20. The Department led the development of the 4th National Plan of Action for Children (NPAC). This 4th NPAC brings government's commitments relating to children's rights into a coherent whole and through an outcomesbased approach and comprehensive regulatory framework. The 4th NPAC will be presented to Cabinet in 2019/20.



### **Social crime prevention**

The Department contributes towards Outcome 3: All people in South Africa are and feel safe, through policy development and implementation. During the reporting period, a total of 8 000 young people were reached through awareness campaigns conducted to raise awareness and educate communities on crime endangerments. The Policy Framework on Accreditation for Diversion Services was approved by Cabinet. The capacity building on the policy was implemented to all provinces to create awareness of all the challenging areas that were reviewed in the policy framework.

### **Anti-substance abuse**

In response to the gaps in the Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008) and the challenges faced by the Social Development Sector, the Department developed the draft Anti-Substance Abuse Policy. The policy was approved by internal structures and will be presented to Cabinet in 2019/20. The policy provides guidance on the review of the Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008) and the development of the draft Bill. The construction of the treatment centres was completed and operational in Northern Cape, Limpopo and Eastern Cape. To this end, the Department conducted an anti-substance abuse awareness campaign at 17 institutions of higher learning and Technical Vocational Education and Training (TVET) colleges. The aim of the campaign is to create an alcohol-free environment, culture and lifestyle among student communities through educational support programmes. Similarly, the anti-substance abuse festive season programme was conducted to create awareness on consumption of alcohol and substance abuse contribution towards the high rate of accidents during the festive season. In addition, the National Drug Master Plan (NDMP) was developed and was presented to several structures for approval and will be submitted to Cabinet in 2019/20.

### **Victim empowerment programme**

To this end, the Victim Support Services (VSS) Bill was finalised and certified by the state law advisors in preparation for approval by Cabinet. The aim of the Bill is to address the breaches identified in all the existing empowerment legislation such as the Sexual Amendment Act, 2007 (Act No. 32 of 2007).

The POA on Violence against Woman and Children was reviewed and the capacity building was implemented in all provinces. Subsequent to the consultations with CSOs and municipalities, the draft framework for the POA was developed.

The Gender-Based Violence Command Centre (GBVCC) maintains the delivery of comprehensive integrated services to victims of gender-based violence. The number of victims contacting the GBVCC increased considerably. There was a total of 120 707 calls, 19 005 unstructured supplementary services data (USSD) and 582 SMS's.

### **Families**

The Department continues to push the implementation of White Paper on Families that addresses, in particular, the challenges faced by teenage parents and early intervention of family support services. During the reporting period, the Active Parenting Programme was implemented in all provinces. The purpose of the programme was to capacitate participants to be able to render direct services to teenage parenting and to empower the programme implementers with skills so that they are able to assist teen parents to rebuild their dreams after becoming parents at an early age.



### **HIV and AIDS**

The Department continues to fulfil its mandate, as indicated in the National Strategic Plan (NSP) 2017-2022, to implement the Comprehensive Strategy on HIV, TB and STIs in all provinces. The strategy provides guidance to the departments and various structures and partners on how to strengthen the existing interventions within the Department that aim to address vulnerabilities and poverty aspects of HIV and TB. During the reporting period, the Department, in partnership with the South African National AIDS Council (SANAC), transferred R92 million to fund 15 National NPOs to implement social and behaviour change programmes in all provinces. One of those programmes, the Families Matter Programme, reached 11 958 guardians and parents. Through this partnership, the Department appointed 595 unemployed Social Services Professionals, which include social workers and social auxiliary workers (SAWs), to implement the programmes. A total of 158 490 young people were reached through the You Only Live Once (YOLO) Programme.

A total of 8 241 Traditional Leaders in eight provinces were trained to champion the HIV prevention interventions in their communities. The Department also ensured provision of services to OVC through CCCs, Drop-in-Centres and Safe Parks, which include provision of food to children. Furthermore, a total of 587 implementers were trained on psychosocial support programmes and support groups in seven provinces.

### Rights of persons with disabilities

The Department continued to fast-track the implementation of the WPRPD and the UN Convention on the Rights of Persons with Disabilities (UNCRPD). In this regard, International Solidarity in Advancing the Rights of Persons with Disabilities African Union Protocol on the Rights of Persons with Disabilities was approved by the AU Heads of States. This process led to South Africa's appearance before the UNCRPD in August 2018. During the reporting period, the Department held a round table on Social Protection and Disability (Pillar 5 of WPRPD). The round table was attended by, among others, the Global Disability Advisor of the World Bank. This was one of the Department's efforts to embed the WPRPD Policy Directives in Outcome 13.

As part of the Department's contribution towards National Albinism Awareness Month, a national round table on the Rights of Persons with Albinism was convened in September 2018 to explore synergies, resolve tensions in the sector and agree on the process towards the development of a National Strategy on the Rights of Persons with Albinism. The strategy is informed by Pillar 2 of the WPRPD and will be finalised in 2019/20. The user-friendly English version of the WPRPD will enable persons with disabilities and their families to use the WPRPD in self-advocacy efforts. This version will be translated into all official languages as well as South African Sign Language in 2019/20.

During the reporting period, the Department engaged with other structures to strengthen disability inclusion in the 2019-2024

MTSF. In this regard, the President pronounced in his 2019 State of the Nation Address that the 2020-2025 MTSF should mainstream disability across all government departments and programmes.

Furthermore, the Presidential Working Group on Disability (PWGD) was also convened at the end of February 2019, bringing together the Executive of Government and leaders in the disability sector. Five national priorities were identified to accelerate and deepen disability inclusion in the next MTSF. A Ministerial Task Team was established following engagement between the Minister and sector leaders, culminating in a cessation of hostilities between the disability sector and government.

### **Youth development**

The Department continued its efforts of developing and facilitating the implementation of youth development and empowerment programmes. During the reporting period, numerous milestones were reached in the area of youth development. The Department facilitated the implementation of both the Social Development Youth Strategy as well as the Youth Policy across the Social Development Sector. Another noticeable achievement reached in the area of youth development and empowerment was of the facilitation of nine leadership camps, each organised by the provincial Department of Social Development. This culminated in the 7th national youth camp attended by 2 638 young people.



CSOs continue to play a pivotal role in the delivery of services on behalf of the Department. The review of the NPO Act was set in motion during the reporting period. The Department developed a draft Bill to table the NPO Act in Parliament, subjected to state law advisors for certification and approval, with pre-certification received from the State Attorneys. The Bill is due for presentation to the Cabinet.

During the period under review, the Department saw an average increase of 10.7% increase in the registration of NPOs. In this regard, a total of 33 196 NPO application were received and processed within two months. The Department processed 100% (33 196) of the received applications in the period under review. These brought the total of NPOs registered since the promulgation of the Act to 224 069, from 190 873, which registered during the reporting period. The Department also implemented a range of national interventions to improve NPOs' compliance. A total of 30 National Roadshows were conducted at 101 local municipalities.

### Food and nutrition security programme

The Department, through its food and nutrition programmes, is contributing to the goal of improving access to diverse and affordable food. To this end, a total of 1 160 433 vulnerable individuals accessed food through the Department of Social Development (DSD) feeding programmes. This is an indication that the demand for food by vulnerable individuals is still high in the country. Furthermore, a total of 678 cooperatives were linked to

economic opportunities. This will ensure that we contribute to the realisation of Outcome 7: Vibrant, equitable and sustainable rural communities contributing to 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. Quarterly risk management reports and programme performance reports on predetermined objectives were sent to the executive authority, the National Treasury, the Presidency and the Auditor-General. The Department also continued to implement sound financial management practices aimed at promoting the efficient 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.



### 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
Customer Care Helpdesk service	All DSD clients	15 days turnaround time to resolve a complaint	7 days turnaround time to resolve a complaint	15 days turnaround time to resolve a complaint

### Batho-Pele arrangements with beneficiaries (Consultation, access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements	
Extensive DSD Outreach/Izimbizo	Current programmes to be supplemented	Extensive DSD Outreach/Izimbizo	
programmes	by interactive social media platforms	programmes	

### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
DSD Social Services Handbook	Automated, IVR-driven service info tool	DSD Social Services Handbook
DSD website and social media tools (Facebook and Twitter)	Fully automated, interactive social media- driven tools	DSD website and social media platforms

### **Complaints mechanism**

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Customer Care helpdesk — a consolidated DSD Call Centre	Consolidated DSD Call Centre	GBV Command Centre and Customer Care Helpdesk



### Overview of the organisational Environment in 2018/19 financial year

The Department did not experience any disruptions such as strike action by staff. However, a number of challenges briefly discussed below impacted the full implementation of some of its programmes.

### Moratorium on filling of vacancies and turnover rates

During the reporting period, the Department in preparation for the new MTSF (2019-2024) under the 6th Administration had to review its mandate, confirm its priorities and reposition itself accordingly. This re-engineering process further required the Department to relook at its capacity to deliver on its mandate optimally. As a result, a moratorium on filling of vacant posts was issued in order to allow the aforementioned processes to be completed. In addition, the exiting of the Department's workforce due to promotions, service terminations and transfers out of the Department also had an impact on the turnover rate.

The vacant post of Director-General creates a leadership gap in the Department. This allowed for the implementation of departmental service delivery interventions in a silo approach and lack of teamwork, which was also identified through the strategic planning sessions held by the Department.

### Circular 21 of National Treasury

During the reporting period, National Treasury issued a circular on classification of expenditure items as either goods and services, transfer payments or capital assets. This circular impacted on the majority of the social sector's service delivery indicators, which are driven by NPOs. The circular further impacted how the sector conducts its business in relation to transfers. Among others, the objective of contributing to poverty eradication and elimination of hunger through support to community-driven programmes and provision of food and nutrition was negatively impacted.

### Key policy developments and legislative changes

The following are policies and pieces of legislation developed or approved during the reporting period, which may have affected the Department's operations or may have affected future financial periods:

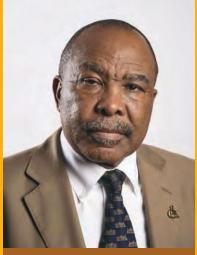
- Draft Regulations on the Social Assistance Amendment Act
- Discussion Paper on the Review of SASSA Act
- Draft Revised White Paper for Social Development
- Social Services Professions Bill
- National Plan of Action for Children in South Africa 2018-2022
- Child Care and Protection Policy
- Draft South African Integrated Programme of Action addressing GBV
- Draft Anti-Substance Abuse Policy
- Phase IV of the Social Sector Plan for Expanded Public Works Programme
- Non-Profit Organisations Amendment Bill

### Strategic outcome-orientated goals

- The Department's strategic goals, which are informed by its priorities and other government-wide outcomes over the MTSF are,
- Expand Child and Youth Care Services
- 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 GBV
- Increase household food and nutrition security (Food for all)
- The protection and promotion of the rights of older persons and people with disabilities
- Establish Social Protection Systems to strengthen coordination, integration, planning, monitoring and evaluation of services



### **EXECUTIVE MANAGEMENT**



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



Ms Nelisiwe Vilakazi
Deputy Director-General:
Strategy and Organisational Transformation



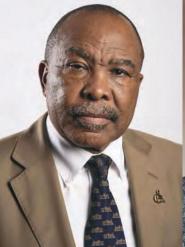
Mr Peter Netshipale
Deputy Director-General:
Social Policy and Integrated Service Delivery



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



Mr Ndaba Deputy Director-General: Corporate Support Services



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



Ms Brenda Sibeko Deputy Director-General: Comprehensive Social Security



Mr Clifford Appel Chief Financial Officer

# PROGRAMME 1: ADMINISTRATION

**ANNUAL REPORT 2019** 



PERFORMANCE INFORMATION BY PROGRAMME

### **PROGRAMME 1: ADMINISTRATION**

### PROGRAMME PURPOSE

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

### **HUMAN CAPITAL MANAGEMENT**

The Chief Directorate Human Capital Management, through its Directorates, namely, Human Resources Management (HRM), Human Resource Development, Organisation Development and Labour Relations continued to support the achievements of the Department's priorities and contributed towards improved service delivery. During the reporting period, all Senior Managers and Deputy Managers in the Department, as well as officials in Branch Finance, have declared their financial interests on time. An analysis was conducted of the said disclosures and no potential conflicts of interest were established. However, what was noted was the omission of disclosing certain aspects which were due to oversight or misunderstanding.

In an effort to contribute towards a skilled workforce, the Chief Directorate developed and implemented a Workplace Skills Plan. Through this, 337 officials at all levels, including interns, attended identified skills development courses. Pursuant to the development agenda, 91 officials in the Department were supported through the bursary scheme to study towards achieving higher qualifications in various areas. The Department continued its Internship Programme and 45 graduate interns and 10 student interns were placed in various functional areas. The unit continued to provide technical support to line managers for implementing various capacity building programmes.

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. All Senior Management Service (SMS) members and officials below SMS submitted their performance agreements and Mid-Term Review reports on time

as required by the Departmental Performance Management and Development System (PMDS) Policy. All staff members' Annual Performance Appraisals were finalised on time as stipulated by the Departmental PMDS Policy. Out of 634 staff members, a total of 612 qualifying staff members were assessed for the 2017/18 performance cycle and their performance appraisals were completed in line with the PMDS. Performance feedback and outcomes of the performance assessments were communicated to all staff members.

The Department has a well-established Wellness Plan which was rolled out throughout the reporting period. Officials in the Department made use of the counselling services as well as the various assessments to gauge their health status.

Various initiatives and strategies have been implemented to ensure sound labour relations is maintained in the Department. To this extent, various successful engagements with recognised unions in the Department were organised. All complaints and grievances are dealt with as speedily as possible. The shortcoming of reporting has been addressed by correct capturing on PERSAL and reports to the required departments are processed and submitted timeously.

A process commenced during the reporting period to have the Department's organisational structure reviewed with the aim of addressing key challenges that were identified. The process would ensure that the structure is effective and efficient and would, among others, lead to the structure being aligned to the strategy, the posts norms and levels bring correct, and the structure supporting integration of services.

### INTERGOVERNMENTAL RELATIONS

International Relations continued to play a significant role in the realisation of the Department's key objectives, especially





in addressing the plight of vulnerable groups of society. During the year under review, the Department led South Africa's presentation of the Country Report on the Convention on the Rights of Persons with Disabilities (CRPD). A number of other Country Reports were tabled before various International Committees in the UN and the AU. Building on the momentum and South Africa's successful election as a non-permanent member of the UN Security Council, the Department vigorously participated in annual sessions of the UN such as Commission for Social Development, Commission on Population and Development, and the Conference of State Parties to the CRPD. South Africa is an active member and serves as Secretary of Partners in Population and Development (PPD). Cooperation engagement with partners in BRICS and India-Brazil-South Africa (IBSA) were also maintained. The Department actively participated in the 22nd International AIDS Conference which was convened in Amsterdam. The Department also participated in the Disability Summit held in London. Bilateral relations with strategic countries were strengthened. This culminated in the successful conclusion of a Memorandum of Understanding (MOU) in the Field of Social Development which was entered into with the Government of the United Arab Emirates

### **MONITORING AND EVALUATION**

During the reporting period, a total of seven evaluation studies on priority departmental interventions were conducted and evaluation reports were widely disseminated. Of these seven evaluation studies, four were in the National Evaluation Plan. The evaluation evidence was used for decision making to inform policies and programmes as well as to improve programme performance. Another notable deliverable towards the achievement of Outcome 13 objectives was the production of a report on sharing social protection administrative data across government. The report demonstrated the academic performance of 2018 Grade 12 Social Grant beneficiaries in order to highlight the positive educational outcomes in addressing intergenerational poverty and inequality. A number of think tank sessions on country priority programmes such as HIV/AIDS have been held with key stakeholders to develop an evaluation and research agenda.

The unit further conducted Theory of Change workshops for Youth, ECD, Families and Violence against Women and Children Programmes. The Results-Based M&E Frameworks for these programmes were developed together with stakeholders. The Outcome 13 Results-Based M&E Framework has been piloted and a report was completed. Statistical reports on selected indicators for children and other social development services have been produced and disseminated. Oversight and technical M&E support have been provided to Provincial Departments of Social Development to assist in the measurement of provincial programme performance.

Management of Performance Information in government is critical for effective planning, budgeting, policy development and implementation, reporting, and monitoring and evaluation. During the reporting period, the Department through this unit compiled quarterly and annual performance reports which were submitted to relevant stakeholders including National Treasury, the Auditor-General of South Africa (AGSA), the Department of Planning, Monitoring and Evaluation (DPME) and Parliament. The Department received an unqualified audit opinion on performance information. The unit also successfully coordinated and completed the annual Management Performance Assessment Tool (MPAT) assessment led by DPME. In aligning planning and programme performance, the Department held a number of strategic review sessions. During these sessions, programme performance was reviewed to assess achievements against set targets and to recommend corrective actions in areas where targets were partially achieved or not achieved. Furthermore, the unit coordinated the Department's inputs to the State of the Nation Address in February 2019. 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.

### INFORMATION MANAGEMENT AND TECHNOLOGY

In an effort to ensure sound Information Communication Technology for the Department, the unit developed the Social Development Integrated Case Management System (SDICMS), which will enable the tracking of social cases from capturing to provisioning of services to beneficiaries across the social sector. Services that are currently covered include: Household and Community Profiling, Child Protection Register, Probation Case Management, Victims Empowerment, Adoptions and Register of Adoptable Children and Prospective Adoptive Parents.

Governance Framework in terms of information flow between DSD, DBE, SASSA and NSFAS on the Educational Outcomes of 2018 Grade 12 Social Grant Beneficiaries has been formalised through the Information Control Document (ICD). The ICD describes the interface requirement for the sharing of information between identified participants. This will strengthen the monitoring and evaluation of performance on social interventions provided by government, and improve on integrated planning and reporting across the sector. All these efforts will assist with the realisation of the country's strategy of providing an online government (e-gov) which intends to improve effectiveness and efficiency in the delivery of public services.

### FINANCE Costing and Management Accounting

The Department remained accountable to oversee the management and administration of the payment of social grants by SASSA. During the reporting period, the allocation for payment of social grants grew from R151, 2 billion to R162, 8 billion, which translates to a 7% increase in the allocation. The unit has worked closely with the line functions in analysing the expenditure trends and monitoring financial compliance to ensure that appropriated funds are spent in line with the Department's mandate.

### **Financial Management and Administration**

The Department continued its efforts of developing and implementing effective financial management and administration policies. SCM appointed a Bid Specification Committee to consider specifications and terms of reference (ToR) for goods and services valued at R500 000 or more. SCM policies and financial policies were reviewed and aligned to the relevant instruction notes from National Treasury. Internal Control coordinated audits effectively.



## **HUMAN CAPITAL MANAGEMENT**

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19 Actual outputs 2018/19	Actual outputs 2018/19	Reason for deviation from 2018/19 target
Ensure adequate capacity, capability and sound employee relations for the Department to deliver on its mandate	Social Sector Human Resource Plan (SHRP)	Submit SHRP to the Minister and Members Resources Plan was of the Executive Council developed and various stakeholders were consulted extensively. It was then tabled before the Department Management Committ. (MANCO)	A draft Sector Human Resources Plan was developed and various stakeholders were consulted extensively. It was then tabled before the Departmental Management Committee (MANCO)	Implementation of key elements of the SHRP	The Sector Human Resource Plan was not approved. However, the Department has revised the generic structure and developed a Blue Print generic structure. The generic structure was used to monitor structural development process in provinces	MANCO took a decision that a strategy dialogue be coordinated in order to align the Sector Human Resource (HR) Plan to the strategy of the Department

### Strategies to overcome underperformance

Alignment of the Sector HR Plan to Departmental Strategy

## INTERGOVERNMENTAL RELATIONS

Strategic objectives	Performance indicator	Baseline	Actual achievement for 2017/18	Annual target 2018/19	Annual target 2018/19 Actual output 2018/19	Reason for deviation from 2018/19 target
Ensure adequate capacity, capability and sound employee relations for the Department to deliver on its mandate	Number of international Facilitate DSI engagements facilitated participation international	) obligations	The unit facilitated the Department's participation in 13 international engagements	Facilitate DSD participation in 8 international engagements	The unit facilitated the Department's participation in 21 international engagements	Exceeded the quarterly target due to participation in additional Ministerial engagements that are relevant to the mandate of the Department

# INFORMATION MANAGEMENT SYSTEMS AND TECHNOLOGY

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual outputs 2018/19	Reason for deviation from 2018/19 target
Integrated planning and performance management by 2019	Integrated social sector-wide Information and Communications Technology (ICT) service delivery platform	Integrate existing welfare services into a single information case management system	Four Welfare Services Modules plugged into the Integrated Case Management System linking of data systems between DSD, DBE, Department of Home Affairs, SASSA and NS-FAS was completed to track the 2017 Grade 12 CSG learners academic performance	Establish National Integrated Social Information System (NISIS) development governance framework and enhance existing data sources	Overall NISIS development governance framework was not achieved	The non- achievement was due to non-participation of other identified Social Protection Cluster Departments on NISIS

### Strategies to overcome underperformance

- Formalise the National Integrated Social Protection Information System (NISPIS) governing body (political level) and a steering committee (operational level) which will comprise representation from all participating departments
- Request National Treasury to ring-fence/allocate budget for NISPIS

### **ENTITY OVERSIGHT**

Reason for deviation from 2018/19 target	The entity oversight function could not be fully capacitated and operationalised as the Department has not finalised the review of its organisational structure	The entity oversight function could not be fully capacitated and operationalised as the Department has not finalised the review of its organisational
Actual outputs 2018/19	Assistance Service Delivery Assurance Committee meetings were held during the course of the year and the annual reports for 2017/18 were analysed and evaluated Oversight visits were conducted in all provinces during the	ance Id- ere
Annual target 2018/19	Annual assessment of compliance of entities to the Department's governance and oversight framework	Development and approval of governance and capacity building standards
Actual achievement 2017/18	New indicator	
Baseline	New indicator	
Performance indicator	Entity governance and oversight framework implemented	
Strategic objectives	Integrated planning and performance management by 2019	

### Strategies to overcome underperformance

- The Department has made efforts to resuscitate and strengthen its oversight capacity and responsibilities over the two entities, hence the inclusion of the oversight function/targets in the 2018/19 APP.
- However due to organisational transformation in terms of the organisation design and revision of the structure, this function has not been properly institutionalised within the Department.
- The targets will be pursued in 2019/20.

## **MONITORING AND EVALUATION**

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19 Actual outputs 2018/19	Actual outputs 2018/19	Reason for deviation from 2018/19 target
Integrated planning and performance management by 2019	Evaluation reports	Conduct an evaluation of the integrated 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	Conduct an evaluation of Project Mikondzo	Evaluation of Project Mikondzo was completed and draft report produced	No deviation

### **FINANCE**

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19 Actual outputs 2018/19	Actual outputs 2018/19	Reason for deviation from 2018/19 target
Good governance and effective financial management by 2019	Unqualified audit report on Annual Financial Statements (AFS)	Unqualified audit report Unqualified audit report The Department on AFS on Annual Financial on AFS audit opinion from AGSA on its 2016 audited Annual F Statements	nalified n the 3/17 inancial	Unqualified audit report  on AFS  audit opinion fron AGSA on its 201  audited Annual F  Statements	The Department obtained an unqualified audit opinion from the AGSA on its 2017/18 audited Annual Financial Statements	No deviation

### LINKING PERFORMANCE WITH BUDGETS PROGRAMME 1: ADMINISTRATION

### P1: ADMINISTRATION

			2018/19			2017/18	
Detai	ls 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	47 463	47 379	84	44 218	44 123	95
1.2	Departmental Management	67 223	67 223	-	68 454	68 100	354
1.3	Corporate Management	152 389	133 650	18 739	162 142	161 290	852
1.4	Finance	69 811	64 040	5 771	60 020	59 323	697
1.5	Internal Audit	14 615	13 197	1 418	11 346	<mark>1</mark> 1 101	245
1.6	Office Accommodation	40 245	35 878	4 367	40 258	40 182	76
	Total	391 746	361 367	30 379	386 438	384 119	2 319



### P1: ADMINISTRATION













Departmental Corporate F Management Management

Audit Accommodation

### PROGRAMME 2: SOCIAL ASSISTANCE

**ANNUAL REPORT 2019** 



PERFORMANCE INFORMATION BY PROGRAMME

### PROGRAMME 2: SOCIAL ASSISTANCE

### **PROGRAMME PURPOSE**

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

### **SOCIAL ASSISTANCE**

Social grants have shown substantial growth over the past years (2017/18-2018/19), with the total uptake increasing by 1.7% from 17 509 995 to 17 811 745. The highest uptakes have consistently been observed among the most vulnerable groups, which include older persons in terms of the Older Person's Grant (OPG), with an increase from 3 423 337 to 3 553 317 (3.8%); children in terms of CSG, with an increase from 12 269 084 to 12 452 072 (1.5%); and adult beneficiaries in need of regular care and support in terms of Grant-in-Aid (GIA), from 192 091 to 221 989 (15.5%).



### **SOCIAL ASSISTANCE**

Strategic objectives	Performance indicator		Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual output 2018/19	Actual Reasons for deviation 2018/19 from 2018/19 target
Extend the provision	Number of social grant	Older persons grant	3 400 343	3 423 337	3 513 372	3 553 317	No deviation
of social assistance to	beneficiaries	Child support grant	12 245 784	12 269 084	12 402 241	12 452 072	12 452 072 No deviation
englible malvidadas by		War veterans grant	133	134	107	92	This grant is not actively pursued and is projection dependent on the person's life span
		Disability grant	1 060 313	1 061 866	1 049 811	1 048 255	No deviation
		Care dependency grant	150 272	147 467	154 353	150 001	150 001 No deviation
		Foster care grant	406 503	416 016	397 888	386 019	No deviation
		Grant-in-Aid	188 923	192 091	215 880	221 989	No deviation
	Number of Social Relief of Distress (SRD) applications awarded	f Distress (SRD)	200 000	573 196	252 833	443 687	Social Relief is needs driven and is dependent on meeting the qualifying criteria

### LINKING PERFORMANCE WITH BUDGETS PROGRAMME 2: SOCIAL ASSISTANCE

### **P2: SOCIAL ASSISTANCE**

			2018/19			2017/18	
Detai	ls 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
2.1	Old Age	70 554 799	70 542 096	12 703	64 156 265	6 <mark>4 130 16</mark> 1	26 104
2.2	War Veterans	2 766	2 380	386	3 935	3 086	849
2.3	Disability	21 973 687	21 960 632	13 055	21 045 440	20 944 847	100 593
2.4	Foster Care	5 137 389	5 114 211	23 178	5 375 250	5 20 <sup>7</sup> 026	168 224
2.5	Care Dependency	3 080 438	3 068 028	12 410	2 946 454	2 841 422	105 032
2.6	Child Support	60 634 022	60 611 568	22 454	56 231 412	55 <mark>8</mark> 47 799	383 613
2.7	Grant-in-Aid	999 422	994 205	5 217	871 476	816 588	54 888
2.8	Social Relief	478 200	416 720	61 480	600 000	545 842	54 158
	Total	162 860 723	162 709 840	150 883	151 230 232	150 336 771	893 461

### 70 000 000 **PROGRAMME** 60 000 000 **PURPOSE** To provide social 50 000 000 assistance to eligible beneficiaries in terms of the **Social Assistance Act (Act** No. 13 of 2004) and its regulations 20 000 000 10 000 000 5 000 000 RANDS 2018/19 2017/18

### **P2: SOCIAL ASSISTANCE**

















Dependen

Grant-In-A

Social Relief

### PROGRAMME 3: SOCIAL SECURITY POLICY AND ADMINISTRATION

**ANNUAL REPORT 2019** 



PERFORMANCE INFORMATION BY PROGRAMME

### PROGRAMME 3: SOCIAL SECURITY POLICY AND ADMINISTRATION

### **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

During the reporting period, a cross-functional departmental team was established to review the SASSA Act, 2004 (Act No. 9 of 2004). A discussion paper identifying gaps and recommending improvements on the governance of the agency was developed and presented to MANCO. The paper will be consulted and finalised in 2019/20. The Department also developed draft Regulations on Social Assistance Amendment Act. The Regulations were consulted with various stakeholders and will be developed further in 2019/20.

The continued collaboration between the Appeals Adjudication Unit (Independent Tribunal for Social Assistance Appeals) and SASSA contributed towards an increase in the percentage of appeals adjudicated within the 90-day period of receipt of an appeal. A total of 1 946 appeals were adjudicated, of which 98.56% (1 918 of 1946) were adjudicated within 90 days. These increased turnaround times have led to a significant decrease in the number of litigious appeals received during the reporting period. These achievements contributed to Outcome 13: Ensure an inclusive and responsive social protection system to qualifying persons.

The Department developed plans for auditing Disability Grant, Social Relief of Distress and Social Assistance Debtors. The audit plans provide an understanding of the social assistance processes that are implemented in the delivery of social grants by SASSA. They also outline key compliance controls within the social assistance administration frameworks and systems. The review of these key controls, which is intended to provide the Department and the Audit Committee with assurance over the integrity of the social assistance administration, will be conducted in 2019/20.

The Department continued its engagements on comprehensive social security reforms with the social partners at NEDLAC during the reporting period. In this regard, a notable achievement was when the social partners reached a consensus on key reform recommendations which included, among others, the establishment of a single National Social Security Fund, institutional arrangements, governance and regulatory frameworks, and improved social assistance provisions. This consensus is an important milestone towards the finalisation of complex reform proposals of this nature. The finalisation of these reforms will make a significant contribution towards creating a comprehensive social security system that is affordable, inclusive, sustainable and appropriate for all South Africans, in line with the NDP.



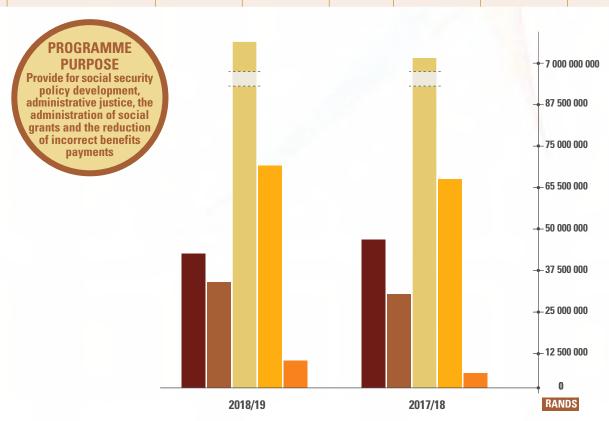
## SOCIAL SECURITY POLICY DEVELOPMENT

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual output 2018/19	Reasons for deviation from 2018/19 target
An effective and efficient social security system that protects poor and vulnerable	Legislation to increase the value of the CSG to OVC and child-headed households	Introduce the Bill to Parliament	Bill submitted to Parliament for consideration	Draft Regulations on Social Assistance Amendment Act developed	Draft Regulations were developed and consulted with stakeholders	No deviation
people against income poverty by 2019	Policy on the universalisation of the CSG	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	Draft Policy on the Universalisation of the CSG	A Draft Policy on the Universalisation of the CSG was developed	No deviation
	Legislative Review of SASSA Act	New indicator	•	Discussion paper on the review of SASSA Act	The discussion paper was completed and presented to Comprehensive Social Security Branch Forum and MANCO	No deviation

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

### P 3: SOCIAL SECURITY POLICY AND ADMINISTRATION

			2018/19			2017/18	
Detai	ls 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
3.1	Social Security Policy Development	62 203	39 617	22 586	57 085	42 <mark>9</mark> 70	14 115
3.2	Appeals Adjudication	47 127	34 993	12 134	28 507	26 903	1 604
3.3	Social Grants Administration	7 697 630	7 697 630	-	7 144 341	7 144 341	-
3.4	Social Grants Fraud Investigation	65 248	65 248	-	61 719	61 719	-
3.5	Programme Management	4 813	3 073	1 740	4 585	1 784	2 801
	Total	7 877 021	7 840 561	36 460	7 296 237	7 277 717	18 520



### P3: SOCIAL SECURITY POLICY AND ADMINISTRATION













### POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

**ANNUAL REPORT 2019** 



PERFORMANCE INFORMATION BY PROGRAMME

### PROGRAMME 4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

### 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

During the reporting period, the Department developed the White Paper for Social Development. Once finalised, the White Paper will reposition the Social Development Sector towards achieving the developmental agenda. Furthermore, it will advance the implementation of the Social Protection Services in accordance with NDP Vision 2030. This is one of the critical processes that will accelerate the provision of integrated social development services in the country.

The Department also developed the Supply and Demand Model for SSPs. The model seeks to assist in forecasting the broader future needs of the sector and the number of SSPs required to respond to the country's future demand for social development services. The model was approved for implementation, together with other key stakeholders and government departments.

In addition, the Department frameworks, guidelines and tools such as the Supervision Framework for SSPs, the guidelines for workload management and the administrative tools for Social Welfare. All these instruments will assist in the implementation of professional and standardised SSP supervision, work allocation and distribution of quality service delivery as well as standardising administrative practices across the sector.

### Recruitment and Retention Strategy for Social Services Practitioners

The Department continued to facilitate the transformation of the social welfare service delivery system through legislative reforms pertaining to social service practice. During the year under review, the Department sought to submit the SSPs draft Bill to the Forum of South African Directors-General (FOSAD). The SSPs draft Bill seeks to expand the mandate of the South African Council for Social Service Professions to include regulation of other emerging occupations in addition to social work and child and youth care practitioners. The draft Bill was pre-certified by the Office of the Chief State Law Advisor and presented to the FOSAD Social Protection, Community and Human Development Cluster. The cluster supported the submission of the draft Bill to Cabinet. The Bill will be submitted to Cabinet for approval in 2019/20.

Another notable achievement was when the Department commenced with the implementation of the Recruitment and Retention Strategy for SSPs. The strategy responds to specific needs of practitioners such as poor working conditions, inadequate office tools, review and regrading of salary packages, poor office infrastructure, supervision and management of social services practitioners. The Department will continue to monitor the implementation of the Recruitment and Retention Strategy in order to minimise and respond to labour unrests experienced by the social sector.

The Department continued to implement its Social Work Scholarship Programme. A total of 2 009 students were awarded scholarships to continue with their studies. These were students carried through from the 2017/18 financial year with no new entrants into the programme. The awarding of new scholarships remains suspended while the social sector focuses on reduction of unemployed social



work graduates. NSFAS was allocated an amount of R126 245 000 to disburse fees and allowances to universities on behalf of the Department. The Department continued to monitor the implementation of the conditional grant for the employment of social work graduates by Provincial Departments of Social Development. During the reporting period, a total of 237 social work graduates were employed by the Department in the Free State, Gauteng, Western Cape and KwaZulu-Natal.

### Services to Older Persons

The Department implemented the Active Ageing Programme and hosted a National Older Persons Parliament in Free State in October 2018. The programme included a capacity building programme, the SAOPF Annual General Meeting, the Choir Festival and the Golden Games. The Active Ageing Programme was evaluated in March 2019 to assess achievement of its intended objectives.

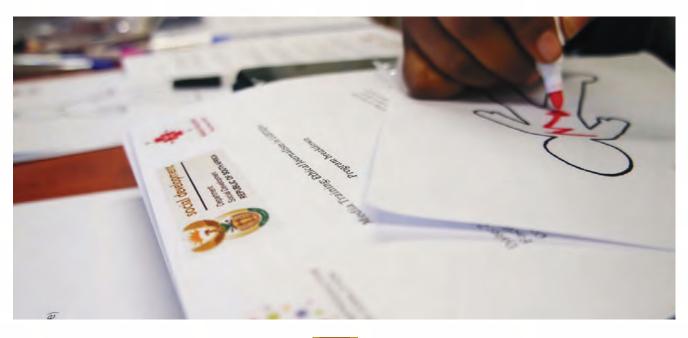
During the reporting period, the Department finalised the Implementation Evaluation of the Older Persons Act, 2006 (Act No. 13 of 2006) and the report was completed. A Management response and an improvement Plan were developed, consulted and signed off by the Acting Director-General for implementation. Subsequently, the Older Persons Amendment Bill was costed and the costing report was approved by the Welfare Services Forum. The amendments will close the gaps experienced by key stakeholders during implementation of the Act. The Older Persons Act, 2006 (Act No. 13 of 2006) mandates that caregivers be trained. In this regard, a total of 90 caregivers from all provinces were trained on the Older Persons Accredited Training Manual. The unit conducted monitoring on the implementation of the Electronic Elder Abuse Register in all provinces. This included monitoring of residential facilities and community-based care and support services for compliance to norms and standards in all provinces. As part of promoting and protecting the rights of older persons, the Department commemorated four obligatory days which are specific to older persons' well-being. These include the World Elder Abuse Awareness Day, International Day of Older Persons, International Grandparents Day and Older Human Rights Champions Day.

### **EARLY CHILDHOOD DEVELOPMENT**

The delivery of ECD services is mandated by, among others, the NDP, which calls for universal access to ECD services by all children in the country; the Children's Act (Act No. 38 of 2005), which regulates the delivery of ECD services; and the National Integrated ECD Policy, which also emphasises access of ECD services by all children. During the period under review, the Department monitored the implementation of the ECD National Integrated Implementation Plan, which is implemented by 24 national departments and civil society. The plan was monitored through consolidation of performance reports from all government departments. The reports provided progress on the implementation of the National Integrated ECD Policy.

Furthermore, three structures, namely, the IMC, NIDC and the Intersectoral Forum (ISF) were put in place to coordinate the successful implementation of the policy. These structures are key in ensuring implementation of the 13 goals that are within the ECD Policy. The focus during the reporting period was on strengthening these structures to assist in the implementation of the policy. In this regard, the Department initiated the process of reviewing the current ToR for these structures to ensure that they are aligned to the policy.

The implementation of ECD services at local level was further strengthened by the establishment of new local structures and strengthening of the existing coordinating structures at provincial and district level. In this regard, a total of four provincial interdepartmental committees were established in FS, NW, KZN and Western Cape (WC). Furthermore, five committees were strengthened and



supported in Mpumalanga (MP), LP, EC, GP and NC. At district level, a total of 40 structures were also established and strengthened in all provinces. The standard ToR were developed to guide provinces on the functioning of these coordinating structures.

During the period under review, capacity building workshops on the implementation of the National Integrated ECD Policy were also conducted in all provinces. These capacity building workshops included the ECD Policy, the Integrated Implementation Plan and the ECD nutrition guidelines. Provinces will complete the development of provincial specific implementation plans in 2019/20. Parents will form part of the key stakeholders in the development of the plans.

The Department continues to monitor the ECD Conditional Grant through reports and quarterly meetings with provincial departments. In this regard, subsidy guidelines and standardised SLAs were developed to improve the administration of both equitable share and conditional grant. Furthermore, a draft financing strategy was developed and supported by the Executive Committee (EXCO). Another key milestone in the ECD sector was the hosting of a three-day strategic session with different departments and provinces to review the progress made in the 2014-2019 MTSF cycle and identify priorities for the 2019-2024 MTSF cycle. One of the priorities identified for implementation in the next MTSF cycle is the essential package of services, which includes the first 1 000 days.

To deal with challenges in terms of conditional and full registration of ECD centres, the ECD registration framework was developed in collaboration with the Department of Health. The framework was consulted internally and with municipalities in NW, NC, WC and KZN. Subsequently, it was piloted in KZN, WC and EC. The Department has partnered with DG Murray Trust (Consortium) and Ilifa La Bantwana to improve the ECD information management system as part of strengthening provision of ECD services in the country.



### CHILDREN SERVICES, ORPHANS AND VULNERABLE CHILDREN

In contributing to the Department's vision of building a caring society, the unit continued to strengthen child protection services during the year under review. In this regard, the Implementation Guidelines on Community-Based Prevention and Early Intervention Services for Vulnerable Children were developed. The aim of the guidelines is to create an enabling environment for the delivery of equitable developmental welfare services for children as well as to integrate service delivery, thereby increasing access and quality of care and support. The guidelines were developed through consultations with the provincial departments in order to reach a consensus on the priorities of the programmes; to incorporate lessons learnt from implementation; to map beneficiaries and service access points in expanding services; and to identify capacity building needs to enable implementation of quality services. The guidelines were further consulted through three national consultative workshops and will be finalised and approved in 2019/20.

In response to the NDP's call for sustainable, rights-based development through investments in children, the Department developed the draft National Child Care and Protection Policy. The policy defines three main packages of services across the continuum. Its developmental orientation calls for significantly increased investments in the provision of:

- a universally available, comprehensive package of promotive child care and development programmes and services;
- a package of targeted preventative and early intervention programmes and services for vulnerable children and families exposed to risk factors; and
- a package of quality responsive protective services and programmes for children who are in need of care and protection against all forms of violence, abuse, neglect and exploitation.

To this end, the policy was presented to the Social Protection, Community and Human Development Cabinet Committee for approval.

In addressing the existing gaps in the child care and protection system as well as the legislation, the Department developed amendments of the Children's Act, 2005 (Act No. 38 of 2005). The Bill identifies several strategies to efficiently and effectively address the existing gaps. The Children's Amendment Bill was submitted to Cabinet and approval was granted for the Bill to be submitted to Parliament. The Bill will be considered by Parliament in 2019/20.

### Coordination and Monitoring of Children's Rights (Office on the Rights of the Child)

The Department is responsible for ensuring government's equity, equality and empowerment agenda for children through an integrated approach in order to accelerate the fulfilment of their human rights, as mandated by Section 28 of the Constitution.



In this regard, the Department led the development of the 4th NPAC. The 4th NPAC brings government's commitments related to children's rights into a coherent whole and through the outcomesbased approach and comprehensive regulatory framework ensures delivery against these commitments in an integrated manner. The 4th NPAC will be presented to Cabinet in 2019/20.

Children's participation is critical to inform planning, programming and mandates implementation in all matters affecting them. The principle of child participation is enshrined in Sections 59, 72 and 118 of the Constitution and in Chapter 15 of the NDP. To this end, a National Child Participation Framework was developed with the aim of enhancing and mainstreaming child participation.

### SOCIAL CRIME PREVENTION AND VICTIM EMPOWERMENT

### Social Crime Prevention

The Department through this unit contributes towards Outcome 3: All people in South Africa are and feel safe, through policy development and implementation. During the reporting period, nine awareness campaigns were ran to raise awareness and educate communities on the dangers of crime as well as reaching out to schools on challenges of bullying and gangsters. A total of 8 000 young people were reached through these campaigns. Another key achievement during the reporting period was the approval of the Policy Framework on Accreditation for Diversion Services by Cabinet. Subsequently, the Department undertook roadshows to capacitate provinces on the approved policy. The capacity building targeted members of accreditation structures, who include officials from other government departments, CSOs and members of academic institutions. The purpose of the training was to create awareness of all the challenging areas that were reviewed in the policy framework.

### Victim Empowerment Programme

In response to the lack of legislation regulating victim empowerment services, the Department finalised the VSS Bill, which was certified by state law advisors in preparation for the approval by Cabinet. The purpose of the Bill is to address gaps identified in all the existing empowerment legislation such as the Sexual Amendment Act, 2007 (Act No. 32 of 2007).

During the reporting period, the Department embarked on a process of reviewing the POA on Violence against Woman and Children. The review process included desktop research and consultative workshops that were conducted in all provinces. The workshops targeted different stakeholders, including the CSOs, municipalities and those from the Children and Women Sectors. The consultations resulted in the development of a draft framework for the reviewed POA with key interventions, theory of change and indicators to ensure effective reporting on the implementation of the POA.

The GBVCC continued to provide comprehensive, integrated services to victims of gender-based violence. The number of victims contacting the GBVCC increased considerably. The centre received a total of 120 707 calls, 19 005 USSDs in the form of "Please Call Me" short messages and 582 SMS's. All these efforts contribute to Outcome 3: All people in South Africa are and feel safe.

### Anti-Substance Abuse

During the year under review, the Department through this unit developed the draft Anti-Substance Abuse Policy. The policy was consulted with Justice, Crime Prevention and Security (JCPS) and Social Protection, Community and Human Development (SPCHD) Clusters and approval was obtained for its submission to Cabinet. The policy seeks to respond to the gaps in the Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008)

and the challenges faced by the Social Development Sector. Similarly, the policy informed the review of the Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008) and the development of the draft Bill. The Bill was consulted with various stakeholders in the field of substance abuse and will be submitted to Cabinet for approval.

The Department completed construction of the treatment centres in Northern Cape, Limpopo and Eastern Cape. These treatment centres started operating during the reporting period. The treatment centres in the Free State and North West will be completed and operationalised in 2019/20. These centres will make provision for the treatment of adults and young persons with Substance Use Disorder. Eventually, all provinces will each have at least one public treatment centre.

Furthermore, the Department embarked on an anti-substance abuse awareness campaign at 17 campuses of institutions of higher learning and TVET colleges. The aim of the campaign is to create an alcohol-free environment, culture and lifestyle among student communities through educational awareness and capacity building programmes. The campaign was also to empower students to aspire to a healthy and substance-free lifestyle. It was further intended to prevent substance abuse among students, particularly newly admitted students.

Another campaign conducted during the reporting period was the anti-substance abuse festive season programme. The campaign served to remind community members about the dangers of alcohol and substance abuse during the festive season. Many lives are lost in road accidents caused by drinking and driving. In some cases, children are left abandoned and destitute because of parents who

indulge in alcohol and abdicate their parental responsibilities. Violent crimes such as murder and rape increase in our communities as a result of drug and alcohol abuse. The campaign was launched in the Western Cape in collaboration with the South African Police Service (SAPS) and relevant stakeholders in the field of substance abuse. A total of 19 activations targeting taxi ranks, door to door and shopping malls were conducted.

The NDMP was developed and consulted with the JCPS, SPCHD and ESEID Clusters. The plan was further consulted with Free State and North West Provincial Substance Abuse Forums with the aim of assisting them to develop their plans for 2019/20. The draft NDMP was further presented to MINMEC to solicit inputs. The plan will be submitted to Cabinet.

### **Families**

DSD developed a White Paper for Families which highlights challenges of parenting within families and advocates for encouragement of responsible parenting by parents, both mothers and fathers.

When teenagers become parents, they are faced with overwhelming responsibilities and that may even prevent the completion of developmental tasks of adolescence as they assume the additional tasks of parenting. Teenage parents are still battling with the turmoil-filled adolescent stage on one side and have to contend with parenting on the other side. To this end, the Department conducted capacity building workshops on Active Parenting Programme in nine provinces. The purpose of the capacity building workshops was to capacitate participants to be able to render direct services to teenage parents. The workshops were also aimed at empowering the programme implementers with skills so that they would be able to assist teen parents to rebuild their dreams after becoming parents at an early age.



### **HIV AND AIDS**

The Department is mandated through the NSP for HIV, TB and STIs 2017-2022 to drive the country's efforts in addressing social and structural drivers of HIV and AIDS. The Department through this unit developed a comprehensive HIV and AIDS strategy which is aligned to the strategic objectives of the NSP. The DSD strategy builds on the existing interventions within Department which aim to address vulnerabilities and poverty, such as the comprehensive social security programme, psychosocial support programmes, anti-substance abuse programmes, victim empowerment programmes, child protection services, social and behaviour change programmes, and community development programmes.

During the reporting period, the Department continued to implement social and behaviour change programmes which were aimed at reducing risky sexual behaviours among young people, men and women. In this regard, the Department funded SANAC R92 million to implement social and behaviour change programmes in all provinces. This resulted in the appointment of 15 National NPOs to implement the following social behaviour change programmes: YOLO, Families Matter Programme, Men Championing Change, Ke Moja, as well as Community Capacity Enhancement. In this respect, the Families Matter Programme reached 11 958 guardians and parents. Through this partnership, the Department appointed 595 unemployed Social Services Professionals, which include social workers and SAWs, to implement the programmes.

During the year under review, a total of 158 490 young people were reached through the YOLO Programme. Furthermore, the Department hosted the Men Championing Change Programme in August 2018 and the programme was launched by the Deputy President and the Deputy Minister in KZN. A total of 2 773 was reached through this programme. The Department also hosted a National Boys Assembly in October 2018, which hosted more than 600 boys from four provinces: Mpumalanga, Limpopo, Gauteng and North West. The assembly afforded the boys an opportunity to discuss issues relating to social and structural drivers of HIV and AIDS. Subsequent to that, the Department hosted the Provincial Boys Assembly in Northern Cape in February 2019.

The Department also embarked on the training of Traditional Leaders through a programme called Rock Leadership Training, to champion the HIV prevention interventions in their communities. The programme aims to train 8 241 Traditional Leaders in eight provinces. To get buy-in from the Traditional Leaders, the Deputy Minister conducted roadshows to market the programme from the National House of Traditional Leaders and all Provincial Houses of Traditional Leaders. To this end, the Department reached 44 Traditional Leaders. In addition, the Department conducted dialogues using the Community Capacity Enhancement (CCE) programme and 90 communities were reached.

The Department also ensured provision of services to OVC through CCCs, Drop-in-Centres and Safe Parks, which include provision of food to children. These interventions also help to mobilise communities, parents and schools to help young girls to complete school and to reduce their vulnerability to HIV, pregnancy, sexual violence and GBV. These also seek to increase access to HIV services, e.g. HIV screening, testing, psychosocial support and access to treatment. To this extent, the Department finalised Guidelines for Social Service Professionals. The guidelines enable access to HIV services to empower SSPs to optimise social service provision for people infected and affected by HIV, particular children.

The Department in partnership with the German Development Bank is building 17 CCCs in KZN, NW and LP. Of these, seven were completed and are operational mainly in rural communities. All implementers in the 17 communities where the CCCs are being built have been trained on a comprehensive package of services which include, among others, psychosocial support, support groups, and monitoring and evaluation. Furthermore, a total of 587 implementers were trained on psychosocial support programmes and support groups in seven provinces, namely, EC, FS, MP, GP, NC, KZN and LP.



### **RIGHTS OF PERSONS WITH DISABILITIES**

The Department through this unit is responsible for, among others, the development and monitoring of disability-specific social welfare services to persons with disabilities, coordination of implementation of the WPRPD and the UNCRPD. With respect to this, a number of achievements discussed briefly below were realised during the reporting period.

International Solidarity in Advancing the Rights of Persons with Disabilities: During the reporting period, the Department commenced with the process of ratifying the African Union Protocol on the Rights of Persons with Disabilities, approved by the AU Heads of States in January 2018. This process led to South Africa's appearance before the UNCRPD in August 2018. South Africa's responses to the list of issues emanating from the country's Baseline Report deposited in 2014 were compiled and presented to the Committee. Subsequently, South Africa received the Committee's Concluding Observations at the end of September 2018. These observations will form the basis of South Africa's next periodic report due in June 2022. South Africa, led by the Department, also participated in the 11th Session of the Conference of States Parties to the UNCRPD in June 2018. The conference provides an opportunity for countries to share good practices and seeks solutions for their challenges as informed by the obligations contained in Article 40 of the UNCRPD.

During the reporting period, the Department held a round table on Social Protection and Disability (Pillar 5 of WPRPD). The round table was attended by, among others, the Global Disability Advisor of the World Bank. This was one of the Department's efforts to embed the WPRPD Policy Directives in Outcome 13.

Strengthening the Voices of Under-Represented Groups within the Disability Sector. The UNCRPD and the WPRPD protect and promote the right to self-representation, among others, through organisations of persons with disabilities. Pillar 6 of the WPRPD requires government to support the strengthening of the organised voice of under-represented groups in the disability sector. The unit supported both persons with albinism as well as persons with dyslexia during the reporting period to strengthen and/or establish national networks that will amplify their voices on consultative platforms with government.

As part of the Department's contribution towards National Albinism Awareness Month, a national round table on the Rights of Persons with Albinism was convened in September 2018. This was a follow-up to the 2013 Inaugural National Conference on Albinism. The round table brought together national, provincial and local structures of persons with albinism, as well as individual experts on albinism to explore synergies, resolve tensions in the sector and agree on the process towards the development of a National Strategy on the Rights of Persons with Albinism. The development of the strategy is informed by Pillar 2 of the WPRPD and will be finalised in 2019/20.

In August 2018, the Department convened a total of 30 young people with dyslexia, representing local networks in Mangaung, Johannesburg and eThekwini. The objective was to share experiences and explore strategies that will accelerate the launch of a National Network of Persons with Dyslexia. A National Steering Committee was elected and a plan of action was developed. This has enabled this under-represented group



to apply for representation on the National Disability Rights Machinery. A follow-up strategic planning session for this Committee will be convened in 2019/20.

Another notable achievement was the development of a user-friendly English version of the WPRPD. This version will enable persons with disabilities and their families to use the WPRPD in self-advocacy efforts. The English user-friendly version will be translated into all official languages as well as South African Sign Language in 2019/20.

Project Izingane kuQala: Project Izingane kuQala was launched in 2016 as a pilot for implementation of the WPRPD at community level, culminating in disability-inclusive ECD and OVC programmes for children with severe disabilities living in underresourced communities. Three pilot sites in KwaZulu-Natal, namely, Ndwedwe, Umzumbe and Umlazi, were selected. Among others, the following were achieved under this project:

- the launch of Nombuso Disability Development Centre in Ndwedwe, implemented as a partnership between the Department, the Airports Company of South Africa and the MTN SA Foundation:
- the development of three disability-inclusive ECD centres in Ndwedwe, in addition to nutritional support to 10 ECD centres, through private sector support;
- the roll-out of the Ndinogona ECD Programme in three ECD centres and one day-care centre in Umzumbe; and
- the finalisation of a structured parent empowerment programme for members of the Disabled Children Action Group (DICAG).

**Youth Development:** In 2016, the Impumelelo Disabled Rural Project received the MTN SA Foundation-sponsored community-based disability accessible multi-purpose computer centre. The project utilised this opportunity as a catalyst for youth empowerment, disability inclusion advocacy in the surrounding schools and other community-private partnerships. This saw the enrolment of over 100 young people with disabilities in institutions of higher education and training during 2018. In November 2018, these young people with disabilities obtained ICT certificates at the Graduation Ceremony in Inanda, Ethekwini.

**Embedding Disability Inclusion in Government-Wide Planning and Reporting Systems:** During the reporting period, the Department engaged the National Planning Commission, the DPME, as well as Statistics South Africa in strengthening disability inclusion in the 2019-2024 MTSF. The review of the NDP as well as roll-out and reporting of the 2030 Agenda on Sustainable Development, disability-inclusive indicators, has been finalised for negotiation with the relevant Outcomes coordinating departments.

Subsequent to that, the work was strengthened by the President's pronouncement in his 2019 State of the Nation Address that the 2020-2025 MTSF should mainstream disability across all government departments and programmes. The mainstreaming should be accompanied by an integrated information system that is able to track performance against targets.

**National Coordination Platforms for Implementation of the WPRPD:** The programme provides secretariat support, inclusive of strategic advisory services, to the National Disability Rights Machinery (NDRM). The NDRM brings together stakeholders spanning the three spheres of government, national organisations of and for persons with disabilities, as well as the number of Chapter 9 institutions promoting democracy.

During the period under review, the Department convened the NDRM plenary, Inter-Provincial Forum and Disability Inclusion Cluster-Based Work Groups to accelerate implementation of the WPRPD through strengthened participatory monitoring of progress and solution-seeking for challenges being experienced.

Furthermore, the PWGD was also convened at the end of February 2019, bringing together the Executive of Government and leaders in the disability sector. The meeting identified five national priorities aimed at accelerating and deepening disability inclusion in the next MTSF. A Ministerial Task Team was established following engagement between the Minister and sector leaders, culminating in a cessation of hostilities between the disability sector and government.

Policy on Services to Persons with Disabilities: The Department revised the draft Policy on Social Development Services to Persons with Disabilities in order to align it with the draft White Paper for Social Development and the WPRPD. The policy aimed to ensure standardisation of services, enforce implementation, and regulate funding and registration of services. The policy was further consulted with stakeholders (national departments and disability sector) and inputs obtained were incorporated into the policy to ensure stakeholder buy-in for policy implementation. Furthermore, the policy was also costed in consultation with provinces and all relevant stakeholders. A draft costing report and model has been developed and will be submitted for approval.

## PROFESSIONAL SOCIAL SERVICES AND OLDER PERSONS

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual outputs 2018/19	Reasons for deviation from 2018/19 target
Strengthen social welfare service delivery through legislative and policy reforms by 2019	White Paper on Social Welfare	Consult with stakeholders within the sector on the White Paper on Social Welfare	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, National Child Care and Protection Forum and internal branches of the Department	Submit the White Paper on Social Welfare to Cabinet for approval	The revised White Paper for Social Development was not submitted to Cabinet	The White Paper could not be submitted for approval to Cabinet as it has to be further consulted with key stakeholders as directed by MINMEC
	Demand and Supply Model for SSPs	Submit Demand and Supply Model for SSPs for approval	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	Develop an implementation plan for the Demand and Supply Model for SSPs	The implementation plan for the Demand and Supply Model for SSPs was developed	No deviation

## PROFESSIONAL SOCIAL SERVICES AND OLDER PERSONS

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual outputs 2018/19	Reasons for deviation from 2018/19 target
	Recruitment and Retention Strategy for SSPs	Monitor implementation of Recruitment and Retention Strategy for SSPs	Monitored implementation of the Recruitment and Retention Strategy for SSPs. Report on monitoring implementation developed	Monitor implementation of Recruitment and Retention Strategy for SSPs	Monitoring of the implementation of the Recruitment and Retention Strategy for SSPs was conducted and progress report produced	No deviation
	Social Service Practitioners Bill	Submit the Bill to Cabinet for approval and gazette for public comment	Finalised consultations and updated the draft Bill for approval by Social Protection Community and Human Development Cluster and Cabinet	Submit the Bill to Forum of South African Directors- General (FOSAD)	The Bill was submitted and presented to the SPCHD FOSAD Cluster in February 2019 and approval was granted to proceed to Cabinet	No deviation
	Active Ageing Programme implemented	Conduct Older Persons Parliament and Active Ageing Programme	A National Parliament was hosted in October in KZN. An evaluation of the Parliament including the Active Ageing Programme was conducted for improvement of the programme and planning for the upcoming activities	Conduct Older Persons Parliament and Active Ageing Programme	A National Older Persons Parliament and Active Ageing Programme was conducted in October 2018 in the Free State	No deviation

## Strategies to overcome underperformance below

The White Paper could not be submitted for approval to Cabinet as it has to be further consulted with key stakeholders as directed by MINMEC. The White Paper will be finalised and submitted to Cabinet for approval in the financial year 2019/20.

## **EARLY CHILDHOOD DEVELOPMENT**

Strategic objectives	Performance indica- Baseline tor	Baseline	Actual achievement 2017/18	Annual target 2018/19 Actual outputs 2018/19	Actual outputs 2018/19	Reasons for deviation from 2018/19 target
Strengthen child protection services and improve the quality of ECD services by 2019	National Integrated Implementation Plan on ECD Policy	Approval of the National Integrated Implementation Plan on ECD Policy	The National Integrated Plan on ECD Policy was approved by SPCHD Cluster	Monitor the implementation of the National Integrated Implementation Plan on ECD Policy	Monitoring of the implementation of the National Integrated Implementation Plan on ECD Policy was conducted and quarterly progress reports were produced	No deviation

# **CHILDREN SERVICES, ORPHANS AND VULNERABLE CHILDREN**

Strategic objectives	Performance indica- tor	Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual outputs 2018/19	Reasons for deviation from 2018/19 target
Strengthen child protection services and improve the quality of ECD services by 2019	National Plan of Action for Children in South Africa	Approval of the NPAC in South Africa by 2018-2022	Consultations with National and Provin- cial Children's Rights stakeholders were conducted	Approval of the National Plan of Action for Children in South Africa by 2018- 2022	The JCPS Cluster recommended that the NPAC be submitted to Cabinet for approval	The plan is being held back to ensure that the targets are aligned to those of the 6th Administration before it is submitted to Cabinet for approval
	Implementation of Children's Act monitored	Build the provinces' capacity to implement the Children's Amendment Act and Children's Second Amendment Act	Conducted capacity building on the Children's Amendment Act and the Children's Second Amendment Act in all provinces	Monitor the implementation of the Children's Act	Monitoring of the implementation of the Children's Act was conducted and a report was produced	No deviation
	Child Care and Protection Policy	Consultation with key stakeholders on the Child Care and Protec- tion Policy	Child Care and Protection Policy was consulted and presented at DDG forum in June, Welfare Forum in	Submit the Child Care and Protection Policy to Cabinet for approval	The Child Care and Protection Policy was not submitted to Cabinet. However, the policy was submitted to the SPCHD Cabinet Committee in October 2018	The Cabinet Committee returned the policy and made recommendations. The policy will be resubmitted to Cabinet in the 2019/20 financial year
	Implementation of guidelines on community-based prevention and early intervention services to vulnerable children	New indicator	N/A	Develop uniform implementation guidelines for provinces	The uniform Implementation Guidelines on community-based prevention and early intervention services to vulnerable children were developed	No deviation

# **CHILDREN SERVICES, ORPHANS AND VULNERABLE CHILDREN**

Strategic objectives	Performance indica- tor	Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual outputs 2018/19	Reasons for deviation from 2018/19 target
	Programmes for statutory services for children in need of care and protection	New indicator	N/A	Capacitate 9 provinces to implement guidelines and strategies for: adoption, foster care and Child and Youth Care CyCCs)	Nine provinces were capacitated to implement guidelines and strategies for: adoption, foster care and CYCCs	No deviation
	Intersectoral protocol to respond to violence against children, child abuse, neglect and exploitation	New indicator	N/A	Develop the intersectoral protocol	Intersectoral protocol was developed Four provincial consultative workshops and a national consultative workshop were held with stakeholders in the child protection field on the intersectoral protocol to validate and finalise the protocol	No deviation
	Number of provinces trained on Active Teenage Parenting Programme	Train 9 provinces on Active Teenage Parenting Programme	All provinces were trained on the Teenage Parenting Programme	Build capacity in 9 provinces on Active Teenage Parenting Programme	Capacity building on Active Teenage Parenting Programme was conducted in all provinces	No deviation

## Strategies to overcome underperformance below

The policy will be re-submitted to Cabinet in the 2019/20 financial year.

# **SOCIAL CRIME PREVENTION AND VICTIM EMPOWERMENT**

Reasons for deviation from 2018/19 target	No deviation	No deviation	Technical experts for costing only started in the 3rd quarter, which led to the delay in completion of the draft report
Actual outputs 2018/19	Capacity building on the Reviewed Policy Framework was conducted in 9 provinces	Education and awareness campaigns were conducted in 9 provinces	Draft final report on costing was not realised
Annual target 2018/19	Capacity building in 9 provinces to implement the reviewed Policy Framework on Accreditation of Diversion Services	Conduct awareness campaigns in 9 provinces on multidisciplinary Integrated Social Crime Prevention Strategy	Draft final report on costing
Actual achievement 2017/18	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	Four provincial multidisciplinary committees on Integrated Social Crime Prevention were established in KZN, WC, FS and NW A consolidated report on the 4 committees established is in place	The Socio-Economic Impact Assessment System (SEIAS) report has been certified by the Office of the Presidency. The VSS Bill has also been certified by the State Law Advisors
Baseline	Submit Policy Framework on Accreditation of Diversion Services to Cabinet for approval	Five provincial multidisciplinary committees were established in GP, LP, MP, NC and EC	Submit the Bill to Cabinet for approval and gazette for public comments
Performance indicator	Policy Framework on Accreditation of Diversion Services	Integrated Social Crime Prevention Strategy	Bill on Victim Empowerment Support Services
Strategic objectives	Reduce the incidences of social crime and substance abuse and facilitate the provision of support services to target groups by 2019		

# **SOCIAL CRIME PREVENTION AND VICTIM EMPOWERMENT**

Reasons for deviation from 2018/19 target	The process of reviewing the POA was delayed in order to link the POA with the GBV and Femicide Presidential National Summit outcomes	No deviation
Actual outputs 2018/19	Draft POA has not been submitted to Cabinet for approval	Draft Policy was submitted to FOSAD SPCHD Cluster and approval was granted that it be submitted to Cabinet for approval In addition, the draft Policy was costed and submitted to National Treasury for consideration
Annual target 2018/19	Submit the reviewed South African Integrated POA that addresses GBV to Cabinet for approval	Submit draft Anti- Substance Abuse Policy to FOSAD SPCHD Cluster for approval
Actual achievement 2017/18	During the period April 2017 to 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 SMS's received: 1 557  • Total SMS's 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 1012.36%	N/A
Baseline	Implementation plan for the POA	New indicator
Performance indicator	South African Integrated Programme of Action addressing Gender-Based Violence (GBV) 2013-2018	Anti-Substance Abuse Policy
Strategic objectives		

# SOCIAL CRIME PREVENTION AND VICTIM EMPOWERMENT

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19 Actual outputs 2018/19	Actual outputs 2018/19	Reasons for deviation from 2018/19 target
	NDMP implemented	Submit draft NDMP to Cabinet for approval	Consulted the SPCHD and the JCPS Cluster	Submit draft NDMP to Cabinet	The NDMP was not submitted to Cabinet However, it was presented to the Economic Cluster Departments and SPCHD Cluster Departments	As a result of Cabinet reshuffle, the new Minister recommended further consultations on the plan before tabling to Cabinet. The plan will be processed to Cabinet in the new financial year

## Strategies to overcome underperformance below

- The NDMP will be processed to Cabinet in the new financial year.
- The process of reviewing the POA will be completed in the new financial year through linking the POA with the outcomes of the GBV and Femicide Presidential National Summit.

### HIV AND AIDS

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual outputs 2018/19	Reasons for deviation from 2018/19 target
Contribute to the reduction in HIV-risky behaviour and promote psychosocial well-being among targeted key populations by 2019	Integrated Action Plan to respond to the social and structural drivers of HIV, tuberculosis (TB) and sexually transmitted infections (STIs) by 2019	New indicator		Develop draft Integrated Action Plan to respond to the social and structural drivers of HIV, TB and STIs	Draft Integrated Action Plan was developed to respond to the social and structural drivers of HIV, TB and STIs	No deviation

## **RIGHTS OF PERSONS WITH DISABILITIES**

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual outputs 2018/19	Reasons for deviation from 2018/19 target
To promote, protect and empower persons with disabilities through the development and implementation of legislation, policies and programmes	Draft Policy on Social Development Services to Persons with Disabilities	Submit Policy on Social Development Services to Persons with Disabilities to Cabinet for approval and gazette for public	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 updated in the line with additional recommended inputs of the panel	Submit draft Policy on Social Development Services to Social Protection, Community and Human Development (SPCHD) Cluster	The policy was not submitted to SPCHD Cluster. However, the policy was tabled at EXCO on route to MINMEC and Social Cluster	EXCO made a recommendation for the policy to be revised before tabling at MINMEC. The prerequisite for tabling the policy at MINMEC and Social Cluster is EXCO approval
	National Strategic Framework to support implementation of the White Paper on the Rights of Persons with Disabilities (WPRPD)	Develop 2 national strategic frameworks to support the implementation of the WPRPD	One National Framework on Self-Representation was developed	Submit National Strategic Framework on Disability Rights awareness campaigns submitted for Cabinet approval	National Strategic Framework on Disability Rights awareness campaigns was not submitted for Cabinet approval. However, the draft was circulated for stakeholder comment	Capacity constraints – the moratorium on the filling of posts had a ripple effect, also im- pacting on the Director who works alone with only the support of his guide/personal assistant Delays in re-submitting the National Frame- works on Universal Access Design and Reasonable Accom- modation for Cabinet approval has a ripple effect on finalisation of subsequent frameworks

## RIGHTS OF PERSONS WITH DISABILITIES

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual outputs 2018/19	Reasons for deviation from 2018/19 target
	Number of reports on the implementation of the WPRPD and UNCRPD	One report on implementation of the WPRPD produced	ı	One compliance report on implementation of the WPRPD and one periodic report on the UNCRPD submitted to Cabinet for approval	One compliance report on implementation of the WPRPD developed One periodic report on the SA's Response to UN List of Issues on UN CRPD was approved by FOSAD MANCO	Late submissions from departments delayed the Cabinet approval process for compliance report  Due to short approval time frames, the report was approved by FOSAD MANCO, and not Cabinet

## Srategies to overcome underperformance below

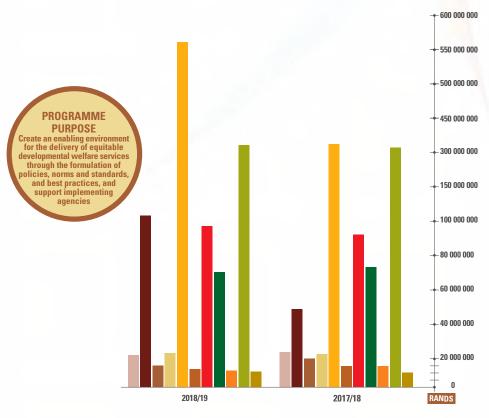
- Filling of funded vacancies in the branch will assist in providing a wider support net.
- Reducing the number of projects by freezing projects deemed essential for implementation of the WPRPD until vacancies are filled.

### **LINKING PERFORMANCE WITH BUDGETS**

### PROGRAMME 4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

### P 4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

			2018/19			2017/18	
Detai	s 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
4.1	Service Standards	24 463	22 944	1 519	27 528	22 908	4 620
4.2	Substance Abuse	106 737	104 833	1 904	73 647	42 048	31 599
4.3	Older Persons	18 939	16 480	2 459	20 191	20 100	91
4.4	People with Disabilities	29 611	26 970	2 641	27 179	26 608	571
4.5	Children	576 092	575 889	203	395 501	390 703	4 798
4.6	Families	9 161	8 967	194	10 159	10 021	138
4.7	Social Crime Prevention & Victim Empowerment	69 895	67 713	2 182	76 079	74 091	1 988
4.8	Youth	15 619	15 619	-	18 025	18 009	16
4.9	HIV and AIDS	122 151	111 491	10 660	98 017	97 133	884
4.10	Social Worker Scholarship	323 028	322 239	789	305 319	305 319	-
4.11	Programme Management	4 744	4 581	163	4 510	4 414	96
	Total	1 300 440	1 277 837	22 603	1 056 155	1 011 354	44 801



**P4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT** 























Older Person

People with Disabilities

### SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

**ANNUAL REPORT 2019** 



PERFORMANCE INFORMATION BY PROGRAMME

### PROGRAMME 5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

### **Purpose**

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

### **Special projects and innovation**

The Special Projects and Innovation Unit continues to lead the coordination of the EPWP for the Social Sector, which comprises the departments of Health, Education, Social Development, Community Safety, and Sports and Recreation in South Africa. The year 2018/19 marked the conclusion of EPWP Phase 3. In this regard, the social sector created a total of 184 520 work opportunities against the set target of 214 444, which translates to 86% achievement. The creation of job opportunities through EPWP contributes to addressing the challenges of poverty and unemployment. Assessed against the five-year target of 1 038 929 work opportunities, the sector achieved 856 648 work opportunities, which translates to 82% achievement of the target.

The unit also commenced with the planning of the Social Sector EPWP Phase 4 through the development of the Business Plan to be implemented from 2019/20 to 2023/24. Various stakeholders, including provincial departments and municipalities, were consulted regarding the plan. A notable achievement in this regard was the approval of the Phase 4 Business Plan by the Cabinet Committee on ESEID in December 2018. The agreed target for the social sector for the next five years is the creation of 875 754 work opportunities. This will form the key coordination focus for the unit for those five years.

### **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) POA.

### Population Policy and ICPD Programme of Action

The Department has compiled a draft Policy+20/ICPD+25 synthesis report. The Department has coordinated the implementation of the 4th UNFPA Country Programme through the National Coordinating Forum (NCF) which supports eight priority districts in the Eastern Cape and KwaZulu-Natal. A statement to the 51st session of the United Nations Commission on Population and Development, a handover report to BRICS and a report on the PPD Annual Conference were developed.

### Research Programme of the Inter-Ministerial Committee on Population Policy

The Department has developed four reports on the priority research areas contained in the 2018/19 work plan of the IMC on Population Policy. The final research reports produced were on the following priority areas: 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. A zero draft policy paper on prospects, recommendations for demographic (youth) dividend for South Africa was compiled.





The Social Sector created 184 520

work opportunity against the set target of 214 444 which translate to 86% achievement



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

The Department produced a coordination report on the national ASRHR Framework Strategy contained in the 2018/19 plan of the IMC on Population Policy. To conclude the progress over five years, an implementation evaluation and final report on legislation that governs ASRHR in South Africa were produced.

The Ezabasha ASRHR dialogues is a platform intended for young people to voice out their experiences and challenges on ASRHR. It is also meant to gather information on their experiences, understandings and challenges regarding ASRHR. The platform seeks to assist stakeholders to identify what ASRHR needs exist among young people in their respective areas and develop appropriate interventions. The Siyakwazi Youth Network, on the other hand, links participating adolescents and youth, using social media, further training, etc. in this regard. A total of 33 Ezabasha ASRHR dialogues were held in five provinces, namely, Western Cape, North West, Northern Cape, Eastern Cape and Gauteng. The Ezabasha ASRHR dialogues built up to three training sessions on Intergenerational Communication on ASRHR for youth and community leaders - one in the Eastern Cape and two in the Northern Cape. Thereafter, two Siyakwazi Youth Network Camps followed, which were held in the Eastern Cape. The Department supported the International Conference on Abortion and Reproductive Justice that was held in Eastern Cape in July 2018.

### National Population Policy Seminars and Capacity Building Programmes to Support the Implementation of the Population Policy

During the period under review, the Department supported four training programmes, namely:

- Applied Population Studies and Research (APSTAR) course
- Post Graduate Diploma in Population Policy Analysis
- Migration, Sustainable Development and Human Rights training session for local planners held in Free State, KwaZulu-Natal and Gauteng
- Intergenerational Communication training on ASRHR

### Scholarships and Mentorship

The Department awarded four international scholarships to students from PPD countries (Uganda, Tunisia, Kenya and Liberia) enrolled for the Post Graduate Diploma in Population Policy Analysis training programme at the North-West University.

### Non-profit organisations' compliance monitoring and funding coordination

The Department through this unit registers and monitors NPOs in terms of the Non-Profit Organisations Act, 1997 (Act No. 71 of 1997). During the reporting period, there was an increase in demand for NPO registration. In this regard, a total of 33 196 NPO applications for registration were received and processed within two months and all NPOs were registered as required by the NPO Act. This brought the total number of registered NPOs since the promulgation of the Act to 224 069. This is an increase of 10.7% from 190 873 organisations which were registered at the end of the previous reporting period.

The Department implemented a number of national interventions to improve the registration of NPOs and access to information. These interventions include, among others, NPO Roadshows and capacity building sessions which seek to increase NPO compliance by reaching out to organisations at the municipal level. The NPO Roadshows have been implemented annually since 2013, targeting municipalities. During the reporting period, a total of 30 roadshows were conducted in the outstanding municipalities, implying that the roadshows have now covered all local municipalities across the country.

Another campaign, which was introduced to reduce NPO non-compliance, was the KYNS campaign. The aims and objectives of the campaign are to encourage NPOs to know their compliance status. When NPOs are conscious of their status, there is a likelihood that they would want to react to any irregularity. The preparatory phases of the campaign were undertaken through training of officials nationally. The campaign will be rolled out in the next financial year.

The Department also initiated and implemented a mechanism to mitigate non-compliance and access to NPO administration offices. This mechanism, named non-compliance drives, was implemented in four provinces, namely, Eastern Cape, KwaZulu-Natal, Free State and Limpopo. The non-compliance drives are part of the NPO compliance strategy, which compels the Department to create access facilities to make it easy and friendly for NPOs to get information and submit their annual reports. The national roll-out of the non-compliance drives will continue for the next two financial years.

The NPO Act requires the Department to develop and implement programmes to support NPOs in their endeavour to voluntarily register and ensure that their standards of governance are maintained. Towards pursuing this mandate, the Department conducted a capacity building programme for NPOs on pre-registration requirements, governance and compliance with different legislative frameworks, including the NPO Act. A total of 3 433 NPOs were capacitated, exceeding the annual target of 3 000 for the period under review. Different methodologies, including information sharing sessions and formal workshops, were used to implement the capacity building session, targeting emerging NPOs and those that were not compliant with NPO legislation. The programme also prioritised organisations that deal with issues of disability.

Another capacity building initiative implemented was the Traina-Trainer Programme, which successfully trained 462 Social Development officials in order to equip them with relevant skills on how to provide quality services and support to NPOs. This includes providing training sessions to orientate officials on matters relating to governance, compliance with relevant legislation and online registration. This is to ensure that the capacity of officials is enhanced for delivery of quality NPO services.

In strengthening partnership and collaboration with NPO network structures, the Department facilitated the implementation of the DSD-NPO Partnership Model and the reviewed DSD Sector Funding Policy. The policy aims to standardise funding norms across provinces. Both the policy and the model were presented at various internal and external forums for information sharing, education and awareness at both national and provincial levels. This resulted in the development of the funding norm for CYCCs, which is standardised across all the provinces.

### Social mobilisation and community empowerment

The Department through this unit facilitated the implementation of Community Development Practice Policy through the establishment of Community Development Forums. In this regard, Community Development Forums were established in all provinces where a total of 320 Community Development Practitioners (CDPs) attended. The establishment of Community Development Forums has enabled the Department to create a conducive environment for community development practice and will serve as a platform through which the Department will engage all CDPs on matters that affect the practice.

Similarly, the unit facilitated the implementation of Community Mobilisation and Empowerment Guidelines through provincial workshops that were conducted in all nine provinces. A total of 475 CDPs participated in these workshops. The guidelines are meant to provide CDPs within the Department with an understanding of the community mobilisation process in all circumstances that affect communities, such as during disasters or when planning for service delivery interventions.

As part of its efforts towards mobilisation of young people, the Department contributed to their skills development, employability and enhancement of their livelihoods through implementation of the youth camps. The objective of the youth camps is to empower young people on youth development issues. A total of 2 638 attended, exceeding the set target of 1 800.





### Poverty Alleviation, Sustainable Livelihood and Food Security

During the reporting period, the Department developed the Women Empowerment Framework and Guideline as part of the Department's contribution towards poverty eradication and elimination of hunger through support to community-driven programmes. The guideline targets women in cooperatives and provides them with necessary skills to participate in the economy. The guideline was consulted with various stakeholders, including provinces, and was approved for implementation. This is part of the Department contributions in making sure that the poor and vulnerable groups access economic opportunities and contribute to poverty alleviation.

This unit also developed a framework on Developmental Model for Community and Nutrition Development Centres (CNDCs). Through its two aspects on nutrition and development, the framework aims to ensure that CNDCs become developmental hubs for the communities and would significantly contribute towards full implementation of

the Household Food Security and Nutrition Model. Implementation of the developmental aspect of the model would further create a platform for the CNDCs to contribute towards the enhancement of sustainable livelihoods for vulnerable people and promotion of social and economic inclusion as espoused by the NDP.

During the reporting period, over 1.1 million vulnerable individuals accessed food through the CNDCs, making the programme one of the major contributors towards ensuring that poor and vulnerable people access nutritious meals daily. The unit further coordinated the implementation of the National Integrated Food and Nutrition Security Plan. This was achieved through a provincial workshop where stakeholders were trained on how to implement the plan in all its modalities. All these efforts make the Department a key contributor towards 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.

### SPECIAL PROJECTS AND INNOVATION

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19	Annual target 2018/19 Actual output 2018/19	Reasons for deviation from 2018/19 target
Facilitate management and coordination of cross-cutting functions for DSD and Social Cluster	Social Sector Plan phase IV through the EPWP	Social Sector Plan phase Convene 32 Social Sec- 33 Social Sector coor- IV through the EPWP tor coordination forums were convened	33 Social Sector coordination forums were convened	Develop phase IV of the Social Sector Plan through the EPWP	EPWP Phase IV Social Sector Plan was devel- oped	No deviation

### POPULATION AND DEVELOPMENT

Strategic objectives	Performance indicator	Baseline	Actual achievement 2017/18	Annual target 2018/19	Actual output 2018/19	Reasons for deviation from 2018/19 target
Promote and support the implementation of the Population Policy	Number of progress reports on the implementation of the White Paper on Population Policy and the ICPD POA	Produce 10 reports on the implementation of the Population Policy	Produced 10 reports on the implementation of the Population Policy	Produce 9 reports on the implementation of the White Paper on Population Policy and the ICPD POA	A total of 9 reports on the implementation of the White Paper on Population Policy and the ICPD POA were produced	No deviation
	Policy paper on prospects and recommendations for the demographic youth dividend for South Africa	New indicator		Finalise draft Policy Paper on demographic youth dividend	A draft Policy Paper on demographic youth dividend was finalised	No deviation

## **NON PROFIT ORGANISATIONS REGISTRATION AND SUPPORT**

Reasons for deviation from 2018/19 target	No deviation	No deviation	The NPO Amendment Bill was not submitted to Cabinet due to the fact that there was a delay in the finalisation of phase 2 of the SEIAS process. As a result, the NPO Amendment Bill could not be presented to relevant approval structures, i.e. Technical Working Group and the Social Cluster Forum
Actual output 2018/19	Implementation of the DSD Sector Funding Policy facilitated through stakeholder engagements with internal and external stakeholders. Funding norms for child and youth care workers were developed and standardised across provinces	Facilitated implementation of the DSD-NPO Partnership Model through consultative engagements with the relevant stakeholders for information sharing, education and awareness	A first phase SEIAS report was received from the DPME with comments and inputs.  Draft NPO Bill was developed and subjected to State Law Advisors for certification; and approval with a pre-certification was received from the State Attorneys
Annual target 2018/19	Facilitate the implementation of the DSD Sector Funding Policy	Facilitate the implementation of the DSD-NPO Partnership Model	Submit the NPO Bill to Cabinet
Actual achievement 2017/18	The policy was presented at the Policy Forum in March 2018 and submitted to Welfare Services Forum and MANCO 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	Consultation was done with other government departments through an intergovernmental forum Completed consultations as follows:  1 National body and networking structure 4 NPO Sector consultations 8 NPO Sector consultations conducted in 5 provinces
Baseline	Submit DSD Sector Funding Policy for ap- proval	Submit Partnership Model for State, NPOs and relevant stakeholders for approval	Table NPO Amendment Bill in Parliament
Performance indicator	DSD Sector Funding Policy	DSD-NPO Partnership Model	NPO Act amended
Strategic objectives	Create an enabling environment for NPOs to deliver effective services by 2019		

### Strategies to overcome underperformance

The Bill will be submitted to Cabinet in the 2019/20 financial year.

## SOCIAL MOBILISATION AND COMMUNITY EMPOWERMENT

Reasons for deviation from 2018/19 target	No deviation	No deviation	No deviation	No deviation	No deviation
Actual output 2018/19	Implementation of Community Development Practice Policy has been facilitated through the establishment of Community Development Forums in all provinces. These forums will assist in the implementation of the Practice Policy	Implementation of Community Mobilisation and Empowerment Guidelines were facilitated through workshops in all provinces. Workshops provided provinces with necessary capacity to be able to implement the guideline approximately	The implementation of the Social Development Youth Policy was facilitated through hosting of round-table discussion with all provinces	The implementation of the Social Development Youth Strategy was facilitated through hosting of round-table discussion with all provinces to ensure that the strategy is implemented uniformly	A total of 2 638 youths across all provinces attended youth camps. The decentralised youth camps provided an opportunity for provinces to maximise provincial attendance
Annual target 2018/19	Facilitate implementation of the Community Development Practice Policy	Facilitate implementation of guidelines	Facilitate the implementation of the Social Development Youth Policy	Facilitate the implementation of the Social Development Youth Strategy	1 800 youth attending youth camps
Actual achievement 2017/18	Community Development Practice Policy Implementation report developed	Guidelines on Community Mobilisation and Empowerment submitted for approval		Social Development Youth Strategy submitted for approval	1 047 youth participated in the national youth camp
Baseline	Facilitate implementation of the Community Development	National guidelines for community mobilisation and intervention	Submit the Social Development Youth Policy for approval	Submit the Social Development Youth Strategy for approval	1 000 youth attending national youth camps
Performance indicator	Community Development Practice Policy	National guidelines for community mobilisation and implementation	Social Develop- ment Youth Policy	Social Develop- ment Youth Strategy	Number of youth attending national youth camps
Strategic objectives	Facilitate and coordinate community development efforts to build vibrant and	sustainable communities by 2019			

# POVERTY ALLEVIATION, SUSTAINABLE LIVELIHOOD AND FOOD SECURITY

Reasons for deviation from	Implementation of the National Treasury Reclassification Circular 21 grossly affected performance of Cooperatives as it reviewed the funding model and requires that they participate under Goods and Services. Furthermore, they are not acquainted with SCM processes	No deviation	No deviation	The overachievement is due to high demand for food by vulnerable individuals in the country
Reas				
Actual output 2018/19	678 Cooperatives linked to economic opportunities	Developmental Model for CNDCs was developed	The assessment of the implementation of the Integrated Food and Nutrition Security Plan was undertaken and provinces are being supported to ensure the adoption and implementation of the plan	A total of 1 160 433 vulnerable individuals accessed food through DSD feeding programmes
Annual	1 000 Cooperatives linked to economic opportunities	Develop a Developmental Model for CNDCs	Assess the implementation of the Integrated Food and Nutrition Security Plan	415 000 vulnerable individuals accessing food through CNDCs
Actual achieve-	1 607 Cooperatives linked to economic opportunities		Implementation of Integrated Food and Security Plan implemented in 9 provinces	282 134 people accessed food through CNDCs
Baseline	600 Cooperatives linked to economic opportunities	New indicator	Facilitate the implementation of the Integrated Food and Nutrition Security Plan in 9 provinces	80 000 vulnerable individuals accessing food through CNDCs
Performance	Number of Cooperatives linked to economic opportunities	Developmental Model for CNDCs	Integrated Food and Nutrition Security Plan	Number of vulnerable individuals accessing food through CNDCs
Strategic	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			

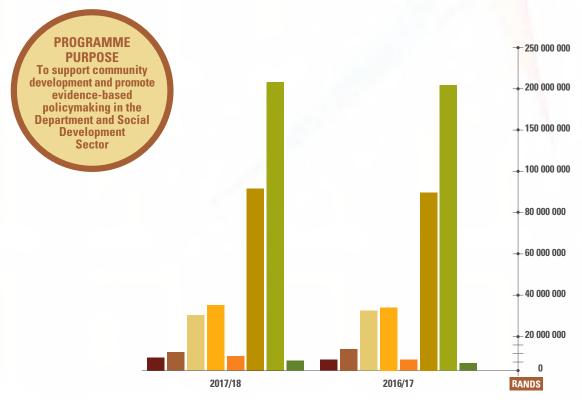
### Strategies to overcome underperformance

Cooperatives will be capacitated to be acquainted with SCM processes.

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

### P 5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

1 3. 0	OCIAL POLICY AND INTEGRA	ILD OLIIVIOL DE	LIVLIII				
			2018/19			2017/18	
Detai	ls 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
5.1	Social Policy Research & Development	6 594	6 408	186	5 718	4 889	829
5.2	Special Projects & Innovation	6 797	6 764	33	10 612	10 212	400
5.3	Population Policy Promotion	34 133	33 560	573	35 539	35 443	96
5.4	Registration & Monitoring of Non-Profit Organisations	36 900	36 803	97	36 754	36 704	50
5.5	Substance Abuse Advisory Services & Oversight	4 808	4 759	49	4 231	3 630	601
5.6	Community Development	96 149	95 186	963	91 385	91 371	14
5.7	National Development Agency	202 578	202 578	-	201 013	200 916	97
5.8	Programme Management	4 344	4 254	90	3 454	3 424	30
	Total	392 303	390 312	1 991	388 706	386 589	2 117



### P5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY



















Population Policy Promotion

Registration & Monitoring of Non-Profit Organisations

Substance Abuse Advisory Services & Oversight

80

### **TRANSFER PAYMENTS**

### Transfer payments to Public Entities

SOUTH AFRICAN SOCIAL SECURITY AGEN	CY (SASSA)
Services rendered by the public entity	SASSA's objectives are to ensure the effective and efficient administration, management and payment of social assistance grants
Amount transferred to the public entity (R'000)	7 762 878
Amount spent by the public entity (R'000)	6 282 625
Achievements of the public entity	For the financial year under review, SASSA managed to increase the number of social grants in payment, including GIA from 17 509 995 to 17 811 745. This represents an overall increase of 1.7%.
	SASSA continued with the implementation of the Integrated Community Registration Outreach Programme, to enable poor and vulnerable people to access government services within their reach. With this programme, 317 poor wards were reached. The programme contributed to the increase in new applications processed during this period. A total of 1 636 755 new social grant applications were processed against a projected 1 600 000.
	The time spent processing social grants continues to be narrowed as 98.88% (1 618 503 of 1 636 755) of grants were processed within 10 days, while 84% (1 372 781 of 1 636 755) were processed within one day.
	SASSA awarded 443 687 SRD applications. These awards were in different forms, ranging from cash, food parcels, vouchers and school uniform at a cost of R485 734 million.
	For the period under review, SASSA processed a total of 131 341 foster child grant reviews to enable eligible recipients to remain in the register and continue receiving their benefits. This represents a 100% achievement against the targeted reviews for the 2018/19 financial year. Progress made on the payment transition.
	SASSA was able to phase out the services of Cash Paymaster Services (CPS¹) at the end of September 2018 and all 3 160 832 (as per contract with CPS¹) cash beneficiaries were migrated to SAPO and private banks at the end of September 2018.
	All social grants are paid by SASSA through direct deposits into beneficiaries' nominated bank accounts, whether these are with commercial banks or with SAPO. There is thus no longer a separate cash payment file. However, in order to ensure service delivery and ease of access to social grants, SASSA maintains various payment channels through which beneficiaries can access their social grants. These channels are cash at designated pay points; cash over the counter at post offices; cash withdrawals through point of sale devices at merchants; or cash withdrawals at banks and bank ATMs.
	SAPO services were phased in by 30 September 2018. This was achieved through progressive implementation of SAPO services at cash pay points, as well as a concerted card swap project, which saw in excess of 7 million SASSA/SAPO cards distributed to existing beneficiaries over the course of nine months. By December 2018, the old white SASSA card was no longer receiving deposits of grant money by SASSA.
	At the beginning of April 2018, SASSA commenced with the biometric enrolment of beneficiaries — a function that was carried out by an external service provider. Regrettably, the implementation of the function was suspended in October 2018 due to labour disputes between SASSA and Labour Unions. Due to the suspension, only 36% (506 886 of 1 400 811) of new beneficiaries were biometrically enrolled by SASSA.

National Development Agency (NDA)	
Services rendered by the public entity	The NDA provides grant and capacity building to CSOs that implement development programmes in poor communities
Amount transferred to the public entity (R'000)	202 578
Amount spent by the public entity (R'000)	226 344
Achievements of the public entity	9 116 CSOs participated in CSO mobilisation
	923 CSOs were assisted to formalise their structures
	Due to increased access of NDA services by CSOs, 4 498 CSOs were trained to comply with registration legislation while 5 600 were capacitated in civil society organisational management.
	124 CSOs received grant funding for the 2018/19 financial year and 1 583 CSOs were referred to sustainable resource opportunities.

<b>National Student Financial Aid Scheme</b>	(NSFAS)
Services rendered by the public entity	Administer the Social Work Scholarship Programme on behalf of the Department
Amount transferred to the public entity (R'000)	126 245
Amount spent by the public entity (R'000)	153 953
Achievements of the public entity	The Department continued to suspend recruitment of new intakes into the scholarship programme as approved in the 2017 MTEF. For the financial year 2018/19, a total of 2009 students were allocated social work scholarships. These are students who were carried over from the 2017/18 financial year and registered for the Bachelor of Social Work degree in the 16 universities providing the programme. As at end March 2018, an amount of R93 million was rolled over from the 2017/18 financial year, which was used to settle outstanding claims for the period January to March 2018 as well as payment for new claims. An amount of R126, 245 million (inclusive of 2.5% for administration fees) was transferred to NSFAS for payment of approved fees and allowances to 2 009 students for the 2018 academic year ending December 2018. The Department recognises the overlap between departmental financial year ending March 2019 and universities' academic year commencing January 2019. In this regard, the Department pre-approved a total of 1 011 students to be registered for the 2019 academic year and facilitated payment of fees and allowances in respect of such students for the period January to March 2019. Savings from the 2018/19 financial year will therefore be R56 202 813.90.

Although 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.

The table below reflects the transfer payments made for the period 1 April 2018 to 31 March 2019

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity R'000)	Reasons for the funds unspent by the entity
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 and provide continuous support to provincial Older Persons Forums	Yes	1 546	1 546	N/A
Suid Afrikaanse Vroue Federasie	NPO	For the strengthening, supporting and preserving of families through research, transformed and sustainable services and programmes	Yes	795	0	Unspent funds relate to funded activities to be implemented until the end of the implementation period in March 2020
Kagisano	NPO	Implementing the Household Food and Nutrition Security Programme in Gauteng	Yes	5 955	5 893	Unspent funds relate to activities to be finalised in the first quarter of the 2019/20 financial year
Adventist Development and Relief Agency PDC	NPO	Implementing the Household Food and Nutrition Security Programme in the Free State	Yes	5 956	5 339	Unspent funds relate to activities to be finalised in the first quarter of the 2019/20 financial year
South African Food Security and Development Agency (SAFSDA)	NPO	Implementing the Household Food and Nutrition Security Programme in KwaZulu- Natal	Yes	5 955	5 803	Unspent funds relate to activities to be finalised in the first quarter of the 2019/20 financial year
Nonesi Develop- ment and Legal Advice	NPO	Implementing the Household Food and Nutrition Security Programme in the Eastern Cape	Yes	5 956	6 256	Expenditure includes funds rolled over from the 2017/18 financial year
Makotse Women's Club	NPO	Implementing the Household Food and Nutrition Security Programme in Limpopo	Yes	5 956	6 144	Expenditure includes funds rolled over from the 2017/18 financial year
llitha La Bantu	NPO	Implementing the Household Food and Nutrition Security Programme in the Western Cape	Yes	12 297	12 307	Expenditure includes funds rolled over from the 2017/18 financial year
Motswedi Wa Sechaba	NPO	Implementing the Household Food and Nutrition Security Programme in North West	Yes	5 956	6 003	Expenditure includes funds rolled over from the 2017/18 financial year

The table below reflects the transfer payments made for the period 1 April 2018 to 31 March 2019

Reasons for the funds unspent by the entity	Unspent funds relate to activities to be finalised in the first quarter of the 2019/20 financial year to continue with the activities funded	Unspent funds will be rolled over to the 2019/20 financial year to continue with the activities funded	The unspent funds relate to 2018/19 funded activities which will be implemented up to September 2019	The total expenditure includes funds rolled over from the 2017/18 financial year. Unspent funds relate to 2018/19 funded activities which will be implemented up to October 2019	The total expenditure includes funds rolled over from the 2017/18 financial year. Unspent funds relate to 2018/19 funded activities which will be implemented up to September 2019	Unspent funds relate to 2018/19 funded activities which will be implemented up to October 2019	The total expenditure includes funds rolled over from the 2017/18 financial year. Unspent funds relate to 2018/19 funded activities which will be implemented up to September 2019
Amount spent by the entity R'000)	5 889	5 943	331	820	902	338	1 558
Amount transferred (R'000)	5 956	5 956	1 200	1 206	1 062	1 622	1 100
Did the Dept. comply with s 38 (1) (j) of the PFMA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Purpose for which the funds were used	Implementing the Household Food and Nutrition Security Programme in the Northern Cape	Implementing the Household Food and Nutrition Security Programme in Mpumalanga	Rendering prevention and early intervention services to orphans and vulnerable children	Development, management and implementation of training programme for social workers entering the field of adoption services	Coordinating and monitoring the transformation of services in accordance with legislative frameworks, specifically the Children's Act in order to ensure compliance and to conduct capacity building on the legislative and policy framework for children and other critical child protection delivery services	Providing quality, effective and efficient partial care and ECD services	Providing quality, effective and efficient partial care and ECD services
Type of organisation	NPO	NPO	Non-Profit Organisation	Non-Profit Organisation	Non-Profit Organisation	Non-Profit Organisation	Non-Profit Organisation
Name of transferee	Thabang Informa- tion Centre	Kago Yabana Foundation	Humana Peoples Organisation	ABBA Special Adoptions and Social Services	Childline South Africa	UHAMBO	Ntataise Trust

The table below reflects the transfer payments made for the period 1 April 2018 to 31 March 2019

<b>6 6 6 6 6 6 6 6 6 6</b>	Type of organisation Non-Profit	Purpose for which the funds were used Coordinating and monitoring the	Did the Dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity R'000)	Reasons for the funds unspent by the entity The total expenditure includes funds rolled
g O	Organisation	transformation of services in accordance with legislative frameworks, specifically the Children's Act in order to ensure compliance and to conduct capacity building on the legislative and policy framework for children and other critical child protection delivery services				over from the 2017/18 financial year. Unspent funds relate to 2018/19 funded activities which will be implemented up to September 2019
_ g	Non-Profit Organisation	Facilitate transformation of services in accordance with the Children's Act	Yes	500	408	Unspent funds relate to 2018/19 funded activities which will be implemented up to November 2019
<b>=</b> 0	Non-Profit Organisation	Providing quality, effective and efficient partial care and ECD services	Yes	700	1 080	The total expenditure includes funds rolled over from the 2017/18 financial year. Unspent funds relate to 2018/19 funded activities which will be implemented up to October 2019
	Non-Profit Organisation	Coordinating and monitoring the transformation of services in accordance with legislative frameworks, specifically the Children's Act in order to ensure compliance and to conduct capacity building on the legislative and policy framework for children and other critical child protection delivery services	Yes	700	322	Unspent funds relate to 2018/19 funded activities which will be implemented up to September 2019
	Non-Profit Organisation	Supporting the implementation of the National Strategic Plan for HIV, TB and STIs 2017-2022 (NSP) and promoting and securing 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	30 000	22 328	The unspent funds relate to 2018/19 funded activities which will be finalised in the first quarter of 2019/20

The table below reflects the transfer payments made for the period 1 April 2018 to 31 March 2019

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity R'000)	Reasons for the funds unspent by the entity
South African National AIDS Council	Non-Profit Organisation	Providing technical and administrative support for the implementation of social Behaviour Change Programme, which is implemented in partnership with provincial implementing partners	Yes	52 104	77 039	The total expenditure relates to funds rolled over from the 2017/18 financial year. Unspent funds related to 2018/19 funded activities will be utilised to implement funded activities until March 2020
South African National Council on Alcoholism and Drug Dependence	Non-Profit Organisation	For the establishment of structures to render aftercare services	Yes	1 626	517	Unspent funds related to 2018/19 funded activities will be utilised to implement funded activities until July 2019
South African Depression and Anxiety Group	Non-Profit Organisation	Management and maintenance of Substance Abuse toll-free number and provide assistance to service users	Yes	1 600	736	Unspent funds related to 2018/19 funded activities will be utilised to implement funded activities until August 2018
National Shelter Movement	Non-Profit Organisation	For the rendering of victim empowerment and support services to victims of crime and violence	Yes	312	418	The total expenditure relates to funds rolled over from the 2017/18 financial year. 2018/19 funded activities will be implemented until October 2019 using the unspent funds
National Peace Accord Trust	Non-Profit Organisation	Providing Psychosocial support (Ecotherapy) for military veterans	Yes	624	388	The total expenditure includes funds rolled over from the 2017/18 financial year. Unspent funds related to 2018/19 funded activities will be utilised to implement funded activities until September 2019
LifeLine SA	Non-Profit Organisation	For the provision of an Intersectoral helpline in response to violence against victims of crime	Yes	098	427	Unspent funds related to 2018/19 funded activities will be utilised to implement funded activities until October 2019
National Institute Community Development and Management	Non-Profit Organisation	Provision of early trauma support following incidences of violence, particularly against women and children	Yes	1 513	567	Unspent funds related to 2018/19 funded activities will be utilised to implement funded activities until October 2019

The table below reflects the transfer payments made for the period 1 April 2018 to 31 March 2019

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity R'000)	Reasons for the funds unspent by the entity
South African Federation of Mental Health	Non-Profit Organisation	For the provision of capacity and empowerment to affiliated organisations	Yes	400	0	The organisation was finalising activities from the 2017/18 financial year. Activities funded in the 2018/19 financial year will be finalised by January 2020
Autism SA	Non-Profit Organisation	For the implementation of capacity building strategies	Yes	450	816	The total expenditure relates to funds rolled over from the 2017/18 financial year. Unspent funds related to 2018/19 funded activities will be utilised to implement funded activities until December 2019
Albinism Society of South Africa	Non-Profit Organisation	To capacitate affiliated organisations, coordinate research and facilitate advocacy and awareness programmes on the rights of persons with disabilities	Yes	400	0	Unspent funds related to 2018/19 funded activities will be utilised to implement funded activities until December 2019
Deafblind South Africa	Non-Profit Organisation	For the implementation of capacity building strategies	Yes	300	523	Expenditure relates to funds rolled over from the 2017/18 financial year. Unspent funds related to 2018/19 funded activities will be utilised to implement funded activities until January 2020
Disabled Children's Action Group	Non-Profit Organisation	To implement a Pilot project on skills development and empowerment programmes for parents of children with disabilities as well as children and youth with disabilities in three identified provinces	Yes	450	0	The contract was signed on 31 March 2019. The unspent allocation will be used until March 2020
South African National Deaf Association	Non-Profit Organisation	To facilitate research on accessible video remote communication service provision for deaf people	Yes	009	0	The first tranche was transferred during the fourth quarter of the 2018/19 financial year. Unspent funds will be rolled over to the 2019/20 financial year to implement funded activities
South African Council for Social Service Professions	Statutory Body	To ensure an ethically competent and efficient group of Social Service Professionals	Yes	1 946	0	The contract was signed on 29 March 2019. The unspent allocation will be used during the 2019/20 financial year.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2018 to 31 March 2019, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount budgeted Amount transferred for (R'000)	Reasons why funds were not transferred
National Shelter Movement	To conduct research on the implementation of victim empowerment services	624	312	The second tranche was not transferred to the organisation as the organisation reported that activities funded in the 2018/19 financial year will only be implemented from 1 April 2019
South African Federation for Mental Health	For the provision of capacity and empowerment to affiliated organisations	800	400	Planned activities for the 2018/19 financial year will only be implemented from 1 April 2019
Autism South Africa	For the implementation of capacity building strategies	006	450	Activities funded in the 2018/19 financial year will only be implemented from April 2019
Albinism Society of South Africa	To capacitate affiliated organisations, coordinate research and facilitate advocacy and awareness programmes on the rights of persons with albinism	800	400	Funded activities will only be implemented with effect from April 2019
Deafblind South Africa	For the implementation of capacity building strategies	009	300	The organisation's funded activities for 2018/19 will be implemented from April 2019
Disabled Chil- dren's Action Group	Implement a Pilot project on skills development and empowerment programmes for parents of children with disabilities as well as children and youth with disabilities	704	450	The contract was signed on 31 March 2019. The second tranche will be released once a satisfactory progress report has been submitted by the organisation
South African National AIDS Council	Providing technical and administrative support for the implementation of social Behaviour Change Programme which is implemented in partnership with provincial implementing partners	62 560	52 104	The contract was signed on 30 March 2019. The amount of R10, 456 million will be transferred to SANAC once a project plan and progress report has been submitted by the organisation

### **CONDITIONAL GRANTS**

### Conditional grants and earmarked funds paid

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

### Early Childhood Development Conditional Grants

Department/Municipality to whom the grant has been transferred	Eastern Cape Provincial DSD
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through centre-based ECD services
	To improve the registration status of centre-based ECD centres providing an ECD programme to meet basic requirements
Expected outputs of the grant	<b>Subsidy</b> To increase the number of poor children benefiting from the ECD Subsidy for 264 days per annum
	Maintenance To upgrade and increase the number of conditionally registered ECD centre to full registration
Actual outputs achieved	Subsidy A total of 20 812 poor children benefited from ECD services
	<ul> <li>ECD centres were subsidised for 237 days in 2018/19 financial year and 264 Special Day-Care Centres</li> <li>20 429 children attended registered centre during the 2018/19 financial year</li> </ul>
	Maintenance 873 ECD centres were conditionally registered
	180 ECD centres were assessed by the Provincial Department of Roads and Public Works
	18 ECD centres were upgraded from the maintenance component
	ECD centres moved from conditional registration to full registration as a result of maintenance component
Amount per amended Division of Revenue Act (DORA) (R'000)	R78 715
Amount transferred (R'000)	R78 715
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R72 671
Reasons for the funds unspent by the entity	The reason for unspent funds was due to delays and late submission of documents requested for payment
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports

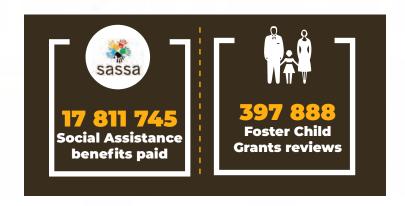
Department/Municipality to whom the grant has been transferred	Free State Provincial DSD
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through centre-based ECD services  To improve the registration status of centre-based ECD centres providing an ECD programme to meet
	basic requirements
Expected outputs of the grant	Subsidy To increase the number of poor children benefiting 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: 3 610 children received subsidy in 17 ECD centres
	Maintenance: Conditions of 32 ECD centres have improved through the maintenance grant and will be assisted to obtain full registration
	Administration: One (1) AC, six (6) Technicians and one (1) Project Manager were appointed to manage the programme
Amount per amended DORA	R21 656
Amount transferred (R'000)	R21 656
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R21 209
Reasons for the funds unspent by the entity	Outstanding maintenance on funds committed for three ECD centres during the 2018/19 financial year will be included in the request for roll-overs to the 2019/20 financial year
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports

Department/Municipality to whom the grant has been transferred	Gauteng Provincial DSD
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through centre-based ECD services
	To improve the registration status of centre-based ECD centres providing an ECD programme to meet basic requirements
Expected outputs of the grant	Subsidy To increase the number of poor children benefiting 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	<ul> <li>Maintenance of 13 ECDs was achieved with the allocated amount</li> <li>Of the five employees assisting the Department in delivering and monitoring the ECD maintenance grant, one resigned during the financial year</li> <li>Two employees are managing the implementation of the Subsidy component of the ECD Conditional Grant</li> <li>170 conditionally registered ECDs benefited through the ECD Conditional Grant</li> <li>11 543 children benefited from the subsidy component of the ECD Conditional Grant</li> </ul>
Amount per amended DORA	R62 777
Amount transferred (R'000)	R62 777
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R44 336
Reasons for the funds unspent by the entity	The following challenges were experienced:  Obtaining Conditional Environmental Health Certificates/Reports from Municipalities to register ECD's  The three main offices in the province were closed during the third quarter, due to Occupational Health and Safety (OH&S) compliance issues  Lack of resources to conduct outstanding inspections for the verification of ECD sites that are legible for subsidy through the ECD Conditional Grant
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports

Department/Municipality to whom the grant has been transferred	KwaZulu-Natal Provincial DSD
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through centre-based ECD services
	To improve the registration status of centre-based ECD centres providing an ECD programme to meet basic requirements
Expected outputs of the grant	Subsidy To increase the number of poor children benefiting 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	10 007 poor children from 280 ECD centres benefited from the conditional grant subsidy
	63 ECD centres benefited from the conditional grant maintenance
Amount per amended DORA	R109 519
Amount transferred (R'000)	R109 519
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R109 519
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



Department/Municipality to whom the grant has been transferred	Limpopo Provincial DSD
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through centre-based ECD services
	To improve the registration status of centre-based ECD centres providing an ECD programme to meet basic requirements
Expected outputs of the grant	Subsidy To increase the number of poor children benefiting 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: 11 756 beneficiaries or children accessing government subsidy for 264 days through partial care facilities  Maintenance In addition to the 96 ECD centres which were maintained during the previous financial year, a further 199 ECD centres have been completed as per the completed upgrading assessment for the 2018/19 financial year
Amount per amended DORA	R68 561
Amount transferred (R'000)	R68 561
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R63 978
Reasons for the funds unspent by the entity	Some ECD centres were not paid for the last two quarters of the 2018/19 financial year due to non-compliance to norms and standards
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports



Department/Municipality to whom the grant has been transferred	Mpumalanga Provincial DSD
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through centre-based ECD services
	To improve the registration status of centre-based ECD centres providing an ECD programme to meet basic requirements
Expected outputs of the grant	Subsidy To increase the number of poor children benefiting 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	<ul> <li>21 104 children attending registered ECD services in fully registered centres</li> <li>59 144 children attending ECD services in conditionally registered centres</li> <li>48 161 poor children benefited from the subsidy in fully and conditionally registered centres</li> <li>8 440 poor children benefited from the subsidy in fully registered and conditionally registered centres</li> <li>264 days subsidised for centre-based programmes</li> <li>All planned 35 ECDs under the maintenance grant were maintained, completed and transferred to the programme for re-registration</li> </ul>
Amount per amended DORA	R41 998
Amount transferred (R'000)	R41 998
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R41 095
Reasons for the funds unspent by the entity	Late appointment of Chief Works Inspector due to poor response to the advertisement
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports



Department/Municipality to whom the grant has been transferred	Northern Cape Provincial DSD
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through centre-based ECD services
	To improve the registration status of centre-based ECD centres providing an ECD programme to meet basic requirements
Expected outputs of the grant	Subsidy To increase the number of poor children benefiting 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	<ul> <li>Subsidy:</li> <li>16 490 children benefited from ECD services subsidised from provincial equitable share allocations</li> <li>1 640 children benefited from ECD services subsidised from the conditional grant allocation</li> <li>18 130 poor children benefited from subsidised ECD services</li> <li>9.04% more children benefited from subsidised ECD services</li> <li>Maintenance</li> <li>334 centres in three districts were assessed for Early Childhood Development Maintenance Grant (ECDMG)</li> <li>153 centres conditionally registered as per registration framework</li> <li>109 centres are fully registered ECD centres</li> <li>38 centres were upgraded from the ECDMG for 2018/19</li> <li>2 centres' funds were committed but not finalised.</li> <li>The centres in 1 district was completed but not paid due to the investigation for 17/18.</li> </ul>
Amount per amended DORA	R16 496
Amount transferred (R'000)	R16 496
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R14 028
Reasons for the funds unspent by the entity	<ul> <li>Underspending under the administration allocation due to the Social Worker not being appointed in time</li> <li>Slight underspending under the subsidy allocation due to payments which were not paid successfully</li> <li>Underspending under the maintenance component was due to the following:         <ul> <li>committed expenditure not paid successfully;</li> <li>orders issued but not paid yet; and</li> <li>educational material not procured on time.</li> </ul> </li> </ul>
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports

Department/Municipality to whom the grant has been transferred	North West Provincial DSD
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through centre-based ECD services
	To improve the registration status of centre-based ECD centres providing an ECD programme to meet basic requirements
Expected outputs of the grant	Subsidy To increase the number of poor children benefiting 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	<ul> <li>Subsidy</li> <li>17 616 beneficiaries or children accessing government subsidy for 264 days through partial care facilities</li> <li>Maintenance</li> <li>44 ECD centres were assessed for the maintenance component, of which 36 ECD centres were maintained successfully</li> </ul>
Amount per amended DORA	R52 185
Amount transferred (R'000)	R52 185
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R52 185
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

Department/Municipality to whom the grant has been transferred	Western Cape Provincial DSD
Purpose of the grant	To increase the number of poor children accessing subsidised ECD services through centre-based ECD services
	To improve the registration status of centre-based ECD centres providing an ECD programme to meet basic requirements
Expected outputs of the grant	Subsidy To increase the number of poor children benefiting 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	<ul> <li>Increased access to ECD services for poor children who would otherwise have not had access to government funding</li> <li>7 000 children were targeted</li> <li>Improving the health and safety conditions in which stimulation and early learning take place</li> <li>123 ECD facilities were targeted for upgrades</li> </ul>
Amount per amended DORA	R38 893
Amount transferred (R'000)	R38 893
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R38 312
Reasons for the funds unspent by the entity	<ul> <li>Maintenance of four ECD facilities could not be conducted due to facilities closing down prior to the upgrades</li> <li>The underspending of the subsidy grant is due to the following:         <ul> <li>Governance and financial systems that were not in place</li> </ul> </li> <li>Social work policy developer assessment that indicated decline.</li> </ul>
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports

### Social Worker Conditional Grant

### **TABLE 1**

Department/Municipality to whom the grant has been transferred	Eastern Cape Provincial DSD
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by Provincial Departments of Social Development (PDSD)
Expected outputs of the grant	<ul> <li>Increase in the employment of social workers who benefited from the social workers scholarship</li> <li>Reduction in the backlog of unemployed social worker graduates during the 2018/19 financial year</li> <li>The total number of social work graduates employed through the provincial Social Development Sector</li> <li>The number of social work graduates not yet employed at the end of the reporting period</li> </ul>
Actual outputs achieved	<ul> <li>Salaries of 150 social workers employed in 2017/18 were sustained</li> <li>Backlog of unemployed social work graduates database was updated</li> </ul>
Amount per amended DORA	R45 074
Amount transferred (R'000)	R45 074
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R45 073
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

Department/Municipality to whom the grant has been transferred	Free State Provincial DSD
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by PDSD
Expected outputs of the grant	<ul> <li>Increase in the employment of social workers who benefited from the social workers scholarship</li> <li>Reduction in the backlog of unemployed social worker graduates during the 2018/19 financial year</li> <li>The total number of social work graduates employed through the provincial Social Development Sector</li> <li>The number of social work graduates not yet employed at the end of the reporting period</li> </ul>
Actual outputs achieved	<ul> <li>10 social work appointments maintained</li> <li>Induction conducted for newly employed social workers achieved</li> <li>Tools of trade procured for newly appointed social workers</li> </ul>
Amount per amended DORA (R'000)	R3 519
Amount transferred (R'000)	R3 519
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R3 472
Reasons for the funds unspent by the entity	The Department was able to negotiate prices with laptop service providers
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports

Department/Municipality to whom the grant has been transferred	Gauteng Provincial DSD
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by PDSD
Expected outputs of the grant	<ul> <li>Increase in the employment of social workers who benefited from the social workers scholarship</li> <li>Reduction in the backlog of unemployed social worker graduates during the 2018/19 financial year</li> <li>The total number of social work graduates employed through the provincial Social Development Sector</li> <li>The number of social work graduates not yet employed at the end of the reporting period</li> </ul>
Actual outputs achieved	Maintained the appointment of nine social work graduates
Amount per amended DORA (R'000)	R2 655
Amount transferred (R'000)	R2 655
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R2 654
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

Department/Municipality to whom the grant has been transferred	KwaZulu-Natal Provincial DSD
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by PDSD
Expected outputs of the grant	<ul> <li>Increase in the employment of social workers who benefited from the social workers scholarship</li> <li>Reduction in the backlog of unemployed social worker graduates during the 2018/19 financial year</li> <li>The total number of social work graduates employed through the provincial Social Development Sector</li> <li>The number of social work graduates not yet employed at the end of the reporting period</li> </ul>
Actual outputs achieved	One hundred and sixty-six (166) social work graduates that were appointed in the 2017/18 financial year were maintained
Amount per amended DORA (R'000)	R57 855
Amount transferred (R'000)	R57 855
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R57 855
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

Department/Municipality to whom the grant has been transferred	Limpopo Provincial DSD
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by PDSD
Expected outputs of the grant	<ul> <li>Increase in the employment of social workers who benefited from the social workers scholarship</li> <li>Reduction in the backlog of unemployed social worker graduates during the 2018/19 financial year</li> <li>The total number of social work graduates employed through the provincial Social Development Sector</li> <li>The number of social work graduates not yet employed at the end of the reporting period</li> </ul>
Actual outputs achieved	<ul> <li>During the financial year 2018/19, the Provincial Department managed to sustain the appointment of 209 social workers</li> </ul>
Amount per amended DORA (R'000)	R50 631
Amount transferred (R'000)	R50 631
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R50 631
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

Department/Municipality to whom the grant has been transferred	Mpumalanga Provincial DSD
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by PDSD
Expected outputs of the grant	<ul> <li>Increase in the employment of social workers who benefited from the social workers scholarship</li> <li>Reduction in the backlog of unemployed social worker graduates during the 2018/19 financial year</li> <li>The total number of social work graduates employed through the provincial Social Development Sector</li> <li>The number of social work graduates not yet employed at the end of the reporting period</li> </ul>
Actual outputs achieved	<ul> <li>During the financial year 2018/19, the Provincial Department managed to sustain the appointment of 46 social workers</li> </ul>
Amount per amended DORA (R'000)	R16 177
Amount transferred (R'000)	R16 177
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R14 534
Reasons for the funds unspent by the entity	Non-utilisation of service benefits of medical aid allowance and housing allowance by employed graduates
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports

Department/Municipality to whom the grant has been transferred	Northern Cape Provincial DSD
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by PDSD
Expected outputs of the grant	<ul> <li>Increase in the employment of social workers who benefited from the social workers scholarship</li> <li>Reduction in the backlog of unemployed social worker graduates during the 2018/19 financial year</li> <li>The total number of social work graduates employed through the provincial Social Development Sector</li> <li>The number of social work graduates not yet employed at the end of the reporting period</li> </ul>
Actual outputs achieved	<ul> <li>During the financial year 2018/19, the Provincial Department managed to sustain the appointment of two social workers</li> </ul>
Amount per amended DORA (R'000)	R619
Amount transferred (R'000)	R619
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R612
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

Department/Municipality to whom the grant has been transferred	North West Provincial DSD
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by PDSD
Expected outputs of the grant	<ul> <li>Increase in the employment of social workers who benefited from the social workers scholarship</li> <li>Reduction in the backlog of unemployed social worker graduates during the 2018/19 financial year</li> <li>The total number of social work graduates employed through the provincial Social Development Sector</li> <li>The number of social work graduates not yet employed at the end of the reporting period</li> </ul>
Actual outputs achieved	<ul> <li>During the financial year 2018/19, the Provincial Department managed to sustain the appointment of 21 social workers</li> </ul>
Amount per amended DORA (R'000)	R7 286
Amount transferred (R'000)	R7 286
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R6 518
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

Department/Municipality to whom the grant has been transferred	Western Cape Provincial DSD
Purpose of the grant	To reduce the national backlog of unemployed social work graduates through appointment by PDSD
Expected outputs of the grant	<ul> <li>Increase in the employment of social workers who benefited from the social workers scholarship</li> <li>Reduction in the backlog of unemployed social worker graduates during the 2018/19 financial year</li> <li>The total number of social work graduates employed through the provincial Social Development Sector</li> <li>The number of social work graduates not yet employed at the end of the reporting period</li> </ul>
Actual outputs achieved	<ul> <li>Maintenance of 35 social work graduates additional to the establishment in order to reduce the number of unemployed social work graduates</li> <li>Thirteen (13) social work graduates from the social worker conditional grant assumed permanent appointment</li> </ul>
Amount per amended DORA (R'000)	R12 967
Amount transferred (R'000)	R12 967
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R11 912
Reasons for the funds unspent by the entity	Thirteen (13) social workers appointed through the conditional grant were appointed in permanent posts within the Department. Savings were accumulated during the period when processes were under way to replace the social work graduates
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports



### **Anti-Substance Abuse Conditional Grants**

Department/Municipality to whom the grant has been transferred	Eastern Cape Provincial DSD
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	<ul> <li>Ernest Malgas Treatment Centre maintained a staff complement of 56 officials during the 2018/19 financial year</li> <li>268 children accessed in-patient treatment services</li> </ul>
	Training and capacity building opportunities were afforded to staff members
	<ul> <li>Machinery and equipment applicable to daily operations at the treatment centre was sufficiently covered through the conditional grant</li> </ul>
	Meaningful stakeholder partnerships were formulated
Amount per amended DORA (R'000)	R17 708
Amount transferred (R'000)	R17 708
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R16 636
Reasons for the funds unspent by the entity	Underspending is mainly on Compensation of Employees due to delays in filling vacant funded posts
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports



Department/Municipality to whom the grant has been transferred	Free State Provincial DSD
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	<ul> <li>Organogram has been developed and is awaiting approval</li> <li>Equipment, furniture and services required have been identified and some equipment and office furniture have been procured</li> <li>Vehicles needed have been identified and costed for leasing from Government Garage</li> <li>Draft Policies, Guidelines, Procedures and Manuals are in place and the process still continues</li> <li>A draft MOU between the DSD and the Department of Health is in place and awaiting approval</li> <li>Programme Committee, Technical Committee and Site meetings have been held to monitor progress continuously</li> </ul>
Amount per amended DORA (R'000)	R31 945
Amount transferred (R'000)	R31 945
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R272
Reasons for the funds unspent by the entity	The centre is still under construction and operationalisation can only commence after completion of construction
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports

Department/Municipality to whom the grant has been transferred	Northern Cape Provincial DSD
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	One 40-bed public treatment centre is providing affordable treatment services to the population of the Northern Cape province
Amount per amended DORA (R'000)	R21 919
Amount transferred (R'000)	R21 919
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Depart- ment/municipality (R'000)	R21 179
Reasons for the funds unspent by the entity	The treatment centre only became fully operational in February 2019. The appointment of the first staff members took place in September 2018
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports

Department/Municipality to whom the grant has been transferred	North West Provincial DSD
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	<ul> <li>Registration of the centre as per Act 70 of 2008</li> <li>Recruitment of outstanding staff</li> <li>Procurement of machinery and equipment</li> <li>Addressing infrastructure issues, e.g. drilling of borehole, installation of JoJo tank and maintenance around the centre</li> <li>Installation of air conditioners</li> <li>Training of staff (social services and corporate staff)</li> <li>Provision of treatment services through partnership with the Department of Health</li> <li>Provision of cleaning services and gardening services</li> <li>Advertisement of tender for catering services</li> </ul>
Amount per amended DORA (R'000)	R17 708
Amount transferred (R'000)	R17 708
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R16 636
Reasons for the funds unspent by the entity	<ul> <li>Recruitment of outstanding personnel</li> <li>Delay in the procurement of medical equipment</li> <li>Delay in the appointment of service providers (catering)</li> </ul>
Monitoring mechanism by the transferring Department	The Department uses monthly, quarterly and in-year monitoring reports



### **DONOR FUNDS**

Donor funds received in cash

### **TABLE 1: GLOBAL FUND**

Name of donor	Global Fund
Full amount of the funding	R13 908 118.00
Period of the commitment	1 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	<ul> <li>Appointment of one (1) national Project Manager, one (1) national Project Coordinator and fifty-two (52) Data Capturers</li> </ul>
	<ul> <li>Strengthening of HIV and AIDS Programme Monitoring, Reporting and Evaluation systems at provincial, district and local levels</li> </ul>
	Creation of an evidence base for HIV and AIDS Programmes actual outputs achieved
Actual outputs achieved	<ul> <li>Appointment of 52 data capturers in 8 provinces, a national Project Manager and a national Project Coordinator</li> </ul>
	<ul> <li>Newly employed and returning data capturers were trained on CBIMS in 8 provinces (LP, FS, GP, NW, NC, EC, KZN and MP)</li> </ul>
	<ul> <li>Computers were distributed to all data capturers who previously did not have equipment to use for their daily duties</li> </ul>
	<ul> <li>Accommodation was provided for data capturers in order to visit NPOs in remote areas for training, monitoring and support on data collection tools</li> </ul>
	<ul> <li>The number of reports submitted on CBIMS increased because of availability of equipment and financial support</li> </ul>
	Training of all data capturers on Data Quality Management SOP
Amount received in current period (R'000)	R10 409
Amount spent by the Department (R'000)	R10 525
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Quarterly narrative and financial reports submitted to the donor, and audited financial statements



### **TABLE 2: GERMAN DEVELOPMENT BANK**

Name of donor	German Development Bank
Full amount of the funding	€7 668 418 The total project funds amount to €9, 9 million, of which €2 231 581 was consultancy services to be paid by the donor directly to the service provider
Period of the commitment	2013 to 31 December 2019 (extended)
Purpose of the funding	The objective of the project is to enable OVC 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.  1. The project is implemented in two components, namely, the technical component and the social component.  2. The technical component involves Community Care Centre (CCCs) construction, refurbishment and equipment, while the social component consists of the provision of comprehensive social development services and the implementation of skills development programmes for OVCY.
Expected outputs	Seventeen 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 CCCs: Out of 17 CCCs, 11 CCCs have been completed. The status is as follows:
	<ul> <li>KwaZulu-Natal – Six centres have been completed and handed over to KZN DSD for service delivery.</li> </ul>
	<ul> <li>Limpopo – Two centres have been completed and handed over to the province for occupation and service delivery. Replaced one of the contractors responsible for three centres. Completion by the new contractor is estimated around June 2019.</li> </ul>
	<ul> <li>North West – Three centres have reached completion stage, one has been handed over, and the two are awaiting final inspection and handover to the province for service delivery.</li> <li>All centres at completion stage are being assessed for works completion inspections before they can be handed over to the Department.</li> </ul>
	Social Component — Capacity Building of Implementers:
	<ul> <li>Seventeen CCCs, six CCCs in KwaZulu-Natal, five CCCs in Limpopo and six CCCs in North West have been trained on Psychosocial Support Services, Support groups, comprehensive package services and CBIMs.</li> </ul>
	<ul> <li>Eleven CCCs, six in KZN and five in LP have been assessed for M&amp;E support and feedback sessions held.</li> </ul>
Amount received in current period (R'000)	R17 319 (including VAT refunds)
Amount spent by the Department (R'000)	R15 642
Reasons for the funds unspent	Unspent funds mainly relate to VAT refunds which will be utilised in the 2019/20 financial year for the project
Monitoring mechanism by the donor	Quarterly narrative and financial reports submitted to the donor as well as an audit of financial statements

### **TABLE 3: CRIMINAL ASSET RECOVERY ACCOUNT**

Name of donor	Criminal Asset Recovery Account
Full amount of the funding	R26 000 000
Period of the commitment	1 July 2012 to 30 June 2019
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 CSOs that provide services to victims of crime
	Funding to shelters for victims of crime and vulnerable groups
Actual outputs achieved	Transferred funds to three CSOs that provide services to victims of crime
	<ul> <li>The Department conducted monitoring and capacity building for civil society organisations in the Victim Empowerment Programme Sector</li> </ul>
Amount received in current period (R'000)	R632
Amount spent by the Department (R'000)	R374
Reasons for the funds unspent	Funds not transferred to funded organisations due to non-compliance
Monitoring mechanism by the donor	Quarterly narrative and financial reports submitted to the donor



#### Donor funds received in kind

#### **TABLE 1: JAPAN INTERNATIONAL COOPERATION AGENCY**

Name of donor	Japan International Cooperation Agency (JICA)			
Full amount of the funding	The amount is not specified in the agreement			
Period of the commitment	9 May 2016 to 8 May 2020			
Purpose of the funding	Enhance capacities of the Department in the empowerment of persons with disabilities and disability mainstreaming			
Expected outputs	The information regarding situation and resources for the empowerment of persons with disabilities and disability mainstreaming in South Africa is managed in the Department			
	<ul> <li>Approaches for implementing empowerment of persons with disabilities and disability mainstreaming are developed by the Department</li> </ul>			
	<ul> <li>Resources (human resources, relevant organisations, partnership, etc.) are strengthened for the empowerment of persons with disabilities and disability mainstreaming</li> </ul>			
	<ul> <li>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</li> </ul>			
Actual outputs achieved	<ul> <li>The project for the Promotion of Empowerment of Persons with Disabilities and Disability Mainstreaming started on 9 May 2016</li> </ul>			
	<ul> <li>The Department and JICA have been setting up the project infrastructure such as the project team and working group in Limpopo province</li> </ul>			
	<ul> <li>The Joint Coordinating Committee (JCC), which is the highest decision-making body of the project, held five meetings</li> </ul>			
	• The project team has visited project sites, namely, Limpopo province and Free State province. In Limpopo, the project team conducted a team building workshop and disability mainstreaming training in November 2016; peer counselling in March, May, June and August 2017; peer counsellor training in January, September 2018 and February 2019; training of Advocates on Social Model of Disability in March and October 2018; Accessibility workshop in October and November 2018; and workshop and seminar on Self-Help Group of persons with disabilities in July 2017. In addition, the project team visited the neighbouring countries, Zimbabwe, Swaziland and Lesotho with the Deputy Minister of the DSD			
	<ul> <li>Under the project, a project vehicle, multi-functional printer and office equipment (laptops, projectors, etc.)</li> <li>were purchased for two project offices</li> </ul>			
Amount received in current period (R'000)	R859			
Amount spent by the Department (R'000)	R859			
Reasons for the funds unspent	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 2: USAID-PACT SA**

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 2020		
Purpose of the funding	The overarching goal is to strengthen DSD response in addressing social and structural barriers that increase the vulnerability of OVC to HIV, STIs and TB, and addresses specific constraints hampering the health and social development system in order to achieve better outcomes for orphaned and other vulnerable children (e.g. those affected by poverty, child abuse, neglect and exploitation)		
Expected outputs	Government Capacity Building Systems (GCBS) focused predominantly on:		
	<ul> <li>Implementing and documenting the prevention and early intervention core package of services (CPS2) for OVCY through the Department and its funded partner organisations</li> </ul>		
	<ul> <li>With the CPS2, capacity building and support for direct service delivery in support of the roll-out of the Guidelines for Social Service Practitioners: Enabling Access to HIV Services to ensure that all children access HIV testing services, those found positive access treatment and those on treatment become virally suppressed through adherence to antiretroviral therapy</li> </ul>		
	<ul> <li>Strengthening the capacities of SSPs, including Social Workers (SWs), SAWs, Child and Youth Care Workers, CDPs and Community Caregivers to implement the CPS2</li> </ul>		
	Improving coordination and collaboration for comprehensive CPS2 implementation		
	<ul> <li>Using data, evidence and best practices to improve decision making, planning, implementation, and outcomes of OVCY services</li> </ul>		
Actual outputs achieved	<ul> <li>During this reporting period, GCBS provided direct support to 284 sites (50% of directly supported cases came from Department service points) and Technical Assistants reached 210 sites (79% from NPOs) across 12 districts in seven provinces. Across these districts, the programme's overall target for the 2019 financial year is 171 769 OVCY and their caregivers</li> </ul>		
	• The target is 171 769 OVCY and their caregivers. The programme is currently meeting 76% of the annual target, serving 130 046 beneficiaries. DSD reached 88 226 beneficiaries		
	<ul> <li>(OVC_SERV_DIRECT) and Technical Assistants reached 41 820 beneficiaries. GCBS also provides ongoing mentoring and capacity development support to SWs and SSPs in Department-funded NPOs through the programme's national and provincial team that oversaw or supported implementation of all programme activities</li> </ul>		
Amount received in current period (R'000)	R35 806		
Amount spent by the Department (R'000)	R35 806		
Reasons for the funds unspent	N/A		
Monitoring mechanism by the donor	Programme Steering Committee oversees work plan implementation. Progress reports presented to the Steering Committee		

#### **TABLE 3: ILIFA LABANTWANA AND HOLLARD FOUNDATION**

Name of donor	Ilifa Labantwana and Hollard Foundation
Full amount of the funding	R200 000
Period of the commitment	1 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	Actual outputs achieved from 1 April to 31 March 2018. Compiled the revised draft close-out report
Amount received in current period (R'000)	R140
Amount spent by the Department (R'000)	R140
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Implementation plan is checked on a regular basis to ensure progress

#### **TABLE 4: UNICEF**

Name of donor	UNICEF			
Full amount of the funding	R300 000			
Period of the commitment	April 2017 to 31 March 2018 (Final payments in 2018/19 financial year)			
Purpose of the funding	Review of the NPAC			
Expected outputs	NPAC			
Actual outputs achieved	DSD conducted the workshops on the review of the NPAC in North West clustered with Free State and Northern Cape provinces on 17 May 2017			
	DSD and UNICEF appointed a 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 current period (R'000)	R150			
Amount spent by the Department (R'000)	R150			
Reasons for the funds unspent	N/A			
Monitoring mechanism by the donor	Monthly report will be submitted to the donor for monitoring purposes			

#### **TABLE 5: THE DG MURRAY TRUST (DGMT)**

Name of donor	The DG Murray Trust (DGMT)		
Full amount of the funding	The amount is not specified in the agreement		
Period of the commitment	1 October 2017 to 31 August 2020		
Purpose of the funding	Improving the effectiveness of the ECD Conditional Grant effectiveness		
Expected outputs	<ul> <li>Provide technical support and advice to ensure the successful implementation of the ECD Conditional Grant</li> <li>Development of an electronic management information system</li> </ul>		
	Finalisation of the ECD Financing Strategy and ECD subsidy guidelines		
	Management of the pilot on the Registration Framework		
Actual outputs achieved	Draft ECD Financing Strategy		
	Conducted consultation/Workshop on the financing strategy and subsidy guidelines		
	Subsidy guideline drafted		
	<ul> <li>Technical Advisors have been appointed and have provided support to the Department on the implementation of the ECD Conditional Grant</li> </ul>		
Amount received in current period (R'000)	R5 236		
Amount spent by the Department (R'000)	R5 236		
Reasons for the funds unspent	N/A		
Monitoring mechanism by the donor	Quarterly Steering Committee Meetings		

#### **TABLE 6: GERMAN DEVELOPMENT BANK**

Name of donor	German Development Bank (KFW)		
Full amount of the funding	£2 231 581		
Period of the commitment	2013 to December 2019 (extended)		
Purpose of the funding	Consulting services for the care and support project for OVCY		
Expected outputs	Provide project management services for the two OVCY projects on construction of CCCs and implementation of capacity building programmes		
Actual outputs achieved	Provided project management services for the KfW OVC1 and OVCY2 projects for the 2018/19 financial year		
Amount received in current period (R'000)	R1 259		
Amount spent by the Department (R'000)	R1 259		
Reasons for the funds unspent	N/A		
Monitoring mechanism by the donor	Quarterly reports to the donor		

#### CAPITAL INVESTMENTS

### Capital investments, maintenance and asset management plan

#### 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 KfW to build seventeen CCCs, six in KwaZulu-Natal, six in North West and five in Limpopo in order to implement a quality comprehensive package of social services and skills development programmes for community caregivers as well as for the beneficiaries (OVCY). To date, six CCCs in KwaZulu-Natal and two in Limpopo have been completed. In North West, all six CCCs are still under construction. The completed centres in KwaZulu-Natal and Limpopo were transferred to the relevant provinces.

#### Asset Management

The Department adheres to the Asset Management Framework issued by the National Treasury. The Department's asset register complies with the minimum information required in terms of the Asset Management Framework. During the period under review, the Department managed to conduct two stock-takes of all movable assets in the Department. On a monthly basis, all newly acquired assets are reconciled against the accounting records. The Asset Disposal Committee disposed of assets that were redundant or obsolete during the financial year. Therefore, R1.9 million worth of assets were disposed of.

#### Maintenance

The information technology assets that are procured usually carry a vendor warranty ranging from 1 to 3 years. Once the warranties expire, the Department may enter into a maintenance agreement with the relevant vendors depending on the kind of asset and its use.



# **GOVERNANCE ANNUAL REPORT 2019** PART

#### 1. Introduction

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

#### 2. Risk management

The Department has a Risk Management policy and strategy in place. Both the policy and strategy are approved by the Accounting Officer and Chairperson of the Risk Management Committee (RMC). Risk assessments are conducted on an annual basis, and emerging risks are identified at departmental meetings and engagements. The RMC meeting convenes on a quarterly basis and is chaired by an independent and external chairperson. The RMC also has external members and an official from National Treasury. Reports from the RMC are presented at MANCO and the Audit Committee. The Audit Committee provides independent assurance and advises on the effectiveness and efficiency of risk management in the Department. Internal Audit conducts an annual audit of the Risk Management function at DSD.

#### 3. Fraud and corruption

# The Department's fraud prevention plan and how it has been implemented

This document explains the Department's Anti-Corruption and Fraud Prevention (ACFP). The ACFP is a dynamic strategy that will continuously advance as the Department's circumstances change. The policy has been reviewed in 2018, which includes the ACFP Plan. The final step is for MANCO to approve the policy.

Mechanisms in place to report fraud and corruption and how these operate, e.g. Whistleblowing — The need for officials to make confidential disclosure about suspect fraud and corruption

This procedure is developed based on the principle objects of the Protected Disclosures Act, which encourage employees to disclose any acts of misconduct without fear of any recriminations or reprisals.

#### Who can raise a concern?

Any member of staff who has reasonable belief that there is corruption or misconduct relating to any of the protected matters specified above may raise a concern under the procedure detailed. Concerns must be raised without malice, in good faith and not for personal gain, and the individual must reasonably believe that the information disclosed, and any allegations contained in it, are substantially true.



The issues raised may relate to a manager, another member of staff, a group of staff, the individual's own section or a different section/division of the Department. The perpetrator can be an outsider, an employee, a manager, a customer or an ex-employee. You may even be aware of a system or procedure in use which may cause the DSD to transgress legal obligations.

#### Reporting of concerns

For some minor issues (e.g. personal use of DSD equipment), employees should normally raise the concerns with their immediate supervisor/manager. In general, however, the whistleblowing procedure is expected to be used for potentially more serious and sensitive issues (e.g. fraud and corruption).

The first step will be for the employee to approach his/her immediate supervisor/manager unless he/she or senior management is the subject of the complaint, in which case Internal Audit should be informed. Should the complaint be found by the manager to be substantiated, he/she will consult with Internal Audit on whether the matter should be investigated internally or referred to the appropriate external body (e.g. SAPS).

Concerns are better raised in writing. The background and history of the concern, giving names, dates and places — where possible — and the reason why the individual is particularly concerned about the situation should be set out. Those who are uncomfortable in putting their concern in writing can telephone 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.

#### How these cases are reported and what action is taken

The action taken by the DSD will depend on the nature of the concern. The possible actions to the matters raised may, among others, be to investigate internally by the forensic investigations division of Internal Audit, and/or refer the matters to the SAPS or other relevant law enforcement agency. To protect individuals and the DSD, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take.

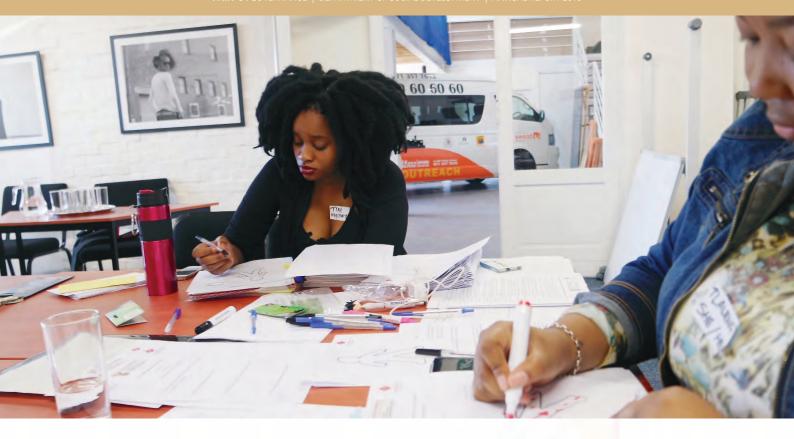
The amount of contact between the body investigating the issues and the persons raising the concern will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the individual.

DSD accepts that employees need to be assured that the matter has been properly addressed. However, the progression of investigations will be handled in a confidential manner and will not be disclosed or discussed with any persons other than those who have a legitimate right to such information. This is important to avoid damaging the reputation of suspected persons who are subsequently found innocent of wrongful conduct.

#### 4. Minimising conflict of interest

Members of the bid committees (Specification, Evaluation and Adjudication) are required to declare their interest at the commencement of every meeting. Members who do declare their conflict of interest are recused by the chairperson from participation in the meeting. All suppliers and service providers are required to submit a signed Declaration of Interest form (Standard Bidding Document 4) indicating whether or not they do have any interest when doing business with the Department.





#### 5. Code of conduct

Ethics has become an international phenomenon which the global community needs to pay attention to and focus on. It has become critical that all spheres be governed by prescribed rules and regulations on ethics management. The political and administrative bodies of the State must ensure compliance to codes of ethics and ensure greater forms of accountability for sound and sustainable public administration.

In terms of the Public Service Regulations, to give practical effect to the relevant constitutional provisions relating to the public service, all employees are expected to comply with the Code of Conduct. The code acts as 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. Compliance with the code can be expected to enhance professionalism and helps to ensure confidence in the public service.

The primary purpose of the code is a positive one, viz. to promote exemplary conduct. Notwithstanding this, an employee shall be guilty of misconduct, such contravention should be dealt with in terms of the SMS Handbook and relevant collective agreements, if he or she contravenes any provision of the Code of Conduct or fails to comply with any provision thereof.

The employee handbook is a critical tool in the discipline process. Although most handbooks contain disclaimers indicating that they should not be misread to mean employment contracts, they are in effect summaries of the organisation and summaries of the organisation's policies, outlining the expectations and obligations placed upon its employees.

#### 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. During the reporting period, the Department conducted a comprehensive OH&S inspection to establish building defects in accordance with the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) prescripts. The inspection found that the building is in good order and it is compliant and meets OHS Act requirements.

#### 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 the meeting	Purpose of the meeting	Resolutions and recommendations
25 April 2018	Briefing by the Department on its APP	<ul> <li>The Minister raised concerns regarding the organisational structure of the Department and its implications on the APP and the budget allocation.</li> <li>The concern related to the structure utilised by the Department, which expanded from five to seven branches without the concurrence of the Department of Public Service and Administration (DPSA).</li> <li>The Minister put a moratorium on the filling of vacancies in the Department until the concerns regarding the organogram are addressed.</li> <li>The Committee raised a concern on whether Parliament should approve the budget that was not linked to an approved structure.</li> <li>The Committee suggested that the Department seek legal advice from Parliament on how to proceed with the matter of the budget being approved against the structure that is not approved by DPSA.</li> </ul>
0.14 0040	D.C. L. II. D ADD	• The meeting was postponed.
2 May 2018	Briefing by the Department on its APP	<ul> <li>The concerns raised by the Committee in the meeting of 25 April were resolved.</li> <li>The Committee noted the presentation of the APP by the Department.</li> <li>The Department's budgetary allocation for 2018/19 had increased by R345 million.</li> <li>The Department ensured to take full responsibility and ownership of the APP.</li> <li>The Department proposed key pieces of legislation for 2018/19 to be reviewed by Cabinet. These included: the Social Assistance Amendment Bill, draft Regulations on the Social Assistance Amendment Act, draft Policy on the Universalisation of the CSG and, among others, the Policy on Mandatory Cover for Retirement.</li> <li>The members raised concerns about the NPOs which were not paid and how the Department monitors the provinces.</li> <li>The members further asked whether the Department had any control over the food programmes.</li> <li>The Department clarified all concerns raised by members.</li> <li>The Committee was satisfied with the manner in which the Department presented its APP and budget for 2018/19.</li> </ul>
4 May 2018	Committee Report on DSD APP	<ul> <li>The Committee met to consider and officially adopt the APP of the Department ensuing Budget Vote 17.</li> <li>The Committee recommended that senior managers sign performance contracts which would effectively narrow the gap between planning and actual implementation at the Department.</li> </ul>

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
30 May 2018	Briefing by the Department on its 2017/18 third quarter performance report	<ul> <li>The Committee noted the presentation given by the Department on its third quarter performance report.</li> <li>The Department had only been able to achieve 60% of its targets because of Welfare Services issues and the processing of Bills that had to be approved by Cabinet.</li> <li>It was highlighted that the spending of the Department has been consistent over the three quarters of the 2017/18 financial year.</li> <li>Members raised concerns about the need to improve infrastructure for ECD centres.</li> <li>The Department outlined that there have been consultations with both the Department of Health and the Department of Transport regarding improving the conditions of the ECD and Welfare Services.</li> <li>The meeting was adjourned before the Department could</li> </ul>
6 June 2018	Briefing by the Department on its fourth quarter performance report	<ul> <li>The Department briefed the Committee on its fourth quarter performance report.</li> <li>The Department made a presentation on the targets which were not achieved, highlighting a total of 27% of non-achievements for both Quarters 3 and 4.</li> <li>The Department underspent on both the Inspectorate and Appeals Tribunal, and most of the money was moved from the Social Security Policy and Administration to Programme 1 – most of the expenditure is in the Ministry.</li> <li>The Department highlighted lack of capacity as being the biggest challenge in developing an integrated welfare services information system.</li> <li>Members raised concerns respecting the Department's ongoing delays in implementing policies which negatively impact service delivery.</li> <li>The Committee requested the Department to submit progress reports on the White Paper, Integrated POA for GBV and Substance Abuse Centres. The list of municipalities where NPO Roadshows were held was also requested.</li> <li>The Department committed to submit all reports requested by the Committee.</li> </ul>
22 August 2018	Briefing by the Department and NDA on the NPOs' capacitation and compliance with the NPO Act	<ul> <li>The Department presented the report to the Committee with regard to the capacitation of NPOs, as well as compliance with the NPO Act.</li> <li>The Department highlighted that the NPOs register is available online for government departments that wish to access it.</li> <li>The NPO Act is being amended by the Department in order to ensure NPO compliance, as well as fairness in the distribution of funds.</li> <li>The Committee suggested that the Indaba be held between the Department, NPOs and the Committee, where they will be working closely with one another to better understand the NPO Act and to contribute towards policy development.</li> </ul>

Date of the meeting	Purpose of the meeting	Resolutions and recommendations		
29 August 2018	Briefing by the Department on its first quarter performance report	<ul> <li>The Department briefed the Committee on its performance and expenditure for the first quarter of 2018/19.</li> </ul>		
		<ul> <li>The Department spent 24.41% of the projected budget.</li> </ul>		
		<ul> <li>In terms of overall performance, it was reported that 69% of the targets were fully achieved, while 11% were partially achieved and 20% were not achieved.</li> </ul>		
		<ul> <li>Members expressed concern that the Department did not set time frames for its targets.</li> </ul>		
		<ul> <li>The Department assured the Committee that it would set time frames for targets before the fifth Parliament rose.</li> </ul>		
		The chairperson thanked the Department for its presentation.		
5 September 2018	Briefing by the Department on the Household Food and Nutrition	<ul> <li>The Department briefed the Committee on the operation of the Household Food and Nutrition Security Programme.</li> </ul>		
	Security Programme	<ul> <li>The Department established the distribution centres backed by a substantially larger commitment from the fiscus.</li> </ul>		
		<ul> <li>The Department developed the Household Food (HF) and Nutrition Security models, which focused on nutrition and development through Provincial Distribution Centres and Community Development Centres (CNDCs).</li> </ul>		
		<ul> <li>The strategy reflects a common vision across government departments which entailed a unified set of national goals and objectives, indicators and targets for monitoring progress, as well as a common budget for the implementation of activities.</li> </ul>		
		<ul> <li>The Committee raised concerns on how often the Department monitored spaces where food was stored and if assets that were in the programme were insured.</li> </ul>		
		<ul> <li>The Department clarified that the Provincial Distribution Centres and Community Development Centres were certified for acceptability as food handling premises and assured that all assets were insured.</li> </ul>		
		<ul> <li>The chairperson highlighted the unfairness in the DSD/ Committee relations, outlining that the Committee was not involved in the implementation of this programme and argued that certain decisions were already endorsed by Cabinet.</li> </ul>		
		<ul> <li>The chairperson further outlined that the Committee was writing its legacy report for the incoming Portfolio Committee.</li> </ul>		
10 October 2018	Briefing by the Department on its 2017/18 Annual Report	<ul> <li>The Department briefed the Committee on its annual performance report.</li> </ul>		
		There has been a general improvement in performance against targets since 2013/14, when 69% of targets had been achieved. In 2017/18, a total of 78% of the set targets were achieved, which was slightly below the previous year's performance of 81%.		
		<ul> <li>The Department received an unqualified audit report from the AGSA for the sixth consecutive year.</li> </ul>		
		<ul> <li>Members expressed their dissatisfaction with the Department's irregular expenditure. Their main concern was the inability to spend the budget effectively.</li> </ul>		
		<ul> <li>The Department indicated that the budget is spent even on those targets which were not achieved. Not achieving a target does not imply that work was not done and expenditure is not incurred.</li> </ul>		

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
14 November 2018	Briefing by the Department on Household Food and Nutrition Security Programme	<ul> <li>The Department briefed the Committee on its HF and Nutrition Security Programme.</li> <li>The Department highlighted the percentage breakdown of households experiencing severely inadequate access to nutritional food, noting Northern Cape, North West and Mpumalanga as having the highest percentages of 12.9%, 12.5% and 11.4% respectively.</li> <li>During the 2018/19 financial year, National Treasury allocated R59 943 000, whereas Provincial Treasuries allocated R49 967 000, which results in a total of R109 910 000.</li> <li>A total of 223 CNDCs were funded, whereby 84 were funded by National Treasury and 139 CNDCs were funded by Provincial Treasuries.</li> <li>The Committee had a concern about how millions of rands were spent but were not reaching poverty-stricken areas.</li> <li>The Department explained that the implementing agents worked to serve the most vulnerable and the poor in the poorest communities.</li> <li>The Committee had noted the increase in the number of people coming into the programme and therefore recommended that the Department develop an exit strategy for the programme.</li> <li>The chairperson outlined that the Committee would give recommendations based on the information presented in the meeting.</li> <li>The Committee recommended that a stronger partnership between the Department and the implementing agents was needed.</li> </ul>
20 February 2019	Briefing by the Department on State of the Nation Address (SONA) impact and latest developments Briefing by the Department on Social Worker Employment Grant	<ul> <li>The Department assured the Committee that issues arising from the SONA and the review of Social Development legislation would be presented clearly in the fourth quarter performance report of the Department.</li> <li>The DSD briefed the Committee on the progress in respect of the Social Workers Employment Grant per province.</li> <li>Members asked for clarity on the actual backlog of appointments of SWs. What was the backlog in relation to? Was the backlog in relation to what was needed or in relation to SWs that the Department had trained?</li> <li>Since the initiation of the scholarship in 2007, 10 929 scholarships had been awarded and, out of that, 7 578 graduates had since been employed by the DSD.</li> <li>The challenge of absorption had started in 2013 when provinces did not have funds to appoint new graduates.</li> <li>There is a backlog of 3 969 SWs who had been given scholarships but had not been appointed.</li> <li>Over 500 SWs who were not accounted for were in internships or appointed on a contract basis by NGOs.</li> </ul>

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
27 February 2019		The Department provided insight into its intermediate and
27 replically 2015	The Department's response on the High-Level Panel recommendations	long-term action plans in order to achieve the acceleration of fundamental change to meet the goals of the Panel.
		<ul> <li>The Department outlined its key areas within the mandated operations. These included: the Official Languages Act, 2012 (Act No.12 of 2012); the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000); refugees and migrants; sexual offences data; and comprehensive social security.</li> </ul>
		<ul> <li>Members highlighted that the recommendations presented by the Department do not have sufficient short-term remedies and relied on the amendment of legislation, which could not help people who were currently in need.</li> </ul>
		<ul> <li>The Committee required immediate actions to be taken to ensure people could access their rights in the interim, ahead of legislation being amended.</li> </ul>
		<ul> <li>Emphasis was made on the implementation of the Official Languages Act, as it would allow the Department to communicate effectively with the public.</li> </ul>
		<ul> <li>During the meeting, the Department was requested to focus on the issues raised by the Committee, highlighting issues in a more concise statistical way, rather than in a narrative-based report.</li> </ul>
		<ul> <li>The Department responded that it needed proper details for follow-ups on the issues raised.</li> </ul>
		<ul> <li>The Department was to consult with provinces to get more specific short-term remedies to the recommendations made by the High-Level Panel.</li> </ul>
6 March 2019	Briefing by the Department on both second and third quarters performance reports	<ul> <li>The Department briefed the Committee on its performance for both the second and third quarter of the 2018/19 financial year.</li> </ul>
		<ul> <li>The Department highlighted that there are targets which were submitted for removal in the APP, while others were amended.</li> </ul>
		<ul> <li>The focus of the presentation was on those areas and programmes where predetermined targets were not met.</li> </ul>
		<ul> <li>The Department cited that it has spent 74.5% of its budget expenditure.</li> </ul>
		<ul> <li>The Committee requested clarity on the location of funds allocated to the building of the drug addiction treatment centre in the Free State.</li> </ul>
		<ul> <li>The Department indicated that the funds are held by the provincial departments and the role of the national Department is to oversee the utilisation of the funds.</li> </ul>
		<ul> <li>The Committee asked why the network cabling system that was delivered is not installed.</li> </ul>
		<ul> <li>The Department responded by saying that at the end of its lease agreement, it could not install the cables.</li> </ul>
		<ul> <li>The Department of Public Works has refused permission to install the network cabling as the lease agreement had lapsed.</li> <li>There is a lease agreement under consideration, but it awaits finalisation and approval.</li> </ul>
		<ul> <li>The chairperson noted the detailed presentation and report by the Department.</li> </ul>

#### Date of the meeting

13 March 2019

#### **Purpose of the meeting**

Briefing by the Department on the lease agreement

#### **Resolutions and recommendations**

- The Department was before the Committee with representatives from the Department of Public Works (DPW) to discuss the causes of delays in securing suitable premises.
- DPW highlighted that the premises used by the head office of DSD situated in the Human Science Research Council Building at 134 Pretorius Street, in Pretoria, already expired in April 2017.
- The Department's preference after the negotiations regarding the lease options with the DPW is a long-term solution which they had registered with the Public-Private Partnership and National Treasury in February 2016.
- DPW proposed the Salvokop Precinct as the location for the head office of DSD and its agencies. This proposal is in line with the DPW's Inner-City Regeneration Programme.
- Members raised questions around diligence, cost implications and standard processes.
- The Department indicated that the consolidated premises would save costs, as it would be shared with SASSA and the NDA
- A concern raised at the meeting related to the cause of the delays in finalising the lease agreement.
- In response, the Department indicated that one of the contributions towards the delay in refusing to take up occupation of the building was due to certain concerns, which includes the fact that the landlord had to complete an occupational health assessment.



# 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. The matters raised by the auditors were attended to and did not result in qualification.

#### 10. Internal Control Unit

The Directorate Internal Control operates as an integral part of the financial management activities in the Department. As part of this role, it normally reports to the Department's Chief Financial Officer. 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 Directorate Internal Control effectively coordinated the external audits and identified critical areas, such as financial misconduct and safeguarding of financial documents. An audit findings Audit Implementation Action Plan (AIAP) was developed and progress to resolve the findings were updated on the AIAP based on the commitments given by the affected 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.

All reported cases of financial misconduct were investigated and dealt with in terms of the Department's Financial Misconduct Policy. The Directorate Internal Control is in the process of aligning its internal processes with National Treasury's Irregular Expenditure Framework, which came into effect on 1 December 2018.

#### 11. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2019.

# Key activities and objectives of the internal audit function

Key activities and objectives of the Internal Audit function are to provide independent, objective 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 evaluations, thus improving the effectiveness of risk management, control and governance processes.

#### Specific summary of audit work done

The Chief Directorate: Internal Audit Services conducted compliance, financial, governance, information technology and performance audits in accordance with the International Standards for the Professional Practice of Internal Auditing and the Department's Internal Audit Charter. During the year under review, the unit completed twenty (20) risk-based audits against the twenty-five (25) 2018-2019 Internal Audit Coverage Plan. However, the remaining uncompleted audits were at advanced stages of completion. The Chief Directorate of Internal Audit Services was inadequately capacitated during the year, most notably the critical post of Director of Internal Audit Services that has been vacant since July 2018 till year end solely because of a moratorium

#### Audit committee accountability and responsibility

- The Audit Committee is established as a statutory committee in terms of section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13.
- The Committee has adopted formal terms of reference as its Audit Committee Charter and has fulfilled its responsibilities for the year, in compliance with said terms of reference.

#### Membership and attendance

- The Committee consists solely of independent members who are literate in various disciplines including finance, financial reporting, governance, risk management and various appropriate experience.
- The following is a list of the members, their qualifications, date of appointment and a record of their attendance:

Name	Qualifications	Appointed Date	Date Resigned	Number of Meetings Attended
Adv. MB Madumise	<ul> <li>B Proc</li> <li>LLB</li> <li>MBA</li> <li>Graduate Diploma in International Trade Law</li> </ul>	Initially appointed on 1st September 2013 for 3 years. Subsequent to the expiry of her original term of 3 years, it was renewed for another term of 3 years, effectively from May 2017.	N/A	7
Ms DB Moloto	<ul><li>MBL</li><li>BA Hons</li><li>M Dip in HRM</li><li>BA (Social Worker)</li></ul>	Initially appointed on 1st November 2013 for a period of 3 years. Following the expiry of the initial contract, it was renewed for another 3 years, effectively from May 2017.	N/A	6
Mr L Yanta	<ul><li>Bachelor of Accountancy</li><li>Chartered Accountant (CA)</li><li>Graduate Utility Programme</li></ul>	14 May 2017 — contract is effective for 3 years.	N/A	6
Mr N Mabaso	<ul> <li>MSc in Public Management</li> <li>Advance Diploma in Management</li> <li>Bachelor of Administration (Honours)</li> <li>Secondary Diploma</li> </ul>	12 December 2017 — contract is effective for 3 years.	N/A	5

#### Audit committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The Auditor-General presented its Audit Plan which highlighted impending changes in GRAP and accounting practices. The Committee was satisfied with this presentation. In addition, the Committee commented on the alignment of updated accounting policies to the AFS when these were submitted at the end of May. We were not entirely happy with the quality of the AFS at the time.

#### The effectiveness of internal control

The Committee approved the Internal Audit Charter and the three-year rolling Strategic Audit Plan inclusive of a one-year Operational Audit Plan. Internal Audit reported on a quarterly basis on the progress regarding the execution of the approved annual Operational Audit Plan and functioning of the unit in terms of the Internal Audit Charter. During the scheduled meetings and when the need arose, the Committee held closed meetings with Internal Audit and the Office of the Auditor-General.

The Committee reviewed all the reports submitted by Internal Audit. The Committee noted an increasing concern in respect of significant weaknesses around oversight over the Department's entities such as the South African Social Security Agency (SASSA) and the National Development Agency (NDA).

With regard to areas where generally internal controls were found to be partially effective and ineffective, clear and concise recommendations were proposed by Internal Audit, and management started to implement both Internal Audit recommendations and their own management action plans to ensure that the internal controls are effective.

The completed audits covered financial audits, information technology audits, performance audits, governance audits and performance audits. One Information Technology (IT) audit, namely, Victim Empowerment (VEP), has been deferred to the 2019/20 financial year due to lack of in-house skills exposure on testing applications controls. However, this is being addressed during the 2019/20 financial year.

The Audit Committee also noted that the moratorium that was placed during the year under review for filling vacant posts adversely affected the Department's internal control system around governance, risk management and control activities. Despite the above, the Committee noted that the internal controls for management of performance information are effective; thus the external audit outcome for the year under reviews bears testimony to the Committee's observation.

#### South African Social Security Agency

Based on the Internal Audit reports and our interactions with management during various sessions such as the standard and special Audit Committee meetings, we noted that the residual risk of overseeing SASSA on both financial and non-financial information remained vulnerable. The ineffective oversight controls over SASSA are largely attributed to the negative audit outcome as



the Department received a qualified audit opinion on the 2018/19 annual financial statements. The Audit Committee also advised management to urgently intervene in stabilising internal control around information and communication technology. The inability and lack of clear commitment to manage this unacceptable residual risk have resulted in the Department receiving a qualified audit opinion for the year under review.

Furthermore, the Committee was also concerned regarding the delays by management to appoint forensic investigators to look into the allegations of misappropriation of funds allocated for Social Relief of Distress (SRD) at SASSA despite the fact that the Committee recommended the appointment of forensic investigators at the Committee meeting.

However, the Audit Committee is pleased with the commitment that management planned to undertake with the support from Internal Audit in developing a clear plan to address this challenge forthwith. The plan will cover both the short- and long-term arrangements to ensure that 2019/20 oversight role over SASSA and any other entity is improved.

#### In-year management and monthly/quarterly report

The Department reported monthly and quarterly to the Treasury as is required by the PFMA. The Audit Committee is satisfied with the content and quality of the reports though there were some recommendations that were made by the Committee to improve the quality of the reports.

#### **Evaluation of financial statements**

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

#### Auditor-general's report

Management has committed to address the findings in the audit and management reports.

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. However, the Committee noted that the Internal Audit unit is not adequately capacitated. The Committee is concerned about the critical vacant post of Director of Internal Audit which has been vacant since July 2018 as this weakness compromises the Internal Audit unit to optimally discharge its responsibilities.



**Adv. MB Madumise** Chairperson, DSD Audit Committee Date: 31 July 2019

# HUMAN RESOURCES MANAGEMENT

**ANNUAL REPORT 2019** 



# 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 HRM practices to maximise human potential. Therefore, Human Capital Management in the public service is governed by a myriad of pieces of legislation, Regulations Bargaining Council Resolutions and Directives. Key among them are, but not limited to the following:

- Public Service Act, 1994 (Act No. 103 of 1994)
- Public Service Regulations, 2016 (R. 877 of 2016)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Skills Development Act, 1998 (Act No. 97 of 1998)
- Skills Development and Levies Act, 1999 (Act No. 9 of 1999)
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Promotion of Access to Information Act, 2002 (Act No. 2 of 2002)
- DPSA Directives
- Public Service Coordinating Bargaining Council (PSCBC)
   Resolutions
- Public Health and Social Development Sectoral Bargaining Council Besolutions

Given the fact that HRM is governed by such a large regulatory framework, it is therefore 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 HR matters in order to ensure that the Department's mandate is met.

#### 2. Overview of human capital matters

#### 2.1. The status of human resources in the Department

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

- Human 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 complement of 44 officials responsible for all aspects of Human Capital Management (HCM). All HCM policies are developed while some are being revised in line with the recently approved Public Service Regulations, 2016. Delegations, in terms of the Public Service Act, 1994 (as amended) and Public Service Regulations, 2016, have been reviewed and approved by the Minister of Social Development. HR processes and systems are well established.

HCM is the heartbeat of any organisation and therefore Human Resource practices must ensure that the human capital is optimally utilised, developed and the morale of the officials is uplifted through a conducive environment.

To give effect to the above, the Department ensures that all its HCM policies are regularly reviewed to remove any barriers and keep up with the needs of the employees. The Department has developed retention measures through the Occupational-Specific Dispensation for Social Service Professions and Related Occupations, and participates in a task team responsible for the retention of SWs in the sector.

# 2.2. Human resources priorities for the year under review and the impact of these priorities

The following key priorities for the year under review were identified:

#### Reducing the vacancy rate to 8%

Appreciating the value employees have in the Department, a target of having a vacancy rate of 8%, addressing all grievances within three months and having a fully operational PMDS are some of the norms and standards that the Department will endeavour to uphold.

In order to have a fully effective Department, it is critical to fill posts as soon as possible. The target of 8% was not met mainly due to the directive from the Minister of Social Development to suspend all processes pertaining to the filling of all funded vacant and newly created posts with immediate effect until the alignment of the organisational structure and post establishment has been finalised.

The moratorium, however plausible, has implications on the capacity of the Department to deliver effective and efficient services. The moratorium compounds the capacity challenges of the Department due to the compensation budget of the Department being reduced in two consecutive years, requiring the Department to cut the number of posts it currently has.

It should be noted that the Department during the period under review facilitated the appointment of the Chief Executive Officer of SASSA. All processes for the filling of the DG and Deputy DG: Corporate Support Services posts were finalised but not approved by Cabinet.

#### Implement a Workplace Skills Plan

Further noting that key to the value of human capital is the continuous learning and development of employees, the Department undertakes on an annual basis to establish development areas for employees which inform a skills development plan that embraces the principle of life-long learning. Furthermore, the Department is currently embarking on a process of auditing the skills and competency of staff within the Department to ensure their correct placement and efficient delivery of services.

In an effort to contribute towards a skilled and capable workforce, the Directorate: Human Resource Development and Performance Management, as per the regulation of the Skills Development Act, 1998 (Act No. 97 of 1998), developed and implemented a Workplace Skills Plan. A total of 337 officials at all levels, including interns, attended identified skills development courses within the Department.

To enhance the formal skills base of the Department, 91 officials were supported through a bursary to study towards a qualification in various study areas. The Department continued its Internship Programme and 45 graduate interns and 10 student interns were placed in various functional areas. The Directorate continues to provide technical support to line managers for implementing various capacity building programmes.

#### 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. All 102 SMS members (L13-16) submitted their performance agreements. All staff members' Annual Performance Appraisals were finalised on time, as stipulated by the Departmental PMDS. Out of 634 staff members, a total of 612 qualifying staff members were assessed for the 2017/18 performance cycle.

A total of 612 Annual Performance Appraisals for qualifying staff members were completed in line with the Departmental PMDS. Performance feedback and outcomes of the performance assessments were communicated to all staff members.

#### Provide labour relations support

The reporting mechanism is integral to the monitoring and evaluation process. The primary purpose of reporting is to evaluate the effectiveness and efficiencies of the employment relations strategies implemented by the Department. The reporting is done through the FOSAD Action Plan, which is monitored by the DPME. There is commitment to meet the MPAT set performance standards for employee relations by ensuring that the Department:

- finalises at least 90% of all disciplinary cases within the prescribed period of 90 days (case commences when first-level supervisor becomes aware of the transgression):
- captures all disciplinary cases on PERSAL to ensure reliability of the reports received and generated from the system;
- submits approved manual report on disciplinary cases quarterly to FOSAD;
- conducts trend analysis; and
- implements preventative measures.

Grievances in the public service are managed and dealt with in terms of Section 35(1) of the Public Service Act, 1994, read with the Rules for Dealing with Grievances of Employees in the Public Service issued by the Public Service Commission in terms of section 11 of the Public Service Commission Act, 1997 (Act No. 46 of 1997). These rules were informed by the provisions of a collective agreement, PSCBC Resolution 14 of 2002, concluded between labour movements and the employer for employees on salary level

1-12. Chapter 10 of the SMS Handbook applies to grievances of senior managers on salary level 13-16.

The purpose of the grievance procedure is to advance sound labour relations and address grievances in the public service by fulfilling the primary objectives of this procedure which are, inter alia, to give effect to Section 196(4) (f) (ii) of the Constitution of the Republic of South Africa, to promote speedy, impartial and equitable handling of grievances at the lowest possible level.

The duration for the resolution of grievances is 30 days for salary level 1-2 and 45 days for SMS members respectively, unless parties agree on an extension.

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

Develop and implement a Sector Human Resource Plan for 2018 to 2022

The Department undertook a process of developing a five-year Sector Human Resource Plan 2018-2022, to guide and lead the entire Social Development Sector on the forecasting and forward planning of the workforce to address NDP priorities.

The Department has developed a draft Sector Human Resource Plan which has been consulted with various structures in the Social Development Sector. The finalisation of the Sector Plan was placed on hold until such time that the Department crystallises its strategy and aligns the organisational functional structure to the strategy. What would follow is the tabling of the draft Sector Human Resource Plan to the departmental executive structures to obtain approval for implementation.

#### 2.4. Employee performance management framework

Performance Management involves planning, review, evaluating, recognising and rewarding of performance. Performance management within the DSD 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 5, Regulation 71 of the Public Service Regulations 2016. The requirements 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 is used which clearly links to the Key Performance Areas (KPAs) and indicators as set out in performance agreements (SMS) and work plans of officials on salary level 1-12. Mid-term reviews are conducted and annual performance moderation committees convene annually to moderate the performance of all qualifying officials and make recommendations 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 creation as well as commemorating international calendar days such as Candle Light Memorial and World AIDS Day.

In respect of Health and Productivity Management , awareness is created among 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 EHW Practitioners who are qualified SWs 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 departmental 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 who are not so sport inclined.

#### 2.6. Highlights and challenges

#### a. Highlights

The following are regarded as highlights for the Department:

- The 100% compliance with the PMDS Policy and Regulations in respect of all officials submitting their performance agreements and Mid-Term reports as well as finalising the moderation of staff performance by the required due date of 31 December 2018
- The advertising and filling of the CEO: SASSA post
- The 100% compliance status of disclosing the financial interests of SMS members, staff on salary level 11-12 and staff in the finance Branch, within the specified period, in terms of the ethics framework
- The commencement of the process of having an organisational structure aligned to the Department's mandate and post requirements through a scientific study of business process mapping and work measurements

#### b. Challenges faced by the Department

The current arrangement of the moratorium on filling of posts has implications on the capacity of the Department to deliver optimally. The exiting of the workforce due to promotions, service terminations and transfers out of the Department is drastically impacting the turnover rate. Business units are currently performing more with less, which requires the relooking of the functional and responsibility allocation.

The vacant post of DG creates a leadership gap in the Department. It allows for the silo approach and lack of teamwork identified through the strategic planning sessions held by the Department.

The finalisation of the work measurement, business process mapping and alignment of structure to strategy exercise, including change management, is an important task that must be finalised to have a leaner and mean Department working like a well-oiled machine.

#### c. Future HR plans/goals

The following are the future HR plans/goals:

- The finalisation and implementation of the Sector Human Resource Plan. The Department in collaboration with all Social Services provincial departments has embarked on a process of responding to the call by the NDP Vision 2030 to strengthen social service professions to respond to the country's social welfare needs, hence currently developing a five-year 2018-2022 Sector Human Resources Plan.
- The Department will be focusing on ensuring that there is alignment and standardisation within the organisational structure for social development, especially at a provincial level to optimally render services and implementation of the approved pieces of legislation.
- The finalisation and implementation of the aligned structure and post establishment.

#### 3. Human resources oversight statistics

#### 3.1. Personnel-Related Expenditure

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

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

TABLE 3.1.1 PERSONNEL EXPENDITURE BY PROGRAMME FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
P1: Administration	357 159	197 850	0	0	55.4	573
P3: Social Security Policy & Administration	7 840 108	49 688	0	0	3.36	573
P4: Welfare Service Policy Development & Implementation Support	1 303 107	149 046	0	0	11.43	556
P5: Social Policy & Integrated Service Delivery	389 692	84 555	0	0	21.9	473
Total	9 890 066	481 139	0	0	92.09	532

TABLE 3.1.2 PERSONNEL COSTS BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee
Skilled (level 3-5)	18 402	3.72	77	238 987
Highly skilled production (level 6-8)	102 799	20.78	274	375 179
Highly skilled supervision (level 9-12)	195 563	39.52	260	752 165
Senior and top management (level 13-16)	119 863	24.22	94	1 275 138
Contract (level 3-5)	16 712	3.37	70	238 743
Contract (level 6-8)	10 655	2.15	28	380 536
Contract (level 9-12)	15 132	3.06	23	657 913
Contract (levels >= 13)	10 163	2.05	9	1 129 222
Contract — Other	3 134	0.63	42	74 619
Periodical Remuneration	2 348	0.47	47	48 927
Total	494 771	99.97	924	534 953

The difference in total personnel expenditure per programme and per salary band is caused by the different systems from which the data is extracted. From Human Capital Management perspective, the baseline for Compensation of Employees (CoE) is linked through PERSAL and Vulindlela systems, which depicts how the Department inject the funding for headcounts. The funding which is outside the CoE baseline is shown through bus managed by Finance, hence the disjuncture in total personnel costs. The total personnel expenditure by salary band includes R481 139 million from the departmental appropriation and R13 million from donor funding.

TABLE 3.1.3 SALARIES, OVERTIME, HOMEOWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

	Sa	laries	Ov	ertime	Home Ov	vners Allowance	Med	lical Aid
Programme	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 person- nel costs
P1: Administration	169 622	84.40	1 238	0.60	3 919	2	6 065	3.00
P3: Social Security Policy & Administration	42 877	82.90	0	0	900	1.70	1 549	3.00
P4: Welfare Service Policy Development & Implementation Support	25 245	90.60	0	0	268	1	446	1.60
P3: Grant Systems & Service Delivery Assur- ance	112 080	86.70	98	0.10	2 077	1.60	2 983	2.30
P3: Social Assistance Transfer & Administration	45 242	83.10	181	0.30	1 008	1.90	1 789	3.30
Welfare	31 467	86.50	0	0	371	1	962	2.60
Total	426 533	85.20	1 517	0.30	8 543	1.70	13 794	2.80

TABLE 3.1.4 SALARIES, OVERTIME, HOMEOWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

	Sa	laries	0ve	ertime	Home Owner	s Allowance	Medi	cal Aid
Salary band	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 person- nel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	39	72.20	0	0	4	7.40	8	14.80
Skilled (level 3-5)	13 846	74.80	333	1.80	1 244	6.70	1 206	6.50
Highly skilled production (level 6-8)	82 428	79.80	669	0.60	3 787	3.70	6 090	5.90
Highly skilled supervision (level 9-12)	169 433	86	471	0.20	2 074	1.10	5 167	2.60
Senior management (level 13-16)	106 568	87	0	0	1 433	1.20	1 312	1.10
Lower skilled (level 1-2)	16 601	98.80	40	0.20	0	0	0	0
Skilled (level 3-5)	10 617	98.30	3	0	0	0	0	0
Highly skilled production (level 6-8)	14 510	92.90	0	0	0	0	15	0.10
Highly skilled supervision (level 9-12)	9 450	90.60	0	0	0	0	- 3	0
Senior management (levels >= 13)	3 044	93.10	0	0	0	0	0	0
Contract (level 3-5)	0	0	0	0	0	0	0	0
Total	426 536	85.20	1 517	0.30	8 542	1.70	13 794	2.80

#### 3.2. Employment and Vacancies

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

The following tables 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, and
- critical occupations (see definition in notes below).

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 AS AT 31 MARCH 2019

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
P1: Administration	440	341	22.50	49
P3: Social Security Policy & Administration	191	158	17.2	55
P4: Welfare Service Policy Development & Implementa- tion Support	348	275	20.9	51
P5: Social Policy & Inte- grated Service Delivery	123	103	16.2	11
Total	1102	924	20.4	166

#### TABLE 3.2.2 EMPLOYMENT AND VACANCIES BY SALARY BAND AS AT 31 MARCH 2019

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)	0	0	0	0
Skilled (level 3-5)	113	77	31	0
Highly skilled production (level 6-8)	342	274	19	0
Highly skilled supervision (level 9-12)	343	260	24	1
Senior management (level 13-16)	132	94	28	1
Other — permanent	42	42	0	42
Contract (level 3-5) – permanent	70	70	0	69
Contract (level 6-8) — permanent	28	28	0	28
Contract (level 9-12) – permanent	23	23	0	19
Contract (levels >= 13) — permanent	9	9	0	6
Total	1 102	924	20.4	166

TABLE 3.2.3 EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATIONS AS AT 31 MARCH 2019

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related – permanent	115	87	24.30	13
Auxiliary and related workers – permanent	4	2	50	2
Cleaners in offices, workshops, hospitals, etc. – permanent	1	1	0	0
Client information clerks (switchboard reception information clerks) – permanent	13	12	7.70	0
Communication and information related – permanent	9	7	22.20	1
Community development workers – permanent	18	16	11.10	0
Computer system designers and analysts – permanent	9	7	22.20	3
Financial and related professionals – permanent	35	27	22.90	3
Financial clerks and credit controllers  – permanent	34	21	38.20	4
Food services aids and waiters – permanent	3	1	66.70	0
General legal administration & related professionals – permanent	5	2	60	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	8	27.30	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	27	23	14.80	6
Light vehicle drivers — permanent	1	1	0	0
Logistical support personnel – permanent	23	16	30.40	0
Material-recording and transport clerks – permanent	10	8	20	1
Messengers, porters and deliverers – permanent	11	7	36.40	2
Other administration & related clerks and organisers – permanent	353	301	14.70	113
Other information technology personnel – permanent	11	9	18.20	0
Other occupations – permanent	2	2	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
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	17	16	5.90	2
Secretaries and other keyboard operating clerks – permanent	5	5	0	0
Security officers – permanent	4	3	25	0
Senior managers – permanent	132	95	28	6
Social sciences related – permanent	61	42	31.10	0
Social work and related professionals  – permanent	147	122	17	9
Total	1 102	877	20.40	166

#### 3.3. Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed time frames and disciplinary steps taken.

**TABLE 3.3.1 SMS POST INFORMATION AS AT 31 MARCH 2019** 

SMS level	Total number of funded SMS posts	Total number of SMS posts filled		Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0%	1	100%
Salary – level 16	-	-	-	-	-
Salary – level 15	8	6	75%	2	25%
Salary – level 14	34	27	79%	7	21%
Salary – level 13	89	62	70%	27	30%
Total	132	95	<b>72</b> %	37	28%

**TABLE 3.3.2 SMS POST INFORMATION AS AT 30 SEPTEMBER 2018** 

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	100%
Salary – level 16	-	-	-	-	-
Salary – level 15	8	6	75%	2	25%
Salary – level 14	34	27	79%	7	21%
Salary – level 13	89	65	73%	24	27%
Total	132	98	74%	34	26%

#### TABLE 3.3.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

	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	0	0	0		
Salary – level 14	4	0	0		
Salary – level 13	8	0	0		
Total	13	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 1 APRIL 2018 TO 31 MARCH 2019

#### Reasons for vacancies not advertised within 6 months

The Minister of Social Development on 26 March 2018 directed the suspension of all processes pertaining to the filling of all funded vacant and newly created posts at all salary levels within the Department with immediate effect until further notice.

#### Reasons for vacancies not filled within 12 months

The Minister of Social Development on 26 March 2018 directed the suspension of all processes pertaining to the filling of all funded vacant and newly created posts at all salary levels within the Department with immediate effect until further notice.

# 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 1 APRIL 2018 TO 31 MARCH 2019

#### Reasons for vacancies not advertised within 6 months

Disciplinary steps could not be taken as it was a directive from the Minister of Social Development to suspend all processes pertaining to the filling of funded vacant posts.

#### Reasons for vacancies not filled within 6 months

Disciplinary steps could not be taken as it was a directive from the Minister of Social Development to suspend all processes pertaining to the filling of funded vacant posts.

#### 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 level 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 3.4.1 JOB EVALUATION BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

	Number of	Number of	% of posts	Posts up	pgraded	Posts downgraded	
Salary band	posts on approved establishment	jobs evaluated	evaluated by salary bands	Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (level 1-2)	0	0	0	0	0	0	0
Skilled (level 3-5)	113	0	0	0	0	0	0
Highly skilled production (level 6-8)	342	3	0.9	1	0.2	0	0
Highly skilled supervision		2	0.6	0	0	0	0
(level 9-12)	343						
Senior Management Service – Band A	85	0	0	0	0	0	0
Senior Management Service — Band B	36	0	0	0	0	0	0
Senior Management Service – Band C	8	0	0	0	0	0	0
Senior Management Service – Band D	3	0	0	0	0	0	0
Other	42	0	0	0	0	0	0
Contract (level 3-5)	70	0	0	0	0	0	0
Contract (level 6-8)	28	0	0	0	0	0	0
Contract (level 9-12)	23	0	0	0	0	0	0
Contract – Band A	7	0	0	0	0	0	0
Contract — Band C	2	0	0	0	0	0	0
Total	1 102	5	0.45	1	0.2	0	0

The table that follows provides a summary of the number of employees whose positions were upgraded due to their post 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 1 APRIL 2018 TO 31 MARCH 2019

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Employee 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 FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation			
Senior Management	0	0	0	0			
Administration	0	0	0	0			
Total	0	0	0	0			
Total number of employees	Total number of employees whose salaries exceeded the level determined by job evaluation						
Percentage of total employ	yed			0			

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

# TABLE 3.4.4 PROFILE OF EMPLOYEES WHO HAVE SALARY LEVELS HIGHER THAN THOSE DETERMINED BY JOB EVALUATION FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Employee with a disability	0	0	0	0	0
Total	0	0	0	0	0
Total number of employees wh	0				

#### 3.5. Employment Changes

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

TABLE 3.5.1 ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 01 APRIL 2018 TO 31 MARCH 2019

Salary band	Number of employees at beginning of period – 1 April 2018	Appointments and transfers into the Department	Terminations and trans- fers out of the Depart- ment	Turnover rate
Lower skilled (level 1-2)	0	0	0	0
Skilled (level 3-5)	80	0	2	2.50
Highly skilled production (level 6-8)	287	6	11	3.80
Highly skilled supervision (level 9-12)	264	1	5	1.90
Senior Management Service  – Band A	62	0	8	12.90
Senior Management Service  – Band B	30	0	2	6.70
Senior Management Service  – Band C	6	0	0	0.00
Senior Management Service  – Band D	1	0	0	0.00
Other – permanent	53	48	8	15.10
Contract (level 3-5) — permanent	92	12	33	35.90
Contract (level 6-8) — permanent	26	7	5	19.20
Contract (level 9-12) – permanent	25	16	10	40.00
Contract Band A — permanent	5	3	0	0.00
Contract Band C — permanent	2	2	1	50.00
Total	924	95	85	9.10

# TABLE 3.5.2 ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Critical occupation	Number of employees at beginning of period — April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related – permanent	87	8	8	9
Auxiliary and related workers – permanent	2	4	2	100
Client information clerks (switchboard reception information clerks) — permanent	12	0	0	0.00
Communication and information related – permanent	8	0	0	0.00
Community development workers – permanent	17	0	0	0.00
Computer system designers and analysts – permanent	7	0	0	0.00
Financial and related professionals – permanent	28	0	0	0.00
Financial clerks and credit controllers  — permanent	24	0	2	8.30
Food services aids and waiters — permanent	2	0	0	0.00
General legal administration and related professionals – permanent	4	0	0	0.00
Human resources & organisational development and related professionals — permanent	18	0	0	0.00
Human resources clerks – permanent	9	0	0	0.00
Human resources related – permanent	9	0	0	0.00
Information technology related — permanent	5	0	0	0.00
Language practitioners, interpreters and other communication — permanent	2	0	0	0.00
Library mail and related clerks — permanent	24	0	2	8.30
Logistical support personnel – permanent	22	0	6	27.30
Material-recording and transport clerks — permanent	8	0	0	0.00
Messengers, porters and deliverers – permanent	10	0	2	20.00
Other administrative & related clerks and organisers — permanent	327	70	42	12.80
Other administrative policy and related officers — permanent	1	0	0	0.00

Critical occupation	Number of employees at beginning of period — April 2018	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Other information technology	10	0	4	10.00
personnel – permanent	10	0		10.00
Other occupations – permanent	2	0	0	0.00
Printing and related machine operators — permanent	1	0	0	0.00
Psychologists and vocational counsellors – permanent	1	0	0	0.00
Risk management and security services – permanent	17	0	1	5.90
Secretaries and other keyboard operating clerks — permanent	5	0	1	20.00
Security officers – permanent	3	0	0	0.00
Senior managers – permanent	102	3	11	10.80
Social sciences related – permanent	43	0	0	0.00
Social work and related professionals – permanent	123	10	7	5.70
Total	924	95	85	9.10

The table below identifies the major reasons why staff left the Department.

#### TABLE 3.5.3 REASONS WHY STAFF LEFT THE DEPARTMENT FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Termination type	Number	% of Total resignations
Death	2	2.40
Resignation	38	44.70
Expiry of contract	41	48.20
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill health	0	0
Retirement	4	4.70
Transfer to other Public Service Departments	11	0
Other	0	0
Total	96	100
Total number of employees who left as a % of	10.2	

TABLE 3.5.4 PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	87	1	1.10	64	73.60
Auxiliary and related workers	2	0	0.00	0	0.00
Client information clerks (switchboard reception information clerks)	12	0	0.00	9	75.00
Communication and information related	8	0	0.00	5	62.50
Community development workers	17	0	0.00	10	58.80
Computer system designers and analysts	7	0	0.00	6	85.70
Financial and related professionals	28	0	0.00	25	89.30
Financial clerks and credit controllers	24	0	0.00	14	58.30
Food services aids and waiters	2	0	0.00	1	50.00
General legal administration and related professionals	4	0	0.00	3	75.00
Human resources & organisational development and related professionals	18	0	0.00	11	61.10
Human resources clerks	9	0	0.00	8	88.90
Human resources related	9	0	0.00	5	55.60
Information technology related	5	0	0.00	4	80.00
Language practitioners, interpreters and other communications	2	0	0.00	1	50.00
Library mail and related clerks	24	0	0.00	19	79.20
Logistical support personnel	22	0	0.00	16	72.70
Material-recording and transport clerks	8	0	0.00	8	100.00
Messengers, porters and deliverers	10	0	0.00	3	30.00
Other administration & related clerks and organisers	327	0	0.00	176	53.80
Other administrative policy and related officers	1	0	0.00	0	0.00
Other information technology personnel	10	0	0.00	8.00	80.00

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Other occupations	2	0	0.00	0	0.00
Printing and related machine operators	1	0	0.00	0	0.00
Psychologists and vocational counsellors	1	0	0.00	1	100.00
Risk management and security services	17	0	0.00	8	47.10
Secretaries and other keyboard operating clerks	5	0	0.00	4	80.00
Security officers	3	0	0.00	2	66.70
Senior managers	102	2	2.00	76	74.50
Social sciences related	43	1	2.30	26	60.50
Social work and related professionals	123	2	1.60	77	62.60
Total	933	6	0.60	591	63.30

#### TABLE 3.5.5 PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Salary band	Employees – 1 April 2018	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (level 1-2)	0	0	0	0	0
Skilled (level 3-5)	80	0	0.00	67	83.80
Highly skilled production (level 6-8)	287	0	0.00	213	74.20
Highly skilled supervision (level 9-12)	264	4	1.50	184	69.70
Senior management (Level 13-16)	99	1	1.00	75	75.80
Other – permanent	53	0	0.00	0	0.00
Contract (level 3-5) — permanent	92	0	0.00	23	25.00
Contract (level 6-8) — permanent	26	0	0.00	10	38.50
Contract (level 9-12) — permanent	25	0	0.00	16	64.00
Contract (level 13-16) – permanent	7	1	14.30	3.	42.90
Total	933	6.00	0.60	591.00	63.30

#### 3.6. Employment Equity

#### TABLE 3.6.1 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOL-LOWING OCCUPATIONAL CATEGORIES AS AT 31 MARCH 2019

0		Ma	le			Fem	ale		Total
Occupational category	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	37	3	3	4	36	2	2	7	95
Professionals	77	1	2	3	167	5	2	11	268
Technicians and associate professionals	34	1	1	4	58	3	1	3	105
Clerks	112	1	3	2	242	5	3	12	379
Service and sales workers	10	0	0	0	9	0	0	0	19
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	5	0	0	0	4	0	0	0	9
Plant and machine operators and assemblers	2	0	0	0	0	0	0	0	2
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	277	6	9	13	516	15	8	33	924
Employees with disabilities	5	0	1	2	6	0	1	0	15

# TABLE 3.6.2 TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS AT 31 MARCH 2019

Occupational band		Ma	le			Fem	ale		Total
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	1	0	0	0	3	0	0	0	4
Senior Management	41	3	3	4	37	2	3	7	100
Professionally qualified and experienced specialists and mid-management	89	2	3	7	166	7	3	13	290
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	73	0	1	0	172	5	2	9	262
Semi-skilled and discretionary decision making	62	1	2	2	106	1	0	4	178
Unskilled and defined decision making	12	0	0	0	31	0	0	0	43
Total	278	6	9	13	515	15	8	33	877

## TABLE 3.6.3 RECRUITMENT BY OCCUPATIONAL BAND FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

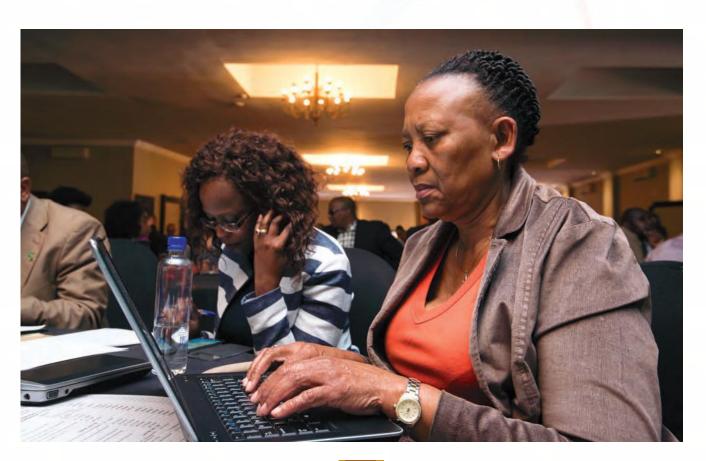
0 6 11 1		Ма	le		Female				T 4 1
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid- management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	0	0	0	5	0	0	0	6
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Not available –permanent	13	0	0	0	35	0	0	0	48
Top Management – contract	1	0	0	0	1	0	0	0	2
Senior Management – contract	2	0	0	0	1	0	0	0	3
Professionally Qualified – contract	1	0	0	0	15	0	0	0	16
Skilled Technical (Contract)	2	0	1	0	4	0	0	0	7
Semi-skilled – contract	4	0	0	0	8	0	0	0	12
Total	24	0	1	0	70	0	0	0	95
Employees with disabilities	0	0	0	0	4	0	0	0	4

## TABLE 3.6.4 PROMOTIONS BY OCCUPATIONAL BAND FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Occupational band	Male					Fem	ale		Total
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and midmanagement	6	0	1	0	27	1	0	1	36
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2	0	0	0	3	0	1	0	6
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	9	0	1	0	32	1	1	1	45
Employees with disabilities	0	0	1	0	1	0	0	0	2

TABLE 3.6.5 TERMINATIONS BY OCCUPATIONAL BAND FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

0		Ma	le		Female				Total
Occupational band	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	4	0	0	0	5	0	1	0	10
Professionally qualified and experienced specialists and mid-management	3	0	0	1	0	1	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	0	0	0	6	1	0	0	11
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Not available – permanent	2	0	0	0	6	0	0	0	8
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Top Management – contract	1	0	0	0	0	0	0	0	1
Senior Management –contract	3	0	0	0	7	0	0	0	10
Professionally Qualified – contract	2	0	1	0	2	0	0	0	5
Skilled Technical – contract	15	0	0	0	17	1	0	0	33
Total	35	0	1	0	44	3	1	0	85
Employees with disabilities	1	0	0	0	2	0	0	0	3



### TABLE 3.6.6 DISCIPLINARY ACTION BY OCCUPATIONAL BAND FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Dissiplinamy action	Male					Total			
Disciplinary action	African	Coloured	Indian	White	African	Coloured	Indian	White	IUlai
Final written warning	1	0	0	0	0	0	0	0	1
No outcome	0	0	0	0	1	0	0	0	1
Suspended without payment	0	0	0	0	1	0	0	0	1

## TABLE 3.6.7 SKILLS DEVELOPMENT BY OCCUPATIONAL CATEGORY FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

0	Male					Fem	ale		Total
Occupational category	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0
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
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

## 3.7. Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific time frames. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed time frames and disciplinary steps taken are presented here.

TABLE 3.7.1 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS AT 31 MAY 2018

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0%
Salary – level 16	0	0	0	0%
Salary – level 15	6	6	6	100%
Salary – level 14	28	28	27	99%
Salary – level 13	69	69	69	100%
Total	103	103	102	99%

## TABLE 3.7.2 REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS AT 31 MARCH 2018

### Reasons

SMS member was attached to the office of the Minister who was transferred to the Department of Women with the Minister and at the later stage the SMS member was transferred back to the Department, assuming a new role.

## TABLE 3.7.3 DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS AT 31 MARCH 2018

### 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 performance rewards that follow during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

## TABLE 3.8.1 PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

		Beneficiary profile		Cost			
Race and gender	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee		
African	224	781	28.7	5 981	26 704		
Male	81	272	30.7	2 243	27 699		
Female	143	509	28.0	3 738	26 142		
Asian	1	15	0.2	39 45	3945		
Male	0	8	0.0	00.0	0.00		
Female	1	7	14.3	39 45	3945		
Coloured	8	21	38.1	3 599	44 989		
Male	1	6	16.7	110 24	11 024		
Female	7	15	46.7	249.67	35 667		
White	7	44	15.9	209.53	29 932		
Male	0	11	0	00.0	0.00		
Female	7	33	21.2	209.53	29 932		
Total	240	924	27.9	6 742	28 094		

## TABLE 3.8.2 PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

		Ben	eficiary profile		Cost	Total cost as a % of	
Salary band	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	the total personnel expenditure	
Lower skilled (level 1-2)	0	0	0	0	0	0	
Skilled (level 3-5)	43	147	29.2	289	10 333	29.0	
Highly skilled production (level 6-8)	95	275	34.5	1 423	15 820	8.10	
Highly skilled supervision (level 9-12)	86	283	30.3	3 141	37 396	8.4	
Total	224	705	31.8	5 096	22 752	22.4	

### TABLE 3.8.3 PERFORMANCE REWARDS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

	Benef	iciary Profile		Cost	
Critical occupation	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Administrative related	9	21	42.90	160.40	17 822
Client information clerks (switchboard reception information clerks)	3	9	33.30	27.52	9 172
Communication and information related	1	3	33.30	7.67	7 671
Community development workers	6	7	85.70	61.36	10 227
Computer system designers and analysts	7	18	38.90	147.08	21 012
Financial and related professionals	2	16	12.50	59.79	29 896
Financial clerks and credit controllers	12	42	28.60	413.86	34 489
Food services aids and waiters	3	16	18.80	60.61	20 203
General legal administration and related professionals	84	301	27.90	1 152.75	13 723
Head of Department/Chief Executive Officer	0	2	0.00	0.00	0.00
Human resources & organisational development and related professionals	0	2	0.00	0.00	0.00
Human resources clerks	6	27	22.2	213.21	30 459
Human resources related	21	87	24.10	820.10	39 053
Information technology related	4	7	57.1	177.89	35 577
Language practitioners, interpreters and other communication	1	5	20.00	11.01	11 013.00

	Bene	ficiary Profile		Cost	
Critical occupation	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Library mail and related clerks	0	1	0.00	0.00	0.00
Logistical support personnel	11	23	47.80	132.41	12 037
Material-recording and transport clerks	2	8	25.00	105.21	52 605
Messengers, porters and deliverers	0	1	0.00	0.00	0.00
Other administration & related clerks and organisers	1	2	50.00	13.60	13 597
Other administrative policy and related officers	31	117	26.5	1 145.47	36 951
Other information technology personnel	1	2	50.00	13.57	13 574
Other occupations	2	8	25.00	24.46	12 229
Printing and related machine operators	0	1	0.00	0.00	0.00
Psychologists and vocational counsellors	18	84	21.4	1 646.21	91 456
Rank: Unknown	3	12	25.00	30.44	10 146
Risk management and security services	0	7	0.00	0.00	0.00
Secretaries and other keyboard operating clerks	4	9	44.40	73.92	18 479
Security officers	0	1	0.00	0.00	0.00
Senior managers	1	1	100.00	10.79	10 789
Social sciences related	6	16	37.50	193.91	32 318
Social work and related professionals	1	5	20.00	39.45	39 453
Total	240	877	27.60	6 742.69	27 862

## TABLE 3.8.4 PERFORMANCE-RELATED REWARDS (CASH BONUS) BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

		Beneficiary prof	ile	Co	st	Total cost as a % of	
Salary band	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	the total personnel expenditure	
Band A	9	64	14.10	717.91	79 767	1%	
Band B	6	29	20.70	590.28	98 380	6%	
Band C	3	8	37.50	338.02	112 674	3.1%	
Band D	0	2	0.00	0.00	0.00	0%	
Total	18	103	17.50	1 646.21	91 456	0.2%	

## 3.9. Foreign Workers

The tables below 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 FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Colony hand	1 Apri	l 2018	31 Mar	ch 2019	Change		
Salary band	Number	% of total	Number	% of total	Number	% Change	
Lower skilled	0	0	0	0	0	0	
Highly skilled production (level 6-8)	0	0	0	0	0	0	
Highly skilled supervision (level 9-12)	2	67	2	67	0	0	
Senior management (level 13-16)	1	33	1	33	0	0	
Total	3	100	3	100	0	0	

### TABLE 3.9.2 FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Major accumation	1 April 2018		31 March 2019		Change	
Major occupation	Number	% of total	Number	% of total	Number	% Change
Professionals and Managers	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 FOR THE PERIOD 1 JANUARY 2018 TO 31 DECEMBER 2018

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)
Contract (level 1-2)	85	74%	31	4%	2.74	31
Contract (level 3-5)	274	61%	56	7%	4.89	207
Contract (level 6-8)	132	78%	22	3%	6.00	199
Contact (level 9-12)	76	64%	18	2%	4.22	170
Contract (level 13-16)	53	43%	10	1%	5.30	213
Skilled (level 3-5)	555	80%	75	10%	7.40	454
Highly skilled production (level 6-8)	1 909	85%	238	31%	8.02	2 547
Highly skilled supervision (level 9 -12)	1 552	84%	230	30%	6.75	4 248
Top and Senior management (level 13-16)	546	95%	76	10%	7.18	2 462
Total	5 182	74%	756	100%	6.85	10 530

## TABLE 3.10.2 DISABILITY LEAVE (TEMPORARY AND PERMANENT) FOR THE PERIOD 1 JANUARY 2018 TO 31 DECEMBER 2018

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)	49	6	4	11%	12	37 958
Highly skilled production (level 6-8)	436	53	15	39%	29	552 020
Highly skilled supervision (level 9-12)	271	33	14	37%	19	722 497
Senior management (level 13-16)	68	8	5	13%	14	293 260
Total	824	100	38	100%	22	1 605 735

The table that follows 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 FOR THE PERIOD 1 JANUARY 2018 TO 31 DECEMBER 2018

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Contract (level 3-5)	1 258	91	14
Contract (level 6-8)	698	42	17
Contact (level 9-12)	450	30	15
Contract (level 13-16)	210	14	15
Contract (level 3-5)	1 258	91	14
Lower skilled (level 1-2)	0	0	0
Skilled (level 3-5)	3 201	177	18
Highly skilled production (level 6-8)	7 880	342	23
Highly skilled supervision (level 9-12)	7 946	313	25
Senior management (level 13-16)	3 034	125	24
Total	24 677	1 134	22

## TABLE 3.10.4 CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2018 TO 31 DECEMBER 2019

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 2019
Lower skilled (level 1-2)	0	0	0	0
Skilled (level 3-5)	0	0	0	14
Highly skilled production (level 6-8)	3	2	1	26
Highly skilled supervision (level 9-12)	24	7	3	26
Senior management (level 13-16)	0	0	0	51
Total	27	9	3	33

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

## TABLE 3.10.5 LEAVE PAYOUTS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Dance	Total amount	Number of employees	Average per employee
Reason	(R'000)		(R'000)
Leave payout for 2017/18 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payout on termination of service for 2018/19	200	4	50 099
Current leave payout on termination of service for 2018/19	1 396	53	26 338
Total	1 596	57	29 561

## 3.11. HIV/AIDS&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

None

## 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	<b>A</b>		Chief-Director: Human Capital Management
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.			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.			Sub-Directorate: Employee Health and Wellness 2X Employee Health and Wellness Practitioners Deputy Director and Assistant Directors Annual Budget: EHW Budget included within the Directorate: HRM Goods and Services allocation of R1 025 000
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.			<ul> <li>Employee Health and Wellness Programmes implement:</li> <li>Health Promotions sessions on a quarterly basis and the following elements were covered:</li> <li>Mental Health Awareness workshops were held on 16, 24, 25 &amp; 20 October 2019: 81 employees were workshopped.</li> <li>Interns support group: Presentation on Expungement of Criminal records on 14 December and Financial Wellness presented by the National Credit Regulator during February.</li> <li>Physical wellness for staff: Big Walk and NRD – 381 staff members participated in the Big Walk and 75 participated in NRD.</li> <li>Consumer awareness open day was hosted on 10 April 2018 and 150 staff members attended.</li> <li>A total of 90 staff members attended the Consumer Rights Awareness workshops held on 6, 12, 19 &amp; 26 March 2019. Presenters were Master of the High Court, Credit Ombudsman, Council for Medical Aids, Motor Industry Ombudsman and Consumer Goods Ombudsman.</li> </ul>

Question	Yes	No	Details, if yes
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
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.	E		The following policies were developed and approved:  HIV/AIDS and TB Management Policy  Wellness Management Policy  Health and Productivity 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.			<ul> <li>HIV/AIDS Preventions Programme, which includes;</li> <li>7 000 condoms were distributed</li> <li>HIV and TB screenings</li> <li>commemoration of international days to create awareness – 68 employees attended the Candlelight memorial and 50 attended the World AIDS Day</li> <li>Implement Care and support programmes:</li> <li>Provide counselling and support programmes to employees and their families.</li> <li>Network with local clinics for referrals for antiretroviral drugs and support groups.</li> </ul>
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, as well as TB Screenings, were conducted on employees:  196 employees tested for HIV: both May and December 2018 30 employees tested for TB on 3 December
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its Health Promotion Programme? If so, list these measures/indicators.	E		EHW Monthly reports are compiled EHW Quarterly reports are submitted to DPSA Annual Report compiled and submitted to DPSA Systems Monitoring Tool is compiled annually and submitted to DPSA

## 3.12. Labour Relations

### TABLE 3.12.1 COLLECTIVE AGREEMENTS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Subject matter	Date
Collective Agreements	None
Total number of Collective Agreements	None

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 FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	3	25
Final written warning	3	25
Suspended without pay	1	8.3
Fine	1	8.3
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	4	33.4
Total	12	100
Total number of disciplinary hearings finalised		1

## TABLE 3.12.3 TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Type of misconduct	Number	% of total
Removal of Departmental property	1	50
Colluding with an employee to remove Departmental property and disrespecting Managers and Management	1	50
Total	2	100

### TABLE 3.12.4 GRIEVANCES LODGED FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Grievances	Number	% of total
Number of grievances resolved	18	86
Number of grievances not resolved	03	14
Total number of grievances lodged	21	100

### TABLE 3.12.5 DISPUTES LODGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Disputes	Number	% of Total
Number of disputes upheld	1	100
Number of disputes dismissed	0	0
Total number of disputes lodged	1	100

### TABLE 3.12.6 STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work, no pay (R'000)	0

### TABLE 3.12.7 PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

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

## 3.13. Skills Development

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

## TABLE 3.13.1 TRAINING NEEDS IDENTIFIED FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

	Gender	Number of Training needs identified at start of the reporting p			e reporting per	eriod
Occupational category		employees as at 1 April 2018	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials	Female	53	0	19	0	19
and managers	Male	52	0	16	0	16
Professionals	Female	116	0	80	0	80
	Male	55	0	42	0	42
Technicians and associate	Female	60	0	45	0	45
professionals	Male	52	0	27	0	27
Clerks	Female	321	0	79	36	115
	Male	161	0	34	12	46
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and	Female	0	0	0	0	0
fishery workers	Male	0	0	0	0	0
Craft and related trades	Female	0	0	0	0	0
workers	Male	0	0	0	0	0
Plant and machine	Female	0	0	0	0	0
operators and assemblers	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub-total	Female	550	0	223	36	259
	Male	320	0	119	12	131
Total		870	0	342	48	390

TABLE 3.13.2 TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

	Gender	Number of				
Occupational category		employees as at 1 April 2018	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials	Female	53	0	27	3	30
and managers	Male	52	0	22	4	26
Professionals	Female	116	0	104	3	107
	Male	55	0	60	4	64
Technicians and associate	Female	60	0	64	1	65
professionals	Male	52	0	40	0	40
Clerks	Female	321	0	110	44	154
	Male	161	0	64	14	78
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and	Female	0	0	0	0	0
fishery workers	Male	0	0	0	0	0
Craft and related trades	Female	0	0	0	0	0
workers	Male	0	0	0	0	0
Plant and machine opera-	Female	0	0	0	0	0
tors and assemblers	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub-total	Female	550	0	305	51	356
	Male	320	0	186	22	208
Total		870	0	491	73	564

## 3.14. Injury on Duty

The following tables provide basic information regarding injury on duty.

## TABLE 3.14.1 INJURY ON DUTY FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	4	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, a "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:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a Department.

## TABLE 3.15.1 REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Appointment of a service provider to review the policy on protective workshops for persons with disabilities	3	33	R356 400.00
Appointment of a service provider to design, edit, layout and print of annual report	6	46	R492 500.00
Appointment of a service provider to conduct comprehensive costing of the policy for SSPs and draft Bill	4	80	R418 399.00
Appointment of a service provider to review national strategy towards integrated services to children with disability and registration guidelines for day-care centres	2	56	R465 920.00
Appointment of a service provider to facilitate a 3-day breakaway session for DSD Management	1	3	R257 600.00
Appointment of a service provider to develop and design NPO capacity building learning material	2	72	R490 000.00
Appointment of a service provider for editorial services towards finalisation of the revised draft White Paper for Social Development	5	40	R489 739.80
Appointment of a service provider to provide costing services for the drafting of the White Paper for Social Development	3	38	R496 891.00
Appointment of a service provider to provide editing, design and layout for social security review publication	3	14	R133 978.00
Appointment of a service provider to develop and facilitate youth camp programme	18	70	R499 901.00
Appointment of a service provider to facilitate both the strategic planning and APP session for DSD	3	16	R225 860.00
Appointment of a service provider to conduct the cost analysis for the youth development policy	3	39	R499 784.00
Appointment of a service provider to conduct the audit disposition fund	5	21	R225 681.75
Appointment of a service provider to provide technical assistance for the amendment of the Children's Act	1	90	R440 000.00
Appointment of a service provider to conduct the information technology risk assessment and develop risk appetite and tolerance framework	4	51	R477 936.00
Appointment of a service provider to conduct an audit on supply chain management process	5	68	R212 314.00

Total number of projects	Total individual consultants	Total duration workdays	Total contract value in Rand
16	68	736.7	R6 182 904.55

## TABLE 3.15.2 ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIS) FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

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 review the policy on protective workshops for persons with disabilities	100%	100%	3
Appointment of a service provider to design, edit, layout and print of annual report	100%	100%	6
Appointment of a service provider to conduct comprehensive costing of the policy for SSPs and draft Bill	25%	25%	3
Appointment of a service provider to review national strategy towards integrated services to children with disability and registration guidelines for day-care centres	100%	100%	2
Appointment of a service provider to facilitate a 3-day breakaway session for DSD management	100%	100%	1
Appointment of a service provider to develop and design NPO capacity building learning material	100%	100%	2
Appointment of a service provider for editorial services towards finalisation of the revised draft White Paper for Social Development	100%	100%	3
Appointment of a service provider to provide costing services for the drafting of the White Paper for Social Development	37.40%	60%	1
Appointment of a service provider to provide editing, design and layout for social security review publication	63%	40%	3
Appointment of a service provider to develop and facilitate youth camp programme	100%	100%	18
Appointment of a service provider to facilitate both the strategic planning and APP session for DSD	100%	100%	3
Appointment of a service provider to conduct the cost analysis for the youth development policy	100%	100%	3
Appointment of a service provider to conduct the audit disposition fund	100%	100%	5
Appointment of a service provider to provide technical assistance for the amendment of the Children's Act	100%	100%	1
Appointment of a service provider to conduct the information technology risk assessment and develop risk appetite and tolerance framework	100%	100%	4
Appointment of a service provider to conduct an audit on supply chain management process	100%	100%	5

## TABLE 3.15.3 REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Project title	ect title Total number of consultants that worked on project		ect Duration(workdays)	Donor and contract value in Rand
None				
Total number of p	rojects	Total individual consultants	Total duration (workdays)	Total contract value in Rand
None	•		, ,,,	

## TABLE 3.15.4 ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIS) FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

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

## 3.16. Severance Packages

## TABLE 3.16.1 GRANTING OF EMPLOYEE-INITIATED SEVERANCE PACKAGES FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by the Department
Lower skilled (level 1-2)	0	0	0	0
Skilled (level 3-5)	0	0	0	0
Highly skilled production (level 6-8)	0	0	0	0
Highly skilled supervision (level 9-12)	0	0	0	0
Top and Senior management (level 13-16)	0	0	0	0
Total	0	0	0	0



## FINANCIAL INFORMATION

**ANNUAL REPORT 2019** 



ANNUAL FINANCIAL STATEMENTS FOR NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT FOR THE YEAR ENDED 31 MARCH 2019

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## Report of the auditor-general to the Parliament on vote no.17 Department of Social Development

## Report on the audit of the financial statements

## **Qualified opinion**

- 1. I have audited the financial statements of the Department of Social Development set out on pages 168 to 233, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, 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.
- In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Social Development as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the modified cash standard (MCS) as prescribed by National Treasury, 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, 2018 (Act No. 1 of 2018) (Dora).

## **Basis for qualified opinion**

### Transfer and subsidies

3. Included in transfer and subsidies is R162,8 billion that relates to transfers to households. I was unable to obtain sufficient appropriate audit evidence that these transfers had been properly accounted for due to the status of the accounting records. I was unable to confirm these transfers by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the transfer and subsidies stated at R171,7 billion in note 7 of the financial statements.

## **Context for the opinion**

4. 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.

- 5. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as 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 codes.
- **6.** I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Other matter

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

## Unaudited supplementary schedules

8. The supplementary information set out on pages 234 to 248 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion on them.

## Responsibilities of accounting officer for the financial statements

- 9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS as prescribed by National Treasury, 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.
- 10. 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 appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

## Report of the auditor-general to the Parliament on vote no.17 Department of Social Development

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

- 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.
- 12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

## **Introduction and scope**

- 13. 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.
- 14. 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.
- 15. 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 2019:

Programmes	Pages in the annual performance report
Programme 2 – social assistance	44 – 46
Programme 4 – welfare services policy development and implementation support	52 – 70

- 16. 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.
- 17. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes.

### Other matter

**18.** I draw attention to the matter below

## Achievement of planned targets

**19.** Refer to the annual performance report on pages 35 to 80 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a significant number of targets.

## Report on the audit of compliance with legislation

## **Introduction and scope**

- 20. 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.
- **21.** The material findings on compliance with specific matters in key legislations are as follows:

## Report of the auditor-general to the Parliament on vote no.17 Department of Social Development

### Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected, which resulted in the financial statements receiving a qualified opinion.

## **Expenditure management**

**23.** Some payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

## Procurement and contract management

**24.** Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations related to the awarding of BBBEE points.

### Other information

- **25.** The 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, 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. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to 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

- 29. 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 basis for the qualified opinion and the findings on compliance with legislation included in this report.
- **30.** Expenditure relating to social assistance grants are not supported by accurate, sufficient and appropriate evidence.
- **31.** Management did not review and monitor compliance with applicable legislation in terms of preferential procurement as the policies and procedures were not updated with the new requirements.

## **Other reports**

32. 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.

## **Investigations**

**33.** The Hawks are currently performing investigations on social assistance grants fraud. The investigations are ongoing.

Auditor - General

### **Pretoria**

31 July 2019



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 the procedures performed on reported performance information for selected programmes and on the department's compliance with respect to the selected subject matters.

### **Financial statements**

- 2. In addition to my responsibility for the audit of the financial statements as described in 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.

					2018/19				2017/18	/18
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Voted	Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	Programme									
7.	Administration	391 746	•	1	391 746	361 367	30 379	92.2	386 438	384 119
2.	Social Assistance	162 860 723	•	1	162 860 723	162 709 840	150 883	99.9	151 230 232	150 336 771
33	Social Security Policy and Administration	7 877 021	-	1	7 877 021	7 840 561	36 460	99.5	7 296 237	7 277 717
4	Welfare Services Policy Development and Implementation Support	1 300 440	1	ı	1 300 440	1 277 837	22 603	98.3	1 056 155	1 011 354
	Social Policy and Integrated Service Delivery	392 303	1	'	392 303	390 312	1 991	99.5	388 706	386 589
	TOTAL	172 822 233	1	1	172 822 233	172 579 918	242 315	99.9	160 357 768	159 396 550
Reco	Reconciliation with Statement of Financial Performance	ormance								
Add:										
	Departmental receipts				50 678				52 445	
	NRF Receipts				1				ı	
	Aid assistance				27 728				27 861	
Actua	Actual amounts per Statement of Financial Performance (Total Revenue)	ormance (Total Re	venue)		172 900 639				160 438 074	
Add:	Aid assistance					26 541				26 978
	Prior year unauthorised expenditure approved without funding	d without funding								
Actu	Actual amounts per Statement of Financial Performance Expenditure	ormance Expendit	ure			172 606 459				159 423 528

APPROPRIATION PER ECONOMIC CLASSIFICATION	SIFICATION								
				2018/19				2017/18	118
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	886 750	5 971	•	892 721	819 682	73 039	91.8	857 360	834 258
Compensation of employees	490 351	1	1	490 351	481 139	9 212	98.1	476 811	461 130
Salaries and wages	440 533	(6 537)	ı	433 996	426 901	7 095	98.4%	426 667	411 651
Social contributions	49 818	6 537	1	56 355	54 238	2117	96.2%	50 144	49 479
Goods and services	396 399	5 971	1	402 370	338 543	63 827	84.1	380 549	373 128
Administrative fees	5 716	3 586	1	9 302	7 886	1 416	84.8	5 846	5 395
Advertising	25 426	(10 274)	1	15 152	8 952	6 200	59.1	18 012	16 436
Minor assets	2 439	(722)	1	1717	292	1 165	32.1	573	528
Audit costs: External	17 270	1	1	17 270	16 401	869	95.0	16 480	16 336
Bursaries: Employees	1 170	326	ı	1 496	1 454	42	97.2	1 197	1 197
Catering: Departmental activities	16 020	(2 713)	1	13 307	12 543	764	94.3	14 262	13 899
Communication (G&S)	10 825	378	1	11 203	10 064	1 139	8.68	12 173	12 149
Computer services	39 930	(741)	1	39 189	25 607	13 582	65.3	47 916	47 916
Consultants: Business and advisory services	31 123	4 513	1	35 636	29 577	6 0 2 3	83.0	38 471	38 932
Legal services	7 547	10 295	ı	17 842	15 747	2 095	88.3	11 172	12 147
Contractors	10 182	(4 592)	1	5 590	4 707	883	84.2	5 635	5 630
Agency and support / outsourced services	250	6 6 2 3	1	6 8 9 9	6 8 9 9	1	100.0	640	640
Entertainment	491	(267)	1	224	145	79	64.9	139	111
Fleet services (including government motor transport)	5 754	839	1	6 593	5 417	1 176	82.2	8 416	8 208
Consumable supplies	1 727	(2)	1	1 725	1 150	2/2	2.99	824	828
Consumable: Stationery, printing and office supplies	11 475	(3 143)	1	8 332	4 567	3 765	54.8	4 456	3 626

				2018/19				2017/18	18
	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
Operating leases	45 605	893	1	46 498	34 672	11 826	74.6	41 658	41 661
Property payments	96 / 9	3 225	ı	10 021	9 511	510	94.9	006 9	6 832
Transport provided: Departmental activity	1 590	(1 180)	ı	410	1	410	ı	1 047	I
Travel and subsistence	100 497	(1 797)	1	98 700	94 061	4 639	95.3	105 365	101 122
Training and development	7 789	(3 002)	1	4 7 2 4	2 907	1 817	61.5	3 039	2 639
Operating payments	8 494	3 107	1	11 601	10 213	1 388	88.0	8 420	8 934
Venues and facilities	34 546	(1 252)	1	33 294	29 862	3 429	89.7	21 828	21 752
Rental and hiring	3 737	1 928	ı	2 9 9 2	2 9 9 2	1	100.0	080 9	5 910
Interest and rent on land	ı	I	1	ı	ı	'	ı	ı	I
Transfers and subsidies	171 924 403	(7 262)	•	171 917 141	171 751 250	165 891	6.66	159 103 862	158 546 233
Provinces and municipalities	776 863	1	1	776 863	776 863	1	100.0	556 392	524 358
Provinces	776 863	-	ı	776 863	776 863	-	100.0%	556 392	524 358
Provincial Revenue Funds	687 583	-	ı	687 583	687 583	-	100.0%	556 392	524 358
Provincial agencies and funds	89 280	1	1	89 280	89 280	1	100.0%	1	•
Departmental agencies and accounts	7 967 029	•	1	7 967 029	7 966 854	175	100.0	7 408 459	7 408 332
Higher education institutions	1 500	I	1	1 500	1 500	1	100.0	1 977	1 976
Foreign governments and international organisations	7 148	746	1	7 894	6 302	1 592	79.8	7 965	6 610
Non-profit institutions	181 765	(4 852)		176 913	164 341	12 572	92.9	132 614	130 056
Households	162 990 098	(3 156)	1	162 986 942	162 835 390	151 552	99.9	150 996 455	150 474 901
Social benefits	3 130	•	ı	3 130	2 461	699	%9'82	2 072	2 083
Other transfers to households	162 986 968	(3 156)	ı	162 983 812	162 832 929	150 883	%6'66	150 994 383	150 472 818
Payments for capital assets	11 080	I	•	11 080	7 695	3 385	69.4	11 146	2 555

				2018/19				2017/18	/18
	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
Buildings and other fixed structures	1	1	1	ı	I	1	ı	1 570	ı
Machinery and equipment	10 023	ı	1	10 023	7 695	2 328	76.8	9 020	2 023
Transport equipment	ı	2 087	ı	2 087	2 087	ı	100.0%	1	ı
Other machinery and equipment	10 023	(2 087)	1	7 936	2 608	2 328	%2'02	9 020	2 023
Software and other intangible assets	1 057	•	1	1 057	I	1 057	ı	526	532
Payment for financial assets	1	1 291	•	1 291	1 291	•	100.0	385 400	13 504
TOTAL	172 822 233	•	•	172 822 233	172 579 918	242 315	6.66	160 357 768	159 396 550

PRO	PROGRAMME 1: ADMINISTRATION									
					2018/19				2017/18	/18
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub	Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<del>-</del>	Ministry	41 171	6 292	1	47 463	47 379	84	8.66	44 218	44 123
2.	Department Management	70 719	(3 496)	1	67 223	67 223	1	100.0	68 454	68 100
3.	Corporate Management	156 854	(4 465)	•	152 389	133 650	18 739	87.7	162 142	161 290
4.	Finance	67 485	2 326	1	69 811	64 040	5 771	91.7	60 020	59 323
5.	Internal Audit	15 272	(657)	ı	14 615	13 197	1 418	90.3	11 346	11 101
9.	Office Accommodation	40 245	1	1	40 245	35 878	4 367	89.1	40 258	40 182
	ТОТАГ	391 746	1	ı	391 746	361 367	30 379	92.2	386 438	384 119

PROGRAMME 1: ADMINISTRATION									
				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	381 935	(2 610)	•	379 325	350 280	29 045	92.3	381 923	380 912
Compensation of employees	197 817	33	1	197 850	197 850	1	100.0	187 366	186 608
Salaries and wages	177 063	(1 834)	1	175 229	175 229	ı	100.0%	166 296	165 749
Social contributions	20 754	1 867	ı	22 621	22 621	I	100.0%	21 070	20 828
Goods and services	184 118	(2 643)	1	181 475	152 430	29 045	84.0	194 557	194 304
Administrative fees	2 269	(468)	1	1 801	1 577	224	87.6	2 086	2 086
Advertising	1 420	378	1	1 798	733	1 065	40.8	1010	1 010
Minor assets	287	(327)	1	260	215	45	82.7	271	271
Audit costs: External	17 270	ı	ı	17 270	16 401	698	95.0	16 480	16 336
Bursaries: Employees	1 170	(1)	1	1 169	1 127	42	96.4	852	852
Catering: Departmental activities	1 895	807	1	2 702	2 420	282	89.6	1 040	1 040
Communication (G&S)	7 152	(101)	1	7 051	6 156	895	87.3	8 139	8 139
Computer services	39 930	(126)	1	39 174	25 592	13 582	65.3	47 864	47 864
Consultants: Business and advisory services	6 228	(3 133)	1	3 0 9 5	2 302	793	74.4	11 664	11 664
Legal services	223	352	1	575	2/2	ı	100.0	1 622	1 622
Contractors	5 204	(36)	1	5 168	4 446	722	86.0	5 103	5 103
Agency and support /outsourced services	•	33	1	33	33	1	100.0		•
Entertainment	226	(36)	1	131	66	32	75.6	58	28
Fleet services (including government motor transport)	4 416	683	ı	5 099	4 123	976	80.9	6 513	6 480
Consumable supplies	571	62	1	633	417	216	62.9	189	189
					-				

PROGRAMME 1: ADMINISTRATION									
				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	5 273	(2 381)	1	2 892	1 339	1 553	46.3	874	874
Operating leases	37 107	833	ı	37 940	33 646	4 294	88.7	40 068	40 068
Property payments	989 9	2 116	ı	8 802	8 373	429	95.1	6 6 9 3 6	6 563
Travel and subsistence	36 576	(882)	ı	35 691	34 927	764	97.9	38 373	38 373
Training and development	3 483	(088)	ı	2 603	1 522	1 081	58.5	1 381	1 381
Operating payments	3 279	889	1	3 967	3 537	430	89.2	2 649	2 649
Venues and facilities	2 884	401	ı	3 285	2 534	751	17.1	1 555	1 555
Rental and hiring	269	<i>L</i> 9	1	336	336	1	100.0	127	127
Interest and rent on land	1	1	ı	1	1	1	1	1	1
Transfers and subsidies	3 534	28	ı	3 592	3 371	221	93.8	1 929	1 760
Provinces and municipalities	1	1	1	1	1	1	1	1	1
Departmental agencies and accounts	1 573	1	ı	1 573	1 398	175	88.9	1 486	1 359
Households	1 961	28	ı	2 019	1 973	46	7.78	443	401
Payments for capital assets	6 277	1 261	1	7 538	6 425	1113	85.2	2 586	1 447
Buildings and other fixed structures	,	1	1		1	1	•	•	1
Machinery and equipment	5 220	1 261	1	6 481	6 425	56	99.1	2 060	939
Software and other intangible assets	1 057	1	ı	1 057	1	1 057	1	526	208
Payment for financial assets	•	1 291	1	1 291	1 291	1	100.0	1	•
тотац	391 746	•	1	391 746	361 367	30 379	92.2	386 438	384 119

	Thurshally in E. Suchal Assis IAIVE	ų			2018/19				2017/18	/18
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Su	Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
_	1. Old Age	70 531 415	23 384	,	70 554 799	70 542 096	12 703	100.0	64 156 265	64 130 161
2	2. War Veterans	2 351	415	1	2 766	2 380	386	86.0	3 935	3 086
က	3. Disability	22 104 787	(131 100)	1	21 973 687	21 960 632	13 055	6.66	21 045 440	20 944 847
4	4. Foster Care	5 131 588	5 801	1	5 137 389	5 114 211	23 178	99.5	5 375 250	5 207 026
5	5. Care Dependency	3 138 438	(28 000)	1	3 080 438	3 068 028	12 410	9.66	2 946 454	2 841 422
9	6. Child Support	60 531 022	103 000	1	60 634 022	60 611 568	22 454	100.0	56 231 412	55 847 799
7	7. Grant-in-Aid	1 011 122	(11 700)	1	999 422	994 205	5 217	99.2	871 476	816 588
∞	8. Social Relief of Distress	410 000	68 200	1	478 200	416 720	61 480	87.1	000 009	545 842
	TOTAL	162 860 723	•	•	162 860 723	162 709 840	150 883	6.66	151 230 232	150 336 771
	Economic classification									
	Current payments	1		•	•	1	•	1	1	
	Compensation of employees	1	1	1	-	1	1	1	-	1
	Goods and services	1		1	-	-	•	1	-	•
	Interest and rent on land	1	1	1	1	1		ī	1	
	Transfers and subsidies	162 860 723	•	•	162 860 723	162 709 840	150 883	6.66	150 844 832	150 323 267
	Non-profit institutions	ı	1	1	ı	1	•	1	ı	1
	Households	162 860 723	1	1	162 860 723	162 709 840	150 883	6.66	150 844 832	150 323 267
	Payments for capital assets	1	•	1	-	1	•	-	-	•
	Buildings and other fixed structures	•	1	•	1		•	•	•	•
	Machinery and equipment	1	•	1	-	1	-	I		-
	Payment for financial assets	1	•	1	•	•	•	•	385 400	13 504
	TOTAL	162 860 723	•	•	162 860 723	162 709 840	150 883	99.9	151 230 232	150 336 771

Adjusted Appropriation         Shifting of Appropriation Funds         Virement Appropriation         Final Appropriation         Appropriation Appropriation         Final Appropriation         Programme Appropriation         Final Appropriation	Ę	FROGRAMMES: SUCIAL SECURITY FULICY AND ADMINISTRATION	OLICT AIND ADIN	IINISTRATION		2018/19				2017/18	/18
Nome         Ry000			Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
T2 003         (9 800)         -         62 203         39 617         22 586         63.7         57 085           S1 302         9 825         -         47 127         34 993         12 134         74.3         28 507           Stration         7 697 630         7 697 630         7 697 630         7 697 630         7 144 341         7 1           Intert         65 248         65 248         65 248         65 248         65 248         65 248         65 248         7 840 561         7 840 5	Su	ıb programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
tration 7 697 630 9825 7 697 630 7 697 630 12 134 74.3 28 507 7144 341 71 71    the first one of the following states are a significant and significant anative significant and significant and significant and significant	<u> </u>	Social Security Policy Development	72 003	(008 6)	'	62 203	39 617	22 586	63.7	57 085	42 970
Social Grants Administration         7697 630         7697 630         7697 630         7697 630         7144 341         7	2.	Appeals Adjudication	37 302	9 825		47 127	34 993	12 134	74.3	28 207	26 903
Social Grants Fraud         65 248         -         65 248         65 248         -         100.0         61 719         61 719           Investigations         4 838         (25)         -         4 813         3 073         1 740         63.8         4 585           Programme Management         7 877 021         -         7 877 021         7 840 561         36 460         99.5         7 296 237         7 206 237         7 200 237	ω.		7 697 630	1	1	7 697 630	7 697 630	1	100.0	7 144 341	7 144 341
Programme Management         4838         (25)         -         4813         3073         1740         63.8         4585           TOTAL         7877021         7877021         7840 561         36 460         99.5         7296 237	4.		65 248	1	•	65 248	65 248	1	100.0	61 719	61 719
7877 021         -         7877 021         7840 561         36 460         99.5         7 296 237	5.		4 838	(22)	-	4 813	3 073	1 740	63.8	4 585	1 784
		TOTAL	7 877 021	•	•	7 877 021	7 840 561	36 460	99.5	7 296 237	T17 TT2 T

PROGRAMME 3: SOCIAL SECURITY POLICY AND ADMINISTRATION	Y AND ADMINISTE	SATION							
				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	106 644	9/9	•	107 320	72 394	34 926	67.5	80 296	65 701
Compensation of employees	68 200	(6 300)	1	58 900	49 689	9 211	84.4	61 205	47 773
Goods and services	38 444	9 6 6	1	48 420	22 705	25 715	46.9	19 091	17 928
Administrative fees	538	1	1	538	135	403	25.1	252	211
Advertising	955	1	1	955	1	922	ı	379	379
Minor assets	1 234	,	1	1 234	114	1 120	9.2	101	26
Catering: Departmental activities	483	1	ı	483	110	373	22.8	70	70
Communication (G&S)	1 295	9	1	1 301	1 058	243	81.3	1 247	1 247
Computer services	ı	,	ı	ı	1	'	ı	34	34
Consultants: Business and advisory services	7 547	(194)	ı	7 353	2 694	4 659	36.6%	4 172	3 438
Legal services	4 609	10 081	1	14 690	12 595	2 095	85.7	3 875	3 875
Contractors	161	,	ı	161	1	161	1	22	22
Entertainment	09	•	1	09	13	47	21.7	13	11
Fleet services (including government motor transport)	828	44	I	873	673	200	17.1	613	613
Consumable supplies	410	•	1	410	51	328	12.4	103	100
Consumable: Stationery, printing and office supplies	2 1 1 4	1	1	2 114	255	1 859	12.1	276	236
Operating leases	7 7 42	1	1	7 742	211	7 531	2.7	646	646
Property payments	110	-	1	110	29	81	26.4	11	11
Travel and subsistence	6 795	15	1	6 810	3 672	3 138	53.9	4 119	3 871

Shifting of Funds         Virement Funds         Final Appropriation         Actual Expenditure           R7000         R7000         R7000         R7000           R7000         R7000         R7000         R7000 <th></th> <th></th> <th></th> <th></th> <th>2018/19</th> <th></th> <th></th> <th></th> <th>2017/18</th> <th>18</th>					2018/19				2017/18	18
mic classification         R'000         R'000 <th></th> <th>Adjusted Appropriation</th> <th>Shifting of Funds</th> <th>Virement</th> <th>Final Appropriation</th> <th>Actual Expenditure</th> <th>Variance</th> <th>Expenditure as % of final appropriation</th> <th>Final Appropriation</th> <th>Actual Expenditure</th>		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
ining and development 1039	lassification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
arrating payments         986         -         -         986         28	and development	1 039	•	ı	1 039	303	736	29.2	131	81
unes and facilities         1537         24         -         1561         764         7767 811         1           ers and subsidies         7762 878         200         -         7762 878         7	ig payments	986	1	ı	986	28	928	2.8	253	253
arrand subsidies         7768 947         200         -         7769 147         7767 878         7762 878           Dartmental agencies         7 762 878         -         7 762 878	and facilities	1 537	24	ı	1 561	764	797	48.9	2 774	2 774
antmental agencies         7 762 878	nd subsidies	7 768 947	200	•	7 769 147	7 767 811	1 336	100.0	7 213 035	7 211 718
ler education institutions         1500         -         1500         15	nental agencies ounts	7 762 878	1	1	7 762 878	7 762 878	ı	100.0	7 206 060	7 206 060
eign governments and parational organisations         4 299         200         -         4 499         3 429         1 439         1 439         3 429         1 439         3 429         1 439         3 429         1 439         4 499         3 429         1 4         4 50	ducation institutions	1 500	1	1	1 500	1 500	1	100.0	1 500	1 500
useholds         270         -         -         270         4         4           nts for capital assets         1 430         (876)         -         554         356         356           chinery and equipment         1 430         (876)         -         554         356         -           nt for financial assets         -         -         -         -         -         -         -	governments and onal organisations	4 299	200	1	4 499	3 429	1 070	76.2	5 230	4 132
nts for capital assets         1 430         (876)         -         554         356         356           Ichinery and equipment         1 430         (876)         -         554         356         -           It for financial assets         -         -         -         -         -         -	spic	270	1	1	270	4	266	1.5	245	26
Inchinery and equipment       1430       (876)       -       554       356       356         Int for financial assets       -       -       -       -       -       -	or capital assets	1 430	(876)	1	554	356	198	64.3	2 906	298
t for financial assets	ary and equipment	1 430	(876)	ı	554	356	198	64.3	2 906	298
100 TO T	financial assets	1	1	ı	ı	1	1	1	ı	1
100,040 / 170 / / / 170 / / / / / / / / / / / / / / / / / / /		7 877 021	•	•	7 877 021	7 840 561	36 460	99.5	7 296 237	T17 TT2 T

Ŧ	PROGRAMME 4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT	POLICY DEVELO	PMENT AND IMP	LEMENTATION \$	SUPPORT					
					2018/19				2017/18	//18
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
S	Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<u>—</u>	. Service Standards	31 120	(9 92)	1	24 463	22 944	1 519	93.8	27 528	22 908
2.	. Substance Abuse	109 121	(2 384)	1	106 737	104 833	1 904	98.2	73 647	42 048
က်	. Older Persons	20 282	(1 346)	1	18 939	16 480	2 459	87.0	20 191	20 100
4.	. People with Disabilities	29 959	(348)	1	29 611	26 970	2 641	91.1	27 179	26 608
5	. Children	573 455	2 637	1	576 092	575 889	203	100.0	395 501	390 703
9	. Families	9 765	(604)	1	9 161	8 967	194	6.79	10 159	10 021
7.	Social Crime Prevention and Victim Empowerment	63 682	6 213		69 895	67 713	2 182	96.9	76 079	74 091
∞.	. Youth	14 406	1 213	1	15 619	15 619	•	100.0	18 025	18 009
<u>ග</u>	. HIV and AIDS	121 443	708	1	122 151	111 602	10 549	91.4	98 017	97 133
10.	). Social Worker Scholarships	323 028	1	1	323 028	322 239	789	8.66	305 319	305 319
11.	I. Programme Management	4 176	268	1	4 744	4 581	163	9.96	4 510	4 414
	TOTAL	1 300 440	•	•	1 300 440	1 277 837	22 603	98.3	1 056 155	1 011 354

PRUGRAMMIE 4: WELFARE SERVICES PULICY DEVELUPMIEN I AND	ICY DEVELUPIMEN		IMPLEMENTATION SUPPURI	UPPURI					
				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	271 415	8 007	1	279 422	271 262	8 160	97.1	267 488	261 151
Compensation of employees	144 035	5 011	1	149 046	149 045	_	100.0	147 090	146 094
Goods and services	127 380	2 996	1	130 376	122 217	8 159	93.7	120 398	115 057
Administrative fees	1 738	3 369	1	5 107	4 318	789	84.6	1 987	1 752
Advertising	21 736	(6 743)	ı	11 993	7 813	4 180	65.1	14 550	13 572
Minor assets	527	(344)	1	183	183	1	100.0	135	135
Bursaries: Employees	ı	(18)	1	(18)	(18)	1	100.0	ı	ı
Catering: Departmental activities	9 402	(2 160)	1	7 242	7 279	(37)	100.5	10 166	10 166
Communication (G&S)	1 435	130	ı	1 565	1 564	_	6.66	1 544	1 544
Computer services	ı	5	1	5	5	1	100.0	ı	ı
Consultants: Business and advisory services	10 926	8 036	1	18 962	18 355	209	8.96	16 361	16 105
Legal services	2 565	12	1	2 577	2 577	1	100.0	5 675	5 675
Contractors	4 592	(4 447)	1	145	145	1	100.0	481	481
Agency and support / outsourced services	250	969 9	1	6 846	6 846	,	100.0	640	640
Entertainment	165	(142)	ı	23	23	(0)	101.4	33	17
Fleet services (including government motor transport)	451	14	1	465	465	I	100.0	995	995
Consumable supplies	029	(28)	1	642	642	•	100	488	487
Consumable: Stationery, printing and office supplies	2 765	(158)	1	2 607	2 607	ı	100	1 884	1 858
Operating leases	205	09	1	295	561	1	93.8	697	269
Property payments	ı	293	1	293	293	1	100.0	109	109
Transport provided: Departmental activity	1 180	(1 180)	1	1	•	1	1	200	-

				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	38 004	(178)	ı	37 826	37 089	737	98.1	38 968	35 796
Training and development	1 952	(1 163)	1	789	789	ı	100.0	593	200
Operating payments	3 616	1 942	1	5 558	5 558	ı	100.0	5 301	5 301
Venues and facilities	22 641	156	ı	22 797	20 916	1 881	91.7	13 957	13 898
Rental and hiring	2 263	1 944	ı	4 207	4 207	1	100.0	5 334	5 329
Interest and rent on land	ı	1	ı	ı	ı	ı	ı	ı	ı
Transfers and subsidies	1 026 464	(7 622)	•	1 018 842	1 005 874	12 968	98.7	783 781	749 517
Provinces and municipalities	776 863	ı	1	776 863	776 863	1	100.0	556 392	524 358
Higher education institutions	ı	1	ı	1	ı	1	ı	477	476
Foreign governments and international organisations	797	546	1	1 343	1 241	102	92.4	759	613
Non-profit institutions	121 822	(4 852)	ı	116 970	104 398	12 572	89.3	101 819	99 261
Households	126 982	(3 316)	1	123 666	123 372	294	8.66	124 334	124 809
Social benefits	737	(160)	ı	277	283	294	49.0%	845	1 320
Other transfers to households	126 245	(3 156)	ı	123 089	123 089	1	100.0%	123 489	123 489
Payments for capital assets	2 561	(382)	ı	2 176	701	1 475	32.2	4 886	989
Buildings and other fixed structures	ı	1	ı	1	1	1	ı	1 570	ı
Building	1	ı	1	1	ı	1	1	1 570	1
Machinery and equipment	2 561	(382)	ı	2 176	701	1 475	32.2	3 316	662
Other machinery and equipment	2 561	(382)	ı	2 176	701	1 475	32.2%	3 316	662
Software and other intangible assets	1	1	ı	ı	ı	1	ı	1	24
Payment for financial assets	1	•	ı	1	•	•	ı	1	1
TOTAL	1 300 440	•	•	1 300 440	1 277 837	22 603	98.3	1 056 155	1 011 354

# **DEPARTMENT OF SOCIAL DEVELOPMENT VOTE 17**

## **APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

Adjusted Appropriation Purple In Propertiation Suitified Bookelopment Appropriation Purple In Propertiation Public In Propertic In Propertiation Public	H.	PROGRAMME 5: SOCIAL POLICY AND INTEGRATED SERVICE DELI	D INTEGRATED S	ERVICE DELIVERY	>-						
Adjusted Appropriation Final Personant Appropriation Final Research Re						2018/19				2017	1/18
Frond ment mental men			Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Social Policy Research and Development         5 910         66 94         6 594         6 408         16 6 99         5 718         5 718           Special Projects and Innovation and Monitoring of Population Policy Promotion         34 53         (4 198)         - 6 79         6 794         8 75         98.3         99.5         11 0612           Population Policy Promotion         34 53         (398)         - 6 79         8 73         8 73         10 612	Sul	b programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Special Projects and Innovation         4 553         (4 198)         - 6 797         6 764         33 560         35 560         10612         10612           Population Policy Promotion         34 531         (398)         - 34 133         35 560         35 560         98.3         35 539           Registration and Monitoring of Populations Profit Organisations         (520)         (1397)         - 48 608         4759         49         99.7         36 754           Substance Abuse Advisory         6 205         (1397)         - 48 608         4759         49         99.0         4231           Services and Oversight         91 153         4 996         - 96 149         95 186         99.0         91.385           National Development Agency         202 578         - 202 578         - 100.0         91.385         91.385           Programme Management         3459         - 4344         4 254         90         97.9         97.9         97.9           Total         101         322 303         - 392 303         99.1         99.5         99.5         99.5         99.5			5 910	684	ı	6 594	6 408	186	97.2	5 718	4 889
Population Policy Promotion         34 531         (398)         34 133         5560         5754         98.3         35 539         35 539           Registration and Monitoring of Substance Abuse Advisory         37 472         (572)         -         36 900         36 803         99.7         99.7         36 754           Substance Abuse Advisory         6 205         (1397)         -         4 808         4 759         49         99.0         4 231         72           Community Development         91 153         4 996         -         96 149         95 186         95.0         91.385         21<	2.		10 995		•	6 797	6 764	33	99.5	10 612	10 212
Registration and Monitoring of Non-Profit Organisations         37 472         (572)         -         36 900         36 803         99.7         99.7         36 754           Non-Profit Organisations         6 205         (1397)         -         4 808         4 759         99.0         4 231         4 231           Substance Abuse Advisory         6 205         (1397)         -         4 806         4 759         99.0         4 231         7 202           Services and Oversight         91 153         4 996         -         96 149         95 186         99.0         91 385         201 013	က်		34 531	(338)	•	34 133	33 260	573	98.3	35 238	35 443
Substance Abuse Advisory         6 205         (1 397)         -         4 808         4 759         4 759         4 231         4 231           Services and Oversight         20 20 1153         4 996         -         96 149         95 186         95.0         99.0         91 385           Community Development Agency         202 578         -         96 149         95 186         97.9         91 38           National Development Agency         3459         888         -         4 344         4 254         90         97.9         3454           Programme Management         392 303         -         392 303         99.5         99.5         388 706         98	4		37 472	(572)	1	36 900	36 803	97	99.7	36 754	36 704
Community Development Agency         202 578         -         96 149         96 148         96 186         96 20 96.9         91 386         99.0         91 386         99.0         91 386         99.5         9	.5		6 205	(1 397)	1	4 808	4 759	49	99.0	4 231	3 630
National Development Agency         202 578         -         202 578         -         100.0         201 013           Programme Management         3459         885         -         4 344         4 254         90         97.9         3454           Total         392 303         -         392 303         390 312         1 991         99.5         388 706         388 706	9		91 153	4 996	1	96 149	95 186	896	0.66	91 385	91 371
Programme Management         3459         885         -         4344         4254         90         97.9         3454           Total         392 303         -         392 303         390 312         1991         99.5         388 706         38	7.		202 578	1	1	202 578	202 578	1	100.0	201 013	200 916
392 303 392 303 390 312 1 991 99.5 388 706	ω.		3 459	882	1	4 344	4 254	06	6.79	3 454	3 424
		Total	392 303	•	•	392 303	390 312	1 991	99.5	388 706	386 589

# **DEPARTMENT OF SOCIAL DEVELOPMENT VOTE 17**

## **APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

PROGRAMME 5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

				2018/19		l		2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final apropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	126 756	(102)	•	126 654	125 745	606	99.3	127 653	126 494
Compensation of employees	80 288	4 256	ı	84 555	84 555	ı	100.0	81 150	80 655
Salaries and wages	70 243	4 433	ı	74 676	74 676	1	100.0%	71 965	71 469
Social contributions	10 056	(177)	ı	9 879	9 879	ı	100.0%	9 185	9 186
Goods and services	46 457	(4 358)	ı	42 099	41 190	606	97.8	46 503	45 839
Administrative fees	1711	989	1	1 856	1 856	ı	100.0	1 521	1 346
Advertising	1 315	(606)	ı	406	406	1	100.0	2 073	1 475
Minor assets	91	(21)	1	40	40	1	100.0	99	99
Bursaries: Employees	1	345	1	345	345	1	100.0	345	345
Catering: Departmental activities	4 240	(1 360)	ı	2 880	2 734	146	94.9	2 986	2 623
Communication (G&S)	943	343	ı	1 286	1 286	1	100.0	1 243	1 219
Computer services	1	10	1	10	10	1	100.0	18	18
Consultants: Business and advisory services	6 422	(196)	1	6 226	6 226	•	100.0	6 274	7 725
Legal services	150	(120)	ı	ı	1	1	1	ı	975
Contractors	225	(109)	1	116	116	1	100.0	29	24
Entertainment	40	(30)	ı	10	10	1	100.0	35	25
Fleet services (including government motor transport)	28	86	ı	156	156	1	100.0	295	420
Consumable supplies	76	(36)	1	40	40	1	100.0	44	52
Consumable: Stationery, printing and office supplies	1 323	(604)	ı	719	366	353	51.0	1 422	658

# **DEPARTMENT OF SOCIAL DEVELOPMENT VOTE 17**

## **APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

PROGRAMME 5: SOCIAL POLICY AND INTEGRATED SERVICE DELI	EGRATED SERVICE	: DELIVERY							
				2018/19				2017/18	/18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	254	•	ı	254	254	,	100	247	250
Property payments	1	816	ı	816	816	,	100	141	149
Transport provided: Departmental activity	410	1	ı	410	ı	410	ı	547	I
Travel and subsistence	19 122	(749)	ı	18 373	18 373	1	100.0	23 905	23 082
Training and development	1 315	(1 022)	ı	293	293	1	100.0	934	229
Operating payments	613	477	1	1 090	1 090	1	100.0	217	731
Venues and facilities	7 484	(1 833)	ı	5 651	5 651	,	100.0	3 542	3 525
Rental and hiring	1 205	(83)	ı	1 122	1 122	,	100.0	619	454
Transfers and subsidies	264 735	102	•	264 837	264 354	483	99.8	260 285	259 971
Departmental agenciesmand accounts	202 578	1	ı	202 578	202 578	,	100.0	200 913	200 913
Foreign governments and international organisations	2 052	1	ı	2 052	1 632	420	79.5	1 976	1 865
Non-profit institutions	59 943	1	ı	59 943	59 943	'	100.0	30 795	30 795
Households	162	102	ı	264	201	63	76.1	26 601	26 398
Payments for capital assets	812	•	•	812	213	299	26.2	292	124
Machinery and equipment	812	•	1	812	213	299	26.2	768	124
Payment for financial assets	•	•	•	•	-	•	-	1	1
TOTAL	392 303	•	1	392 303	390 312	1 991	99.5	388 706	386 589

### NOTES TO THE APPROPRIATION STATEMENT FOR THE ENDED 31 MARCH 2019

### 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	391 746	361 367	30 379	7.75
Current payments	379 325	350 280	29 045	7.66
Transfers and subsidies	3 592	3 371	221	6.15
Payments for capital assets	7 538	6 425	1 113	14.77
Payments for financial assets	1 291	1 291	-	-

The underspending mainly relate to delays on the delivering of services and infrastructure linked to the Turnkey solution project with State Information Technology Agency during the financial year.

SOCIAL ASSISTANCE	162 860 723	162 709 840	150 883	0.09
Current payments	-	-	-	-
Transfers and subsidies	162 860 723	162 709 840	150 883	0.09
Payments for capital assets	-	-	-	-

The underspending mainly relate to slow spending on foster care, disability and grant in aid as a result of lesser than anticipated projected beneficiaries

SOCIAL SECURITY POLICY AND ADMINISTRATION	7 877 021	7 840 561	36 460	0.46
Current payments	107 320	72 394	34 926	32.54
Transfers and subsidies	7 769 147	7 767 811	1 336	0.02
Payments for capital assets	554	356	198	35.74

The underspending mainly relate to delays in the full operationalization of the Social Assistance Inspectorate.

WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT	1 300 440	1 277 837	22 603	1.74
Current payments	279 422	271 262	8 160	2.92
Transfers and subsidies	1 018 842	1 005 874	12 968	1.27
Payments for capital assets	2 176	701	1 475	67.78

The underspending mainly relate to delays on the payment for various national bodies as a results of the reclassification of expenditure in line with Circular 21 and reduced participants related for the annual welfare service events hosted during the financial year.

### **NOTES TO THE APPROPRIATION STATEMENT OR THE ENDED 31 MARCH 2019**

4.1 Per programme (continues)	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R′000	R′000	R′000	%
SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY	392 303	392 303	1 991	0.51
Current payments	126 654	125 745	909	0.72
Transfers and subsidies	264 837	264 354	483	0.18
Payments for capital assets	812	213	599	73.77
The underspending mainly relate to operational efficiencies im	nlemented			

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments	892 721	819 682	73 039	8.18
Compensation of employees	490 351	481 139	9 212	1.88
Goods and services	402 370	338 543	63 827	15.86
Interest and rent on land	0	0	-	
Transfers and subsidies	171 917 141	171 751 250	165 891	0.10
Provinces and municipalities	776 863	776 863	-	0.00
Departmental agencies and accounts	7 967 029	7 966 854	175	0.00
Higher education institutions	1 500	1 500	-	0.00
Foreign governments and international organisations	7 894	6 302	1 592	20.17
Non-profit institutions	176 913	164 341	12 572	7.11
Households	162 986 942	162 835 390	151 552	0.09
Payments for capital assets	11 080	7 695	3 385	30.55
Machinery and equipment	10 023	7 695	2 328	23.23
Intangible assets	1 057	0	1 057	100.00
Payments for financial assets	1 291	1 291	-	0.00

The main underspending relate to Social Assistance Grants and operational efficiencies implemented during the financial year.

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	89 280	89 280	-	-
Early Childhood Development Conditional grant	490 800	490 800	-	-
Employment of Social Workers Conditional grant	196 783	196 783	-	-

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2019

	Note	2018/19	2017/18
		R'000	R'000
REVENUE			
Annual appropriation	1	172 822 233	160 357 768
Departmental revenue	2	50 678	52 445
Aid assistance	3	27 728	27 861
TOTAL REVENUE		172 900 639	160 438 074
EXPENDITURE			
Current expenditure			
Compensation of employees	4	481 140	461 135
Goods and services	5	338 542	373 128
Aid assistance	3	11 008	2 972
Total current expenditure		830 690	837 235
Transfers and subsidies			
Transfers and subsidies	7	171 751 249	158 546 233
Aid assistance	3	374	2 641
Total transfers and subsidies		171 751 623	158 548 874
Expenditure for capital assets			
Tangible assets	8	22 855	23 386
Intangible assets		-	529
Total expenditure for capital assets		22 855	23 915
Payments for financial assets	6	1 291	13 504
TOTAL EXPENDITURE		172 606 459	159 423 528
SURPLUS/(DEFICIT) FOR THE YEAR		294 180	1 014 546
Reconciliation of Net Surplus/(Deficit) for the yea	ar		
Voted funds		242 315	961 218
Annual appropriation		242 315	961 218
Departmental revenue and NRF Receipts	13	50 678	52 445
Aid assistance	3	1 187	883
SURPLUS/(DEFICIT) FOR THE YEAR		294 180	1 014 546

### **STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019**

	Note	2018/19	2017/18
		R'000	R'000
ASSETS			
Current assets		190 476	13 307 864
Cash and cash equivalents	9	125 365	331 537
Prepayments and advances	10	39 858	12 925 860
Receivables	11	25 253	50 467
Non-current assets		1 351 984	1 126 675
Receivables	11	1 351 984	1 126 675
TOTAL ASSETS		1 542 460	14 434 539
LIABILITIES			
Current liabilities		238 314	13 319 974
Voted funds to be surrendered to the Revenue Fund	12	15 228	(24 647)
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	76 601	51 328
Bank overdraft	14	137 539	13 044 563
Payables	15	6 688	247 279
Aid assistance unutilised	3	2 258	1 451
Non-current liabilities			
Payables	16	1 303 891	1 113 936
TOTAL LIABILITIES		1 542 205	14 433 910
NET ASSETS		255	629
Represented by:			
Retained funds		255	629
TOTAL		255	629

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2019

Note	2018/19	2017/18
	R'000	R'000
	629	3 310
	(374)	(2 681)
	255	629
	2EE	629
	Note	<b>R'000</b> 629 (374)

### **NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT VOTE 17**

### **CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2018/19	2017/18
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		172 672 303	159 451 722
Annual appropriated funds received	1.1	172 595 146	159 371 903
Departmental revenue received	2	42 585	32 473
Interest received	2.2	6 844	19 485
Aid assistance received	3	27 728	27 861
Net (increase)/decrease in working capital		12 445 316	(1 271 184)
Surrendered to Revenue Fund		(758)	(488 637)
Surrendered to RDP Fund/Donor		(754)	-
Current payments		(830 690)	(837 235)
Payments for financial assets		(1 291)	(13 504)
Transfers and subsidies paid		(171 751 623)	(158 548 874)
Net cash flow available from operating activities	17	12 532 503	(1 707 712)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(22 855)	(23 915)
Proceeds from sale of capital assets	2.3	1 249	487
Net cash flows from investing activities		(21 606)	(23 428)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in non-current payables		189 955	(176 303)
Net cash flows from financing activities		189 955	(176 303)
Net increase/(decrease) in cash and cash equivalents		12 700 852	(1 907 443)
Cash and cash equivalents at beginning of period		(12 713 026)	(10 805 583)
Cash and cash equivalents at end of period	18	(12 174)	(12 713 026)

### **ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2019**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

1	BASIS OF PREPARATION  The financial statements have been prepared in accordance with the Modified Cash Standard.
2	GOING CONCERN  The financial statements have been prepared on a going concern basis.
3	PRESENTATION CURRENCY Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.
4	ROUNDING Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	FOREIGN CURRENCY TRANSLATION  Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	COMPARATIVE INFORMATION
6.1	Prior period comparative information  Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7	REVENUE
7.1	Appropriated funds
	Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).
	Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.
	The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue
	Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.
	Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue
	Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:
	<ul> <li>it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and</li> </ul>
	• the amount of revenue can be measured reliably.
	The accrued revenue is measured at the fair value of the consideration receivable.
	Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.
	Write-offs are made according to the Department's debt write-off policy
8	EXPENDITURE
8.1	Compensation of employees
8.1.1	Salaries and wages
	Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions
	Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment.
	Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

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:
	<ul> <li>cost, being the fair value of the asset; or</li> </ul>
	<ul> <li>the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
9	AID ASSISTANCE
9.1	Aid assistance received
	Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.
	Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid
	Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10	CASH AND CASH EQUIVALENTS
	Cash and cash equivalents are stated at cost in the statement of financial position.
	Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.
	For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	PREPAYMENTS AND ADVANCES
	Prepayments for goods and services are expensed as the supplier implements agreed activities and provides a satisfactory report on performance and utilisation of funds in line with the signed service level agreement.
12	LOANS AND RECEIVABLES
	Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy.
	With regard to Social Assistance debtors, write-offs are made according to the policy on management of Social Assistance debtors as administered by the South African Social Security Agency.
13	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
	Payables recognised in the statement of financial position are recognised at cost.
16	CAPITAL ASSETS

### **ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2019**

### **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 assets 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 is 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 the project.

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

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

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

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

### 16.4 Project costs: Work-in-progress

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 amounts recognised and accumulated in work-in-progress (WIP) 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

### **ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2019**

### 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.

### **ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2019**

### 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.

### 21 CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS

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 are applied prospectively in accordance with MCS requirements.

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 party to a principal-agent arrangement for the administration of the Social Worker scholarship. In terms of the arrangement the Department is the Principal and is responsible for Social Work scholarship programme. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

### 24 DEPARTURES FROM THE MCS REQUIREMENTS

No departures

### 25 CAPITALISATION RESERVE

The capitalisation reserve comprises of 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 Revenue Fund when the underlying asset is disposed 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 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 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 a nominal charge, the lower of cost and current replacement value.  The cost of inventories is assigned by using the weighted average cost basis.
	The cost of inventories is assigned by using the weighted dverage cost basis.
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.

1. Annual appropriation						
	2017/18					
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received	
	R'000	R'000	R'000	R'000	R'000	
Administration	391 746	391 746	-	386 438	386 438	
Social Assistance	162 860 723	162 633 636	227 087	151 230 232	150 244 368	
Social Security Policy	7 877 021	7 877 021	-	7 <mark>296 237</mark>	7 296 237	
and Administration Welfare Services Policy Development and	1 300 440	1 300 440	- 1	1 056 1 <mark>5</mark> 5	1 056 154	
Implementation Support Social Policy and Integrated Service Delivery	392 303	392 303	-	388 <mark>7</mark> 06	388 706	
Total	172 822 233	172 595 146	227 087	160 357 768	159 371 903	

Funds not requested relates to the Social Assistance grant payments. Monthly request of funds is according to the SOCPEN extraction report

2. Departmental revenue					
	Note	2018/19	2017/18		
		R'000	R'000		
Sales of goods and services other than capital assets	2.1	3	13		
Interest, dividends and rent on land	2.2	6 844	19 485		
Sales of capital assets	2.3	1 249	487		
Transactions in financial assets and liabilities	2.4	42 582	32 460		
Total revenue collected		50 678	52 445		
Departmental revenue collected		50 678	52 445		

Decrease relates to interest received as the grant funds are now being paid to Post Bank and not to CPS for distribution

2.1. Sales of goods and services other than capital assets					
	2018/19	2017/18			
	2	R'000	R'000		
Sales of goods and services produced by the Department		3	13		
Other sales		3	13		
Total		3	13		

Decrease relates to interest received as the grant funds are now being paid to Post Bank and not to CPS and an amount of R13 million was received from Special Investigation Unit in respect of Social Grants fraudulent received

2.2. Interest, dividends and rent on land				
Note <b>2018/19</b>				
	2	R'000	R'000	
Interest		6 844	19 485	
Total		6 844	19 485	

Decrease relates to lesser interest received as grants are now being paid through Post Office and PostBank

2.3. Sale of capital assets			
	Note	2018/19	2017/18
	2	R'000	R'000
Tangible assets		1 249	487
Machinery and equipment	29	1 249	487
Total		1 249	487

Increase relates to the disposal of departmental vehicles.

2.4. Transactions in financial assets and liabilities				
	Note	2018/19	2017/18	
	2	R'000	R'000	
Receivables		42 281	32 188	
Other Receipts including Recoverable Revenue		301	272	
Total		42 582	32 460	

Increase relates to recoveries from grant debtors collected by the SIU and has been paid over to the National Revenue Fund and recovery of previous year debt by SASSA

2.5. Cash received not recognised (not included in the main note
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	2018/19				
Name of entity	Amount received	Amount paid to the revenue fund	Balance		
	R′000	R'000	R'000		
Substance abuse treatment conditional grant	4	4	-		
Early childhood development conditional grant	35 999	35 999	-		
Social workers employment conditional grant	43 336	43 336	-		
Total	79 339	79 339	-		

The amount of R79 339 million relates to Unspent Funds (2017/2018) of Conditional Grants

Cash received (not included in the main note) 2017/18						
	2017/18					
Name of entity	Amount received	Amount paid to the revenue fund	Balance			
	R'000	R'000	R'000			
National Development Agency (NDA)	30 418	30 418	-			
South African Social Security Agency (SASSA)	232 616	-	232 616			
			N/			
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

3. Aid assistance			
	Note	2018/19	2017/18
		R'000	R'000
Opening balance		1 451	(2 113)
Transferred from statement of financial performance		1 187	883
Transfers to or from retained funds		374	2 681
Paid during the year		(754)	-
Closing balance		2 258	1 451

Increase is due to funds received back from the South African Revenue Service (SARS) in respect of the KFW fund. The amount of R10 410 recorded on annexure 1F relates to funds receivable from the Department of Health in respect of expenditure costs related to compensation of employees for data capturers. Approval was granted for extension of the project up to 30 September 2019.

3.1. Analysis of balance by source			
		2018/19	2017/18
	Note	R'000	R'000
Aid assistance from RDP	3	2 258	697
Aid assistance from other sources		-	754
Closing balance		2 258	1 451

3.2. Analysis of balance			
		2018/19	2017/18
	Note	R'000	R'000
Aid assistance unutilised	3	2 258	1 451
Closing balance		2 258	1 451

Increase is due to finance funds received back from SARS in respect of the KFW fund. The amount of R10 410 recorded in annexure 1F relates to funds receivable from the Department of Health in respect of expenditure costs related to compensation of employees for data capturers. Approval was granted for extension of the project up to 30 September 2019.

3.3. Prior period error				
	Note	2017/18		
		R'000		
Relating to Previous Year 2017/2018		-		
Aid Assistance unutilised	3.2	(1 451)		
Aid Assistance repayable		1 451		
Total prior period errors				

3.4. Aid assistance expenditure per economic classification				
		2018/19	2017/18	
	Note	R'000	R'000	
Current	3	11 008	2 972	
Capital		15 159	21 365	
Transfers and subsidies		374	2 641	
Total aid assistance expenditure		26 541	26 978	

In the 2017/18 financial year, expenditure for the Global Fund project which relates to compensation of employees was for a period of three months up to 31 March 2018. In the 2018/19 financial year expenditure for the project was for the entire financial year. This resulted in the increase in current expenditure.

Capital expenditure relates to construction of community care centres. Majority of the construction work was done in the past financial year and the centres are nearing completion.

Transfers and Subsidies expenditure relates to the Criminal Assistance Recovery Asset (CARA) project. In line with service level agreements, payments were made to thirteen (13) CSOs providing services to victims of crime and violence in the 2017/18 financial year. In the 2018/19 financial year, the project is close to completion and funds were transferred to only three (3) CSOs.

### 4. Compensation of employees

### 4.1. Salaries and Wages

	Note	2018/19	2017/18
	4	R'000	R'000
Basic salary		332 529	317 194
Performance award		6 984	7 093
Service based		245	408
Compensative/circumstantial		5 803	6 908
Other non-pensionable allowances		81 340	80 054
Total		426 901	411 657

Normal increase in respect of the cost of living adjustments from April 2018

4.2. Social contributions			
	Note	2018/19	2017/18
		R'000	R'000
<b>Employer contributions</b>			
Pension		40 351	37 142
Medical		13 826	12 274
Bargaining council		62	62
Total		54 239	49 478
Total compensation of employees		481 140	461 135
Average number of employees	,	912	919

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

5. Goods and services				
	Note	2018/19	2017/18	
		R'000	R'000	
Administrative fees		7 913	5 394	
Advertising		8 953	16 437	
Minor assets	5.1	550	527	
Bursaries (employees)		1 453	1197	
Catering		12 544	13 898	
Communication		10 064	12 148	
Computer services	5.2	25 606	47 915	
Consultants: Business and advisory services		29 577	38 932	
Legal services		15 746	12 146	
Contractors		4 707	5 630	
Agency and support/outsourced services		6 879	639	
Entertainment		146	99	
Audit cost – external	5.3	16 401	16 335	
Fleet services		5 417	8 523	
Consumables	5.4	5 718	4 455	
Operating leases		34 675	41 664	
Property payments	5.5	9 510	6 832	
Rental and hiring		5 663	5 912	
Travel and subsistence	5.6	94 035	101 122	
Venues and facilities		29 863	21 752	
Training and development		2 909	2 639	
Other operating expenditure	5.7	10 213	8 932	
Total 338 542 373 128				

Decrease in normal operating activities.

5.1. Minor assets				
	Note	2018/19	2017/18	
	5	R'000	R'000	
Tangible assets		548	525	
Machinery and equipment		548	525	
Intangible assets		2	2	
Software		2	2	
Total		550	527	

Increase relates to procurement of minor assets.

5.2. Computer services			
	Note	2018/19	2017/18
	5	R'000	R'000
SITA computer services		24 464	47 231
External computer service providers		1 142	684
Total		25 606	47 915

Decrease in expenditure due to the fact that all invoices were paid in 2017/18

5.3. Audit cost – External			
	Note	2018/19	2017/18
	5	R'000	R'000
Regularity audits		15 642	14 311
Computer audits		759	2 024
Total		16 401	16 335

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

5.4. Consumables					
	Note	2018/19	2017/18		
	5	R'000	R'000		
Consumable supplies		1 151	830		
Uniform and clothing		137	193		
Household supplies		445	365		
Communication accessories		1	-		
IT consumables		108	77		
Other consumables		460	195		
Stationery, printing and office supplies		4 567	3 625		
Total		5 718	4 455		

Normal price increase in respect of normal operating material

5.5. Property payments			
	Note	2018/19	2017/18
	5	R'000	R'000
Municipal services		5 640	4 859
Property maintenance and repairs		3 869	1 971
Other		1	2
Total		9 510	6 832

Increase in rental for the buildings and the price adjustment by Municipality in respect of municipality services charged for the office building.

5.6. Travel and subsistence			
	Note	2018/19	2017/18
	5	R'000	R'000
Local		80 822	91 128
Foreign		13 213	9 994
Total		94 035	101 122

Decrease in travel expenditure is due to a decrease in domestic travel as lesser events were held however there was an increase in foreign travel in respect of attending / seminars that relate to the mandate of the Department.

5.7. Other operating expenditure				
	Note	2018/19	2017/18	
	5	R'000	R'000	
Professional bodies, membership and subscription fees		515	616	
Resettlement costs		27	177	
Other		9 671	8 139	
Total		10 213	8 932	

Increase in expenditure relates to day-to-day activities

6. Payments for financial assets				
	Note	2018/19	2017/18	
		R'000	R'000	
Other material losses written off	6.1	976	-	
Debts written off	6.2	315	13 504	
Total		1 291	13 504	

No grant debtors were written off during the year. The Department did write off some old outstanding balances. Detail in below paragraphs

6.1. Other material losses written off			
	Note	2018/19	2017/18
	6	R'000	R'000
Nature of losses			
Fruitless expenditure		53	-
SARS penalties		598	-
Interest charged		79	-
Irrecoverable old balances from various Institutions		246	-
Total		976	-

Departmental write-offs in respect of debt of ex-officials who could not be traced and old balances in the books of the Department.

6.2. Debts written off			
	Note	2018/19	2017/18
	6	R'000	R'000
Nature of debts written off			
Other debt written off			
SASSA debtors		-	13 504
Ex-employees debtors		315	-
Total debt written off		315	13 504

No grant debtors were written off during the year.

7. Transfers and subsidies			
		2018/19	2017/18
		R'000	R'000
	Note		
Provinces and municipalities	33	776 863	524 358
Departmental agencies and accounts	Annex 1A	7 966 854	7 408 332
Higher education institutions	Annex 1B	1 500	1 976
Foreign governments and international organisations	Annex 1C	6 302	6 609
Non-profit institutions	Annex 1D	164 341	130 056
Households	Annex 1E	162 835 389	150 474 902
Total		171 751 249	158 546 233

Increase in Social Assistance budget

8. Expenditure for capital assets				
	Note	2018/19	2017/18	
		R'000	R'000	
Tangible assets		22 855	23 386	
Buildings and other fixed structures	31	15 159	21 365	
Machinery and equipment	29	7 696	2 021	
Intangible assets			529	
Software	31	-	529	
Total		22 855	23 915	

The expenditure of R 15, 159 million in respect of buildings relates to the building of the community care centres and is paid from funds received from KFW (Germany). Increase in expenditure relating to machinery is due to the purchasing of computer equipment

8.1. Analysis of funds utilised to acquire capital assets — 2018/19						
Voted funds Aid assistance Total						
	R'000	R'000	R'000			
Tangible assets	7 696	15 159	22 855			
Buildings and other fixed structures	-	15 159	15 159			
Machinery and equipment	7 696	-	7 696			
Total	7 696	15 159	22 855			

8.2. Analysis of funds utilised to acquire capital assets — 2017/18					
	Voted funds	Aid assistance	Total		
	R'000	R'000	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 (KIW) Immovable Asset relates to Community Care Centres donated by KIW

9. Cash and cash equivalents						
	Note	2018/19	2017/18			
		R'000	R'000			
Consolidated Paymaster General Account		125 345	331 519			
Cash receipts		-	9			
Disbursements		- /	1			
Cash on hand		20	8			
Total		125 365	331 537			

Decrease is due to good cash flow management.

10. Prepayments and advances					
	Note	2018/19	2017/18		
		R'000	R'000		
Travel and subsistence		397	163		
Advances paid (Not expensed)	10.1	13 107	5 311		
SOCPEN advances		26 354	12 920 386		
Total		39 858	12 925 860		

No advance was paid to the South African Social Security Agency in respect of grants to be paid in April. Funds were only transferred on 1 April for April 2019.

Included in advances is an amount of R6, 615 million which was paid in line with the signed service level agreements. These advances were paid to organisations providing various services on behalf of the Department. An amount of R3, 495 million was expensed after the organisations implemented some of the agreed activities and provided satisfactory reports on performance and utilisation of funds.

10.1. Advances paid (Not expensed)								
	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2019		
	10	R'000	R'000	R'000	R'000	R'000		
National departments		5 311	(3 043)	-	7 719	9 987		
Other entities		-	(3 495)	-	6 615	3 120		
Total		5 311	(6 538)	-	14 334	13 107		

Advance relates to International hotel accommodation advances transferred to the Department of International Relations as well as funds transferred to Government Communication for advertisements in the media

Included in advances is an amount of R6, 615 million which was paid in line with the signed service level agreements. These advances were paid to organisations providing various services on behalf of the department. An amount of R3, 495 million was expensed after the organisations implemented some of the agreed activities and provided satisfactory reports on performance and utilisation of funds.

Advances paid (Not expensed)								
	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2018		
	10	R'000	R'000	R'000	R'000	R'000		
National departments		3 738	(3 684)	-	<b>5 257</b>	5 311		
Total		3 738	(3 684)	-	5 257	5 311		

11. Receivables							
	2017/18						
		Current	Non-current	Current	Non-current	Total	
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	2 483	15 174	17 657	5 234	<mark>1</mark> 7 140	22 374
Staff debt	11.2	12	8	20	-	87	87
Fruitless and wasteful							
expenditure	11.3	-	-	-	-	53	53
Other receivables	11.4	22 758	1 336 802	1 359 560	45 233	1 109 395	1 154 628
Total		25 253	1 351 984	1 377 237	50 467	1 126 675	1 177 142

The increase mostly relates to an increase in social grant debtors.

11.1. Claims recoverable						
	Note	2018/19	2017/18			
	11 and	R'000	R'000			
	Annex 3					
National departments		2 164	1 891			
Provincial departments		15 189	15 257			
Public entities		304	5 226			
Total		17 657	22 374			

11.2. Staff debt			
	Note	2018/19	2017/18
	11	R'000	R'000
Current staff debt		12	-
Non-current staff debt		8	87
Total		20	87

Irrecoverable debtors were written off.

11.3. Other receivables	11.3. Other receivables						
	Note	2018/19	2017/18				
	11	R'000	R'000				
General Suspense		1	689				
Debt Receipt Control		2	18				
Salary GEHS Refund		236	65				
Salary Reversal		4	10				
Tax Debt		-	2				
Ex – Departmental Official Debt		349	810				
Pension Recoverable		7	-				
Salary Pension Fund		5	4				
SASSA Debtors		1 358 956	1 153 030				
Total		1 359 560	1 154 628				

Increase in grant debtors. In the 2017/18 financial year, social assistance grant debtors amounting to R366 million were written off as irrecoverable. In the 2018/19 financial year, approval was not granted to write-off irrecoverable debt amounting to R160, 466 million.

11.4. Fruitless and wasteful expenditure					
	Note	2018/19	2017/18		
	11	R'000	R'000		
Opening balance		53	53		
Less amounts written off		(53)	-		
Total - 53					

Old balance was written off

11.5. Impairment of receivables					
	Note	2018/19	2017/18		
		R'000	R'000		
Estimate of impairment of receivables		1 100 053	889 648		
Total		1 100 053	889 648		

The impairment estimate is higher in 2018/19 as it includes irrecoverable debts that were not approved for write-off

12. Voted funds to be surrendered to the Revenue Fund					
	Note	2018/19	2017/18		
		R'000	R'000		
Opening balance		(24 647)	467 063		
Transfer from statement of financial performance		242 315	961 218		
Voted funds not requested/not received	1	(227 087)	(985 865)		
Paid during the year		24 647	(467 063)		
Closing balance	15 228	(24 647)			

Saving to be surrendered to National Treasury

13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund				
	Note	2018/19	2017/18	
		R'000	R'000	
Opening balance		51 328	20 457	
Transfer from Statement of Financial Performance (as restated)		50 678	52 445	
Paid during the year		(25 405)	(21 574)	
Closing balance         76 601         51 32				

Revenue increase is due to the fact that revenue collected in the previous year was surrendered to the National Revenue Fund and SASSA also surrendered funds late to the Department

14. Bank overdraft					
	Note	2018/19	2017/18		
	14	R'000	R'000		
Consolidated Paymaster General Account		137 539	13 044 563		
Total		137 539	13 044 563		

Bank overdraft relates to the social assistance bank account administered by SASSA. The decrease is due to the fact that no SASSA advances were processed for payment in April 2019

15. Payables – current			
	Note	2018/19	2017/18
		R'000	R'000
Other payables	15.1	6 688	247 279
Total		6 688	247 279

Decrease due to the fact that the payment from SASSA in the previous year was an once off amount

15.1. Other payables						
	Note	2018/19	2017/18			
	15	R'000	R'000			
SASSA Claim Payable		379	527			
Salary Income Tax		5	-			
SASSA Unallocated Receipts		5 565	8 224			
DSO Debt Receivable Income & Interest		28	30			
HWSETA		-	3 245			
Reconstruction and Development Programme (RDP) KFW		-	2 637			
National Revenue Fund (SASSA)		-	232 616			
SASSA Funds in FNB Bank (debtors and revenue)		711	-			
Total		6 688	247 279			

Decrease due to the fact that the payment from SASSA in the previous year was an once off amount

16. Payables – no	on-curre	nt				
			2018	/19		2017/18
		R'000	R'000	R'000	R'000	R'000
	Note	One to two	Two to three	More than	Total	Total
		years	years	three years		
Advances received	16.1	-	-	212	212	362
Other payables	16.2	107 877	51 701	1 144 101	1 303 679	1 113 574
Total		107 877	51 701	1 144 313	1 303 891	1 113 936

Increase in deferred revenue related to grant debtors

16.1. Advances received					
	Note	2018/19	2017/18		
	16	R'000	R'000		
Provincial departments		212	362		
Total 212 36					

Funds received from Provincial departments and to be spent on NISIS project

16.2. Other payables					
	Note	2018/19	2017/18		
	16	R'000	R'000		
Differ Revenue: SASSA and SOC DEV		631	733		
Debt Receivable Income		1 201 807	1 022 229		
Debt Receivable Interest		98 125	76 975		
Disallowance Miscellaneous (SIU)		-	13 637		
HWSETA		3 116	-		
Total		1 303 679	1 113 574		

Increase in deferred revenue related to grant debtors

	Note	2018/19	2017/18
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		294 180	1 014 546
Add back non cash/cash movements not deemed operating activities		12 238 323	(2 722 258)
(Increase)/decrease in receivables		(200 095)	186 446
(Increase)/decrease in prepayments and advances		12 886 002	(1 680 576)
Increase/(decrease) in payables – current		(240 591)	222 946
Proceeds from sale of capital assets		(1 249)	(487)
Expenditure on capital assets		22 855	23 915
Surrenders to Revenue Fund		(758)	(488 637)
Surrenders to RDP Fund/Donor		(754)	-
Voted funds not requested/not received		(227 087)	(985 865)
Net cash flow generated by operating activities		12 532 503	(1 707 712)

18. Reconciliation of cash and cash equivalents for cash flow purposes					
	Note	2018/19	2017/18		
		R'000	R'000		
Consolidated Paymaster General account		(12 194)	(12 713 044)		
Cash receipts		-	9		
Disbursements		-	1		
Cash on hand		20	8		
Total		(12 174)	(12 713 026)		

No advance was paid to SASSA end of March 2019 in respect of social assistance grants for April 2019

19. Contingent liabilities and contingent assets						
19.1. Contingent liabilities						
	Note	2018/19	2017/18			
		R'000	R'000			
Liable to						
Claims against the Department	Annex 2	151 715	151 715			
Intergovernmental payables (unconfirmed balances)	Annex 4	1 229	6 270			
Total 152 944 157 985						

One of the new claims against the Department will be finalised in the new financial year (2019/20)

19.2. Contingent assets			
	Note	2018/19	2017/18
		R'000	R'000
Nature of contingent asset			
NEHAWU strike action (hours away from office)		78	78
Total		78	78

The settlement agreement to divert the strike signed in 2017 stated that the deductions would only be implemented once the negotiations are finalised. The negotiations are currently still at the PHSDSBC and the models for Rural Allowance and Review of OSD were tabled on 28 March 2019. Labour provided clarity questions regarding which responses would be tabled at the next scheduled council meeting.

20. Commitments			
	Note	2018/19	2017/18
		R'000	R'000
Current expenditure			
Approved and contracted		39 387	9 974
Approved but not yet contracted		2 297	2 234
		41 684	12 208
Capital expenditure			
Approved and contracted		759	1 690
		759	1 690
Total commitments		42 443	13 898

The commitment is not older than one year, R30 million relates to the tender for the Turnkey solution

21. Accruals and payables not recognised					
21.1. Accruals					
			2018/19	2017/18	
			R'000	R'000	
Listed by economic classification					
	30 Days	30+ Days	Total	Total	
Goods and services	3 262	413	3 675	10 003	
Total	3 262	413	3 675	10 003	

	Note	2018/19	2017/18
		R'000	R'000
Listed by programme level			
Administration		1 076	8 125
Social Security Policy and Administration		1 373	150
Welfare Services Policy Development and Implementation		1 025	373
Social Policy and Integrated Service Delivery		201	1 355
Total		3 675	10 003

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

21.2. Payables not recognised				
			2018/19	2017/18
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1 201	1 278	2 479	2 780
Total	1 201	1 278	2 479	2 780

	Note	2018/19	2017/18
	_	R'000	R'000
Listed by programme level			
Administration		1 747	2 624
Welfare Services Policy Development and Implementation		380	156
Social Policy and Integrated Service Delivery		352	-
Total		2 479	2 780

	Note	2018/19	2017/18
Included in the above totals are the following:		R'000	R'000
Confirmed balances with other departments	Annex 4	746	2 780
Total		746	2 780

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

22. Employee benefits				
	Note	2018/19	2017/18	
		R'000	R'000	
Leave entitlement		16 607	19 636	
Service bonus		11 579	11 064	
Performance awards		6 696	6 902	
Capped leave commitments		10 912	10 341	
Other		256	233	
Total		46 050	48 176	

At this stage the Department is not able to reliably measure the long term portion of the long service awards

### 23. Lease commitments

### 23.1. Operating leases

20.11. Operating reades			
2018/19	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	36 754	5 434	42 188
Later than 1 year and not later than 5 years	6 652	14 598	21 250
Later than 5 years	-		-
Total lease commitments	43 406	20 032	63 438

2017/18	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	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

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

## 23.2. Finance leases \*\*

2018/19	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	1 950	1 950
Later than 1 year and not later than 5 years	372	372
Later than 5 years	-	-
Total lease commitments	2 322	2 322

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

<sup>\*\*</sup> This note excludes leases relating to public private partnerships as they are separately disclosed to note no. 35. Finance lease relates to cellphone and data cards contract

### Irregular expenditure Note 2018/19 2017/18 R'000 R'000 Opening balance 82 926 6 173 Prior period error 44 151 As restated 82 926 50 324 Add: Irregular expenditure - relating to prior year 1 383 Add: Irregular expenditure - relating to current year 14 012 83 770 Less: Prior year amounts condoned (2432)(7487)(44993)Less: Current year amounts condoned (255)Less: Amounts not condoned and recoverable (71)94 251 82 926 **Closing balance** Analysis of awaiting condonation per age classification Current year 14 012 36 876 Prior years 80 239 46 050 Total 94 251 82 926

SASSA consulted with National Treasury in respect the condonement of irregular expenditure was discovered that the SASSA has no capacity to condone irregular expenditure therefore a total of R44 million had to be reversed and will be sent to National Treasury for condonation.

24.2. Details of irregular expenditure – added	current year (relating to cur	rent and prior years)
Incident	Disciplinary steps taken/ criminal proceedings	2018/19
		R'000
Non-compliance to SCM and order number was not issued prior to the services.	Affected officials were issued with written warning and final written warnings	7 611
Social Relief of Distress (SRD)		6 401
Total		14 012

24.3. Details of irregular expenditure condoned			
Incident	Condoned by (condoning authority)	2018/19	
		R'000	
Non-compliance to SCM and order number was not issued prior to the services.	Affected officials were issued with written warning and final written warnings	2 432	
Total		2 432	

24.4.Details of irregular expenditure recoverable (not condoned)			
Incident	Condoned by (condoning authority)	2018/19	
		R'000	
Social Relief of Distress (SRD)		255	
Total		255	

Payments processed to the suppliers without the attachment of the service level agreements and the award letters indicating the correct and agreed SRD rates.

24.5. Prior period error		
	Note	2017/18
		R'000
Nature of prior period error		44 151
Relating to 2017/18 [affecting the opening balance]		(507)
Social Relief of Distress (SRD) amount incorrectly condoned		44 658
Total prior period errors		44 151

After consultation with National Treasury on the issue to condone irregular expenditure it was discovered that the South African Social Security Agency (SASSA) has no capacity to condone irregular expenditure as a result of a total R44 million was reversed and will be sent to National Treasury for condonation as the relevant authority.

25. Fruitless and wasteful expenditure					
25.1. Reconciliation of fruitless and wasteful e	expenditure				
	Note	2018/19	2017/18		
		R'000	R'000		
Opening balance		558	871		
Fruitless and wasteful expenditure — relating to current year		713	528		
Less: Amounts resolved		(249)	(730)		
Less: Amounts transferred to receivables for recovery		-	(111)		
Closing balance		1 022	558		

25.2. Analysis of awaiting resolution po	er economic classification	
	2018/19	2017/18
	R'000	R'000
Current	1 022	558
Total	1 022	558

25.3. Analysis of current year's (relating to current and prior years) fruitless and wasteful expenditure			
Incident	Disciplinary steps taken/	2018/19	
	criminal proceedings	D/000	
		R'000	
Car damage		604	
Hotel no show		24	
Speaker damaged		9	
Incorrect installation of cameras		76	
Total		713	

### **26.** Related party transactions

List related party relationships

The following Entities established in terms of the Fund-raising Act No 107 of 1978 report to the Minister of Social Development:

- Disaster Relief Fund
- Social Relief Fund
- State President Fund
- Refugee Relief Fund

The following Public Entities report to the Minister of Social Development

- South African Social Security Agency (SASSA)
- National Development Agency (NDA)

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 are compiling their own Annual Financial Statements which reflect the financial activities of the parties.

27. Key management personnel				
	No. of	2018/19	2017/18	
	Individuals			
		R'000	R'000	
Political office bearers (provide details below)				
Officials:	2	4 383	4 255	
Level 15 to 16	10	13 140	14 083	
Level 14 (incl CFO if at a lower level)	29	35 788	30 967	
Family members of key management personnel	2	1 207	656	
Total		54 518	49 961	

28. Provisions			
	Note	2018/19	2017/18
		R'000	R'000
Social Assistance Debtors over recovery		19 449	21 583
Unfair Labour Practice		232	1 389
Termination of Contract		-	900
Total		19 681	23 872

28.1. Reconciliation of movement in provisions — 2018/19				
	Total provisions			
	R'000	R'000	R'000	
Opening balance	21 583	-	21 583	
Increase in provision	-	232	232	
Settlement of provision	(2 134)		(2 134)	
Closing balance	19 449	232	19 681	

In the previous financial years debtors administered by the SIU on behalf of SASSA were charged interest at rates which exceed the interest rates published by the Minister of Finance. In the 2017/18 financial year, the debtors accounts were adjusted using the correct interest rates. The balance has decreased from the 2017/18 financial year due to refunds paid to the debtors during the 2018/19 financial year.

The timing of these refunds is uncertain as the details of the debtor including banking details should be determined. The amount refundable has been reliably determined by taking into account the interest rates that have been published by the Minister of Finance.

Reconciliation of movem	ent in provisions – 2017	7/18		
	Social Assistance Debtors over recovery	Unfair Labour Practice	Termination of Contract	Total provisions
	R'000	R′000	R'000	R'000
Opening balance Increase in provision	17 263 -	- 1 389	- 900	17 263 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

## 29. Movable Tangible Capital Assets

Movement in tangible capital assets per asset register for the year ended 31 March 2019

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	82 519	7 492	1 901	88 110
Transport assets	15 267	2 087	1 783	15 571
Computer equipment	36 072	3 769	-	39 841
Furniture and office equipment	23 932	1 198	118	25 012
Other machinery and equipment	7 248	438	-	7 686
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	82 519	7 492	1 901	88 110

The prior year error relates to the 2017/18 asset register where assets were included in the capital asset register of instead as minor assets. This was picked up when the Fastrack asset was implemented in the year under review. Due to the implementation of the Fastrack system there will be better control over the assets of the Department

### 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	90	1 284

Included in the number of assets under investigation is a number of assets that were also reported in the 2017/18 financial year as assets under investigation. As this is the second year the assets were not found these assets will be removed in the 2019/20 financial year.

### 29.1. Additions

Additions in tangible capital assets per asset register for the year ended 31 March 2019

Additions in tangible capital assets per asset register for the year chaed 31 March 2013				
	Cash	Received current, not paid (Paid current year, received prior year)	Total	
	R'000	R'000	R'000	
MACHINERY AND EQUIPMENT	7 696	(204)	7 492	
Transport assets	2 087	-	2 087	
Computer equipment	3 769	-	3 769	
Furniture and office equipment	1 402	(204)	1 198	
Other machinery and equipment	438	-	438	
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	7 696	(204)	7 492	

Replaced vehicle for the Minister in line with the Ministerial Handbook. Refreshed a number of old computers and replaced broken computers.

## 29.2. Disposals

Disposals of movable tangible capital assets per asset register for the year ended 31 March 2019

	Sold for cash	Non-cash Disposal	Total Disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 439	462	1 901	1 249
Transport assets	1 439	344	1 783	1 249
Furniture and office equipment	-	118	118	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1 439	462	1 901	1 249

Disposed of old furniture to old school, and disposed of Departmental vehicles

### 29.3. Movement for 2017/18

Movement in tangible capital assets per asset register for the year ended 31 March 2018

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	83 462	(30)	2 093	3 006	82 519
Transport assets	16 517	1 548	-	2 798	15 267
Computer equipment	33 219	1 818	1 035	-	36 072
Furniture and office equipment	23 022	308	810	208	23 932
Other machinery and equipment	10 704	(3 704)	248	-	7 248
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	83 462	(30)	2 093	3 006	82 519

29.3.1 Prior period error		
	Note	2017/18
	29.3	R'000
Nature of prior period error		
Relating to 2017/18 [affecting the opening balance]		(30)
		(30)
Total prior period errors		(30)

The prior year error relates to the 2017/18 asset register where assets were included in the capital asset register instead of as minor assets. This was picked up when the Fastrack asset was implemented in the year under review. Due to the implementation of the Fastrack system there will be better control over the assets of the Department

20	4 R A			-4-
794	4 IV	unor	ass	ers

Movement in minor assets per the asset register for the year ended 31 March 2019

,				
	Intangible	<b>Machinery and</b>	Total	
	assets	equipment		
	R'000	R'000	R'000	
Opening balance	2	12 124	12 126	
Additions	2	548	550	
Disposals	-	(86)	(86)	
TOTAL MINOR ASSETS	4	12 586	12 590	

Machinery and equipment		
	<b>Machinery and equipment</b>	Total
Number of R1 minor assets	5 626	5 626
Number of minor assets at cost	11 581	11 581
TOTAL NUMBER OF MINOR ASSETS	17 207	17 207

### 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:

	morado in the above total of the miner duplical above por the above register are above that are and involving above		
	Number	Value	
		R'000	
Machin	ery and equipment 99	90	

### Minor assets

Movement in minor assets per the asset register for the year ended 31 March 2018

	Intangible assets	Machinery and equipment	Total	
	R'000	R'000	R'000	
Opening balance	-	11 650	11 650	
Prior period error	-	19	19	
Additions	2	525	527	
Disposals	-	(70)	(70)	
TOTAL MINOR ASSETS	2	12 124	12 126	

Machinery and equipment		
	Machinery and equipment	Total
Number of minor assets at cost	7 349	7 349
TOTAL NUMBER OF MINOR ASSETS	7 349	7 349

29.4.1 Prior period error				
	Note	2017/18		
	29.4	R'000		
Nature of prior period error		19		
Relating to 2017/18 [affecting the opening balance]		19		
Relating to 2017/18		(70)		
Disposal		(70)		
TOTAL				

Prior period error R19 000 relates to the correction of closing balance for period 2017/18 and R70 000 relates to approved disposal of 2017/18 and was not reported.

## 30. Intangible capital assets

Movement in intangible assets per register for the year end 31 March 2019

	Opening balance	Additions	Closing balance
	R'000	R'000	R'000
SOFTWARE	9 176	-	9 176
TOTAL INTANGIBLE CAPITAL ASSETS	9 176	-	9 176

No new intangible assets procured in the current year.

## 31. Movement for 2017/18

Movement in intangible capital assets per asset register for the year end 31 March 2018

	Opening balance	Additions	Closing balance
	R'000	R'000	R'000
SOFTWARE	8 647	529	9 176
TOTAL INTANGIBLE CAPITAL ASSETS	8 647	529	9 176

## **Immovable Tangible Capital Assets**

Movement in imovable tangible assets per asset register for the year end 31 March 2019

The vertical control of the second per decert by the second per decert						
	Opening balance	Additions	<b>Closing balance</b>			
	R'000	R'000	R'000			
BUILDINGS AND OTHER FIXED STRUCTURES	57 089	2 314	59 403			
Dwellings	685	-	685			
Non-residential buildings	55 846	2 314	58 160			
Other fixed structures	558	-	558			
TOTAL IMMOVABLE TANGIBLE	57 089	2 314	59 403			

### 32.1. Additions

Additions to immovable tangible capital assets per asset register for the year ended 31 March 2019					
	Cash	(Capital Work in Progress current costs and finance lease payments)	Total		
	R'000	R'000	R'000		
BUILDING AND OTHER FIXED STRUCTURES	15 159	(12 845)	2 314		
Non-residential buildings	15 159	(12 845)	2 314		
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	15 159	(12 845)	2 314		

### 32.2. Movement for 2017/18

Movement to immovable tangible capital assets per asset register for the year ended 31 March 2018

	Opening balance	Prior period error	Additions	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1 243	3 722	52 124	57 089
Dwellings	685	-	-	685
Non-residential buildings	-	3 722	52 124	55 846
Other fixed structures	558	-	-	558
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	1 243	3 722	52 124	57 089

32.2.1 Prior period error		
	Note	2017/18
	32.2	R'000
Nature of prior period error		
Relating to 2017/18 [affecting the opening balance]		3 722
Total		3 722

The completed centres for FY 2017/18 were understated

### 32.3. Capital Work-in-Progress

## Capital Work-in-Progress as at 31 March 2019

	Note	Opening balance 1 April 2018	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2019
	Annexure 5	R'000	R'000	R'000	R'000
Buildings and other		60 884	15 159	(2 314)	73 729
fixed structures					
TOTAL		60 884	15 159	(2 314)	73 729

### Age analysis on number of projects

	Number of projects	2018/19
	Planned, construction started	Total
		R'000
1 to 3 Years	1	11 379
3 to 5 Years	3	62 350
Total	4	73 729

### Capital Work-In-Progress as at 31 March 2018

	Note Annexure 7	Opening balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR))/ Contracts terminated	Closing balance 31 March 2018
		R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures		95 365	3 722	21 365	(55 846)	60 884
TOTAL		95 365	3 722	21 365	(55 846)	60 884

Age analysis on ongoing projects		
Number o	f projects	2018/19
Planned, Construction not started	Planned, Construction started	Total
		R'000
1 to 3 Years	4	60 884
Total	4	60 884

The prior year Age analysis was based on the remaining years of construction. In the current the ageing has been corrected to reflect the number of years since the commencement of the construction project.

33. Principal-agent arrangements			
33.1. Department acting as the principal			
	Fee	paid	
	2018/19		2017/18
	R'000		R'000
National Student Financial Aid Scheme	3 155		-

3 155

The National Student Financial Aid Scheme administers the Social Worker Scholarship programme on behalf of the Department by making scholarship payments to universities for the benefit of students awarded scholarships by the Department. Payments are made by NSFAS as guided by the Department in the Memorandum of Understanding for students whose scholarship awards have been approved by the Department. The scholarship increases the number of qualified Social Workers to implement the Department's developmental welfare services.

Total

Should the arrangement between the Department and NSFAS be terminated, unspent and uncommitted funds are expected to be paid back to the Department for surrender to the National Treasury

At the end of the 2018/19 financial year, scholarship funds amounting to R56, 203 million were in the bank account NSFAS and have been recognised by NSFAS. This amount decreased from the bank balance of R93, 642 million at the end of the 2017/18 financial year for which an administration fee of R3, 087 million was allocated to NSFAS.

### 34. Prior period errors

### 34.1. Correction of prior period errors

				2017/18
		Amount	Restated	
	Note	before error	error	Amount
		correction		
		2017/18	2017/18	2017/18
		R'000	R'000	R'000
Assets: Movable and Immovable				
tangible capital assets				
Tangible Capital Assets	29.3.1	82 549	(30)	82 519
Minor Assets	29.4.1	12 175	(51)	12 124
Immovable Capital Assets	32.2.1	52 124	3 722	55 846
(Non-residential buildings)				
Net effect		146 848	3 641	150 489

The prior year error relates to the 2017/18 asset register where assets were included in the capital asset register instead of as minor assets. This was picked up when the Fastrack asset was implemented in the year under review. Due to the implementation of the Fastrack system there will be better control over the assets of the Department

Prior period error R19 000 relates to the correction of closing balance for period 2017/18 and R70 000 relates to approved disposal end of 2017/18 and was not reported.

The completed centres for 2017/18 financial year were understated

	Note	Amount before error correction	Prior period error	Restated Amount
		2017/18	2017/18	2017/18
		R'000	R'000	R′000
Irregular Expenditure Opening Balance	24	6 173	44 151	50 324
Net effect		6 173	44 151	50 324

The SASSA agency after consultation with National Treasury on the issue of Relevant Authority to condone irregular expenditure it was discovered that the Agency has no capacity to condone irregular expenditure as a result of a total R44 million was reversed and will be sent to National Treasury for condonation as the Relevant Authority.

# 35. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

## SUMMARY BY PROVINCE

		<b>GRANT ALI</b>	LLOCATION		TRAN	TRANSFER		SPENT		2017/18
NAME OF Province / Grant	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Amount received by Department	Amount spent by Department	% 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
Eastern Cape	141 497	1	1	141 497	141 497	1	141 497	134 885	95%	112 252
Free State	42 883	14 237	1	57 120	57 120	1	57 120	24 953	44%	21 650
Gauteng	65 432	1	1	65 432	65 432	1	65 432	46 990	72%	40 942
KwaZulu-Natal	165 398	1	1 976	167 374	167 374	ı	167 374	167 374	100%	125 338
Limpopo	119 192	1	1	119 192	119 192	1	119 192	114 609	%96	87 869
Mpumalanga	58 175	1	1	58 175	58 175	1	58 175	55 629	%96	40 747
Northern Cape	36 800	4 210	(1 976)	39 034	39 034	1	39 034	35 818	92%	14 333
North West	77 179	1	1	77 179	77 179	1	77 179	75 338	%86	20 096
Western Cape	51 860	1	ı	51 860	51 860	1	51 860	50 333	%16	31 131
	758 416	18 447	•	776 863	776 863	•	776 863	705 930		524 358

# STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

## **SUMMARY BY GRANT**

		<b>GRANT ALI</b>	VLLOCATION		TRAN	TRANSFER		SPENT		2017/18
NAME OF PROVINCE / GRANT	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Amount received by Department	Amount spent by Department	% 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
Substance Abuse Conditional Grant	70 833	18 447	•	89 280	89 280	1	89 280	55 226	97%	24 916
Early Childhood Developmet Conditional Grant	490 800	ı	-	490 800	490 800	ı	490 800	457 442	93%	317 612
Employment Of Social Workers Conditional Grant	196 783	I	-	196 783	196 783	ı	196 783	193 262	%86	181 830
	758 416	18 447	•	276 863	776 863	1	776 863	705 930		524 358

# STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

## 1. SUBSTANCE ABUSE CONDITIONAL GRANT

		GRANT ALLOCATION	LOCATION		TRAN	TRANSFER		SPENT		2017/18
NAME OF PROVINCE / GRANT	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds	Amount received by Department	Amount spent by Department	% 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
Eastern Cape	17 708	ı	1	17 708	17 708		17 708	17 140	%26	14 238
Free State	17 708	14 237	1	31 945	31 945		31 945	272	1%	ı
Northern Cape	17 709	4 210	1	21 919	21 919		21 919	21 179	%26	1
North West	17 708	ı	1	17 708	17 708		17 708	16 636	94%	10 678
	70 833	18 447	ı	89 280	89 280	•	89 280	55 226		24 916

# STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

## 2. EARLY CHILDHOOD DEVELOPMENT CONDITIONAL GRANT

		GRANT AL	ALLOCATION		TRAN	TRANSFER		SPENT		2017/18
NAME OF PROVINCE / GRANT	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Amount received by Department	Amount spent by Department	% 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
Eastern Cape	78 715	1	-	78 715	78 715		78 715	72 671	95%	56 365
Free State	21 656	ı	1	21 656	21 656		21 656	21 209	%86	18 398
Gauteng	62 777	ı	ı	62 777	62 777		62 777	44 336	71%	38 489
Kwazulu-Natal	107 543	ı	1 976	109 519	109 519		109 519	109 519	100%	71 879
Limpopo	68 561	ı	-	68 561	68 561		68 561	63 978	83%	41 085
Mpumalanga	41 998	ı	1	41 998	41 998		41 998	41 095	%86	25 799
Northern Cape	18 472	ı	(1 976)	16 496	16 496		16 496	14 028	82%	13 761
North West	52 185	ı	1	52 185	52 185		52 185	52 185	100%	32 686
Western Cape	38 883	ı		38 893	38 893		38 863	38 421	%66	19 150
	490 800	ı	•	490 800	490 800	1	490 800	457 442		317 612

# STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

## 3. EMPLOYMENT OF SOCIAL WORKERS CONDITIONAL GRANT

		<b>GRANT ALLOCATION</b>	LOCATION		TRAN	TRANSFER		SPENT		2017/18
NAME OF Province / Grant	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Amount received by Department	Amount spent by Department	% 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
Eastern Cape	42 074	ı	1	42 074	45 074	1	45 074	45 074	100%	41 649
Free State	3 519	ı	1	3 519	3 519	1	3 519	3 472	%66	3 252
Gauteng	2 655	ı	1	2 655	2 655	1	2 655	2 654	100%	2 453
Kwazulu-Natal	57 855	I	ı	57 855	57 855	ı	57 855	57 855	100%	53 459
Limpopo	50 631	ı	1	50 631	50 631	1	50 631	50 631	100%	46 784
Mpumalanga	16 177	ı	1	16 177	16 177	ı	16 177	14 534	%06	14 948
Northern Cape	619	ı	1	619	619	1	619	612	%66	572
North West	7 286	ı	1	7 286	7 286	1	7 286	6 518	%68	6 732
Western Cape	12 967	I	ı	12 967	12 967	1	12 967	11 912	95%	11 981
	196 783	1	1	196 783	196 783	1	196 783	193 262		181 830

transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province. A maximum amount of R2, 8 million per province was allocated to provincial DSDs to administer the ECD conditional grant. At the end of March 2019 an amount of R20, 238 million was spent by For the 2018/19 financial year, there have not been any re-allocations by the National Treasury or the transferring department. The Department hereby certifies that all provincial DSDs for the administration of the ECD conditional grant.

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 **ANNEXURE 1A**

# STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRAN	TRANSFER ALLOCATION	NO	TR	TRANSFER	2017/18
DEPARTMENTAL AGENCY/ ACCOUNT	Adjusted Appropriation	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	%	R'000
National Development Agency	202 578	ı	202 578	202 578	100%	200 913
South African Social Security Agency	7 760 679	2 199	7 762 878	7 762 878	100%	7 206 060
Health and Welfare Sector Education and Training Authority	1 573	1	1 573	1 398	%68	1 359
TOTAL	7 964 830	2 199	7 967 029	7 966 854		7 408 332

# ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

**ANNEXURE 1B** 

# STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

	TRAN	TRANSFER ALLOCATION	NO		TRANSFER	~	2017/18
NAME OF HIGHER EDUCATION INSTITUTION	Adjusted Appropriation	Adjustments	Adjustments Total Available	Actual Transfer	Amount not transferred	% of Available Final funds Transferred Appropriation	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
University of the Witwatersrand	1 500	1	1 500	1 500		100%	1 500
ASASWEI	ı	1	1	1	1		476
TOTAL	1 500	1	1 500	1 500	1		1 976

## **ANNEXURE 1C**

# STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	TRAN	TRANSFER ALLOCATION	N	EXPEI	EXPENDITURE	2017/18
FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	Adjusted Appropriation Act	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	%	R'000
Transfers						
International Social Security Association	1 704	200	1 904	1 843	%16	1 553
International Federation for the Aged	25	ı	25	ı	%0	ı
International Social Services	365	ı	365	288	%62	243
Walvis Bay	382	546	928	878	100%	345
Partners in Population and Development	940	ı	940	822	87%	783
International Organisations of Pension Supervisors	95	1	95	87	92%	79
UNFPA	562	•	562	292	100%	531
International Planned Parenthood Federation	200	1	200	195	%86	200
Union for African Population Studies (WITS UNIV)	20	1	20	25	104%	20
United Nations International Drug Control Programme	25	1	25	25	100%	25
Leadership for Environment and Development - LEAD SA	300	1	300	1	%0	300
International Labour Organisation	2 500	1	2 500	1 500	%09	2 500
TOTAL	7 148	746	7 894	6 302	1	609 9

## **ANNEXURE 1D**

## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANS	TRANSFER ALLOCATION	NO	EXPE	EXPENDITURE	2017/18
NON-PROFIT INSTITUTIONS	Adjusted Appropriation Act	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	%	R'000
Transfers						
South African National AIDS Council	30 000	ı	30 000	30 000	100%	15 000
South African National AIDS Council	1	ı	ı	ı	1	59 131
HIV and AIDS organisations	62 560		62 560	52 104	83%	1
South African Food Security and Development Agency	3 216	2 739	5 955	5 955	100%	3 270
Population Associaton of South Africa	1	•	ı	ı	1	200
Kagisano	3 216	2 739	5 955	5 955	100%	3 270
Kago Ya Bana	3 216	2 740	5 956	5 956	100%	ı
Ilitha La Bantu	6 641	5 656	12 297	12 297	100%	6 661
Motswedi wa Sechaba	3 216	2 740	5 956	5 956	100%	3 270
Makotse Womens club	3 216	2 740	5 956	5 956	100%	3 270
Adventist Development and Relief Agency South Africa (ADRA)	3 216	2 740	5 956	5 956	100%	3 270
Mpumalanga Provincial Food Distribution Centre	1	1		1		3 270
South African Council for Social Service Profession (SAC-SSP)	1 946	1	1 946	1 946	100%	
Thabang Information Centre	3 216	2 740	5 956	5 956	100%	2 157
Nonesi Development and Legal Office	3 216	2 740	5 956	5 956	100%	2 157
	126 875	27 574	154 449	143 993		104 926
Subsidies						
Suid Afrikanse Vroue Federasie	1 495	1	1 495	1 495	100%	780
SA Federation for Mental Health	800	1	800	400	20%	1 000

## **ANNEXURE 1D**

## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRAN	TRANSFER ALLOCATION	NC	EXPEI	EXPENDITURE	2017/18
NON-PROFIT INSTITUTIONS	Adjusted Appropriation Act	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	%	R'000
SA Council on Alcoholism and Drug Dependence (SANCA)	1 626	1	1 626	1 626	100%	1 500
Family and Marriage Society South Africa (FAMSA)	787	(787)	ı	ı	1	715
Afrikaanse Christlike Vroue Federasie (ACVV)	782	ı	782	782	100%	1 125
SANDA (South African National Deaf Association)	009	I	009	009	100%	ı
Disabled Children Action Group (DICAG)	704	I	704	450	64%	ı
Deaf Blind SA	009	ı	009	300	20%	700
South African Older Persons Forum	1 546	1	1 546	1 546	100%	1 400
National Institute for Community Development and	1 250	(1 250)	1	1		1 742
Manangement (Victim Empowerment)						
ChildLine South Africa	1 062	ı	1 062	1 062	100%	974
SA Depression and Anxiety Group (SADAG)	1 600	ı	1 600	1 600	100%	1 579
Lifeline South Africa	098	ı	860	860	100%	
SA Congress for Early Childhood Development (SACECD)	700	I	700	700	100%	098
Centre for Early Childhood Development	I	I	ı	ı		1 100
National Peace Accord Trust	624	ı	624	624	100%	1 250
Autism South Africa	006	ı	006	450	20%	1 723
Khulisa Social Solution	1 393	(1 393)	1	ı	-	1 386
The Albanism Society of South Africa	800	1	800	400	20%	740

## **ANNEXURE 1D**

## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANS	TRANSFER ALLOCATION	N	EXPE	EXPENDITURE	2017/18
NON-PROFIT INSTITUTIONS	Adjusted Appropriation Act		Adjustments Total Available Actual Transfer	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	%	R'000
NICDAM - Older Persons	1 513	ı	1 513	1 513	100%	1 241
NICRO	1 422	(1 422)	1	ı	1	ı
National Shelter Movement	624	ı	624	312	%09	1 705
Abba Specialist Adoptions and Social Services	1 206	1	1 206	1 206	100%	066
Ntataise	1 100	I	1 100	1 100	100%	1 770
Masizakhe	1	1	1	1	1	400
Future Generation	ı	ı	1	ı	1	450
AFM Executive Welfare Council (AFM)	200	ı	200	200	100%	-
HUMANA People South Africa	1 200	1	1 200	1 200	100%	_
UHAMBO	1 622	1	1 622	1 622	100%	1
	27 316	(4 852)	22 464	20 348		25 130
TOTAL	154 191	22 722	176 913	164 341		130 056

## **ANNEXURE 1E**

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANS	TRANSFER ALLOCATION	NO	EXPE	EXPENDITURE	2017/18
ноиѕеногрѕ	Adjusted Appropriation Act	Adjustments	Total Available Actual Transfer	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	%	R'000
Transfers						
Social Grants	162 960 723	(100 000)	162 860 723	162 709 840	100%	150 323 267
Social Benefit ex-officials	2 460	ı	2 460	2 460	100%	2 084
Food Relief	27 574	(27 574)	1	I	1	26 062
National Student Financial Aid Scheme (Social Work Bursaries)	126 245	(3 156)	123 089	123 089	100%	123 489
TOTAL	163 117 002	(130 730)	162 986 272	162 835 389		150 474 902

## ANNEXURE 1F

STATEMENT OF AID ASSISTANCE RECEIVED

ed in cash         R'000         R'000         R'000         R'000           A         Various Training Programmes         754             FUND         Fight against Aids, TB and Malaria         441         10 409         10 525           FUND         OVCY Care and Support         256         17 319         15 642           all         OVCY Care and Support         256         17 319         15 642           all         Conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities         889         859         859           Audit of unregistered child and youth care centres and stuational analysis         433	NAME OF DONOR	Purpose	Opening Balance	Revenue	Expenditure	Paid Back On/ By 31 March	Closing Balance
A Britanash         Various Training Programmes         754         -           FUND         Fight against Aids, TB and Malaria         441         10 409           FUND         Fight against Aids, TB and Malaria         256         17 319           al         OVCY Care and Support         256         17 319           al         Conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities         869         -           Audit of unregistered child and youth care centres and situational analysis of state houses.         Audit of unregistered child and youth care centres and situational analysis of state houses.         35 806           ISAID         Government Capacity Building Systems         -         150           Review of National Plan of Action for Children         -         150           Murray Trust (DGMT)         For improving the effectiveness of the ECD Conditional grant effectiveness         5 236           al         For improving the effectiveness of the ECD Conditional grant effectiveness         5 1178			R'000	R'000	R'000	R'000	R'000
A         Various Training Programmes         754         -           FUND         Fight against Aids, TB and Malaria         441         10 409           al         OVCY Care and Support         256         17 319           al         1451         27 728           ed in kind         1457         27 728           Conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities         8684         -           Maintenance and sustainability of the Childrens' Services Directory.         8 684         -         -           Audit of unregistered child and youth care centres and situational analysis of state houses.         433         -         150           ISAID         Government Capacity Building Systems         -         150         -           Review of National Plan of Action for Children         -         150         -           Consulting services for the care and support project for OVCY         -         1259           Murray Trust (DGMT)         For improving the effectiveness of the ECD Conditional grant effectiveness         -         5 236           al         -         -         -         -         -         -           Author of more contrived and support project for OVCY         -         -         -	Received in cash						
Fight against Aids, TB and Malaria   256   17 319   26   17 319   26   27 728   27	HWSETA	Various Training Programmes	754	1	1	754	1
ed in kind         OVCY Care and Support         17 319           ed in kind         1 451         27 728           ed in kind         Conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities         859           Maintenance and sustainability of the Childrens' Services Directory.         8 684         -           ISAID         Audit of unregistered child and youth care centres and situational analysis of state houses.         358 806         -           ISAID         Government Capacity Building Systems         -         150         -           Review of National Plan of Action for Children         -         1259         -           Murray Trust (DGMT)         For improving the effectiveness of the ECD Conditional grant effectiveness         -         5 236           all         10 Feet         14 3450         -         -	GLOBAL FUND	Fight against Aids, TB and Malaria	441	10 409	10 525	ı	325
ed in kind         Conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities         457         27728           Audit conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities         8684         -         859           Audit of unregistered child and youth care centres and situational analysis of state houses.         Audit of unregistered child and youth care centres and situational analysis of state houses.         433         -           ISAID         Review of National Plan of Action for Children         -         150           Review of National Plan of Action for Children         -         1259           Bonsulting services for the care and support project for OVCY         -         140           Murray Trust (DGMT)         For improving the effectiveness of the ECD Conditional grant effectiveness         -         5236           al         -         -         -         -	KFW	OVCY Care and Support	256	17 319	15 642	ı	1 933
ed in kind     Conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities     8684     -       Maintenance and sustainability of the Childrens' Services Directory.     8684     -       Maintenance and sustainability of the Childrens' Services Directory.     8684     -       JSAID     Government Capacity Building Systems     433     -       JSAID     Government Capacity Building Systems     -     150       Review of National Plan of Action for Children     -     1259       Consulting services for the care and support project for OVCY     -     1259       Murray Trust (DGMT)     For improving the effectiveness of the ECD Conditional grant effectiveness     -     5236       al     10 develop uniform bylaws to enable ECD registration in the Country     -     5236							
ed in Kind       Conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities       889       889       889       889       989         Maintenance and sustainability of the Childrens' Services Directory.       8 684       -       -       1 6         Maintenance and sustainability of the Childrens' Services Directory.       4 868       -       -       1 5         SAID       Government Capacity Building Systems       -       35 806       -       150         Beview of National Plan of Action for Children       -       1 259       -       1 259         Dantwana and Hollard Trust       To develop uniform bylaws to enable ECD registration in the Country       -       1 259         Murray Trust (DGMT)       For improving the effectiveness of the ECD Conditional grant effectiveness       -       5 236         Sal       -       -       -       -         Sal       -       -       -       -         Sal       -	Subtotal		1 451	27 728	26 167	754	2 258
ed in kind       Conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities       859         Maintenance and sustainability of the Childrens' Services Directory.       8684       -         Audit of unregistered child and youth care centres and situational analysis of state houses.       433       -         JSAID       Government Capacity Building Systems       -       35 806         Review of National Plan of Action for Children       -       150         Consulting services for the care and support project for OVCY       -       1259         Murray Trust (DGMT)       For improving the effectiveness of the ECD Conditional grant effectiveness       -       5 236         all       -       -       -       -							
Conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities  Maintenance and sustainability of the Childrens' Services Directory.  Audit of unregistered child and youth care centres and situational analysis of state houses.  ISAID  Government Capacity Building Systems  Review of National Plan of Action for Children  Consulting services for the care and support project for OVCY  Consulting services for the care and support project for OVCY  Audit of unregistered child and youth care centres and situational grant effectiveness  Fevriew of National Plan of Action for Children  Consulting services for the care and support project for OVCY  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional grant effectiveness  For improving the effectiveness of the ECD Conditional effectiveness  For improving the effectiveness of th	Received in kind						
Maintenance and sustainability of the Childrens' Services Directory.  Audit of unregistered child and youth care centres and situational analysis of state houses.  JSAID  Government Capacity Building Systems  Review of National Plan of Action for Children  Consulting services for the care and support project for OVCY  Consulting services for the care and support project for OVCY  Consulting services for the ECD registration in the Country  To develop uniform bylaws to enable ECD registration in the Country  For improving the effectiveness of the ECD Conditional grant effectiveness  all  all  10 4356  1259  1269  1279  1279  1270	JICA	Conducting disability mainstreaming program relating to training for officials and people with disabilities, M&E and networking activities	I	859	828	ı	ı
Audit of unregistered child and youth care centres and situational analysis of state houses.  JSAID Government Capacity Building Systems Review of National Plan of Action for Children Consulting services for the care and support project for OVCY Consulting services for the care and support project for OVCY To develop uniform bylaws to enable ECD registration in the Country Murray Trust (DGMT) For improving the effectiveness of the ECD Conditional grant effectiveness  al  106  1179  1179  1179	USAID	Maintenance and sustainability of the Childrens' Services Directory.	8 684	1	8 684	ı	1
JSAID       Government Capacity Building Systems       -       35 806         Review of National Plan of Action for Children       -       150         Consulting services for the care and support project for OVCY       -       1 259         Dantwana and Hollard Trust       To develop uniform bylaws to enable ECD registration in the Country       -       140         Murray Trust (DGMT)       For improving the effectiveness of the ECD Conditional grant effectiveness       -       5 236         al       9117       43 450       71 738		Audit of unregistered child and youth care centres and situational analysis of state houses.	433	1	433	ı	1
Review of National Plan of Action for Children  Consulting services for the care and support project for OVCY  Consulting services for the care and support project for OVCY  antwana and Hollard Trust  To develop uniform bylaws to enable ECD registration in the Country  Murray Trust (DGMT)  For improving the effectiveness of the ECD Conditional grant effectiveness  all  140  43.450	PACT /USAID	Government Capacity Building Systems	1	35 806	35 806	1	1
Consulting services for the care and support project for OVCY - 1259  antwana and Hollard Trust (DGMT) For improving the effectiveness of the ECD Conditional grant effectiveness - 5236  and the ECD Conditional grant effectiven	UNICEF	Review of National Plan of Action for Children	1	150	150	ı	1
Murray Trust (DGMT) For improving the effectiveness of the ECD Conditional grant effectiveness - 5236  al 9117 43 450	KFW	Consulting services for the care and support project for OVCY	1	1 259	1 259	ı	1
Murray Trust (DGMT) For improving the effectiveness of the ECD Conditional grant effectiveness - 5 236  al 9117 43 450		To develop uniform bylaws to enable ECD registration in the Country	1	140	140	ı	1
(a) 117 43 450 (b) 1178 (c) 1178	The DG Murray Trust (DGMT)	For improving the effectiveness of the ECD Conditional grant effectiveness	1	5 236	5 236	•	•
al 9117 43 450							
10 669	Subtotal		9 117	43 450	52 567	1	1
07117	TOTAL		10 568	71 178	78 734	754	2 258

KFW total Revenue of R17, 319 million consists of R13, 055 million withdrawal from RDP Fund and R4, 264 million relates to SARS Refund.

The following do not represent actual expenditure. These prior year projects have been completed and no further benefits in kind have been received or are expected from the donor. Expenditure has been recorded to clear the prior year opening balances.

<sup>-</sup> R8, 684 million for Maintenance and sustainability of the Children Services Directory

<sup>.</sup> R433 000 for the Audit of unregistered child and youth care centres and situational analysis of state houses

## **ANNEXURE 1G**

## STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

	Apr	May	Jun	Ð	Aug	Sept	0ct	Nov	Dec	Jan	Feb	Mar	
	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	Total
Grant Type	R'000												
Old age	5 774 710	5 776 843	5 761 811	5 830 829	5 766 428	5 875 560	5 932 590	5 956 458	5 997 226	5 965 569	5 989 407	5 914 666	70 542 096
War Veterans	227	226	214	218	202	203	198	191	186	181	173	158	2 380
Disability	1 822 597	1 811 253	1 830 638	1 835 150	1 809 844	1 839 309	1 847 131	1 840 139	1 292 769	2 451 205	1 814 874	1 765 723	21 960 632
Grant in Aid	77 811	78 315	79 639	81 937	135 431	40 426	28 549	26 259	605 765	(493 580)	89 212	244 441	994 205
Foster Care	435 621	432 775	441 277	440 358	440 350	455 106	450 022	452 713	462 304	346 239	360 296	397 149	5 114 211
Care Dependency	252 887	253 119	253 031	254 040	253 781	254 924	256 067	256 556	258 327	259 541	257 268	258 486	3 068 028
Child Support Grant	4 949 481	4 949 937	4 945 375	4 959 777	4 956 226	4 973 843	5 105 246	5 121 181	5 152 321	5 151 856	5 163 344	5 182 981	60 611 568
Other	7 642	14 469	17 959	23 917	25 608	28 021	32 433	48 777	54 506	29 612	32 271	101 505	416 720
TOTAL	13 320 976	13 316 937	13 329 943	13 426 227	13 387 872	13 467 393	13 652 236	13 702 274	13 823 403	13 710 624	13 706 846	13 865 110	162 709 840

## **ANNEXURE 2**

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019

NATURE OF LIABILITY	Opening balance 1 April 2018	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2019
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Labour Matter: Unfair Labour Practice	140	1	1	1	140
Goods Sold and Delivered	47	1	1	1	47
Contract Tender not Awarded	150 256	1	ı	1	150 256
Breach of Contract	1 272	1	1	ı	1 272
TOTAL	151 715	-	•	1	151 715

## **ANNEXURE 3**

## **CLAIMS RECOVERABLE**

	Confirmed balance outstanding	rmed ıtstanding	Uncon balance o	Unconfirmed balance outstanding	Total	la.	Cash in transit at year end 2018/19	nsit 118/19
GOVERNMENT ENTITY	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department		-					1	1
Department of Health and Welfare - Limpopo	7 851	1	,	7 851	7 851	7 851	1	1
Department of Social Development - Gauteng	ı	1	2 870	2 870	2 870	2 870	1	1
Department of Justice (IJS)	ı	1	1 484	1 102	1 484	1 102	ı	1
National Treasury - Free State	1	1	423	423	423	423	ı	1
National Treasury - Mpumalanga	ı	ı	029	0/9	670	670	ı	ı
National Treasury (Limpopo)	ı	1	694	694	694	694	1	1
National Treasury (Free State)	ı	1	2 423	2 423	2 423	2 423	ı	-
National Treasury - Over surrender	ı	1	244	244	244	244	ı	1
National Treasury - Over surrender	ı	1	029	029	029	029	1	1
Department of Home Affairs	ı	8	1	1	•	8	1	ı
Department of Minerals	ı	1	1	8	1	8	1	1
Unknown Conversion	1	1	1	52	1	22	-	-

## **ANNEXURE 3**

## **CLAIMS RECOVERABLE Continue**

	Confirmed balance outstan	firmed outstanding	Unconfirmed balance outstanding	firmed utstanding	Total	la	Cash in transit at year end 2018/19	nsit 018/19
GOVERNMENT ENTITY	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department of Public Works		1	_	1	<u></u>	1	ı	•
KZN Public Works	ı	1	ı	26	ı	26	ı	•
SASSA - KwaZulu Natal	ı	1	104	104	104	104	ı	1
SASSA TRIAL BALANCE	ı	-	200	5 226	200	5 226	1	-
Gauteng Social Development	ı	1	7	1	7	1	-	-
Department of Rural Development	ı	1	6	ı	6	1	1	-
Gauteng Department of Health	ı	-	7	-	7	1	-	-
TOTAL	7 851	8	9086	22 366	17 657	22 374		

## **ANNEXURE 4**

## INTER-GOVERNMENT PAYABLES

	Confirmed balance outstanding	med Istanding	Unconfirmed balance outstanding	firmed Itstanding	Total	<u>la</u>	Cash in transit at year end 2018/19	nsit 018/19
GOVERNMENT ENTITY	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	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	746	2 613	1 229	6 270	1 975	8 883	1	1
Department of Performance Monitoring and Evaluation	1	156	1	1	1	156	•	1
Gauteng Provincial Treasury	1	11	-	1	1	11	1	•
								1
TOTAL DEPARTMENTS	746	2 780	1 229	6 270	1 975	9 050		

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

	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	60 884	15 159	(2 314	73 729
Non-residential buildings	60 884	15 159	(2 314)	73 729
TOTAL	60 884	15 159	(2 314)	73 729

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	95 362	21 365	(55 846)	60 884
Non-residential buildings	95 365	21 365	(55 846)	60 884
TOTAL	95 365	21 365	(55 846)	60 884

## **ANNEXURE 6A**

## INTER-ENTITY ADVANCES PAID (note 10)

	Confirmed	rmed	Unconfirmed	firmed		
	balance outstanding	ıtstanding	balance outstanding	ıtstanding	Total	al
ENTIL	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Coporation	4 524	1 762	1 654	106	6 178	1 868
Government Communication and Information System	3 809	3 390	1	53	3 809	3 443
Subtotal	8 333	5 152	1 654	159	2866	5 311
OTHER INSTITUTIONS						
National Student Financial Aid Scheme	1	1	789	1	789	ı
National Institute of Crime Prevention and Reintegration of Offenders	1	1	1 240		1 240	1
Families South Africa	1	1	242	-	242	1
National Institute Community Development Management	ı	1	849	1	849	1
Subtotal	1	1	3 120		3 120	•
TOTAL	8 333	5152	4 7 7 4	159	13 107	5 311

## **ANNEXURE 6B**

## INTER-ENTITY ADVANCES RECEIVED (note 16)

	Confirmed balance outstan	Confirmed nce outstanding	Unconfirmed balance outstanding	irmed tstanding	Total	<u></u>
- L	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS						
Non-Current						
NISIS Project	1	1	212	362	212	362
TOTAL	1	1	212	362	212	362
Non-current	1	1	212	362	212	362

## DISASTER RELIEF FUND

**ANNUAL REPORT 2019** 



## 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**

- I have audited the financial statements of the Disaster Relief Fund set out on pages 253 to 262, which comprise the statement of financial position as at 31 March 2019, 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 Disaster Relief Fund as at 31 March 2019, 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 fund in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as 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 codes.
- 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 14 to the financial statements, which indicates that the enabling act of the fund, the Fund Raising Act of South Africa, 1978 (Act 107 of 1978), will be amended, that will result in the dissolution of the fund. These events or conditions, along with the other matters as set forth in note 14, 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

- 8. The accounting authority 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 authority 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 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

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

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

### **Performance information reporting**

12. 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**

- 13. 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.
- **14.** 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

- 15. 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 or the auditor's report thereon.
- **16.** 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.
- 17. 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.

18. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to 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

19. 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 2019



Auditing to build public confidence

## **Annexure - Auditor-general's responsibility for the audit**

 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**

- 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 authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained,

- whether a material uncertainty exists 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 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

- 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 2019

		2018/19	2017/18
	Notes	R'000	R'000
REVENUE			
Other income	2	6 581	6 313
TOTAL REVENUE		6 581	6 313
EXPENDITURE			
Administrative expenses	3	(124)	(747)
Audit fees	4	(40)	(42)
Other operating expenses	5	(445)	(850)
TOTAL EXPENDITURE		(609)	(1.639)
SURPLUS/(DEFICIT) FROM OPERATIONS		5 972	4 674
Surplus for the year		5 972	4 674

# Disaster Relief Fund Statement of Financial Position as at 31 March 2019

		2018/19	2017/18
	Notes	R'000	R'000
ASSETS			
Non-current assets		-	-
Current assets			
Cash and cash equivalents	7	95 064	89 092
TOTAL ASSETS		95 064	89 092
EQUITY AND LIABILITIES			
Non-current liabilities		-	-
Current liabilities		-	-
NET ASSETS			
CAPITAL AND RESERVES			
Accumulated surplus	8	95 064	89 092
TOTAL NET ASSETS		95 064	89 092
TOTAL NET ASSETS AND LIABILITIES		95 064	89 092

# Disaster Relief Fund Statement of Changes in Net assets as at 31 March 2019

	Accumulated funds
	R'000
Balance as at 31 March 2017	84 418
(Deficit) Surplus for the year	4 674
Balance as at 31 March 2018	89 092
(Deficit) Surplus for the year	5 972
Balance as at 31 March 2019	95 064

## Disaster Relief Fund Cash Flow Statement for the year ended 31 March 2019

		2018/19	2017/18
	Notes	R'000	R′000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and other	3,4,5	(609)	(1.639)
Cash generated from operations	9	(609)	(1 639)
Interest income	2	6 581	6 313
Net cash inflow from operating activities		5 972	4 674
CASH FLOW FROM INVESTING ACTIVITIES		-	-
Net cash flows from investing activities		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Provisioning for Lottery Board		-	-
Net cash flows from financing activities		-	-
Net increase in cash and cash Equivalents		5 972	4 674
Cash and cash equivalent at beginning of the year		89 092	84 418
Cash and cash equivalent at beginning of the year	7	95 064	89 092

## 1. Summary of significant Accounting policies

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

## 1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

- 1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:
  - 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 104: Financial Instruments
  - 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 and 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

## 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 cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

## 1.7.3 Financial assets

The Fund's principal financial assets are cash and cash equivalents.

#### 1.7.4 Investments

The investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

## 1.7.5 Trade and other receivables

Trade and other receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

## 1.7.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and investments. Cash and cash equivalents are measured at fair value.

#### 1.7.7 Financial liabilities

The Fund's principle financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortisations.

## 1.8 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

## 1.9 Provisions

Provisions are recognised when the entity has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate.

#### 1.10. Revenue

## 1.10.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

## 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.

2.	Revenue		
		2018/19	2017/18
		R'000	R'000
	Interest received	6 581	6 313
	Total	6 581	6 313

3. Administrative expenditure			
		2018/19	2017/18
		R'000	R'000
Fees for Services – Board Members	12	117	695
Bank Charges		4	4
Refreshments		3	48
Total		124	747

4.	Audit fees	
	2018/19	2017/18
	R'000	R'000
	Audit fees 40	42
	Total 40	42

5.	Other operating expenses		
		2018/19	2017/18
		R′000	R'000
	Travel and Accommodation	183	443
	Advertise tenders	-	111
	Training and conferences	56	-
	Legal fees	119	296
	Consulting fees	87	-
	Total	445	850

## 6. Risk management

## 6.1 Financial risk factors

#### 6.1.1 Market risk

Market risk is the risk that changes in market prices. Interest rates will affect the Disaster Relief Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Disaster Relief Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

## 6.1.2 Credit risk

Credit risk is the risk of financial loss to the Disaster Relief Fund if a financial institution to a financial instrument fails to meet its contractual obligations.

The Disaster Relief Fund exposure to credit risk is influenced only by the individual characteristics of the financial institutions where funds are deposited or invested. Reputable financial institutions are used for investing and cash handling purposes.

## 6.1.3 Financial assets

	2018/19	2017/18
	R'000	R'000
Cost	88 576	83 462
Additions / (decrease) during the year	6 081	5 114
Closing Balance	94 657	88 576

## 6.1.4 Liquidity risk

Liquidity risk is the risk that the Disaster Relief Fund will not be able to meet its financial obligations as they fall due. The Disaster Relief Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due. The Disaster Relief Fund monitors its cash flow requirements and optimizes its cash return on investments.

## **Cash and Cash Equivalents**

	2018/19	2017/18
	R'000	R'000
Cash and Balances with Banks	407	516
Investments	94 657	88 576
Total	95 064	89 092

## 6.1.5 Interest rate risk

The Disaster Relief Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalised and will therefore not affect the operations of the Disaster Relief Fund.

		2018/19	2018/19
R'000		R'000	R'000
	Change Effective Rate		Effective Rate
Investments	0.1 %	7.0 %	7.12 %

## 6.1.6 Interest risk sensitivity analysis

	2018/19	2018/19
	R'000	R'000
Investments	94 657	88 576
0.1 % interest fluctuation impact	94.66	8.85

## 6.1.7 Foreign exchange risk

The fund does not hedge foreign exchange fluctuations. The fund does not have any foreign account receivables, foreign accounts payables or derivative market instruments.

## 6.1.8 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

7.	Cash and cash equivalents		
		2018/19	2018/19
		R'000	R'000
	Cash - Bank Deposits	407	516
	Cash - Corporation for Public Deposits	94 657	88 576
	Total	95 064	89 092

Credit quality of cash at bank and short term deposits, excluding cash on hand.

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

8.	Retained income		
		2018/19	2017/18
		R'000	R'000
	Accumulated surplus /(Accumulated deficit)	89 092	84 418
	Net Profit/(Loss) for this year	5 972	4 674
	Total	95 064	89 092

9.	Cash generated from/ (utilised in) operations		
		2018/19	2017/18
		R'000	R'000
	Surplus/ (deficit) before tax	5 972	4 674
	(Interest received)	6 581	(6 313)
	Adjusted for working capital Changes		
	Increase/(decrease) in payables		
	(Increase)/decrease in receivables		
	Net cash flow from operating activities	(609)	(1 636)

## 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 410.00 per applicant that will amount to R1 233 750.00. The name list has been sent to the Litigation Attorney for verification as well as appointing new beneficiaries where applicants are now deceased. Up to 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 2018/19

Names	Designation	Total	Meeting Fees	Travel
L Matsila	Chair Person	9 746.10	3 879.00	5 867.10
JM Modise	Member	11 765.00	11 765.00	0
CD Khan	Member	4 706.00	4 706.00	0
Z Mkiva	Member	9 158.30	4 706.00	4 452.30
NE Mpungose	Member	16 565.00	11 765.00	4 800.00
BM Modise	Member	3 119.19	2 353.00	766.19
T Mothlate	Member	5 827.16	4 706.00	1 121.16
MW Thango	Member	12 712.00	9 412.00	3 300.00
JS Rikhotso/ Mbalati	Member	11 971.86	9 412.00	2 559.86
V Nadesan	Member	21 593.08	18 824.00	2 769.08
PPZ Vezi	Member	13 595.86	11 765.00	1 830.86
NP Mohlala	Member	2 592.42	2 353.00	239.42
MS Mangena	Member	28 504.02	14 118.00	14 386.02
N Mabaso	Member	9 155.80	7 059.00	2 096.80

## 12.2 Meeting attendance for the period 01 April 2018 to 31 March 2019

Names	Meeting Date	Meeting Date	Meeting Date	Total Number of Meetings
	05-06/04/2018	07-08/06/2018	29/08/2018	
L Matsila			Х	1
JM Modise	X X	ΧX	Х	3
CD Khan		ΧX		1
Z Mkiva	Х		X	2
NE Mpungose	X X	ХХ	X	3
BM Modise		X		1
T Mothlate	X	X	X	3
MW Thango	ХХ	X	X	3
JS Rikhotso/ Mbalathi	X X	X	Х	3
V Nadesan	ХХ	ХХ	X	3
PPZ Vezi	ХХ	ХХ	X	3
NP Mohlala	X X		X	2
MS Mangena	XX	ХХ	X	3
N Mabaso	XX		X	2

## 12.3 Activities 2017/18

Names	Designation	Total	Meeting Fees	Travel
L Matsila	Chair Person	101 924	28 548	73 376
JM Modise	Member	50 746	38 764	11 981
CD Khan	Member	29 641	22 170	7 470
Z Mkiva	Member	44 844	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	25 965	21 661	4 303
V Nadesan	Member	61 657	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	13 045	9 839	3 205
Total		695 420	416 602	278 818

## 12.4 Meeting attendance for the period 01 April 2017 to 31 March 2018

Names	Meeting date	Meeting date	Meeting date	Meeting date	Meeting date	Meeting date	Meeting date	Meeting date	Total number of meetings
Names	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	05/12/17& 06/12/17	19/02/18 & 20/02/18	01/03/18	
L Matsila	Х	Χ	Χ	Χ		Χ		Χ	6
JM Modise	ХХ	ХХ	ХХ	ХХ	Χ	ХХ	XX	Χ	14
CD Khan	XX	ХХ	ХХ		Χ				7
Z Mkiva	ХХ	Χ	ХХ	ХХ		ХХ	XX	Χ	12
NE Mpungose	XX	XX	ХХ	ХХ	Χ	XX	XX	Χ	14
BM Modise		ХХ	ХХ	ХХ	Χ		ХХ	X	10
T Mothlate	X	ХХ	ХХ	Χ		XX	XX	X	11
MW Thango		ХХ	ХХ	ХХ			ХХ	X	9
JS Rikhotso/ Mbalathi	ХХ			ХХ		XX	XX	X	9
V Nadesan	ХХ	ХХ	ХХ	ХХ		ХХ	ХХ	Χ	13
PPZ Vezi	ХХ	ХХ	ХХ	ХХ	Χ	ХХ	XX	X	14
NP Mohlala	ХХ					ХХ	ХХ	X	7
MS Mangena	ХХ	ХХ	ХХ	ХХ	Χ	ХХ	ХХ	Х	14
N Mabaso	Х		ХХ	Х					4

## 13. Related party transactions

## 13.1 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.

#### 13.2 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

## 13.3 National Development Agency (NDA)

A related party relationship exists between the Disaster Relief Fund and the NDA. There were no transactions between the parties.

## 13.4 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.

## 14. 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 Cabinet Memorandum was submitted to the Minister to propose that Cabinet grant permission for the Fund Raising Amendment Bill to be presented to Parliament.

If the Minister is 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 2019** 



## 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 267 to 274, which comprise the statement of financial position as at 31 March 2019, 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 2019, 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 fund in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as 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 codes.
- 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.
- I draw attention to note 10 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. These events

or conditions, along with the other matters as set forth in note 10, 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 for the financial statements

- 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 Refugee Relief Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the 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

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

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

## **Performance information reporting**

There are no matters to report, as the fund was dormant for the year under review.

## **Audit of compliance with legislation**

There are no matters to report, as the fund was dormant for the year under review.

## Other information

- 14. 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.
- **15.** 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.
- 16. 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.
- 17. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to 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

18. 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 2019



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 2019

		2018/19	2017/18
	Notes	R'000	R'000
REVENUE			
Other income	2	45	43
TOTAL REVENUE		45	43
EXPENDITURE			
Administrative expenses	3	(2)	(2)
Audit fees	4	(28)	(21)
TOTAL EXPENDITURE		(30)	(23)
SURPLUS FROM OPERATIONS	7	15	20
		1	
Surplus for the year		15	20

# Refugee Relief Fund Statement of Financial Position as at 31 March 2019

	2018/19	2017/18	
Notes	R'000	R'000	
	-	-	
6	640	625	
	640	625	
	-	-	
	-	-	
	-	-	
	640	625	
	640	625	
		Notes R'000  6 640  640	

# Refugee Relief Fund Statement of Changes in Net assets as at 31 March 2019

	Accumulated funds
	R′000
Balance as at 31 March 2017 (Deficit) Surplus for the year	<b>605</b> 20
Balance as at 31 March 2018 (Deficit) Surplus for the year Balance as at 31 March 2019	625 15 6 <b>640</b>

## Refugee Relief Fund Cash Flow Statement for the year ended 31 March 2019

		2018/19	2017/18
	Notes	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees	7	(30)	(23)
Cash utilized in Operations	'	(30)	(23)
	0	45	40
Interest received	2	45	43
Net cash inflow from operating activities		15	20
CASH FLOW FROM INVESTING ACTIVITIES			
Trading investments		-	-
Net cash flows from investing activities		-	-
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash flow from investing activities	1	-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash flow from financial activities		-	-
Net increase in cash and cash Equivalents		15	20
Cash and cash equivalent at beginning of the year		625	605
Cash and cash equivalent at end of the Year	6	640	625

## 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 Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

- 1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:
  - 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 104: Financial Instruments
  - 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 and 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 recognized as on acquisition date and are initially recorded at cost.

## 1.4. Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

## 1.4.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

## 1.4.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures.

## 1.4.3. Grants, transfers and donations

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional.

The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

## 1.5. Investments

Investments are shown at fair value including interest capitalised.

## 1.6. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

#### 1.7. Financial instruments

## 1.7.1 Recognition

Financial assets and liabilities are recognized in the 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 cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

#### 1.7.3 Financial assets

The Fund's principal financial assets are investments.

All financial assets are measured at amortised cost, comprising original debt less principle payments and amortizations.

#### 1.7.4 Investments

The investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

## 1.7.5 Cash and cash equivalents

Cash and cash equivalents are measured at fair value

#### 1.7.6 Financial liabilities

The Fund's principle financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortizations.

#### 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.

2.	Revenue		
		2018/19	2017/18
		R'000	R'000
	Interest received	45	43
	Total	45	43

3.	Administrative expenditure		
		2018/19	2017/18
		R'000	R'000
	Bank Charges	2	2
	Total	2	2

4.	Audit fees		
		2018/19	2017/18
		R'000	R'000
	Audit fees	28	21
	Total	28	21

## 5. Risk management

## 5.1 Financial risk factors

## 5.1.1 Market risk

Market risk is the risk that changes in market prices. Interest rates will affect the Refugee Relief Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Refugee Relief Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

#### 5.1.2 Credit risk

Credit risk is the risk of financial loss to the Refugee Relief Fund if a financial institution 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.

	2018/19	2017/18
	R′000	R'000
Financial Assets		
Cost	625	605
Additions during the year	15	20
Closing Balance	640	625

## 5.1.3 Liquidity risk

Liquidity risk is the risk that the Refugee Relief Fund will not be able to meet its financial obligations as they fall due. The Refugee Relief Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due. The Refugee Relief Fund monitors its cash flow requirements and optimizes its cash return on investments.

## **Cash and Cash Equivalents**

	2018/19	2017/18
	R'000	R'000
Cash and Balances with Banks	8	7
Investment	632	618
Total	640	625

#### 5.1.4 Interest rate risk

The Refugee Relief Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalized and will therefore not affect the operations of the Refugee Relief Fund.

		2018/19	2017/18
		R'000	R'000
	Change	Effective Rate	Effective Rate
Investment	0.15 %	7.1 %	6.95 %

Interest risk sensitivity analysis

	2018/19	2017/18
Investment	632	618
0.15 % interest fluctuation impact	0.95	4.82

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.

6.	Cash and cash equivalents		
		2018/19	2017/18
		R'000	R'000
	Cash - Bank Deposits	8	7
	Cash - Corporation for Public Deposits	632	618
	Total	640	625

Credit quality of cash at bank and short term deposits, excluding cash on hand.

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

7.	Cash generated from/ (utilized in) operations		
		2018/19	2017/18
		R'000	R'000
	Surplus/ (deficit) before tax	15	20
	(Interest received)	(45)	(43)
	Net cash flow from operating activities	(30)	(23)

## 8. Events after balance sheet date

None identified to date.

## 9. Related party transactions

## 9.1 The Department of Social Development

The executive authority of the Refugee Relief Fund is the Minister of Department of Social Development (DSD). Although a related party relationship exists between the DSD and the fund, there were no transactions with DSD.

#### 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.

## 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.

## 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.

## 10. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Public comments were received and incorporated into the Bill, a Cabinet Memorandum was submitted to the Minister to propose that Cabinet grant permission for the Fund Raising Amendment Bill to be presented to Parliament.

If the Minister is 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 2019** PART

## 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 279 to 286, which comprise the statement of financial position as at 31 March 2019, and 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 2019, 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.
- I am independent of the fund in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as 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 codes.
- 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.

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 for the financial statements

- 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'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

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

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

## **Performance information reporting**

There are no matters to report, as the fund was dormant for the year under review.

## **Audit of compliance with legislation**

There are no matters to report, as the fund was dormant for the year under review.

## Other information

- 14. 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.
- **15.** 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.
- 16. 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.
- 17. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

18. 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 2019



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 independence and, where applicable, related safeguards.

# Social Relief Fund Statement of Financial Performance for the year ended 31 March 2019

		2018/19	2017/18
	Notes	R'000	R'000
REVENUE			/////
Other income	2	2 706	2 560
TOTAL REVENUE		2 706	2 560
EXPENDITURE			10
Administrative expenses	3	(1)	(1)
Audit fees	4	(28)	(27)
TOTAL EXPENDITURE		(29)	(28)
SURPLUS FROM OPERATIONS		2 677	2 532
Surplus for the year		2 677	2 532

# Social Relief Fund Statement of Financial Position as at 31 March 2019

		2018/19	2017/18
	Notes	R'000	R'000
ASSETS			
Non-current assets		-	-
Current assets			
Cash and cash equivalents	7	39 009	36 335
TOTAL ASSETS		39 009	36 335
LIABILITIES			
Non-current liabilities		-	-
Current Liabilities			
Other Payables	5	(9)	(12)
TOTAL LIABILITIES		(9)	(12)
CAPITAL AND RESERVES			
Accumulated surplus		39 000	36 323
TOTAL NET ASSETS		39 000	36 323

# Social Relief Fund Statement of Changes in Net assets as at 31 March 2019

	Accumulated funds	
	R′000	
Balance as at 31 March 2017 (Deficit) Surplus for the year	<b>33 791</b> 2 532	
Balance as at 31 March 2018 (Deficit) Surplus for the year	<b>36 323</b> 2 677	
Balance as at 31 March 2019	39 000	

## Social Relief Fund Cash Flow Statement for the year ended 31 March 2019

		2018/19	2017/18
	Notes	R′000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			1
Cash paid to suppliers and employees	8	(29)	(28)
Cash utilized in Operations		(29)	(28)
Interest received	2	2 706	2 560
Net cash inflow from operating activities	9	2 677	2 532
CASH FLOW FROM INVESTING ACTIVITIES		-	_
Net cash flow from investing activities			-
CASH FLOW FROM FINANCING ACTIVITIES			
Provision for Future expense		3	12
Net cash flow from financing activities		3	12
Net inflow/outflow in cash and cash equivalents		2 674	2 532
Cash and cash equivalent at beginning of the year		36 335	33 803
Cash and cash equivalent at end of the Year	7	39 009	36 335

## 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 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 104: Financial Instruments
  - 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 is passed to the consumer.

## 1.4.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedure

#### 1.5. Investments

Investments are shown at cost including interest capitalized.

## 1.6. Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

## 1.7. Financial Instruments

#### 1.7.1 Recognition

Financial assets and liabilities are recognized in the 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 principle financial assets are investments.

All financial assets are measured at amortised cost, comprising original debt less principle payments and amortisations.

#### 1.7.4 Investments

The investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

#### 1.7.5 Trade and other receivables

Trade and other receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

## 1.7.6 Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

## 1.7.7 Financial liabilities

The Fund's principle financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortisations.

## 1.8 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

2.	Revenue		
		2018/19	2017/18
		R'000	R'000
	Interest received	2 706	2 560
	Total	2 706	2 560

3.	Administrative expenditure		
		2018/19	2017/18
		R'000	R′000
	Bank Charges	1	1
	Total	1	1

4. Audit fees		
	2018/19	2017/18
	R′000	R'000
Audit fees	28	27
Total	28	27

5.	Financial instruments		
		2018/19	2017/18
		R'000	R'000
	Financial Liabilities Cost		
	Addition during the year	9	12
	Closing balance	9	12

## 6. Risk management

## 6.1.1 Market risk

Market risk is the risk that changes in market prices. Interest rates will affect the Social Relief Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Social Relief Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

#### 6.1.2 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.

#### **Financial Assets**

	2018/19	2017/18
	R'000	R'000
Cost	36 313	33 783
Additions during the year	2 677	2 530
Closing Balance	38 990	36 313

## 6.1.3 Liquidity risk

Liquidity risk is the risk that Social Relief Fund will not be able to meet its financial obligations as they fall due. The Social Relief Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due.

#### **Cash and Cash Equivalents**

	2018/19	2017/18
	R'000	R'000
Cash and Balances with Banks	20	22
Investments	38 989	36 313
Total	39 009	36 335

## 6.1.4 Interest rate risk

The Social Relief Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalized and will therefore not affect the operations of the Social Relief Fund.

		2018/19	2017/18
		R'000	R'000
	Change	Effective Rate	Effective Rate
Investment	(0.33)%	7.37%	7.04%

## **Interest risk sensitivity analysis**

	2018/19	2017/18
Investments	38 989	36 313
(0.33) % interest fluctuation impact	128.66	14.52

## 6.1.5 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.

## 6.1.6 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

7.	Cash and cash equivalents		
		2018/19	2017/18
		R'000	R' 000
	Cash — Bank Deposits	20	22
	Cash — Investment Account	38 989	36 313
	Total	39 009	36 335

Credit quality of cash at bank and short term deposits, excluding cash on hand.

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

8.	Cash generated from/ (utilized in) operations		
		2018/19	2017/18
		R'000	R'000
	Surplus/ (deficit) before tax	2 677	2 532
	(Interest received)	(2 706)	(2 560)
	Net cash generated from Operations	(29)	(28)

9.	Net cash inflows/outflows from operating activities		
		2018/19	2017/18
		R'000	R'000
	Cash payments to suppliers and employees	(29)	(28)
	Cash generated from/(utilized in) operations	(29)	(28)
	Interest received	2 706	2 560
	Net cash inflows/outflows from operating activities	2 677	2 532

## 10. Events after balance sheet date

None Identified to Date

No transactions between the parties.

## 11. Related party transactions

## 11.1 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.

#### 11.2 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.

## 11.3 National Development Agency (NDA)

A related party relationship exists between the Social Relief Fund and the NDA. There were no transactions between the parties.

## 11.4 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.

## 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 Cabinet Memorandum was submitted to the Minister to propose that Cabinet grant permission for the Fund Raising Amendment Bill to be presented to Parliament.

If the Minister is 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 2019** 



## 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 291 to 298, which comprise the statement of financial position as at 31 March 2019, 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 2019, 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 fund in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as 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 codes.
- **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 10 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. These events or conditions, along with the other matters as set forth in note 10, 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 for the financial statements

- 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

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

## Report of the auditor-general to the Minister of Social Development on the State President Fund

#### **Performance information reporting**

**12.** There are no matters to report, as the fund was dormant for the year under review.

#### **Audit of compliance with legislation**

**13.** There are no matters to report, as the fund was dormant for the year under review.

#### Other information

- 14. 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.
- **15.** 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.
- 16. 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.
- 17. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to 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

18. 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 2019



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**

- 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 independence and, where applicable, related safeguards.

# State President Fund Statement of Financial Performance for the year ended 31 March 2019

		2018/19	2017/18
	Notes	R'000	R'000
REVENUE			
Other income	2	2 827	2 674
TOTAL REVENUE		2 827	2 674
EXPENDITURE			
Administrative expenses	3	(2)	(2)
Audit fees	4	(28)	(18)
TOTAL EXPENDITURE		(30)	(20)
SURPLUS FROM OPERATIONS		2 797	2 654
Surplus for the year		2 797	2 654

# State President Fund Statement of Financial Position as at 31 March 2019

		2018/19	2017/18
	Notes	R'000	R'000
ASSETS			
Current assets			
Cash and cash equivalents	6	40 741	37 944
TOTAL ASSETS		40 741	37 944
LIABILITIES			
Non-current liabilities		-	-
Current liabilities		-	-
TOTAL LIABILITIES		-	-
NET ASSETS			
Accumulated surplus		40 741	37 944
TOTAL NET ASSETS		40 741	37 944

# State President Fund Statement of Changes in Net assets as at 31 March 2019

R'000

Balance as at 31 March 2017 (Deficit) Surplus for the year	<b>35 290</b> 2 654
Balance as at 31 March 2018 (Deficit) Surplus for the year	<b>37 944</b> 2 797
Balance as at 31 March 2019	40 741

# State President Fund Cash Flow Statement for the year ended 31 March 2019

		2018/19	2017/18
	Notes	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees	7	(30)	(20)
Cash generated from utilized in operations		(30)	(20)
Interest received	2	2 827	2 674
Net cash inflow from operating activities		2 797	2 654
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash from financial activities		-	-
Net increase in cash and cash equivalents		2 797	2 654
Cash and cash equivalent at beginning of the year		37 944	35 290
Cash and cash equivalent at end of the year	6	40 741	37 944

## 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 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 104: Financial Instruments
  - 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 and 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 recognized as on acquisition date and are initially recorded at cost.

#### 1.4. Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

#### 1.4.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of

which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

#### 1.4.2 Revenue from non-exchange

#### transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures,

#### 1.5. Investments

Investments are shown at cost including interest capitalized.

#### 1.6 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

#### 1.7 Financial instruments

#### 1.7.1 Recognition

Financial assets and liabilities are recognised in the 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 principle payments and amortisations

#### 1.7.4 Investments

The investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

#### 1.7.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and investments. Cash and cash equivalents are measured at fair value.

#### 1.7.6 Financial liabilities

The Fund's principle financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortisations

#### 1.8 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

#### 1.9 Provisions

Provisions are recognised when the entity has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate

2.	Revenue		
		2018/19	2017/18
		R'000	R'000
	Interest received	2 827	2 674
	Total	2 827	2 674

3.	Administrative expenditure		
		2018/19	2017/18
		R'000	R'000
	Bank Charges	2	2
	Total	2	2

4.	Audit fees		
		2018/19	2017/18
		R'000	R'000
	Audit fees	28	18
	Total	28	18

#### 5. Risk management

#### 5.1 Financial risk factors

#### 5.1.1 Market risk

Market risk is the risk that changes in market prices. Interest rates will affect the State President Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The State President Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

#### 5.1.2 Credit risk

Credit risk is the risk of financial loss to the State President Fund if a financial institution 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.

#### **Financial Assets**

	2018/19	2017/18
	R'000	R'000
Cost	37 944	35 290
Additions during the year	2 797	2 654
Closing Balance	40 741	37 944

#### 5.1.3 Liquidity risk

Liquidity risk is the risk that the State President Fund will not be able to meet its financial obligations as they fall due. The State President Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due. The State President Fund monitors its cash flow requirements and optimizes its cash return on investments.

#### **Cash and Cash Equivalents**

	2018/19	2017/18
	R'000	R'000
Investment	40 731	37 935
Cash and Balances with Banks	10	9
Total	40 741	37 944

#### 5.1.4 Interest rate risk

The State President Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalized and will therefore not affect the operations of the State President Fund.

		2018/19	2017/18
		R'000	R'000
	Change	Effective Rate	Effective Rate
Investment	(0.1)%	6.94%	7.04%

#### Interest risk sensitivity analysis

	2018/19	2017/18
	R'000	R'000
Investment	40 731	37 935
(0.1) % interest fluctuation impact	40.7	11.38

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.

6.	Cash and cash equivalents		
		2018/19	2017/18
		R'000	R'000
	Cash — Bank Deposits	10	9
	Cash — Investment Account	40 731	37 935
	Total	40 741	37 944

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

7.	Cash generated from/(utilized in) operations		
		2018/19	2017/18
		R'000	R'000
	Surplus / (deficit) before tax	2 797	2 654
	(Interest received)	(2 827)	(2 674)
	Cash generated from Operations	(30)	(20)

#### 8. Events after balance sheet date

None identified to date.

#### 9. Related party transactions

#### 9.1 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.

#### 9.2 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.

#### 9.3 National Development Agency (NDA)

A related party relationship exists between the State President Fund and the NDA. There were no transactions between the parties.

#### 9.4 South African Social Security Agency (SASSA)

A related party relationship exists between the State President Fund and SASSA. There were no transactions between the parties.

#### 10. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Public comments were received and incorporated into the Bill, a Cabinet Memorandum was submitted to the Minister to propose that Cabinet grant permission for the Fund Raising Amendment Bill to be presented to Parliament.

If the Minister is 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 2019** 

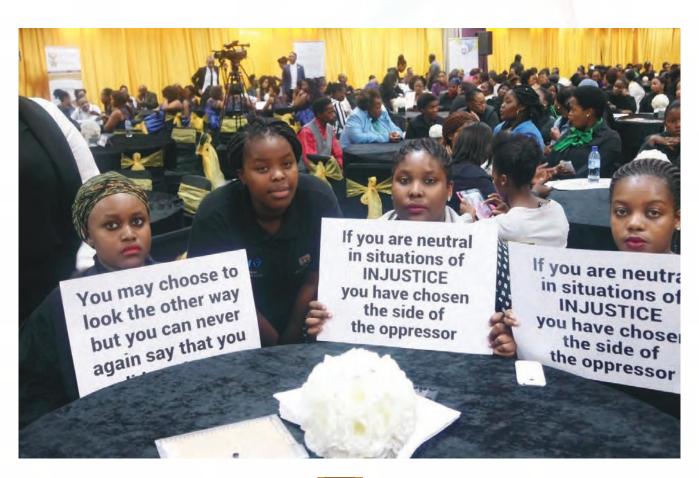


#### **LIST OF ABBREVIATIONS AND ACRONYMS**

ACFP	Anti-Corruption and Fraud Prevention	GIA	Grant-in-Aid
AFM	Apostolic Faith Mission	GP	Gauteng
AFS	Annual Financial Statements	HCM	Human Capital Management
AGSA	Auditor-General of South Africa	HDI	Historically Disadvantaged Individual
AIAP	Audit Implementation Action Plan	HF	Household Food
AIDS	Acquired Immunodeficiency Syndrome	HIV	Human Immunodeficiency Virus
APP	Annual Performance Plan	HR	Human Resource
APSTAR	Applied Population Studies and Research	HRM	Human Resources Management
AR	Asset Register	IBSA	India-Brazil-South Africa
ASRHR	Adolescent Sexual Reproductive Health Rights	ICD	Information Control Document
AU	African Union	ICPD	International Conference on Policy and Development
BRICS	Brazil, Russia, India, China and South Africa	ICT	Information and Communications Technology
CBIMS	Community-Based Information Management System	IMC	Inter-Ministerial Committee
CCC	Community Care Centre	ISF	Intersectoral Forum
CCE	Community Capacity Enhancement	JCC	Joint Coordinating Committee
CDP	Community Development Practitioners	JCPS	Justice, Crime Prevention and Security
CEO	Chief Executive Officer	JICA	Japan International Cooperation Agency
CNDCs	Community Nutrition and Distribution Centres	KfW	German Development Bank
CPS1	Cash Paymaster Services	KPA	Key Performance Area
CPS2	Core Package of Services	KYNS	Know your NPO Status
CRPD	Convention on the Rights of Persons with Disabilities	KZN	KwaZulu-Natal
CSG	Child Support Grant	LP	Limpopo
CS0	Civil Society Organisation	M&E	Monitoring and Evaluation
CYCC	Child and Youth Care Centre	MANCO	Management Committee
DBE	Department of Basic Education	MINMEC	Minister and Members of the Executive Council
DDG	Deputy Director-General	MOU	Memorandum of Understanding
DG	Director-General	MP	Mpumalanga
DICAG	Disabled Children Action Group	MPAT	Management Performance Assessment Tool
DORA	Division of Revenue Act	MTSF	Medium-Term Strategic Framework
DPME	Department of Planning, Monitoring and Evaluation	NC	Northern Cape
DPSA	Department of Public Service and Administration	NCF	National Coordinating Forum
DPW	Department of Public Works	NDA	National Development Agency
DSD	Department of Social Development	NDMP	National Drug Master Plan
EC	Eastern Cape	NDP	National Development Plan
ECD	Early Childhood Development	NDRM	National Disability Rights Machinery
ECDMG	Early Childhood Development Maintenance Grant	NEDLAC	National Economic Development and Labour Council
EHW	Employee Health and Wellness	NIDC	National Interdepartmental Committee
EPWP	Extended Public Works Programme	NISIS	National Integrated Social Information System
ESEID	Economic Sectors, Employment and Infrastructure	NISPIS	National Integrated Social Protection Information System
	Development	NPAC	National Plan of Action for Children
EXCO	Executive Committee	NPO	Non-Profit Organisation
FOSAD	Forum of South African Directors-General	NSFAS	National Student Financial Aid Scheme
FS	Free State	NSP	National Strategic Plan
GBV	Gender-Based Violence	NW	North West
GBVCC	Gender-Based Violence Command Centre	OH&S	Occupational Health and Safety
GCBS	Government Capacity Building Systems	OPG	Older Person's Grant

#### LIST OF ABBREVIATIONS AND ACRONYMS

OVC	Orphaned and Vulnerable Children	SLA	Service Level Agreement
OVCY	Orphans, Vulnerable Children and Youth	SMS	Senior Management Service
PDSD	Provincial Departments of Social Development	SONA	State of the Nation Address
PFMA	Public Finance Management Act	SOP	Standard Operating Procedure
PMDS	Performance Management and Development System	SPCHD	Social Protection Community and Human Development
POA	Performance of Action	SRD	Social Relief of Distress
PPD	Partners in Population and Development	SSP	Social Service Practitioners
PSCBC	Public Service Coordinating Bargaining Council	STI	Sexually Transmitted Infection
PWGD	Presidential Working Group on Disability	SW	Social Worker
RMC	Risk Management Committee	TB	Tuberculosis
SANAC	South African National AIDS Council	ToR	Terms of Reference
SAOPF	South African Older Persons Forum	TVET	Technical Vocational Education and Training
SAP0	South African Post Office	UN	United Nations
SAPS	South African Police Service	UNCRPD	United Nations Convention on the Rights of Persons
SASSA	South African Social Security Services Agency		with Disabilities
SAW	Social Auxiliary Worker	UNFPA	United Nations Educational, Scientific and Cultural
SCM	Supply Chain Management		Organisation
SDICMS	Social Development Integrated Case Management	USSD	Unstructured Supplementary Services Data
	System	VSS	Victim Support Services
SEIAS	Socio-Economic Impact Assessment System	WC	Western Cape
SHERQ	Safety, Health, Environment, Risk and Quality	WPRPD	White Paper on the Rights of Persons with Disabilities
SHRP	Social Sector Human Resource Plan	YOLO	You Only Live Once



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