

13



ANNUAL REPORT

for the year ended 31 March 2013

Building a Caring Society. Together.

www.dsd.gov.za



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

Why are we called the Department of Social Development?

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

We are called the Department of Social Development:

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

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

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

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

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

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

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

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

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

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

Submission of the Annual Report to the Executive Authority



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

Honourable Minister

Annual report for the year ending 31 March 2013

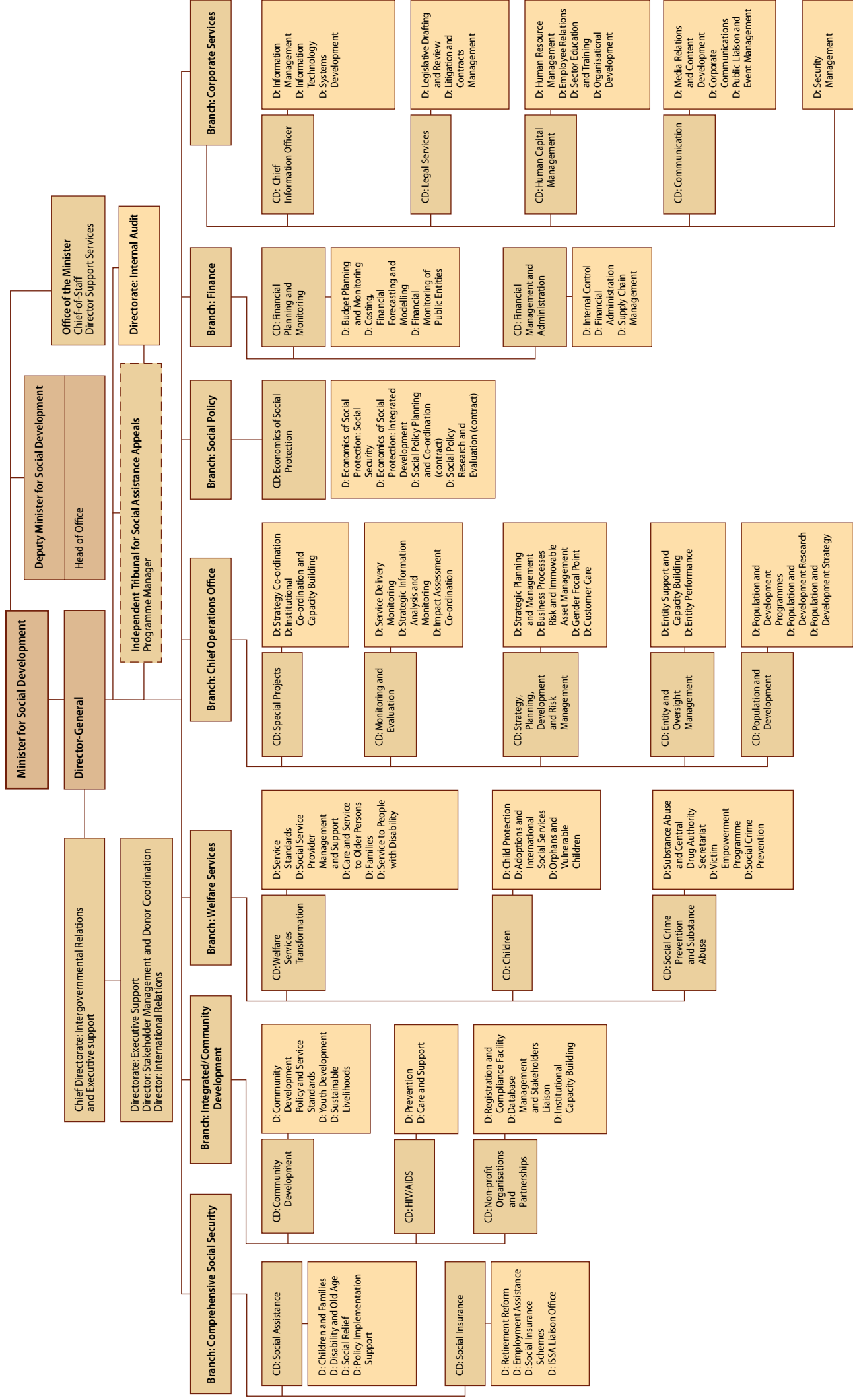
I have the pleasure of presenting the Annual Report of the Department of Social Development for the year 1 April 2012 to 31 March 2013.

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.

A handwritten signature in black ink, appearing to be 'Coceko Pakade'.

Coceko Pakade
Director-General

National Department of Social Development



Department of Social Development
Vote no. 19

ANNUAL REPORT

for the year ended 31 March 2013



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

Table of Contents

PART A	General Information	5
	Department General Information	6
	Foreword by the Minister	7
	Foreword by the Deputy Minister	8
	Overview by the Director General (D-G)	9
	Ministry of Social Development	11
	Strategic Overview	12
	Legislative and Other Mandates	13
	Public entities reporting to the Minister	14
PART B	Performance Information	15
	Statement of Responsibility for Performance Information	16
	Auditor General's Report: Predetermined Objectives	17
	Overview of Departmental Performance	18
	Executive Management	24
	Performance Information by Programme	25
	Programme 1: Administration	25
	Programme 2: Social Assistance	51
	Programme 3: Social Security Policy and Administration	55
	Programme 4: Welfare Services Policy Development	61
	Programme 5: Social Policy and Integrated Service Delivery	81
	Summary of financial information	91
PART C	Governance	101
	Introduction	102
	Risk management	102
	Fraud and corruption	102
	Minimising conflicts of interest	103
	Code of conduct	103
	Health, safety and environmental issues	104
	Internal control unit	104
	Audit Committee Report	104
PART D	Human Resources Management	105
	Legislation governing HR management	106
	Introduction	106
	Human resources oversight statistics	108
PART E	Financial Information	129
	Report of the Audit Committee	131
	Report by the Accounting Officer	132
	Accounting Officer's Statement of Responsibility	141
	Report of the Auditor-General	142
	Annual Financial Statements	144
PART F	Acronyms and Abbreviations	229



PART A

General Information

Department General Information



social development

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Social Development
REPUBLIC OF SOUTH AFRICA

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Foreword by the Minister

for the year ended 31 March 2013

The Department has made great strides towards achieving its goals during the past financial year, and I therefore take great pride in writing this foreword.

The achievements which are summarised in this report reflect our commitment to the creation of an inclusive and caring society. As more and more South Africans respond to our ringing promise of creating a caring and humane society, our commitment to this goal has grown apace. We remain determined to protect vulnerable groups such as children, women and the elderly, as well as victims of social crime. In this respect we are determined to eradicate the scourge of violence against women and girls in our society. To this end, the government has established an Inter-Ministerial Committee (IMC) on Violence Against Women and Children, tasked with establishing the root causes of those forms of violence, and identifying solutions. The IMC is due to present a programme of action for eradicating violence against women and children to the Cabinet in the next financial year.

Alcohol and substance abuse poses a serious threat to our efforts to combat violence against women and children. As part of addressing this problem, the Inter-Ministerial Committee on Anti Substance Abuse has recommended the approval of the Control of Marketing of Alcohol Beverages Bill which aims, among other things, to restrict the marketing and promotion of alcoholic beverages. The most notable accomplishment in the fight against alcohol and substance abuse in the year under review was the coming into force of the Prevention of and Treatment for Substance Abuse Act (No. 70 of 2008).

As part of our commitment to combating the intergenerational transmission of poverty, we have identified Early Childhood Development (ECD) as key to our success towards achieving the goals expressed in the National Development Plan. We have greatly extended the coverage of ECD services, which now reach more than 900 000 children. We have also approved a five-year integrated programme of action to improve rural infrastructure and human resource capacity, introduce comprehensive funding modes, and amend the Children's Act.

The fight against poverty and inequality gained further impetus with the renewed extension of the social safety net, which now reaches more than 16 million South Africans, especially the most marginalised sections of our society. This includes more than 11 million children benefitting from the child support grant, and 2,8 million older persons benefitting from the old age grant. Social grants empower recipients to make positive life choices, and have a range of positive effects on education, nutrition, health and job-seeking behaviour.



Many households continue to suffer from food insecurity. In order to address the problem of extreme hunger and destitution, we intensified the distribution of food under the Food for All Programme, which benefited hundreds of vulnerable households. It is also worth noting that the Supreme Court of Appeal unanimously ruled that there was nothing untoward about awarding the social grants payment tender to Cash Paymaster Services. This will ensure that no vulnerable people are denied access to grants as a result of unnecessary legal challenges.

Civil society organisations (CSOs) play an important role in providing services on behalf of the Department. In August 2012, we hosted a Non Profit Organisations (NPO) Summit which adopted significant resolutions on issues surrounding relations between government and civil society.

On the international front, we continued to participate in a number of high-level bilateral and multilateral exchanges aimed at promoting South Africa's foreign policy goals, and integrating its social development policies and programmes. In this respect we continued our participation in, among others, the Board of the Partners in Population and Development, the International Social Security Bureau, and the International Social Services.

In conclusion, I wish to thank the Deputy Minister, the Director-General, the staff of the national department and its agencies, and staff of the provincial departments of who continue to make me proud to serve alongside them in Building a Caring Society. Together!

Bathabile O Dlamini, MP
Minister of Social Development

Foreword by the Deputy Minister

for the year ended 31 March 2013

During the past financial year, the Department maintained its unwavering commitment to creating a fairer and more caring society. To this end, we continued to develop and implement a range of policies and legislation aimed at making the Department a significant agent of social change.

Inspired by our goal of creating a more inclusive society, we continued to extend our services to growing numbers of people. These efforts included a series of outreach campaigns, aimed at raising awareness of our services among communities, and helping them to gain access to those services. This initiative gave us greater insights into the living conditions of ordinary South Africans, and enabled people to learn more about the services offered by the Department and its agencies. We believe these initiatives are playing a meaningful role in turning South Africa into a country that looks after its most vulnerable citizens.

Competent and committed CSOs play a vital role in social development. Given this, we implemented a number of initiatives for building the capacity of Non-Profit Organisations (NPOs). We started work on formulating a policy that will form the basis for amending the legislation governing NPOs. We also hosted a series of provincial dialogues which culminated in a national NPO Summit in August 2012. The Summit adopted a number of significant resolutions relating to the NPO sector and dealing with the legislative and regulatory framework, the transformation of the welfare services sector, funding and resource mobilisation, and capacity-building and partnerships.

We hosted the first national youth leadership camp in the Free State, which was attended by young people from across South Africa.

High levels of youth unemployment are at odds with the kind of society we would like to become. We therefore continued to expand our services to young people by training youth leaders under our National Youth Service. We hosted the first national youth leadership camp in the Free State, which was attended by young people from across South Africa. The camp gave young people a unique opportunity to interact with and learn from their peers, thereby empowering them to shape their own futures. Some young people also participated in our intergenerational programmes, including our active ageing programme.



The period under review also witnessed notable strides in the fight against the spread of HIV and AIDS. Growing numbers of young people and members of other vulnerable groups continued to benefit from social and behaviour change interventions and psychosocial services. These formed part of our contribution to the national goal of halving new HIV infections by 2015.

The integration of population policy into the activities of various sectors of our society remained an important goal. In this respect, we continued to make commendable progress in promoting the inclusion of population policies in school curricula. This initiative is informed by the key government outcome of creating an empowered, fair and inclusive citizenship.

The Department cannot realise its vision on its own. As such I wish to commend our partners in civil society and other spheres of government who continue to work so tirelessly to help us achieve our goals. I also wish to thank Minister Dlamini and all members of staff of the national and provincial Departments of Social Development for their hard work and support during the reporting period.

Bongsi M Ntuli, MP
Deputy Minister of Social Development

Overview by the Director General (D-G)

In the year under review, the Department and its partners again made major strides towards expanding access to and improving the quality of social services. We made particularly significant gains in terms of extending social protection, promoting food security and sound nutrition, and extending access to Early Childhood Development (ECD) services.

Our most notable accomplishment was the extension of the social safety net to the point where it encompassed more than 16 million people, including more than 11 million children.

This achievement was predicated on our determination to ensure that our social security system protects individuals against all forms of vulnerability. Our social assistance programme remains the single most significant contributor to the reduction of poverty and inequality in the country.

As part of our efforts to ensure administrative justice in respect of the rights of access to social security, we provided an effective, efficient and accessible social assistance appeals service. In this regard, we adjudicated a total of 1 974 new appeals.

ECD is an essential link in the continuum of services needed to achieve positive social and educational outcomes. The growing number of children accessing ECD services demonstrates our determination to build human capital by providing opportunities for their cognitive development and early learning stimulation. ECD, together with investments in education and health, will help to stem the intergenerational transmission of poverty, and curb the demand for expanding the social safety net. Cabinet gave its support to the Programme of Action (PoA) emanating from the ECD conference held in the previous financial year, and gave a directive that the PoA be integrated with the diagnostic report on the state of ECD services produced by the Department of Performance Monitoring and Evaluation.

We made significant gains in extending social protection, promoting food security and sound nutrition.

One of the most noteworthy achievements in respect of services to children during the reporting period was an increase in the number of adoptions to a total of 1 696. Of these, 174 were inter-country adoptions, while the remainder were national adoptions.

The Children's Act is a cornerstone of our policy and legislative framework for protecting the rights of children, and providing them with the best possible services. Given this, we continued to support provinces in implementing the Act, and utilised regular monitoring to identify gaps in



the Act. Consequently, the Minister approved amendments to regulations under the Act to ensure that the issue of child protection remains high on the social development agenda.

The reporting period also saw the coming into force of the Prevention of and Treatment for Substance Abuse Act (No 70 of 2008), which provides a legal framework for mitigating the harm caused by substance abuse. The Minister also announced a new board for the Central Drug Authority (CDA) which is due to hold office for a period of five years.

With respect to victim empowerment, the Department completed a draft Victim Support Services Bill which provides for the management and registration of shelters for abused women and children. Its implementation will significantly advance our efforts to combat the scourge of gender-based violence.

The ongoing shortage of social workers affects our ability to provide quality social welfare services, including vital services such as foster care. Additional allocations from National Treasury have enabled us to continue promoting social work as a profession of choice for talented matriculants. We also awarded 2 037 scholarships to new social work students across the country, thereby increasing the total number of scholarships awarded since 2007 to more than 6 300. In order to enhance the skills base of the Department, 128 officials were given financial assistance to study for qualifications in various fields relevant to the needs of the public service. We continued to implement various capacity-building initiatives aimed at realising Government Outcome 12, namely an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship. Besides this, 48 interns were placed in various units throughout the Department.

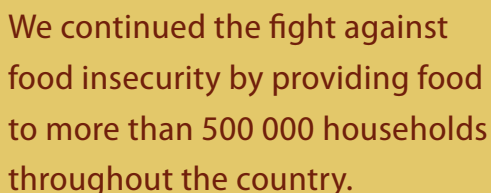
The Department's mandate extends beyond the provision of social assistance and welfare services. Together with other government departments, we are also working on job creation strategies targeted at the poor, and the Expanded Public Works Programme (EPWP) is a vital component of our combined efforts to create sound employment opportunities. During the

Overview by the Director General (D-G)

reporting period, we co-ordinated the creation of more than 171 000 job opportunities.

Civil society plays an important role in extending services to places which the government finds difficult to reach. In this respect, community development practitioners and youth pioneers continued to play key roles in expanding our services to needy people in remote areas, often with limited resources and under difficult circumstances. The Department also continued to improve its systems for the registration of NPOs, and continued to support them with via capacity-building initiatives aimed at ensuring that they have functional governance structures. In this respect, we trained representatives of more than 1 200 NPOs on the provisions of the NPO Act in Gauteng, North West, Free State and the Western Cape.

Through our partnership with Food Bank South Africa, we continued the fight against food insecurity by providing food to more than 500 000 households throughout the country. This forms part of the Food for All programme which has enabled us to contribute to the realisation of Government Outcome 7, namely the maintenance of vibrant, equitable and sustainable rural communities contributing towards food security for all.



We continued the fight against food insecurity by providing food to more than 500 000 households throughout the country.

On the international front, we continued to play a key role in promoting South Africa's foreign policy goals by participating in a number of bilateral and multilateral fora. In this respect we engaged in technical exchanges with, among others, Botswana, Brazil, Ghana, Lesotho, India, Mexico, Ethiopia, South Sudan, and the United Arab Emirates. We also participated in a High-level Post-Millennium Development Goal Contact Group meeting convened by the Japanese Ministry of Foreign Affairs to explore possible modalities for a new development framework beyond 2015.

Like its counterparts elsewhere in the world, the Department continues to grapple with demands for improvements to and reforms in public management. Moreover, the new discourse of results-based management has made it necessary for governments to measure outcomes,

and deepen evidence-based policy-making. In response to this, our Department, together with Rhodes University and the University of Oxford in the United Kingdom, continued to offer an intensive course on social policy analysis for members of the national assembly and officials responsible for policy development in national and provincial departments in the Social Protection and Community Development Cluster. We also hosted a five-day training course on monitoring and evaluation and results-based management known as the International Programme for Development Evaluation Training (IPDET). It was attended by senior managers and other officials from provincial offices, who also benefited from two one-day executive coaching sessions aimed at turning the social development sector into a high-performance organisation.

During the reporting period we spent 99,1 percent of our budget of more than R112 billion. The bulk of the expenditure was on social assistance.

A major outcome of a restructuring exercise undertaken during the reporting period was the approval of a new organisational structure for the Department. A rejuvenated Department will be better placed to utilise the resources at its disposal to the maximum advantage of all South Africans. We also embarked on an exercise to speed up the NPO registration process, thereby helping to ensure that the public derives maximum benefits from the capacity of CSOs to extend our services and contribute to social development. As part of a new, evolving management culture, the Department is working on strategies to improve our planning processes and strengthen management structures, thus enabling us to effectively interrogate our plans and targets, and ensure that our expenditure is informed by detailed procurement and expenditure plans. As required by the relevant public service prescripts, we will continue to assess our programme performance against predetermined objectives, and report on this performance to the Minister, the National Treasury, the Presidency and Parliament.



Coceko Pakade
Director-General

Ministry of Social Development

Overview

The Ministry is responsible for:

- Managing policy advice processes;
- Administering Cabinet affairs;
- Administering parliamentary affairs;
- Managing international liaison, donor coordination, media and public liaison;
- Administering and coordinating stakeholders;
- Providing secretariat services to governance structures chaired by the Minister, namely MINMEC and Inter-Ministerial Committees; and
- Providing administrative services to the Minister.

Institutions reporting to the Executive Authority

The following entities report to the Minister of Social Development:

- The National Development Agency (NDA);
- Boards of the Relief Funds;
- The Central Drug Authority;
- The South African Council of Social Service Professionals;
- The Advisory Board on Social Development; and
- The South African Social Security Agency (SASSA).

Bills submitted to the legislature during the financial year

No Bills were submitted to Parliament during the year under review.

International engagements

In the period under review, the Minister and Deputy Minister undertook several official international visits in order to pursue the social development mandate and to discharge the Minister's obligations under the International Relations, Peace and Security Cluster of promoting the African agenda and fostering international solidarity.

Date of Visit	Country/ Place Visited	Purpose of visit
Minister		
25–26 August 2012	India	Study tour
3–8 March 2013	New York, USA	UN Commission on the Status of Women
Deputy Minister		
21–27 July 2012	Washington DC, USA	19th International AIDS Conference
07–13 November 2012	Dhaka, Bangladesh	International Inter-Ministerial Conference on Evidence for action



Strategic Overview

Vision

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

Mission

To ensure the provision of comprehensive social protection services against vulnerability and poverty within the constitutional and legislative framework, and create an enabling environment for sustainable development. The Department further aims to deliver integrated, sustainable and quality services, in partnership with all those committed to building a caring society.

Values

The Department of Social Development is committed to the following values:

People

Upholding the Constitution, ensuring accountability to the Minister and Parliament, and serving the people of South Africa.

Excellence

Maintaining high standards of performance in our quest for excellence, including equity, professionalism, and fairness in the delivery of our services.

Partnerships

Working together with organs of state including non-state organs such as civil society, business, academia and the international community.

Strategic outcome orientated goals

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

- Child and Youth Care (Isibindi programme).
- Early Childhood Development
- Anti-Substance Abuse
- Food for all/Zero Hunger
- The protection and promotion of the rights of older people and people with disabilities

In addition, the Department contributes to the realisation of some of the following 12 government outcomes:

1. Improved quality of basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive economic growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Vibrant, equitable and sustainable rural communities with food security for all.
8. Sustainable human settlements and improved quality of household life.
9. A responsive, accountable, effective and efficient local government system.
10. Environmental assets and natural resources that are well protected and continually enhanced.
11. Create a better South Africa (and contribute to a better and safer Africa and world)
12. An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.



Legislative and Other Mandates

The Constitution

The Department 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 states that all South Africans have a right of access to social security, including social assistance if they are unable to support themselves and their dependants. In addition, Section 28 (1) 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:

- Fund-raising Act, 1978 (Act No. 107 of 1978);
- Non-profit Organisations Act, 1997 (Act No. 71 of 1997);
- National Development Agency Act, 1998 (Act No. 108 of 1998);
- 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);
- National Welfare Act, 1978 (Act No. 100 of 1978);
- South African Social Security Agency Act, 2004 (Act No. 9 of 2004); and
- White Paper on Population Policy (1998)

Acts of Parliament

- Advisory Board on Social Development Act, 2001 (Act No. 3 of 2001);
- Children's Act, 2005 (Act No. 38 of 2005);
- Children's Amendment Act 2007 (Act No. 41 of 2007);



Public entities reporting to the Minister

Name of entity	Legislative mandate	Financial relationship	Nature of operations
South African Social Security Agency	The South African Social Security Agency Act of 2004 (Act No. 9 of 2004) The Social Assistance Act, 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: <ul style="list-style-type: none"> • The processing of applications for social assistance, namely the Older Persons Grant, War Veterans Grant, Child Support Grant, Care Dependency Grant, Foster Child Grant, Disability Grant, Grant-in-Aid and Social Relief of Distress. • The verification and timely approval of grant applications; • The management and reconciliation of grant payments to eligible beneficiaries by contractors; • The marketing of social assistance; and • Quality service assurance by ensuring compliance with norms and standards, as well as fraud prevention and detection.
National Development Agency	The National Development Agency Act, 1998 (Act No. 108 of 1998 as amended)	Transfers and subsidies	The key function of the NDA is to promote an appropriate and sustainable partnership between the government and civil society organisations aimed at eradicating poverty and its causes. Its primary objectives are to grant funds to civil society organisations (CSOs) for: <ul style="list-style-type: none"> • Implementing projects or programmes aimed at meeting the development needs of poor communities; and • strengthening the institutional capacity of other CSOs involved in direct service provision to poor communities. Its secondary objectives are to: <ul style="list-style-type: none"> • promote consultation, dialogue and the sharing of development experience between CSOs and relevant state organs as well as a debate on development policy; and • undertake research and publication aimed at providing the basis for development policy.
The Central Drug Authority	The Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008)	Operational/ functionality costs	Its key functions are to: <ul style="list-style-type: none"> • Give effect to the National Drug Master Plan; • Advise the Minister on any matter affecting the substance and drug abuse environment; and • Promote measures relating to the prevention and combating of the abuse of drugs.
Disaster Relief Fund	Fund raising Act, 1978 (Act no 101 of 1987)		To assist persons, organisations and bodies which have suffered damage or loss as a result of a disaster.

The Advisory Board on Social Development and the three Board of the Relief Funds (Social Relief Fund, Refugee Relief Fund and State President Fund) are dormant. Efforts are underway to merge these Funds and the Disaster Relief fund into a single entity.



PART B

Performance Information

1. Statement of Responsibility for Performance Information



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

Statement of Responsibility for Performance Information for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the Department's performance information and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance information of the Department for the financial year ended 31 March 2013.

A handwritten signature in black ink, appearing to be 'Coceko Pakade', written in a cursive style.

Coceko Pakade
Accounting Officer
Department of Social Development
31 May 2013

2. Auditor General's Report: Predetermined Objectives

The Auditor General South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives 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 pages 142 to 143 of the Report of the Auditor General, published as "Part E: Financial Information."

3. Overview of Departmental Performance

3.1 Voted funds

APPROPRIATION	Main appropriation R'000	Adjusted appropriation R'000	Actual amount spent R'000	Over/ under-expenditure R'000
Department of Social Development	112 216 761	112 143 552	111 115 576	1 027 976
Responsible Minister	Minister of Social Development			
Administering department	Department of Social Development			
Accounting officer	Director-General of the Department of Social Development			

3.2 Aim of vote

The aim of the Department of Social Development is to ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.

implementing a number of interventions in the areas of social assistance, welfare, and community development. The shift in government focus from measuring outputs to outcomes has given the Department and its partners a unique opportunity to help achieve some of the government-wide outcomes.

3.2.1 Programmes

Programme 1: Administration

Provides leadership, management and support services to the Department and the Social Development Sector.

Programme 2: Social Assistance

Provides income support to vulnerable groups.

Programme 3: Social Security Policy and Administration

Provides for social security policy development and the fair administration of social assistance.

Programme 4: Welfare Services Policy Development and Implementation

Creates an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards and best practices, and the provision of support to implementation agencies.

Programme 5: Social Policy and Integrated Service Delivery

Supports community development, and promotes evidence-based policy-making in the Department and the Social Development Sector.

Social assistance

The provision of social assistance remains a cornerstone of the fight against poverty and inequality, especially among children and older persons. Given this, the Department, through SASSA, continued to expand the social safety net, which grew to reach more than 16 million South Africans in the year under review. About 2,8 million were beneficiaries of the Grant for Older Persons, while 11,3 million were beneficiaries of the Child Support Grant (CSG). This augmented the incomes of grant recipients, and enabled the Department to contribute directly to the realisation of Outcome 7: vibrant, equitable and sustainable rural communities with food security for all; and Outcome 2: a long and healthy life for all South Africans.

Social security reform

The Department continued to formulate policy and legislative proposals for contributory income support aimed at protecting households against life cycle risks such as unemployment, ill health, retirement, disability, and the death of a breadwinner. In pursuit of this goal, a Position Paper on Social Security Reform was presented to Cabinet in June 2012. It contained proposals for extensive reforms, including the introduction of mandatory pension contributions for formal sector workers, the introduction of survivor and disability benefits, and related institutional reforms aimed at enhancing the quality of benefits received by contributors.

Older persons

The provision of care and support services to older persons remained uppermost in our minds, and we registered more than 180 residential facilities for older persons. The South African Older Persons Forum (SAOPF) held its fifth annual

3.3 Overview of the service delivery environment for 2012/13

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 to

general meeting, and approved a revised constitution. Other milestones include the recognition given by President Jacob Zuma to centenarians in Mpumalanga and Kwazulu-Natal. As part of our efforts to encourage active ageing, in line with the Madrid International Plan of Action on Ageing, the Department hosted the Golden Games in October 2012. All these initiatives formed part of the Department's efforts to ensure that older people regard themselves as important members of South African society.

Early Childhood Development

The provision of ECD services is inspired by our goal of investing in the development of children as one of the primary means of improving human capital, and reducing levels of intergenerational poverty. In pursuit of this goal, we continued to conduct awareness campaigns about registered ECD facilities, and the placement of children in those facilities. We also developed a Zero Draft Programme of Action for ECD (2013-2018), based on the ECD Action Plan which emanated from the national ECD conference held in the previous financial year. The provision of ECD services will enable the Department to contribute to the realisation of Outcome 1: improved quality of basic education.

In order to protect children against abuse, neglect and exploitation, we developed an early intervention strategy which was also taken to other stakeholders for consultation. Child Protection Week was commemorated from 27 May to 2 June 2013, under the theme 'Working Together to Protect Children'. Launched by President Jacob Zuma in Kimberley, and

by the Minister of Social Development, Ms Bathabile Dlamini, in Durban, this initiative reached more than 3 000 children and more than 2 000 adults.

A notable outcome of our promotion of adoption awareness was an increase in the number of adoptions, with 1 696 registered in the course of the year. Of these, 174 were inter-country adoptions, and the remainder were national adoptions. We also continued to improve access to drop-in centres for Orphans and Vulnerable Children (OVC), which provide services aimed at meeting their emotional, physical and developmental needs. Besides this number of OVC, including children living and working on the streets, were placed in Child and Youth Care Centres (CYCC) for care, protection and development.

HIV and AIDS

HIV and AIDS continue to devastate the lives of many people, and remain a major obstacle to achieving Outcome 2: a long and healthy life for all South Africans. In view of this, and as part of our contribution to the national strategy for reducing the spread of TB, HIV and AIDS, the Department continued to expand the provision of psychosocial support to vulnerable households as well as OVCs. This intervention also forms part of the national strategy for reducing new HIV infections by at least 50 percent by 2015. As part of our efforts to achieve this goal, we held more than 80 community conversations on HIV and AIDS. We also developed three community-based action plans in Mpumalanga as part of our social behaviour change initiatives aimed at reducing the levels of HIV infections.





Anti-substance abuse

Significant progress was made in our ongoing campaign against alcohol and substance abuse. A notable achievement during the reporting period was the coming into force of the Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008). The legislation provides a new legal framework for reducing the demand for substances which are prone to abuse, and the harm caused by such abuse. It also introduces a more integrated, community-based approach to the prevention of substance abuse. A social mobilisation strategy for the fight against alcohol and substance abuse was approved and implemented in Limpopo. The strategy seeks to empower communities to take action and come up with interventions to combat substance abuse. In addition, a treatment model for victims of alcohol and substance abuse was approved, and several service providers were capacitated on the model in the provinces. All these initiatives form part of the Department's contribution to achieving Outcome 2: a long and healthy life for all South Africans, and Outcome 3: ensuring that all people in South Africa are and feel safe.

Social cohesion

Significant strides were made with respect to strengthening families and supporting community interventions which foster social cohesion. A notable milestone was the approval by different clusters of the draft White Paper on Families. The White Paper was due to be presented to Cabinet in May 2013. Once approved, the White Paper will provide a policy framework for providing integrated services to families. We also completed an evaluation of the effectiveness of services to families, and developed a concept paper on family preservation, which will promote a common understanding of family preservation services throughout the Social Development Sector. This will help to ensure that families play a central role in achieving the Department's goal of restoring family values and responsibilities as a key element of building cohesive communities.

Victim empowerment

With respect to the vital issue of victim empowerment, we completed a draft Bill on Victim Support Services. It seeks to address the gaps identified in existing victim empowerment legislation, and will ensure that victim empowerment services are rendered by professionals. Once adopted, the legislation will improve victim empowerment services, and strengthen protection, care, and support for victim of crime and violence. The Department and its partners also developed a gender-based violence prevention programme for guiding provinces and CSOs on how to implement programmes to prevent the scourge of gender-based violence.

Youths

Numerous milestones were reached in the area of youth development. The most notable was the training of 209 youth leadership mentors. Youth pioneers participated in active ageing programmes and the Golden Games which were held in Rustenburg in North West. Besides this, 511 youths participated in the national youth leadership camp held in the period under review.

Non-profit organisations

CSOs play an important role in the delivery of services on behalf of the Department and its partners. In this respect, the Department developed a web-based system that will improve the procedure for registering NPOs. A review of NPO legislation was set in motion, and a draft policy in this respect was completed. A significant milestone was the hosting of the national NPO summit in August 2012 which adopted resolutions on issues relating to relations between government and civil society as well as support and funding for the NPO sector.

Food for All

The provision of food to those affected by hunger and destitution forms part of our efforts to address the problem

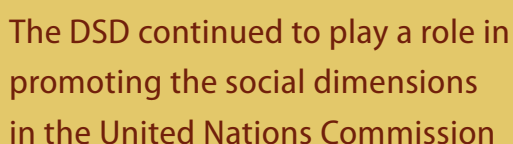
of food insecurity. Together with Food Bank South Africa, we provided food to more than 500 000 households throughout the country. This will also ensure that we contribute to the realisation of Outcome 7: vibrant, equitable and sustainable rural communities contributing to food security for all, as well as the DSD-specific goal of improving access to diverse and affordable food.

Governance and institutional development

Maintaining sound organisational and business practice forms an integral part of promoting accountability and efficiency within the Department. In view of this, 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 relevant managers, who took the necessary corrective steps to address identified deficiencies. Quarterly risk reports and performance reports on predetermined objectives were sent to the executive authority, the National Treasury, the Presidency and the Auditor-General, and their findings and feedback were sent back to managers. This formed part of building a culture of results-based management in the Department. The Department also continued to implement sound financial management practices aimed at promoting the efficient utilisation of resources.

International obligations

The Department continued to play a role in promoting South Africa's foreign policy goals, notably Outcome 11: creating a better South Africa and contributing to a safer Africa and world. As such, it continued to play a leading role in promoting the social dimensions of the New Partnership for Africa's Development (NEPAD) in the United Nations Commission for Social Development on behalf of the Africa Group and the G77. The Department also participated in a number of international initiatives of the Southern African Development Community (SADC) and the African Union (AU). The Department works with other institutions within and outside government in discharging its mandate in this sphere, and the consultative and interdependent nature of some of these projects has at times delayed or threatened to derail some of its initiatives.



The DSD continued to play a role in promoting the social dimensions in the United Nations Commission

The Budget

The initial budget allocation to the Department for the 2012/13 financial year was R112 216 761 000. This included large transfers to the South African Social Security Agency (SASSA) and the National Development Agency (NDA). During

the 2012 Adjusted Estimates of National Expenditure process, the Department's allocation was reduced by R73 209 000. Besides this, the following adjustments were published:

- R3 681 000 was rolled over from the previous financial year. Of this, R3 000 000 was budgeted for finalising the NDA review, and the remaining R681 000 for the South African National Council against Alcohol & Drug Dependency.
- R3 110 000 for the annual cost of living adjustments to personnel remuneration.
- R80 000 000 was declared as savings from SASSA due to reduced tariffs fees related to the payment contractor in the payment of social grant beneficiaries.

The final budget allocation of the Department for the 2012/13 financial year was R112 143 552 000.

Virements

At the close of the 2012/13 financial year, the following virements were effected:

Per main division

Programme 1: Administration – R3 450 000

An amount of R3 450 000 was shifted from Programme 3 to Programme 1 to fund the upgrading of the Departmental Local Area Network as well as its central storage area.

Programme 3: Social Security Policy and Administration – (R 4 880 000)

An amount of R4 880 000 was shifted from this programme to fund increased expenditure under Programmes 1 and 5.

Programme 5: Social Policy and Integrated Development – R 1 430 000

An amount of R1 430 000 was shifted from Programme 3 to Programme 5 to fund increased expenditure on community outreach activities during Social Development month and on youth camps.

Per economic classification

Compensation of Employees

An amount of R10 320 000 was shifted from Compensation of Employees to fund increased expenditure on goods and services related to community outreach activities during Social Development month, as well as increased transfers to Soul City.

Goods and Services

An amount of R7 565 000 was shifted to Goods and Services to fund increased expenditure on goods and services related to community outreach activities during Social Development month and the hosting of youth camps.

Transfers and Subsidies

Approval was obtained from the National Treasury to increase the 2012/13 allocations to Soul City and Walvis Bay by R1 500 000 and R246 000 respectively.

3.4 Service delivery improvement plan

Main services and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Registration of NPOs	NPOs/CBOs/FBOs and general civil society groups	NPOs/CBOs/FBOs and general civil society groups	Processing of applications within two months of receipt	39% of applications processed within two months
NPO appeals	NPOs/CBOs/FBOs and general civil society groups	NPOs/CBOs/FBOs and general civil society groups	NPO appeals adjudicated within three months	80% of NPO appeals adjudicated within three months

Consultation arrangements with customers

Type of arrangement	Actual customers	Potential customers	Actual achievements
DSD Month held in October every year, including activities such as the Golden Games	All South African citizens and communities	All South African citizens and communities	25 sites in all nine provinces were visited, and more than 45 000 people participated in events and community dialogues.
Child Protection Week held in May every year	Children in all nine provinces	Children in all nine provinces	Child Protection Week was held successfully.
Public liaison activities for the Minister and Deputy Minister	All citizens and communities of South Africa	All citizens and communities of South Africa	69 public participation events held for the Minister and Deputy Minister.
NPO Summit	NPOs/CBOs/FBOs and general civil society groups	NPOs/CBOs/FBOs and general civil society groups	Summit declaration.

Service delivery access strategy

Access strategy	Actual achievements
National Integrated Plan for ECD	A Integrated ECD Programme of Action for 2013–2018 was developed, based on a Diagnostic Review of the ECD Sector, the ECD Action Plan which emanated from the National ECD Conference, and a review of the National Integrated Plan for ECD.
Kwanda	13 Kwanda TV talk shows ran during the reporting period.

Service information tool

Types of information tool	Actual achievements
Marketing and advertising initiatives	20 million people were reached through marketing and advertising initiatives.
DSD website and social media	50 000 people were reached via the DSD website and social media networks.

Complaints mechanism

Complaints mechanism	Actual achievements
Call centre	5 454 complaints received via the call centres were handled and resolved.
Walk-Ins	716 complaints received via walk-ins were handled and resolved.
Letters	1 404 letter of complaints were received and resolved.

3.5 Overview of the organisational environment for 2012/13

The Department did not experience any disruptions, such as strike action by staff. However, a number of challenges conspired to delay the full implementation of some of its programmes. A number of officials resigned, but most of the vacancies were filled within a reasonable period. Given the collaborative and interdependent nature of some of the Department's work, it can only meet some of its targets if other institutions deliver on their commitments as well.

During the reporting period, the Department established a unit to spearhead the establishment of an Inspectorate for Social security. However, this could not be accomplished within the set time frames as approval of an organisational structure for the inspectorate was still pending.

3.6 Key policy developments and legislative changes

The Department completed a draft White Paper on Families which was due to be presented to Cabinet in the next financial year. It finalised a treatment model for victims of alcohol and substance abuse, and developed an early intervention strategy for protecting children against abuse, neglect and exploitation.

It also completed an evaluation of the effectiveness of services to families, and developed a concept paper on family preservation which will enable the social sector to develop a common understanding of family preservation services.

Policies on social insurance, finance, community development, and non-profit organisations were formulated or reviewed. Details appear in the programme-specific sections of this Annual Report.

The most notable accomplishment with respect to legislation was the coming into force in March 2013 of the Prevention of and Treatment for Substance Abuse Act, 2008 (Act No.70 of 2008). We also completed a draft Bill on Victim Support Services which is aimed at improving victim empowerment services and strengthening the protection of and care and support for victims of crime and violence.

3.7 Strategic outcome-oriented goals

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

- strengthen community development and welfare services;
- promote and protect the rights of children and older persons;
- combat substance abuse and social crime; and
- work towards greater food security.



Executive Management



From left to right: Mr Wiseman Magasela (Programme Manager: Social Policy); Mr Johny Modiba (Acting Chief Financial Officer); Ms Conny Nxumalo (Deputy Director-General: Welfare Services); Ms Brenda Sibeko (Acting Deputy Director-General: Comprehensive Social Security); Mr. Coceko Pakade (Director-General); and Mr Peter Netshipale (Deputy Director-General: Community Development).

Alongside: Mr P Loselo (Acting Programme Manager: Independent Tribunal for Social Assistance Appeals).

Vacant: Chief Operating Officer





4. Performance Information by Programme

4.1 Programme 1: Administration

Purpose

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

Executive Support

All planned Social Protection and Community Development Cluster meetings were successfully convened. Among others, the cluster meetings discussed strategic documents such as the National Drug Master Plan (NDMP), the draft White Paper on Families, the draft Bill on the Marketing and Advertising of Alcohol Beverages, and the costed Implementation Plan for the ECD Programme. The cluster approved the NDMP and the draft White Paper on Families for submission to the cabinet. These documents were also approved by the Justice Crime Prevention Cluster (JCPS).

Both documents are aligned to the government's Outcomes Approach and Programme of Action. More specifically, they respond to Outcome 1: Improved quality of basic education, and Outcome 2: A long and healthy life for all South Africans.

The Department is responsible for implementing programmes and projects that address social ills, including alcohol and substance abuse; violence against women, children, and other vulnerable groups; and gender-based violence. Combating these problems are high on the Government's list of priorities, and the Department is responsible for ensuring that effective policies and strategies are formulated in this regard, and programmes are put in place to implement them.

Management committee (MANCO) meetings are used to engage with senior officials in the Department on strategic issues emanating from the Forum of South African Directors-General (FOSAD) as well as cluster meetings. This helps to ensure the alignment of issues and activities at the political and administrative level. MANCO discussed and approved the Annual Performance Plan, the Funding Model, and the Risk Management Plan, and also discussed other budget-related issues. The discussions were aimed at improving compliance with these plans and guidelines, thus reducing audit queries from the Auditor-General.

Liaison with Parliament was maintained, and resolutions emanating from parliamentary engagements were implemented, monitored and reported on within the Department and the public entities reporting to it, namely SASSA and the NDA.

International Relations

The Department continued its efforts to advance co-operation on social development issues in the international arena. As a member of the International Cooperation, Trade and Security Cluster, it continued to promote the harmonisation and integration of social development policies and programmes. It also hosted a number of high-level bilateral exchanges. The Minister serves on the board of Partners in Population and Development (PPD). The Director-General serves on the council and in the bureau of the International Social Security Association

(ISSA), and the Deputy Director-General: Welfare Services is an executive member of International Social Service (ISS).

Stakeholder Management

The Department, through this unit, co-ordinated the presentation of its funding priorities to USAID and the European Union. Technical support was provided to projects funded by USAID, the Canadian International Development Agency (CIDA), the German Development Bank (KfW), and the Japan International Cooperation Agency (JICA). The unit established partnerships with the Passenger Rail Agency of South Africa (PRASA), Food Bank South Africa, the Rand Water Foundation, and Al-Imdaad Foundation in support of ministerial outreach programmes. It continued to provide technical support to various Departmental projects and programmes such as Taking the DSD to Communities, DSD Month, Child Protection Week, the DSD & NCOP budget votes, youth camps, and the anti-substance abuse campaign. It also engaged CSOs, donors and corporate social investment (CSI) partners on the Department's priorities and programmes. All these activities helped to realise the Department's goal of strengthening collaboration with stakeholders in order to enhance service delivery.

Strategy Development and Business

The Department recognises that effective service delivery requires integration not only at the service level, but also at the planning and budgeting levels. To this end, this unit convened joint sector planning sessions focusing on programme content of and indicators for the Department's agreed priorities, namely ECD, anti-substance abuse, youth development and food security.

The decisions taken at these sessions were incorporated into the 2013/2014 Annual Performance Plans across the social sector. This is a long-term project, and we aim to intensify our strategies for greater collaboration and integration in the next financial year.

A Departmental delegation, led by the Minister, participated in the 57th Session of the Commission on the Status of Women, held at UN headquarters in New York from 4 to 15 March 2013 under the theme 'Elimination and prevention of all forms of violence against women and girls'.

As part of the DSD's contribution to the Sanitary Dignity Campaign, sanitary ware was delivered to the Winterveld High School near Pretoria. A seminar on the Sanitary Dignity Campaign was also held in partnership with the Human Sciences Research Council (HSRC).

In line with established practice, 24 female and 12 male interns attended a gender sensitisation workshop and gender and masculinity workshop. Similar workshops were held for 35 senior managers and junior female managers in Limpopo. This led to the establishment of a DSD Men's Forum during the 16 Days of Activism on Violence Against Women and Girls. This campaign was centred on the Northern Cape, with a particular focus on Foetal Alcohol Syndrome.

Gender Mainstreaming and Policy Review from a Gender Perspective continued. This included influencing the Employment Equity Plan as well as the Green Paper and White Paper on Families.

Advocacy and lobbying also continued throughout the year. This included participation in the National Gender Machinery, collaborating on building the capacity of CSOs, and reporting on national imperatives. The Gender Directorate also contributed to the Taking the DSD to Communities campaign by identifying gender issues to be addressed by the Department. These initiatives contributed to the realisation of the Department's outcome of gender-responsive policies, planning, budgeting and programmes.

During the reporting period, the Department successfully resolved 86% of complaints received. The Worst Offices programme successfully constructed reception facilities at 73 offices.

The Department, together with Soul City, ran the Kwanda Talk show between October 2012 and February 2013. It also successfully rolled out a help desk programme in support of ministerial and departmental campaigns, including Child Protection Week and October Month. The customer care unit also continued to represent the Department in intergovernmental fora such as the Batho Pele Forum hosted by the DPSA.

The Department, through this unit, contributed to the development of the Citizen Based Monitoring framework led by the Department of Performance Monitoring and Evaluation (DPME). The integrated Customer Care and Infrastructure Forum was established to co-ordinate infrastructure and customer care initiatives, including the implementation of the Worst Offices Strategy. These achievements contribute to Outcome 12: An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.

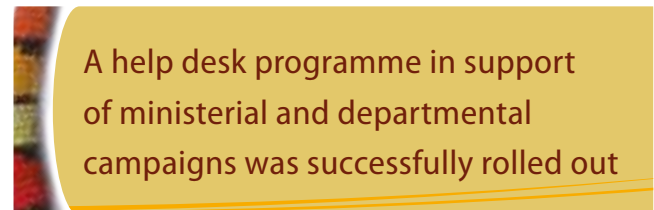
Performance Monitoring and Evaluation

The Department, through this unit, achieved a great deal during the reporting period. It updated Social Sector Monitoring and Evaluation System in order to improve the generation of reliable performance data and reports. It produced a number of key reports, including non-financial data reports and statistical reports on vulnerable groups. It produced a report on the economic impact of the CSG, and co-ordinated the Department's input into the 20-year review of government performance undertaken by the Presidency. It also co-ordinated the Department's self-assessment in terms of the Management Performance Assessment Tool (MPAT) developed by the Department of Performance Monitoring and Evaluation (DPME).

The Chief Directorate Performance Monitoring and Evaluation continued to represent the Department in efforts to report on the African Peer Review Mechanism and the Millennium Development Goals. It submitted quarterly and annual programme performance reports to all relevant stakeholders, including the National Treasury and Presidency. It

also co-ordinated the quarterly Programme of Action reports, as well as the Department's inputs into the State of the Nation Address.

During the reporting period, the Department hosted an intensive five-day training session on the highly regarded International Programme for Development Evaluation Training (IPDET) for 57 officials from the national and provincial departments as well as SASSA and the NDA. This comprised an effective contribution to Outcome 12: Building an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.



Entity Oversight

The Department, through this unit, continued to guide and support public entities in respect of meeting the relevant policy and programme objectives. An oversight management strategy was adopted which aims to streamline and integrate the oversight function. The unit also proposed the introduction of an electronic Performance Information Management System (PIMS), and gained approval for its development. The system will provide a platform for the effective performance monitoring of public entities.

SASSA introduced a new payment system for social grants, which reduced the agency fees payable to service providers. Another benefit of the system is that SASSA owns and controls the database of all beneficiaries, thus enabling improved control and monitoring. More than 90% of beneficiaries and procurators were re-registered, and fraudulent registrations were easily identified and terminated. Government officials who were accessories to fraudulent activities were identified and disciplined. Where there was evidence of criminal activities, law enforcement agencies were involved.

The NDA continued to discharge its mandate of providing grant funding to CSOs, and building their capacity. It also built the capacity of ECD practitioners. The NDA also created a Programme Management Unit tasked with providing project management services to government departments and other state organs.

Legal Services

This Chief Directorate successfully achieved its strategic objectives in respect of contract management. This comprised the reduction of possible litigation risks relating to contracts, as well as ensuring compliance with the PFMA. It also contributed to the speedy finalisation of contracts for the funding of NPOs. Responses to letters of demands improved significantly, which worked to reduce litigation.

Communications

This Chief Directorate continued to provide communication support to the Department, thus promoting its profile and image. It also profiled 69 public participation events hosted by the Minister, and 35 hosted by the Deputy Minister. During these events, the Minister and Deputy Minister interacted with members of the public, including members of poor and vulnerable communities. The outreach programmes helped the Department to inform the public about its services. The unit also conducted post-event visits to the areas involved in order to monitor and measure progress.

The Minister and Deputy Minister held three meetings with staff to reflect on various initiatives and developments within the Department. This included the Year-end Review session, where the Minister and Deputy Minister addressed all Departmental staff members as well as SASSA and NDA staff.

Outreach programmes undertaken include a Presidential Luncheon with Older Persons; National Community Dialogues in all provinces; the SASSA re-registration drive; Breakfast with Child Headed Families; Child Protection Week activities; Taking the DSD to Communities; Post Monitoring and Evaluation visits with the President, including a visit to Ngobi Village in North West; the Non-Profit Organisation Summit; the handover of computers to schools around Pietermaritzburg; the launch of the Veteran Social Work Forum; International Day against Drug Abuse and Illicit Drug Trafficking; and the launch of Youth Camps.

The Department maintained a high profile in print, online and broadcast media. The Chief Directorate handled 47 media queries about the Department's services and performance, and media monitoring reports were readily available upon request.

The Department's youth camp facebook page attracted attention from young people from all over the world, including Australia, Belgium, Germany, Ghana, India, Lesotho, Namibia, the Netherlands, Saudi Arabia, Spain, Sri Lanka, Uganda, United Kingdom and the United States.

All departmental events were branded with elegant and functional communication and advocacy material. All events were well publicised on the Departmental website (both internet and intranet) as well as via social media networks. Joint initiatives and events involving the provincial departments, SASSA and the NDA were co-branded in order to promote the goal of integrated service delivery.

All these initiatives formed part of the Department's efforts to inform, educate and mobilise its stakeholders as well as the public. This, in turn, contributed to its efforts to help achieve Outcome 12: an efficient, effective and development-oriented public service, and an empowered, fair and inclusive citizenship.

Internal Audit

The Directorate conducted financial, compliance and performance information audits in accordance with Auditing Standards of the Institute of Internal Auditors as well as the Department's Internal Audit Charter. These assessments were aimed at assessing the adequacy and effectiveness of key controls and governance processes. Assurance was provided to management in cases where systems and controls were found to be adequate and effective. Weaknesses identified during the audits were reported, and remedial steps were recommended to all relevant managers. Risk areas as per the Internal Audit Coverage Plan were audited, thus enhancing the Department's efficiency and accountability.



The Directorate also audited travel and subsistence allowance claims, the Integrated Justice System Programme (IJS) and the Management Performance Assessment Tool (MPAT). The IJS originated from Department of Justice and Constitutional Development, and MPAT from the DPME. Management and the Audit Committee were instrumental in ensuring that corrective action was taken to address identified weaknesses. This assisted the Department to strengthen its control environment.

Human Capital Management

Although vacancies increased from 5.2% to 10% over the year under review, a total of 92 appointments were made, while only 67 officials left the Department. Besides filling approved permanent posts, the Directorate also managed the employment of 48 contract workers. The Directorate: Human Resource Management took ongoing steps to ensure that vacant funded posts were filled timeously. The Department obtained concurrence on its new organisational structure from the Department of Public Service and Administration (DPSA). The organisational review process gave the Department an opportunity to amalgamate pockets of structural changes made since the previous large-scale organisational restructuring process in 2008, and strengthen its capacity where needed in order to function as efficiently as possible, and achieve its goals. Strengthened functional areas included anti-substance abuse, social crime prevention, children services, victim empowerment, and corporate governance functions.

The Department developed and implemented a Workplace Skills Plan as required by the Skills Development Act (No 97 of 1998). A total of 106 courses were presented, attended by 429 officials at all levels within the Department.

The Department, through this unit, continued to enhance its formal skills base by providing staff members with bursaries for further study in various relevant subjects. A total of 128 officials were supported in the year under review. The Department also continued its internship programme, and 48 interns were placed in various functional areas.

Line managers continued to receive support for various capacity-building programmes. Performance Agreements, Work Plans, Mid-term Review reports and Annual Performance Appraisals were completed as required by the Department's Performance Management and Development System (PMDS).

As regards labour relations, the Department continued its efforts to finalise misconduct cases within three months. A few cases took longer due to circumstances beyond the Department's control, including the unavailability of witnesses.

The Department continued its efforts to deepen its dialogue with its social partners, the trade unions active in the social sector, thus improving its ability to conclude satisfactory collective agreements. It also continued its efforts to build the capacity of both shop stewards and labour relations officials in the sector, and introduce alternative dispute prevention and conflict resolution mechanisms. This initiative was a resounding success, and the Department resolved to continue on this course in the next financial year.

Financial Management and Administration

The Department continued its efforts to develop and implement effective financial management and administration policies. The acting CFO helped to strengthen financial management in North West. Ministers' events and conferences were successfully supported. The Chief Directorate continued to work with various line function managers to improve audit outcomes.

Financial Planning and Monitoring

The Department continued to oversee the management and administration of social grants by the SASSA. It remained accountable for the R104 billion received for the payment of social grants, as reflected in its consolidated financial statements as at 31 March 2013.

Information Management and Technology

This Chief Directorate successfully developed systems for recording and managing probation cases, accreditation, adoptions, leave, contracts, travel bookings and the registration and management of NPOs. These systems were piloted, and officials were trained in their use. Social workers and people providing auxiliary services in the provinces were placed on a mobile Access Point Name (IPN) network which enabled them to connect with the Department's Intranet. This allowed them to capture data efficiently and accurately on the Department's central databases.

The Knowledge Management portal has been developed and maintained, and various Knowledge Management tools put in place. The Knowledge Management portal improved the sharing of information as well as decision-making by providing decision-makers with relevant information via a centralised information hub.

Office Accommodation

The Department proceeded with plans to build a new head office in the Salvokop precinct in Pretoria which will also house SASSA and the NDA. These plans are being undertaken in accordance with Re Kgabisa Tshwane, a broader government programme aimed at procuring long-term accommodation solutions for national government department head offices and agencies in the inner city of Tshwane. The Department of Public Works (DPW) commissioned a feasibility study of the project from an external service provider which was meant to:

- Provide information about costs (explicit and hidden), and indicate whether these costs can be met from within institutional budgets without disruptions to other activities;
- Allow for the identification, quantification, mitigation and allocation of risks;
- Prompt institutions to consider how the project would be structured.
- Identify constraints which might cause the project to be halted; and
- Ensure that the project is developed around a proper business plan.

Executive Support

An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
Promote and facilitate effective decision-making processes and structures in the Department and Social Cluster for the achievement of strategic social development outcomes						
Government outcome	Performance Indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
DSD-specific outcome						
Strategic objectives						
Provide executive secretariat support to ensure the effective management of the Department	Number of DSD management and Social Cluster meetings convened	52 DSD management and 11 Social Cluster meetings	Convened 11 Social Cluster meetings, 39 management meetings and 12 special meetings	Convene 44 DSD management and 11 Social Cluster meetings	37 DSD management meetings and 11 Social Cluster meetings were convened	Some DSD management meetings were rescheduled due to conflicts with urgent parliamentary engagements as well as October Month events
Support the functioning of FOSAD, the Social Cluster, Heads of Social Development, and DSD management	Percentage of Social Cluster and DSD management decisions monitored and reported on	100% of Social Cluster and DSD management decisions monitored and reported on	All decisions by the Social Cluster and DSD management were monitored, and 98% were fully implemented	Monitor and report on 100% of Social Cluster and DSD management decisions	All decisions by the Social Cluster and DSD management were monitored, and 97% were fully implemented	3% of decisions could not be reported on due to the rescheduling of meetings
Improve the D-G's administrative support to Parliament	Compliance with time frames in submitting reports to parliamentary committees	The DSD engages with the various parliamentary committees at least six times a year, and reports are submitted two days before the meetings	37 requests for reports were received from various parliamentary committees. All reports were prepared, approved and submitted three days before the meetings The Directorate received 201 parliamentary questions, and facilitated the replies by line managers	Prepare and submit reports to parliamentary committees within the prescribed time frames	All resolutions of parliamentary committees were communicated to line managers in the form of Parliamentary Engagement Action Notes within a day after the committee briefings. Information required by the Portfolio Committee and Select Committee was provided within seven days after the briefing sessions	No deviation
	Number of days taken to implement parliamentary committee resolutions	–	All relevant resolutions by parliamentary committees were implemented	Monitor the implementation of parliamentary committee resolutions within a month	The parliamentary committees were satisfied with the Department's presentations. Flowing from the presentations, the committees were provided with additional information	No deviation

International Relations

Create a better South Africa, a better Africa and a better world						
To promote and support participation in key identified bilateral and multilateral initiatives						
Government outcome						
DSD-specific outcome						
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
Ensure the engagement of the DSD with various multilateral platforms, and forge bilateral relations	Number of agreements signed and technical exchanges facilitated	Nine agreements signed and technical exchanges facilitated	An agreement was signed with Zimbabwe. Approval was requested for a delegation to travel to Tanzania to discuss a similar agreement Technical exchanges were facilitated with 17 countries, including Mauritius, Ghana, Lesotho, Zimbabwe, Kenya, Mexico, Brazil, the US and Canada	Sign two agreements and facilitate five technical exchanges	Five agreements were facilitated with Uganda, Benin, Bulgaria, Jamaica and Lesotho 14 technical exchanges were facilitated with Brazil, Ghana, Jamaica, Mexico, United Arab Emirates, India, Australia, Lesotho, Botswana, Vietnam, the US, Thailand, South Sudan and Ethiopia	All international agreements are meant to be concluded by the Department of International Relations and Cooperation (DIRCO). This only became clear after the APP had been published

Stakeholder Management

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship				
	Strengthened collaboration with stakeholders in order to enhance service delivery				
DSD-specific outcome	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual Output, 2012/13
Strategic Objectives					Reasons for / comments on deviation from 2012/13 target
Improve service delivery and form partnerships with development and other stakeholders	Technical assistance provided to DSD programmes	No technical assistance to Departmental managers		Increase technical assistance to DSD programmes in dealing with development partners	<p>Technical support was provided to projects funded by the JICA, CIDA and KWF.</p> <p>The Directorate responded to calls for proposals advertised by USAID. One proposal was approved, and implementation was due to start in 2013.</p> <p>The Department supported the JICA project for disability mainstreaming, and participated in the UNDP Country Programme of Action.</p> <p>Following effective stakeholder engagement, USAID undertook to support a feasibility study of a Social Development Learning Academy.</p> <p>The Department attended all CIDA-PSC meetings held in the 2012/13 financial year.</p> <p>Donations were solicited for the DSD & NCOP budget votes, the launch of Child Protection Week, Youth Camps, and Ministerial outreach events.</p> <p>The Directorate offered technical support on stakeholder involvement in DSD Month and the Taking the DSD to Communities campaign, and provided support on intersectoral stakeholder engagement to various departmental units</p>

An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
Strengthened collaboration with stakeholders in order to enhance service delivery						
Government outcome						
DSD-specific outcome						
Strategic Objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual Output , 2012/13	Reasons for /comments on deviation from 2012/13 target
	Stakeholder partnership agreements	Sporadic support from stakeholders for various initiatives and projects		Cultivate relationships and form partnerships with stakeholders in support of DSD initiatives and projects	<p>The DSD partnered with the Department of Defence, PRASA, the Food Bank and What's New Media to host the first Youth Camp.</p> <p>It partnered with Rand Water Foundation on the refurbishment of the ECD centre in the Koedoespoort area.</p> <p>It partnered with the Al-lmdaad Foundation on building two houses for poor families in Thembisile Hani Local Municipality in Mpumalanga.</p> <p>It formed a once-off partnership with South African Airways on promoting Child Protection Week.</p> <p>It engaged with various CSOs, including the South African Council of Churches, on establishing partnerships in respect of all DSD programmes</p>	No deviation

Strategy Development and Business

An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
Improved corporate planning						
Government outcome						
DSD-specific outcome						
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual Target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
Improve corporate planning and processes by March 2015	Timeous submission of the APP to the NT	Late submission of draft APPs		Submit a quality APP to the relevant authorities within the prescribed time frame	APP was submitted and tabled in Parliament on time	No deviation
Improve corporate planning and processes by March 2015	DSD Enterprise Risk Management Report	DSD Enterprise Risk Management Report, 2011/12	An Enterprise Risk Management Report was completed and approved by the D-G	Produce an approved Enterprise Risk Management Report by September 2012	An Enterprise Risk Management Report was produced	No deviation
Improve corporate planning and processes by March 2015	Standard Operating Procedures and Service Standards	Mapped business processes in supply chain, legal services and human resources environments	A report on business process management was completed, and mapped processes were consolidated	Complete standard operating procedures and service standards for all support services	Standard operating procedures and service standards were produced for all support services (Corporate Services and Finance)	No deviation

An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
Customer-centred infrastructure						
Government outcome						
DSD-specific outcome						
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual Target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
Determine the technical condition of the DSD infrastructure portfolio by 2013/14	Percentage of facilities assessed	–	70% of infrastructure design guidelines were implemented	Assess condition of 70% of DSD facilities	344 of 465 DSD facilities were assessed, amounting to an assessment rate of 74%	No deviation
Improve 20 worst offices in each province by 2014/15	Number of DSD offices with waiting areas for customers	About 20 DSD offices have waiting areas, but not of the required standard		Facilitate the establishment of adequate waiting areas in 50 DSD offices	73 offices were provided with adequate waiting areas	No deviation

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Customer-centric organisational culture					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual Target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
Facilitate timely access to DSD services, and ensure that customers have redress	Percentage of complaints resolved within 15 days of receipt	60% of complaints resolved within 15 days		Resolve 70% of complaints within 15 days of receipt	A total of 7 574 complaints were received. Of these, 6 595 were resolved within the minimum period, amounting to a resolution rate of 86%.	No deviation
Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Gender-responsive policies, planning, budgeting and programmes					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual Target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
Promote gender consciousness and women's empowerment strategies	A comprehensive gender evaluation report	–		Conduct a summative evaluation of gender mainstreaming	A comprehensive evaluation report was compiled	No deviation
	Number of women participating in community development activities	–	Work on women's empowerment programmes proceeded but was not completed. A concept paper was being drafted	Involve 900 women in community development projects	8 932 women attended business seminars	No deviation

Performance Monitoring

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
	Improved sector performance						
	DSD-specific outcome	Performance indicator	Baseline	Actual achievement , 2011/2012	Annual target , 2012/13	Actual output, 2012/13	Reasons for / comments on deviation from 2012/13 target
Strategic objectives	Ensure effective monitoring and evaluation (M&E) and capacity-building in the Social Sector by 2015	Number of reports utilising the updated M&E system	Updated Social Sector M&E system	Non-financial data indicators were reviewed approved and sent to Treasury. Social development Sector Indicator and Reporting templates were reviewed and approved.	Update social sector M&E system	Social Sector M&E system was finalised	No deviation
		Number of Social Sector officials trained in M&E	370 officials trained in M&E	Dr Ray C. Rist trained 50 officials on IPDET, and a two-day executive coaching session was held for 44 managers	Train 50 officials in M&E	IDPET Training conducted with a total of 57 officials from both National and Provincial DSD, SASSA and NDA	No deviation
		Biannual Non-Financial Data (NFD) reports	Two NFD reports	Two NFD reports were produced	Produce Biannual NFD reports	Two NFD bi-annual reports were produced	No deviation
		Number of institutional performance reports produced	Four quarterly reports and one annual report	Quarterly and annual institutional reports were produced	Produce institutional performance reports	Quarterly and annual institutional reports were produced	No deviation
		Annual statistical monitoring reports	One Facts and Figures and two Social Security statistical reports	Key social development and social security statistical reports were produced	Produce statistical monitoring reports	Statistical monitoring reports were produced	No deviation
		Evaluation reports	Impact evaluations of the CSG and the loveLife programme	Final impact evaluation report on the CSG	Implement planned and demand-driven evaluations	The final impact evaluation report on the CSG was produced	The evaluation report on the LoveLife programme could not be finalised because consultations with other stakeholders took longer than anticipated, thereby delaying the procurement process

Entity Oversight

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
	Integrated oversight management of public entities						
	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target	
Strategic objectives	An approved Public Entities Oversight and Management Strategy	–	A concept document and draft strategy were developed and sent to all key stakeholders for their comments and inputs	Develop and approve a Public Entities Oversight Strategy	The Public Entities Oversight Strategy was developed and approved	No deviation	
	A repository of performance by public entities	Social Pension System (SOCPEN)	<p>A meeting was held with the Directorate: Systems Development to customise the e-strategy platform into a public entity performance management tracking system</p> <p>A meeting was held with the Chief Directorate: Monitoring and Evaluation to discuss the alignment of performance indicators for public entities with the programme indicators</p>	Develop a PIMS	<p>Approval was granted for the development of the PIMS</p> <p>A business case for the development of a PIMS was developed and submitted to the IMST Chief Directorate for approval</p>	Following a delay, the D-G approved the system in the fourth quarter	

An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
Integrated oversight management of public entities						
Government outcome						
DSD-specific outcome						
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
Ensure regular and effective oversight management of public entities reporting to the DSD	Verifiable and evidence-based reports Early detection of performance challenges to inform intervention	Public entity quarterly reports Performance and compliance reporting framework for public entities, bodies and boards Corporate governance framework	The NDA submitted all its quarterly reports for the current year, and SASSA submitted reports for the third and fourth quarters of the previous financial year. These reports were assessed, and the assessment reports were sent to the D-G and Minister	Implement performance scorecard	<p>The NDA submitted all four non-financial and financial quarterly reports, of which three were appraised and submitted to the D-G and Minister for consideration and approval.</p> <p>SASSA's performance reports for the third and fourth quarter for 2011/12 financial year and the first and second quarters of the 2012/13 financial year were reviewed and submitted for approval.</p> <p>The Annual Reports of both NDA and SASSA were received, appraised, and timeously tabled by the Minister in September 2012.</p> <p>Approval was granted for the adoption of the Performance Scorecard for Public Entities as a performance management tool. Terms of reference for the development of the Performance Scorecard were developed.</p> <p>A submission on the formal adoption of the Compliance Schedule for SASSA was approved, and stakeholders were consulted</p>	<p>The DSDs realised that it lacked the capacity to develop a comprehensive scorecard, and therefore sought permission to outsource the project late in the period under review</p> <p>SASSA's Strategic Plan for 2012/13-2016/17 and Annual Performance Plan for 2012/13-2014/15 were reviewed and approved.</p>

Legal Services

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Efficient and effective legal services					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for / comments on deviation from 2012/13 target
Provide legal assistance by ensuring that litigation strategy and contract management protocols are effective by 2015	Percentage of letters of demand responded to timeously	Respond timeously to 80% of letters of demand	3 251 letters of demand were received. The unit responded timeously to 2 461 (75,6%)	Respond timeously to 90% of letters of demand	1 267 letters of demand were received. The unit responded timeously to 816 (64%)	Inadequate or incomplete records
	Contract management solution developed and implemented	Reviewed contract management protocol	A gap analysis was conducted and distributed for consultation. The inputs were consolidated into a draft review, and the protocol was updated and approved	Implement revised contract management protocol	The revised contract management protocol was fully implemented	No deviation
Strategies for overcoming underperformance						
In order to ensure that appeals are adjudicated within 90 days, the Independent Tribunal for Social Assistance Appeals (ITSAA) and SASSA are collaborating to ensure the timeous submission of records (files) to the ITSAA. The two institutions are also working on a time norm for the submission of files..						

Communications

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Informed, educated and mobilised stakeholders and public in support of DSD mandates					
Strategic objectives	Performance Indicator	Baseline	Actual achievements, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
Ensure DSD online presence, including social media presence, and assess stakeholders' perceptions of the Department and its services	Number of people reached through DSD online presence	–		Reach 50 000 people via DSD website and social media space	More than 50 000 people were reached via the DSD website and social media networks. Key events covered include Social Development Month, the NPO Summit, Kwanda Talk shows, and the Youth Camp	No deviation

An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
DSD-specific outcome						
Informed, educated and mobilised stakeholders and public in support of DSD mandates						
Government outcome	Performance Indicator	Baseline	Actual achievements, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
Strategic objectives Ensure DSD online presence, including social media presence, and assess stakeholders' perceptions of the Department and its services <i>continued</i>	Report on brand reputation analysis	–	Branding workshop were held in Northern Cape, KZN and Mpumalanga	Conduct brand reputation survey to establish the perceptions of stakeholders and members of the public of the DSD	The brand reputation survey was not conducted	There was no budgetary provision for the brand reputation survey
	Number of people accessing information about DSD programmes and services through broadcast media	–		Reach 20 million people with information about DSD programmes and services	More than 20 million people were reached through print, on-line and broadcast media	No deviation
	Number of public participation programmes	–	51 public participation programmes were held: 31 for the Minister and 28 for the Deputy Minister, which was well above the target.	Conduct 10 public participation programmes for the Minister and Deputy Minister	Public participation/outreach programmes were intensified. The Minister and Deputy Minister conducted 69 evidence-based public participation programmes. 35 were conducted by the Minister, and 34 by the Deputy Minister	No deviation
	Number of TV shows presented or sponsored by the DSD	One [Kwanda Talks]		Present or sponsor two TV shows	13 Kwanda TV Talk Shows were produced and broadcast. Another programme entitled 'Under the Baobab tree' was produced but could not be broadcast because of scheduling issues. It was due to be broadcast in the new financial year	No deviation
	Number of articles on DSD issues	–		Initiate three articles on DSD issues	Articles on DSD issues were not published	Financial constraints

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Improved participants by staff in DSD activities					
Strategic objectives	Performance Indicator	Baseline	Actual achievements, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
Create a platform for effective communication with all staff (DSD and implementing agencies) and ensure alignment of corporate identity between national and provinces by 2015	Number of DSD newsletters published	–		Publish 12 DSD newsletters annually	DSD News was not published during the period under review	Lack of staff/ writers
	Number of staff update meetings	–		Organise three staff meetings with principals	Two Staff meetings were held to keep staff abreast on development and progress. These were the Farewell for the former DG, Mr Vusi Madonsela and Year-end review session including staff from SASSA and NDA	The 3rd meeting was postponed to the next financial a result of the Minister's commitments.
Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Strengthening corporate identity					
Strategic objectives	Performance Indicator	Baseline	Actual achievements, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for/comments on deviation from 2012/13 target
Create a platform for effective communication with all staff (DSD and implementing agencies) and ensure alignment of corporate identity between national and provinces by 2015	Number of provinces implementing uniform corporate identity	One province implementing uniform corporate identity	Branding workshop were held in Northern Cape, KZN and Mpumalanga	Implement uniform corporate identity in seven provinces	Conducted workshop in six Provincial Departments	Two Provinces, Limpopo and Gauteng, changed names into Health and Social Development and Western Cape Province adopted provincial colours different from DSD Corporate Identity

Internal Audit

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Plan internal audit activities in line with DSD enterprise-wide risk management					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Audit risk-based internal projects as per the Internal Audit Coverage Plan	Number of risk-based internal projects audited as per the Internal Audit Coverage Plan	16 risk-based internal projects audited as per the Internal Audit Coverage Plan	16 risk-based internal projects were audited, and the reports were discussed with management and the Audit Committee	Audit 18 risk-based internal projects as per the Internal Audit Coverage Plan	25 projects were audited, and the reports were discussed with management and the Audit Committee	No deviation

Human Capital Management

Government outcome	An efficient, effective and development-oriented public service					
DSD-specific outcome	The Department is adequately resourced and skilled to deliver on its mandate					
Strategic Objectives	Performance Indicator	Baseline	Actual achievement 2011/2012	Annual target 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Fill posts within three months	Percentage reduction in vacancy rate	Vacancy rate reduced by 5%	The vacancy rate was reduced to 5.2%	Reduce vacancy rate by 5%	The vacancy rate increased to 10%	The main reasons for the increase in the vacancy rate were as follows: The DSD post establishment was increased by 60 posts (from 724 at 31 March 2012 to 784 at 31 March 2013). This was due to 34 contract posts being converted to permanent posts, and the CD: NPO being enlarged by 15 posts. 7 ITSAA posts were held in abeyance as a result of restructuring. The staff turnover rate increased to 11%.

Government outcome	An efficient, effective and development-oriented public service					
DSD-specific outcome	The Department is adequately resourced and skilled to deliver on its mandate					
Strategic Objectives	Performance Indicator	Baseline	Actual achievement 2011/2012	Annual target 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Develop and implement a Sector Human Capital Strategy and Plan for 2013/14–2019/20	Draft Sector Human Capital Strategy and Plan for 2013/14–2019/20	–		Develop a draft Sector Human Capital Strategy and Plan for 2013/14–2019/20	A presentation on the review of the current strategy and plan was completed. Terms of reference and a Project Plan were completed. Processes were put in place to acquire funding for the project.	The draft Sector HR Strategy and Plan could not be finalised as no DSD funding was allocated to the project. Processes have been put in place to acquire funding for the project.
Implement the Work Place Skills Plan	Percentage of employees who attend skills development programmes in line with the approved Work Place Skills Plan	80% of employees to attend skills development programmes	356 employees expressed a need for training. 429 employees (122%) attended skills development initiatives	80% of employees (423) to attend skills development programmes	429 officials were trained. R307 718 was paid to the HWSETA as a Skills Development Levy. 28 of 30 Chief Directorate/Branch staff were assessed, amounting to a submission rate of 93%. 637 of 656 qualifying staff's were assessed, amounting to a submission rate of 93%.	No deviation

An efficient, effective and development-oriented public service						
The Department is adequately resourced and skilled to deliver on its mandate						
Government outcome	Performance Indicator	Baseline	Actual achievement 2011/2012	Annual target 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
DSD-specific outcome						
Strategic Objectives						
Assess the performance of employees within the performance cycle	Percentage of employees assessed within the performance cycle	80% of employees assessed within the performance cycle	Moderating committee meetings were co-ordinated. 90% of moderations were completed in accordance with the PMDS. 28 of 31 CDs/ Directorates were assessed. 97 of 107 SMS members submitted their performance agreements for the 2011/2012 cycle, amounting to a submission rate of 97%. 531 of 558 staff members on salary levels 2-12 submitted work plans for the 2011/12 cycle, amounting to a submission rate of 95%.	Assess 90% of employees within the performance cycle	Outstanding staff were from the CD: Strategy, Ministry and Social Policy. Feedback was communicated to all staff. Performance bonuses were calculated to remain within the 1.5% budget allocation.	No deviation
Provide labour relations support	Percentage of complaints, grievances, and disciplinary cases finalised within the prescribed time frame of three months	95% of complaints, grievances and disciplinary cases finalised within three months	14 complaints/grievances were dealt with. Of those, nine were grievances and five were complaints. 18 cases of misconduct were dealt with. Of those, nine were dealt with by means of progressive discipline (written warnings). The other nine constituted serious misconduct, and formal disciplinary steps were taken.	Finalise 95% of complaints, grievances and disciplinary cases within three months	71% of complaints / grievances were finalised. 85% of disciplinary cases were finalised.	Complexity of the investigations, and non-availability of witnesses (members of the public).

Finance

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
	Effective and efficient financial management by providing fully compliant financial management services					
DSD-specific outcome	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Improve cash flow management and expenditure monitoring by 2015	Spending rates per programme and economic classification	General spending rate above 95%, but varying rates per programme, sub-programme and economic classification	An unaudited actual spending rate of 99,63% was achieved	Achieve spending rates of 95% to 100% per programme and economic classification	<p>The DSD achieved an overall spending rate of 99,1% for the 2012/13 financial year.</p> <p>The spending rate per programme was as follows:</p> <ul style="list-style-type: none"> • P1 (99,3%) • P2 (99,1%) • P3 (99,8%) • P4 (95,7%) • P5 (99,5%) <p>The spending per economic classification was as follows:</p> <ul style="list-style-type: none"> • Compensation of Employees (96,9%) • Goods and Services (91,7%) • Transfers (99,1%) • Capital (82,0%) 	No deviation
Monitor adherence by the DSD, public entities and other funded institutions to the PFMA and other financial prescripts	Monthly and quarterly reports on the financial performance of public entities, other funded organisations, and special allocations in terms of agreements	Development and implementation of annual financial monitoring plan (inclusive of compliance reviews) for all public entities and funded institutions Analyse the quarterly financial performance of public entities and funded institutions, and report the outcome to the relevant authorities	Financial performance reports in respect of public entities and other funded organisations were compiled as per the funding agreements, and reporting delays noted	Report on the financial performance of all public entities, other funded institutions and special allocations	<p>Reports were completed in respect of 14 CARA organisations.</p> <p>Reports on seven more CARA organisations were still being drafted.</p> <p>Reports were completed on 54 voted funds or organisations.</p> <p>Reports were prepared on the status of transfer payments for voted funds; all special funds; and donor funds received by the DSD.</p>	No deviation

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Effective and efficient financial management by providing fully compliant financial management services					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Monitor adherence by the DSD, public entities and other funded institutions to the PFMA and other public financial prescripts	Number of cost centres implementing Activity Based Costing (ABC)	ABC implemented in three DSD units	ABC was implemented in Social Crime Prevention, HIV and AIDS, Communication, Costing, and Human Resource Management as a cost accounting tool	Facilitate the implementation of ABC in four DSD units	ABC was implemented in the following four units: Families, Older Persons, People with Disabilities, and Youth. The identified staff were trained on the ABC models.	No deviation
Improve adherence to SCM prescripts by 2015	Implementation of appropriate financial management mechanisms and service norms and standards	Inadequate supply chain and financial management procedures and standards		Implement approved supply chain and financial management mechanisms and service norms and standards	Norms and standards and standard operating procedures for SCM were developed but not approved. Draft norms and standards were sent to the Directorate: Business Process and Risk Management for refinement and returned to the SCM for further amendments. These were due to be effected in April 2013. Internal control norms and standards were developed and incorporated into the standard template for SOPs with assistance from the COO's office. The document was ready for submission and approval.	The norms and standards still need to be finalised and approved, pending amendments from the Directorate Business Process and Risk Management The norms and standards were awaiting approval.
	Turnaround time for procurement and payments for services	Two month average turnaround time for the payment of suppliers	–	Introduce procurement and payment monitoring system that will ensure payments within 30 days	The procurement and payment system was not introduced.	The proposed system has not been approved by the Bid Adjudication Committee (BAC).
	Reduce the turnaround times for the open tender process to three months	Tender processes take five months on average		Reduce open tender process to four months on average	Bid closure periods were reduced to 21 days. The BEC met every week. Bids were evaluated and awarded timeously.	No deviation

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Effective and efficient financial management by providing fully compliant financial management services					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
	A revised procurement policy that will ensure the increased participation of rural SMMEs and co-ops, to be approved by 31 September 2012	No strategy for supporting and empowering rural SMMEs and co-ops	Various SCM policies were revised. Drafts of the revised policies were prepared for submission to the policy forum before submission to MANCO for final approval	Implement a new policy for the procurement of goods from rural suppliers	A new strategy for procuring more goods from rural SMMEs and co-ops was approved and implemented	No deviation
Improve adherence to SCM prescripts by 2015	Integrated procurement and asset plans for the DSD which are aligned to its Strategic Plans	Fragmented, ad hoc procurement and assets plans		Approve procurement and asset plans for 80% of Chief Directorates	Procurement and Asset Plans were received from 80% of Chief Directorates. The D-G approved a procurement plan for tenders above R500 000, and the plan was then submitted to the NT. Procurements below R500 000 were submitted electronically to SCM.	No deviation
Strategies for overcoming underperformance						
The DSD is employing more people to alleviate the workload. All vacant posts are being filled.						

Information Management Technology

An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
Efficient and effective social services with improved turnaround times and higher levels of productivity as a result of an integrated Social Development Information Management System						
Government outcome	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2013	Reasons for deviation from 2012/13 target
DSD-specific outcome						
Strategic objectives						
Develop and implement systems for capturing, storing and processing information about business processes	Automated business processes linked to the SDIMS	SDIMS in place and used by eight provincial departments	The NISIS was enhanced in various ways to strengthen household and community profiling, coordination, and reporting processes in line with provincial priorities. Provinces were provided with ongoing support and training to help them implement the NISIS and roll out the War on Poverty and CRDP programme.	Automate business processes and link them to the SDIMS	Diversion services completed and changes identified as per training. The NPO registration system was completed and rolled out. CBIMS began.	Delays in the procurement process.
	Ability to make policy based on evidence	Current use of the NISIS to profile households throughout the country		Integrate the NISIS with the SDIMS and enhance the system in line with new requirements for the War on Poverty. Establish a real-time and up-to-date Integrated Database (IDB), service integration hub and integrated beneficiaries register	NISIS training was rolled out to the provinces. The IDB was not established.	Delays in the procurement process.
Enhance institutional knowledge and enable effective strategic decision-making	Enhanced culture of knowledge-sharing	Lack of Knowledge Management strategy (KMS)	KMS tools were developed and information-sharing was enhanced through the use of a centralised information hub (Intranet)	Establish a unified portal	The KM portal was developed and maintained, and various KM tools were put in place	No deviation
Create DSD information network that will ensure integrated service delivery	Installation of mobile cellular network (VPDN)	National and provincial IT networks		Link all national and provincial officials to mobile network	The mobile network was established and rolled out to all national and provincial officials. Maintenance and user support were provided on an ongoing basis.	No deviation

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Efficient and effective social services with improved turnaround times and higher levels of productivity as a result of an integrated Social Development Information Management System					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2013	Reasons for deviation from 2012/13 target
Ensure compliance with SDIMS	Governance framework implemented in line with government ICT Governance framework	PMO, SDLC and governance framework approved and implemented Information security policy approved		Implement governance framework in line with Government ICT Governance Framework for Year One	IMST governance was audited, and training was conducted.	Delays in appointing the service provider. Non-availability of stakeholders for the governance audit.

Office Accommodation

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Ensure sufficient accommodation for the Department according to Public Work norms and standards					
Strategic objectives	Performance Indicator	Baseline	Actual achievement 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Build shared offices for the DSD, SASSA and NDA by 2015	A comprehensive feasibility study	–	Feasibility study not completed	Complete feasibility study	A site was selected. The DPW appointed a service provider to undertake a feasibility study.	The DPW and DSD signed a MoU in terms of which the DPW would appoint a service provider to undertake the feasibility study. Due to the DPW procurement processes, this was only done in November 2012. As a result, the feasibility study could not be completed within the envisaged time frame.

Linking performance with budgets – Programme 1: Administration

Sub-programme	2012/13			2011/12		
	Final appropriation R'000	Actual expenditure R'000	Over/under-expenditure R'000	Final appropriation R'000	Actual expenditure R'000	Over/under-expenditure R'000
Ministry	29 718	29 490	228	31 560	31 438	122
Departmental Management	52 750	52 243	507	47 364	47 112	252
Corporate Management	91 582	90 896	686	89 422	89 292	130
Finance	50 035	49 931	104	45 538	45 646	-108
Internal Audit	6 013	5 815	198	5 265	5 119	146
Office Accommodation	27 027	27 020	7	25 451	25 369	82
Total	257 125	255 395	1 730	244 600	243 976	624





4.2 Programme 2: Social Assistance

Programme Purpose

To provide income support to vulnerable groups.

Social Assistance

This programme continued to assist people and lift them out of poverty. It also continued to grow, partly as a result of low levels of economic growth and a resultant rise in unemployment. During the period under review, the number of people benefiting from social grants grew by 3,3% to 16 106 110. Of these, 11 341 988 were beneficiaries of the Child Support Grant, and 2 873 197 were recipients of the Old Age

Grant. The programme remained the single most significant contributor to the alleviation of poverty and destitution in the country. This contributed to the realisation of Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all, and Outcome 2: A long and healthy life for all South Africans.

The reporting period also saw the re-registration of social grant beneficiaries as part of efforts to eliminate individuals who were not entitled to receiving grants from the system. This led to the cancellation of some grants, which affected the number of grant beneficiaries.



Social Assistance

A long and healthy life for all South Africans						
Protect poor and vulnerable people living in South Africa against income poverty						
Government outcome						
DSD-specific outcome						
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Increase CSG coverage in respect of children aged 0-4	Increase in percentage coverage in respect of children aged 0-4	64% coverage	–	Extend the CSG coverage for 0-4 year olds to 66%	The CSG reached 2 619 589 children aged 0-4, amounting to coverage of 65%	The Department continued to face challenges in extending coverage to this age cohort. It initiated a study to determine the causes of the low uptake.
Reduce income poverty by providing income support to older people, disabled people and children	Increase in total number of social grant beneficiary coverage	15 132 061 social grant beneficiaries	15 595 705 social grant beneficiaries	Increase social grant beneficiaries to 15 712 737	Grant beneficiaries increased to 16 106 110. There were more new applications than originally projected	No deviation.
	Increase in Old Age Grant beneficiaries	2 724 404 Old Age Grant beneficiaries	2 750 857 Old Age Grant beneficiaries	Increase Old Age Grant beneficiaries to 2 828 223	Old Age Grant beneficiaries increased to 2 873 197. The number of new applications was slightly higher than originally projected.	No deviation.
	Increase in CSG beneficiaries	10 902 647 CSG beneficiaries	–	Increase CSG beneficiaries to 11 491 702	CSG beneficiaries increased to 11 341 988	The re-registration project, which resulted in voluntary cancellations, also affected the CSG.
Strategies for overcoming underperformance						
The DSD and SASSA embarked on a study to identify areas of unintended exclusion of children aged 0-4 and other age cohorts. SASSA also initiated an Integrated Community Registration Outreach Programme (ICROP) in order to address the low CSG coverage of the 0-4 cohort.						

Linking performance with budgets – Programme 2: Social Assistance

Sub-programme	2012/13			2011/12		
	Final appropriation R'000	Actual expenditure R'000	Over/under-expenditure R'000	Final appropriation R'000	Actual expenditure R'000	Over/under-expenditure R'000
Old Age	40 486 119	40 475 021	11 098	37 270 196	37 129 812	140 384
War Veterans	12 902	9 543	3 359	12 262	11 848	414
Disability	18 062 534	17 636 570	425 964	17 706 048	17 375 021	331 027
Foster Care	5 618 342	5 335 049	283 293	5 249 751	5 010 915	238 836
Care Dependency	1 897 401	1 877 412	19 989	1 757 107	1 736 431	20 676
Child Support	38 310 293	38 087 990	222 303	34 702 199	34 319 636	382 563
Grant-In-Aid	245 144	237 974	7 170	217 725	204 026	13 699
Social Relief	255 181	239 286	15 895	187 925	185 298	2 627
Total	104 887 916	103 898 845	989 071	97 103 213	95 972 987	1 130 226





4.3 Programme 3: Social Security Policy and Administration

Programme Purpose

To provide for social security policy development and the fair administration of social assistance.

Social Security Policy Development

Social Security Policy Development provides for the development and review of social assistance policies and legislation, including policies and legislation for contributory income support aimed at protecting households against life cycle risks such as unemployment, ill health, retirement, disability, or the death of a breadwinner. In June 2012, a Position Paper on Social Security Reform was presented to the Cabinet for consideration. It proposed extensive reforms, including the introduction of mandatory pension contributions for formal sector workers, the introduction of survivor and disability benefits, and related institutional reforms aimed at enhancing the quality of benefits received by contributors.

Due to the scope and complexity of the proposals, the Cabinet requested an opportunity for further engagement before approving a consultation process with the country at large. The Department also initiated consultations with informal sector workers in all provinces to identify their needs and expectations in respect of social security benefits. This provided initial insights into the challenges faced by those with irregular incomes in accessing social security, which the Department intended to use to inform future policy development.

Appeals Adjudication

Appeals Adjudication continued to provide redress to aggrieved applicants and beneficiaries through the fair and just adjudication of social assistance appeals. During the year, Appeals Adjudication adjudicated 46,61% of appeals within a period of 90 days from date of receipt. This enabled the Department to help realise the goal of promoting effective, efficient and accessible social assistance. It also contributed to Government Outcome 12: An efficient and development-oriented public service and an empowered, fair and inclusive citizenship.

Inspectorate for Social Security

The ISS is expected to contribute to the effective, transparent, accountable and coherent governance of the social assistance system, and the maintenance of its integrity. During the financial year, the Department consulted with various stakeholders to clarify the scope of work and establish a suitable project office to drive the establishment of the Inspectorate. Although the Department intended to complete a legislative review and develop a business case for the Inspectorate, this could not be accomplished due to unavoidable delays in establishing a project office.



Social Security Policy Development

Government outcome		Decent employment through inclusive growth				
DSD-specific outcome		Introduction of a mandatory pension system				
Strategic objectives	Performance Indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Ensure uniformity in social security provisioning by 2015	Approved legislation on pension	No legislative framework in place	The consolidated policy proposal was approved by the Inter-Ministerial Committee and presented to the Social Cluster Cabinet Committee	Consult on and finalise the policy on retirement	The policy proposals were still in draft form, as consultations aimed at refining them could not be undertaken	The Cabinet recommended that further consultations should take place
	A Social Security Policy Department	Absence of a unified Department of Social Security	Proposals for establishing the new department were completed, and an organisational structure was developed. Bilateral meetings were held with the Department of Labour, the DPSA, the Unemployment Insurance Fund and the Compensation Fund. The DSD MANCO approved the establishment of the task team to ring-fence and implement the plan	Establish a Department of Social Security	The Cabinet did not support the plan for establishing a new department	The Cabinet recommended that current social security institutions be restructured in order to improve co-ordination among them

Government outcome		Decent employment through inclusive growth				
DSD-specific outcome		Linking grant beneficiaries to economic opportunities				
Strategic objectives	Performance Indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Link grant beneficiaries to economic opportunities	Number of CSG primary caregivers profiled in respect of economic opportunities	–		Compile comprehensive database of CSG primary caregivers	Target not achieved	Project postponed to 2013/14

Appeals Adjudication

Government outcome	An efficient and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Effective, efficient and accessible social assistance appeals service					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual Target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Provide all applicants and beneficiaries of social assistance with access to internal remedies by 31 March 2014	Percentage of appeals adjudicated within 90 days of receipt	80% of appeals adjudicated within 90 days	A total of 1 552 appeals were adjudicated. Of these, 37% were adjudicated within 90 days of receipt	Adjudicate 90% of appeals within 90 days of receipt	A total of 1 974 appeals were adjudicated. Of these, 46,61% were adjudicated within 90 days of receipt	Inadequate or incomplete records
	Integrated Appeals Business Information System	–	No progress was made	Develop an integrated Appeals Business Information System	The system could not be developed. It will be developed and rolled out in the next financial year	A service provider could only be appointed at the end of the financial year
Strategies for overcoming underperformance						
The Independent Tribunal for Social Assistance Appeals (ITSAA) and SASSA are collaborating to ensure the timely submission of appeals and records to ITSAA. The two institutions are also working on a time norm for the submission of requested appeals files to ITSAA..						

Inspectorate for Social Security

An efficient and development-orientated public service and an empowered, fair and inclusive citizenship						
An Inspectorate for Social Security						
Government outcome	DSD-specific outcome	Performance Indicator	Baseline	Actual Achievement 2011/2012	Annual Target 2012/13	Actual Output 2012/13
Establish an Inspectorate for Social Security for maintenance of the integrity of the Social Assistance framework and systems by March 2015	ENE and MTEF funding, appointment of specialists and project managers	Approved Inspectorate PMU, proposed Inspectorate Establishment Framework, and work stream research projects		Inspectorate PMU to oversee the establishment process and evaluate all research projects and activities	Target not achieved	Target not achieved
	Review of social security legislation	Social Assistance Act, 2004 and SASSA Act, 2004		Approve review of social security legislation	Target not achieved	Lack of internal technical capacity
	Inspectorate Policy Proposal			Approve Inspectorate Policy Proposal and submit to Cabinet		
	Draft Social Assistance Amendment Bill					
	A comprehensive report on Social Security Integrity	Baseline integrity report on the evaluation of the social assistance framework, process and systems		Complete Social Security Integrity Report	This work was not initiated	Lack of internal capacity
	A comprehensive Inspectorate Business Case Report (key findings and costing), including a Fraud Reduction Plan and Strategy	Audited reports of the Auditor General, the Special Investigation Unit (SIU) and other Law enforcement prosecutorial reports		Finalise Inspectorate Business Case, Plan and Strategy for presentation to the National Treasury	Business case not completed	Lack of internal capacity
Strategies for overcoming underperformance						
The Department has revised its approach to these projects to first creating the requisite internal capacity.						

Linking performance with budgets – Programme 3: Social Security Policy and Administration

Sub-programme	2012/13			2011/12		
	Final appropriation R'000	Actual expenditure R'000	Over/under-expenditure R'000	Final appropriation R'000	Actual expenditure R'000	Over/under-expenditure R'000
Social Security Policy Development	40 795	29 436	11 359	40 629	38 567	2 062
Appeals Adjudication	42 169	41 527	642	48 394	43 076	5 318
Social Grants Administration	6 053 026	6 053 026	0	6 070 568	6 070 568	0
Social Grants Fraud Investigation	66 744	66 744	0	73 089	73 089	0
Programme Management	9 046	7 684	1 362	4 369	2 995	1 374
Total	6 211 780	6 198 417	13 363	6 237 049	6 228 295	8 754





4.4 Programme 4: Welfare Services Policy Development

Programme purpose

To create an enabling environment for the delivery of equitable developmental welfare services by formulating policies, norms and standards and best practices, and supporting implementation agencies.

Service Standards

The Department intends to commission a review of the implementation of the White Paper for Social Welfare (1997), culminating in a review of the White Paper itself. During the reporting period, a concept paper was developed and approved. Terms of reference and criteria for appointing a Ministerial Committee were developed and approved by the Management Committee. The Minister also approved proposed members of the Ministerial Committee. A comprehensive project plan was developed.

The White Paper provides a comprehensive policy framework for delivering social welfare services. More specifically, it provides a framework for transforming and restructuring social welfare services along developmental lines, including the formation of partnerships between the government and civil society, and reforming legislation and regulations at all levels of government. Reviewing its implementation is therefore vital, as this will determine whether strategies for delivering social welfare services should be altered. This will also provide opportunities for reviewing the policy framework itself and adapting it where necessary.

The Department began to implement generic interventions in five provinces – KwaZulu-Natal, Mpumalanga, Western Cape, Limpopo and Northern Cape – as part of the implementation of the Framework for Social Welfare Services and generic norms and standards for social welfare services. This was aimed at promoting professionalism in delivering social welfare services, and enhancing their quality. It also helped to establish effective management systems that could be utilised for planning.

Workload management guidelines for social service practitioners were developed which provide a model for ratios of social workers, social auxiliary workers, child and youth care workers and caregivers. The guidelines are aimed at helping to determine the competencies needed to respond to demands for a given service.

A customised performance management system for social service practitioners was developed in partnership with the Directorate: Sector Education and Training. It is meant to contribute to efficient service delivery by promoting the accountability and professionalism of social welfare practitioners.

A total of 1 737 social service practitioners were trained to implement the Supervision Framework for the Social Work Profession in South Africa. The framework is aimed at ensuring the effective supervision of social workers, social auxiliary workers and student social workers. Training was decentralised to the district level, where implementation takes place. Supervision is vital to the delivery of quality social welfare

services. It also contributes to the retention of social workers, which play a key role in service delivery.

The Department developed indicators for generic norms and standards and conducted readiness assessments in nine the provinces to determine levels of compliance with the generic norms and standards for social welfare services. The findings will inform the development of provincial implementation plans for generic norms and standards to be developed during the 2013/14 financial year.

The Quality Assurance Framework for social welfare services was reviewed in line with the generic norms and standards, which promote the delivery of uniform and high-quality social services in line with Outcome 12: An efficient, effective and development-oriented public service.

Scholarships were provided to 2 037 social work students for the 2012 academic year. The scholarship programme contributes to the strategic priorities of the DSD and the government in general by boosting the social work profession and providing poor students with access to tertiary education, thus helping to break the intergenerational transmission of poverty.

Service Provider Management Support

Consultative workshops on a draft policy for social service practitioners were held in all nine provinces. The policy still had to be approved by relevant structures within the Department and the social sector. Two consultative sessions were held with provincial officials and the NPO sector in KwaZulu-Natal, and a consultative session was held with national and provincial officials to finalise the national baseline costing models, the financing guidelines, and the Policy on Financial Awards (PFA) document and its implementation. The Department also consulted NPOs on the PFA during the NPO dialogues and national NPO summit held in the course of the year.



Older persons, in 4 provinces were provided with a platform for discussing issues affecting their lives

Older Persons

The Department registered 180 residential facilities and 104 community-based services for older persons. The South African Older Person's Forum (SAOPF) held its annual general meeting in North West in October 2012, and approved a revised constitution. Provincial parliaments were staged in KwaZulu Natal, Mpumalanga, North West and the Eastern Cape. They provided older persons with a platform for discussing issues affecting their lives. Provinces were encouraged to celebrate centenarians, and this occurred in Mpumalanga and KwaZulu-Natal. These centenarians were also recognised by the President.

In line with the Madrid International Plan of Action on Active Ageing, Golden Games for older persons were held in Rustenburg in North West in October 2012. The participants were members of ward forums throughout the country. Training on norms and standards for older persons' services was conducted in Western Cape, Eastern Cape, KwaZulu Natal, Free State and Limpopo, and attended by 143 people.

Following a presidential announcement, the Department initiated the establishment of older persons' desks in the provinces. This process was due to be finalised in the 2013/14 financial year. These initiatives contributed to the Department's goal of improving the quality of life of older persons, as well as to Government Outcome 3: All people in South Africa are and feel safe.

People with Disabilities

As a signatory to the Convention on the Rights of Persons with Disabilities, South Africa is obliged to align its national policies, laws and programmes with the convention as well as the Continental Plan of Action on Disability. As a result, the Department developed a comprehensive policy on social development services to people with disabilities which incorporates the principle of disability mainstreaming. It also developed an implementation plan which assigns roles and responsibilities to other government departments as well as other partners. The policy was approved by the Management Committee. It seeks to ensure that people with disabilities are considered in all social development policies, legislation and programmes. It also contains M&E indicators which can be used to ascertain whether South Africa is indeed meeting the social needs of people with disabilities, thereby improving the quality of their lives.

Training on disability mainstreaming: The DSD developed a Disability Mainstreaming Toolkit aimed at ensuring that disability is mainstreamed in all government budgets and programmes.

It also trained 40 DSD officials on disability mainstreaming, and intends to extend the training to the provinces in the next financial year. The training focused on reshaping policies and programmes in order to ensure that policies and practices in the workplace are inclusive, equitable and non-discriminatory, and do not create barriers for or reinforce discrimination against people with disabilities. The training was facilitated by people with disabilities, and also included people with disabilities in its planning, implementation, and monitoring.

In sum, the training focused on ensuring that people with disabilities were able to participate fully in all institutional structures and in all activities at the workplace. To this end:

- Staff were sensitised and strengthened to integrate disability into their daily work.
- Staff were encouraged to include and empower their disabled colleagues.

- Links were forged between government departments in all spheres, NGOs, academic institutions, community organisations, and other stakeholders to ensure the better use and allocation of resources, increase synergies among initiatives, and encourage a collective sense of responsibility in attaining disability mainstreaming objectives
- Project managers were trained to consider the needs and interests of people with disabilities.

Children

Early Childhood Development

The Department trained 191 officials in four provinces to implement the guidelines for registering ECD programmes, based on the National Early Learning Development Standards. A national partial care strategy and guidelines were finalised and approved for implementation. A zero draft integrated programme of action for ECD (2013–2018) was developed, based on a diagnostic review of the ECD sector; the ECD Action Plan which emanated from the national ECD Conference; and the review of the National Integrated Plan for ECD. ECD centres were audited, and a report was drafted. Thirty-one social workers were trained to build the capacity of parents and primary caregivers.

Adoptions and International Social Services

A total of 1 696 adoptions were registered. Of these, 1 522 were national adoptions, while 174 were inter-country adoptions. A total of 508 children and 237 prospective parents were placed on the Register of Adoptable Children and Prospective Adoptive Parents (RACAP). Draft RACAP policy guidelines and practice guidelines on national adoption were developed and discussed with stakeholders. The computerised RACAP system was completed, and adoption service providers in Gauteng were trained in its use.

The Department also developed promotional material on adoption services in Xhosa, Zulu, Venda and Tsonga, and printed 4 000 copies in each language. It also conducted community dialogues on adoption services in North West, Mpumalanga, and Limpopo. A national workshop on adoption was held in partnership with the National Adoption Coalition in October 2012.

A total of 52 service providers were accredited for national adoptions, and two for inter-country adoptions. Stakeholders – including at least 50 social workers per province – were trained in inter-country adoptions. In the Western Cape, Gauteng, Mpumalanga and KwaZulu-Natal, and 539 inter-country adoptions were dealt with.

Three Departmental representatives attended international council and executive meetings of International Social Services (ISS) in Banf, Canada.

Projects on unaccompanied foreign minors in Limpopo and Gauteng were supported and monitored.



Child Protection

A National Prevention and Early Intervention Strategy was developed and discussed with relevant stakeholders. It is aimed at protecting children against abuse, neglect and exploitation by developing and managing accessible, integrated and coordinated services, focusing on prevention and early intervention, and based on a multidisciplinary and intersectoral approach.

President Jacob Zuma launched Child Protection Week (CPW) at Galeshewe in Northern Cape on 27 May 2012. Minister Bathabile Dlamini presided over the week's closure at the Qwa-Qwa Campus of the University of Free State on 3 June 2012. The event targeted 3 000 children and 2 000 adults.

As part of the build-up to CPW 2012, the Department conducted a number of children's dialogues. Youths from the Free State and Northern Cape were trained as change agents to facilitate community dialogues on issues surrounding children. The purpose of the dialogues was to put communities in the forefront of change; create opportunities for children to understand, discuss, decide and act on issues affecting their lives; and create a platform for local authorities to listen to and understand children's concerns and decisions.

The Department developed a facilitator's manual on the prevention of and response to child exploitation. Officials in six provinces, namely KwaZulu-Natal, Mpumalanga, Eastern Cape, Gauteng, North West and Limpopo, were trained to implement the Guidelines for the Prevention of and Response to Child

Exploitation. They are intended for social workers and social service professionals working with children, as well as other role players with a specific mandate to respond to children who have been exploited.

Officials in six provinces, namely North West, Gauteng, Eastern Cape, Mpumalanga, KwaZulu-Natal and Limpopo, were trained on the Action Plan for DSD operations during the Orange Africa Cup of Nations in January-February 2013. A total of 160 persons benefited from the training. This enabled provinces to work in a coordinated way and to comply with the instructions of the National Joint Operations Centre (NATJOINTS).

A risk assessment and safety tool was developed and tested in Gauteng and Mpumalanga. It is intended to enhance social workers' critical skills and reflective thinking when responding to child abuse, neglect and exploitation.

The Department also supported and monitored the implementation of the action plan for foster care, which is aimed at strengthening M&E, assisting provincial DSD and SASSA officials to verify and reconcile children in foster care, and develop databases. Capacity for implementing the guidelines and norms and standards for cluster foster care was built in KwaZulu Natal, the Free State and North West. The Department also developed an assessment tool for children in alternative care, which is aimed at providing for children's general well-being as well as their developmental needs.

The Department build capacity to implement Chapter 13 of the Children's Act, which deals with the transformation of child and youth care centres, in five provinces, namely Gauteng, Mpumalanga, North West, Free State and Western Cape. Officials in the other four provinces were not available for training due to competing work demands and budgetary constraints.

Child Protection Register (CPR)

The Department continued to process queries related to people listed on the CPR. A total of 283 individuals were found to be unsuitable to work with children, while 32 935 employees working with children were screened against Part B of the CPR.

Child Protection Surveillance Study

The Chief Directorate: Children designed an incidence study of Child Abuse, Neglect and Exploitation (CANE), aimed at establishing the incidence of CANE at the national and provincial levels, and reaching a greater understanding of its root causes. A national research team was appointed to conduct the study during 2013/2014.

Orphans and Vulnerable Children (OVC)

The Department hosted a national workshop to train provincial coordinators and NGOs on the strategy for services for vulnerable children, drop-in centres, and services to child-headed households. OVC have access to drop-in centres where they receive basic services aimed at meeting

their emotional, physical and development needs. More than 8 900 children, including children living and working on the streets, have been placed in children and youth care centres (CYCCs). A framework for auditing programmes at CYCCs was developed. An infrastructure audit of shelters for children living and working on the streets was completed in all provinces except the Eastern Cape, and a report was completed. Draft guidelines to a checklist for registering CYCCs was developed. Provinces were assisted to finalise their national roll-out of the Isibindi model.

Children's Act

The Department completed four quarterly reports on the implementation of the Children's Act, based on information received from the provinces. Five regulations and four forms were amended, signed by the Minister, and gazetted. Proposals were made for High Court applications to clarify sections of the Act.

Four consultations were held in May 2012 to review the Act. Guidelines for managing statutory cases were developed, and officials were trained to implement them in Gauteng, Mpumalanga, Western Cape, North West and Free State. Four child care and protection forum meetings were held to monitor implementation of the Act, capacitate service providers, consult on implementation challenges, and identify methods for addressing challenges. The unit also completed a study of the social service workforce, which determines the human resources needed to provide the services to children prescribed in the Act.

Families

The Department held public hearings on the Green Paper on Families in all nine provinces. The consultations formed part of the process of working towards a White Paper on Families. The Department presented the draft white paper to the Justice, Crime Prevention and Security Cluster, the Governance and Administration Cluster and the Social Protection and Community Development Cluster. It also facilitated a workshop on the development of an integrated implementation plan and costing model which are needed to ensure that the White Paper is implemented at various levels. The draft White Paper was due to be presented to the Cabinet in May 2013.

The Department implemented recommendations emanating from an evaluation of the efficiency of services to families. A Concept Paper on Family Preservation Services was developed as part of the recommendations. It is meant to promote a common understanding of family preservation programmes.

The Department trained officials to implement the Integrated Parenting Framework in Mpumalanga, Northern Cape, North West, Eastern Cape and Limpopo. The other provinces were capacitated in the previous financial year. Flowing from the framework, a zero draft programme on the active parenting of teenagers was developed to guide

provinces on the development of other parenting programmes. These initiatives contributed to Government Outcome 8: Sustainable human settlements and improved quality of household life.

Social Crime Prevention

A total of 223 practitioners and service providers were trained to implement social crime prevention programmes, and 146 were trained on the accreditation of diversion services. A tool for monitoring the implementation of the Integrated Social Crime Prevention Strategy was used in all provinces except the Free State. The Department monitored the implementation of social crime prevention programmes in all other provinces.

Victim Empowerment

A draft bill on victim support services was completed. It is meant to address gaps in existing victim empowerment legislation such as the Domestic Violence Act, which does not give the DSD a role in managing and registering shelters for abused women and children. The legislation will ensure that victim empowerment services are regulated and provided by professional staff. It will provide means for monitoring victim empowerment services, as well as addressing the scourge of gender-based violence. The process of developing the legislation has contributed to collaboration between the JCPS and social clusters. The legislation will improve victim



empowerment services, and strengthen the protection, care and support of victims of crime and violence.

The Department, in consultation with stakeholders in the victim empowerment sector, developed a gender-based violence prevention programme for provinces and CSOs. A final draft was presented to the Deputy Director-Generals' Forum for approval.

The Department also completed a national framework for the accreditation of organisations providing services to victims of human trafficking. The accreditation system was piloted in four shelters in Mpumalanga, the Eastern Cape and Northern Cape. Draft directives on the identification, interviewing and referral of victims of trafficking were made available to social service professionals, the South African Police Service, the National Prosecuting Authority, and the Department of Justice and Constitutional Development for comments.

The Department continued to implement a generic set of indicators for the victim empowerment sector which was developed in the 2011/12 financial year. The indicators enable service providers to collect data on victims of crime and violence. All provinces are implementing the indicators. The data collected was forwarded to the national department and analysed for planning purposes.

The generic indicators set were used to develop an electronic information management system which will enable all victim empowerment service providers to contribute to a victim register and a database on victims of crime and violence. The VEP Information System will improve information management and the quality of reporting within the VEP sector and the Justice, Crime Prevention and Security Cluster.

Substance Abuse

The Prevention and Treatment of Substance Abuse Act (No. 70 of 2008) came into force on 31 March 2013. It introduces a more integrated, community-based approach to combating substance abuse, with a greater emphasis on prevention. A social mobilisation strategy was developed and approved, and implemented in Limpopo. It is aimed at empowering communities to play a more active role in the fight against substance abuse.

A treatment model was approved, and capacity-building workshops were conducted in all nine provinces to ensure that service providers in the field of substance abuse provide quality treatment services that adhere to the relevant norms and standards. The unit also conducted briefing sessions on the Programme of Action for Anti-Substance Abuse, monitored its implementation, and reported to the Cabinet. A New Central Drug Authority board was appointed, and assumed their duties in 18 March 2013. All these initiatives formed part of the Department's ongoing efforts to reduce substance abuse, and contributed to Government Outcome 3: All people in South Africa are and feel safe.

Youth

Youth camps

The Department trained 209 youth mentors as camp leaders. A National Youth Leadership camp was held, attended by 1 341 youths, who were recruited via provincial youth dialogues and camps in all nine provinces attended by 2 216 young people.

Intergenerational programmes

Provincial business plans for implementing intergenerational programmes (IGPs) were developed, followed by the facilitation of three successful intergenerational workshops in Mpumalanga, Limpopo and Northern Cape which were attended by 192 youths. The Directorate also nominated 27 youth pioneers from different provinces for training on the active ageing programme. These youths helped to manage the Golden Games for older persons held in Rustenburg as part of Social Development Month. A dialogue was held in Mthatha as a build-up towards International Family Day in June.

Outreach programmes for youths

The Department successfully hosted the following 12 outreach programmes in which youth participated: June Youth Month in Gauteng; Mandela Day in Gauteng and Mpumalanga; International Youth Day in the Eastern Cape and Mpumalanga; October Social Development Month in Limpopo and Mpumalanga; Youth Centre/ Academy launches in KwaZulu Natal; International Family Day in Mthatha in the Eastern Cape; and the Golden Games in Rustenburg, North West. All these initiatives were aimed at enabling young people to become agents of social change.

HIV and AIDS

The Department continued to prioritise the fight against HIV and AIDS. To this end it trained 511 youths and funded 1 010 HCBC organisations to help implement behaviour change programmes. The unit itself implemented social behaviour change interventions in 435 wards.

The Department provided psychosocial support to 501 229 households and 665 799 orphans and vulnerable children, and facilitated 84 community conversations on HIV and AIDS. The Unit continued to facilitate the implementation and monitoring of HCBC, and 321 funded HCBC organisations reported in accordance with the M&E system.

All these initiatives responded to the government's strategic objective to reduce new HIV and AIDS infections by at least 50% by 2015, and contributed to Government Outcome 2: A long healthy life for all South Africans.

Service Standards and Service Provider Management Support

An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
Standardised Social Welfare Services aimed at improved service delivery by 2015						
Government outcome						
DSD-specific outcome						
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Improve welfare services by implementing the welfare services framework for the social work profession	Appointment of commissioners to head an inquiry into the state of welfare services	–		Appoint commissioners to head the inquiry into the state of welfare services (March 2013)	A Ministerial Committee for reviewing the White Paper for Social Welfare Services was nominated and approved by the Minister	No deviation
	Report on impact assessment	–		Conduct an impact assessment of the scholarship programme by March 2013	The impact assessment was not conducted	The Department decided to first build a baseline before embarking on the impact assessment
	Number of scholarships awarded to social work students	3 952 scholarships awarded to social work students	918 scholarships were awarded	Award 798 scholarships to social work students (increasing the total to 4 750)	2 037 new scholarships were awarded for the 2012 academic year, increasing the number of students on scholarships to 6 339. Many new students were identified during outreach programmes, and surplus funds were available from the 2011/2 financial year	No deviation

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Standardised Social Welfare Services aimed at improved service delivery by 2015					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Improve support to social development stakeholders, statutory bodies and NGOs	Policy on Social Service Professions and Occupations	Draft Policy on Social Service Professions and Occupations	<p>The South African Council for Social Work Professions and Internal structures was consulted in June 2011.</p> <p>The Professional Board for Social Workers and representatives of various occupations serving on the Council were also consulted.</p> <p>The NGO sector (the JSC NGO Forum) was consulted in partnership with the Council.</p> <p>A service provider was appointed in partnership with the council to conclude consultations with the sector and finalise the policy.</p>	Facilitate approval of the Policy on Social Service Professions and Occupations (March 2013)	<p>The Policy on Social Service Practitioners was finalised but not approved.</p> <p>Nine provincial consultations were held between July and August 2012.</p> <p>A national workshop on the fourth draft of the Policy on Social Service Practitioners was held in October 2012.</p>	The policy was not approved internally due to extensive consultative processes and stakeholder interest.
Develop an M&E system for funded NPOs	Report on scoping exercise	–		Conduct a scoping exercise towards the development of an M&E framework for funded NPOs by March 2013	The scoping exercise was not undertaken	Implementation of the project was delayed due to intensive consultations with stakeholders, including implementing agents
	Number of consultative sessions with role players on the Implementation Plan for the Policy on Financial Awards (PFA) to Service Providers	Reviewed PFA	The PFA, approved implementation plan and NPO financing guidelines were discussed with provincial officials and representatives of NPOs in seven provinces. Inputs and comments were consolidated and the policy document was refined	Hold three consultative sessions with role players on the National Implementation Plan on the PFA	Three consultative sessions were held with the national, provincial officials and the NPO sector.	No deviation
Strategies for overcoming underperformance						
Scholarship Office: The Scholarship Unit developed terms of reference for a new evaluation of the efficacy of the Scholarship Programme which was due to start in June 2013. The terms of reference for service providers were forwarded to Supply Chain Management.						
Policy for Social Service Practitioners: The delays caused by sectoral divisions have been addressed, as both Community Development and Youth Development have taken a position on inclusion or non-inclusion. Given this, the policy was prepared for internal approval.						
Scoping exercise: Guidelines have been developed, and plans are under way for scoping the development of the M&E framework for funded NPOs .						

Older Persons

Government outcome	All people in South Africa are and feel safe					
DSD-specific outcome	Improved protection and quality of life for older persons					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Create an enabling environment for protecting and promoting the rights of older people	Number of community-based care and support services for older persons registered	Provisional registration of 90 community-based care and support services for older people		Register 90 community-based care and support services for older persons	104 community-based care and support services for older persons were registered	No deviation
	Number of residential care facilities registered	103 registered facilities	412 residential facilities were provisionally registered pending the establishment of an intergovernmental team comprising representatives of the Department of Health, Local Government and Public Works	Increase registered residential care facilities to 206	180 residential care facilities were registered	No deviation
	Number of older people benefiting from community-based care and support services	1 000 beneficiaries		Increase number of older people benefiting from community-based care and support services to 1 450 (cumulative)	35 197 older people benefited from community-based care and support services	No deviation
	Number of Older Persons' Parliaments convened	Parliaments convened in Mpumalanga, KZN and Eastern Cape		Convene nine provincial and one national Older Persons' Parliament	Provincial parliaments were held in KZN, EC, MP and NW, and a national parliament was held in Gauteng.	Limited resources and logistical challenges in the provinces
Strategies for overcoming underperformance						
Convening provincial parliaments is a provincial competence. However, the national and provincial departments are collaborating to ensure that more resources are allocated to this initiative.						

People with Disabilities

Government outcome	Sustainable human settlement and improved quality of household life					
DSD-specific outcome	Improved quality of life for people with disabilities					
Strategic objectives	Performance Indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Protect and promote the rights of persons with disabilities	Approved policy on disability	–	The policy was drafted	Approve policy on social development services to people with disabilities by August 2013	The Policy on social development services to people with disabilities was approved by MANCO	No deviation
	Number of national and provincial officials trained on disability mainstreaming	Disability mainstreaming toolkit		Train 45 senior managers and 66 middle managers on disability mainstreaming	40 middle managers and DSD officials were trained on disability mainstreaming	Officials not available
Strategies for overcoming underperformance						
Early advertising of the training programme.						

Children

Government outcome	A quality basic education					
DSD-specific outcome	Improved access to ECD programmes					
Strategic objectives	Performance Indicator	Baseline	Actual achievement, 2011/2012	Target 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Improve ECD services by 2015	Percentage increase in number of children accessing ECD programmes	789 424 children accessing ECD programmes	The number of children accessing ECD services and programmes increased by 26,5% to 209 376	Increase the number of children accessing ECD programmes up to school-going age by 10%	The number of children accessing ECD programmes up to school-going age increased by 15% to 124 870	No deviation
	Percentage increase in registered partial care facilities	18 826 partial care facilities registered	The number registered partial care facilities increased by 6% to 979	Increase registered partial care facilities by 10%	Registered partial care facilities increased by 5% to 1 052	Non-compliance with legislation and municipal bylaws
Audit the condition of ECD centres and services rendered to children	Number of ECD centres and services audited	-		Conduct a comprehensive audit of 5 487 ECD centres in all provinces	6 216 ECD centres were audited in all provinces	No deviation

Children

Government outcome	All people in South Africa are and feel safe					
DSD-specific outcome	Safe and friendly society for children					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Target , 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Strengthen child protection services through the implementation of child care and protection measures over the MTEF period	Percentage increase in the number of children accessing adoption services	2 500 adoption cases registered annually	Registered adoptions increased to 1 620	Increase the number of children accessing adoption services by 5%	Number of children accessing adoption services increased by 4,7% to 1 696. This comprised 1 522 national and 174 inter-country adoptions	No deviation
	Percentage increase in the number of children accessing foster care services	500 174 children in foster care	Number of children accessing foster care services increased by 23 873 (4,7%)	Increase number of children in foster care by 10%	Number of children in foster care increased by 157 024 (31%)	No deviation
	Percentage increase in the number of children accessing drop-in centres	41 381 children accessing drop-in centres	Number of children a accessing drop-in centres increased by 265 565 (641%)	Increase number of children accessing drop-in centres by 15%	Number of children accessing drop-in centres increased by 450% (186 510)	No deviation
	Percentage increase in the number of children accessing Child and Youth Care Centres (CYCCs)	14 701 children accessing CYCCs	Number of children addressing CYCCs increased by 7 272 (49%)	Increase number of children accessing CYCCs by 10%	Number of children accessing CYCCs increased by 8 972 (123%)	No deviation
	Number of employees working with children screened against Part B of the CPR	1 500 employees screened against Part B of the CPR	11 191 employees were screened against part B of the CPR	Screen 4 000 employees working with children against Part B of the CPR	32 935 employees working with children were screened against Part AB of the CPR	No deviation
	Establishment of a project management office	–		Establish a project management office for the initial rollout of the Isibindi model	The project management office was not fully established. A project coordinator was appointed.	A suitable qualified person could not be found. The post had to be advertised again.
Strategies for overcoming underperformance						
Potential project managers have been interviewed, and Human Resources Management is finalising the appointment process.						

Families

Government outcome	Sustainable human settlement and improved quality of household life					
DSD-specific outcome	Restored family values and responsibilities in order to build cohesive communities					
Strategic objectives	Performance Indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Promote and strengthen families in South Africa	White Paper on Families	Green Paper on Families	The Green Paper was discussed with MINMEC and various clusters, and gazetted in October 2011 for public comment. Consultative workshops were conducted in nine provinces in February and March 2012. Public comments and inputs from the workshop will be considered in drafting the White Paper.	Facilitate the approval of the White Paper on Families	The draft White Paper on Families was finalised and was due to be presented to Cabinet in May 2013. Public hearings on the Green Paper were held in nine provinces. Provinces were assisted to stage workshops on the draft White Paper. The draft White Paper was presented to the JCPS, G&A and Social Protection Clusters. A workshop was held on the development of an implementation plan and costing model for the White Paper	The White Paper process was delayed by extended consultations
	Number of family development programmes implemented	Four family development programmes developed	The Integrated Parenting Framework was approved, and officials in the Free State, Gauteng, KwaZulu-Natal and Western Cape were trained to implement it	Build capacity for implementing the integrated parenting framework in all provinces	Capacity was built in five remaining provinces. The other four provinces were covered in the previous financial year. An Active Parenting Framework for Teenagers was developed, flowing from the IPF.	No deviation
	Final research report	Research findings	Research was conducted in the Eastern Cape, Western Cape, Northern Cape, North West and Mpumalanga, and a preliminary research report was completed.	Implement recommendations for improving the efficacy of services to families	A Concept Paper on Family Preservation Services was developed. Feedback on the Recruitment and Retention Strategy was available.	No deviation

Social Crime Prevention

All people in South Africa are and feel safe						
Government outcome	Reduced incidence of social crime					
DSD-specific outcome	Reduced incidence of social crime					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Reduce the incidence of social crime by building provincial capacity for monitoring policy and programme implementation	Number of practitioners and service providers trained in social crime prevention programmes, the accreditation of diversion services, and minimum norms & standards	–	815 practitioners and service providers were trained	Train 360 practitioners and service providers in the Integrated Social Crime Prevention Strategy, Accreditation of Diversion Services, and minimum norms and standards	369 practitioners and service providers were trained: 223 on the Social Crime Prevention Programmes, and 146 on the Accreditation of Diversion Services. Training on the minimum norms and standards was conducted in the previous financial year.	No deviation
	Number of provinces implementing the National Integrated Social Crime Prevention Strategy Action Plan	Integrated Social Crime Prevention Strategy		Monitor the implementation of the National Integrated Social Crime Prevention Strategy Action Plan by all provinces	Implementation of the Integrated Social Crime Prevention Strategy was monitored in all provinces except the Free State.	The Free State was unable to implement the social crime prevention programmes due to financial constraints, and the training workshops could therefore not be rolled out
	Number of provinces implementing social crime prevention programmes	Documented social crime prevention programmes		Monitor the implementation of social crime prevention programmes in all provinces	Implementation of social crime prevention programmes was monitored in all provinces except the Free State	The Free State was unable to implement social crime prevention programmes due to financial constraints, and the training workshops could therefore not be rolled out.
Strategies for overcoming underperformance						
Consultations with provinces to ensure progress in the new financial year..						

Victim Empowerment

All people in South Africa are and feel safe						
Reduce incidence of social crime and provide victim empowerment services						
Government outcome						
DSD-specific outcome						
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Improve Victim Empowerment Services (VEPS) in all provinces	Draft legislation on VEPS	Feasibility study of VEP legislation National policy guidelines for victim empowerment	Policy guidelines for victim empowerment were vetted	Draft legislation on VEPS	Zero draft bill on VEPS developed	No deviation
	Number of provinces implementing gender-based violence prevention programmes	Gender-based violence prevention strategy for men and boys		Facilitate the implementation of gender-based violence prevention programmes in nine provinces	The draft gender-based violence prevention programme was completed in the fourth quarter, and presented to the Deputy Director-General Forum for approval	Implementation was delayed by the incorporation of recommendations by the DDG Forum into the draft before approval
	Accreditation system for organisations providing services to victims of human trafficking Number of shelters piloting the accreditation system	Draft minimum norms and standards for organisations providing services to victims of human trafficking Draft anti-human trafficking regulations	Regulations and forms were drafted	Develop and pilot the accreditation system in 13 shelters throughout the country	A national framework for accrediting organisations providing services to victims of human trafficking was developed. Four shelters piloted the framework for accreditation.	Cancellation of the service provider contract in favour of utilising internal DSD capacity.
	Number of provinces and national JCPS Cluster departments implementing the generic set of indicators	VEP National Baseline Report National Generic Indicators Victim Satisfaction Survey		Implement the generic set of indicators in 3 provinces and 2 national JCPS Cluster departments by March 2013	All provinces implemented the generic set of indicators, and were monitored together with one national department. All the other national JCPS Cluster departments implemented the indicators in the previous financial year.	No deviation
Strategies for overcoming underperformance						
The appointed service provider will be closely monitored. If it does not deliver according to the agreed specifications and contract, the contract will be terminated						

Substance Abuse

All people in South Africa are and feel safe						
Reduce incidence of substance abuse in communities						
Government outcome						
DSD-specific outcome						
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Reduce the incidence of substance abuse in communities by providing treatment and prevention services	Number of provinces implementing the national anti-substance abuse programme of action	National anti-substance abuse programme of action	The campaign was rolled out in all nine provinces	Facilitate Implementation of the national anti-substance abuse programme of action in all provinces	Limpopo, Mpumalanga, Northern Cape and Free State were capacitated to implement the programme of action.	The other provinces developed their own anti-substance abuse programmes of action based on provincial summit resolutions
	Approved regulations under the Prevention of and Treatment for Substance Abuse Act (No. 70 of 2008)	Prevention of and Treatment for Substance Abuse Act (No. 70 of 2008) and regulations	Regulations under the Act were discussed with stakeholders and national and provincial departments and finalised. The regulations were approved by internal structures and gazetted for public comment.	Finalise and facilitate approval of the regulations for the Prevention of and Treatment for Substance Abuse Act No. 70 of 2008	The Prevention and Treatment of Substance Abuse Act (No. 70 of 2008) came into force, and regulations were promulgated and enforced.	No deviation
	Approved treatment model	–	The treatment model was discussed with stakeholders and finalised.	Facilitate the approval of the treatment model and build capacity for its implementation	The treatment model was approved and capacity to enhance its implementation was built in all provinces	No deviation
	A social mobilisation strategy	–		Develop a social mobilisation strategy to facilitate implementation of the anti-substance abuse campaign	A social mobilisation strategy was developed and approved	No deviation
Reduce the incidence of substance abuse in communities by providing treatment and prevention services	Approved National Drug Master Plan (NDMP)	NDMP, 2006–2011		Facilitate approval of the NDMP	The NDMP 2013–17 was developed and was awaiting approval by the Cabinet	Extended consultation processes
Strategies for overcoming underperformance						
Consult with provinces before setting targets for the new financial year. Start programme and project management in time to allow for extensive consultation processes.						

Youth

Government outcome	Vibrant, equitable and sustainable rural communities contributing towards food security for all					
DSD-specific outcome	Youth participate and influence social change					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Develop and facilitate the implementation of responsive and focused youth services and youth mobilisation and development programmes	Number of youth mentors trained	100	98 Masupatsela Youth Pioneer Programme mentors were trained	Train 150 youth mentors	209 youth mentors were trained	No deviation
	Number of youths participating in community dialogues	–		300 youths to participate in community dialogues	2 216 youth participated in youth dialogues	No deviation
	Number of provinces implementing intergenerational programmes	Intergenerational programmes implemented by one province only (KZN)	A business plan workshop was held in KZN	Three provinces to implement intergenerational programmes	Mpumalanga, Limpopo and Northern Cape implemented intergenerational programmes	No deviation
	Number of youths attending leadership camps	–		1 000 youths to attend leadership camps	1 341 youths participated in national and provincial leadership camps	No deviation
	Number of youths in secure care facilities participating in youth leadership programmes	–		200 youths in secure care facilities to participate in leadership programmes	Training programme was not conducted	Appointment of a service provider was under way at the end of the financial year
	Number of provincial youth forums established	–		Establish nine provincial youth forums	Youth forums established in Free State and KwaZulu-Natal	Establishment of the provincial youth forums took longer than expected.
Strategies for overcoming underperformance						
Strategies for establishing youth forums:						
<ul style="list-style-type: none">● Consult provinces, municipalities, CSOs and other relevant stakeholders.● Train youth mentors to take a lead in the establishment of youth forums.● Popularise the youth forums during community work (Ministerial project).● Circulate the guidelines for the establishment of youth forums.● Make youth forums part of the agenda at youth dialogues.						

HIV and AIDS

A long and healthy life for all South Africans							
Government outcome	Reduced new HIV and AIDS infections through social and behavioural change						
DSD-specific outcome	Performance indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target	
Reduce new HIV and AIDS infections by at least 50% by 2015 through social and behaviour change interventions	Number of wards reached through social and behaviour change interventions	-		Reach 27 wards through social and behaviour change interventions	435 wards reached through social and behaviour change interventions	No deviation	
	Number of trained youths implementing social and behaviour change programmes	525 trained youths implementing social and behaviour change programmes		500 trained youths to implement social behaviour change programmes	511 trained youths to implement social behaviour change programmes	No deviation	
	Number of community conversations on HIV and AIDS facilitated	11 community conversations	Community conversations were conducted in seven provinces	Facilitate 60 community conversations on HIV/AIDS	84 community conversations on HIV/AIDS facilitated	No deviation	
	Number of funded HCBC organisations implementing social and behaviour change programmes	-	1 321 HCBC organisations delivered HIV and AIDS prevention programmes	408 funded HCBC organisations to implement social and behaviour change programmes	1 010 funded HCBC organisations implemented social and behaviour change programmes	No deviation	

A long and healthy life for all South Africans							
Mitigate the psychosocial and economic impact of HIV and AIDS, TB, and other chronic illnesses							
Government outcome							
DSD-specific outcome							
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target	
Mitigate the impact of HIV and AIDS, TB, and other chronic illnesses	Number of vulnerable households receiving psychosocial support services	384 446 households	475 456 vulnerable households were reached	Provide psychosocial support services to 442 112 households	501 229 households were provided with psychosocial support services	No deviation	
	Number of Orphans and Vulnerable Children (OVC) receiving psychosocial support	707 754 OVC	631 612 OVC received psychosocial support	Provide psychosocial support to 980 000 OVC	665 799 OVC provided with psychosocial support	Decline due to age group of children and other interventions (foster care placement)	
	Number of child-headed households receiving psychosocial support	40 696 child-headed households		Provide psychosocial support to 49 226 child-headed households	10 268 child-headed households provided with psychosocial support	Decline in the number of child-headed households due to age group of children and other interventions (foster care placement)	
	Number of youth-headed households (18-25 years) receiving psychosocial support	12 591 youth-headed households		Provide psychosocial support to 13 850 youth-headed households	36 253 youth-headed households provided with psychosocial support	No deviation	

A long and healthy life for all South Africans						
Mitigate the psychosocial and economic impact of HIV and AIDS and TB and other chronic illnesses						
Government outcome						
DSD-specific outcome						
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Target, 2012/13	Actual outputs, 2012/2013	Reasons for deviation from 2012/13 target
Strengthen community-based organisations	Number of funded HCBC organisations with enhanced management capacity	127 funded HCBC organisations		Provide 90 HCBC organisations with management training	156 HCBC organisations were provided with management training	No deviation
	Number of funded HCBC organisations reporting in accordance with the HCBC M&E system	273 funded HCBC organisations		258 funded HCBC organisations to report in accordance with the M&E system	321 funded HCBC organisations reported in accordance with the M&E system	No deviation
	Number of funded HCBC organisations complying with minimum norms and standards	438 funded HCBC organisations		600 funded HCBCs to comply with minimum norms and standards	615 funded HCBC organisations were complying with minimum norms and standards	No deviation
	Number of functional provincial coordinating structures	35 provincial coordinating structures	97 coordinating structures were established.	Facilitate the strengthening of nine provincial and 38 district coordinating structures	9 provincial coordinating structures, 42 district coordinating structures and 235 local coordinating structures were facilitated. Total: 286	No deviation

Linking performance with budgets – Programme 4: Welfare Services Policy Development and Implementation

Sub-programme	2012/13			2011/12		
	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
Service Standards	22 431	22 145	286	21 357	21 248	109
Substance Abuse	12 993	12 911	82	15 690	14 937	753
Older Persons	19 516	19 307	209	11 445	11 387	58
People with Disabilities	9 711	9 690	21	8 390	8 272	118
Children	73 567	54 765	18 802	40 771	40 657	114
Families	8 407	8 272	135	7 098	6 938	160
Social Crime Prevention & Victim Empowerment	29 634	27 411	2 223	22 361	21 428	933
Youth	12 514	12 427	87	5 692	5 597	95
HIV and AIDS	72 434	72 215	219	66 916	66 856	60
Social Worker Scholarships	256 000	256 000	0	244 000	244 000	0
Programme Management	7 841	7 475	366	8 032	7 746	286
Total	525 048	502 618	22 430	451 752	449 066	2 686





4.5 Programme 5: Social Policy and Integrated Service Delivery

Purpose

This programme supports social policy development and institutionalises evidence-based policy-making in the social development sector. It registers NPOs and community development organisations, and monitors their continued compliance with registration requirements. It also coordinates the incubation and innovation of strategic social cluster initiatives such as the Expanded Public Works Programme.

Social Policy Research and Development

A highlight of the year was the training of 55 senior civil servants and parliamentarians in social policy analysis and advanced evidence-based social policy formation. The training contributed to the Department's goal of institutionalising evidence-based policy formation in the public service. The Social Policy Programme also continued to engage with different sections of the Department in order to help them strengthen their policies and programmes through the use of research and evidence. The programme also engaged with the Chief Directorate: NPOs and Partnerships on the role of the NPO sector in South Africa's development agenda; the Chief Directorate: Population and Development on the question of population dynamics and social policy in South Africa. It also engaged the Community Development Directorate on active citizenship and on institutionalising community development within the Community Works Programme. Lastly, the programme, together with the Chief Directorate: Monitoring and Evaluation on the Department's, contributed inputs into the government's 20-year review. This contributed to Government Outcome 12: An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.

Special Projects and Innovation

The Department, together with its partners in the social development sector, continued to implement the Social Sector Expanded Public Works Programme (EPWP). A conditional grant of R217 million was allocated to various Social Development Sector departments for this purpose. The Department of Social Development received R50 million from this allocation for six qualifying provinces, namely the Eastern Cape, Free State, North West, Northern Cape, Gauteng and Limpopo. Consequently, the social sector created 171 668 job opportunities during the reporting period. Of these, 27 902 were created directly by the Department. This contributed to Government Outcome 4: Decent employment through inclusive economic growth.

The Department continued to implement the Kwanda project, which demonstrates how communities can work with government to improve their development and achieve the goal of active citizenry advocated in the National Development Plan. The Department intensively engaged with Kwanda Phase 1 sites in order to distil lessons for Kwanda Phase 2. The Department conducted 8 provincial orientation workshops with Community Works Programme (CWP) stakeholders

inclusive of Cooperative Governance Traditional Affairs (COGTA), CWP practitioners and implementing agents during the period under review.

Population Policy Promotion

The integration of population factors into development plans: A total of 394 people -- including provincial Integrated Development Plan (IDP) managers and social and community workers -- were trained on integrating population factors into local development plans. Technical support was also provided to Mpumalanga and Limpopo. Twelve capacity-building sessions were conducted to sensitise local planners to the need to integrate population factors into integrated development plans (IDPs), in the context of sustainable human development.

Three capacity-building courses were evaluated, namely:

- The Applied Population Sciences Training and Research (APSTAR II) programme, a joint venture of the University of KwaZulu-Natal (School of Development Studies), the Department of Social Development, and the United Nations Population Fund (UNFPA). The evaluation covered the period 2008 to 2010.
- Integrated HIV & AIDS and TB Management – A Capacity Development Course for Government Managers and Planners. The first phase of the review and evaluation of this course, conducted by PALAMA in partnership with the Department, was completed in December 2012. The findings were disseminated at a stakeholder workshop held in March 2013.
- The University of the Free State held a Population-Environment-Development (PED) Nexus training session in April 2012, and Leadership in Environment and Development (LEAD) and the Nelson Mandela Metropolitan University held a training session on Cities in Transition in September 2012.

Implementation of Population Policy: Thirteen draft thematic research reports were produced and updated with Census 2011 data to indicate progress made during 15 years of implementing the Population Policy (1998-2013), and 20 years of implementing the ICPD Programme of Action. They addressed the following themes: Youth; Children; Older People; People with Disabilities; Gender Equity and Equality and the Empowerment of Women; Sexual and Reproductive Health and Rights; HIV and AIDS and other health concerns with demographic implications; Migration and Urbanisation; Poverty and Inequality; Population, Environment and Development; Families and Households; Demographic Change and Structure of the South African Population. In addition, a comprehensive overview was conducted of population strategies since 1999, in the context of the functions of population units. The draft thematic chapters were discussed at a two-day stakeholder workshop held on 13 and 14 March 2013, and were due to be finalised in September 2013.

Improve teaching of population factors in schools: Two workshops were conducted with curriculum advisors from the Department of Basic Education to promote the integration of population content into school curricula in 19 education districts. Inputs generated by the workshops were incorporated into Learning and Teaching Support Material, aimed at enriching school curricula with population information. These initiatives helped to realise Government Outcome 12: An efficient, effective and development-oriented public service, and an empowered, fair and inclusive citizenship.

Registration and monitoring of non-profit organisations

One of the most significant achievements during the period under review was the development of the NPO electronic and web database and registration system. This system will make it easier to register NPOs, and monitor their continued compliance with registration requirements. A draft policy for amending the NPO Act was completed. The draft policy document was discussed with NPOs at district workshops and provincial dialogues as well as at the National NPO Summit held in August 2012. The policy document was awaiting Ministerial approval.

The National NPO Summit passed significant resolutions on relations between the government and civil society, notably support and funding for the NPO sector. Information-sharing workshops were held for 1 195 NPOs in four provinces, namely, Gauteng, North West, Free State and Western Cape. A total of 260 provincial officials were trained to help NPOs maintain their compliance with the NPO Act. These efforts helped to build a conducive environment for the development of Civil Society Organisations (CSOs) and communities themselves.

Community development

The Department regards CBOs as vital social partners which play a key role in building strong communities, particularly in areas which the government cannot easily reach. In the year under review the Department trained 458 CBOs on its CBO guidelines, and trained community development practitioners on integrated development planning and the use of the sustainable livelihoods toolkit. Practitioners were also consulted on the Draft Policy for Community Development. All these training initiatives contributed to the Department's objective of building a skilled workforce that capable of delivering quality services to communities. The Department has also played a central role in the development of national community development qualifications at NQF Levels 4, 5 and 8. In the year under review, the Department undertook numerous provincial road shows in order to promote the qualifications to all stakeholders in community development, including institutions of higher learning.

Sustainable livelihoods

Significant goals were achieved during the year under review. Change agents were placed in 126 wards in order to help empower unemployed youths and create employment opportunities. A total of 860 communities in 44 wards were mobilised. Community mobilisation is vital as it ensures that communities actively address their own challenges, and take charge of their own development process. Food was distributed to more than 500 000 needy households as part of the Food for All programme. This contributed to the Department's goal of improving access to diverse and affordable food, as well as Government Outcome 7: Vibrant, equitable, and sustainable rural communities contributing towards food security for all.



Social Policy Research and Development

An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship						
Deepening of social policy discourse and evidence-based policy-making						
Government outcome	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual Target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
DSD-specific outcome	Strategic objectives					
	Build research, evidence-based policy-making and social policy capacity and expertise in the Department and social development sector	Number of officials trained in social policy-making and analysis	300 officials trained since 2005	50 policy-makers were trained	55 senior civil servants and parliamentarians were trained in social policy-making and analysis	No deviation
		Number of policies developed or reviewed	Five policies developed or reviewed	The Green Paper on Families was completed and gazetted	A policy document entitled 'Building the Capabilities of Grants Beneficiaries through Economic, Skills and Labour Market Linkages' was developed. Local development projects based on this policy document were initiated. The policy review included documents on Community development and active citizenship: Proposals for an inclusive and sustained development paradigm; Twenty Year Review: DSD Social Policy Thrust since 1994; and DSD comments on the National Development Plan: Vision 2030.	No deviation
		Research Coordination and Management (RCM) strategy	DSD-wide research audit report	The strategy was developed but was not presented to the policy forum, MANCO and HSD	The RCM strategy was developed	No deviation
	Number of policy briefs developed	–		Develop four policy briefs	Four policy briefs were developed	No deviation

Special Projects and Innovation

Government outcome	Decent employment through inclusive economic growth					
DSD-specific outcome	Increased work opportunities, skills and income levels in the Social Sector					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation
Increase job opportunities, skills and income levels in the Social Sector	Number of EPWP job opportunities created	112 937 job opportunities created by 30 September 2011	According to the EPWP Web-Based System, 152 109 jobs were created	Create 187 000 EPWP job opportunities through Social Sector sub-programmes	171 668 job opportunities created by the end of the fourth quarter	Provincial budget cuts resulted in a number of work opportunities being lost
Promote community-driven development	Number of Community Work Programme (CWP) sites	71 CWP sites		Extend the CWP to 151 sites	148 sites were reached	6 sites were merged
	Number of Kwanda sites per province	Kwanda sites in five provinces		Roll out Kwanda to at least one site in each province	Kwanda was not rolled out	The Department decided to focus on Kwanda Talk in order to prepare the ground for the roll-out to new sites.
Provide social protection to military veterans	Number of military veterans accessing Social Relief of Distress (SRD) and psychosocial and economic support	–		2 000 military veterans to receive SRD and psychosocial and economic support	282 military veterans received psychosocial support	The provision of services to MVs is demand-driven. Due to capacity challenges in MV organisations, psychosocial sessions were poorly attended.

Population Policy Promotion

Government outcome	An efficient, effective and development-oriented public service, and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Increased capacity to mainstream population issues into development plans and activities					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Increasing capacity to integrate population factors into development plans	Number of people trained to integrate population factors into development plans	800 people trained on HIV & AIDS, gender mainstreaming and local population trends	32 training sessions were held, attended by 732 participants from all nine provinces, with an emphasis on rural nodes	Train 300 people on integrating population factors into development plans	394 people trained on integrating population factors into development plans	No deviation
	Number of capacity-building sessions	37 capacity-building courses	Six advocacy workshops were held and promotional and educational materials were exhibited. Workshop reports, evaluation forms and attendance registers were produced	Conduct nine capacity-building sessions	12 capacity-building sessions were conducted on integrating population factors into development plans	No deviation

Government outcome	An efficient, effective and development-oriented public service, and an empowered, fair and inclusive citizenship					
DSD-specific outcome	Increased capacity to mainstream population issues into development plans and activities					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
	Number of evaluation reports produced and courses adapted	APSTAR evaluation report	APSTAR training (2008-2011) was evaluated, and the report was due to be finalised after being aligned with the fieldwork report early in the new financial year	Evaluate 3 courses	3 courses evaluated	No deviation
Increase understanding of the South African population by producing 10 reports on progress made with implementing the Population Policy	Number of reports on progress made with implementing the Population Policy for South Africa	Four draft reports		Produce 10 thematic research reports on progress made with implementing the Population Policy	13 thematic research reports were produced	No deviation
	Thematic report on the ICPD Programme of Action in SA	Chapters on Population Policy+10/ICPD+15/synthesis report	The thematic progress report on fertility, reproductive health and development to the UN Commission on Population and Development was included in the Country report presented to the UNCPD in April 2011	Produce 10 thematic reports on the ICPD Programme of Action in SA	Same as above. (The two review processes on Policy+15/ICPD+20 were managed as a single multisectoral review process)	No deviation
Improve teaching of population factors in school curricula in 18 education districts	Number of education districts in which the teachers' guide and learner workbook are being used	Teacher's guide and learner workbook	The workbook and teachers' guide were completed, edited and reviewed, in collaboration with experts from the Department of Basic Education, ensuring the integration of various population themes including Adolescent Sexual & Reproductive Health	Promote the use of the teachers' guide and learner workbook in 18 education districts	Two workshops covering 19 education districts were conducted on the use of the teachers' guide and learner workbook in schools.	No deviation

Registration and Monitoring of Non-Profit Organisations

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
DSD-specific outcome	A conducive environment for civil society organisations and communities					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Create a conducive environment for CSOs and communities	Percentage of NPO applications for registration processed within two months of receipt	70% of applications processed within two months of receipt	95% of applications were processed within two months (17 573 of 18 448)	Process 90% of applications within two month of receipt	39% of applications were processed within two months (8 768 of 22 329)	About 4 000 more applications were received than in the previous year

Government outcome	An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship					
	A conducive environment for civil society organisations and communities					
DSD-specific outcome	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Strategic objectives	Online registration system for NPOs	NPO Desktop System	Programmers were appointed to develop the system	Develop an NPO online registration system	The online web-based NPO registration system was developed	No deviation
	Efficient walk-in and contact centres in all national and provincial offices	Rudimentary walk-in help desk at the national head office		Set-up an efficient walk-in centre at the national head office	An implementation plan and layout plan for the national walk-in centre were finalised and submitted to Infrastructure Planning	National office lease agreement providing for additional space for NPO unit was not finalised
	A dedicated NPO call centre	–		Finalise call centre business case	Business case finalised	No deviation
	Amended NPO regulatory framework	Draft concept document	A first draft on the NPO regulatory framework policy was completed, but no consultations were held	Facilitate approval of amendments to NPO regulatory framework	Draft policy framework document for amending the NPO Act was finalised	The process for securing executive approval was under way
	Percentage of NPO appeals adjudicated within three months of receipt	70% of NPO appeals adjudicated within three months of receipt		Adjudicate 80% of NPO appeals within three months on receipt	80% of NPO appeals were adjudicated within three months on receipt (455 of 568)	No deviation
Create an enabling environment for CSOs and communities	Number of NPOs trained on NPO governance and compliance with the NPO Act	600 NPOs trained	1 323 NPOs attended 32 workshops held in the Free State and North West	Train 1 500 NPOs on governance and compliance with the NPO Act	1 195 NPOs trained in Gauteng, North West, Free State and Western Cape	Training was interrupted for almost three months due to provincial dialogues and summits
	Number of provincial officials capacitated on NPO governance and the NPO Act	120 provincial officials trained	144 officials were capacitated in the Eastern Cape (Umtata & Queenstown Districts) and the Free State (Motho, Thabo Mofutsanyane and Lejweleputswa Districts)	Train 200 provincial officials on NPO governance and NPO Act	260 provincial officials were trained	No deviation
Increase sustainability, effectiveness and efficiency of service delivery partners (NPOs)	Situational analysis of all NPOs delivering social development services	–		Conduct a situational analysis of all NPOs delivering social services	Business case and terms of reference were completed	Project put on hold pending further consultation with welfare services
	Grant-making model and systems	–		Develop a grant-making model and system	A grant-making model and system were not developed	Reprioritisation of funds due to NPO summit

Community Development

A skilled and capable workforce to support an inclusive growth path						
Skilled workforce to deliver quality community development services						
Government outcome						
DSD-specific outcome						
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual Target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Support and monitor the implementation of community development services and programmes	Number of Community Development Practitioners (CDPs) trained	129 CDPs trained on the Guidelines for CBOs 31 CDPs trained on community capacity enhancement	152 CDPs were trained on the CBO guidelines	Train 580 CDPs	673 CDPs were trained on Integrated Development Planning and the use of the Sustainable Livelihood Toolkit. They were also consulted on the Draft Community Development Policy	No deviation
	Number of CBOs trained on community development practice	234 CBOs trained	210 CBOs were trained on CBO guidelines	Build the community development capacity of 300 CBOs	458 CBOs were trained	No deviation
Professionalise Community Development Practice (CDP) by developing an occupational framework for community development	Community development occupational framework	Draft framework Registered NQF level 8 qualification Service-level agreement	The Bid Adjudication Committee approved a bid for developing the framework on 25 January 2012	Develop a draft community development occupational framework	Two community development personnel levels, namely Community Development Worker and Community Development Assistant Practitioner, were scoped and profiled. This formed part of the Draft Occupational Framework	A decision was taken to undertake the project internally. It was delayed due to a lack of capacity.
Community Development Association established and functional	Community Development Association established and functional	Reports and discussion documents on professionalisation Summit report on the professionalisation of community development		Facilitate the establishment of a Community Development Association	A draft Code of Conduct for Community Development Practitioners was developed. It is meant to serve as a guide for the effective functioning of Community Development Associations	The association needs to be established by institutions of higher learning rather than the Department

Sustainable Livelihoods

Government outcome	Vibrant, equitable, and sustainable rural communities contributing towards food security for all					
DSD-specific outcome	Improved delivery of community development services					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Support and monitor the implementation of community development services and programmes	Number of households profiled	110 248 households profiled 200 000 households profiled	224 145 households were profiled	Profile 200 000 households in 100 wards	187 703 households were profiled	Western Cape did not report due to its adoption of a new sustainable livelihoods approach
	Number of wards with change agents	Guidelines for supporting change agents	Draft Guidelines for Change Agents were developed and presented to the Policy Forum	Place change agents in 100 wards	Change agents were placed in 126 wards	No deviation
	Number of wards with mobilised communities	Mobilisation programme conducted in 40 communities	Guidelines for community mobilisation were developed and approved	Mobilise 100 communities in 100 wards	860 communities in 44 wards mobilised	Western Cape, Gauteng, Limpopo and Eastern Cape had not reported by the due date
Strategies for overcoming underperformance						
We will continue to encourage all provinces to submit their quarterly reports on time..						
Government outcome	Vibrant, equitable, and sustainable rural communities contributing towards food security for all					
DSD-specific outcome	Improved access to diverse and affordable food					
Strategic objectives	Performance indicator	Baseline	Actual achievement, 2011/2012	Annual Target, 2012/13	Actual output, 2012/13	Reasons for deviation from 2012/13 target
Facilitate and monitor the implementation of the Food for All programme	Number of households accessing food security programmes	Official launch of the Food for All Programme	1 049 566 people benefited from food security programmes	Promote equitable access to food by 200 000 households	555 957 households accessed food through the DSD and Food Bank South Africa food nutrition security programme	No deviation

Linking performance with budgets – Programme 5: Social Policy and Integrated Service Delivery

Sub-Programme	2012/13			2011/12		
	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
Social Policy Research & Development	4 066	3 740	326	3 943	3 739	204
Special Projects & Innovation	10 115	9 847	268	11 783	11 719	64
Population Policy Promotion	25 522	25 410	112	24 780	24 685	95
Registration & Monitoring of Non-Profit Organisations	23 957	23 946	11	14 504	14 313	191
Substance Abuse Advisory Services & Oversight	4 074	3 932	142	5 941	5 904	37
Community Development	26 330	26 088	242	23 001	21 557	1 444
National Development Agency	166 263	166 263	0	161 360	161 360	0
Programme Management	1 356	1 075	281	1 961	1 581	380
Total	261 683	260 301	1 382	247 273	244 858	2 415



5. Summary of financial information

5.1 Departmental receipts

The Department does not generate income. The major revenue item comprises interest earned on social grant funds transferred to SASSA. The Special Investigation Unit was contracted to manage and recover all debts comprising fraudulent social grants, and transferred funds recovered to the Department in the course of the year. The Department reconciled the amounts recovered with the debt book in the provinces as well as the debt book at SASSA. Once this was done, the remainder was transferred to revenue. The Department cannot accurately estimate the amount that will be recovered in a given year. It is also difficult to budget accurately for interest received, as this depends on the rate at which SASSA disburses its funds.

DEPARTMENTAL RECEIPTS	2012/2013			2011/2012		
	Estimated amount	Actual amount collected	Over/under-expenditure	Estimated amount	Actual amount collected	Over/ under-collection
	R1'000	R1'000	R1'000	R1'000	R1'000	R1'000
Sale of goods and services other than capital assets	210	5	205	–	210	(210)
Interest, dividends and rent on land	9 329	7 855	1 474	10 070	2 636	(7 434)
Transactions in financial assets and liabilities	25 000	36 501	(11 501)	–	100 337	(100 537)
Total	34 539	44 361	(9 822)	10 070	103 183	(93 113)

5.2 Programme expenditure

PROGRAMME NAME	2012/2013			2011/2012		
	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
Administration	257 125	255 395	1 730	244 600	243 976	624
Social Assistance	104 887 916	103 898 845	989 071	97 103 213	95 972 987	1 130 226
Social Security Policy and Administration	6 211 780	6 198 417	13 363	6 237 049	6 228 295	8 754
Welfare Service Policy Development and Implementation Support	525 048	502 618	22 430	451 752	449 066	2 686
Social Policy and Integrated Service Delivery	261 683	260 301	1 382	247 273	244 858	2 415
Total	112 143 552	111 115 576	1 027 976	104 283 887	103 139 182	1 144 705

5.3 Transfer payments

Transfer payments excluding public entities

Name of transferee	Purpose for which the funds were used	Compliance with s38(1)(j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for failure to spend funds
National Student Financial Aid Scheme (NSFAS)	Administering scholarships for social work students	Yes	256 000	257 095	n/a

On 1 April 2012, the NSFAS showed a balance of R94 277 000. By 31 March 2013, it had received its entire allocation of R256 000 000. The additional expenditure of R1 095 000 was funded from the previous balance as well as interest earned during the 2012/13 financial year.

No transfers were made to provinces or municipalities.

Transfers to public entities

Public entity	South African Social Security Agency (SASSA)
Services rendered by public entity	<ul style="list-style-type: none"> To improve the effectiveness and efficiency of the administration of the social assistance programme. To promote good governance in the administration of the Agency. To create a safe and secure environment. To provide effective and efficient integrated marketing and communication services. To provide financial management services to the Agency.
Amount transferred to public entity	R6 119 770 000
Amount spent by public entity	R5 830 432 000
Achievements of public entity	<p>The social grants re-registration project</p> <p>The re-registration project was initiated to ensure the standardisation of service delivery and to root out fraud and corruption in the payment of social grants. The project entailed the mass re-registration of existing beneficiaries, children receiving grants and procurators. As part of the transition to the new system, a new biometric-based payment solution for social grants was implemented. The process of re-registration led to the cancellation of 44 544 grants. The most affected grant was the Child Support Grant (CSG) with 22 432 cases, followed by the Old Age Grant (OAG) with 12 367 cases.</p> <p>Improvement of conditions at local offices</p> <p>In line with the new local office model, improvements included the upgrading of physical infrastructure and the supply of amenities such as office furniture, workstations and Information Communication Technology (ICT) infrastructure. Subsequently, 95 local offices were improved, 23 more than the annual target.</p> <p>Improvement of conditions at pay points</p> <p>A total of 692 pay points were upgraded at a cost of R18 776 416. These included the procurement of shelters such as tents, ablution facilities, the upgrading and/or repair of existing structures, the provision of chairs, and the construction of facilities for disabled and frail people, such as ramps and toilets.</p> <p>Automation</p> <p>A major enhancement to the Social Grants Payment and Administration system (SocPen), which had been completed in the previous financial year, was rolled out nationally.</p>
Public entity	National Development Agency (NDA)
Services rendered by public entity	<ul style="list-style-type: none"> To carry out projects or programmes aimed at meeting the development needs of poor communities; To undertake research and publications aimed at providing the basis for development policy; To strengthen the institutional capacity of civil society organisations; To promote and maintain organisational excellence and sustainability; and To promote debate, dialogue and sharing of development experience.
Amount transferred to public entity	R166 263 000
Amount spent by public entity	R197 713 000
Achievements of public entity	<p>Grants disbursed</p> <p>The NDA disbursed R82.6 million to 70 of the 82 approved projects against a target of R42 million for the 2012/13 financial year. This included disbursements approved in the 2011/2012 financial year.</p> <p>Early Childhood Development (ECD)</p> <p>The NDA trained 667 ECD practitioners. ECD projects and sites targeting 5 796 primary beneficiaries and creating 400 job opportunities were approved, against annual targets of 3 850 primary beneficiaries and 114 job opportunities respectively.</p> <p>Food security</p> <p>The NDA achieved 5 849 primary beneficiaries of food security projects and created 477 job opportunities, thereby exceeding the annual targets for both indicators.</p> <p>Income generation</p> <p>The NDA approved income generation projects which created 715 job opportunities against an annual target of 1 686, representing a 63% variance. This area continues to present challenges which the NDA will seek to address in the next financial year.</p>

The budget allocation for the NDA was R166 263 000. By the end of the financial year, the entire allocation had been transferred. The NDA spent an additional R31 450 000, which was funded by other government departments and partners as well as from interest earned. Both SASSA and the NDA submitted monthly expenditure reports to the Department.

5.4 Donor funding

Table 1

Donor	Global Fund
Total funding	R2 000 000
Period of commitment	2012/13
Purpose of funding	Strengthening M&E systems for the programme for orphans and other children made vulnerable by HIV and AIDS
Expected outputs	<p>Implement an advocacy plan to increase the utilisation of data for programme improvement.</p> <p>Implement a capacity-building plan for strengthening the HIV and AIDS Monitoring, Reporting and Evaluation system.</p> <p>Develop community-based training material for:</p> <ul style="list-style-type: none"> • The Integrated HIV and AIDS reporting system • Standard Operation Procedures (SOPs) for data management processes • Data Quality Management (DQM), data analysis and utilisation • Strengthening HIV and AIDS Programme Monitoring, Reporting and Evaluation systems at the provincial, district and local level <p>Create an evidence base for HIV and AIDS programmes.</p>
Actual outputs	<p>The DSD developed terms of reference for the development of material on data quality, analysis and data utilisation.</p> <p>Training on data quality, data analysis, and the improvement of data utilised for decision-making was conducted in North West, Northern Cape, Mpumalanga and KZN. North West and Northern Cape use the Home and Community Based Care (HCBC) System for reporting.</p> <p>M&E indicator booklets targeting local community-based implementing organisations were printed and distributed to all implementing organisations.</p> <p>A NACCA stakeholder workshop was held on 26–27 February 2013, where all OVC partners and stakeholders came together to review progress made with implementing the National Action Plan for orphans and other children made vulnerable by HIV and AIDS, and planned for the forthcoming year.</p>
Amount received in current period	R889 841
Amount spent by the department	R418 432
Reasons for variance	<p>Due to the delayed transfer of funds, the DoH and DSD decided that the Directorate HIV/Care and Support should utilise its voted funds to implement phase two of the project. The outstanding funds were due to be transferred to the DSD in October 2013.</p> <p>The Directorate HIV/Care and Support prepared an implementation plan for phase two, which includes the appointment of 52 data capturers in all nine provinces.</p>
Donor monitoring mechanism	

Table 2

Donor	HW SETA
Total funding	R6 406 350
Period of commitment	Three years
Purpose	Various training programmes
Expected outputs	<p>Evaluation and adaption of the integrated HIV/AIDS management course.</p> <p>Integrated HIV/AIDS course training.</p> <p>Funding bursaries for 50 students towards bachelors' degrees in demography and population studies.</p>
Actual outputs	Only 21 students were receiving bursaries and were registered at two institutions – eight at Walter Sisulu University, and 13 at North West University.

PART B: PERFORMANCE INFORMATION

Amount received in current period	R0.00
Amount spent by the Department	R3 303 433.70
Reasons for variance	<p>The Directorate Population Development used Departmental funds to pay the bursaries of 380 students in various institutions. The HWSETA agreed to pay R2 696 748.20 which was due to be received 11 days after the end of the financial year.</p> <p>By 31 March 2013 the funds had not yet been transferred to the Department. However, bursaries had been awarded to 21 students using Departmental funds, and negotiations with the HWSETA were under way over the fund transfer.</p>
Donor monitoring mechanism	

Table 3

Donor	Japan International Cooperation Agency (JICA)
Total funding	R16 000
Period of commitment	January 2013 to December 2013
Purpose	Disability mainstreaming
Expected outputs	Centre spreads in Rolling Inspiration magazine
Actual outputs	Centre spreads in six editions of Rolling Inspiration Magazine, from January to December 2013
Amount received in current period	R16 000 (in kind)
Amount spent by the department	R16 000 (in kind)
Reasons for variance	
Donor monitoring mechanism	

Table 4

Donor	Japan International Cooperation Agency (JICA)
Total funding	R350 000
Period of commitment	Once-off
Purpose	Disability mainstreaming
Expected outputs	Promotional material on the rights of disabled people
Actual outputs	Material promoting the UN convention
Amount received in current period	R350 000
Amount spent by the Department	R350 000
Reasons for variance	
Donor monitoring mechanism	

Table 5

Donor	Japan International Cooperation Agency (JICA)
Total funding	R581 830.36
Period of commitment	Once-off
Purpose	Disability mainstreaming
Expected outputs	Study tour of Japan by DSD officials
Actual outputs	Study tour of Japan, aimed at enhancing and sharing a wide range of knowledge and insights on disability mainstreaming and community-based inclusive development
Amount received in current period	R581 830.36 (in kind)
Amount spent by the department	R581 830.36 (in kind)
Reasons for variance	
Donor monitoring mechanism	

Table 6

Donor	Japan International Cooperation Agency (JICA)
Total funding	R82 285.52
Period of commitment	2013/14 and 2014/15
Purpose	Disability mainstreaming
Expected outputs	<p>Training on disability mainstreaming, and dispatch of a disability mainstreaming advisor to the DSD.</p> <p>Enhancement of the DSD's capacity for mainstreaming disability across all DSD policies and service delivery programmes.</p> <p>Promotion of the values and principles of human rights and equal opportunities of people with disabilities through disability mainstreaming.</p>
Actual outputs	Ongoing
Amount received in current period	R82 285.62 (in kind)
Amount spent by the department	R82 285.62 (in kind)
Reasons for variance	
Donor monitoring mechanism	

Table 7

Donor	Japan International Cooperation Agency (JICA)
Total funding	R5 million
Period of commitment	Ongoing
Purpose	<p>Facilitate the integration of disability rights into DSD programmes, and develop and implement a good practice model on disability</p> <p>To provide each provincial department as well as the national department with one wheelchair-accessible vehicle (Quantum minibus). Vehicles to be equipped with hoists/lifts to enable their use by three people in wheelchairs and seven seated passengers</p>
Expected outputs	Donation of 10 wheelchair-accessible Quantum vehicles
Actual outputs	Ten wheelchair-accessible vehicles donated.
Amount received in current period	R5 Million
Amount spent by the Department	R5 Million
Reasons for variance	
Donor monitoring mechanism	

Table 8

Donor	Japan International Cooperation Agency (JICA)
Total funding	R2 million
Period of commitment	2012/14
Purpose	Strengthening of HCBC Monitoring and Evaluation System
Expected outputs	Implementation of interventions to strengthen the HCBC M&E System in North West and the Northern Cape
Actual outputs	<p>A baseline survey was conducted in May 2012, and a report compiled.</p> <p>A training programme was developed based on the survey findings.</p> <p>Training for organisations implementing the HCBC M&E IT module in Northern West and the Northern Cape started in September 2012, and was due to continue until August 2013.</p>
Amount received in current period	R2 million
Amount spent by the Department	R2 million
Reasons for variance	
Donor monitoring mechanism	

PART B: PERFORMANCE INFORMATION**Table 9**

Donor	Kreditanstalt für Wiederaufbau (KFW)
Total funding	€9 900 000.00 (about R114 543 000)
Period of commitment	2013/16
Purpose	OVC Care and Support
Expected outputs	Implementation of a care and support programme for child and youth-headed households in KwaZulu Natal, Limpopo and North West
Actual outputs	Financing agreements and MoUs were concluded with the provinces. A project manager was appointed, and joined the Department on 06 March 2013. The project was initiated.
Amount received in current period	Funds were expected to flow to the Department after December 2013.
Amount spent by the Department	R0.00
Reasons for variance	Funds were expected to flow to the Department after December 2013.
Donor monitoring mechanism	

Table 10

Donor	United Nations Children's Fund (UNICEF)
Total funding	R108 544.00
Period of commitment	November 2011 to June 2012
Purpose	Audit of unregistered child and youth care centres, and situational analysis of safe houses
Expected outputs	Development of a Safety and Assessment Tool
Actual outputs	Completed
Amount received in current period	R757 780.80
Amount spent by the Department	R324 76.20
Reasons for variance	
Donor monitoring mechanism	

Table 11

Donor	United Nations Children's Fund (UNICEF)
Total funding	R329 820.52
Period of commitment	October 2011 to October 2012
Purpose	Development of a Safety and Assessment Tool
Expected outputs	Development of a Safety and Assessment Tool
Actual outputs	Completed
Amount received in current period	R329 820.52
Amount spent by the Department	R329 820.52
Reasons for variance	
Donor monitoring mechanism	

Table 12

Donor	United Nations Children's Fund (UNICEF)
Total funding	R3 558 945.00
Period of commitment	October 2011 to September 2012
Purpose	Development of conceptual framework for training service professionals in child protection.
Expected outputs	Development of conceptual framework for training service professionals in child protection.
Actual outputs	
Amount received in current period	R1 067 683.54
Amount spent by the Department	R1 067 683.54
Reasons for variance	
Donor monitoring mechanism	

Table 13

Donor	United States Agency for International Development (USAID)
Total funding	R2 205 001.36
Period of commitment	February 2012 to October 2012.
Purpose	Development of the NPO Registration and Reporting System
Expected outputs	Development of the NPO Registration and Reporting System
Actual outputs	Completed
Amount received in current period	R2 205 001.36 (in kind)
Amount spent by the Department	R2 205 001.36 (in kind)
Reasons for not spending funds	
Donor monitoring mechanism	

Table 14

Name of donor	United States Agency for International Development (USAID)
Full amount of the funding	R430 000.00
Period of the commitment	2012/13
Purpose of the funding	Thogomelo
Expected outputs	Enhancement of the HCBC M&E System.
Actual outputs	Enhancement of the CBIMS system
Amount received in current period	R430 000.00 (in kind)
Amount spent by the Department	In kind
Reasons for variance	
Monitoring mechanism by the donor	

Table 15

Donor	United States Agency for International Development (USAID)
Total funding	R1 258 708.20
Period of commitment	July 2012 to October 2012.
Purpose	Appointment of a consultant to write the URSD for the new DSD NPO database, and manage the system developer.
Expected outputs	Appointment of a consultant to write the URSD for the new DSD NPO database and manage the system developer.
Actual outputs	Completed
Amount received in current period	R1 258 708.20 (In kind)
Amount spent by the Department	R1 258 708.20 (In kind)
Reasons for variance	
Donor monitoring mechanism	

Table 16

Donor	United States Agency for International Development (USAID)
Total funding	R3 293 680.65
Period of commitment	April 2012 to June 2013
Purpose	Funding for six staff members seconded to DSD
Expected outputs	Placement of six staff members within the DSD to provide various levels of support
Actual outputs	All six contracts expected to end in June 2013.
Amount received in current period	R2,438,162.50 (in kind)
Amount spent by the Department	In kind
Reasons for variance	
Donor monitoring mechanism	

Table 17

Donor	United States Agency for International Development (USAID)
Total funding	R2 763 685.39
Period of commitment	13 February 2012 to 30 June 2012
Purpose	Impact Research International Development of DSD OVC National Action Plan, 2012–2016
Expected outputs	Development of the DSD OVC National Action Plan, 2012–2016
Actual outputs	Completed
Amount received in current period (R'000)	R113 056.08 (in kind)
Amount spent by the department (R'000)	In kind
Reasons for variance	
Donor monitoring mechanism	

Table 18

Donor	GIJIMA AST
Total funding	R91 000
Period of commitment	2012/13
Purpose	Improving the lives of poor and vulnerable communities
Expected outputs	Material received to be distributed during the Taking the DSD to Communities campaign.
Actual outputs	Material received on 8 February 2013
Amount received in current period	R91 000
Amount spent by the department	R0
Reasons for variance	
Donor monitoring mechanism	

Table 19

Name of donor	United States Agency for International Development (USAID)
Total funding	R2 763 685.39
Period of commitment	16 November 2012 to 15 August 2013
Purpose	Thogomelo
Expected outputs	Impact assessment study of the HCBC support programme as implemented by the Department
Actual outputs	Ongoing – field work was proceeding.
Amount received in current period	R694 132.50 (in kind)
Amount spent by the Department	In kind
Reasons for variance	
Donor monitoring mechanism	

Table 20

Donor	Canadian International Development Agency (CIDA)
Total funding	CAD5 000 000 (R35 000 000.00)
Period of commitment	5 years from June 2008 to May 2013
Purpose	Child protection surveillance
Expected outputs	Improving child protection by raising public sector and community awareness of child protection issues, capacitating child protection workers to respond to child protection data collection efforts, and proposing a comprehensive surveillance system for child protection in South Africa.
Actual outputs	Intermediate outcomes: <ul style="list-style-type: none"> ● Study initiation and pilot testing; ● communications and dissemination; ● human resources and financial management; ● logistics; ● administration and infrastructure; ● Child Welfare League of Canada; and ● National Research Team
Amount received in current period	R10 133 056.00
Amount spent by the Department	R4 051 286.13
Reasons for variance	The variance of R6 081 769.87 in the year under review is due to the allocation for the NRT not being utilised as planned, one CWLC payment not being processed, and the allocation for system improvement (under Data Analysis) not being utilised.
Donor monitoring mechanism	

Table 21

Donor	United States Agency for International Development (USAID)
Total funding	\$4 920 684 (about R44 286 156.00)
Period of commitment	2012/15
Purpose	OVC Directory
Expected outputs	Maintenance and sustainability of the Children Services Directory
Actual outputs	University Research South Africa was appointed as the service provider. A work plan was approved.
Amount received in current period	\$126 791 (about R1 141 119) (in kind)
Amount spent by the Department	In kind
Reasons for variance	
Donor monitoring mechanism	

5.5 Capital investment, 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; and
- Kitchen equipment.

The Department does not own any immovable capital assets. At the beginning of the financial year it owned movable assets worth R 75 046 000. During the financial year the Department acquired 454 individual assets worth R6 900 000. It disposed of furniture and IT equipment to the value of R11 400 000 during the financial year. Redundant items of furniture were donated to government schools in need of furniture, while obsolete computers and printers were disposed as E-Waste, in compliance with environmental requirements. Nine assets to the value of R143 752.36 were lost, and the circumstances are being investigated.

Asset management

The Department's asset register complies with the minimum information required in terms of the Asset Management

Guidelines issued by the National Treasury. In the period under review, the Department conducted two stock-takes of all assets as required by the Departmental Asset Management Policy. All newly acquired assets are reconciled on a monthly basis against the accounting records. The Asset Management Committee ensures that requests for assets comply with departmental policies, norms and standards before any asset is approved for procurement. Following changes in technology, the Department standardised its desktop computers and notebooks on Windows 7 and Microsoft Office 2010.

Due to limitations in the current asset management system, the Department began to migrate its assets from the Fast Track Asset Management System to the LOGIS system supported by the National Treasury. The migration will be completed in the 2013/2014 financial year.

Maintenance

The Department has no immovable assets. Therefore, maintenance costs in respect of fixed assets are low. All IT assets come with a vendor warranty ranging from one to three years. Once the warranties expire, the Department enters into maintenance agreements with the relevant vendors.





PART C

Governance

1. Introduction

The Department has adopted a comprehensive enterprise risk management (ERM) approach that deals with risks from an operational as well as strategic perspective, thereby integrating the concepts of strategic planning, operational management, internal control, communication, internal audit, information technology, and risk management. The central goal of the ERM is to provide a unified risk profile of the Department, and improve its ability to manage those risks. This contributes to sound financial management and administration, and helps the Department to achieve its strategic and service delivery objectives.

2. Risk management

The Department uses ERM methods and processes to manage risks (or seize opportunities) related to the achievement of its objectives. The risk management framework involves:

- Identifying particular events or circumstances relevant to the organisation's objectives (risks and opportunities);
- Assessing them in terms of likelihood and magnitude of impact;
- Investigating options for dealing with them, taking into account constraints such as internal obligations;
- Making decisions on risk management. This includes the criteria used to decide when further risk reduction is necessary, taking into account costs and benefits;
- Implementing the decisions. This includes choosing how to intervene (by means of education, information or inspection), and how interventions should be targeted;
- Evaluating actions for their effectiveness;

- Establishing appropriate communication mechanisms; and
- Monitoring and reviewing progress.

Annual risk assessments are conducted for all business units. These are consolidated into a risk register, which is constantly updated.

3. Fraud and corruption

The Department has an anti-corruption and fraud prevention policy, aimed at:

- Instilling a culture of zero tolerance of corruption and fraud within the Department;
- Reinforcing existing regulations for preventing and detecting corruption and fraud;
- Creating awareness of corruption and fraud among all employees, service providers and suppliers;
- Taking appropriate corrective action against perpetrators; and
- Improving or implementing the necessary controls over fraud risk areas.

Annexure A of the policy sets out the Department's Anti-Corruption and Fraud Prevention (ACFP) Plan. This is a dynamic strategy that will continue to develop as the Department's circumstances change. Annexure B sets out its Anti-Corruption and Fraud Response Plan, which provides details of how it and its employees should respond to all incidents or suspected incidents of corruption and fraud. Annexure C sets out the mechanisms enabling staff to raise concerns with line management or specific officials when they have reasonable





grounds for believing that there is fraud and corruption within the Department.

The Protected Disclosures Act, Act 26 of 2000, which came into force in February 2001, protects employees in respect of disclosures made without malice and in good faith in defined circumstances. In terms of the Act, employees can blow the whistle on fraud and corruption without fear of suffering an occupational detriment, as defined by the Act. Management encourages staff to raise matters of concern in a responsible way, through the procedures laid down in the policy as well as the Act.

The ACFP policy is intended to curb all forms of corruption and fraud within the Department. Its main purpose is to demonstrate the attitude of the Department towards all forms of corruption and fraud through reinforcing existing regulations aimed at the prevention, detection, investigation and resolution of corruption and fraud. All employees are expected to report all incidents of corruption and fraud or similar conduct relating to actual or potential financial losses. The reporting procedures are set out in detail in the Response Plan.

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 manager find the complaint to be substantiated, he/she will consult with Internal Audit on whether the matter should be investigated internally or referred to the appropriate external body such as the South African Police Services (SAPS), for example.

Employees are encouraged to submit their concerns in writing, rather than verbally. The background and history of the concern, giving names, dates and places where possible, should be set out, together with the reasons why the individual

is concerned about the situation. Those who are uncomfortable about putting their concerns in writing can telephone the Public Service Commission Hotline at 0800 701 701. The earlier the concern is reported, the easier it is to take action and initiate recovery procedures where necessary.

PSCBC Resolution no 2 of 1999 prescribes the disciplinary measures applicable to the Public Service. Government employees who are found to have committed, or been involved in, an act of corruption or fraud will be subjected to punitive measures as prescribed in the resolution.

4. Minimising conflicts of interest

All senior managers from Director level and upwards are required to disclose their financial status annually. Members of the Bid Evaluation and Bid Adjudication Committees as well as Evaluation Panel members are required to complete a Declaration of Interest Register at each of their meetings. Suppliers and Service Providers are required to complete a Declaration of Interest, namely Standard Bidding Document 4 (SBD4).

5. Code of conduct

The Department endeavours to comply with the Code of Conduct for the Public Service, issued by the Department of Public Service and Administration. Among other things, it has embarked on an initiative to continuously strengthen its capacity to comply with the code, which has been very successful. Disciplinary steps have been taken against officials who contravene the Code.

Bid Committee members and Supply Chain Management practitioners are also required to adhere to the Code of Conduct issued by the National Treasury.

6. Health, safety and environmental issues

The Department has a health and safety committee which meets when necessary, but at least once every three months. Meetings may also be called by an inspector, who may also do so if more than 10 per cent of the employees at a specific workplace have asked him to do so in writing.

The meeting schedule has been communicated to all Occupational Health and Safety (OH&S) representatives for the new financial year. The Directorate: Security Management has also finalised a Key Performance Area with Human Resource Management in terms of which OH&S representatives are included in their work plans. OH&S representatives have been informed of monthly reporting requirements, and non-compliance will be reported to their managers.

7. Internal control unit

The Internal Control Directorate is tasked with ensuring that effective, efficient and transparent internal control systems are maintained in compliance with the requirements of the PFMA as well as Treasury regulations. Its focus areas are to:

- Facilitate the implementation of appropriate systems and processes in order to ensure the effective, efficient, economical and transparent use of the Department's resources;
- Facilitate the review and development of the Department's financial policies and guidelines;
- Design and facilitate the implementation of internal controls for managing, safeguarding and maintaining all assets of the Department as well as managing its liabilities;
- Co-ordinate effective responses to internal and external audit queries, including monitoring action plans by management;
- Monitor the implementation of and compliance with financial legislative requirements, such as the PFMA, Treasury Regulations, and related prescripts;

- Facilitate effective and appropriate steps to prevent unauthorised and irregular expenditure and recommend action against any official who makes or permits such expenditure; and
- Monitor staff in terms of internal control, financial risk management and financial policy processes and procedures.

The unit has identified critical processes and conducted an analysis for the following areas:

- Document management
- Co-ordination of audits
- Management of financial misconducts
- Departmental losses and damages
- Facilitation of financial policies
- Co-ordination of risk management

The unit conducted workshops and other training sessions on the developed norms and standards in order to sensitize relevant officials to issues relating to internal controls, the co-ordination of audits, financial misconduct, and loss control as part of the Internal Control Policy approved in January 2013.

Auditor General audits were effectively facilitated and co-ordinated. An audit implementation action plan was developed and monitored.

The dashboard system of internal controls for preventing, detecting and correcting misstatements, control deviations and instances of non-compliance was assessed. It found that effective controls were in place, and that efforts should now be directed at maintaining the system.

The unit also assessed compliance with financial prescripts on payment batches, and ensured the safekeeping of such documents. Findings of non-compliance were reported and resolved.

8. Audit Committee Report

Refer to page 131 of this Annual Report.

The dashboard system of internal controls was assessed. It found that effective controls were in place, and that efforts should now be directed at maintaining the system.



PART D

Human Resources Management

1 Legislation governing HR management

The South African Constitution (Chapter 10 (195(1)(h))) requires the public service to be governed in terms of democratic values and principles, including good human resource management practices, in order to maximise human potential. Flowing from this, human capital management in the public service is governed by a wide array of laws, regulations, bargaining council resolutions and directives, including:

- The Public Service Act
- Public Service Regulations
- The Labour Relations Act
- The Skills Development Act
- The Skills Development and Levies Act
- The Basic Conditions of Employment Act
- The Promotion of Administrative Justice Act
- The Promotion of Access to Information Act
- PSCBC Resolutions
- PHSDSBC Resolutions

Given that HR management has such a complex regulatory framework, it is largely compliance-driven. However, the field of HR has shifted from being purely compliance- and administration-driven to functioning as a strategic business partner, in terms of developing an understanding the Department's core business and advising on HR matters in order to ensure that the Department's mandate is met.

2 Introduction

The HR function is well established through the Chief Directorate: Human Capital Management. The Chief Directorate encompasses four Directorates, focusing on:

- Human Resource Development (including performance management);
- Labour Relations;
- Organisational Design and HR planning; and
- Human Resource Management (HR Administration, Recruitment and Employee Health and Wellness).

2.1 Overview of human capital matters

The Chief Directorate is staffed by about 50 officials who are responsible for all aspects of HR. Policies are in place. Delegations as well as HR processes and systems are well established.

Human capital is the core of any organisation, and HR practices must therefore ensure that human capital is optimally developed and utilised, and that the morale of officials is boosted in a conducive and enabling environment.

In order to achieve this, the Department ensures that all its HR policies are regularly reviewed. It has developed retention measures through the Occupational Specific Dispensation for Social Service Professions and Related Occupations, and participates in a task team on the retention of social workers in the sector. The Department undertook a Corporate

Climate Survey, and is currently developing interventions for addressing issues emanating from the survey.

Appreciating the value of employees, reducing the vacancy rate to 5 per cent, addressing all grievances within three months, and having a fully operational performance management and development system are some of the norms and standards that the Department will endeavour to uphold.

Recognising that the continuous learning and development of employees plays a key role in maximising human capital, the Department regularly establishes development areas for employees, which inform a skills development plan expressing the principle of life-long learning.

2.2 HR priorities for the year under review, and their impact

Five HR priorities were identified and are dealt with below.

Fill post within three months

In order to ensure that the Department delivers on its mandate and objectives, it set an ambitious target of a 5% vacancy rate. This target would have been met; however, as the Department is currently in the process of reviewing and realigning its structure, additional posts were created during the reporting period which made this impossible. The Department further converted about 30 contract posts to permanent posts, which had to be advertised and filled. Moreover, the turnover rate, particularly at the Senior Management Service (SMS) level, increased in about October. Filling these types of posts within the required time frame is often difficult, because some appointments need to be approved by Cabinet and rely on the availability of Ministers to serve on selection panels. This priority has a major impact on the Department as it ensures that proper leadership is provided and that services are delivered. The effects of not meeting the target of reducing the vacancy rate to 5 per cent was mitigated by actively managing the appointment processes. The vacuum created by vacant high-level posts is considerable.

Develop and implement a Sector Human Capital Strategy and Plan for 2013/2014–2019/2020

The development of a Human Capital Strategy and Plan for the Social Development Sector is still in progress. Due to financial and capacity constraints, the draft strategy and plan could not be finalised in the year under review, and this task was carried over to the next cycle. In order to address financial and capacity constraints, Terms of Reference were developed for the appointment of a service provider to facilitate the development of the strategy and plan, and alternative funding mechanisms, including donor funding, will be explored. The strategy and plan will provide a basis for accurately determining the human resource needs in the Social Development Sector, and will serve as a business case for additional funding aimed at ensuring that the sector is adequately capacitated.

Implement a Work Place Skills Plan

The Department continued to upgrade the competencies and skills of its workforce. During the year under review, various training courses were held, other opportunities for skills development were created, and a number of officials were awarded bursaries for further study. The Department continued its internship programme. It supported the policy of Continuous Professional Development (CPD) of the South African Council for Social Service Professions, and a number of training programmes developed by line managers were accredited for CPD points.

Manage performance

In terms of its legislative framework, the Department is required to manage its performance in a consultative, supportive and non-discriminatory way in order to enhance its organisational efficiency and effectiveness, its accountability for the use of resources, and the achievement of results. To achieve these objectives, the Department manages a formal performance management and development system.

Provide labour relations support

The Department endeavours to comply with the relevant norms and for finalising cases of misconduct. Various interventions for building the capacity of shop stewards and developing sound labour relations in the sector were implemented.

2.3 Workforce planning framework and key strategies for attracting and recruiting a skilled and capable workforce

Over and above the Occupational Specific Dispensation (OSD) for Social Service Professions and Related Occupations, the Department also develops an Annual Human Resources Plan, which seeks to ensure that it has the requisite capacity and capability to deliver on its mandate. The plan takes note of the 12 government outcomes, 18 sector priorities, and three specific outcomes which the Minister must seek to achieve.

Government departments are required to develop and submit annual HR Plans and progress reports to the Department of Public Service and Administration. The purpose of HR Plans are to identify future scarce and critical skills that need to be prioritised and filled by way of normal recruitment and selection practices. The Department submitted its annual HR Plan and progress reports on time.

2.4 Employee performance management framework

Performance Management involves planning, reviewing evaluating, recognising and rewarding performance. Performance management within the Department is a structured process and is conducted within an approved framework which includes compliance with the Public Service Act, 1994 (as amended) as well as Part VIII of the Public Service Regulations 2001 (as amended). Chapter 4 of

the SMS Handbook as well as the Departmental Performance Management and Development System (PMDS) Policy is also taken into consideration.

Performance appraisals are conducted on an annual basis, and form part of a wider process for linking individual performance management and development to organisational performance. A performance assessment tool is used which provides linkages to the Key Performance Areas (KPAs) and indicators set out in the SMS performance agreements and work plans. Mid-term reviews are conducted, and performance moderation committees convene annually to moderate the performance of all qualifying officials and recommend performance incentives.

2.5 Employee Health and Wellness Programme

As part of the role of being a strategic partner and ensuring a conducive environment for employees, the Department has an approved five-year EHW Strategy focusing on four core pillars of wellness, which is managed by a dedicated Unit for Health and Wellness. The strategy provides for specific activities in respect of each pillar.

Measures aimed at combating HIV and AIDS include the regular distribution of condoms, awareness campaigns, and the commemoration of World AIDS Day.

With regard to Health and Productivity Management, awareness is created among employees by inviting experts in specific fields to provide information sessions. Diabetes and healthy lifestyle information is provided. The flagship programme under this pillar is the Annual Sports Day which takes place in September each year. Employees are encouraged to participate in the fun walk, soccer and netball matches as well as other activities.

Safety, Health, and Environment Quality (SHERQ) management is dealt with by safety representatives and a safety committee, which meets on a regular basis.

As regards Wellness Management, the two EHW practitioners who are qualified social workers provide counselling and debriefing sessions to employees in need. Information sessions are conducted for all employees. For specialised services, employees are referred to specialists at the Department's expense.

2.6 Policy development highlights

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

- Organisational Review and Design Policy (developed).
- Job Evaluation Policy (reviewed).
- Bereavement Policy (reviewed).
- Recruitment and Selection (reviewed): the Management Committee supported a competency-based interviewing technique, and 108 selection committee members were trained. The policy was reviewed to include this technique,



but was due to be discussed with stakeholders in the first quarter of the 2013/14 financial year.

- Staff Exit Policy (developed): Consultations on this proposed policy were due to start in the first quarter of the 2013/14 financial year.

2.7 Challenges faced by the Department

The scarcity of financial and human resources within the current economic climate continues to affect the Department's capacity to deliver on its mandate. From an HR perspective, it means that the Department has to prioritise critical posts, taking into account its budget provisions as well as the prescribed turnaround times for filling posts.

Although the level of compliance with HR policies is high, there is still room for improvement, especially with regard to adherence to due dates in specific areas such as the submission of performance agreements and work plans under the PMDS Policy.

Challenges are also experienced in respect of adherence to time frames by members of panels responsible for interviewing job applicants.

The Department will continue to explore options for recruiting and retaining competent and capable employees, thus ensuring efficient and effective service delivery. Risk plans are in place and are being monitored on a continuous basis. This will

mitigate the impact of certain challenges to the Department's ability to maintain an effective and efficient HR function.

2.8 Future HR plans and goals

The Department's proposed new organisational structure was approved by the Department of Public Service and Administration. The organisational review process gave the Department an opportunity to amalgamate pockets of structural changes which had been introduced since the last organisational restructuring process in 2008, and to assess what should be done to strengthen its capacity to perform its core functions. Functional areas that have been strengthened include anti-substance abuse, social crime prevention, services to children, victim empowerment, and corporate governance. Priority posts which need to be filled over the MTEF period have been identified.

3 Human resources oversight statistics

3.1 Personnel-related expenditure

The following tables summarise final audited personnel-related expenditure by programme and by salary bands. In particular, they reflect amounts spent on personnel; and amounts spent on salaries, overtime, home owner's allowances, and medical aid.

3.1.1 Personnel expenditure by programme

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and Special Services expenditure (R'000)	Personnel expenditure as % of total expenditure (R'000)	Average personnel cost per employee (R'000)
P1: Administration	253 675	130 092	0	0	1.8	339 666
P3: Social Security Policy And Administration	6 216 660	34 771	0	0	0.5	324 963
P4: Welfare Services Policy Development and Implementation Support	525 048	78 566	0	0	1.1	407 078
P5: Social Policy and Integrated Service Delivery	260 253	47 952	0	0	0.7	333 000
TOTAL	7 255 636	291 381	0	0	1.0	352 335

3.1.2 Personnel costs by salary band

Salary bands	Personnel expenditure (R'000)	% of total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1–2)	315	0.0	2	157 500
Skilled (levels 3–5)	5 974	0.1	50	119 480
Highly skilled supervision (levels 6–8)	48 903	0.7	265	184 540
Highly skilled production (levels 9–12)	124 323	1.7	295	421 434
Senior management (levels 13–16)	74 750	1.0	91	821 429
Contract (levels 3–5)	1 512	0.0	6	252 000
Contract (levels 6–8)	12 933	0.2	25	517 320
Contract (levels 9–12)	8 171	0.1	10	817 100
Contract (levels 13–16)	10 862	0.1	7	1 551 714
Periodic remuneration	3 638	0.1	76	47 868
Total	291 381	4.0	827	352 335

3.1.3 Salaries, overtime, home owners allowance and medical aid by programme

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total personnel cost per programme
	Amount (R'000)	% of personnel costs	Amount (R'000)	Overtime as % of personnel costs	Amount (R'000)	HOA as % of personnel costs	Amount (R'000)	Medical aid as % of personnel costs	
P1: Administration	87 679	67.4	247	0.2	3 027	2.3	4 024	3.1	94 977
P3: Social Security Policy and Administration	23 403	67.3	0	0.0	445	1.3	612	1.8	24 460
P4: Welfare Services Policy Development and Implementation Support	54 823	232.7	0	0.0	1 378	4.9	2 243	2.9	58 444
P5: Social Policy and Integrated Service Delivery	32 791	68.4	316	0.7	881	1.8	1 624	3.4	35 612
TOTAL	198 696	68.2	563	0.2	5 731	2.0	8 503	2.9	213 493

3.1.4 Salaries, overtime, home owners allowance and medical aid by salary band

Salary bands	Salaries		Overtime		Home Owners Allowance		Medical aid		Total personnel cost per salary band (R'000)
	Amount (R'000)	% of personnel costs	Amount (R'000)	% of personnel costs	Amount (R'000)	HOA as % of personnel costs	Amount (R'000)	Medical aid as % of personnel costs	
Lower skilled (levels 1–2)	181	0.1	2	0.7	32	0.0	56	18.6	271
Skilled (levels 3–5)	3 516	1.2	17	0.3	436	0.1	424	7.7	4 393
Highly skilled production (levels 6–8)	30 153	10.3	326	0.7	2 043	0.7	3 318	7.2	35 840
Highly skilled supervision (levels 9–12)	83 200	28.6	112	0.1	1 521	0.5	3 684	3.2	88 517
Senior management (levels 13–16)	52 919	18.2	0	0.0	1 609	0.6	958	1.3	55 486
Contract (levels 3–5)	1 217	0.4	62	4.1	11	0.0	0	0.0	1 290
Contract (levels 6–8)	11 787	4.0	44	0.3	11	0.0	0	0.0	11 842
Contract (levels 9–12)	6 793	2.3	0	0.0	17	0.0	20	0.2	6 830
Contract (levels 13–16)	8 930	3.1	0	0.0	51	0.0	43	0.4	9 024
Periodic remuneration	0	0.0	0	0.0	0	0.0	0	0.0	0
TOTAL	198 696	68.2	563	0.2	5 731	2.0	8 503	3.1	213 493

3.2 Employment and vacancies

The following tables summarise the Department's post establishment, the number of employees, the vacancy rate, and whether any staff members are additional to the post establishment. This information is presented in terms of three key variables: programme, salary band, and critical occupations.

The Department has identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of unfilled posts.

3.2.1 Employment and vacancies by programme

Programme	Approved posts	Posts filled	Vacancy rate	Additional employment
P1: Administration	360	325	9.7	28
P3: Social Security Policy and Administration	98	80	18.4	6
P4: Welfare Services Policy Development and Implementation Support	193	179	7.3	6
P5: Social Policy and Integrated Service Delivery	133	119	10.5	8
Total	784	703	10.3	48

3.2.2 Employment and vacancies by salary band

Salary band	Approved posts	Posts filled	Vacancy rate (%)	Additional employment
Lower skilled (levels 1–2)	2	2	0.0	0
Skilled (levels 3–5)	52	50	3.8	0
Highly skilled production (levels 6–8)	299	265	11.4	0
Highly skilled supervision (levels 9–12)	315	295	6.3	0
Senior management (levels 13–16)	116	91	21.6	0
Contract (levels 3–5), permanent	0	0	0.0	6
Contract (levels 6–8), permanent	0	0	0.0	25
Contract (levels 9–12), permanent	0	0	0.0	10
Contract (levels 13–16), permanent	0	0	0.0	7
TOTAL	784	703	10.3	48

The vacancy rate increased by 3.7% due to the restructuring of two functional areas as well as the conversion of some contract posts to permanent posts.

3.2.3 Employment and vacancies by critical occupations

Critical occupations	Approved posts	Posts filled	Vacancy rate (%)	Additional employment
Communication and information-related, permanent	9	7	22.2	1
Community development workers, permanent	19	19	0.0	0
Financial and related professionals, permanent	35	30	14.3	3
General legal administration & related professionals, permanent	8	5	37.5	3
Heads of department	1	0	100.0	0
Human resources & organisational development & related professionals, permanent	19	18	5.3	0
Logistical support personnel, permanent	21	18	14.3	0
Senior managers, permanent	115	90	21.7	7
Social work and related professionals, permanent	81	76	6.2	0
TOTAL	308	263	14.6	14

3.3 Job evaluation

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

3.3.1 Job evaluation

Salary band	Approved posts	Posts evaluated	% of posts evaluated by salary band	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1–2)	2	0	0.0	0	0	0	0
Skilled (levels 3–5)	52	9	17.3	0	0	0	0
Highly skilled production (levels 6–8)	299	18	6	2	11.1	0	0
Highly skilled supervision (levels 9–12)	315	27	8.6	0	0	0	0
SMS Band A	82	18	22	0	0	0	0
SMS Band B	23	9	39.1	0	0	0	0
SMS Band C	7	6	85.7	0	0	0	0
SMS Band D	4	0	0	0	0	0	0
Contract (levels 3–5)	6	0	0	0	0	0	0
Contract (levels 6–8)	25	4	16	0	0	0	0
Contract (levels 9–12)	10	2	20	0	0	0	0
Contract (Band A)	5	2	40	0	0	0	0
Contract (Band B)	1	0	0	0	0	0	0
Contract (Band C)	1	0	0	0	0	0	0
Total	832	95	11.4	2	2.1	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their posts being upgraded. The number of employees may differ from the number of upgraded posts, since not all employees were automatically absorbed into the new posts, and some of the upgraded posts could also be vacant.

3.3.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Indian	Coloured	White	Total
Female	2	0	0	0	2
Male	0	0	0	0	0
Total	2	0	0	0	2
Employees with a disability	0	0	0	0	0

The following table summarises the number of cases where remuneration levels were higher than those determined by the job evaluations. Reasons for these deviations are provided in each case.

3.3.3 Employees who received higher salaries than those determined by job evaluation by occupation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Senior management	2	13	14	Retention
Administrative	1	11	13	Retention
Total	3			
Percentage of total employed				0

3.3.4 Profile of employees who received higher salaries than those determined by job evaluation

Beneficiaries	African	Indian	Coloured	White	Total
Female	1	0	0	0	1
Male	2	0	0	0	2
Total	3	0	0	0	3
Employees with a disability	0	0	0	0	0
Total number of employees whose salaries exceeded those determined by job evaluations					3

3.4 Employment changes

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

3.4.1 Annual turnover rates by salary band

Salary band	Employment at 1 April 2012	Appointments and transfers to the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1–2)	3	0	0	0.0
Skilled (levels 3–5)	43	5	0	0.0
Highly skilled production (levels 6–8)	253	35	30	11.9
Highly skilled supervision (levels 9–12)	284	21	9	3.2
SMS Band A	69	1	7	10.1
SMS Band B	23	1	4	17.4
SMS Band C	4	0	2	50.0
SMS Band D	2	0	0	0.0
Contract (levels 3–5)	1	6	1	100.0
Contract (levels 6–8)	43	17	11	25.6
Contract (levels 9–12)	16	4	2	12.5
Contract (Band A)	8	1	0	0.0
Contract (Band B)	2	0	0	0.0
Contract (Band C)	0	0	1	0.0
Contract (Band D)	1	1	0	0.0
Total	752	92	67	8.9

3.4.2 Annual turnover rates by critical occupation

Critical occupation	Employment at 1 April 2012	Appointments and transfers to the department	Terminations and transfers out of the department	Turnover rate
Communication and information related, permanent	9	0	1	11.1
Community development workers, permanent	17	0	1	5.9
Financial and related professionals, permanent	27	2	1	3.7
General legal administration & related professionals, permanent	3	1	0	0.0
Head of department/chief executive officer, permanent	1	0	1	100.0
Human resources & organisational development & related professionals, permanent	18	1	2	11.1
Logistical support personnel, permanent	11	0	3	27.3
Senior managers, permanent	97	1	14	14.4
Social work and related professionals, permanent	80	0	3	3.8
TOTAL	263	5	26	9.9

3.4.3 Reasons why staff left the department

Termination type	Number	% of total departures
Death	1	1.5
Resignation	50	74.6
Expiry of contract	12	17.9
Dismissal – misconduct	1	1.5
Retirement	3	4.5
Total	67	100.0
Total number of employees who left as % of total employment		8.9

3.4.4 Promotions by critical occupation

Critical occupation	Number of employees on 1 April 2012	Promotions to another salary level	Salary level promotions as % of employees by critical occupation	Progressions to another notch within a salary level	Notch progression as % of employees by critical occupation
Communication and information related, permanent	9	0	0.0	6	66.7
Community development workers, permanent	17	1	5.9	10	58.8
Financial and related professionals, permanent	27	3	11.1	6	22.2
General legal administration & related professionals, permanent	3	1	33.3	0	0.0
Head of department/chief executive officer, permanent	1	0	0.0	1	100.0
Human resources & organisational development & related professionals, permanent	18	0	0.0	16	88.9
Logistical support personnel, permanent	11	1	9.1	2	18.2
Senior managers, permanent	97	1	1.0	6	6.2
Social work and related professionals, permanent	80	2	2.5	40	50.0
TOTAL	263	9	3.4	87	33.1

3.4.5 Promotions by salary band

Salary band	Employees on 1 April 2012	Promotions to another salary level	Salary level promotions as % of employees by occupation	Progressions to another notch within a salary level	Notch progression as % of employees by salary band
Lower skilled (levels 1–2)	3	0	0.0	0	0.0
Skilled (levels 3–5)	43	0	0.0	28	65.1
Highly skilled production (levels 6–8)	253	11	4.3	107	42.3
Highly skilled supervision (levels 9–12)	284	6	2.1	171	60.2
Senior management (levels 13–16)	98	2	2.0	4	4.1
Contract (levels 3–5)	1	0	0	1	100.0
Contract (levels 6–8)	43	1	2.3	9	20.9
Contract (levels 9–12)	16	1	6.3	5	31.3
Contract (levels 13–16)	11	0	0.0	0	0.0
Total	752	21	2.8	325	43.2

The number of internal promotions decreased by 34 per cent compared to the previous financial year.

3.5 Employment equity

3.5.1 Total number of employees (including employees with disabilities) by occupational category as at 31 March 2013

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	38	4	3	5	36	3	2	7	98
Professionals	58	3	3	8	107	6	3	17	205
Technicians and associate professionals	114	2	4	4	230	6	5	23	388
Clerks	25	0	0	0	28	1	0	1	55
Plant and machine operators and assemblers	2	0	0	0	0	0	0	0	2
Elementary occupations	0	0	0	0	3	0	0	0	3
Total	237	9	10	17	404	16	10	48	751
Employees with disabilities	3	0	1	2	6	0	0	2	14

The number of employees with disabilities decreased by 14% compared to the previous financial year.

3.5.2 Total number of employees (including employees with disabilities) by occupational band on 31 March 2013

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	1	0	0	2	0	0	0	5
Senior management	31	3	3	5	33	2	2	7	86
Professionally qualified and experienced specialists and middle management	57	3	3	8	107	6	3	17	204
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	103	1	4	4	209	6	4	23	354
Semi-skilled and discretionary decision-making	23	0	0	0	27	1	0	1	52
Unskilled and defined decision-making	2	0	0	0	0	0	0	0	2
Contract (top management)	1	0	0	0	0	0	0	0	1
Contract (senior management)	4	0	0	0	1	1	0	0	6
Contract (professionally qualified)	1	0	0	0	0	0	0	0	1
Contract (skilled technical)	11	1	0	0	21	0	1	0	34
Contract (semi-skilled)	2	0	0	0	4	0	0	0	6
Total	237	9	10	17	404	16	10	48	751

3.5.3 Recruitment during the period 1 April 2012 to 31 March 2013

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and middle management	8	0	0	1	15	0	0	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	15	1	0	0	16	1	0	2	35
Semi-skilled and discretionary decision-makers	2	0	0	0	3	0	0	0	5
Contract (professionally qualified)	0	0	0	0	4	0	0	0	4
Contract (skilled technical)	6	1	0	0	9	0	0	0	16
Contract (semi-skilled)	2	0	0	0	4	0	0	0	6
Total	35	2	0	1	51	1	0	2	92
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.5.4 Promotions during the period 1 April 2012 to 31 March 2013

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	2	0	0	0	2
Professionally qualified and experienced specialists and middle managers	4	0	0	1	2	0	0	0	7
Skilled technical and academically qualified workers, junior managers, supervisors, foremen and superintendents	6	0	0	0	4	0	0	0	10
Contract (senior management)	0	0	0	0	0	0	0	0	0
Contract (professionally qualified)	0	0	0	0	0	0	0	0	0
Contract (skilled technical)	2	0	0	0	0	0	0	0	2
Total	12	0	0	1	8	0	0	0	21
Employees with disabilities	0	0	0	0	1	0	0	0	1

3.5.5 Terminations during the period 1 April 2012 to 31 March 2013

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	1	0	0	1	0	0	0	3
Senior management	5	0	0	2	3	0	0	1	11
Professionally qualified and experienced specialists and middle managers	3	0	1	0	4	0	0	0	8
Skilled technical and academically qualified workers, junior managers, supervisors, foremen and superintendents	9	0	0	2	17	0	0	2	30
Contract (senior management)	0	0	0	0	1	0	0	0	1
Contract (professionally qualified)	1	0	0	0	1	0	0	0	2
Contract (skilled technical)	3	0	0	0	8	0	0	0	11
Contract (semi-skilled)	0	0	0	0	1	0	0	0	1
Total	22	1	1	4	36	0	0	3	67
Employees with disabilities	2	0	0	0	0	0	0	0	2

3.5.6 Disciplinary action during the period 1 April 2012 to 31 March 2013

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Misuse of state vehicle and fraud	1	0	0	0	0	0	0	0	1
Total	1	0	0	0	0	0	0	0	1

3.5.7 Skills development during the period 1 April 2012 to 31 March 2013

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	25	1	2	5	22	1	3	5	64
Professionals	37	3	2	4	71	2	1	12	132
Technicians and associate professionals	48	0	3	2	104	0	1	6	164
Clerks	10	0	0	0	8	1	0	0	19
Plant and machine operators and assemblers	2	0	0	0	0	0	0	0	2
Elementary occupations	1	0	0	0	0	0	0	0	1
Total	123	4	7	11	205	4	5	23	382
Employees with disabilities	1	0	1	1	5	0	0	1	9
Interns	12	0	0	0	35	0	0	0	47

3.6 Performance rewards

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

3.6.1 Performance rewards by race, gender and disability, 1 April 2012 to 31 March 2013

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African male	53	234	22.6	667	13
Indian male	1	9	11.1	31	31
Coloured male	1	9	11.1	17	17
White male	3	15	20.0	38	13
African female	92	398	23.1	1 142	12
Indian female	0	10	0.0	0	0
Coloured female	3	16	18.8	50	17
White female	21	46	45.7	285	14
Employees with a disability	2	14	14.3	42	21
TOTAL	176	751	23.4	4 179	24

3.6.2 Performance rewards by salary band for personnel below Senior Management Service (SMS) level, 1 April 2012 to 31 March 2013

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	Total cost as % of total personnel expenditure
Lower skilled (levels 1–2)	2	2	100.0	5	3	1 500.0
Skilled (levels 3–5)	22	52	42.3	106	5	96.0
Highly skilled production (levels 6–8)	85	264	32.2	863	10	38.0
Highly skilled supervision (levels 9–12)	62	294	21.1	1 219	20	68.0
Contract (levels 3–5)	0	6	0.0	0	0	0.0
Contract (levels 6–8)	2	25	8.0	24	12	480.0
Contract (levels 9–12)	1	10	10.0	13	13	1 300.0
TOTAL	174	653	26.6	2 230	13	20.0

3.6.3 Performance rewards by critical occupation, 1 April 2012 to 31 March 2013

Critical occupation	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee	Total cost as % of total personnel expenditure
Communication and information related, permanent	0	8	0.0	0	0	0
Community development workers, permanent	5	19	26.3	131	26 200	1 378 947
Financial and related professionals, permanent	4	33	12.1	97	24 250	734 848
General legal administration & rel. professionals, permanent	1	8	12.5	16	16 000	2 000 000
Head of department/chief executive officer, permanent	0	1	0.0	0	0	0
Human resources & organisational development & related professionals, permanent	8	18	44.4	108	13 500	750 000
Logistical support personnel, permanent	2	18	11.1	20	10 000	555 556
Senior managers, permanent	2	97	2.1	42	21 000	216 495
Social work and related professionals, permanent	11	76	14.5	361	32 818	431 818
Total	33	278	11.9	775	23 485	84 478

3.6.4 Performance-related rewards (cash bonuses) for Senior Management Service (SMS) salary band

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total cost (R'000)	Average cost per employee	Total cost as % of total personnel expenditure
Band A	1	73	1.4	28	28 000	58 688
Band B	1	18	5.6	14	14 000	20 873
Band C	0	2	0.0	0	0	0
Band D	0	4	0.0	0	0	0
Total	2	97	2.1	42	21 000	79 561

3.7 Foreign workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and occupations. They also summarise changes in the total number of foreign workers by salary band and occupation.

3.7.1 Foreign workers by salary band, 1 April 2012 to 31 March 2013

Salary band	01 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% change
Contract (levels 9–12)	2	66.7	1	50	–1	100.0
Contract (levels 13–16)	1	33.3	1	50	0	0.0
Total	3	100.0	2	100	–1	100.0

3.7.2 Foreign workers by major occupation, 1 April 2012 to 31 March 2013

Major occupation	01 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	2	66.7	1	50	–1	100
Senior management	1	33.3	1	50	0	0
TOTAL	3	100.0	2	100	–1	100

3.8 Leave utilisation for the period 1 January 2012 to 31 December 2012

The Public Service Commission identified a need for the 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.

3.8.1 Sick leave, 1 January 2012 to 31 December 2012

Salary band	Total days taken	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1–2)	28	100.0	2	0.3	14	7
Skilled (levels 3–5)	226	74.8	41	7.2	6	77
Highly skilled production (levels 6–8)	1 366	81.0	201	35.1	7	824
Highly skilled supervision (levels 9–12)	1 579	72.9	229	40.0	7	1 916
Senior management (levels 13–16)	375	84.3	55	9.6	7	695
Contract (levels 3–5)	19	31.6	4	0.7	5	7
Contract (levels 6–8)	112	68.8	26	4.5	4	62
Contract (levels 9–12)	43	74.4	11	1.9	4	41
Contract (levels 13–16)	13	76.9	4	0.7	3	25
TOTAL	3 761	77.0	573	100.0	7	3 654

3.8.2 Disability leave (temporary and permanent), 1 January 2012 to 31 December 2012

Salary band	Total days taken	90 days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Highly skilled production (Levels 6–8)	55	100	6	37.5	9	21
Highly skilled supervision (Levels 9–12)	230	100	8	50	29	211 212
Senior management (Levels 13–16)	21	100	2	12.5	11	57
Total	306	100	16	0	19	211 290

PART D: HUMAN RESOURCES MANAGEMENT

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

3.8.3 Annual Leave, 1 January 2012 to 31 December 2012

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1–2)	43	22	2
Skilled (levels 3–5)	974	18	53
Highly skilled production (levels 6–8)	4 771	22	216
Highly skilled supervision(levels 9–12)	6 262	22	285
Senior management (levels 13–16)	1 911	22	85
Contract (levels 3–5)	53	8	7
Contract (levels 6–8)	815	17	47
Contract (levels 9–12)	231	14	17
Contract (levels 13–16)	222	19	12
TOTAL	15 282	21	724

3.8.4 Capped leave, 1 January 2012 to 31 December 2012

Salary band	Total days of capped leave taken	Number of Employees taking capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 December 2012
Highly skilled production (levels 6–8)	0	0	0	4
Highly skilled supervision(levels 9–12)	34	4	9	8
Senior management (levels 13–16)	30	3	10	21
Total	64	7	9	8

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

3.8.5 Leave payouts, 1 January 2012 to 31 December 2012

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave pay-outs on termination of service for 2012/13	312	4	78 000
Current leave pay-out on termination of service for 2012/13	659	33	19 970
Total	971	37	26 243

3.9 HIV/AIDS and Health Promotion Programmes

3.9.1 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his 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.	✓		Two (2) EAP Practitioners appointed. Annual budget: R150 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.	✓		Health Risks Assessment, EAP counselling services, Health and Wellness sessions on quarterly basis, Sports and Recreation and Financial Wellness.
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.	✓		Integrated EHW and OHS committee. Mr. T. van der Merwe, Directorate: Security Management, Mr. V. Haripersad, Occupational Health and Safety, Ms. S. Shongwe, Gender Focal Point, Mr. K. Shunmugum, People with Disabilities
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.	✓		Draft reasonable accommodation policy is currently been consulted with relevant stakeholders.
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.	✓		Employee Health and Wellness Policy
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	✓		Hundred (100) employees tested for HIV Counselling and testing. Fifty-Five (55) Females and forty-five (45) males tested.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		Health Risks Assessment reports, EAP Statistical Reports, Sick leave analysis.

3.10 Labour relations

3.10.1 Collective agreements

Subject matter	Date
Resolution 1 of 2012 (purchase of office space)	29 November 2012
Resolution 2 of 2012 (agreement on occupation-specific dispensation for engineers, technologists, technicians, artisans and scientists)	29 November 2012

PART D: HUMAN RESOURCES MANAGEMENT

The following table summarises the outcome of disciplinary hearings conducted within the Department during the year under review.

3.10.2 Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	0
Not guilty	0	0
Case withdrawn	0	0
Total	1	0

3.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct (based on annexure A)	Number	% of total
Misuse of state vehicle and fraud	1	0
Total	1	0

3.10.4 Grievances logged

	Number	% of Total
Number of grievances resolved	17	63
Number of grievances not resolved	10	37
Total number of grievances lodged	27	100

3.10.5 Disputes logged

	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	2	100
Total number of disputes lodged	2	100

3.10.6 Strike action

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

3.10.7 Precautionary suspensions

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

3.11 Skills development

This section highlights the efforts of the Department in respect of skills development.

3.11.1 Training needs identified

Occupational categories	Gender	Number of employees	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	48	0	29	8	37
	Male	50	0	30	6	36
Professionals	Female	133	0	158	51	209
	Male	72	0	80	24	104
Technicians and associate professionals	Female	264	0	234	66	300
	Male	124	0	131	40	171
Clerks	Female	30	0	24	5	29
	Male	25	0	24	10	34
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	2	0	0	0	0
Elementary occupations	Female	3	0	0	0	0
	Male	0	0	0	0	0
Subtotal	Female	478	0	445	130	575
	Male	273	0	265	80	345
Total		751	0	710	210	920
Interns	Female	37	0	35	20	55
	Male	11	0	21	0	21

3.11.2 Training provided

Occupational categories	Gender	Number of employees	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	48	0	21	35	56
	Male	50	0	30	27	57
Professionals	Female	133	0	46	71	117
	Male	72	0	41	33	74
Technicians and associate professionals	Female	264	0	97	34	131
	Male	124	0	63	19	82
Clerks	Female	30	0	21	2	23
	Male	25	0	15	2	17
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	2	0	1	0	1
Elementary occupations	Female	3	0	3	0	3
	Male	0	0	0	0	0
Subtotal	Female	478	0	188	142	330
	Male	273	0	150	81	231
Total		751	0	338	223	561
Interns	Female	37	0	40	49	89
	Male	11	0	12	18	30

3.12 Injury on duty

The following tables provide basic information about injury on duty.

3.12.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	100.0
Temporary total disablement	0	0.0
Permanent disablement	0	0.0
Fatal	0	0.0
Total	5	

3.13 Utilisation of consultants

3.13.1 Report on consultant appointments using appropriated funds

Project title	Total number of consultants who worked on project	Duration work days	Contract value (R)
Appointment of a service provider for collecting primary qualitative and quantitative data in the WC, NC, FS and NW for the project 'Factors associated with teenage pregnancy in SA'	2	120	R 800 000.00
Appointment of a service provider to develop an accessibility and spatial optimisation model for social infrastructure delivery	6	240	R 2 075 071.00
Appointment of a service provider to pilot a project for linking the unemployed to economic opportunities	4	240	R 5 362 171.00
Appointment of a service provider to conduct a national audit of 18 000 registered ECD Centres	8	360	R 14 003 519.18
Appointment of a service provider to support and maintain the NISIS	2	240	R 1 751 040.00
Appointment of a service provider to review the NDA	18	80	R 1 092 539.52
Service provider for accreditation of the caregiver manual for caregivers attending to older persons	1	160	R 439 071.00
Develop national intersectoral strategy and model for victim empowerment services	5	120	R 397 267.20
Appointment of a service provider to analyse the audit reports for all provinces, the DSD, SASSA and the NDA and consolidate these into a sectoral audit and risk report for 2011/12	2	60	R 420 000.00
Review the minimum norms and standards for diversion for 6 months	3	120	R 397 267.20
Study on understanding poor access to CSG	N/A	126	R 483 280.00
Training manual on family preservation support programmes	4	60	R 403 575.00
Basic financial books for social grants beneficiaries	3	120	R 393 984.00
SAS analyst and programmer	2	120	R 451 200.00
Gender mainstreaming interventions	1	71	R 385 650.00
Profile of social security beneficiaries	2	120	R 499 050.92
Governance assessment and implementation strategy and approach	5	90	R 497 587.20
Translate and edit the social grant book into 3 languages	2	60	R 117 535.00
Youth development	2	120	R 459 306.00
Total number of projects	Total individual consultants	Total duration work days	Total contract value (R)
19	40	1 280	R 30 429 114.22

3.13.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged individuals (HDIs)

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 for collecting primary qualitative and quantitative data in the WC, NC, FS and NW for the project 'Factors associated with teenage pregnancy in SA'	100.00	100.00	2
Appointment of a service provider to develop an accessibility and spatial optimisation model for the Department of Social Development social infrastructure delivery	20.54	20.54	2
Appointment of a service provider to pilot a project for linking the unemployed to economic opportunities	0.00	50.00	2
Appointment of a service provider to conduct a National audit of 18 000 registered ECD Centres	98.00	96.00	5
Appointment of a service provider for the support and maintenance of the NISIS	50.00	50.00	1
Appointment of a service provider to review the NDA	100.00	100.00	18
Service provider for accreditation of the caregiver manual for care-givers attending to older persons	83.3	83.3	1
Develop National inter-sectoral strategy and model for victim empowerment services	100	100	3
Appointment of a service provider to analyse the audit reports for all provinces, the DSD, SASSA and the NDA and consolidate them into a sectoral audit and risk report for 2011/12	100	100	2
Review the minimum norms and standards for diversion for 6 months	100	100	3
Study on understanding poor access to CSG	100	100	1
Training manual on family preservation support programmes	0 = NPO	0	1
Basic financial books for social grants beneficiaries	100	100	3
SAS analyst and programmer			2
Gender mainstreaming interventions	100	100	1
Profile of social security beneficiaries	N/A = University	N/A	0
Governance assessment and implementation strategy and approach	51.77	100	4
Translate and edit the social grant book into 3 languages	100.00	100.00	2
Youth Development	100.00	100.00	2

3.13.3 Report on consultant appointments using Donor Funds

Project title	Total number of consultants who worked on project	Duration work days	Donor and contract value (R)
Appointment of a research consortium (National Research Team) for a period of 36 months to facilitate national capacity building of child protection workers and conduct a national study on the dynamics and incidence of child abuse, neglect and exploitation (DICANE) in South Africa		780	9 064 277

3.13.4 Analysis of consultant appointments utilising Donor Funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project title	Percentage ownership by HD groups	Percentage management by HDI groups	Number of consultants from HD groups working on the project
Appointment of a research consortium (National Research Team) for a period of 36 months to facilitate national capacity building of child protection workers and conduct a national study on the dynamics and incidence of child abuse, neglect and exploitation (DICANE) in South Africa			



PART E

Financial Information

Annual Financial Statements

for the year ended 31 March 2013

Department of Social Development: Vote no. 19	131
Report of the Audit Committee	131
Report by the Accounting Officer	132
Accounting Officer's Statement of Responsibility	141
Report of the Auditor-General	142
Appropriation Statement	144
Notes to the Appropriation Statement	154
Statement of Financial Performance	156
Statement of Financial Position	157
Cash Flow Statement	158
Accounting Policies	159
Notes to the Annual Financial Statements	165
Disclosure Notes to the Annual Financial Statements	177
Annexures to the Annual Financial Statements	185
Disaster Relief Fund	192
Report of the Auditor-General to Parliament on the Disaster Relief Fund	192
Statement of Financial Performance	193
Statement of Financial Position	193
Statement of Changes in Net Assets	194
Cash Flow Statement	194
Notes to the Financial Statements of the Disaster Relief Fund	195
Refugee Relief Fund	203
Report of the Auditor-General To Parliament on the Refugee Relief Fund	203
Statement of Financial Performance	204
Statement of Financial Position	204
Statement of Changes in Net Assets	205
Cash Flow Statement	205
Notes to the Financial Statements of the Refugee Relief Fund	206
Social Relief Fund	212
Report of the Auditor-General to Parliament on the Social Relief Fund	212
Statement of Financial Performance	213
Statement of Financial Position	213
Statement of Changes in Net Assets	214
Cash Flow Statement	214
Notes to the Financial Statements of the Social Relief Fund	214
State President's Fund	221
Report of the Auditor-General to Parliament on the State Presidents Fund	221
Statement of Financial Performance	222
Statement of Financial Position	222
Statement of Changes in Net Assets	223
Cash Flow Statement	223
Notes to the Financial Statements of the Social Relief Fund	224

Report of the Audit Committee

for the year ended 31 March 2013

We are pleased to present our report for the financial year ended 31 March 2013.

Membership and attendance

The Audit Committee consists of the members listed below. As per its approved terms of reference, the Audit Committee should meet at least once every quarter. During the current year the following meetings were held:

Members	Number of meetings attended
Prof D P van der Nest (chairperson)	5
Ms S Hari	4
Mr B Potgieter	4
Mr W van Heerden	5

Responsibilities

The Audit Committee reports that it has carried out its responsibilities in terms of section 38(1)(a) of the PFMA, as well as 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 discharged the responsibilities as contained therein.

The effectiveness of internal controls

The system of internal control was effective during the year under review. Although a few instances of non-compliance were reported by internal and external auditors, there has been a marked improvement in the controls over grant funding. The Department has been requested to complete and submit an improvement plan to address shortcomings that still exist. Progress against the plan will be monitored by the committee.

The quality of the management and quarterly reports submitted in terms of the PFMA and Division of Revenue Act

The Audit Committee is satisfied with the content and quality of the quarterly reports prepared and issued by the accounting officer of the Department during the year under review, except for the matters reported in the Auditor-General's report. The system of control over the generation, verification and reporting of performance information was good, and no material findings were reported by the Auditor-General.

Evaluation of financial statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Acting Chief Financial Officer; and
- reviewed the Auditor-General's management letter, and management's response thereto.

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

Internal audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Department in its audit. The committee is monitoring capacity in the internal audit section.

Auditor-General South Africa

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

Conclusion

The Audit Committee wishes to congratulate the accounting officer, chief financial officer and management with the unqualified audit opinion on the financial statements and the performance information of the Department. We wish to thank the CEO and management of SASSA for their efforts in improving controls over grant administration, which has assisted the Department in obtaining an unqualified audit opinion. Lastly, we wish to thank the Auditor-General of South Africa for his value-adding contribution and interactions with the department.



Prof D P van der Nest

Chairperson, Audit Committee

Date: 31 July 2013

Report by the Accounting Officer

for the year ended 31 March 2013

1 General review of state of financial affairs

1.1 Important policy decisions and strategic issues facing the Department

In line with its mission and strategic objectives, the Department has been instrumental in providing a safety net for the poor, marginalised and vulnerable members of our society. To this end it has formulated a range of policies in areas such as social assistance and integrated developmental social welfare services. These efforts seek to expand and improve the services available to poor South Africans, thereby enabling them to support themselves and participate productively in the economy. Key achievements during the reporting period are described below.

1.1.1 Social safety net

The Department, through the South African Social Security Agency (SASSA), continues to provide social assistance in the form of cash transfers to eligible people. During the reporting period the number of people benefiting from social grants grew by 3,3% to 16 106 110. More than 2,8 million elderly people benefited from the Old Age Grant, while more than 11,3 million children benefited from the Child Support Grant.

1.1.2 Welfare services

Service standards: In order to address the shortage of social service professionals, the Department granted 2 037 new scholarships to aspiring social workers. This will also contribute to the realisation of Government Outcome 12: an efficient, effective and development-oriented public service. Besides this, the Department began to implement generic norms and standards for social welfare services, aimed at promoting professionalism in delivering these services.

Older persons: The Department registered 180 residential facilities for older persons, and 104 community-based services for older persons.

People with disabilities: The Department developed a policy on social development services to people with disabilities aligned with the United Nations Convention on Disability. It incorporates the principle of disability mainstreaming.

1.1.3 Children

Early Childhood Development: The Department developed an integrated Programme of Action for promoting ECD, emanating from the national ECD conference held in March 2012. A national prevention and early learning intervention strategy was developed and discussed with relevant stakeholders. It seeks to protect children against all forms of abuse, neglect and exploitation.

Adoptions: A total number of 1 696 adoptions were registered. Of these, 1 522 were national adoptions and 174 were inter-country adoptions. A total of 508 adoptable children and 237 prospective adoptive parents were registered.

The Children's Act: The Department continued to monitor the implementation of the Children's Act. Consequently, regulations under the Act were amended and gazetted.

Victim empowerment: One of the most notable achievements during the year under review was the completion of a draft bill for victim support services. It is aimed at addressing the gaps identified in existing victim empowerment legislation, and enabling the Department to register and manage shelters for abused women and children.

1.1.4 Substance abuse

The Prevention and Treatment of Substance Abuse Act (No. 70 of 2008) came into force in March 2013, providing a new framework for reducing the demand for and harm caused by substance abuse.

1.1.5 HIV and AIDS

As part of its contribution to the national objective of halving HIV/AIDS infections by 2015, the Department continued to implement its social behaviour change initiative. In this regard, psychosocial services were provided to 501 229 households.

Special projects and innovation: The Department continued to lead the Expanded Public Works Programme in the Social Development Sector. A total of 171 668 work opportunities were created.

Non-profit organisations (NPOs): The Department completed a policy for amending the legislation governing NPOs. It also continued to train provincial officials to help NPOs comply with the requirements for registration.

1.2 Significant events and developments

1.2.1 Welfare services

Older persons: As part of its determination to encourage active ageing, and comply with the Madrid International Plan on Active Ageing, the Department facilitated the hosting of the Golden Games in North West in October 2012. Events to celebrate and recognise centenarians were held in Mpumalanga and KwaZulu-Natal.

Children: Child Protection Week (CPW) was launched by the President at Galeshewe, Kimberley on 27 May 2012, and closed by the Minister at Phuthaditshaba in the Free State on 3 June 2012. The launch was preceded by a number of children's dialogues at which children in each province were trained to become agents of change on issues affecting children.

Substance abuse: The Department conducted a number of briefing sessions on the Programme of Action for combating substance abuse, and submitted monitoring reports to the Cabinet. A new board for the Central Drug Authority was appointed.

Youth: The Department hosted a national youth leadership camp in which 1 341 young people participated. This followed a recruitment drive in the form of provincial youth dialogues as well as provincial youth leadership camps.

1.2.2 Social Policy and Integrated Service Delivery

Registration and monitoring of non-profit organisations: In August 2012, the Department hosted a national NPO summit which adopted resolutions on issues relating to the relations between government and civil society, including standards of governance required for registration, and public funding for registered CSOs.

Report by the Accounting Officer

for the year ended 31 March 2013

Population policy promotion: The Department conducted a number of workshops with the Department of Education to promote the integration of population issues into school curricula. This involved 19 education districts in North West, Northern Cape and Free State.

Community development: The Department's sustainable livelihoods programme held a number of outreach initiatives which included profiling 187 703 households. Together with Food Bank South Africa, the Department implemented the Food for All programme which provided food to 555 957 households.

1.3 Major projects undertaken or completed during the year

The Department awarded scholarships to 2 037 social work students. This formed part of its recruitment and retention strategy for social service professionals.

The Department underwent a reorganisation exercise which resulted in the approval of a new organisational structure. This will enable the Department to better utilise available resources for efficient service delivery.

In order to deal with fraudulent access to social grants, SASSA undertook a major re-registration drive which resulted in the cancellation of some grants.

1.4 Financial performance during the past two years

The initial budget allocated Estimates of National Expenditure process, was reduced by R73 209 000. The adjustments were as follows:

- The National Treasury approved the roll-over Funds to the amount of R3 681 000 from the 2011/12 financial year. Of this, R3 million was utilised for finalising the NDA review, and R681 000 was paid to the South African National Council against Alcohol & Drug Dependency.
- R3 110 000 was added to personnel remuneration for the annual cost of living adjustments.
- SASSA declared a saving of R80 000 000 in respect of payments to contractors.

The final budget allocation of the Department for the 2012/13 financial year was R112 143 552 000.

1.5 Spending trends

The following tables summarise expenditure per programme and economic classification during the 2012/13 financial year, and provide comparative figures for the 2011/12 financial year.

Expenditure per programme, 2012/13

PROGRAMME	2012/13				2011/12	
	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
1. Administration	257 125	255 395	1 730	99.32%	244 600	243 976
2. Social Assistance	104 887 916	103 898 845	989 071	99.05%	97 103 213	95 972 987
3. Social Security Policy & Administration	6 211 780	6 198 417	13 363	99.78%	6 237 049	6 228 295
4. Welfare Service Policy Development and Implementation Support	525 048	502 618	22 430	95.72%	451 752	449 066
5. Social Policy and Integrated Service Delivery	261 683	260 301	1 382	99.47%	247 273	244 858
TOTAL	112 143 552	111 115 576	1 027 976	99.08%	104 283 887	103 139 182

Expenditure per economic classification, 2012/13

ECONOMIC CLASSIFICATION	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Current payments						
Compensation of employees	300 508	291 336	9 172	96.9%	276 657	273 567
Goods and services	324 403	297 440	26 963	91.7%	257 742	249 530
Interest on rent and land	–	–	–	0.0%	–	24
Transfers & subsidies						
Departmental agencies & accounts	6 542 033	6 542 033	–	100.0%	6 549 017	6 549 017
Foreign governments & international organisations	2 672	2 421	251	90.6%	2 473	2 244
Non-profit institutions	71 678	71 553	125	99.8%	74 829	72 143
Households	104 889 006	103 890 029	998 977	99.0%	97 104 609	95 964 528
Payment for capital assets						
Machinery & equipment	8 700	6 686	2 014	76.9%	17 495	16 920
Software & other intangible assets	4 552	4 175	377	91.7%	1 065	991
Payment for financial assets	–	9 903	(9 903)	0.0%	–	10 218
Total	112 143 552	111 115 576	1 027 976	99.08%	104 283 887	103 139 182

Report by the Accounting Officer

for the year ended 31 March 2013

The Department spent 99,08% of its voted funds in the 2012/13 financial year, compared with 98,9% in the 2011/12 financial year.

1.5.1 Reasons for underspending

Programme 1: Administration

Programme 1 reflected underexpenditure of R1 730 000, mainly due to normal staff turnover during the financial year.

Programme 2: Social Assistance

Programme 2 reflected underexpenditure of R989 071 000, due to the lower than expected uptake of social grants.

Programme 3: Social Security Policy and Administration

Programme 3 reflected underexpenditure of R13 363 000, mainly due to delays in finalising planned projects and establishing the Inspectorate for Social Security.

Programme 4: Welfare Services Policy Development and Implementation Support

Programme 4 reflected underexpenditure of R22 430 000, mainly due to delays in finalising the ECD project.

Programme 5: Social Policy and Integrated Service Delivery

Programme 5 reflected underexpenditure of R1 384 000, mainly due to funded vacancies and related operational costs.

1.5.2 Impact on programmes and service delivery

As noted earlier, the Department spent 99,1% of its allocated budget for the 2012/13 financial year. It asked the National Treasury to approve the roll-over of R17,5 million of unspent funds on goods and services to the 2013/14 financial year. This amount will be utilised to finalise projects related to the ECD Audit which were started in the 2012/13 financial year.

1.5.3 Actions taken or planned to avoid recurrence

The Department continued to monitor its spending trends on a monthly basis, and implemented cost saving measures from the start of the 2012/13 financial year. It conducted a programme performance review during which it identified areas of underperformance as well as remedial action needed to prevent this from recurring.

Although the vacancy rate increased from 5,2% to 10%, a total of 92 appointments were made, while only 67 officials left the Department. The Department also contracted 48 personnel additional to its staff establishment.

The Department faced challenges with respect to coordinating activities with provinces. In order to address these, it started working towards establishing a Social Development Council which would manage relations between

the national department and its provincial counterparts, and create a platform for harmonising social development services.

1.6 Virements

The following virements were effected:

1.6.1 Per main division

- An amount of R3 450 000 was shifted from Programme 3 to Programme 1 to fund the upgrading of the Departmental Local Area Network and central storage area.
- An amount of R4 880 000 was shifted from Programme 3 to fund increased expenditure under Programmes 1 and 5.
- An amount of R1 430 000 was shifted from Programme 3 to Programme 5 to fund Social Development Month and the provincial and national youth camps.

1.6.2 Per economic classification

An amount of R10 320 000 was shifted from Compensation of Employees to Goods and Services to fund increased expenditure on community outreach activities during Social Development Month and increased transfer payments to Soul City.

Approval was obtained from the National Treasury to increase payments to Soul City and Walvis Bay by R1,5 million and R246 000 respectively.

1.7 Services rendered by the Department

The Department is responsible for:

- Developing policies and strategies in the area of comprehensive social security, social welfare and community development;
- Social policy co-ordination and development within government and other sectors of society;
- Population and development research and integration across government departments;
- Providing leadership in strategic planning processes for the social development sector;
- Monitoring and evaluating social development programmes; and
- Policy implementation support.

1.8 Inventories

The Department only keeps one inventory, namely stationery, which had a book value of R1 483 000 as at 31 March 2013. The stationery is stored centrally at the Department's premises in the HSRC Building, 134 Pretorius Street, Pretoria.

1.9 Capacity constraints

Although the vacancy rate increased from 5,2% to 10%, appointments exceeded departures – a total of 92 appointments were made, while 67 officials left the

Report by the Accounting Officer

for the year ended 31 March 2013

Department. Besides this, the Department contracted 48 personnel additional to its staff establishment.

The Department developed a workplace skills plan in accordance with the National Skills Development Act (No. 97 of 1998). As such, the Human Capital Management Chief Directorate co-ordinated 106 courses which were attended by 429 officials at all levels within the Department.

In order to enhance the formal skills base of the Department, 128 officials were given bursaries for further study, and 48 interns were placed in various functional areas.

The Department continued to implement its Performance Management and Development System (PMDS), comprising performance agreements, work plans, mid-term review reports and annual performance appraisals as stipulated in its PMDS policy.

With regard to labour relations, social dialogue with trade unions as our social partners is entrenched in the Department and the sector, which enables us to successfully conclude collective agreements without undue conflict.

1.10 Revenue

The Department is a policy-making institution and therefore does not generate income. Its major revenue item relates to interest earned on social grant funding transferred to SASSA. The Special Investigations Unit (SIU) was contracted to identify and recover all fraudulent social grant debts. The SIU transferred the funds recovered to the Department in the course of the year. The Department reconciles amounts recovered with the debt book in the provinces as well as the SASSA debt book, and then transfers the remainder to revenue. It is not possible to accurately estimate the amount that will be recovered in respect of grant debtors.

It is also difficult to budget accurately for interest to be received during the year as this depends on the unspent amount in the bank accounts managed by SASSA. Details on revenue received appear in the Annual Financial Statements.

2 Utilisation of donor funds

2.1 Donations in kind

2.1.1 UNICEF (donation in kind): R 362 000

Contribution	Amount (R)
Audit of unregistered child and youth care centres and situational analysis of safe houses	32
Development of assessment tool for children in alternative care	330
Total	362 000

2.1.2 USAID (donation in kind): R 8 298 000

Contribution	Amount (R)
Development of the NPO registration and reporting system	2 205 000
Maintenance of the directory of services to children	1 141 000
Enhancement of the HCBC M&E system	430 000
Impact assessment of the HCBC support programme	694 000
Development of the DSD OVC national action plan 2012 – 2016	131 000
Placement of six staff members within DSD to provide various levels of support	2 438 000
Appointment of a consultant to write the URSD for the new DSD NPO database and manage the system developer	1 259 000
Total	8 298 000

2.1.3 JICA/Japanese Technical Cooperation Scheme (donation in kind): R 3 030 000

Contribution	Amount (R)
Centre spread in Rolling Inspiration magazine	16 000
Promotional materials on disability rights	350 000
Study tour of Japan by Departmental officials	582 000
Training on disability mainstreaming and despatch of a disability mainstreaming advisor to the Department	82 000
Implementation of interventions to strengthen HCBC M&E in North West and Northern Cape	2 000 000
Total	3 030 000

2.2 Donations in cash

2.2.1 Canadian International Development Agency (CIDA): R4 085 000

These funds were spent on the same project described in the Annual Report for 2011/12. R1 million was spent on salaries, and R1,5 million on transfers to Child Welfare Canada for work on the child register. Other spending was on day-to-day activities such as travel and workshops in the provinces.

2.2.2 Global Fund: R889 841

This is the first year in which the Department received funding from the Global Fund. The funding was aimed at strengthening M&E of programmes for orphans and other children made

Report by the Accounting Officer

for the year ended 31 March 2013

vulnerable by HIV and AIDS. An amount of R118 000 was spent during the year under review; however, all the funds were committed, and were due to be spent in the 2013/14 financial year.

2.2.3 Health and Welfare Sector Training Authority (HWSETA): R2 million

This comprised discretionary funding for training participants working in protective workshops. Funding utilised totalled R1,2 million.

The HWSETA offered funding to the Chief Directorate: Population and Development for the roll-out of the Integrated HIV&AIDS and TB Management Course during 2011, and its subsequent evaluation. The purpose of this initiative is to enhance the capacity of policy-makers, planners and managers in government and civil society to integrate the population and developmental impact of the HIV&AIDS pandemic into policies, programmes and plans. Funding totalled R3,8 million, of which R1,8 million was spent on the facilitation of training in 2011/12 and 2012/13, and R2 million on evaluating the course in 2012/13. The course was evaluated in 2012, and a new training course for Population, Health and Planning for Development was developed. Four more training courses were due to be rolled out on the basis of this course. In total, R1 250 000 was paid to the service provider which evaluated the training course during 2012. A final payment of R750 000 was due to be made during 2013.

3 Trading entities and public entities

3.1 National Development Agency (NDA)

The NDA continued its work of funding and building the capacity of CSOs. It played a vital role in the ECD sector by building the capacity of ECD practitioners. In order to strengthen its operations, the NDA established a Programme Management Unit with the aim of providing project management services to government departments and other organs of state.

The NDA remains highly relevant given the Government's focus on improving rural livelihoods, the quality of education, social cohesion, and services to the poor. In this context, it continues to leverage resources through strategic partnerships with the public and private sectors aimed at optimising poverty eradication.

During the period under review, the NDA focused on ECD programmes, food security programmes, income generation programmes and projects, and building the capacity of CSOs active in priority areas of poverty eradication.

3.1.1 Early Childhood Development

The NDA contributes to the ECD sector through interventions that support food security at ECD sites; strengthen the institutional, leadership and management capacity of ECD

sites; and improve the infrastructure at ECD sites. Given the limited resources at its disposal, it provided limited financial resources for infrastructure at ECD sites. Over the past few years, the NDA has partnered with the Departments of Basic Education and Social Development to take the lead in resourcing infrastructure development, curriculum development, and ensuring compliance with approved norms and standards.

3.1.2 Supporting food security interventions at ECD sites

Recognising the importance of balanced nutrition at ECD sites, the NDA provided financial assistance to 153 ECD sites to establish food gardens that will serve as a consistent source of food for learners. It focused on helping ECD sites to establish food gardens, and training identified staff to produce food in a sustainable and in some instances profitable way.

3.1.3 Improving ECD infrastructure

The NDA made a limited investment of R10,8 million in infrastructure at ECD sites. This was done in exceptional instances where it concluded that other interventions would not improve ECD unless basic infrastructure was put in place.

3.1.4 Food Security Programme

The NDA has worked for more than a decade to enhance food security, as a means of overcoming the challenge of poverty. An increased focus on food security and agro-processing in rural and peri-urban areas has allowed it to develop significant experience and expertise in identifying, resourcing, capacitating and monitoring the implementation of these initiatives.

In the period under review, the NDA committed R18,6 million to food security programmes and projects, impacting on at least 3 480 beneficiaries. Besides working with provincial departments of Social Development, it also worked closely with the Department of Agriculture to source capital and expertise for project implementation.

The funding was spent on establishing household food gardens, starter packs, training and support for food production, community food gardens, and support for emerging farmers. In the process, the NDA added significant value to all grantees, beyond what would have been achieved by cash contributions only. The NDA also worked to improve the sustainability of CSOs involved in food security initiatives beyond the scope of NDA funding. This is probably its most meaningful contribution.

3.1.5 Income generation programme

The NDA has invested significant resources in projects aimed at creating alternative or complementary income streams and employment for poor households in predetermined localities. In the period under review, the NDA committed R30,1 million

Report by the Accounting Officer

for the year ended 31 March 2013

to programmes and projects aimed at empowering the poor, particularly in rural areas, to participate in the mainstream economy. These rural enterprises created 906 sustainable jobs.

The funded income generation programmes and projects mostly involved 'traditional' economic activities that required limited capital input and a relatively low skills base, such as sewing, primary agriculture (crop & livestock), brick-making, arts and crafts, tourism, bakery, and hydroponics. As a result, poor communities with little knowledge and expertise were able to access these sectors and generate additional jobs and income, thus improving their living standards.

3.2 The South African Social Security Agency

In the year under review, SASSA introduced a new payment system which enabled a reduction in the agency fees paid to service providers for disbursing social grants. Among the benefits of the new system is ownership by SASSA of the database of all beneficiaries, resulting in better control and monitoring. The re-registration of beneficiaries was extremely successful in that more than 90% of beneficiaries and their procurators were re-registered, and fraudulent beneficiaries were easily identified and promptly deregistered. Government officials who were accessories to fraudulent activities were identified and disciplined. When criminal activities were evident, law enforcement agencies were involved.

SASSA's priorities for the 2012/13 financial year were to deliver quality social security services by focusing on excellent customer care; the automation of systems; improving organisational capacity; and promoting good governance.

3.2.1 Overall grant performance

In the year under review, social grants increased from 15 893 639 to 16 079 635, or 1,2%. The new total as at 31 March 2013 comprised 12 010 192 children's grants; 2 811 380 older persons' grants; 1 187 457 disability grants; 641 war veterans' grants; and 69 965 grants-in-aid. Foster Child Grants increased by 3,7%, Grants-in-Aid by 2,0%, Child Support Grants by 1,3%, and Old Age Grants by 0,8%. However, War Veterans' Grants decreased by 7,6%, and Disability Grants by 0,46%.

3.2.2 Grant application and approval process

SASSA concentrated on improving the grant application and approval process, among others by moving from manual to automated systems. However, it needs to be acknowledged that 89% of all new applications were already processed within 21 days during the previous financial year. About 1,2 million new applications were received, of which 1,06 million were processed within this period.

A total of 666 218 new grant applications were received in the 2012/13 financial year. Of these, 461 742 (69%) were for Child Support Grants, 99 566 (14,9%) for Disability Grants,

83 604 (12,5%) for Old Age Grants, and 9 459 (1,4%) for Foster Care Grants. By mid-year, 552 712 (82,9%) applications had been approved within 21 days.

3.2.3 Implementation of Social Relief of Distress (SRD)

The key indicator for this function is funds spent by each province and not the allocation/disbursement of funds to the regions by SASSA's head office.

During the 2011/12 financial year, the target was to disburse 95% of allocated funds in accordance with approved guidelines. Total expenditure was R189 673 953 compared to an allocation of R185 million, constituting overexpenditure by 2%. These funds were largely spent on supporting families experiencing undue hardships, individuals awaiting grants, and families whose breadwinner had died.

During the 2012/13 financial year, the target was to disburse R165 329 000 in accordance with approved guidelines. The mid-year target was 50% (25% per quarter) of the total budget. Total expenditure as at 30 September 2012 was R 86 794 169, constituting 52,5% of the total annual budget.

3.2.4 Implementation of the new payment system

SASSA sought to establish a new grant payment system which would enhance services to beneficiaries and address previous challenges. This would include eliminating fraud and corruption, and providing a solid and accurate database of beneficiaries.

A new service provider was contracted in January 2012 to implement the new payment solution, which utilises biometrics to identify beneficiaries. The contract formally started in April 2012, and entailed re-registration of all grant beneficiaries as well as procurators. Beneficiaries can now receive their grants anywhere in the country, rather than at their local pay points only. Over the next five years, SASSA believes it will save some R3 billion in reduced handling fees.

As at 30 September, a total of 5 072 590 beneficiaries and procurators had been registered biometrically by capturing their fingerprints and a photograph, thus providing proof of life certification. A total of 27 106 grants were cancelled. The re-registration process was due to be completed by 31 March 2013. It was anticipated that almost 98 per cent of beneficiaries would be re-registered.

As part of the grant re-registration process, SASSA also identified and investigated 355 grant recipients living outside South Africa, and identified 481 duplicate grant payments.

3.2.5 Measures to combat fraud and corruption

SASSA introduced various new mechanisms for achieving its priority goal of combating fraud and preventing leakages from the system. A new fraud prevention strategy was developed to enhance the effectiveness of the fraud prevention, detection, investigation and resolution function.

Report by the Accounting Officer

for the year ended 31 March 2013

By the end of the reporting period, a total of 2 509 fraud cases had been identified. A total of 1 048 internal fraud investigations were conducted, and 40 469 beneficiaries were verified for eligibility and existence. Through the SIU, the Agency continued to investigate and prosecute persons suspected of defrauding the grants system. In 2011/12, a total of 2 488 persons were prosecuted, and 2 258 were convicted. In addition, 5 414 persons signed acknowledgments of debt (AoDs) totalling R43,7 million in respect of the receipt of fraudulent grants. The Agency also instituted criminal proceedings against 2 300 of 12 000 public servants suspected of unlawfully accessing social grants.

3.2.6 The Internal Reconsideration Mechanism (IRM)

The Internal Reconsideration Mechanism (IRM) was introduced in the 2011/12 financial year. It allows applicants and beneficiaries to apply for a review of decisions with which they do not agree prior to these cases being forwarded to the appeals tribunal. During 2011/12, a total of 6 420 of 12 392 applications for reconsideration were dealt with within 90 days.

3.2.7 Disability management

A new Disability Management Model was developed in order to standardise the medical assessment processes across the Agency. A key feature of the new system is to assure the quality of assessments and medical reviews in respect of permanent disability grants (those awarded for a continuous period of more than 12 months).

The proficiency of assessors was significantly improved. This led to the purging of ineligible beneficiaries during medical reviews and a general decline in inclusion errors, resulting in a net decrease of 20 789 in the total number of disability-related grants, namely the Permanent Disability Grant, Temporary Disability Grant, Care Dependency Grant, and Grant-in-Aid. This saved R97 814 380 in beneficiary transfers, and R3 742 020 in handling fees.

4 Relief Fund Boards

The Department manages four funds established under the Fund Raising Act (No. 101 of 1978, as amended).

4.1 Refugee Relief Fund

The purpose of this fund is to render fair and reasonable assistance to refugees.

4.2 Social Relief Fund

The purpose of this fund is to render fair and reasonable assistance to persons with psychosocial problems, and provide fair and reasonable relief of distress to victims of violence.

4.3 State President's Fund

The purpose of this fund is to assist victims of any act of terrorism with their medical treatment and rehabilitation, and relieve financial hardship or financial distress caused directly or indirectly by any act of terrorism.

4.4 Disaster Relief Fund

The purpose of this fund is to assist persons or organisations who or which have suffered damage or loss caused by disaster. The Disaster Relief Fund is the only active fund. The only revenue received in the 2012/13 financial year was interest to the amount of R4 035 000.

An amount of R373 000 in outstanding claims was paid to flood victims in the Northern Cape who were not present when claims were paid out during 2011/12 financial year.

Although a draft Social Relief Bill has been developed, the new thinking is to repeal the Fund Raising Act (No. 107 of 1978), dissolve the boards, and provide for social relief, including disaster relief, under the Social Assistance Act (No. 13 of 2004) and its regulations.

The rationale for this new thinking is that the Social Assistance Act provides adequate coverage for people requiring short-term relief, and is sufficiently broad to allow the Minister to cover many contingencies in new regulations.

It is seen as prudent for matters pertaining to social relief to be handled under one legislative instrument, namely the Social Assistance Act, and the actual services to be provided by SASSA, which has the necessary infrastructure, systems, and national footprint.

5 Utilisation of CARA funds

During the 2012/13 financial year an amount of R26 000 000 was received from the Criminal Assets Recovery Account (CARA). At the end of the financial year, an amount of R224 000 of these funds had been spent. In response to a call for proposals, 163 CSOs applied for funding, and 71 were shortlisted and assessed by the Department. The Department continued to finalise funding agreements, and the funds were due to be utilised in the 2013/14 financial year.

6 Organisations to which transfer payments were made

6.1 Transfers to provinces

No funds were transferred to the provinces during the 2012/13 financial year.

6.2 Transfers to local government

No funds were transferred to local government during the 2012/13 financial year.

Report by the Accounting Officer

for the year ended 31 March 2013

6.3 Transfers to households

An amount of R103 890 000 000 was transferred to households during the 2012/13 financial year.

6.4 Transfers to Departmental agencies and accounts

An amount of R6 542 000 000 was transferred to public entities and the National Student Financial Aid Scheme during the 2012/13 financial year. The details were as follows:

- NDA: R166 263 000
- SASSA: R6 119 770 000
- National Student Financial Aid Scheme: R256 000 000

6.5 Transfers to NGOs, other entities and civil society

An amount of R71 553 000 was transferred to NGOs and other entities during the 2012/13 financial year.

6.6 Transfers to universities and technikons

No transfers were made to universities during the 2012/13 financial year.

6.7 Transfers to foreign governments and international organisations

An amount of R2 421 000 was transferred to international organisations during 2012/13 financial year.

7 Departmental activities

7.1 Discontinued activities/activities planned to be discontinued

No activities that were discontinued or planned to be discontinued during the year under review.

7.2 New/proposed activities

No activities were discontinued or planned to be discontinued during the year under review.

8 Supply chain management

The Department did not consider any unsolicited proposals during the year under review. SCM processes and systems were in place. The Department continued to adhere to all SCM directives issued by the National Treasury.

One of the challenges facing the Department was to increase the participation of rural SMMEs and co-ops identified in the course of the Taking the DSD to Communities campaign. The Department developed a strategy for doing so.

9 Asset management

9.1 Progress with regard to capturing assets in the register

All newly acquired assets were captured on the asset register and reconciled with the General Ledger on a monthly basis. The system met the minimum requirements prescribed by the National Treasury.

The system produced management reports which assisted in detecting discrepancies. Due to limitations in enhancing the current asset management system, the Department began to migrate its assets to the LOGIS system supported by the National Treasury. The full migration was due to be completed in the 2013/14 financial year.

9.2 Establishment of asset management unit and asset management teams

All newly acquired assets were reconciled with the General Ledger on a monthly basis. An Asset Management Committee was established to oversee the procurement of assets in line with the Department's asset management policy.

The terms of reference for the Asset Management Committee provides for the appointment of a Disposal Committee to dispose of assets as and when the need arises. During the period under review, the Department disposed of redundant furniture to underprivileged schools.

9.3 Compliance with minimum asset management requirements

The Department complies with the minimum requirements for asset management prescribed by the National Treasury.

9.4 Compliance with Asset Management Reform (AMR) milestones

The Department fully implemented its approved Asset Management Policy and Asset Management Strategy.

10 Auditor-General's report

A total of 39 findings arose from the Auditor-General's audit of the Department's financial statements, reporting on predetermined objectives, IT controls and governance, and compliance with laws and regulations for the year ended 31 March 2012. They were dealt with as follows:

Number of findings	39
Number of findings resolved (required preventive or detective controls put in place)	27
Number of findings in progress (progress made with implementing controls, but improvements still required)	12

Report by the Accounting Officer

for the year ended 31 March 2013

The Directorate Internal Control developed and implemented an Audit Implementation Action Plan. Progress made was recorded on a quarterly basis, and presented to quarterly Audit Committee meetings and monthly Audit Steering Committee meetings.

The Directorate continuously engaged with managers who were affected by the audit findings in order to monitor progress made, recommend further action, and offer advice.

11 Plans for addressing financial challenges

The Department experienced problems with paying suppliers within 30 days, as prescribed. In response, it introduced manual registers for tracking invoices received. Weekly payment reports were submitted to management in order to monitor the payment cycle. It also took steps to procure a payment system that would improve the monitoring of all invoices received.

Circulars were issued on a regular basis to inform Departmental officials of the relevant prescripts and procedures.

12 Events after the reporting date

No material events occurred after the reporting date.

13 Exemptions and deviations received from the National Treasury

The Department did not receive any exemptions or permission for deviations from the financial reporting requirements under the PFMA or National Treasury regulations for the current and/or prior financial year.

14 Interim Financial Statements

The Interim Financial Statements for end July 2012, end October 2012, end January 2013 and end April 2013 were submitted to the National Treasury on time.

The Department also increased the capacity of the Directorate: Internal Audit in order to audit the Interim Financial Statements. Audits were conducted on the interim statements prepared in July 2012 and October 2012 and the final statements prepared in April 2013. The audits revealed challenges which were corrected prior to the compilation of the Annual Financial Statements. The audit process therefore served as an early detection mechanism. The relevant Internal Audit reports were submitted to and discussed by the Audit Committee.

15 Other

There are no other material facts or circumstances which may affect the understanding of the financial state of affairs of the Department which are not addressed elsewhere in this report.

16 Approval

The Annual Financial Statements set out on pages 144 to 191 have been approved by the Accounting Officer.



Coceko Pakade
Accounting Officer
Date: 31 May 2013

Accounting Officer's Statement of Responsibility

for the year ended 31 March 2013



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Office is responsible for the preparation of the department's 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 designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements

In my opinion, the financial statements fairly reflects the operations of the department for the financial year ended 31 March 2013

The external auditors are engaged to express an independent opinion on the AFS of the department.

The Department of Social Development AFS for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 143.

The Annual Financial Statements of the Department set out on pages 144 to 191 have been approved.

Coceko Pakade
Accounting Officer
Department of Social Development
31 May 2013

Report of the Auditor-General to Parliament on Vote no. 19: Department of Social Development

Report on the Financial Statements

Introduction

1. I have audited the financial statements of the Department of Social Development as set out on pages 144 to 191, comprising the appropriation statement, statement of financial position as at 31 March 2013, statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for preparing these financial statements in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and 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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Social Development as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the PFMA.

Additional matters

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

Unaudited supplementary schedules

8. The supplementary information set out on pages 185 to 191 does not form part of the financial statements, and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion thereon.

Financial reporting framework

9. The financial reporting framework prescribed by the National Treasury and applied by the Department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they 'present fairly'. Section 20(2) (a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

Report on other legal and regulatory requirements

10. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations, and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report of the Department of Social Development as set out on pages 26 to 90 of the annual report.

Report of the Auditor-General to Parliament on Vote no. 19: Department of Social Development

12. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well-defined, verifiable, specific, measurable and time-bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

13. There were no material findings on the annual performance report of the department concerning the usefulness and reliability of the information.

Additional matters

14. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report of the department, I draw attention to the following matters below. These matters do not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

15. Of the total number of 154 targets planned for the year, 60 targets were not achieved during the year under review. This represents 39% of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

Material adjustments to the annual performance report

16. Material audit adjustments in the annual performance report were identified during the audit, all of which were corrected by management.

Compliance with laws and regulations

17. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

18. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Other reports

Performance audits

19. A performance audit was conducted on the Readiness of Government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The management report was issued during this year.

Auditor-General

Pretoria

Date: 30 July 2013



Appropriation Statement

for the year ended 31 March 2013

Appropriation per programme

PROGRAMMES	2012/13						2011/12	
	Adjusted appropriation	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
1. ADMINISTRATION								
Current payments	249 094	(600)	248 494	246 912	1 582	99.4%	232 463	231 662
Transfers and subsidies	–	165	165	157	8	95.2%	194	191
Payments for capital assets	4 581	3 885	8 466	8 313	153	98.2%	11 943	11 811
Payments for financial assets	–	–	–	13	(13)		–	312
	253 675	3 450	257 125	255 395	1 730		244 600	243 976
2. SOCIAL ASSISTANCE								
Transfers and subsidies	104 887 916	–	104 887 916	103 888 956	998 960	99.0%	97 103 213	95 963 142
Payments for capital assets	–	–	–	–	–		–	–
Payments for financial assets	–	–	–	9 889	(9 889)		–	9 845
	104 887 916	–	104 887 916	103 898 845	989 071		97 103 213	95 972 987
3. SOCIAL SECURITY POLICY & ADMINISTRATION								
Current payments	93 948	(4 820)	89 128	76 785	12 343	86.2%	91 031	82 321
Transfers and subsidies	6 120 938	210	6 121 148	6 121 013	135	100.0%	6 145 712	6 145 669
Payments for capital assets	1 774	(270)	1 504	619	885	41.2%	306	282
Payments for financial assets	–	–	–	–	–		–	23
	6 216 660	(4 880)	6 211 780	6 198 417	13 363		6 237 049	6 228 295
4. WELFARE SERVICES POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT								
Current payments	195 947	2 445	198 392	177 046	21 346	89.2%	138 281	137 427
Transfers and subsidies	323 517	875	324 392	324 324	68	100.0%	308 448	306 814
Payments for capital assets	5 584	(3 320)	2 264	1 248	1 016	55.1%	5 023	4 805
Payments for financial assets	–	–	–	–	–		–	20
	525 048	–	525 048	502 618	22 430		451 752	449 066
5. SOCIAL POLICY & INTEGRATED SERVICE DELIVERY								
Current payments	88 677	220	88 897	88 034	863	99.0%	72 624	71 712
Transfers and subsidies	170 263	1 505	171 768	171 586	182	99.9%	173 767	172 487
Payments for capital assets	1 313	(295)	1 018	680	338	66.8%	882	642
Payments for financial assets	–	–	–	1	(1)		–	17
	260 253	1 430	261 683	260 301	1 382		247 273	244 858
TOTAL	112 143 552	–	112 143 552	111 115 576	1 027 976	99.1%	104 283 887	103 139 182
Reconciliation with statement of financial performance								
Departmental receipts			44 361				103 183	
Aid assistance			33 912				7 139	
Actual amounts per statement of financial performance (total revenue)			112 221 825				104 394 209	
Aid assistance				5 677				6 315
Actual amounts per statement of financial performance (total expenditure)				111 121 253				103 145 497

Appropriation Statement

for the year ended 31 March 2013

Appropriation per economic classification

ECONOMIC CLASSIFICATION	2012/13						2011/12	
	Adjusted appropriation	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
Current payments								
Compensation of employees	310 828	(10 320)	300 508	291 336	9 172	96.9%	276 657	273 567
Goods and services	316 838	7 565	324 403	297 440	26 963	91.7%	257 742	249 530
Interest and rent on land	–	–	–	–	–		–	24
Transfers and subsidies								
Departmental agencies and accounts	6 542 033	–	6 542 033	6 542 033	–	100.0%	6 549 017	6 549 017
Foreign governments and international organisations	2 367	305	2 672	2 421	251	90.6%	2 473	2 244
Non-profit institutions	70 318	1 360	71 678	71 553	125	99.8%	74 829	72 143
Households	104 887 916	1 090	104 889 006	103 890 029	998 977	99.0%	97 104 609	95 964 528
Payments for capital assets								
Machinery and equipment	12 585	(3 885)	8 700	6 686	2 014	76.9%	17 495	16 920
Software and other intangible assets	667	3 885	4 552	4 175	377	91.7%	1 065	991
Payments for financial assets	–	–	–	9 903	(9 903)		–	10 218
Total	112 143 552	–	112 143 552	111 115 576	1 027 976	99.1%	104 283 887	103 139 182

Appropriation Statement

for the year ended 31 March 2013

Programme 1: Administration

Details per sub-programmes

SUB-PROGRAMMES	2012/13						2011/12	
	Adjusted appropriation	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
1.1 Ministry								
Current payments	20 640	9 000	29 640	29 413	227	99.2%	29 402	29 280
Transfers and subsidies	–	–	–	–	–	0.0%	87	86
Payments for capital assets	228	(150)	78	77	1	98.7%	2 071	2 070
Payments for financial assets	–	–	–	–	–	0.0%	–	2
1.2 Departmental Management								
Current payments	52 837	(1 000)	51 837	51 336	501	99.0%	46 473	46 315
Transfers and subsidies	–	–	–	–	–	0.0%	1	1
Payments for capital assets	913		913	907	6	99.3%	890	794
Payments for financial assets	–	–	–	–	–	0.0%	–	2
1.3 Corporate Management								
Current payments	86 366	(1 500)	84 866	84 279	587	99.3%	82 840	82 719
Transfers and subsidies	–	125	125	122	3	97.6%	92	91
Payments for capital assets	2 191	4 400	6 591	6 495	96	98.5%	6 490	6 465
Payments for financial assets	–	–	–	–	–	0.0%	–	17
1.4 Finance								
Current payments	48 347	1 200	49 547	49 453	94	99.8%	43 101	42 926
Transfers and subsidies	–	20	20	19	1	95.0%	10	10
Payments for capital assets	583	(115)	468	446	22	95.3%	2 427	2 419
Payments for financial assets	–	–	–	13	(13)	0.0%	–	291
1.5 Internal Audit								
Current payments	11 077	(5 500)	5 577	5 411	166	97.0%	5 196	5 053
Transfers and subsidies	–	20	20	16	4	80.0%	4	3
Payments for capital assets	666	(250)	416	388	28	93.3%	65	63
1.6 Office accommodation								
Current payments	29 827	(2 800)	27 027	27 020	7	100.0%	25 451	25 369
Total	253 675	3 450	257 125	255 395	1 730	99.3%	244 600	243 976

Appropriation Statement

for the year ended 31 March 2013

Details per economic classification

ECONOMIC CLASSIFICATION	2012/13						2011/12	
	Adjusted appropriation	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
Current payments								
Compensation of employees	135 269	(3 700)	131 569	130 047	1 522	98.8%	122 919	122 192
Goods and services	113 825	3 100	116 925	116 865	60	99.9%	109 544	109 445
Interest and rent on land	–	–	–	–	–		–	24
Transfers and subsidies								
Households	–	165	165	157	8	95.2%	194	191
Payment for capital assets								
Machinery and equipment	4 226	–	4 226	4 153	73	98.3%	10 878	10 820
Software and other intangible assets	355	3 885	4 240	4 160	80	98.1%	1 065	991
Payments for financial assets			–	13	(13)		–	313
Total	253 675	3 450	257 125	255 395	1 730	99.3%	244 600	243 976

Appropriation Statement

for the year ended 31 March 2013

Programme 2: Social Assistance

Details per sub-programme

SUB-PROGRAMMES	2012/13						2011/12	
	Adjusted Appropriation	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
2.1 Old Age								
Transfers and subsidies	39 323 119	1 163 000	40 486 119	40 465 132	20 987	99.9%	37 270 196	37 119 967
Payments for financial assets	–	–	–	9 889	(9 889)	0.0%	–	9 845
2.2 War Veterans								
Transfers and subsidies	12 902	–	12 902	9 543	3 359	74.0%	12 262	11 848
2.3 Disability								
Transfers and subsidies	19 062 534	(1 000 000)	18 062 534	17 636 570	425 964	97.6%	17 706 048	17 375 021
2.4 Foster Care								
Transfers and subsidies	5 951 842	(333 500)	5 618 342	5 335 049	283 293	95.0%	5 249 751	5 010 915
2.5 Care Dependency								
Transfers and subsidies	1 856 901	40 500	1 897 401	1 877 412	19 989	98.9%	1 757 107	1 736 431
2.6 Child Support								
Transfers and subsidies	38 237 293	73 000	38 310 293	38 087 990	222 303	99.4%	34 702 199	34 319 636
2.7 Grant-In-Aid								
Transfers and subsidies	188 144	57 000	245 144	237 974	7 170	97.1%	217 725	204 026
2.8 Social Relief								
Transfers and subsidies	255 181	–	255 181	239 286	15 895	93.8%	187 925	185 298
Total	104 887 916	–	104 887 916	103 898 845	989 071	99.1%	97 103 213	95 972 987

Details per economic classification

ECONOMIC CLASSIFICATION	2012/13						2011/12	
	Adjusted appropriation	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
Transfers and subsidies								
Households	104 887 916	–	104 887 916	103 888 956	998 960	99.0%	97 103 213	95 963 142
Payments for financial assets	–	–	–	9 889	(9 889)	–	–	9 845
Total	104 887 916	–	104 887 916	103 898 845	989 071	99.1%	97 103 213	95 972 987

Appropriation Statement

for the year ended 31 March 2013

Programme 3: Social Security Policy and Administration

Details per sub-programme

SUB-PROGRAMME	2012/13						2011/12	
	Adjusted appropriation	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
3.1 Social Security Policy Development								
Current payments	47 651	(9 020)	38 631	27 719	10 912	71.8%	38 674	36 619
Transfers and subsidies	1 168	75	1 243	1 114	129	89.6%	1 649	1 643
Payments for capital assets	921	–	921	603	318	65.5%	306	282
Payments for financial assets	–	–	–	–	–	0.0%	–	23
3.2 Appeals Adjudication								
Current payments	37 414	4 200	41 614	41 469	145	99.7%	48 004	42 707
Transfers and subsidies		60	60	58	2	96.7%	390	369
Payments for capital assets	765	(270)	495		495	0.0%	–	–
3.3 Social Grants Administration								
Transfers and subsidies	6 053 026	–	6 053 026	6 053 026	–	100.0%	6 070 568	6 070 568
3.4 Social Grants Fraud Investigation								
Transfers and subsidies	66 744	–	66 744	66 744	–	100.0%	73 089	73 089
3.5 Programme Management								
Current payments	8 883	–	8 883	7 597	1 286	85.5%	4 353	2 995
Transfers and subsidies	–	75	75	71	4	94.7%	16	–
Payments for capital assets	88	–	88	16	72	18.2%	–	–
Total	6 216 660	(4 880)	6 211 780	6 198 417	13 363	99.8%	6 237 049	6 228 295

Details per economic classification

ECONOMIC CLASSIFICATION	2012/13						2011/12	
	Adjusted appropriation	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
Current payments								
Compensation of employees	46 290	(4 820)	41 470	34 772	6 698	83.8%	36 340	34 868
Goods and services	47 658	–	47 658	42 013	5 645	88.2%	54 691	47 453
Transfers & subsidies								
Departmental agencies & accounts	6 119 770	–	6 119 770	6 119 770	–	100.0%	6 143 657	6 143 657
Foreign governments & international organisations	1 168	–	1 168	1 037	131	88.8%	1 142	1 141
Households	–	210	210	206	4	98.1%	507	502
Payment for capital assets								
Machinery & equipment	1 774	(270)	1 504	619	885	41.2%	712	652
Payment for financial assets								
	–	–	–	–	–	0.0%	–	22
Total	6 216 660	(4 880)	6 211 780	6 198 417	13 363	99.8%	6 237 049	6 228 295

Appropriation Statement

for the year ended 31 March 2013

Programme 4: Welfare Service Policy Development and Implementation Support

Details per sub-programme

SUB-PROGRAMME	2012/13						2011/12	
	Adjusted appropriation	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
4.1 Service Standards								
Current payments	18 491	1 800	20 291	20 240	51	99.7%	19 231	19 221
Transfers and subsidies	1 550	250	1 800	1 796	4	99.8%	1 799	1 703
Payment for capital assets	340	–	340	109	231	32.1%	327	305
Payment for financial assets	–	–	–	–	–	0.0%	–	19
4.2 Substance Abuse								
Current payments	10 739	(1 000)	9 739	9 684	55	99.4%	13 188	13 154
Transfers and subsidies	3 198	–	3 198	3 185	13	99.6%	2 396	1 706
Payment for capital assets	56	–	56	42	14	75.0%	106	77
4.3 Older Persons								
Current payments	12 890	4 500	17 390	17 252	138	99.2%	9 341	9 303
Transfers and subsidies	2 086	–	2 086	2 055	31	98.5%	2 028	2 028
Payment for capital assets	40	–	40	–	40	0.0%	76	56
4.4 People With Disabilities								
Current payment	5 388	1 000	6 388	6 369	19	99.7%	5 267	5 150
Transfers and subsidies	3 222	–	3 222	3 222	–	100.0%	3 083	3 083
Payment for capital assets	21	80	101	99	2	98.0%	40	39
4.5 Children								
Current payments	69 231	(3 005)	66 226	47 515	18 711	71.7%	33 871	33 760
Transfers and subsidies	6 669	120	6 789	6 787	2	100.0%	6 326	6 336
Payment for capital assets	552	–	552	463	89	83.9%	574	561
4.6 Families								
Current payments	6 452	650	7 102	7 082	20	99.7%	5 708	5 581
Transfers and subsidies	1 147	–	1 147	1 147	–	100.0%	1 295	1 295
Payment for capital assets	158	–	158	43	115	27.2%	95	62
4.7 Social Crime Prevention & Victim Empowerment								
Current payments	31 114	(5 500)	25 614	23 484	2 130	91.7%	15 553	15 432
Transfers and subsidies	3 509	75	3 584	3 581	3	99.9%	3 341	2 538
Payment for capital assets	3 836	(3 400)	436	346	90	79.4%	3 467	3 457
Payment for financial assets	–	–	–	–	–	–	–	1
4.8 Youth								
Current payments	9 086	3 200	12 286	12 227	59	99.5%	5 607	5 535
Transfers and subsidies	200	–	200	200	–	100.0%	31	31
Payment for capital assets	28	–	28	–	28	0.0%	54	31
4.9 HIV and AIDS								
Current payments	24 611	1 300	25 911	25 898	13	99.9%	22 580	22 569
Transfers and subsidies	45 936	270	46 206	46 196	10	100.0%	44 149	44 149
Payment for capital assets	317	–	317	121	196	38.2%	187	138
4.10 Social Worker Scholarship								
Transfers and subsidies	256 000	–	256 000	256 000	–	100.0%	244 000	244 000
4.11 Programme Management								
Current payments	7 945	(500)	7 445	7 295	150	98.0%	7 935	7 722
Transfers and subsidies	–	160	160	155	5	96.9%	–	(55)
Payment for capital assets	236	–	236	25	211	10.6%	97	79
Total	525 048	–	525 048	502 618	22 430	95.7%	451 752	449 066

Appropriation Statement

for the year ended 31 March 2013

Details per economic classification

ECONOMIC CLASSIFICATION	2012/13						2011/12	
	Adjusted appropriation	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
Current payments								
Compensation of employees	79 060	–	79 060	78 566	494	99.4%	74 019	73 639
Goods and services	116 887	2 445	119 332	98 480	20 852	82.5%	64 262	63 788
Transfers & subsidies								
Departmental agencies & accounts	256 000		256 000	256 000	–	100.0%	244 000	244 000
Foreign governments & international organisations	243	305	548	544	4	99.3%	426	422
Non-profit institutions	67 274	(140)	67 134	67 074	60	99.9%	63 387	61 756
Households	–	710	710	706	4	99.4%	635	634
Payment for capital assets								
Machinery & equipment	5 584	(3 320)	2 264	1 248	1 016	55.1%	5 023	4 806
Payments for financial assets	–	–	–	–	–	0.0%	–	21
Total	525 048	–	525 048	502 618	22 430	95.7%	451 752	449 066

Appropriation Statement

for the year ended 31 March 2013

Programme 5: Social Policy and Integrated Service Delivery

Details per sub-programme

SUB-PROGRAMME	2012/13						2011/12	
	Adjusted appropriation	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
5.1 Social Policy Research & Development								
Current payments	5 343	(1 800)	3 543	3 405	138	96.1%	3 475	3 329
Transfers and subsidies	410	–	410	294	116	71.7%	404	404
Payments for capital assets	113	–	113	41	72	36.3%	64	6
5.2 Special Projects & Innovation								
Current payments	5 844	1 700	7 544	7 313	231	96.9%	7 204	7 173
Transfers and subsidies	1 000	1 500	2 500	2 500	–	100.0%	4 500	4 500
Payments for capital assets	121	(50)	71	34	37	47.9%	79	46
5.3 Population Policy Promotion								
Current payments	21 319	3 500	24 819	24 759	60	99.8%	23 973	23 953
Transfers and subsidies	546	–	546	546	–	100.0%	556	477
Payment for capital assets	557	(400)	157	105	52	66.9%	251	252
Payments for financial assets	–	–	–	–	–	0.0%	–	3
5.4 Registration & Monitoring of Non-Profit Organisations								
Current payments	22 787	820	23 607	23 601	6	100.0%	14 219	14 072
Transfers and subsidies	–	5	5	4	1	80.0%	5	4
Payments for capital assets	205	140	345	341	4	98.8%	280	237
5.5 Substance Abuse Advisory Services & Oversight								
Current payments	4 806	(800)	4 006	3 867	139	96.5%	5 890	5 889
Payments for capital assets	53	15	68	65	3	95.6%	51	15
5.6 Community Development								
Current payments	26 746	(2 600)	24 146	24 014	132	99.5%	15 987	15 743
Transfers and subsidies	2 044	–	2 044	1 979	65	96.8%	6 942	5 742
Payment for capital assets	140	–	140	94	46	67.1%	72	59
Payment for financial assets	–	–	–	1	(1)	0.0%	–	13
5.7 National Development Agency								
Transfers and subsidies	166 263	–	166 263	166 263	–	100.0%	161 360	161 360
5.8 Programme Management								
Current payments	1 832	(600)	1 232	1 075	157	87.3%	1 876	1 553
Payments for capital assets	124	–	124	–	124	0.0%	85	27
Payments for financial assets	–	–	–	–	–	0.0%	–	1
Total	260 253	1 430	261 683	260 301	1 382	99.5%	247 273	244 858

Appropriation Statement

for the year ended 31 March 2013

Details per economic classification

ECONOMIC CLASSIFICATION	2012/13						2011/12	
	Adjusted appropriation	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
Current payments								
Compensation of employees	50 209	(1 800)	48 409	47 951	458	99.1%	43 379	42 868
Goods and services	38 468	2 020	40 488	40 082	406	99.0%	29 245	28 844
Transfers & subsidies								
Departmental agencies & accounts	166 263	–	166 263	166 263	–	100.0%	161 360	161 360
Foreign governments & international organisations	956	–	956	840	116	87.9%	905	681
Non-profit institutions	3 044	1 500	4 544	4 479	65	98.6%	11 442	10 387
Households	–	5	5	4	1	80.0%	60	59
Payment for capital assets								
Machinery & equipment	1 001	(295)	706	666	40	94.3%	882	642
Software & other intangible assets	312	–	312	15	297	4.8%	–	–
Payment for financial assets	–	–	–	1	(1)	0.0%	–	17
Total	260 253	1 430	261 683	260 301	1 382	99.5%	247 273	244 858

Notes to the Appropriation Statement

for the year ended 31 March 2013

1 Details of transfers and subsidies as per the Appropriation Act (after virements)

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

2 Details of specifically and exclusively appropriated amounts voted (after virements)

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

3 Details on payments for financial assets

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

4 Explanations of material variances from Amounts Voted (after virements)

4.1 Per programme

PROGRAMMES	Final appropriation	Actual expenditure	Variance	Variance as % of final appropriation
	R'000	R'000	R'000	
Administration	257 125	255 395	1 730	0.67%
Current payments	248 494	246 912	1 582	0.64%
Transfers and subsidies	165	157	9	5.45%
Payment for capital assets	8 466	8 313	152	1.80%
Payment for financial assets	–	13	(13)	
The underexpenditure is mainly due to funded vacancies and related operational costs.				
Social Assistance	104 887 916	103 898 845	989 071	0.94%
Transfers and subsidies	104 887 916	103 888 956	998 960	0.95%
Payment for financial assets	–	9 889	(9 889)	
The underexpenditure mainly relates to lower than expected beneficiary uptake rates.				
Social Security Policy and Administration	6 211 780	6 198 417	13 364	0.22%
Current payments	89 128	76 785	12 344	13.85%
Transfers and subsidies	6 121 148	6 121 013	135	0.00%
Payment for capital assets	1 504	619	885	58.84%
The underexpenditure is mainly due to delays in finalising planned projects and the establishment of the Inspectorate for Social Security.				
Welfare Services Policy Development and Implementation Support	525 048	502 843	22 205	4.23%
Current payments	198 392	177 270	21 122	10.65%
Transfers and subsidies	324 392	324 325	67	0.02%
Payment for capital assets	2 264	1 248	1 016	44.88%
The underexpenditure is mainly due to delays in finalising the audit of Early Childhood Development centres.				
Social Policy and Integrated Service Delivery	261 683	260 301	1 382	0.53%
Current payments	88 897	88 034	863	0.97%
Transfers and subsidies	171 768	171 586	182	0.11%
Payment for capital assets	1 018	680	338	33.20%
Payment for financial assets	–	1	(1)	
The underexpenditure is mainly due to funded vacancies and related operational costs.				

Notes to the Appropriation Statement

for the year ended 31 March 2013

4.2 Per economic classification

ECONOMIC CLASSIFICATION	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	R'000
Compensation of employees	300 508	291 336	9 172	3.05%
Goods and services	324 403	297 665	26 738	8.24%
Departmental agencies and accounts	6 542 033	6 542 033	–	0.00%
Public corporations and private enterprises	2 672	2 421	251	9.39%
Non-profit institutions	71 678	71 553	125	0.17%
Households	104 889 006	103 890 029	998 977	0.95%
Machinery and equipment	8 700	6 686	2 014	23.15%
Software and other intangible assets	4 552	4 175	377	8.28%
Payments for financial assets	–	9 903	(9 903)	

Statement of Financial Performance*for the year ended 31 March 2013*

	Note	2012/13 R'000	2011/12 R'000
REVENUE			
Annual appropriation	1	112 143 552	104 283 887
Departmental revenue	2	44 361	103 183
Aid assistance	3	33 912	7 139
TOTAL REVENUE		112 221 825	104 394 209
EXPENDITURE			
Current expenditure			
Compensation of employees	4	291 336	273 567
Goods and services	5	297 440	249 530
Interest and rent on land	6	–	24
Aid assistance	3	3 971	4 689
Total current expenditure		592 747	527 810
Transfers and subsidies			
Transfers and subsidies	8	110 506 036	102 587 932
Aid assistance	3	1 559	1 528
Total transfers and subsidies		110 507 595	102 589 460
Expenditure for capital assets			
Tangible capital assets	9	6 833	17 018
Software and other intangible assets	9	4 175	991
Total expenditure on capital assets		11 008	18 009
Payments for financial assets	7	9 903	10 218
TOTAL EXPENDITURE		111 121 253	103 145 497
SURPLUS/(DEFICIT) FOR THE YEAR		1 100 572	1 248 712
Reconciliation of net surplus/(deficit) for the year			
Voted funds		1 027 976	1 144 705
Departmental revenue and NRF Receipts	16	44 361	103 183
Aid assistance	3	28 235	824
SURPLUS/(DEFICIT) FOR THE YEAR		1 100 572	1 248 712

Statement of Financial Position

as at 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets		10 349 669	6 485 075
Unauthorised expenditure	10	26 168	26 168
Fruitless and wasteful expenditure	11	53	54
Cash and cash equivalents	12	2 397 629	67 242
Prepayments and advances	13	7 349 513	5 990 223
Receivables	14	576 306	401 388
TOTAL ASSETS		10 349 669	6 485 075
LIABILITIES			
Current liabilities		9 820 374	6 132 267
Voted funds to be surrendered to the Revenue Fund	15	1 018 745	853 859
Departmental revenue and NRF receipts to be surrendered to the Revenue Fund	16	21 701	25 518
Bank overdraft	17	8 740 968	5 240 017
Payables	18	6 169	8 317
Aid assistance unutilised	3	32 791	4 556
Non-current liabilities			
Payables	19	529 295	352 808
TOTAL LIABILITIES		10 349 669	6 485 075
NET ASSETS		–	–

Cash Flow Statement

for the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		112 212 594	104 103 363
Annual appropriated funds received	1	112 134 321	103 993 041
Departmental revenue received	2	44 361	103 183
Aid assistance received	3	33 912	7 139
Net (increase)/decrease in working capital		(1 536 355)	(3 389 481)
Surrendered to Revenue Fund		(902 037)	(1 154 053)
Current payments		(592 747)	(527 810)
Payments for financial assets		(9 903)	(10 218)
Transfers and subsidies paid		(110 507 595)	(102 589 460)
Net cash flow available from operating activities	20	(1 336 043)	(3 567 659)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(11 008)	(18 009)
Net cash flows from investing activities		(11 008)	(18 009)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in non-current payables		176 487	352 808
Net cash flows from financing activities		176 487	352 808
Net increase/(decrease) in cash and cash equivalents		(1 170 564)	(3 232 860)
Cash and cash equivalents at beginning of period		(5 172 775)	(1 939 915)
Cash and cash equivalents at end of period	21	(6 343 339)	(5 172 775)

Accounting Policies

for the year ended 31 March 2013

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects unless otherwise indicated. However, 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, Act No 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act No 1 of 2010.

1 Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting. Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The “modification” results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses. In addition supplementary information is provided in the disclosure notes to the Financial Statements where it is deemed to be useful to the users of the financial statements.

1.2 Presentation currency

All amounts have been presented in terms of the South African Rand (R), which is also the functional currency of the Department.

1.3 Rounding

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

1.4 Comparative figures

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.

1.5 Comparative figures in the Appropriation Statement

A comparison between actual amounts and final appropriations per major classification of expenditure is included in the Appropriation Statement.

2 Revenue

2.1 Appropriated funds

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

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

Unexpended appropriated funds are surrendered to the National Revenue Fund. Any amounts owing to the National Revenue Fund at the end of the financial year are recognised as payable in the Statement of Financial Position. Any amount due from the National Revenue Fund at the end of the financial year is recognised as a receivable in the Statement of Financial Position.

2.2 Departmental revenue

All Departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the National Revenue Fund, unless stated otherwise.

Any amount owing to the National Revenue Fund at the end of the financial year is recognised as a payable in the Statement of Financial Position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. However, these amounts are disclosed in the Disclosure Notes to the Annual Financial Statements.

Accounting Policies

for the year ended 31 March 2013

2.3 Direct Exchequer receipts

All direct Exchequer receipts are recognised in the Statement of Financial Performance when the cash is received, and are subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the Statement of Financial Position.

2.4 Direct Exchequer payments

All direct Exchequer payments are recognised in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aids assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the Statement of Financial Performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

All CARA funds are recorded as revenue when received. The cash payments made during the year relating to CARA projects are recognised as expenditure in the Statement of Financial Performance when final authorisation of payments is effected on the system (by no later than 31 March of each year).

Inappropriately expensed amounts using CARA funds are recognised as payables in the Statement of Financial Position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the Revenue Fund.

3 Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed at face value in the Disclosure Notes to the Financial Statements, and are not recognised in the Statement of Financial Performance or Statement of Financial Position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. Those payments form part of expenditure on capital assets in the Statement of Financial Performance.

3.1.2 Social contributions

Employer contributions to post-employment benefit plans in respect of current employees are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the Financial Statements of the Department. Any potential liabilities are disclosed in the Financial Statements of the National Revenue Fund, and not in the financial statements of the employer department.

Employer contributions made by the Department for certain of its ex-employees (such as medical benefits) are classified as transfers to Households in the Statement of Financial Performance.

Accounting Policies

for the year ended 31 March 2013

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project, or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *Goods and services* and not as *rent on land*.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount is recorded under Goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but an estimate is included in the Disclosure Notes to the Financial Statements.

All other losses are recognised when authorisation has been granted for their recognition.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March each year).

3.6 Unauthorised expenditure

When confirmed, unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person, or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is derecognised from the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding, it is recognised as expenditure in the Statement of Financial Performance on the date stipulated in the Act.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance according to the nature of the payment, and not as a separate line item on the face of the statement. If the expenditure is recoverable, it is treated as an asset until it is recovered from the responsible person, or written off as irrecoverable in the Statement of Financial Performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority, it is treated as an asset until it is recovered or written off as irrecoverable.

4 Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. Bank overdrafts are shown separately on the face of the Statement of Financial Position.

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.

Accounting Policies

for the year ended 31 March 2013

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made, and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party (including departmental employees), and are derecognised upon recovery or write-off.

Receivables outstanding at year end are carried in the Statement of Financial Position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the Disclosure Notes.

4.5 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost is taken to be fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.6 Capital assets

4.6.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register upon receipt of the item at cost. The cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure on capital assets", and is capitalised in the asset register of the Department on completion of the project.

Repairs and maintenance are expensed as current "Goods and services" in the Statement of Financial Performance.

4.6.2 Immovable assets

Initial recognition

A capital asset is recorded upon receipt of the item at cost. The cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work in progress of a capital nature is recorded in the Statement of Financial Performance as "expenditure on capital assets". Upon completion, the total cost of the project is included in the asset register of the department accountable for the asset.

Repairs and maintenance are expensed as current "Goods and services" in the Statement of Financial Performance.

Accounting Policies

for the year ended 31 March 2013

4.6.3 Intangible assets

Initial recognition

An intangible asset is recorded at cost in the asset register upon receipt of the item. The cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 are included in the asset register at R1.

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure on capital assets", and capitalised in the asset register of the Department.

Maintenance is expensed as current "Goods and services" in the Statement of Financial Performance.

5 Liabilities

5.1 Payables

Recognised payables mainly comprise amounts owing to other governmental entities. These payables are carried at cost in the Statement of Financial Position.

5.2 Contingent liabilities

Contingent liabilities are included in the Disclosure Notes to the Financial Statements when economic benefits may flow from the Department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the Disclosure Notes to the Financial Statements when an inflow of economic benefits may flow to the entity.

5.4 Commitments

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance, but are included in the Disclosure Notes.

5.5 Accruals

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance, but are included in the Disclosure Notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the Disclosure Notes to the Financial Statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

5.7 Lease commitments

5.7.1 Finance leases

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as a capital expense in the Statement of Financial Performance, and are not apportioned between the capital and the interest portions. The total finance lease payment is disclosed in the Disclosure Notes to the Annual Financial Statements.

5.7.2 Operating lease

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the Disclosure Notes to the Financial Statements.

Accounting Policies

for the year ended 31 March 2013

5.8 Impairment

The Department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year end. Impairments on investments are calculated as the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.9 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of past events, an outflow of resources embodying economic benefits will probably be required to settle the obligation, and a reliable estimate of the obligation can be made.

6 Receivables for Departmental revenue

Receivables for Departmental revenue are disclosed in the Disclosure Notes to the Annual Financial Statements. These receivables are written off when identified as irrecoverable, and are disclosed separately.

7 Net assets

7.1 Capitalisation reserve

The capitalisation reserve comprises financial assets and/or liabilities which originate in a prior reporting period, but 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 of and the related funds are received.

7.2 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 transferred to the Statement of Financial Performance when written off.

8 Related party transactions

Specific information with regard to related party transactions is included in the Disclosure Notes.

9 Key management personnel

Compensation paid to key management personnel, including their family members where relevant, is included in the Disclosure Notes.

10 Public-private partnerships

A description of the PPP, the contract fees, and current and capital expenditure relating to the PPP arrangement is included in the Disclosure Notes.

Notes to the Annual Financial Statements

for the year ended 31 March 2013

1 Annual appropriation

	2012/13			2011/12
	Final appropriation R'000	Actual funds received R'000	Funds not requested/ not received R'000	Appropriation received R'000
Administration	257 125	257 125	–	244 600
Social Assistance	104 887 916	104 878 685	9 231	96 820 725
Social Security Policy & Administration	6 211 780	6 211 780	–	6 236 023
Welfare Service Policy Development & Implementation Support	525 048	525 048	–	445 485
Social Policy & Integrated Service Delivery	261 683	261 683	–	246 208
Total	112 143 552	112 134 321	9 231	103 993 041

The Department did not request an amount of R9,231 million which is due to protected under-spending for the year. An amount of R17.5 million has been requested as a roll-over of fund to the 2013/14 financial year.

2 Departmental revenue

	Note	2012/13 R'000	2011/12 R'000
Sales of goods and services other than capital assets	2.1	5	210
Interest, dividends and rent on land	2.3	7 855	2 636
Transactions in financial assets and liabilities	2.5	36 501	100 337
Total revenue collected		44 361	103 183
Departmental revenue collected		44 361	103 183

Decrease in revenue is due to the fact that no funds were recouped from dormant grant beneficiaries' bank accounts. In the 2011/2012 financial year R90 million in respect of SIU recoveries of grant debtor was transferred to revenue.

2.1 Sales of goods and services other than capital assets

	Note 2	2012/13 R'000	2011/12 R'000
Sales of goods and services produced by the Department		5	208
Sales by market establishment		–	94
Other sales		5	114
Sales of scrap, waste and other used current goods		–	2
Total		5	210

2.2 Interest, dividends and rent on land

	Note 2	2012/13 R'000	2011/12 R'000
Interest		7 855	2 636
Total		7 855	2 636

2.3 Transactions in financial assets and liabilities

	Note 2	2012/13 R'000	2011/12 R'000
Receivables		36 267	32 905
Other receipts, including recoverable revenue		234	67 432
Total		36 501	100 337

Notes to the Annual Financial Statements

for the year ended 31 March 2013

3 Aid assistance

3.1 Aid assistance received in cash from RDP

	2012/13 R'000	2011/12 R'000
Foreign		
Opening balance	375	4
Revenue	3 719	5 371
Expenditure	(3 758)	(5 000)
Current	(2 052)	(3 374)
Capital	(147)	(98)
Transfers	(1 559)	(1 528)
Closing balance	336	375

3.2 Aid assistance received in cash from other sources

	2012/13 R'000	2011/12 R'000
Local		
Opening balance	3 822	3 369
Revenue	4 193	1 768
Expenditure	(1 695)	(1 315)
Current	(1 695)	(1 315)
Closing balance	6 320	3 822

3.3 Aid assistance received in cash from CARA Fund

	2012/13 R'000	2011/12 R'000
Opening balance	359	359
Revenue	26 000	–
Expenditure	(224)	–
Closing balance	26 135	359

3.4 Total assistance

	2012/13 R'000	2011/12 R'000
Opening balance	4 556	3 732
Revenue	33 912	7 139
Expenditure	(5 677)	(6 315)
Current	(3 971)	(4 689)
Capital	(147)	(98)
Transfers	(1 559)	(1 528)
Closing balance	32 791	4 556

Notes to the Annual Financial Statements

for the year ended 31 March 2013

3.5 Analysis of balance

	Note	2012/13 R'000	2011/12 R'000
Aid assistance unutilised		32 791	4 556
RDP		336	375
Other sources		6 320	3 822
CARA Fund		26 135	359
Closing balance		32 791	4 556

The department received a new allocation of R26 mill from CARA funds for spending on VEP project.

4 Compensation of employees

4.1 Salaries and wages

	Note	2012/13 R'000	2011/12 R'000
Basic salary		198 663	184 455
Performance award		2 298	1 922
Service-based		395	378
Compensative/circumstantial		3 450	2 247
Periodic payments		1 498	547
Other non-pensionable allowances		52 480	53 373
Total		258 784	242 922

4.2 Social contributions

	Note	2012/13 R'000	2011/12 R'000
Employer contributions			
Pension		24 029	22 128
Medical		8 501	8 323
Bargaining council		22	22
Insurance		–	172
Total		32 552	30 645
Total compensation of employees		291 336	273 567
Average number of employees		692	752

The increase in the expenditure for compensation is due to the annual cost of living adjustment agreed by the PSCBC.

Notes to the Annual Financial Statements

for the year ended 31 March 2013

5 Goods and services

	Note	2012/13 R'000	2011/12 R'000
Administrative fees		3 830	3 225
Advertising		18 753	13 668
Assets less than R5 000	5.1	1 416	1 735
Bursaries (employees)		915	812
Catering		7 301	6 329
Communication		11 614	10 229
Computer services	5.2	10 096	9 350
Consultants, contractors and agency/outsourced services	5.3	60 399	57 397
Entertainment		265	367
Audit cost – external	5.4	14 328	12 670
Inventory	5.5	13 557	14 926
Operating leases		27 816	24 025
Property payments	5.6	3 854	5 336
Transport provided as part of Departmental activities		968	459
Travel and subsistence	5.7	78 047	58 959
Venues and facilities		38 142	22 833
Training and staff development		3 421	3 144
Other operating expenditure	5.8	2 718	4 066
Total		297 440	249 530

Increase in goods and services is due to due event such as NPO dialogue that was held during the year under review. These events impacted on travel and subsistence as well as venue cost

5.1 Assets less than R5 000

	Note	2012/13 R'000	2011/12 R'000
	5		
Tangible assets		1 416	1 735
Machinery and equipment		1 416	1 735
Total		1 416	1 735

The decrease in asset less than R5 000 is due to the fact that there were no major refurbishment on offices.

5.2 Computer services

	Note	2012/13 R'000	2011/12 R'000
	5		
SITA computer services		7 019	8 644
External computer service providers		3 077	706
Total		10 096	9 350

Notes to the Annual Financial Statements

for the year ended 31 March 2013

5.3 Consultants, contractors and agency/outsourced services

	Note	2012/13 R'000	2011/12 R'000
	5		
Business and advisory services		33 315	31 151
Legal costs		18 384	15 494
Contractors		5 771	7 353
Agency and support/outsourced services		2 929	3 399
Total		60 399	57 397

5.4 Audit cost – external

	Note	2012/13 R'000	2011/12 R'000
	5		
Regularity audits		13 992	12 670
Performance audits		336	–
Total		14 328	12 670

5.5 Inventory

	Note	2012/13 R'000	2011/12 R'000
	5		
Fuel, oil and gas		–	3
Other consumables		433	263
Materials and supplies		136	28
Stationery and printing		12 988	14 632
Total		13 557	14 926

5.6 Property payments

	Note	2012/13 R'000	2011/12 R'000
	5		
Municipal services		2 611	4 216
Property maintenance and repairs		1 243	–
Other		–	1 120
Total		3 854	5 336

5.7 Travel and subsistence

	Note	2012/13 R'000	2011/12 R'000
	5		
Local		72 348	53 584
Foreign		5 699	5 375
Total		78 047	58 959

Increase is due to increase in consultations/dialogue with the NGO sector, taking DSD to the community and other projects.

Notes to the Annual Financial Statements

for the year ended 31 March 2013

5.8 Other operating expenditure

	Note	2012/13 R'000	2011/12 R'000
	5		
Learnerships		922	2 904
Professional bodies, memberships and subscription fees		236	140
Resettlement costs		443	531
Other		1 117	491
Total		2 718	4 066

6 Interest and rent on land

	Note	2012/13 R'000	2011/12 R'000
Interest paid		–	24
Total		–	24

7 Payment for financial assets

	Note	2012/13 R'000	2011/12 R'000
Other material losses written off	7.1	9 903	10 218
Total		9 903	10 218

7.1 Other material losses written off

	Note	2012/13 R'000	2011/12 R'000
Nature of losses			
Bad debt		–	90
Fruitless expenditure write-offs		1	267
SASSA grant debtors write-offs		9 889	9 845
Travel & subsistence write-offs		–	16
Bank adjustment (untraceable balance older than 5 years) write-offs		13	–
Total		9 903	10 218

Irrecoverable social assistance debtors were written off and after reconciliation on all debtors was performed

8 Transfers and subsidies

	Note	2012/13 R'000	2011/12 R'000
Departmental agencies and accounts	Annex 1A	6 542 033	6 549 017
Foreign governments and international organisations	Annex 1B	2 421	2 244
Non-profit institutions	Annex 1C	71 553	72 143
Households	Annex 1D	103 890 029	95 964 528
Total		110 506 036	102 587 932

Increase in transfer household relates to annual adjustment grant values inflationary.

Notes to the Annual Financial Statements

for the year ended 31 March 2013

9 Payment for capital assets

	Note	2012/13 R'000	2011/12 R'000
Tangible assets		6 833	17 018
Machinery and equipment	32	6 833	17 018
Software and other intangible assets		4 175	991
Computer software	33	4 175	991
Total		11 008	18 009

9.1 Analysis of funds utilised to acquire capital assets: 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	6 686	147	6 833
Machinery and equipment	6 686	147	6 833
Software and other intangible assets	4 175	–	4 175
Computer software	4 175	–	4 175
Total	10 861	147	11 008

9.2 Analysis of funds utilised to acquire capital assets: 2011/12

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	16 920	98	17 018
Machinery and equipment	16 920	98	17 018
Software and other intangible assets	991	–	991
Computer software	991	–	991
Total	17 911	98	18 009

10 Unauthorised expenditure

10.1 Reconciliation of unauthorised expenditure

	Note	2012/13 R'000	2011/12 R'000
Opening balance		26 168	26 168
Unauthorised expenditure awaiting authorisation/written off		26 168	26 168

10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	Note	2012/13 R'000	2011/12 R'000
Current		26 168	26 168
Total		26 168	26 168

Notes to the Annual Financial Statements

for the year ended 31 March 2013

10.3 Analysis of unauthorised expenditure awaiting authorisation per type

	Note	2012/13 R'000	2011/12 R'000
Unauthorised expenditure relating to overspending of vote or main division within the vote		26 168	26 168
Total		26 168	26 168

11 Fruitless and wasteful expenditure

11.1 Reconciliation of fruitless and wasteful expenditure

	Note	2012/13 R'000	2011/12 R'000
Opening balance		54	323
Less: amounts resolved		(1)	(269)
Current		(1)	(269)
Fruitless and wasteful expenditure awaiting resolution		53	54
Analysis of fruitless and wasteful expenditure awaiting resolution per economic classification			
Current		53	54
Total		53	54

12 Cash and cash equivalents

	Note	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General Account		2 397 139	67 373
Cash receipts		519	321
Disbursements		(37)	(460)
Cash on hand		8	8
Total		2 397 629	67 242

The increase in the bank balance is due to the following funds received by the Department on 28 March 2013: SASSA: R13.5 million, SIU Debtors: R9.5 million, and HW SETA: R3.3 million. Increase in bank account of three SASSA regions, namely KwaZulu Natal, Mpumalanga and Northern Cape. Cash with commercial banks at SASSA: R85 million.

13 Prepayments and advances

	Note	2012/13 R'000	2011/12 R'000
Staff advances		–	29
Travel and subsistence		60	102
Advances paid to other entities	13.1	2 254	2 889
SOCPEN advances		7 347 199	5 987 203
Total		7 349 513	5 990 223

Notes to the Annual Financial Statements

for the year ended 31 March 2013

13.1 Advances paid

	Note	2012/13 R'000	2011/12 R'000
National departments	A 6A	2 201	2 889
Public entities	A 6A	53	–
Total		2 254	2 889

The increase is due to an increase in grant advances to SASSA regions.

14 Receivables

	Note	2012/13				2011/12
		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Claims recoverable	14.1 Annex 3	1 371	711	18 132	20 214	33 781
Staff debt	14.2	42	4	199	245	37
Other debtors	14.3	166 577	195 822	193 448	555 847	367 570
Total		167 990	196 537	211 779	576 306	401 388

14.1 Claims recoverable

	Note 14	2012/13 R'000	2011/12 R'000
National departments		1 217	5 571
Provincial departments		15 253	23 113
Public entities		3 608	5 097
Private enterprises		136	–
Total		20 214	33 781

The decrease in the outstanding balance is due to the fact that all outstanding claims were followed up during 2012/2013 and collected.

14.2 Staff debt

	Note 14	2012/13 R'000	2011/12 R'000
Current staff debt		245	37
Total		245	37

The increase is due to an increase in overpayment of acting allowances.

Notes to the Annual Financial Statements

for the year ended 31 March 2013

14.3 Other debtors

	Note	2012/13 R'000	2011/12 R'000
	14		
General suspense		4 910	4 435
Unallocated SASSA receipts		1	–
Salary reversal account		–	12
TAX debt		51	13
Ex Department official debt		391	418
Salary deduction disallowances		6	–
Salary pension fund		6	4
SASSA debtors		550 482	362 688
Total		555 847	367 570

The increase is mainly due to the increase in SASSA (social grant) debtors.

15 Voted funds to be surrendered to the Revenue Fund

	Note	2012/13 R'000	2011/12 R'000
Opening balance		853 859	1 066 252
Transfer from statement of financial performance		1 027 976	1 144 705
Voted funds not requested/not received	15	(9 231)	(290 846)
Paid during the year		(853 859)	(1 066 252)
Closing balance		1 018 745	853 859

16 Departmental revenue and NRF receipts to be surrendered to the Revenue Fund

	Note	2012/13 R'000	2011/12 R'000
Opening balance		25 518	10 136
Transfer from Statement of Financial Performance		44 361	103 183
Paid during the year		(48 178)	(87 801)
Closing balance		21 701	25 518

This is due to the late transfer of SASSA revenue.

An amount of R21 million not yet transferred to National Revenue Fund is due to the late transfer of SASSA Revenue.

17 Bank overdraft

	Note	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General Account		8 740 968	5 240 017
Total		8 740 968	5 240 017

The increase is due to the increase in grant advances paid to SASSA regions.

Notes to the Annual Financial Statements

for the year ended 31 March 2013

18 Payables: current

	Note	2012/13 R'000	2011/12 R'000
Advances received	18.1	5 131	539
Clearing accounts	18.2	3	6 981
Other payables	18.3	1 035	797
Total		6 169	8 317

18.1 Advances received

	Note 18	2012/13 R'000	2011/12 R'000
National departments	A 6B	–	537
Provincial departments	A 6B	5 131	2
Total		5 131	539

Funds were received from the Gauteng Provincial Government in respect of the NISIS project.

18.2 Clearing accounts

	Note 18	2012/13 R'000	2011/12 R'000
Income tax		3	14
Unallocated receipts		–	6 967
Total		3	6 981

All unallocated funds were reconciled and dealt with by SASSA.

18.3 Other payables

	Note 18	2012/13 R'000	2011/12 R'000
SASSA claims payable		447	797
SASSA disallowance miscellaneous		2	–
DSD: receivable income and Interest		586	–
Total		1 035	797

19 Payables: non-current

	Note	2012/13				2011/12
		One to two years R'000	Two to three years R'000	More than three years R'000	Total R'000	Total R'000
Advances received	19.1	391	–	3	394	–
Other payables	19.2	217 884	174 012	137 005	528 901	352 808
Total		218 275	174 012	137 008	529 295	352 808

Notes to the Annual Financial Statements

for the year ended 31 March 2013

19.1 Advances received

	Note 19	2012/13 R'000	2011/12 R'000
Provincial departments	A 6B	394	–
Total		394	–
<i>Balance of NISIS received in previous years.</i>			

19.2 Other payables

	Note 19	2012/13 R'000	2011/12 R'000
	A 6B		
Deferred revenue –SASSA and DSD	A 6B	528 901	352 808
Total		528 901	352 808
<i>The increase is due to the increase in grant debtors.</i>			

20 Net cash flow available from operating activities

	Note	2012/13 R'000	2011/12 R'000
Net surplus as per Statement of Financial Performance		1 100 572	1 248 712
Add back non cash/cash movements not deemed operating activities		(2 436 615)	(4 816 371)
(Increase) in receivables – current		(174 918)	(57 968)
(Increase) in prepayments and advances		(1 359 290)	(2 951 036)
Decrease in other current assets		1	269
Decrease in payables – current		(2 148)	(380 746)
Expenditure on capital assets		11 008	18 009
Surrenders to Revenue Fund		(902 037)	(1 154 053)
Voted funds not requested/not received		(9 231)	(290 846)
Net cash flow generated by operating activities		(1 336 043)	(3 567 659)

21 Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General account		(6 343 829)	(5 172 644)
Cash receipts		519	321
Disbursements		(37)	(460)
Cash on hand	**	8	8
Total		(6 343 339)	(5 172 775)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

The following amounts are not recognised in the Annual Financial Statements, and are disclosed to enhance the usefulness of the Statements.

22 Contingent liabilities and contingent assets

22.1 Contingent liabilities

	Note	2012/13 R'000	2011/12 R'000
		–	–
Housing loan guarantees Employees	Annex 2A	56	249
Claims against the department	Annex 2B	3 096	2 600
Intergovernmental payables (unconfirmed balances)	Annex 4	69	1 128
Total		3 221	3 977

Claims against the Department are as follows:

Unfair labour practice: R2 413 000; civil claims (War Veteran's Grant): R73 000; civil claim (disaster relief for storm): R58 000; civil claim (disaster relief for drought): R552 000.

23 Commitments

	Note	2012/13 R'000	2011/12 R'000
Current expenditure			
Approved and contracted		47 274	32 918
Approved but not yet contracted		83	930
		47 357	33 848
Capital expenditure			
Approved and contracted		983	2 860
Approved but not yet contracted		119	56
		1 102	2 916
Total commitments		48 459	36 764

Some of these projects ran over the financial year, and orders were issued to commit funds.

24 Accruals

Listed by economic classification	30 Days	2012/13 R'000	2011/12 R'000
Goods and services	2 910	2 910	4 927
Capital assets	3 681	3 681	243
Total	6 591	6 591	5 170

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

Listed by programme level	Note	2012/13 R'000	2011/12 R'000
Administration		5 835	3 107
Social Security Policy and Administration		195	1 528
Welfare Services Policy Development and Implementation		365	379
Social Policy and Integrated Service Delivery		196	156
Total		6 591	5 170

	Note	2012/13 R'000	2011/12 R'000
Confirmed balances with other departments	Annex 4	1 140	4 547
Total		1 140	4 547

25 Employee benefits

	Note	2012/13 R'000	2011/12 R'000
Leave entitlement		8 457	7 162
Service bonus (Thirteenth cheque)		7 407	6 958
Performance awards		14	–
Capped leave commitments		8 011	8 170
Total		23 889	22 290

26 Lease commitments

26.1 Operating leases expenditure

2012/13	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	32 583	1 268	33 851
Later than 1 year and not later than 5 years	91 580	1 145	92 725
Total lease commitments	124 163	2 413	126 576

2011/12	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	26 191	748	26 939
Later than 1 year and not	12 735	665	13 400
Total lease commitments	38 926	1 413	40 339

The lease agreement of the Department expired at the end of April 2013 and the department negotiated to lease additional space in the HSRC building. The lease contract is currently on a month to month basis until such time that the agreement for the extension and additional space is signed by the relevant officials.

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

26.2 Finance leases expenditure**

2012/13	Machinery and equipment R'000	Total R'000
Not later than 1 year	469	469
Later than 1 year and not later than 5 years	132	132
Total lease commitments	601	601

2011/12	Machinery and equipment R'000	Total R'000
Not later than 1 year	147	147
Later than 1 year and not later than 5 years	40	40
Total lease commitments	187	187
Total present value of lease liabilities	187	187

27 Irregular expenditure

27.1 Reconciliation of irregular expenditure

	Note	2012/13 R'000	2011/12 R'000
Opening balance		28 102	8 231
Add: Irregular expenditure – relating to prior year		19 228	–
Add: Irregular expenditure – relating to current year		3 481	19 871
Less: Amounts condoned		(4 942)	–
Less: Amounts recoverable (not condoned)		(4 190)	–
Irregular expenditure awaiting condonation		41 679	28 102
Analysis of awaiting condonation per age classification			
Current year		3 481	28 102
Prior years		38 198	–
Total		41 679	28 102

27.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/ criminal proceedings	2012/13 R'000
Non-compliance with SCM and order number not issued prior to services being rendered		15 473
Non-compliance with SCM processes SBD forms		1 928
Non-compliance with SCM processes not followed by SASSA in respect of Social Relief of Distress funds		3 925
Non-compliance with SCM processes not followed by SASSA in respect of Social Relief of Distress funds		1 383
Total		22 709

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

27.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2012/13 R'000
Use of newspapers		398
Advertisement of posts		792
Venue		750
Catering		210
Compilation of research report		97
Relocation		7
Training		1 595
Transport		83
Facilitation		207
Printing		283
Events		428
Furniture		92
Total		4 942

27.4 Details of irregular expenditure recoverable (not condoned)

	2012/13 R'000
Storage of furniture	318
Leases	3 845
Advertisement	27
Total	4 190

28 Fruitless and wasteful expenditure

28.1 Reconciliation of fruitless and wasteful expenditure

	Note	2012/13 R'000	2011/12 R'000
Opening balance		124	390
Fruitless and wasteful expenditure relating to current year		371	–
Less: Amounts resolved		(423)	(266)
Less: Amounts transferred to receivables for recovery		(1)	–
Fruitless and wasteful expenditure awaiting resolution		71	124

28.2 Analysis of awaiting resolution per economic classification

	Note	2012/13 R'000	2011/12 R'000
Current		71	124
Total		71	124

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

28.3 Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2011/12 R'000
Car damage		225
Hotel no show		195
Shuttle no show		3
Total		423

29 Key management personnel

	No. of Individuals	2012/13 R'000	2011/12 R'000
Political office-bearers			–
Officials:	2	3 659	3 471
Level 15 to 16	4	10 816	9 551
Level 14 (including CFO if at a lower level)		20 213	19 972
Total		34 688	32 994

30 Impairment

	Note	2012/13 R'000	2011/12 R'000
Impairment			
Debtors		142 124	48 461
Total		142 124	48 461

31 Movable tangible capital assets

Movement in movable tangible capital assets as per asset register for the year ended 31 March 2013

	Opening balance	Additions	Disposals	Closing balance
Machinery and equipment	75 046	6 997	11 421	70 622
Transport assets	4 098	–	–	4 098
Computer equipment	43 792	3 223	10 316	36 699
Furniture and office equipment	20 494	2 418	551	22 361
Other machinery and equipment	6 662	1 356	554	7 464
Total movable tangible capital assets	75 046	6 997	11 421	70 622

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

31.1 Additions

Additions to movable tangible capital assets as per asset register for the year ended 31 March 2013

	Cash R'000	Received current, not paid (paid current year, received prior year)	Total R'000
Machinery and equipment	6 833	164	6 997
Computer equipment	3 109	114	3 223
Furniture and office equipment	2 418	–	2 418
Other machinery and equipment	1 306	50	1 356
Total additions to movable tangible capital assets	6 833	164	6 997

The decrease is due to the standardisation of computer equipment that was finalised in the 2011/12 financial year.

31.2 Disposals

Disposals of movable tangible capital assets as per asset register for the year ended 31 March 2013

	Transfer out or destroyed or scrapped R'000	Total disposals R'000
Machinery and equipment	11 421	11 421
Computer equipment	10 316	10 316
Furniture and office equipment	551	551
Other machinery and equipment	554	554
Total disposal of movable tangible capital assets	11 421	11 421

31.3 Movement for 2011/12

Movement in movable tangible capital assets as per asset register for the year ended 31 March 2012

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	57 645	17 506	105	75 046
Transport assets	2 475	1 623	–	4 098
Computer equipment	33 879	9 913	–	43 792
Furniture and office equipment	16 553	4 046	105	20 494
Other machinery and equipment	4 738	1 924	–	6 662
Total movable tangible assets	57 645	17 506	105	75 046

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

31.4 Minor assets

Movement in minor assets as per asset register for the year ended 31 March 2013

	Machinery and equipment R'000	Total R'000
Opening balance	2 808	2 808
Additions	1 438	1 438
Disposals	901	901
Total minor assets	3 345	3 345
Number of R1 minor assets	4 796	4 796
Number of minor assets at cost	12 858	12 858
Total number of minor assets	17 654	17 654

Movement in minor assets as per asset register for the year ended 31 March 2013

	Machinery and equipment R'000	Total R'000
Opening balance	1 204	1 204
Additions	1 734	1 734
Disposals	130	130
Total minor assets	2 808	2 808
Number of R1 minor assets	6 893	6 893
Number of minor assets at cost	11 288	11 288
Total number of minor assets	18 181	18 181

31.5 Intangible capital assets

Movement in intangible capital assets as per asset register for the year ended 31 March 2013

	Opening balance	Current year adjustments to prior year balances	Additions	Closing balance
Computer software	21 871	(16 312)	4 175	9 734
Total intangible capital assets	21 871	(16 312)	4 175	9 734

The opening balance of the intangible asset register was corrected with R16 312 000 in respect of amounts that were incorrectly allocated in previous financial years.

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2013

31.6 Additions

Additions to intangible capital assets as per asset register for the year ended 31 March 2013

	Cash R'000	Total R'000
Computer software	4 175	4 175
Total additions to intangible capital assets	4 175	4 175

The opening balance of the intangible asset register was corrected with R16 312 000 in respect of amounts that were incorrectly allocated in previous financial years.

31.7 Movement for 2011/12

Movement in intangible capital assets as per asset register for the year ended 31 March 2012

	Opening balance R'000	Additions R'000	Closing balance R'000
Computer software	20 880	991	21 871
Total	20 880	991	21 871

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

Annexure 1A

Statement of transfers to Departmental Agencies and Accounts

DEPARTMENT/AGENCY/ACCOUNT	Transfer allocation			Expenditure		2011/12
	Adjusted appropriation	Adjustments	Total Available	Actual transfer	% of available funds transferred	Appropriation
	R'000	R'000	R'000	R'000	%	R'000
National Development Agency (NDA)	166 263	–	166 263	166 263	100%	161 360
South African Social Security Agency (SASSA)	6 200 270	(80 500)	6 119 770	6 119 770	100%	6 143 657
National Student Financial Aid Scheme of South Africa (NSFAS)	256 000	–	256 000	256 000	100%	244 000
	6 622 533	(80 500)	6 542 033	6 542 033		6 549 017

Annexure 1B

Statement of transfers to foreign governments and international organisations

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	Transfer allocation			Expenditure		2011/12
	Adjusted appropriation	Adjustments	Total Available	Actual transfer	% of available funds transferred	Appropriation
	R'000	R'000	R'000	R'000	%	R'000
Transfers						
International Social Security Association (ISSA)	1 118	–	1 118	–		1 059
International Federation on Ageing (IFA)	40	–	40	9		38
International Social Service (ISS)	165	–	165	1 249		150
Walvis Bay	–	246	246	246		323
UN International Drug Control Programme (UNDCP)	38	–	38	25		–
Partners in Population and Development (PPD)	336	–	336	–		356
UN Research Institute for Social Development (UNRISD)	110	–	110	–		100
Commission on Narcotic Drugs (CND)	–	–	–	–		35
International Organisation of Pension Supervisors (IOPS)	50	–	50	52		50
Organisation for Economic Co-operation and Development (OECD)	300	–	300	294		300
UN Population Fund (UNPA)	188	23	211	210		–
Total	2 345	269	2 614	2 421		2 411

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

Annexure 1C

Statement of transfers to non-profit institutions

NON-PROFIT INSTITUTIONS	Transfer allocation			Expenditure		2011/12
	Adjusted appropriation	Adjustments	Total Available	Actual transfer	% of available funds transferred	Appropriation
	R'000	R'000	R'000	R'000	%	R'000
Transfers						
LoveLife	45 600	–	45 600	45 600	100%	43 360
Soul City	2 500	–	2 500	2 500	100%	4 500
UN Population Fund (UNFPA)	–	–	–	–	–	200
National Association of Burial Societies of SA (NABSSA)	–	–	–	–	–	956
Khanya-Africa Institute for Community Driven Development (AICDD)	544	–	544	479	88%	513
National Association of People Living with HIV and AIDS(NAPWA)	500	–	500	836	167%	793
Cape Town Child Welfare Society	–	–	–	–	–	400
Food Bank	1 000	–	1 000	1 000	100%	5 000
	50 144	–	50 144	50 415		55 722
Subsidies						
Suid-Afrikaanse Vrouefederasie (SAVF)	691	–	691	691	100%	642
Die Ondersteuningsraad	592	–	592	592	100%	550
National Council for Persons with Physical Disabilities (NCPDPSA)	670	–	670	670	100%	600
Deaf Federation of South Africa (DEAFSA)	610	–	610	610	100%	590
SA Federation for Mental Health	710	–	710	710	100%	703
SA National Council on Alcoholism and Drug Dependence (SANCA)	979	681	1660	1660	100%	1 361
Child Welfare South Africa (CWSA)	1 979	–	1 979	1 979	100%	1 839
Apostolic Faith Mission (AFM) of South Africa	658	–	658	658	100%	611
Family and Marriage Society of South Africa (FAMSA)	1 147	–	1 147	1 502	100%	1 068
Epilepsy South Africa	592	–	592	592	100%	420
National Institute for Crime Prevention and Reintegration of Offenders (NICRO)	750	–	750	750	100%	300
Afrikaanse Christelike Vrouevereniging (ACVV)	1 149	–	1 149	1 149	100%	1 068
Alzheimer's SA	786	–	786	786	100%	649
Disabled Children Action Group (DICAG)	640	–	640	640	100%	755
BADISA	552	–	552	552	100%	514
SA Council for Social Service Profession (SACSSP)	1 550	–	1 550	1 550	100%	1 476
Khulisa Crime Prevention Initiative	750	–	750	750	100%	500
SA Older Persons Forum	600	–	600	600	100%	649
Childline South Africa	884	–	884	884	100%	822
SA Depression and Anxiety Group (SADAG)	1 500	–	1 500	1 500	100%	1 000
Action on Elder Abuse SA	660	–	660	660	100%	649
Lifeline Southern Africa	1 005	–	1 005	1 004	100%	900
National Association of Social Workers	–	–	–	–	100%	–
National Peace Accord Trust	1 005	–	1 005	1 004	100%	690
Victim Empowerment Organisation	–	–	–	–	–	951
Subtotal	20 459	681	21 140	21 138		19 307
Total	70 603	681	71 284	71 553		75 029

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

Annexure 1D

Statement of transfers to households

HOUSEHOLDS	Transfer allocation			Expenditure		2011/12
	Adjusted appropriation R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	% of available funds transferred %	Appropriation R'000
Transfers						
Social grants	104 887 916	–	104 887 916	103 888 956	99%	95 963 141
Social benefit ex-officials	–	–	–	863		987
Department of Labour (injury on duty)	–	–	–	210		89
Donations	–	–	–	–		311
Total	104 887 916	–	104 887 916	103 890 029		95 964 528

Annexure 1E

Statement of aid assistance received

DONOR	Purpose	Opening balance R'000	Revenue R'000	Expenditure R'000	Closing balance R'000
Received in cash					
CIDA	Child Protection Register	375	3 719	3 758	336
HW Seta	Various training programmes	3 822	3 303	1 277	5 848
Global Fund	Fight against Aids, TB and malaria	–	890	418	472
CARA		359	26 000	224	26 135
Subtotal		4 556	33 912	5 677	32 791
Received in kind					
JICA	Centre spread in Rolling Inspiration magazine	–	16	16	–
JICA	Training for disability mainstreaming and despatch of disability mainstreaming advisor to the Department	–	82	82	–
JICA	Promotional materials on disability rights	–	350	350	–
JICA	Study tour of Japan by DSD officials	–	582	582	–
JICA	Interventions to strengthen HCBC M&E systems in North West and Northern Cape	–	2 000	2 000	–
UNICEF	Audit of unregistered child and youth care centres and situational analysis of safe houses	–	758	325	433
UNICEF	Development of a Safety and Risk Assessment Tool	–	330	330	–
USAID	Development of the NPO registration and reporting systems	–	2 205	2 205	–
USAID	Maintenance and sustainability of the Children Service Directory	–	44 286	1 141	43 145
USAID	Enhancement of the HCBC M&E System	–	430	430	–
USAID	Impact assessment of HCBC support	–	2 764	694	2 070
USAID	Development of the DSD OVC National Action Plan 2012–2016	–	259	113	146
USAID	Placement of 6 staff members within DSD to provide various forms of support	–	3 294	2 438	856
USAID	Appointment of a consultant to write the User Requirement Specific Document for the new DSD NPO database and manage the system developer	–	1 259	1 259	–
GUJIMA AST	Old promotional stock	–	91	91	–
Subtotal			58 706	12 056	46 650
TOTAL		4 556	92 618	17 733	79 441

Annexure 1F Statement of actual monthly expenditure per grant

GRANT TYPE	2012							2013			Total		
	Apr R'000	May R'000	Jun R'000	Jul R'000	Aug R'000	Sept R'000	Oct R'000	Nov R'000	Dec R'000	Jan R'000		Feb R'000	Mar R'000
Old Age	3 336 044	3 328 863	3 343 552	3 371 180	3 314 371	3 393 344	3 371 610	3 396 247	3 382 477	3 409 326	3 405 600	3 412 518	40 465 132
War Veterans	903	910	854	850	818	793	773	762	734	734	713	699	9 543
Disability	1 521 586	1 480 285	1 470 958	1 503 251	1 475 754	1 478 698	1 470 869	1 466 268	1 455 050	1 471 293	1 422 692	1 419 864	17 636 568
Grant in Aid	19 266	19 085	19 354	19 667	19 600	19 666	19 821	20 114	20 218	20 453	20 149	20 580	237 973
Foster Care	434 374	441 087	448 887	459 743	457 862	464 910	471 254	475 077	472 262	404 164	400 022	405 407	5 335 049
Care Dependency	154 517	154 909	155 102	155 481	155 331	158 252	156 800	157 910	157 128	158 681	156 498	156 803	1 877 412
Child Support	3 150 401	3 133 807	3 155 776	3 199 759	3 125 020	3 204 568	3 182 949	3 207 460	3 174 971	3 210 024	3 168 097	3 175 158	38 087 990
Other	3 647	8 500	15 323	17 782	23 904	15 783	18 037	16 928	20 144	27 946	21 057	50 235	239 286
TOTAL	8 620 738	8 567 446	8 609 806	8 727 713	8 572 660	8 736 014	8 692 113	8 740 766	8 682 984	8 702 621	8 594 828	8 641 264	103 888 953

Annexure 2a Statement of financial guarantees issued as at 31 March 2013 – local

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2012	Drawdowns during the year	Repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recoverable, i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Absa	Housing	134	110	-	54	-	56	-	-
FNB	Housing	11	11	-	11	-	-	-	-
First Rand	Housing	101	101	-	101	-	-	-	-
Old Mutual	Housing	27	12	-	12	-	-	-	-
Standard Bank	Housing	15	15	-	15	-	-	-	-
TOTAL		288	249	-	193	-	56	-	-

Annexure 2b

Statement of contingent liabilities as at 31 March 2013

NATURE OF LIABILITY	Opening balance 1 April 2012 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable R'000	Closing balance 31 March 2013 R'000
Claims against the department					
Unfair labour practice	2 600	–	187	–	2 413
Civil claim (War Veteran's Grant)	–	73	–	–	73
Civil claim (Disaster relief – drought)	–	552	–	–	552
Civil claim (Disaster relief – storm)	–	58	–	–	58
TOTAL	2 600	683	187	–	3 096

Annexure 3

Claims recoverable

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000
Departments						
Department of Health and Welfare – Limpopo	7 851	20 123	–	33	7 851	20 156
Department of Social Development – Gauteng	2 870	2 870	–	57	2 870	2 927
Limpopo Provincial Treasury	–	–	16	–	16	–
South African Social Security Agency	–	–	2 886	3 301	2 886	3 301
Department of International Relations	–	–	148	–	148	–
National Development Agency	–	–	154	–	154	–
Community Safety – Mpumalanga	–	–	–	30	–	30
The Presidency	–	–	333	–	333	–
Department of Labour	–	–	18	–	18	–
Justice and Constitutional Development	–	–	–	117	–	117
Department of Public Works	–	–	22	–	22	–
Department of Health	–	–	–	27	–	27
National Treasury – Adjust Free State	–	–	423	–	423	–
National Treasury – Mpumalanga	–	–	670	670	670	670
National Treasury (Limpopo)	–	–	694	694	694	694
National Treasury (Free State)	–	–	2 423	2 423	2 423	2 423
Department of Environmental Affairs	–	–	–	25	–	25
National Treasury – Over surrender	–	–	252	37	252	37
National Treasury – Over surrender	–	–	670	–	670	–
Integrated Justice System (Department of Justice)	–	–	–	1 478	–	1 478
Department of Defence	–	–	–	19	–	19
Department of Home Affairs	8	–	–	8	8	8
Department of Justice (salaries)	–	–	17	–	17	–
Unknown conversion	–	–	55	55	55	55
SASSA (salaries)	–	–	385	–	385	–
SASSA (PMG administration account)	–	1 796	183	–	183	1 796
South African Revenue Service	–	18	–	–	–	18
	10 729	24 807	9 349	8 974	20 078	33 781
Other government entities						
PRASA	–	–	136	–	136	–
TOTAL	10 729	24 807	9 485	8 974	20 214	33 781

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

Annexure 4 Intergovernment payables

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance		Total	
	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000
Departments						
Current						
Dept of Human Settlement	–	–	–	10	–	10
Dept of Justice and Constitutional Development	1 134	–	62	1 111	1 196	1 111
Dept of Home Affairs	–	–	–	7	–	7
North West Dept of Social Development, Women, Children and People with Disabilities	6	–	–	–	6	–
Eastern Cape Dept of Social Development and Special Programmes	–	–	7	–	7	–
Total	1 140	–	69	1 128	1 209	1 128

Annexure 5 Inventory

INVENTORY	Note	2012/13		2011/12	
		Quantity	R'000	Quantity	R'000
Opening balance		25 518	1 277	13 290	755
Add/(less): Adjustments to prior year balance		–	(16)	(2 000)	(47)
Add: Additions/purchases – cash		96 100	16 609	80 625	17 914
Add: Additions – non-cash		2 000	39	–	–
(Less): Issues		(102 384)	(16 426)	(63 697)	(17 355)
Closing balance		21 234	1 483	28 218	1 267

Annexure 6A Inter-entity advances paid (note 13)

ENTITIES	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000
National departments						
GCIS	866	–	386	1 076	1 252	1 076
Department of International Relations and Cooperation	–	–	949	1 362	949	1 362
					–	–
Subtotal	866	–	1 335	2 438	2 201	2 438
Public entities						
SASSA	–	–	53	451	53	451
Subtotal	–	–	53	451	53	451
TOTAL	866	–	1 388	2 889	2 254	2 889

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

Annexure 6B

Inter-entity advances received (note 18 and note 19)

ENTITIES	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000
Provincial departments						
Current						
NISIS project	–	–	5 131	537	5 131	537
SASSA	–	–	–	2	–	2
Subtotal	–	–	5 131	539	5 131	539
Non-current						
NISIS PROJECT	–	–	391	–	391	–
SASSA Limpopo	–	–	3	–	3	–
					–	–
Subtotal	–	–	394	–	394	–
Current	–	–	5 131	539	5 131	539
Non-current	–	–	394	–	394	–
TOTAL	–	–	5 525	539	5 525	539

Report of the Auditor-General to Parliament on the Disaster Relief Fund

Report on the Financial Statements

Introduction

1. I have audited the financial statements of the Disaster Relief Fund set out on pages 193 to 202, comprising the statement of financial position as at 31 March 2013, the statement of financial performance, the statement of changes in net assets, and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

The board's responsibility for the financial statements

2. The board is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Fund-Raising Act, 1987 (Act No. 107 of 1978), and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Disaster Relief

Fund as at 31 March 2013, 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) and the requirements of the Fund-Raising Act, 1978 (Act No. 107 of 1978).

Emphasis of matter: going concern

7. Note 20 to the financial statements indicate that the fund is in the process of being closed down. These conditions, along with other matters as set forth in note 20 indicate the existence of a material uncertainty that may cast significant doubt on the fund's ability to operate as a going concern.

Report on other legal and regulatory requirements

8. In accordance with the PAA and the *General Notice* issued in terms thereof. I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

9. I was unable to conduct the audit of performance against predetermined objectives as the fund is not required to prepare a report on its performance against predetermined objectives. The Fund does not fall within the ambit of the PFMA, and the entity-specific legislation does not require the reporting on performance against predetermined objectives.

Compliance with laws and regulations

10. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with the specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

11. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor-General

Pretoria

Date: 15 July 2013



Statement of Financial Performance

for the year ended 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
REVENUE			
Other income (SPR)	2	4 048	23 710
TOTAL REVENUE		4 048	23 710
EXPENDITURE			
Administrative expenses (SPR)	3	(197)	(243)
Audit fees	4	(8)	(15)
Other operating expenses (SPR)	5	(391)	(32 369)
TOTAL EXPENDITURE		(596)	(32 627)
SURPLUS/(DEFICIT) FROM OPERATIONS		3 452	(8 917)
Surplus/(deficit) for the year		3 452	(8 917)

Statement of Financial Position

as at 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
ASSETS			
Non-current assets		0	0
Current assets			
Cash and cash equivalents	7	79 215	64 562
Account receivable	8		11 201
TOTAL ASSETS		79 215	75 763
EQUITY AND LIABILITIES			
Current liabilities		0	0
TOTAL LIABILITIES		0	0
NET ASSETS			
CAPITAL AND RESERVES			
Accumulated surplus	9	79 215	75 763
TOTAL NET ASSETS		79 215	75 763
TOTAL NET ASSETS AND LIABILITIES		79 215	75 763

Statement of Changes in Net Assets

as at 31 March 2013

	Accumulated funds R'000
Balance as at 1 April 2011	84 680
Surplus for the year	(8 917)
Balance as at 31 March 2012	75 763
(Deficit) / surplus for the year	3 452
Balance as at 31 March 2013	79 215

Cash Flow Statement

for the year ended 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from stakeholders		11 201	21 000
Government grant			21 000
Refund from suppliers		11 201	
Cash paid to stakeholders, suppliers and employees			(43 828)
Grant and project payments		(373)	(32 349)
Payments to suppliers and other		(224)	(11 479)
Cash generated from operations	10	10 606	(22 828)
Interest income	2	4 048	2 710
Net cash inflow/ (outflow) from operating activities		14 652	(20 118)
CASH FLOW FROM INVESTING ACTIVITIES			
Investing activities		0	0
Net cash flows from investing activities		0	0
CASH FLOW FROM FINANCING ACTIVITIES			
Write-off of unpaid beneficiaries		0	0
Net cash flows from financing activities		0	0
Net (decrease) / increase in cash and cash equivalents		14 653	(20 118)
Cash and cash equivalent at beginning of the year		64 562	84 680
Cash and cash equivalent at end of the year	7	79 215	64 562

Notes to the Financial Statements of the Disaster Relief Fund

for the year ended 31 March 2013

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 will only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- GRAP 20: Related Party Disclosures
- GRAP 25: Employee Benefits
- GRAP 105: Transfer of Function Between Entities Under common Control
- GRAP 106: Transfer of Function Between Entities Not Under common Control
- GRAP 107: Mergers

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 Exchange 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

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.

Notes to the Financial Statements of the Disaster Relief Fund

for the year ended 31 March 2013

1.5 Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

1.6 Investments

Investments are shown at cost including interest capitalised.

1.7 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.8 Financial instruments

1.8.1 Recognition

Financial assets and liabilities are recognised in the balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

1.8.2 Measurement

Financial instruments are initially measured at cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

1.8.3 Financial assets

The Fund's principle financial assets are cash and cash equivalents.

1.8.4 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.

1.8.5 Trade and other receivables

Trade and other receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

1.8.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and investments. Cash and cash equivalents are measured at fair value.

1.8.7 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.

1.9 Inventories

Inventory is stated at the lower cost and net realizable value. Cost is calculated on the weighted average basis, and it includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

1.9.1 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

Notes to the Financial Statements of the Disaster Relief Fund

for the year ended 31 March 2013

2 Revenue

	2012/13 R'000	2011/12 R'000
Interest received	4 048	2 710
National Lottery Board	–	
High School Vorentoe (Disaster Fund – account closed 26 August 2010)	–	
Stale cheques		
Direct deposit		21 000
Total	4 048	23 710

3 Administrative expenditure

	Note	2012/13 R'000	2011/12 R'000
Investment levy		3	4
Fees for services – board members	21	162	146
Advertisement tenders			37
Rental (container)		7	11
Bank charges		13	3
Refreshments (meetings)		12	42
Total		197	243

4 Audit fees

	2012/13 R'000	2011/12 R'000
	8	15
Total	8	15

5 Other operating expenses

	2012/13 R'000	2011/12 R'000
Travel and accommodation	15	17
Printing and stationery		
Training		
Computer expenses	3	3
Assistance to beneficiaries (DSD)	373	1 218
Assistance to beneficiaries (DMS)		28 463
Administration fees to (DMS)		2 668
Total	391	32 369

Notes to the Financial Statements of the Disaster Relief Fund

for the year ended 31 March 2013

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

	2012/13 R'000	2011/12 R'000
Cost	51 290	48 584
Additions during the year	27 908	2 706
Closing balance	79 198	51 290

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	2012/13 R'000	2011/12 R'000
Cash and balances with banks	16	13 272
Investments	79 198	51 290
Total	79 214	64 562

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.

	2012/13 Effective rate %	2011/12 Effective rate %	Change
Investments	5.14	5.44	(0.30)

6.1.6 Interest risk sensitivity analysis

	2012/13 R	2011/12 R
Investments	79,198	51,290
0.3% interest fluctuation impact	238	513

Notes to the Financial Statements of the Disaster Relief Fund

for the year ended 31 March 2013

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

	2012/13 R'000	2011/12 R'000
Cash – bank deposits	16	13 272
Cash – corporation for public deposits	78 165	50 305
Cash – Public Investment Corporation	1 033	985
Total	79 214	64 562

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 Account receivable

	2012/13 R'000	2011/12 R'000
Prepaid expenses	–	11 201
Total		11 201

9 Retained income

	2012/13 R'000	2011/12 R'000
Accumulated surplus /(accumulated deficit)	75 763	84 680
Net profit/loss for this year	3 452	(8 917)
Total	79 215	75 763

10 Cash generated from/(utilised in) operations

	2012/13 R'000	2011/12 R'000
Surplus/ (deficit) before tax	3 452	(8 917)
(Interest received)	(4 048)	(2 710)
Adjusted for working capital changes	11 201	(11 201)
Increase/(decrease) in payables		
(Increase)/decrease in receivables	11 201	(11 201)
Net cash flow from operating activities	10 605	(22 828)

Notes to the Financial Statements of the Disaster Relief Fund

for the year ended 31 March 2013

11 National Lotteries Board funding

The Disaster Relief Fund Board entered into a Grant Agreement to the value of R50 million with the National Lotteries Board on 1 March 2011. In terms of this agreement the first tranche of R35 million was paid during the 2010/11 financial year with the second tranche payment of R15 million payable upon compliance with conditions provided for in the contract. Due to the discretionary nature of the payment of the outstanding balance of the R15 million has not been recognised in the statement of financial position.

12 Events after balance sheet date

None identified to date.

13 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.

14 Contingent liabilities

The following are the details of claims against the Disaster Relief Fund:

- Civil claim (disaster relief – drought): the estimated amount of the claim is R551 700,00 and legal costs are estimated at R1 000 000,00.
- Civil claim (disaster relief – storm): the estimated amount of the claim is R57 600,00 and legal costs are estimated at R150 000,00.

The above matters are still pending and as such have not yet been finalised. However, No prospects of successful claims by the claimants which is likely to decrease the amount reflected as claim or estimated claim against DSD.

Lists of beneficiary names have been sent to Free State, KwaZulu-Natal, Eastern Cape, Limpopo and North West provinces to trace unpaid flood relief beneficiaries totalling 2449. This is an on-going process which is expected to be finalised by the end of the 2013/14 financial year. The projected amount payable to the beneficiaries calculated at a rate of R3 420 per beneficiary amounts to R8 375 580,00.

Processes are underway to request that the payments to these beneficiaries be made from the remaining allocation of the National Lotteries Board which amounts to R6 369 803.06 before any unspent funds can be surrendered to the National Lotteries Board. We anticipate that the engagements with the National Lotteries Board in that regard will be finalised before the end of the 2013/14 financial year.

15 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

16 Revenue

16.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement. Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Notes to the Financial Statements of the Disaster Relief Fund

for the year ended 31 March 2013

16.2 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.

16.3 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.

17 Borrowing costs

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

18 Interest in joint ventures

Interest in joint ventures is applicable to all entities on the accrual basis of accounting.

19 Related party transactions

19.1 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 the DSD.

REVENUE	2012/13 R'000	2011/12 R'000
Department of Social Development	–	21 000
Total		21 000

19.2 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.

19.3 National Development Agency (NDA)

A related party relationship exists between the Disaster Relief Fund and the NDA. There were no transactions between the parties.

19.4 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.

Notes to the Financial Statements of the Disaster Relief Fund

for the year ended 31 March 2013

20 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The fund is in the process of being closed. This will be done upon the amendment of the Social Assistance Act, the process of which has commenced in the 2012/13 financial year.

21 Board member emoluments

Fees for board members:

2012/13	Designation	Total (R)	Meeting fees (R)	Travel (R)
Adv M Komape	Chairperson	22 179	14 448	7 731
Ms J Padayatchey	Deputy Chairperson	13 691	11 279	2 412
Mr F A Xaba	Board member	15 509	2 613	12 896
Mr M I Mokotjo	Board member	43 154	6 897	36 257
Ms O Matshane	Board member	1 137	836	301
Mr T L Makgonye	Board member	38 827	8 465	30 363
Ms C Phetwe	Board member	15 895	8 987	6 908
Total		162 342	53 524	108 818

2011/12	Designation	Total (R)	Meeting fees (R)	Travel (R)
Adv M Komape	Chairperson	52 169	36 120	16 050
Ms O Matshane	Board member	6 842	5 121	1 721
Mr F A Xaba	Board member	7 342	3 135	4 207
Mr M I Mokotjo	Board member	20 212	9 510	10 701
Ms J Padayatchey	Board member	8 733	6 688	2 045
Mr TL Makgonye	Board member	21 528	5 330	16 199
Mr J S Mojapelo	Board member	10 801	8 360	2 441
Ms C Phetwe	Board member	18 717	8 047	10 669
Ms B G Chiba	Board member	–	–	–
Mr G J Pillay	Board member	–	–	–
Mr M E Tau	Board member	–	–	–
Total		146 344	82 311	64 033

22 Meeting attendance for the period 1 April 2012 to 31 March 2013

Names	26 Apr 12	12 Jun 12	11 Jul 12	18 Sept 12	25 Sept 12	08 Oct 12	21 Nov 12	12 Dec 12	17 Dec 12	08 Feb 13	Total
Adv M Komape	1	1	1	–	–	1	–	1	1	1	7
Ms O Matshane	–	1	–	1	–	–	–	–	–	–	2
Mr F A Xaba	1	1	1	1	1	–	–	1	–	–	6
Mr M I Mokotjo	1	1	1	1	1	–	1	1	1	1	9
Ms J Padayatchey	1	1	1	1	–	1	1	1	1	1	9
Mr T L Makgonye	–	1	1	1	1	–	1	1	1	1	8
Ms C Phetwe	–	1	1	1	1	–	1	1	1	1	8
Total	4	7	6	6	4	2	4	6	5	5	49

Report of the Auditor-General to Parliament on the Refugee Relief Fund

Report on the Financial Statements

Introduction

1. I have audited the financial statements of the Refugee Relief Fund set out on pages 204 to 211, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Fund-Raising Act, 1978 (Act No. 107 of 1978), 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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Refugee Relief

Fund as at 31 March 2013, 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) and the requirements of the Fund-Raising Act, 1978 (Act No. 107 of 1978).

Emphasis of matter: going concern

7. Note 15 to the financial statements indicate that the fund is in the process of being closed down. These conditions, along with other matters as set forth in note 15 indicate the existence of a material uncertainty that may cast significant doubt on the fund's ability to operate as a going concern

Report on other legal and regulatory requirements

8. In accordance with the PAA and the *General Notice* issued in terms thereof. I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

9. I was unable to conduct the audit of performance against predetermined objectives as the fund is not required to prepare a report on its performance against predetermined objectives. The Fund does not fall within the ambit of the PFMA and the entity-specific legislation does not require the reporting on performance against predetermined objectives.

Compliance with laws and regulations

10. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with the specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

11. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor-General

Pretoria

Date: 17 July 2013



Statement of Financial Performance

for the year ended 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
REVENUE			
Other income (SPR)	2	21	22
Total revenue		21	22
EXPENDITURE			
Administrative expenses (SPR)	3	(5)	(4)
Audit fees (SPR)	4	(4)	(5)
Total expenditure		(9)	(9)
SURPLUS/(DEFICIT) FROM OPERATIONS		12	13
Surplus/(deficit) for the year		12	13

Statement of Financial Position

as at 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
ASSETS			
Non-current assetscurrent (SPO)			0
Current assets			0
Cash and cash equivalents (SPO)	6	537	525
Total assets		537	525
CAPITAL AND RESERVES			
Accumulated surplus		537	525
TOTAL NET ASSETS AND LIABILITIES		537	525

Statement of Changes in Net Assets

as at 31 March 2013

	Note	Accumulated funds R'000
Balance as at 1 April 2011		512
Surplus for the year		13
Balance as at 31 March 2012		525
(Deficit) / surplus for the year		12
Balance as at 31 March 2013	6	537

Cash Flow Statement

as at 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees	7	(9)	(9)
Cash generated from/ (utilised in) operations		(9)	(9)
Interest received		21	22
Net cash inflow / (outflow) from operating activities		12	13
CASH FLOW FROM INVESTING ACTIVITIES			
Trading investments		0	0
Net cash flows from investing activities		0	0
Net (decrease) / increase in cash and cash equivalents		12	13
Cash and cash equivalents at beginning of the year		525	512
Cash and cash equivalent at end of the year	6	537	525

Notes to the Financial Statements of the Refugee Relief Fund

for the year ended 31 March 2013

1 Summary of Significant Accounting Policies

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- GRAP 20: Related Party Disclosures
- GRAP 25: Employee Benefits
- GRAP 105: Transfer of Function Between Entities Under common Control
- GRAP 106: Transfer of Function Between Entities Not Under common Control
- GRAP 107: Mergers

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 Exchange 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

1.2 Currency

These financial statements are presented in South African Rands.

1.3 Property, plant and equipment

Items of property, plant and equipment are initially recognised as on acquisition date and are initially recorded at cost.

1.4 Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Notes to the Financial Statements of the Refugee Relief Fund

for the year ended 31 March 2013

1.5 Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

1.6 Investments

Investments are shown at cost including interest capitalised.

1.7 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.8 Financial instruments

1.8.1 Recognition

Financial assets and liabilities are recognized in the balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

1.8.2 Measurement

Financial instruments are initially measured at cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

1.8.3 Financial assets

The Fund's principal financial assets are investments.

1.8.4 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.

1.8.5 Trade and other receivables

Trade and other receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

1.8.6 Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

1.8.7 Financial liabilities

The Fund's principal financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principal payments and amortisations.

1.9 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

2 Revenue

	2012/13 R'000	2011/12 R'000
Interest received	21	22
Total	21	22

Notes to the Financial Statements of the Refugee Relief Fund

for the year ended 31 March 2013

3 Administrative expenditure

	2012/13 R'000	2011/12 R'000
Bank charges	1	1
Management fee	4	4
Total	5	5

4 Audit fees

	2012/13 R'000	2011/12 R'000
	4	5
Total	5	5

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.

5.1.3 Financial assets

	2012/13 R'000	2011/12 R'000
Costs	459	444
Additions during the year	21	18
Closing balance	480	462

5.1.4 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.

	2012/13 R'000	2011/12 R'000
Cash and balances with banks	57	62
Investment	480	462
Total	537	524

Notes to the Financial Statements of the Refugee Relief Fund

for the year ended 31 March 2013

5.1.5 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.

	2012/13 Effective rate %	2011/12 Effective rate %	Change
Investments	5.14	5.44	(0.3)

5.1.6 Interest risk sensitivity analysis

	2012/13 R'000	2011/12 R'000
Investments	480	462
0.3% interest fluctuation impact	1	5

5.1.7 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.

5.1.8 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

6 Cash and cash equivalents

	2012/13 R'000	2011/12 R'000
Cash – bank deposits	57	62
Cash – corporation for public deposits	2	2
Cash – Public Investment Corporation	478	460
Total	537	524

Credit quality of cash at bank and short term deposits, excluding cash on hand.

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

7 Cash generated from/(utilised in) operations

	2012/13 R'000	2011/12 R'000
Surplus/ (deficit) before tax	12	84,680
(Interest received)	(21)	12
Net cash flow from operating activities	(9)	(9)

Notes to the Financial Statements of the Refugee Relief Fund

for the year ended 31 March 2013

8 Events after balance sheet date

None identified to date.

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.

10 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

11 Revenue

11.1 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.

11.2 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.

11.3 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.

12 Borrowing costs

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

13 Interest in joint ventures

Interest in joint ventures is applicable to all entities on the accrual basis of accounting.

Notes to the Financial Statements of the Refugee Relief Fund

for the year ended 31 March 2013

14 Related party transactions

14.1 The Department of Social Development

The executive authority of the Refugee 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.

14.2 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.

14.3 National Development Agency (NDA)

A related party relationship exists between the Refugee Relief Fund and the NDA. There were no transactions between the parties.

14.4 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.

15 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The fund is in the process of being closed. This will be done upon the amendment of the Social Assistance Act, the processes of which commenced in the 2012/13 financial year.

Report of the Auditor-General to Parliament on the Social Relief Fund

Report on the Financial Statements

Introduction

1. I have audited the financial statements of the Social Relief Fund set out on pages 213 to 220, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Fund-Raising Act, 1978 (Act No. 107 of 1978), 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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Social Relief

Fund as at 31 March 2013, 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) and the requirements of the Fund-Raising Act, 1978 (Act No. 107 of 1978).

Emphasis of matter: Going concern

7. Note 16 to the financial statements indicate that the fund is in the process of being closed down. These conditions, along with other matters as set forth in note 16 indicate the existence of a material uncertainty that may cast significant doubt on the fund's ability to operate as a going concern

Report on other legal and regulatory requirements

8. In accordance with the PAA and the *General Notice* issued in terms thereof. I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

9. I was unable to conduct the audit of performance against predetermined objectives as the fund is not required to prepare a report on its performance against predetermined objectives. The Fund does not fall within the ambit of the PFMA and the entity-specific legislation does not require the reporting on performance against predetermined objectives.

Compliance with laws and regulations

10. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with the specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

11. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor-General

Pretoria

Date: 17 July 2013



Statement of Financial Performance*for the year ended 31 March 2013*

	Notes	2012/13 R'000	2011/12 R'000
REVENUE			
Other income (SPR)	2	1 322	1 330
TOTAL REVENUE		1 322	1 330
EXPENDITURE			
Administrative expenses (SPR)	3	(1)	(1)
Audit fees (SPR)	4	(4)	(4)
TOTAL EXPENDITURE		(5)	(5)
SURPLUS/(DEFICIT) FROM OPERATIONS		1 317	1 325
Surplus/(deficit) for the year		1 317	1 325

Statement of Financial Position*as at 31 March 2013*

	Notes	2012/13 R'000	2011/12 R'000
ASSETS			
Non-current assets current		0	0
Current assets			
Cash and cash equivalents	6	26 432	25 115
Total assets		26 432	25 115
CAPITAL AND RESERVES			
Accumulated surplus		26 432	25 115
TOTAL NET ASSETS AND LIABILITIES		26 432	25 115

Statement of Changes in Net Assets

as at 31 March 2013

	Notes	Accumulated funds R'000
Balance as at 1 April 2011		23 790
Surplus for the year		1 325
Balance as at 31 March 2012		25 115
(Deficit) / surplus for the year		1 317
Balance as at 31 March 2013	6	26 432

Cash Flow Statement

as at 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees	7	(5)	(5)
Cash generated from/ (utilised in) operations		(5)	(5)
Interest received		1 322	1 330
Net cash inflow / (outflow) from operating activities	8	1 317	1 325
CASH FLOW FROM INVESTING ACTIVITIES			
Trading investments		0	0
Net cash flows from investing activities		0	0
Net (decrease) / increase in cash and cash equivalents		1 317	1 325
Cash and cash equivalents at beginning of the year		25 115	23 790
Cash and cash equivalent at end of the year	6	26 432	25 115

Notes to the Financial Statements of the Social Relief Fund

for the year ended 31 March 2013

1 Summary of significant accounting policies

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- GRAP 20: Related Party Disclosures
- GRAP 25: Employee Benefits
- GRAP 105: Transfer of Function Between Entities Under common Control
- GRAP 106: Transfer of Function Between Entities Not Under common Control
- GRAP 107: Mergers

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 Exchange 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

1.2 Currency

These financial statements are presented in South African Rands.

1.3 Property, plant and equipment

Items of property, plant and equipment are initially recognised as on acquisition date and are initially recorded at cost.

1.4 Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Notes to the Financial Statements of the Social Relief Fund

for the year ended 31 March 2013

1.5 Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

1.6 Investments

Investments are shown at cost including interest capitalised.

1.7 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.8 Financial instruments

1.8.1 Recognition

Financial assets and liabilities are recognized in the balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

1.8.2 Measurement

Financial instruments are initially measured at cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

1.8.3 Financial assets

The Fund's principle financial assets are investments.

1.8.4 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.

1.8.5 Trade and other receivables

Trade and other receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

1.8.6 Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

1.8.7 Financial Liabilities

The Fund's principle financial liabilities are accounts payable.

All financial liabilities are measured at mortised cost, comprising original debt less principle payments and amortisations.

1.9 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

2 Revenue

	2012/13 R'000	2011/12 R'000
Interest received	1 322	1 330
Total	1 322	1 330

Notes to the Financial Statements of the Social Relief Fund

for the year ended 31 March 2013

3 Administrative expenditure

	2012/13 R'000	2011/12 R'000
Bank charges	1	1
Total	1	1

4 Audit fees

	2012/13 R'000	2011/12 R'000
Audit fees	4	4
Total	4	4

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 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.

5.1.2 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.

5.1.3 Financial assets

	2012/13 R'000	2011/12 R'000
Costs	25 107	23 785
Additions during the year	1 321	1 330
Closing balance	26 428	25 112

5.1.4 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.

5.1.4.1 Cash and cash equivalents

	2012/13 R'000	2011/12 R'000
Cash and balances with banks	3	3
Investment	26 429	25 112
Total	26 432	25 115

Notes to the Financial Statements of the Social Relief Fund

for the year ended 31 March 2013

5.1.5 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.

	2012/13 Effective rate %	2011/12 Effective rate %	Change
Investments	5.14	5.44	(0.3)

5.1.6 Interest risk sensitivity analysis

	2012/13 R'000	2011/12 R'000
Investments	26 432	25 112
0.3% interest fluctuation impact	79	251

5.1.7 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.

5.1.8 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

6 Cash and cash equivalents

	2012/13 R'000	2011/12 R'000
Cash – bank deposits	3	3
Cash – investment account	26 429	25 112
Total	26 432	25 115

Credit quality of cash at bank and short term deposits, excluding cash on hand. The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

7 Cash generated from/(utilised in) operations

	2012/13 R'000	2011/12 R'000
Surplus/ (deficit) before tax	1 317	1 325
(Interest received)	(1 322)	(1 330)
Net cash flow from operating activities	(5)	(5)

Notes to the Financial Statements of the Social Relief Fund

for the year ended 31 March 2013

8 Net cash inflows/outflows from operating activities

	2012/13 R'000	2011/12 R'000
Cash payments to suppliers and employees	(5)	(5)
Cash generated from/(utilised in) operations	(5)	(5)
Interest received	1 322	1 330
Net cash inflows/outflows from operating activities	1 317	1 325

9 Events after balance sheet date

None identified to date.

10 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.

11 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

12 Revenue

12.1 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.

12.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures.

Notes to the Financial Statements of the Social Relief Fund

for the year ended 31 March 2013

12.3 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.

13 Borrowing costs

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

14 Interest in joint ventures

Interest in joint ventures is applicable to all entities on the accrual basis of accounting.

15 Related party transactions

15.1 The Department of Social Development

The executive authority of the Social 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.

15.2 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.

15.3 National Development Agency (NDA)

A related party relationship exists between the Social Relief Fund and the NDA. There were no transactions between the parties.

15.4 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.

16 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The fund is in the process of being closed. This will be done upon the amendment of the Social Assistance Act, the processes of which commenced in the 2012/13 financial year.

Report of the Auditor-General to Parliament on the State President's Fund

Report on the Financial Statements

Introduction

1. I have audited the financial statements of the State President's Fund set out on pages 222 to 228, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Fund-Raising Act, 1978 (Act No. 107 of 1978), 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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the State President's

Fund as at 31 March 2013, 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) and the requirements of the Fund-Raising Act, 1978 (Act No. 107 of 1978).

Emphasis of matter: going concern

7. Note 15 to the financial statements indicate that the fund is in the process of being closed down. These conditions, along with other matters as set forth in note 15 indicate the existence of a material uncertainty that may cast significant doubt on the fund's ability to operate as a going concern

Report on other legal and regulatory requirements

8. In accordance with the PAA and the *General Notice* issued in terms thereof. I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

9. I was unable to conduct the audit of performance against predetermined objectives as the fund is not required to prepare a report on its performance against predetermined objectives. The Fund does not fall within the ambit of the PFMA and the entity-specific legislation does not require the reporting on performance against predetermined objectives.

Compliance with laws and regulations

10. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with the specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

11. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor-General

Pretoria

Date: 17 July 2013



State President's Fund

Statement of Financial Performance

for the year ended 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
REVENUE			
Other income (SPR)	2	1 382	1 390
TOTAL REVENUE		1 382	1 390
EXPENDITURE			
Administrative expenses (SPR)	3	(1)	(1)
Audit fees (SPR)	4	(4)	(5)
Local and assistance paid	3	–	
TOTAL EXPENDITURE	3	(5)	(6)
SURPLUS/(DEFICIT) FROM OPERATIONS		1 377	1 384
Surplus/(deficit) for the year		1 377	1 384

State President's Fund

Statement of Financial Position

as at 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets			
Cash and cash equivalents	6	27 630	26 253
Total assets		27 630	26 253
CAPITAL AND RESERVES			
Accumulated surplus		27 630	26 253
TOTAL NET ASSETS AND LIABILITIES		27 630	26 253

Statement of Changes in Net Assets

as at 31 March 2013

	Accumulated funds R'000
Balance as at 1 April 2011	24 869
Surplus for the year	1 384
Balance as at 31 March 2012	26 253
(Deficit) / surplus for the year	1 377
Balance as at 31 March 2013	27 630

Cash Flow Statement

as at 31 March 2013

	Notes	2012/13 R'000	2011/12 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees	7	(5)	(6)
Cash generated from/ (utilised in) operations		(5)	(6)
Interest received		1 382	1 390
Net cash inflow / (outflow) from operating activities		1 377	1 384
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		0	0
Net (decrease) / increase in cash and cash equivalents		1 377	1 384
Cash and cash equivalents at beginning of the year		26 253	24 869
Cash and cash equivalent at end of the year	6	27 630	26 253

Notes to the Financial Statements of the State President's Fund

for the Year Ended 31 March 2013

1 Summary of Significant Accounting Policies

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

- 1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- GRAP 20: Related Party Disclosures
- GRAP 25: Employee Benefits
- GRAP 105: Transfer of Function Between Entities Under common Control
- GRAP 106: Transfer of Function Between Entities Not Under common Control
- GRAP 107: Mergers

- 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 Exchange 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

1.2 Currency

These financial statements are presented in South African Rands.

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.

1.5 Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation.

Notes to the Financial Statements of the State President's Fund

for the Year Ended 31 March 2013

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

1.6 Investments

Investments are shown at cost including interest capitalised.

1.7 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.8 Financial instruments

1.8.1 Recognition

Financial assets and liabilities are recognised in the balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

1.8.2 Measurement

Financial instruments are initially measured at cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

1.8.3 Financial assets

The Fund's principal financial assets are investments.

2 Revenue

	2012/13 R'000	2011/12 R'000
Interest received	1 382	1 390
Total	1 382	1 390

3 Administrative expenditure

	2012/13 R'000	2011/12 R'000
Bank charges	1	1
Financial assistance	–	–
Total	1	1

4 Audit fees

	2012/13 R'000	2011/12 R'000
Audit fees	4	5
Total	4	5

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's Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The State President's Fund does not manage this risk aggressively as the investments of funds are determined by

Notes to the Financial Statements of the State President's Fund

for the Year Ended 31 March 2013

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's Fund if a financial institution to a financial instrument fails to meet its contractual obligations.

The State President's 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.

5.1.3 Financial assets

	2012/13 R'000	2011/12 R'000
Costs	26 245	24 860
Additions during the year	1 382	1 390
Financial assets available for sale	–	
Closing balance	27 627	26 250

5.1.4 Liquidity risk

Liquidity risk is the risk that the State President's Fund will not be able to meet its financial obligations as they fall due. The State President's 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's Fund monitors its cash flow requirements and optimizes its cash return on investments.

5.1.4.1 Cash and cash equivalents

	2012/13 R'000	2011/12 R'000
Investment	27 627	26 250
Cash and balances with banks	3	3
Total	27 630	26 253

5.1.5 Interest rate risk

The State President's 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 State President's Fund.

	2012/13 Effective rate %	2011/12 Effective rate %	Change
Investments	5.14	5.44	(0.3)

5.1.6 Interest risk sensitivity analysis

	2012/13 R'000	2011/12 R'000
Investments	27 627	26 250
0.3% interest fluctuation impact	83	263

Notes to the Financial Statements of the State President's Fund

for the Year Ended 31 March 2013

5.1.7 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.

5.1.8 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

6 Cash and cash equivalents

	2012/13 R'000	2011/12 R'000
Cash – bank deposits	3	3
Cash – investment account	27 627	26 250
Total	27 630	26 253

Credit quality of cash at bank and short-term deposits, excluding cash on hand.

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired, can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

7 Cash generated from/(utilised in) operations

	2012/13 R'000	2011/12 R'000
Surplus/ (deficit) before tax	1 377	1 384
(Interest received)	(1 382)	(1 390)
Net cash flow from operating activities	(5)	(6)

8 Events after balance sheet date

None identified to date.

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.

10 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

11 Revenue

11.1 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.

Notes to the Financial Statements of the State President's Fund

for the Year Ended 31 March 2013

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

11.2 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,

11.3 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.

12 Borrowing costs

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

13 Interest in joint ventures

Interest in joint ventures is applicable to all entities on the accrual basis of accounting.

14 Related party transactions

14.1 The Department of Social Development

The executive authority of the State President's 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.

14.2 Relief Fund Boards

A related party relationship exists between the State President's Fund, the Disaster Relief Fund, the Refugee Relief Fund and the Social Relief Fund. There were no transactions between the above-mentioned related parties.

14.3 National Development Agency (NDA)

A related party relationship exists between the State President's Fund and the NDA. There were no transactions between the parties.

14.4 South African Social Security Agency (SASSA)

A related party relationship exists between the State President's Fund and SASSA. There were no transactions between the parties.

15 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The fund is in the process of being closed. This will be done upon the amendment of the Social Assistance Act, the processes of which will commence in the 2012/13 financial year.



PART F

Acronyms and Abbreviations

PART F: ACRONYMS AND ABBREVIATIONS

ADRA	Adventist Development and Relief Agency
AFM	Apostolic Faith Mission
AGSA	Auditor-General South Africa
AICDD	Africa Institute for Community Driven Development
AIDS	Acquired Immune Deficiency Syndrome
APC	African Population Commission
APO	Assistant Probation Officer
APP	Annual Performance Plan
APS	Anti-Poverty Strategy
APSTAR	Applied Population Science in Training and Research
ARV	Anti-retroviral
ASGI-SA	Accelerated and Shared Growth Initiative of South Africa
ASW	Auxiliary Social Workers
AU	African Union
BAS	Basic Accounting System
BEC	Bid Evaluation Committee
CANE	Children Abused, Neglected and Exploited
CARA	Criminal Assets Recovery Account
CBO	Community-Based Organisation
CCE	Community Capacity Enhancement
CCF	Child Care Forums
CCG	Community Care Givers
CD	Chief Directorate
CD	Community Development
CDA	Central Drug Authority
CDP	Community Development Policy
CDW	Community Development Worker
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGP	Consolidated Government Paper
CHH	Child Headed Households
CIDA	Canadian International Development Agency
COGTA	Cooperative Governance Traditional Affairs (COGTA)
COIDA	Compensation for Occupational Injuries and Disease Act
CORN	Community Organisation Regional Network
CP	Country Programme
CPR	Child Protection Register
CPR	Computer Peripheral Repairs
CRP	Complaint Response Management
CSG	Child Support Grant
CSO	Civil Society Organisations
CWLC	Child Welfare League of Canada
CWP	Community Works Programme

CYCC	Child and Youth Care Centre
DCS	Department of Correctional Services
DDG	Deputy Director General
DEAFSA	Deaf Federation of South Africa
DFID	Department for International Development
D-G	Director-General
DPLG	Department of Provincial and Local Government
DPSA	Department of Public Service and Administration
DRC	Democratic Republic of Congo
DRFB	Disaster Relief Fund Board
DSD	Department of Social Development
DWA	Department of Water Affairs
EC	Eastern Cape
ECD	Early Childhood Development
EHW	Employee Health and Wellness
ENE	Estimates of National Expenditure
EPWP	Extended Public Works Programme
ETDPSETA	Education Training and Development Practice Sector Education Authority
EU- PDPHC	European Union-Partnership for Delivery of Primary Health Care
EXCO	Executive Committee
FAMSA	Family and Marriage Association of South Africa
FBO	Faith Based Organisations
FOSAD	Forum of South African Directors-General
FTSS	Full Time Shop Steward
GAAP	Generally Accepted Accounting Principles
GCIS	Government Communication and Information Systems
GDS	Growth and Development Summit
GFN	Global Food Banking Network
GIS	Geographical Information Systems
GSSC	Government Sector Security Council
HCBC	Home/Community Based Care
HCM	Human Capital Management
HDI	Historically Disadvantaged Individuals
HIV	Human Immunodeficiency Virus
HR	Human Resources
HRD	Human Resources Development
HSD	Heads of Social Development
HSRC	Human Sciences Research Council
HWSETA	Health and Welfare Sector Education and Training Authority
IBSA	India, Brazil and South Africa
ICC	International Convention Centre
ICDP	Integrated Conference of Population and Development

ICROP	Integrated Community Registration Outreach Programme
ICT	Information and Communication Technology
IDP	Integrated Development Planning
IDT	Independent Development Trust
IDTT	Interdepartmental Task Team
IFA	International Federation for Ageing
IGR	Inter-Governmental Relations
IIA	Institute of Internal Auditors
IM	Information Management
IMC	Inter-Ministerial Committee
IMST	Information Management System and Technology
IOD	Injury on Duty
IPDET	International Programme for Development Evaluation Training
IPGLGS	Integrated Population and Development Local Government Strategy
IPPF	International Planned Parenthood Federation
ISDM	Integrated Service Delivery Model
ISRDP	Integrated Sustainable Rural Development Programme
ISS	International Social Service
ISSA	International Social Security Association
IT	Information Technology
ITSAA	Independent Tribunal for Social Assistance Appeals
JCPS	Justice, Crime Prevention Security
JICA	Japan International Cooperation Agency
KFW	Kreditanstalt für Wiederaufbau
KZN	KwaZulu-Natal
LOC	Local Organising Committee
M&E	Monitoring and Evaluation
MANCO	Management Committee
MDG	Millennium Development Goals
ME&R	Monitoring, Evaluation and Reporting
MINMEC	Ministers and Members of Executive Councils
MIS	Management Information System
MISP	Management Information System Plan
MOST	Management of Social Transformation
MOU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MYPP	Masupatsela Youth Pioneer Programme
NABSS	National Association of Burial Societies of South Africa
NACCA	National Action Committee for Children Affected by HIV and AIDS
NAP	National Action Plan

NAPWA	National Association of People Living with HIV and Aids
NATJOINTS	National Joint Operation Centre
NC	Northern Cape
NCOP	National Council of Provinces
NDA	National Development Agency
NDA	National Development Agency
NDMP	National Drug Master Plan
NEPAD	New Partnership for Africa's Development
NFES	National Food Energy Scheme
NGO	Non-Governmental Organisation
NIA	National Intelligence Agency
NICRO	National Institute for Crime Prevention and Rehabilitation of Offenders
NIPECD	National Integrated Plan for Early Childhood Development
NISIS	National Integrated Social Information System
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NTT	National Task Team
NYS	National Youth Service
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OHS	Occupational Health Safety
OSD	Occupation Specific Dispensation
OVC	Orphans and Vulnerable Children
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Access to Justice Act
PASA	Population Association for South Africa
PDIS	Population and Development Information Service
PED	Population Environment and Development
PFA	Policy and Financial Awards
PFMA	Public Finance Management Act
PHSDSBC	Public Health and Social Development Bargaining Council
PID	Project Initiation Document
PMDS	Performance Management Development System
PMU	Project Management Unit
PoA	Programme of Action
PPD	Population Policy Development
PPM	Programme in Project Management
PPP	Public--Private Partnership
PPU	Provincial Population Unit
PQ	Parliamentary Questions
PRP	Poverty Relief Programme
PSETA	Public Service Education and Training Authority

PART F: ACRONYMS AND ABBREVIATIONS

QA	Quality Assurance
QAR	Quality Assurance Review
RACAP	Register on Adoptable Children and prospective Adoptive Parents
RAR	Reception, Assessment and Referral
RCM	Research Coordination and Management
RFB	Refugee Relief Fund Board
RI	Rehabilitation International
RPL	Recognition of Prior Learning
S&T	Subsistence and Travel
SA	South Africa
SAA	Social Assistance Act
SABC	South African Broadcasting Cooperationon
SACHA	South African Coalition Against HIV/AIDS
SACSSP	South African Council for Social Services Professions
SACSSP	South African Council of Social Services Professions
SADC	South African Development Community
SADHS	South African Demographic and Health Survey
SAHARA	Social Aspects of HIV/AIDS Research Alliance
SAMEA	South African Monitoring and Evaluation Association
SANAC	South African National Aids Council
SANCA	South African National Council on Alcoholism and Drug Dependence
SANMVA	South Africa National Military Veterans Association
SAPS	South African Police Services
SAQA	South African Qualification Authority
SASSA	South African Social Services Agency
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SDIMS	Social Development Information Management System
SGB	Standards Generating Body
SITA	State Information Technology Agency
SLA	Sustainable Livelihood Approach
SOCPEN	Social Pension System
SOP	Standard Operating Procedure

SPFB	State President Fund Board
SPPIA	Standards for the Professional Practice of Internal Auditing
SRFB	Social Relief Fund Board
SRH	Sexual Reproductive Health
STI	Sexual Transmitted Infections
TAU	Technical Assistance Unit
TB	Tuberculosis
TIPS	Trade and Industrial Policy Strategy
TMT	Transformation Management Team
TNDT	Transitional National Development Trust
TOR	Terms of Reference
TUT	Tshwane University of Technology
UAE	United Arab Emirates
UAPS	Union for African Population Studies
UAPS	United African Population Seminar
UKZN	University of KwaZulu-Natal
UN	United Nations
UNICEF	United Nations Children's Fund
UNCPD	United Nation Commission on Population and Development
UNDAF	United Nations Development Assistance Framework
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Population Fund
UNGASS	United Nations General Assembly Special Session
UNODC	United Nations Office on Drugs and Crime
URP	Urban Renewal Programme
URSD	User Registration Specification Document
USAID	United Sates Agency for International Development
VAPO	Volunteer Assistant Probation Officer
VCT	Voluntary Counselling and Testing
VEP	Victim Empowerment Policy
WAD	World Aids Day
WC	Western Cape
WPD	World Population Day

Produced by Acumen Publishing Solutions and Ink Design

Printed by Law Printing, Midrand

Images supplied by Department of Social Development,
iStockphoto, Media Club South Africa and UNICEF





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Website: www.dsd.gov.za
RP306/2013 ISBN: 978-0-621-42276-4