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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 109**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 09 FEBRUARY 2023**

**INTERNAL QUESTION PAPER NUMBER: 1 - 2023**

**109. Ms L L van der Merwe (IFP) to ask the Minister of Social Development:**

In light of reports of children’s homes in Gauteng facing closure due to the late payment and/or non-payment of departmental subsidies notwithstanding that some children’s homes have submitted compliance documents by June 2022, what (a)(i) total number of (aa) nongovernmental organisations and/or (bb) nonprofit organisations have not been paid their full subsidies for 2022 and (ii) is the breakdown of the specified figure in terms of each province, (b) vulnerable groups have been affected by the non-payment of the subsidies and (c) steps will be taken to ensure that the late payment and/or non-payment of subsidies will not reoccur in 2023? NW113E

**REPLY:**

The Department views the NPOs as important stakeholders in the delivery of services. Whilst acknowledging that there were delays with few provinces, it should be taken into consideration that the payment of organizations is a dual responsibility for both the Department and the NPOs. For NPOs to be paid, they need to be compliant and to submit the relevant reports and claims, failure to which the Department is unable to process their payment. The majority of the non-payments relate to non-compliance, specifically in Gauteng as indicated below.

**EASTERN CAPE**

1. (i)(aa) n/a

(bb) n/a

(ii) n/a

1. n/a
2. n/a - all subsidies and claims were processed upon submission of the relevant documents.

**FREE STATE**

1. (i)(aa) n/a

(bb) n/a

(ii) n/a

1. n/a
2. n/a – all subsidies and claims were paid.

**GAUTENG**

1. (i) (aa) 42

(bb) 42 Non-Compliant NPOs could not be paid due to non-compliance.

(ii) Find attached Annexure C (i), list of NPOs in Gauteng not paid due to non-compliance.

(b) The response to (a) above notes the NPOs affected and the targeted groups which include Children, Older Persons, Youth and People with Disabilities.

(c) The Department does not withhold payments for NPOs that are compliant. The delayed payment or non-payments relate to non-complying NPOs. For the NPOs to be considered for payment, it is their responsibility to maintain compliance status. Review of the application is considered once the status of compliance has improved.

**KWA-ZULU NATAL**

1. (i)(aa) n/a

(bb) n/a

(ii) n/a

1. n/a

(c) The reasons for the delays in payments for KwaZulu Natal emanated from the huge budget cuts during the Medium-Term Expenditure Framework (MTEF) which seriously affected the payment of organizations and consequently hampering services delivery. The Department’s budget for 2021/22 financial year was R3,897 485 billion whilst for the 2022/23 it is R3,332 172 billion. The 2022/23 budget is R565,313 million less than the previous financial year. The budget cuts implemented by the Provincial Treasury were done without due consideration of the existing long-term agreements the Department had signed with the Non- Profit Organisations (NPOs).

However, all payments due to the NPOs that were delayed, were subsequently paid in February 2023.

Prior to that, a written communication was sent to all affected NPOs making them aware of the situation, apologising about the delayed payments and confirming when payments will be made. Also, the Department is continuously engaging with the Provincial Treasury for additional budget.

**LIMPOPO**

1. (i)(aa) n/a

(bb) n/a

(ii) n/a

1. n/a
2. n/a Subsidies and claims processed including Children’s homes that are paid on a six-monthly basis.

**MPUMALANGA**

1. (i)(aa) 29

(bb) (ii) as below

|  |  |  |
| --- | --- | --- |
| **NPO not Paid their full subsidies for 2022 and Vulnerable Groups affected** | **Breakdown** | **Reasons** |
| Older Persons | 2 | 1 Centre - Claim not submitted  1 Centre closed |
| Persons with Disabilities | 9 | Varying reasons including:  1 centre no longer functional;  6 - Organizations with challenges;  2 NPOs - claims not submitted |
| HIV and AIDS | 2 | 1 Organization has not been submitting claims since they had functional problems;  1 NPO under investigation |
| Drop-In-Centres | 8 | 1 organisation is under investigation  7 claims processed as they were submitted late, not yet paid. |
| CYCC | 1 | CYCC didnot submit claims |
| Child Protection Organization | 1 | Awaiting outstanding documents from the Organization |
| VEP | 3 | 2 withdrawn for funding due to challenges;  1 under investigation |
| Youth Development | 3 | 1 Centre mis-management of funds;  1 Center SLA not signed due to challenges experienced by organisation;  1 Centre had to change the board of directors due to mismanagement of funds |

1. Monthly claims are processed on submission of the relevant documents.

**NORTH WEST**

Report not received at time of submission

1. (i) (aa)

(bb)

(ii)

(b)

(c)

**NORTHERN CAPE**

1. (i)(aa) None

(bb) n/a

(ii) n/a

1. n/a
2. Monthly claims of stipend and salaries are processed on submission of the relevant documents.

**WESTERN CAPE**

1. (i)(aa) n/a

(bb) n/a

(ii) n/a

1. n/a
2. Quarterly payment dates have been set and are measured for compliance against the payment date.