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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 1216**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 18 October 2019**

**INTERNAL QUESTION PAPER NUMBER: 20 - 2019**

**1216. Mrs G Opperman (DA) to ask the Minister of Social Development:**

(1) What are the reasons that the soup kitchen sponsored by her department in Loeriesfontein has been closed since March 2019;

(2) what are the reasons that the soup kitchen sponsored by her department in Calvinia is investigated by the Directorate for Priority Crime Investigation? NW2426E

**National Assembly Written Reply: 1216**

**WRITTEN REPLY:**

1. In terms of funding allocation, Loeriesfontein Soup Kitchen was approved for a three year funding (2017/18-2019/20) and the allocation was done as follows:

2017/2018 – Allocated amount of R107 652.

The organisation’s business plan was approved and a first tranche payment of R53 826 was paid on the 28th of August 2017. In order to process the 2nd tranche, the organisations are expected to submit the claims, but the organisation in question did not submit the required information. In that instance, the Department could not transfer funds as the organisation did not submit the necessary claim.

2018/2019 – Allocated amount of R154 812.

The first tranche payment of R77 406 was paid on the 5th of June 2018. Upon submission of quarterly report, and subsequent monitoring visits, there were concerns with the spending of funds. The organization was requested to submit evidence for utilization of funds with transactions totalling R65 942.76 from the period April 2018 to September 2018. By the end of the financial year, the organization failed to submit the required proof for utilization of funds, and also did not submit the required claim for the second tranche. For this reason the second tranche payment could not be released due to pending documents that were requested by the Department.

2019/2020 – Provisionally allocated amount of R156 612.

In an endeavour to assist the said organization, an amount of R156 612 was earmarked for the organization on condition that its status has improved. There were several attempts by the department to assist the organization to implement corrective measures and controls for better management of the organisation. However, the status of the organisation remained the same as they failed to implement the recommended corrective measures. Such a situation renders this organisation to be non-compliant.

It is on this basis that the funds that were earmarked for Loeriesfontein Soup Kitchen for 2019/20 were withheld as no proof was provided to convince the Department that the previous funding allocations were utilized towards the intended purpose. There are no justifiable reasons to allocate funding in such an instance as there is potential mismanagement of funds and failure by the organisation to comply with the funding requirement. The organization failed to comply with the financial and governance prescripts and the provisions of the SLA entered into with the department.

1. The Hantam Soup Kitchen (Calvinia) was approved for a three year funding and the allocation was as follows:

2017/2018 - An amount of R107 652 was

approved for the soup kitchen. The first tranche payment of R53 826 was paid to the organisation for Soup Kitchen.

An amount of R485 400 was approved for Isibindi Stipends and a first tranche of R262 692 was paid.

An amount of R104 560 was approved for the Youth Service Centre and a first tranche of R52 280 was paid to the organisation.

The first tranche payment totalling an amount of R368 798 was transferred to the organisation for all their programs during the 2017/18 financial year.

On the 29th of May 2018 an internal investigation was conducted. The findings revealed that an amount of R82 676.88 was mismanaged by the Treasurer of Hantam Soup Kitchen (Calvinia). A case was registered with the South African Police Services with case number CAS 99/12/2017 hence the organisation is under police investigation.

Following the on-going investigation, the Department withdrew any further funding until their investigations are completed.