

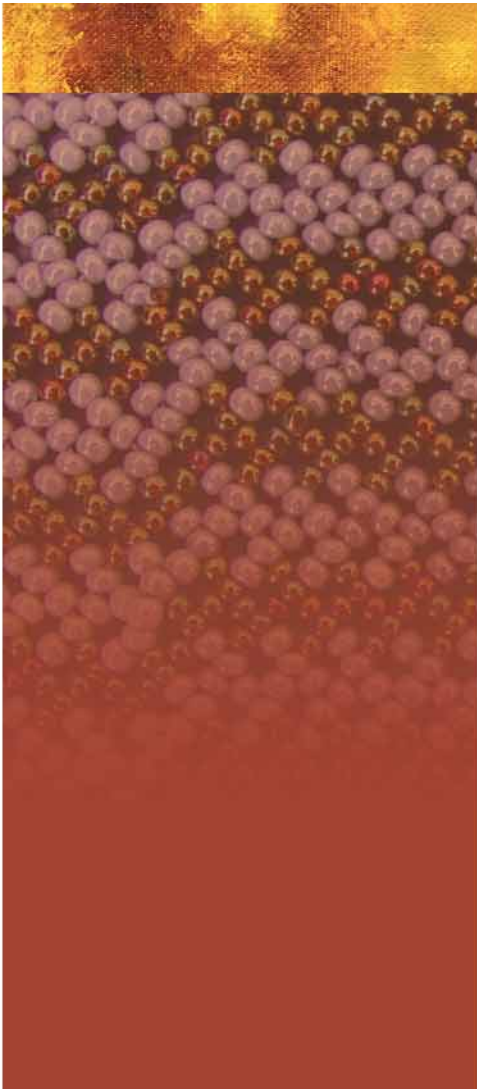


Department of Social Development



Annual Report 2002-2003

Building a people's contract
to strengthen families and
communities for a better
life for children



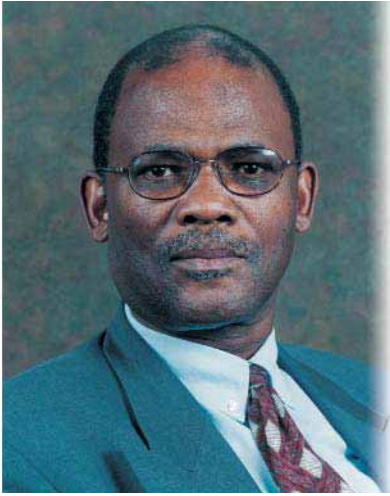
*The people we serve
come first in performing
our duties.*



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Foreword by the Minister



"We have managed to surpass the targets set for us by registering over 2,7 million children for the Child Support Grant."

This Annual Report details how the Department of Social Development has continued to perform in fulfilling the mandate given to the Government in 1999. During the reporting period under review we continued to push back the frontiers of poverty through accelerated change. This report testifies to the fact that we have remained true to the people's contract for a better South Africa for all our people, especially children. In this regard, a particular focus of the Department's work in the Social Cluster has been orphaned and vulnerable children.

Furthermore, as of 31 March 2003, through our community and home-based care support network, we had reached approximately 75 000 children infected and affected by HIV/Aids. Improved reach and access to services being but one aspect of our work to ensure a healthy environment for children. We also made good progress in finalising the Child Care Legislation. More broadly we continued work on creating a comprehensive social security system. Through our partnerships with Faith-based Organisations and other sectors of civil society we have managed to surpass the targets set for us by registering over 2,7 million children for the Child Support Grant.

Although during the year we addressed the income poverty of approximately 5,5 million people, through social grants, we also had to respond directly to incidences of hunger and malnutrition through the pilot on Integrated Food Security and Nutrition Programme, which was introduced by Cabinet in July 2002. This programme balances immediate food nutrition requirements with sustainable development measures for households and communities in need, targeting also child headed house holds.

In this regard, participation and partnerships have been and continue to be prerequisites of sustainable development. As a result the Department made all efforts to ensure the maximum participation of African civil society organisations in the World Summit for Sustainable Development. This landmark Summit created a solid platform for global action to improve the quality of life on our planet. In order for the African continent to realise the goals adopted during the Summit, we must strengthen our collaboration efforts as envisaged by the New Partnership for African Development (NEPAD).

In conclusion I would like to express my gratitude to the Members of the Portfolio and Select Committees in Parliament, the Members of the Executive Committees in the provinces, and the partners and staff of the Department of Social Development as well as other Government Departments. Together we must continue to accelerate our work to promote and protect the rights of the most vulnerable people in our society, so that the goal of building a people's contract for a better life for all especially children, can become a reality sooner rather than later.

A handwritten signature in black ink, which appears to read "Zola Skweyiya". The signature is written in a cursive style.

DR ZOLA SKWEIYA (MP)
Minister of Social Development



**Department of Social Development
PRIVATE BAG X901, PRETORIA
Republic of South Africa**

The Hon Dr Zola Skweyiya (MP)
Minister of Social Development
Private Bag X855
PRETORIA
0001

Dear Minister

ANNUAL REPORT FOR THE YEAR ENDING 31 MARCH 2003

It is an honour to present you with the Annual Report of the Department of Social Development for the year 1 April 2002 to 31 March 2003.

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 read 'Vusi MadONSELA'.

**VUSI MADONSELA
DIRECTOR-GENERAL
DATE**



The people we serve come first in performing our responsibilities

Part One

General information



Schematic diagram of the structure of the National Department of Social Development



Minister of Social Development
Dr ZST Skweyiya



Director-General
Mr V Madonsela

 <p>Chief of Staff Mr MBB Lekalakala</p>	
<p>Media and International Liaison Officer</p> <p>Vacant</p>	<p>D: Research</p> <p>Vacant</p>
 <p>D: Stakeholder Management Mr V Mthintso</p>	<p>D: International Relations</p> <p>Vacant</p>




DDG: Social Security
Mr F Makiwane



Chief Financial Officer
Mr C Pakade



DDG: Integrated Development
Ms T Nwedamutsu



D: Internal Audit
Ms T Ntuli



Gender Focal Person
Ms L Peloeahae



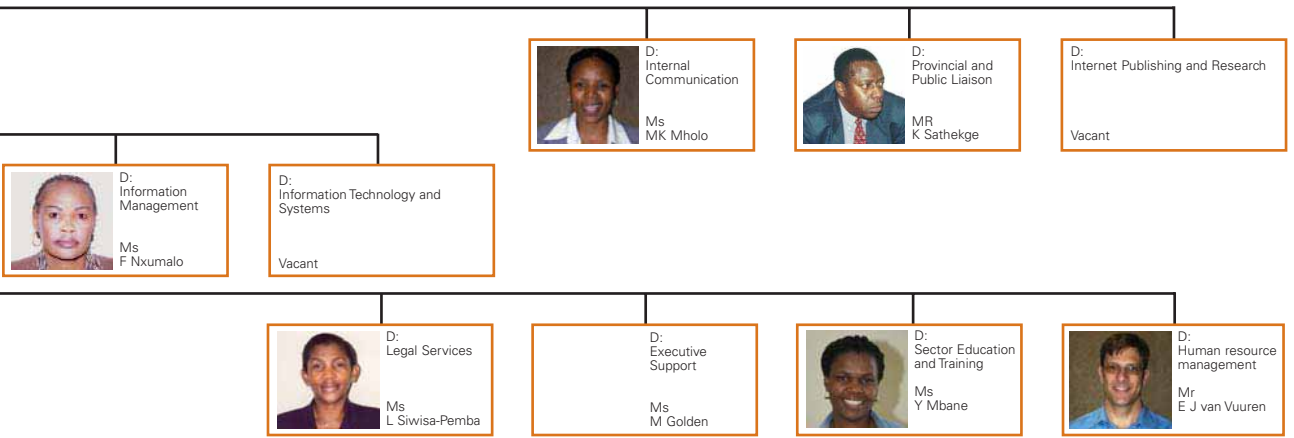
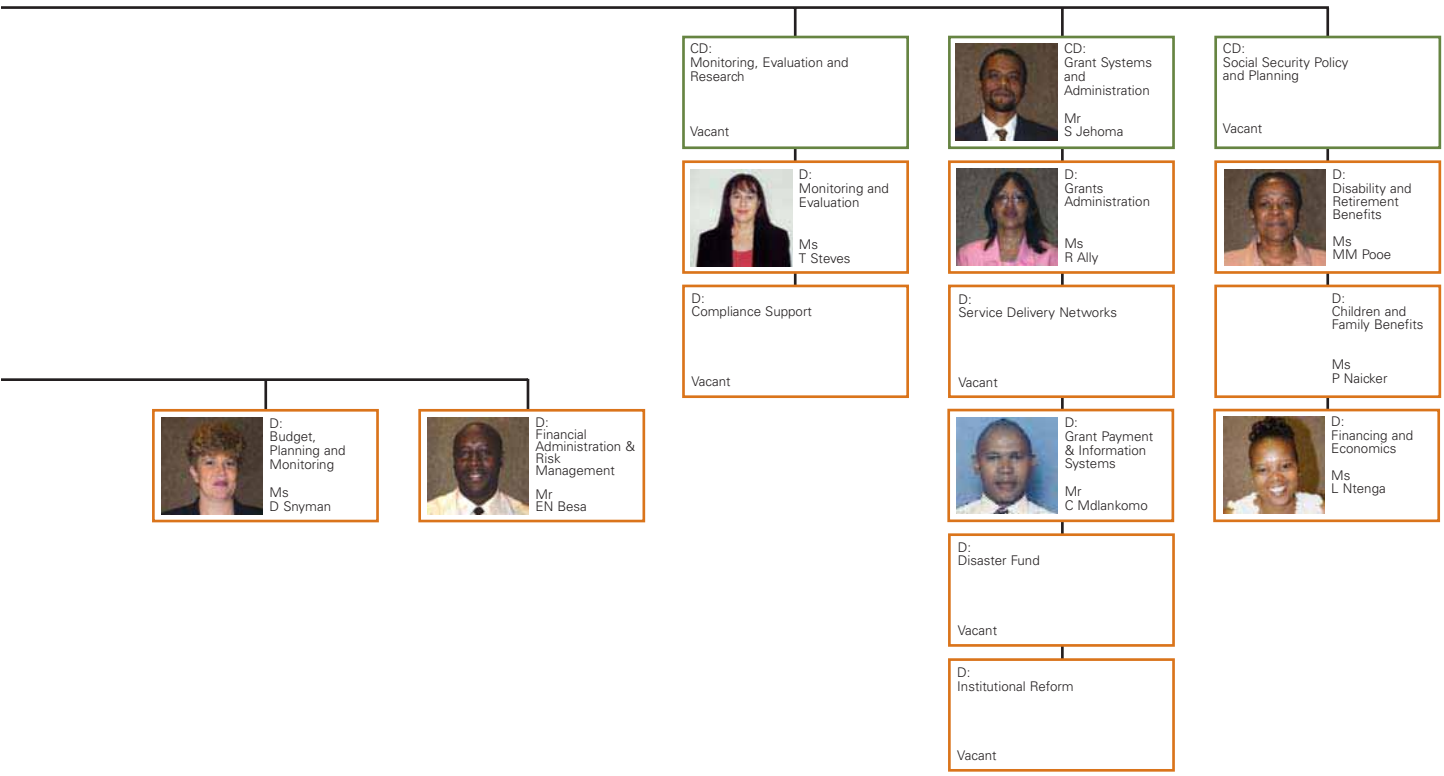
CD: Communication
Mr M Musi

Chief Information Officer

Vacant

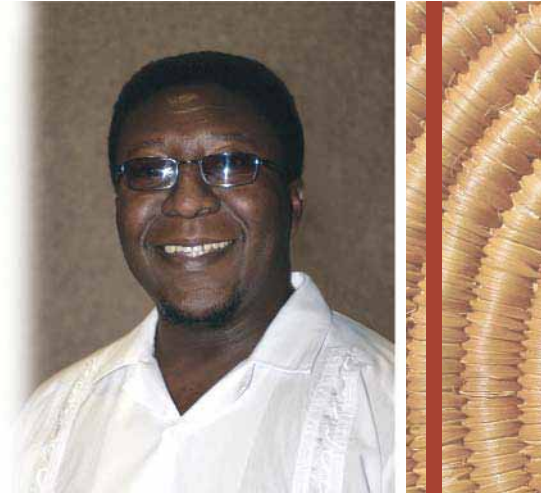
CD: Corporate Services

Vacant



Overview by the Director-General

“The department recorded the largest year-on-year increase in the number of grant beneficiaries.”



During the year under review the Department made substantial progress in alleviating poverty through a safety net of social grants to the most vulnerable people in our society. Social grants continue to be the Government's most effective poverty alleviation measure and during the 2002/2003 year all social grants were increased twice, with each increase set above inflation. In addition to the Poverty Relief Programme, the department implemented the National Food Emergency Scheme as one of the responses by Government to incidences of hunger.

In accordance with Government's programme of action and the priorities of the Social Cluster, the work of the department in the year under review focused on the following deliverables.

An expansion in service provision

In line with Government's programme to increase social transfers to the most vulnerable members of society, the department recorded the largest year-on-year increase in the number of grant beneficiaries. In particular, the partnership with Faith-based Organisations and other civil society organisations substantially increased the number of children living in poverty who benefit from the Child Support Grant (CSG). Substantial year-on-year increases in the number of foster care grants have also been achieved.

The Cabinet approved the extension of the means-tested Child Support Grant beyond the age of seven, to benefit children up to their 14th birthday. The implementation of this new policy started in the new financial year beginning in April 2003 and will be phased in over a period of three years as follows:

- During 2003/2004, children who are seven and eight years of age (turning nine next birthday) will be registered. This means that those children who are turning seven in March 2003 will not be removed from the system as was the case before;
- During 2004/2005 children who are nine and ten years of age (turning eleven next birthday) will be taken in;
- During 2005/2006 children who are between eleven and 14 years of age will be registered.

The Poverty Relief Programme of the Department has been successful in reaching the rural areas of South Africa. The majority of projects are rural based, 60 % of the allocation goes to the three provinces with the most severe levels of poverty ie KwaZulu-Natal, Eastern Cape and Limpopo.

The Department, working in partnership with provinces, improved the management of the Home Community-based Care programme for people affected by and infected with HIV/Aids. This resulted in the increase in the number of communities, families and individuals who are accessing services provided through this programme. The number of sites for Home Community-based Care supported increased to 314 compared to 185 sites reported last year. This meant that about 29 600 additional children orphaned or vulnerable due to HIV/Aids were identified, which brings the number of children identified since the inception of this programme in the year 2000 to approximately 75 000.

Improved efficiency in the Public Service

In order to increase equitable access to grants, improve service delivery, and reduce the cost of social grant administration, the department began the preparatory work for the establishment of a National Social Security Agency, which has been approved by Cabinet. This Agency will be a public entity whose role will be to administer social grants payments which is presently a function performed by provinces. The agency will be capable of ensuring that standards and the quality of service delivery are enhanced. In parallel, the department continued its work of improving the administration of the social grants system. Over 1 500 officials were trained in the rights and responsibilities in current social security legislation and the Social Assistance Customer Charter was distributed to provinces in all official languages.

The department also undertook joint campaigns with the Department of Home Affairs in the Eastern Cape and KwaZulu-Natal to expedite the processing of applications for birth certificates and identification documents.

Training and capacity building partnership programmes for probation officers and assistant probation officers continued throughout the reporting period, with provincial workshops on programmes to support the child justice bill, on restorative justice, and on contracting and working with children in conflict with the law. Approximately 600 officials benefited. The Department also contracted with an NGO to provide training to its secure care facilities on sensitisation of the boy child and empowerment of the girl child in the four critical provinces with the highest number of children awaiting trial viz KwaZulu-Natal, Eastern Cape, Western Cape, Gauteng. Approximately 700 children and care staff benefited from the programme.

The establishment or strengthening of partnerships with other Government departments especially through the Inter-departmental Committee on HIV/Aids and the National Integrated Plan for children infected and affected by HIV/Aids, with other civil society structures through to improved service delivery to people who are affected by HIV/Aids. Various resource materials were also developed to support the implementation of Home Community-based Care and support programmes.

Overview by the Director-General (continued)

Systematic human resource and skills development

In order to increase the capacity to respond adequately to the Government's social development agenda, the status and staffing of various units within the department were elevated. New Chief Directorates for HIV/Aids, Children and Social Security Monitoring and Evaluation were created. In addition, a course in Social Security was developed in conjunction with RAU and 600 officials from the provincial and national departments were trained.

This Annual Report of the Department of Social Development for the year ended 31 March 2003, further details our service delivery in line with Government's programme of action, the priorities of the social cluster and the directives of the Minister.



VUSI MADONSELA

Director-General

Ministry of Social Development

The Ministry is responsible for:

- Management of policy advice processes
- Administration of Cabinet Affairs
- Administration of Parliamentary Affairs
- Management of International Liaison, Media and Public Liaison
- Administration and co-ordination of stakeholders
- Provision of secretariat services to governance structures chaired by the Minister, namely, MINMEC and Inter-Ministerial Committees
- Provision of administrative services to the Minister.

The following statutory bodies report to the Minister of Social Development

- The National Development Agency (NDA)
- Relief Fund Boards
- Central Drug Authority
- South African Council of Social Service Professionals
- Advisory Board on Social Development

Funds are transferred from the Department to these entities on the basis of strategic plans and budgets approved by the Minister of Social Development.

During the past year the following legislation were submitted to and passed by Parliament:

- Probation Service Amendment Bill, now the Probation Services Amendment Act, 2002 (Act No. 35 of 2002); and
- National Development Agency Amendment Bill, now National Development Agency Act, 2003 (Act No. 6 of 2003).

Ministry of Social Development (continued)

Dates of visit abroad	Country visited	Purpose of visit
8 to 12 April 2002	Madrid, Spain	Leading the official delegation to the United Nations Second World Assembly on Ageing. The objective was to review the International Plan of Action on Ageing adopted twenty years ago during the First World Assembly on Ageing held in Vienna, Austria. It was then anticipated that a Global Plan of Action for Ageing will emerge from the Second World Assembly.
6 to 11 May 2002	Yammoussoukro, Cote d'Ivoire	Following the mandate from the 37th Summit of OAU Heads of State and Government, the OAU was requested to organise the first OAU Ministerial Conference on Drug Control to update and review the OAU Plan of Action on Drug Control.
8 to 9 June 2002	Mali	Minister represented the Presidency at Inauguration Ceremony of the then newly elected President of Mali, Mr Amadou Toumani Toure.
8 to 12 July 2002	Barcelona, Spain	Invited by the Minister of Health [leading department] to form part of the official delegation attending the 14th International Conference on Aids.
7 to 11 October 2002	Rimini, Italy	Minister Buthelezi was initially invited. He passed the invitation on to Minister Maduna, who requested Minister Skweyiya to attend the 8th Rainbow meeting. Drug and Substance Abuse Conference organised by the International Association Against Drugs.
28 to 30 October 2002	Botswana	The President requested the Minister to attend the SADC Consultative Conference, (Institutional Reform for Poverty Reduction through Regional Integration) in Botswana.

Mission statement

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

Legislative mandate

Section 27 (1)(c) of the Constitution provides for the right of access to appropriate social assistance to those unable to support themselves and their dependants. Section 28 (1) of the Constitution sets out the rights of children with regard to appropriate care; basic nutrition, shelter, health care services and social services, and detention.

Schedule 4 of the Constitution identifies welfare services, population development, and disaster management as functional areas of concurrent national and provincial legislative competence.

The following laws, or part thereof, form part of the legislative mandate of the Department of Social Development:

• **Aged Persons Act, 1967 (Act No. 81 of 1967)**

This Act provides for the protection and welfare of certain aged and debilitated persons, for the care of their interests, for the establishment and registration of certain institutions and for the accommodation and care of such persons in such institutions. The Act was amended a number of times before April 1994. Further amendments were made in November 1994 in order to, amongst others, repeal certain discriminatory provisions and again in November 1998 to provide for the establishment of management committees for homes for the aged; to require reporting on the abuse of aged persons; and to regulate the prevention of the abuse of aged persons. The Department is currently drafting a new Bill on older persons.

• **Fund-raising Act, 1978 (Act No. 107 of 1978)**

The Fund-raising Act, 1978, which provided for control of the collection of contributions from the public and for the establishment of various relief funds was, except for the relief fund chapter thereof, repealed in 1997 by the Non-profit Organisations Act, 1997. The Department is in the process of drafting a new Bill called the Social Relief Fund Bill, which will repeal the existing chapter of the Fund-raising Act and consolidate the four Relief Funds into one.

• **Social Service Professions Act, 1978 (Act No. 110 of 1978)**

This Act, formerly known as the Social Work Act, provides for the establishment of the South Africa Council for Social Work and defines its powers and functions. The Act was amended on a number of occasions – in 1995 it provided for the establishment of the South African Interim Council for Social Work and for the rationalisation of certain laws relating to social workers that remained in force in the various areas of the national territory of the Republic. The Act was also amended in 1996 in order to make the South African Interim Council for Social Work more representative of the people of the country. The 1998 amendment established the South African Council for Social Service Professions and professional boards for social service professions.

• **Child Care Act, 1983 (Act No. 74 of 1983)**

The Child Care Act, 1983 which provides for the establishment of children's courts and the appointment of commissioners of child welfare, for the protection and welfare of certain children, for the adoption of children and for the establishment of certain institutions for the reception of children and for the treatment of children after such reception, was amended in 1996 to provide for legal representation of children and for the registration of shelters. The 1998 amendment provided for the rights of certain natural fathers where the adoption of their children born out of wedlock has been proposed and for certain notice to be given. The 1999 amendment provided for the establishment of secure care facilities and for the prohibition against the commercial sexual exploitation of children. The Department and the South African Law Commission are currently finalising comprehensive children's legislation in order to be consistent with international obligations on children.

Legislative mandate (continued)

• Probation Services Act, 1991 (Act No. 116 of 1991)

This Act provides for the establishment and implementation of programmes aimed at combating crime and for the rendering of assistance to and treatment of certain persons involved in crime.

The Act was amended in 2002 to provide for, amongst others, the mandatory assessment of arrested children.

• Prevention and Treatment of Drug Dependency Act, 1992 (Act No. 20 of 1992)

This Act provides for the establishment of a Central Drug Authority, the establishment of programmes for the prevention and treatment of drug dependency, the establishment of treatment centres and hostels, the registration of institutions as treatment centres and hostels and the committal of certain persons to and their detention, treatment and training in such treatment centres or registered treatment centres. The Act was amended in 1996 to extend the application of the Act to the whole of the national territory of the Republic and in 1999 to establish the Central Drug Authority. The Central Drug Authority is charged with the responsibility to effect the National Drug Master Plan.

• Social Assistance Act, 1992 (Act No. 59 of 1992) and the Welfare Law Amendment Act, 1997 (Act No. 106 of 1997)

The Social Assistance Act, 1992 provides for the rendering of social assistance to persons, national councils and welfare organisations. The Act was amended in 1994 to further regulate the provision of grants and financial awards to certain persons and bodies. In 1997 the Welfare Laws Amendment Act, 1997 amended the Social Assistance Act, 1992 in order to introduce the Child Support Grant and to abolish maintenance grants.

• Non-profit Organisations Act, 1997 (Act No. 71 of 1997)

This Act repealed the Fund-raising Act, 1997, excluding the chapter, which deals with the relief funds, and provided for an environment in which non-profit organisations could flourish. The Act also established an administrative and regulatory framework within which non-profit organisations could conduct their affairs. The Act was amended in 2000 to effect certain textual alterations.

• National Development Agency Act, 1998

The National Development Agency Act, 1998 provides for a national funding, capacity building and co-ordination structure known as the National Development Agency (NDA). The NDA is mandated to grant funds to Civil Society Organisations (CSOs), enhance capacity and promote development dialogue, whilst meeting the developmental needs of poor communities.

• Advisory Board on Social Development Act, 2001 (Act No. 3 of 2001)

The Act provides for a national advisory structure, known as the Advisory Board on Social Development, in the social development sector with the aim of building and consolidating partnership between Government and civil society.

Public entities reporting to the Minister of Social Development

Legislation under which each entity was established

National Development Agency

The National Development Agency (NDA) is currently the only listed public entity (Schedule 3A of PFMA) reporting to the Minister of Social Development.

The National Development Agency was established under the National Development Agency Act, 1998 (Act No. 108 of 1998) and replaced the Transitional National Development Trust (TNDT). This Act provides for a national funding, capacity building and co-ordination structure.

Central Drug Authority

Established by section 2 of the Prevention and Treatment of Drug Dependency Act, 1992 (Act No. 20 of 1992).

Advisory Board on Social Development

Established by section 2 of the Advisory Board on Social Development Act, 2001 (Act No. 3 of 2001)

Relief Fund Boards

Established in terms of section 16 of the Fund-raising Act, 1978 (Act No. 107 of 1987)

Functions of each entity

National Development Agency

The key strategic objectives of the NDA prescribed in the legislation are:

- To grant funds to civil society organisations for the purpose of meeting the developmental needs of poor communities;
- To strengthen the institutional capacity of organisations for long-term sustainability;
- To proactively source funds for the NDA;
- To promote consultation, dialogue, and sharing of developmental experiences to debate and influence developmental policies; and
- To develop strategies to collaborate with local community development trusts, foundations, Government clusters and civil society organisations.

The key programmes of the NDA are: funding, capacity building, policy and research, policy dialogue and impact assessment.

Central Drug Authority

The key functions of the Central Drug Authority are:

- Give effect to the National Drug Master Plan;
- To advise the Minister on any matter affecting the abuse of drugs; and
- To promote measures relating to the prevention and combating of the abuse of drugs.

Advisory Board on Social Development

The key functions of the Advisory Board on Social Development are:

- To advise the Minister on social development issues;
- To identify, promote, monitor and evaluate policy, legislation and programmes with regard to social development;
- To facilitate dialogue between Government and civil society; and
- To promote stakeholder participation in social development.

Relief Fund Boards

The key functions of the Relief Fund Boards are as follows:

- The Board of the Disaster Relief Fund is, with due regard to the financial position of that fund and the requirements of each case, to render to persons, organisations and bodies who or which suffer damage or loss caused by a disaster, such assistance as the Board may deem fair and reasonable;

Legislative mandate (continued)

- The Board of the Refugee Relief Fund is, with due regard to the financial position of that Fund and the requirements of each case, to render such assistance to refugee as the Boards may deem fair and reasonable;
- The Board of the State President's Fund is with due regard to the financial position of that Fund and the requirements of each case, to render such assistance as the Board may deem fair and reasonable to-
 - the victims of any act of terrorism in respect of their medical treatment and rehabilitation;
 - such victims and their dependants who suffer financial hardship or financial distress caused directly or indirectly by any act of terrorism;

The Board of the Social Relief Fund is with due regard to the financial position of the Fund and the requirements of each case, to make money from the Fund available to organisations that, in the opinion of the Board, are capable of rendering assistance to person with psychosocial problems and of rendering such social relief of distress as the Board may deem fair and reasonable to members of communities that in the opinion of the Board are victims of violence.

Accountability arrangements established between the accounting officer/executive authority and the management of the entities

The National Development Agency

The NDA is governed by a Board of representatives from Government and civil society. The NDA's Chief Executive Officer is the Accounting Officer and is accountable to the NDA Board. The NDA's strategic plans and budgets have to be approved by the Minister each year and its management must submit quarterly performance reports to the Minister through the office of the Director-General.

Central Drug Authority

The Central Drug Authority shall annually submit to the Minister of Social Development a report on all its functions as well as a comprehensive description of the national effort to reduce and eliminate the abuse of drugs.

Advisory Board on Social Development

To submit to the Minister of Social Development a report on the activities of the Board.

Relief Fund Boards

In terms of section 22 of the Fund-raising Act, 1978 (Act No. 107 of 1978), a Board shall keep the prescribed accounts, records and registers of all its financial transactions, and shall furnish the Minister of Social Development with the prescribed reports and financial statements and the accounts, records, registers and financial statements of a Board shall be audited by the Auditor-General.

Section 25 of the Fund-raising Act, 1978 (Act No. 107 of 1978) provides that the administrative work, including the receipt and disbursement of money incidental to the performance of the functions or the exercise of the power of a Board or of any committee of the Board must be performed by officers in the Public Service designated by the Director-General.



Children who live under conditions of poverty,
are the most vulnerable people in South Africa

Part Two

Programme performance

Voted Funds

To be appropriated by Vote

R650 251 000

Statutory appropriations

Responsible Minister

Minister of Social Development

Administering Department
Accounting Officer

Department of Social Development
Director-General of Social Development

Aim of the Vote

The aim of the Department of Social Development is to contribute to improving the quality of life of the poor, the vulnerable and the marginalised within South African society through an integrated and caring system of social development grants and services.

Key objectives, programmes and achievements

The key objectives of the Department of Social Development for the medium term are:

- Alleviate poverty through a safety net of social grants to the most vulnerable groups;
- Mitigate the social and economic impacts of HIV/Aids on poor households and children;
- Reduce poverty through integrated sustainable development;
- Rebuild families and communities through policies and programmes empowering the young, old, disabled people, as well as women;
- Improve the quality and equity of service delivery, the capacity, and governance of the social development sector; and
- Transform the structure, systems, human resources and organisational culture to improve service delivery.

In order to achieve these goals, the Department designs and implements appropriate policies and programmes, and focuses on improving the accessibility and efficiency of social security systems, while building organisational capacity, improving corporate governance, and ensuring the appropriate distribution of resources in the social development sector.

The key objectives of the Department have been aligned with the priorities outlined by the various Cabinet Clusters.

The Social Development Vote consists of six programmes:

- Administration provides for policy formulation by the Minister and top management and the overall management of the Department. In 2002/2003, the funding of the National Development Agency (NDA) was also provided for under this programme.
- Social Security, Policy and Planning is responsible for policy, planning and co-ordination in the area of social security (primarily social grants). This includes assessing the social, economic and fiscal impact of social security programmes, and giving advice on inter-governmental fiscal issues.
- Grant Systems and Administration provides administrative and information systems and support for the payment of social assistance grants by the provincial departments; monitors service delivery against norms and standards; manages disaster declarations; and provides administrative support to the various disaster relief boards.
- Welfare Services Transformation deals with policy and programme development and monitoring, to promote and protect the rights of children, youth, women, older people and disabled people.
- Development Implementation Support takes responsibility for the development of poverty reduction/eradication strategies as well as programmes and services to mitigate the impact of HIV/Aids.
- Population and Development provides research, policy and planning advice on population and development issues to all Government departments and monitors the implementation of the 1998 Population Policy.

Strategic overview and key policy developments: 2002/2003

A year ago, the Department set out to establish a caring and integrated system of social development services that facilitate human development and improves the quality of life of all South Africans. To this effect, the department aimed to enable the poor, the vulnerable and the socially excluded to secure a better life for themselves. Partnerships with committed South Africans were regarded as being central to the success of this strategy.

The Department's most important immediate challenge was to continue strengthening safety nets through social grants to the most vulnerable groups. In this regard, very important improvements in social security administration were initiated and implemented during the year. These improvements, together with collaborative efforts by the Department's social partners, notably the Faith-based Organisations and other civil society organisations, recorded the largest ever increase in grants beneficiaries in the past year, ie a 22,6% increase from 4,4 million beneficiaries in April 2002 to 5,8 million beneficiaries by April 2003 (Refer to Table 2 on page 37). In particular, the number of children in receipt of the Child Support Grant increased by 62,25% over this period. In total, about R28 billion was spent on social grants. More than a half of the beneficiaries live in the three poorest provinces, ie Eastern Cape, KwaZulu-Natal and Limpopo. Furthermore, backlogs in disaster relief claims were cleared in 2002/2003.

During 2002/2003, social grants continued to be Government's most effective poverty alleviation measure. In that year alone, as part of its fight against poverty, Government increased all social grants twice; with each increase being set above the inflation rate. In a related development, during 2002/2003, rampant inflation exacerbated hunger in many parts of the country. In response to this, Government decided to implement the National Food Emergency Scheme with an allocation of R230 million. The scheme was piloted during December 2002 and is currently being rolled out to reach 244 000 most affected households, especially child-headed households. A further amount of R1,2 billion has been allocated as a conditional grant to provinces over the next three years (2003/2004 to 2005/2006).

In its endeavour to continuously improve social security service delivery system, new policy initiatives were undertaken by the Department. Cabinet approved the extension of the means-tested Child Support Grant beyond the age of seven to children up to their 14th birthday. A new Social Assistance Bill, which aims to align the current provision of social security services with the Constitution, has been drafted. The other major development was the drafting of the National Social Security Agency Bill which radically transforms the current service delivery model for social grants by establishing an agency (ie a national public entity) to administer social grants that are currently administered by provinces.

In terms of the Department's strategy against poverty, integrated sustainable development has to be achieved beyond the provision of social grants. As part of the strategy, the Department continued the implementation of its Poverty Relief Programme with an allocation of R100 million, to support 416 new projects. These projects deliberately targeted, amongst others, people with disabilities, people infected mainly with and/or affected by HIV/Aids as well as unemployed rural women. As Part of the strategy, the Department will develop social finance capacity to assist these projects. These projects mainly target rural areas in KwaZulu-Natal, Eastern Cape and Limpopo.

The integrated sustainable development approach was furthermore strengthened through the implementation of the second Country Programme of the United Nations Population Fund (UNFPA), through which population and development projects to the value of R72 million will be implemented in the three priority provinces over until 2005.

The implementation of the Population Policy (of 1998) by Government departments was reviewed, with a view to strengthening it as a framework for integrated and sustainable human development.

The context for poverty relief and development strategies in South Africa has become the impact of the HIV/Aids epidemic. Undoubtedly, our priority now has to be to mitigate the social and economic impacts of HIV/Aids on poor households and children. To properly respond to this challenge, the department implemented an extensive research and capacity building programme to strengthen the Government's response to HIV/Aids. This included demographic studies, projects based research and monitoring and evaluation studies. Information dissemination to partners and other stakeholders was improved through the electronic Population and Development Information Service and Advocacy activities. The implementation of the Primary HIV/Aids Capacity Building Course for Government Planners continued in all three spheres of Government.

The Home community-based Care programme was strengthened as a key element of the Government's response to HIV/Aids. 314 centres and sites and 20 695 families were supported. The programme was further supported through the development of resource materials, guidelines and manuals.

Social integration remains a national challenge. To achieve this, we have to rebuild families and communities through programmes empowering young, old and disabled people, as well as women. Child protection was again the focus of advocacy activities, and progress was made with legislation and strategies to protect children against abuse, neglect and exploitation. The Child Protection Register is implemented in all provinces, and 3 325 cases are now registered.

The draft Children's Bill, which is expected to be finalised and passed by Parliament during 2004/2005 financial year, focuses comprehensively on the realisation of the rights of children enshrined in our Constitution. In the same vein, the Child Justice Bill drafted by the Department of Justice deals with matters relating to the protection of rights of children who are in conflict with the law. The Department of Social Development plays a major role in this regard.

Social crime prevention was strengthened through the amendment of the Probation Services Act, 1991, to provide for new duties for probation officers and the introduction of assistant probation officers. Probation services were strengthened through training and capacity building. The social integration programme was further improved through the launch of new one stop child justice centres, youth development, family preservation, victim empowerment, capacity building and international collaboration.

The campaign to eliminate the abuse of older persons, to promote and protect their rights was intensified. In pursuance of the recommendations of the Ministerial Committee of Inquiry on Ill-treatment, Neglect and Abuse of Older Persons, a draft policy and Bill on older persons was

Strategic overview and key policy developments: 2002/2003 (continued)

developed, and various stakeholders, including the Port Folio Committee on Social Development and the NCOP Select Committee on Social Development, were consulted in the process.

The legislative reforms referred to above also underpin the goal to improve the quality and equity of service delivery, and the capacity and governance of the sector. In addition to these reforms, an extensive training programme was implemented. International partnerships were maintained and strengthened. Most notably, the Department hosted a Business Summit in October 2002, at which an integrated business, community and Government approach to poverty eradication was sought and during which a partnership was formed.

Communication was intensified reaching out to the poorest communities in remote areas as well as the various stakeholders including Faith-based Organisations, the business sector, labour, the media and non governmental organisations.

Partnership with civil society remained a key element of the Department's strategy for achieving sustainable social development. Non-profit Organisations (NPOs) remain key partners in this context. The NPO Act provides the framework for an enabling environment for NPOs. The Department supported registered NPOs with training to enhance efficiency and accountability.

The transformation of the Department to improve service delivery continued in 2002/2003. Chief Directorates were created for Social Security Monitoring and Evaluation, Children and HIV/Aids. Directorates were created for International Relations, Social Grants Compliance, Social Security Research, and Population and Development Programmes. The staff establishment of the Department increased to 545 posts, of which 306 are filled.

The Department's support functions like Financial Management, Communication, Information Technology and Information Management have been strengthened to support service delivery.

Summary of programmes

The activities of the Department of Social Development are organised in the following programmes:

- **Programme 1: Administration**
- **Programme 2: Social Security, Policy and Planning**
- **Programme 3: Grant Systems and Administration**
- **Programme 4: Welfare Services Transformation**
- **Programme 5: Development Implementation Support**
- **Programme 6: Population and Development**

Summary of programmes (continued)

Programme 1: Administration

Aim

To conduct overall management of the Department.

Programme and policy developments

Communication

During the period under review, the Communications Unit was strengthened and positioned to play a more strategic role in the Department by providing it with more capacity.

Some of the areas that were strengthened included the internal communications as well as public, parliamentary and intergovernmental liaison. These developments resulted in the further improvement of the communications services within the DSD and most importantly they helped strengthen interaction with the communities and the beneficiaries, cooperative governance and thereby enhancing the overall goal of Government to speak in one voice. Even most importantly, community access to services as well as partnerships with stakeholder to alleviate poverty continued to grow stronger utilising campaigns, Imbizo's, the mass media as well as appropriate communications means.

International liaison

The Department finalised and implemented agreements with its counterparts in the Netherlands and Germany as well as the United Nations (UNFPA, UNDP, UNICEF, ILO and UNCODP), DFID, FINMARK, and Save the Children (UK and Sweden). Potential co-operation areas were explored with the European Union and the Government of the United States of America and the Department pursued bilateral relations with the people of France, China, Algeria and Belgium.

As part of the Government delegation to the World Summit on Sustainable Development (WSSD), the Department facilitated for the delegation stakeholder engagement and supported the Chairperson of the Summit in the engagement of stakeholders, which included civil society. The South African delegation looked to the Department to guide it in the delicate engagement of international civil society bodies, which included the Global Civil Society Forum and the Africa Steering Committee. This task was executed to realise the desired outcomes of the Summit which in turn were guided by the outputs of the Global Civil Society Forum. These were informed by the recognition of the critical civil society and other major stakeholders to sustainable development.

In pursuance of the social development objectives of the NEPAD, the Department co-sponsored a UN resolution to link NEPAD to the Millennium Development Goals, at the 41st UN Commission for Social Development. In order to provide substance to this Resolution the Department has developed two NEPAD related projects. These projects seek to address the capacitating of civil society and poverty eradication in the region.

The co-ordination of international relations within the Department remains a priority and the Minister approved a new International Relations structure within his office. In order to effectively contribute to SADC and the AU, the Department was represented at the Inter-departmental Co-ordinating Committee (IDCC) on International Relations and it chairs the Subcommittee on Social and Human Development in the IDCC.

Gender focus

The Department has revisited the location of the Gender Focal Point (GFP) within the Department. It is now located in the office of the Director-General, and also form part of the Departmental Executive Committee.

The GFP is in the process of improving its capacity. Further more the Department has embarked on a process to develop gender guidelines for the social development sector in consultation with all stakeholders, with a view to mainstreaming gender issues in all social development processes.

Litigation

In 2002/2003, there was a steady increase in the challenges posed by litigation, both nationally and in provinces. These challenges had implications for the type, nature, quality and quantity of resources the Department had to draw upon to meet this task.

In the recent times there was a focus on the nature of the protection afforded to socio-economic rights in the Constitution.

In order to respond more effectively and efficiently to litigation demands, a joint committee on litigation matters was established by the national and provincial Departments of Social Development.

Human resource management Services

(Refer also to Part 5 of this report on Human Resource statistics)

The organisational structure has been reviewed to align it with changes in the strategic priorities of the Department that will come into effect on 1 April 2003. The most significant changes are as follows:

- Increasing the capacity of the International Relations Function and elevating it to a directorate.
- **Restructuring the Chief Directorate:** Grants Systems and Administration and increasing its capacity in view of the imminent establishment of the National Agency on Social Security and increased demands on disaster relief.
- **The Directorate:** Social Security Monitoring and Evaluation has been elevated to a chief directorate. It now includes two additional functions, namely Compliance and Research. This development has granted the unit the distance and independence that is required to monitor and evaluate the Chief Directorate: Grants Systems and Administration as well as the corporate utility to provide management decision support information to the Department as a whole. This further enables an improved focus in the critical areas of Compliance and Research.
- **The Chief Directorate:** Welfare Services Transformation has been restructured. The Directorate: Children has been elevated to a Chief Directorate in view of the imminent enactment and implementation of both the Child Justice and Children's Bills and with a view to co-operate more closely with civil society. This will further give added and effective attention to services relating to children. Furthermore improved focus has been given in the areas of disability, substance abuse, youth, families and victim empowerment so as to enhance service delivery to those vulnerable sectors required, that these functions be elevated to directorates.

Summary of programmes (continued)

- **The Directorate:** HIV/Aids has been elevated to a chief directorate to address the increased demands in this focus area.
- **The Subdirectorate:** *Population and Development Programmes in the Chief Directorate:* Population and Development has been elevated to a directorate with a view to sustaining the Department's capacity to effectively co-ordinate intergovernmental projects with provinces.

The above changes inevitably necessitated an increase in the number of approved posts on the establishment of the Department from 365 to 545 posts. Currently, 320 posts are filled and 19 contract workers are employed additional to the establishment.

The Department continued to make good progress with the improvement of representivity, which is reflected in the table below:

- 64 percent of officials are women and 36 percent are men
- 62 percent of officials are African, 30 percent are White, 5 percent are Coloured, 3 percent are Asian and 1,2 percent have disabilities
- 53 percent of senior managers are women and 47 percent are men
- 67 percent of senior managers are African, 12 percent are White, 12 percent are Coloured, 9 percent are Asian and none have disabilities

The Department finalised the review of the HIV/Aids Workplace Programme and developed a HIV/Aids Workplace Policy that will be implemented on 1 April 2003.

Sector Education and Training

Various courses were successfully coordinated and well attended by all staff of different levels and racial groupings within the Department. These courses were linked to the Workplace Skills Plan to enhance capacity in the Department towards better service delivery. Officials were trained amongst others, in the following; Financial Management, Economic Literacy, Office Management, Gender issues, Project Management, Business Writing, Managing HIV/Aids in the Workplace, etc 71% of Senior Managers completed the Presidential Strategic Leadership Development Programme and Introduction to SMS.

In our effort to support the provinces, a curriculum in Social Security was designed and implemented through the RAU. About 600 officials graduated and a large number has once again applied for both the Certificate and Diploma courses starting in the new financial year.

A proposal for a discretionary grant to train officials in Applied Computer Literacy and Office Management nationally, including the NGO sector was approved by the HWSETA. The project will be implemented in the 2003/2004 financial year.

Financial management

(Refer also to part 4 of his report on annual financial statements)

The Department continued with enhancing good governance in the running of its affairs. This is evidenced by the number of controls that were implemented to ensure transparency, fairness, accountability, efficiency, effectiveness and economical management and utilisation of its limited resources. As a result of improved controls the department did not incur any new irregular and/or unauthorised expenditure during the year under review.

Despite having staff capacity constraints, the Department continued to make significant progress in improving financial management in a number of areas during the year under review, as stated below:

- It continued to improve the management of its budget. For the third successive year the Department spent almost its entire allocation. An expenditure of above 98% of budget was achieved in 2000/2001, 2001/2002 and 2002/2003 financial years. The actual expenditure for 2002/2003 was 98,3%.
- The Department has now developed a risk management policy and implementation plan to guide the department in managing its business risk. The periodic risk assessments will guide Internal Audit in compiling the Internal Audit Coverage Plan.
- The Departments financial policies were reviewed and updated in March 2003. They have since been distributed to members of staff and are currently being implemented.
- Staff members also attended short courses in financial management, which included, risk management and internal control and preparation of financial statements and other courses presented by accredited outside service providers.

The Department submitted annual financial statements for all Relief Funds on time for the first time this financial year. This was also as a result of improved financial controls. The audited financial statements of all four Relief Funds, namely the Disaster Relief Fund, the State President's Fund, the Refugee Relief Fund and the Social Relief Fund are appended to this Annual Report as annexures. This is in accordance with the National Treasury Guidelines for the Preparation of Annual Reports for the 2002/2003 financial year.

A shareholder compact has recently been signed between the Chairperson of the National Development Agency (NDA) Board and the Minister of Social Department. The compact provides a framework that regulates the relationship/interaction between the NDA and the Department. It also provides for the funding of the NDA, including funding mechanisms as well as the frequency thereof, responsibilities of the Minister as well as those of the Board, reporting mechanisms and other strategic imperatives.

However, due to late completion of its annual financial statements and submission thereof to the Office of the Auditor-General, the audited annual financial statements of the NDA could not be included as an annexure to this report as required by the National Treasury Guidelines. This therefore means that these statements will be tabled separately in Parliament by the Minister and can also not be published together with the Department's Annual Report.

The Department has started with the process of developing an asset management strategy. Some of the aspects that have been implemented include the setting standards for basic office equipment for officers above and below SMS level in the Department. An assets register has also been developed and is being updated periodically.

Summary of programmes (continued)

Security management

During 2002/2003 Cabinet recommended that all Departments must appoint Security Managers on the level of a Director, to reinforce the security management function in the Department and to improve communication on security related matters to the Minister and management of the Department.

In view of the above-mentioned Cabinet recommendation, the Department has embarked on a process to upgrade the human resource capacity of the security function, security equipment and also the security system of the Department and the Ministry. The security unit has thus been elevated to a Directorate level and the recruitment of a suitable candidate will soon be undertaken.

Internal audit

The Directorate: Internal Audit managed to effectively accomplish its objective of assisting management with the effective discharge of their responsibilities. The Department's overall performance improved significantly during the last two financial years. The improvement came about, among others, as a result of analyses and recommendations Internal Audit furnished regarding the activities reviewed. Most recommendations related to measures the Department had to implement to manage its risks. The establishment and strengthening of the Directorate: Internal Audit in the last two years assisted the Department in better understanding the importance of risk management, control and governance as tools to ensure achievement of objectives. The Directorate has been very instrumental in ensuring that the Department identifies critical risks that might negatively impact on the achievement of objectives. A number of controls were recommended and implemented to enhance good governance within the Department.

The Department has, through Internal Audit's interventions, managed to create a culture of risk management, control and good governance within the Department. The unqualified report of the Auditor-General bears testimony to this. This achievement is attributed to Internal Audit's commitment to economic, efficient and effective service delivery for a better life for all South Africans. The approach the Directorate followed was very consultative and proactive, such that a number of risks were identified and properly managed before they became realities. The Directorate recognised the importance of going back to basics. The recommended basic controls added a lot of value in containing risks that could have had undesirable consequences. The following types of audits were performed during the year:

- Performance audits;
- Financial audits; and
- Compliance/Regulatory audits

The Department has an inhouse Internal Audit Function. This did not, however, inhibit the independence and objectivity of the Internal Auditors. The enabling factors that contributed to the effectiveness of Internal Audit have been the direct reporting line to the Director-General and the effective Audit Committee. All Internal Auditors in the Department are members of the Institute of Internal Auditors and are compelled to apply the Standards for the Professional Practice in Internal Auditors in the performance of their audit work.

Outputs and service delivery trends

Sub-programme: Ministry				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
International liaison	Promote economic, political, social cultural and legal environment that will enable people to achieve social development in the region	Participation in UN, SADC and AU meetings and convening of regional Fora	Ongoing	<ul style="list-style-type: none"> • Participated in the Commission of Social Development and the promotion of a resolution on Nepal • Co-ordinated stakeholder engagement for the WSSD <ul style="list-style-type: none"> – 40 international civil society leaders met – 15 business leaders met – Facilitated African civil society steering committee for sustainable development participation – Facilitated South South network and Global Civil Society Forum outputs and inputs to the main plenary session • Participated in the World Conference on Ageing • Participated in the International Conference on HIV/Aids • Participated in the International Conference on the Trafficking of women and children • Participated in the Africa and Arabic Conference on the Trafficking of women and children • Development of Sub Regional Reporting mechanisms on the MDGs • Contribution of social development outcomes to the UNDAF • Participated in the SADC Council of Ministers meetings, regional consultation on institutional mechanisms on poverty eradication and carried out a process of consultation to expand the scope of the social and human development sector • Participated at the Labour and Social Affairs Commission • Finalised two Nepal related project plans

Summary of programmes (continued)

Outputs and service delivery trends (continued)

Sub-programme: Ministry (continued)				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
	Promote mutually beneficiary bilateral relations with developed and developing nations with an emphasis on Africa	Number of bilateral agreements concluded	3 developed nations 2 developing 4 Africa	<p>Concluded relations with the governments of:</p> <ul style="list-style-type: none"> • Netherlands (youth and social security) • Germany (families and people to people) <p>Explored relations with the governments of:</p> <ul style="list-style-type: none"> • Chile • China <p>Participated in the SA observer mission to Zimbabwe</p> <p>Considered bilateral relations with:</p> <ul style="list-style-type: none"> • Namibia (Social Security) • Uganda • Algeria <p>Concluded funding arrangements with:</p> <ul style="list-style-type: none"> • UNDP/ILO • Save the Children UK and Sweden • UNFPA • UNICEF • UNOCDP <p>Pursuing further arrangements with:</p> <ul style="list-style-type: none"> • UN • EU • DFID • CIDA • FINMARK

Outputs and service delivery trends (continued)

Sub-programme: Ministry (continued)				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Stakeholder management	Building and maintaining mutually beneficiary partnerships with stakeholders and partners	<ul style="list-style-type: none"> - Analysis of stakeholders - Development of data base of social development stakeholders - Stakeholder engagement strategy - Partnerships with private sector 	<ul style="list-style-type: none"> - 3 000 analysed - 3 000 in data base - by end of financial year - 20 working partnerships 	<ul style="list-style-type: none"> - 200 stakeholders analysed - 550 stakeholders on un shared data base - Stakeholder engagement strategy for WSSD developed and implemented and developing for social development - Hosted business leaders round table and Summit of 250 business leaders - 15 working project partners in private sector
Secretariat service	Support for MINMEC	Number of meetings held	4 meetings per year	2 meetings
Sub-programme: Management				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Corporate Management (overall management of the Department)	Policy and strategy formulation and implementation, in partnership with other stakeholders	Implementation of service delivery improvement plan	Service delivery improvement plan published	Published in Strategic Plan for 2003
	Strategic Plan for 2003/2004 to 2005/2006	Tabling in Parliament in compliance with PFMA	7 days prior to Minister's Budget Speech (26 March 2003)	17 March 2003
	Annual Report for 2001/2002	Content and tabling in Parliament in compliance with PFMA	31 August 2002	30 August 2002

Summary of programmes (continued)

Outputs and service delivery trends (continued)

Sub-programme: Management (continued)				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Parliamentary services	Briefing Parliamentary Committees	Number of briefing sessions per Parliamentary Committee	As required	1 SCOPA 14 Portfolio Committee 7 NCOP 2 Select Committee on Finance
	Legislation drafted and enacted by Parliament	Number of pieces of legislation (Bills) tabled in Parliament	As required	2 pieces legislation enacted
Cabinet services	Cabinet memoranda submitted	Number of Cabinet memoranda approved by Cabinet	As required	7 Cabinet Memoranda submitted
Sub-programme: Communication				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Communication services	Informed, educated and mobilised the support of the media, communities and both internal and external stakeholders for the various policies, programmes and activities of the Department	Regular positive coverage in print and electronic media (both mainstream and community based), addressing the previously disadvantaged targeted groups by adopting amongst other things a multilingual strategy	Ongoing	Both Internal and External Public are informed, educated and mobilised regularly about the policies and programmes of the Department.
				Maintenance and development of the corporate image.
				Organising and profiling of the Minister's visits both national and international; facilitating interaction with stakeholders; speech writing, editing, media liaison, intergovernmental liaison and web usage.
				Ongoing Communication support plans and programmes developed and implemented.
				Awareness campaigns on issues of children, youth, women, elderly, poverty, disability and HIV/Aids developed and implemented.
Imbizos are held regularly Media interest and awareness about the department developed.				

Outputs and service delivery trends (continued)

<i>Sub-programme: Communication</i> (continued)				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
				<p>Persistent media coverage; monthly press conferences. weekly press releases; monthly press statements. Exclusive interviews with various media; and feature stories.</p> <p>Roundtable with UNICEF and donors, Minister's regular meetings with business, FBOs, CBOs and NGOs with and other consultative conferences held.</p> <p>Joint communication strategies with GCIS, social cluster, local Government and the provinces developed. Workshops, seminars and meetings held involving all spheres of Government and other stakeholders.</p>

Summary of programmes (continued)

Outputs and service delivery trends (continued)

Sub-programme: Legal Services				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Legal drafting services		New and or amended pieces of Social Development legislation	As required	Legislation finalised and or in the process of finalisation <ul style="list-style-type: none"> • Regulations under the Social Service Professions Act, 1978 • Amendments to Regulations under the Social Assistance Act, 1992 • Probation Service Amendment Act, 2002 (Act No. 35 of 2002) • National Development Agency Amendment Act, 2003) • Children's Bill • Older Persons Bill • Social Relief Fund Bill • Social Assistance Bill • National Social Security Agency Bill Seven sets of regulations under the Social Service Professions Act, 1978
Legal advice and support	Developed and implemented strategies on litigation	Litigation strategy approved and adopted by the Department and provinces	Ongoing	A draft litigation strategy finalised and in the process of consultation Legal Officers' Forum established and operational
	Advice on drafting of contracts/service level agreements/memoranda of agreements and international agreements	Appropriate contracts/service level/memorandums of understanding and International Agreements with service providers, project and other stakeholders National and International	Ongoing	Advice provided in one province on Service Level Agreement with a third party Contractor on cash payment systems Provided legal advice on projects where breach of contract was discovered Developed a number of contracts with projects.

Outputs and service delivery trends (continued)

Sub-programme: Human resource management				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Human resource management	Effective management of human resources	Develop and implementation of Human Resource Plan	Human Resource Plan ready for implementation by April 2003	Human Resource Plan developed
	Posts filled according to priority list	47 posts	75 posts	Recruitment and selection service
	Job evaluation	Number of posts evaluated	50% of total establishment 75% of SMS	47 posts, cumulatively 11% of total establishment have been evaluated 36% of SMS-posts have been evaluated.
	Processing performance evaluations (merits, rank/leg promotions and notches)	Performance evaluations of all eligible officials (106)	100%	Cases processed presenting 89% of eligible officials
	Human Resource Policies	Number of policies reviewed	100% of implemented policies	1
	Performance Management (merit awards PMDS)	First evaluations of staff	31 March 2003 100% of qualifying officials in new system	31 March 2003 60% of officials in new system
	Improve level of representativeness in middle management and eliminate barriers to employment	Implementation and monitoring of Employment Equity Plan	Targets achieved in line with Employment Equity Plan	Improvements achieve in targets. See Table 6.1 to 6.7 under Human resource management statistics
		New performance management system linked to strategic plan and output-focussed	100% covered by new performance management system	Performance Management and Development system of the Department fully integrated with Strategic Plan of the Department.

Summary of programmes (continued)

Outputs and service delivery trends (continued)

Sub-programme: Sector Education and Training				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Human resource development	Capacity of the Department for improved service delivery	Training and development in line with Human Resource Plan	% Officials trained and meet capacity requirements	Work place skills programme approved by Health and Welfare SITA and implemented. 45 Officials were awarded Bursaries in different fields of studies in line with the Departmental Bursary Policy. See Table 12.1 and two under Human Resources Management statistics
		Expanded internship programme	50% increase in interns over MTEF period	A 25 % increase in internship programme was achieved in the past year.
Sub-programme: Financial Management				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Financial Administration, Budgeting, Provisioning Administration and Procurement Services	Implementation of the Public Finance Management Act, 1999 (Act 1 of 1999) PFMA, including accounting and procurement reforms	Departmental Plan for the Implementation of the PFMA managed, monitored and evaluated Accounting and procurement reforms implemented		A number of internal financial controls were implemented to ensure transparency, fairness, accountability, efficiency, effectiveness and economical management of limited resources. Critical departmental policies on financial management and administration have been reviewed. A risk management policy and implementation plan developed
		Accounting and procurement reforms implemented	As prescribed by National Treasury	As prescribed by National Treasury
	Annual Financial Statements for 2001/2002	Submission of Annual Financial Statements to Auditor-General in compliance with PFMA	31 May 2002	30 May 2002
		Acceptance of Annual Financial statements and issuance of an unqualified audit report by Auditor-General	Unqualified Audit Report	Except for two matters of emphasis, the audit report was unqualified.

Outputs and service delivery trends (continued)

Sub-programme: Information Management and Technology				
Activity	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Information Management and Technology Services	<ul style="list-style-type: none"> • Provision of an IT and Systems Support Unit implemented • Provision of an information Management Strategy 	Governance mechanisms in	Ongoing	IT policy development Project Management methodology implemented for the IT function An end-user support framework implemented; Infrastructure, Business Systems and Customer Service
		Management of strategic Information	Mapping the Departmental Information architecture	Promotion of Access to information manual completed
			Strategic Information Systems Plan (SISP)	A Business Case for the Departmental SISP was developed and in the process of defining our information architecture
Internal audit services <ul style="list-style-type: none"> • Financial • Performance • Regulatory 	Provided management with independent assessments of the adequacy and effectiveness of the systems of control	Number and extent of Internal Audit Reports	Reports on areas approved in Audit Coverage Plan for year	7 Comprehensive Audits in the National Department 5 Poverty Relief Projects
Support to Audit Committee	Effective Audit Committee.	Number of meetings per year.	4 quarterly meetings	Two (2) meetings held.
	Value adding Internal Audit Function.	Quality of advice provided.		
Co-ordinate internal and external audit efforts.	No duplication of audit efforts.	Number of meetings per year.	Bi-monthly Audit Steering Committee meetings.	6 Audit Steering Committee meetings.
	Provision of information management policy and strategy	Development IM Policy and strategy	In progress	Project initiation phase

Summary of programmes (continued)

Capital investment, maintenance and asset management plan

Department's capital investment programmes

The Department of Social Development had no capital investment programmes in the 2002/2003 financial year.

Management of key movable assets and details of medium term maintenance plans focusing on the following

- (a) Current state/condition of the Department's capital assets
- i) Computer equipment
 - Proline 40% Good
 - Mercer 40% Fair
 - IBM and others 20 % Bad
 - ii) Office equipment
 - Good 50%
 - Fair 50%
 - iii) Office furniture
 - 31% of the office furniture for the SMS Officials is in a good condition.
 - 10% of the office furniture for the Officials on the lower levels than SMS is fair and 60% in a bad condition.
 - iv) Departmental vehicles
New acquisitions
- (b) Most of the outdated computer hardware was replaced.
- (c) The Department has no investments in public or private companies and therefore does not hold any equity shares or other financial assets.
- (d) The Department has started with the process to develop an asset acquisition and replacement policy and an asset management policy.

An asset register has been developed and is in the process of implementation.

- (e) During the year, the Department initiated one major capital project which is the replacement of the Social Pensions System (SOCPEN). The total estimated cost of this project is R300 million and will be phased in over a period of 3 years. Following an advice from the National Treasury, the Department is in the process of exploring the establishment of a Public Private Partnership in this regard and a feasibility study will commence in the new financial year. Adequate funding for the financing of this project has been provided for in the medium term expenditure framework. It may be necessary to roll-over funds from one year to another as soon as the project has commenced.
- (f) All projects to be tendered for will be dealt with according to the Preferential Procurement Policy Framework Act, and National Treasury prescripts and directives.

Transfer payments

Name of institution	Amount R'000	Purpose	Compliance with section 38 (1) (j) of the PFMA
National Development Agency	96 745	Government Grant	Complied

Summary of programmes (continued)

Programme 2: Social security, policy and planning

Aim

Social Security, Policy and Planning is responsible for policy, planning and co-ordination in the area of social security (primarily social grants). This includes assessing the social, economic and fiscal impact of social security programmes, and giving advice on inter-governmental fiscal issues.

Programme policy developments

The programme oversaw the completion of the Report of the Committee into a Comprehensive System of Social Security and facilitated the discussion of the Report within Government. Key proposals, such as those on the extension of the Child Support Grant and the change in overall governance arrangements for a comprehensive social security system, were developed further.

During 2002/2003 draft policies on older people and social relief of distress were finalised for consultation. Tenders have also been awarded for carrying out an impact study of social assistance programmes and for developing an assessment tool for disability grants. The assessment tool aims to assist community panels to determine the eligibility of potential beneficiaries for disability grants.

- Cabinet has approved the extension of the means-tested Child Support Grant beyond the age of seven, to poor children up to their 14th birthday.
- A preliminary investigation on deductions for social assistance beneficiaries has been done with a preliminary recommendation on how the deductions are to be controlled. Negotiations with other stakeholders on possible solutions will be finalised in February 2004.

A new Social Assistance Bill has been drafted that will ensure consistency with the Constitution and the Bill to establish the National Social Security Agency. The current amendments to the Social Assistance Act are short-term measures to address the serious inconsistencies with the Constitution and shortcomings in the Regulations. The Social Assistance Act came into existence in 1992 and the numerous amendments have resulted in fragmented legislation, hence the new Act will aim at addressing these and align it with the Constitution. It is envisaged that the Social Assistance Bill will be submitted to Cabinet during April 2003.

- A draft policy on the implementation of Social Relief of Distress has been developed. The policy outlines options to access Social Relief of Distress as well as the limitations.

The Directorate: Disability and Retirement Benefits was established in April 2002.

Programme policy developments (continued)

Trends in beneficiaries for social security grants

The three poorest provinces, namely, KwaZulu-Natal, the Eastern Cape and Limpopo account for 55,52 percent of the total number of beneficiaries of social grants. KwaZulu-Natal has the highest proportion of beneficiaries (23,15 percent).

Table 1: Number of beneficiaries – April 2003

Provinces	Number of beneficiaries	Percentage (%)
Eastern Cape	1 071 448	18,45
Free State	366 979	6,32
Gauteng	701 962	12,09
KwaZulu-Natal	1 344 936	23,15
Mpumalanga	395 636	6,81
Northern Cape	138 969	2,39
Limpopo	808 553	13,92
North West	462 418	7,96
Western Cape	517 593	8,91
Total	5 808 494	100,00

Table 2 shows the number of beneficiaries per grant type from April 2000 to April 2003. The total number of grant beneficiaries has increased from 3,2 million in April 2000 to 5,8 million in April 2003. This represents an increase of 81,3% percent over the last four years.

Table 2: Trends in number of Grant beneficiaries

Type of Grant	April 2000	April 2001	April 2002	April 2003
Old Age	1 848 726	1 882 188	1 936 553	2 009 419
Disability	607 537	631 758	714 019	953 965
Care dependency	22 789	30 269	42 474	58 140
Foster care	49 843	61 268	90 680	138 763
Child support	348 532	1 078 884	1 574 927	2 630 826
Parent allowance	144 870	296	0	–
Child allowance	193 772	153 114	0	–
War Veterans	7 908	6 062	5 324	4 594
Grant in aid	8 570	9 715	10 840	12 787
Total	3 232 547	3 853 554	4 374 817	5 808 494

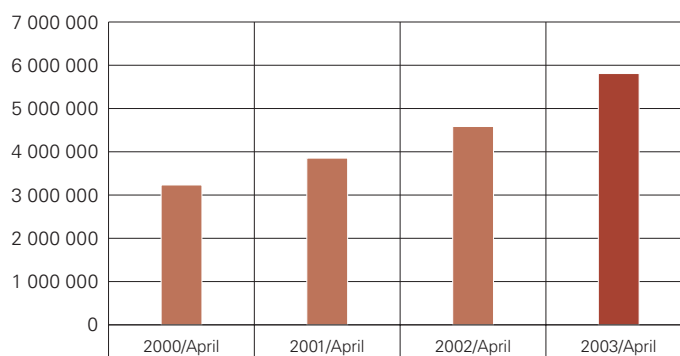
The number of foster care grants has increased by 88 920 (178%) between April 2000 and April 2003. The increase in the Limpopo Province (8 319) and KwaZulu-Natal (24 239) account for most of this increase. Growth in the number of Care Dependency Grants has also been rapid. The increasing number of people infected and affected by HIV/Aids will lead to continuing strong growth in these grants.

Although the disability grant shows a decline between April 1999 and April 2000, it has increased by 57,0% between April 2000 and April 2003, above 50% growth in the Eastern Cape, Free State and Gauteng. The increase in Gauteng (90,5%) and Free State (154,9%) account for most of this increase. The number of beneficiaries for War Veteran's continues to decline.

Summary of programmes (continued)

Figure 1

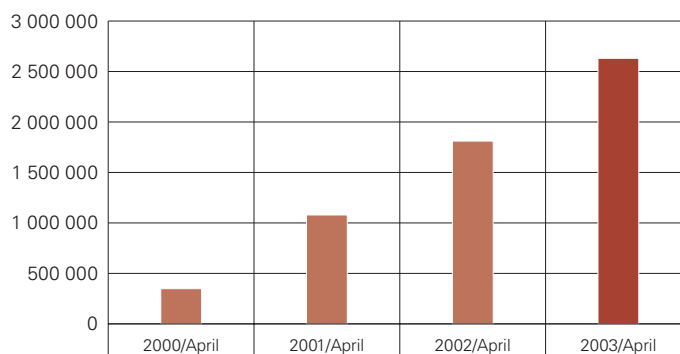
Total number of beneficiaries – 1 April 2000 to April 2003



The Child Support Grants account for the most of the increase in the number of beneficiaries. The number of children in payment has increased from 348 532 about three years ago to over 2,6 million in April 2003. This grant has increased by 2,4 million between April 2000 and April 2003.

Figure 2

Child support grant beneficiaries – 1 April 2000 to April 2003 (0 – 6 years)



There was active intervention to enable provinces to increase the take-up rate of the Child Support Grant. Some of the strategies implemented to increase the take-up rate of the Child Support Grant in the respective provinces, were as follows:

- Collaboration with the Department of Home Affairs in the Eastern Cape and KwaZulu-Natal to expedite the processing of applications for the children's birth certificates and identification documents for their parents;
- The implementation of a national media campaign to increase the awareness of the grant;
- Monitoring of the daily take-up rate by the respective provinces and providing feedback on a monthly basis;
- Developing project plans for hard-to-reach areas;
- Inter-departmental collaboration nationally and provincially;
- Public service week;
- Partnerships with business;
- Partnerships with stakeholders;
- Mobilisation of volunteers;
- The implementation of a national media campaign to increase the awareness of the grant;
- Development of booklets, advertisements, radio campaigns; and
- Imbizo's, launches, jamborees, specific projects targeting rural areas

Outputs and service delivery trends

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Children and Family Benefits, and Disability and Retirement Benefits	Report on implementation of policy options recommended by the Committee of Inquiry on Comprehensive Social Security System	Report completed on schedule and approved by Minister	September 2002	Report finalised in March 2003.
	Comprehensive policy on social relief	Completion of report and approval by Cabinet	June 2002	Draft policy document and guidelines developed.
	Develop new social assistance legislation	Draft legislation approved by Cabinet	December 2002	Draft social assistance legislation developed and draft Bill will be submitted to Cabinet in new year
Financing and Economics	Financing models for social security	Models developed and used in budget process	April 2002	Draft models developed
	Advice on inter-governmental fiscal issues	Quality and timeliness of advice	Ongoing	Proposals submitted and discussed at the Intergovernmental Forums
	Report on social, economic and fiscal impact of social security programmes	Report completed on schedule and approved by Minister	April 2002	Project in process of execution.

Transfer payments

Name of institution	Amount R'000	Purpose	Compliance with section 38 (1) (j) of the PFMA
International Social Security Association	922	Membership fees	Complied

Summary of programmes (continued)

Programme 3: Grant systems and administration

Aim

Grant Systems and Administration provides administrative and information systems and support for the payment of social assistance grants by the provincial departments; monitors service delivery against norms and standards; manages disaster declarations; and provides administrative support to the various disaster relief boards.

Programme policy developments

In addition to building capacity for support and monitoring (such as financing a national social assistance fraud strategy and establishing a compliance audit unit), the first phase of implementing norms and standards for grant administration went ahead in 2002. Key aspects included the development of a standardised application form, the design and implementation of training programmes, developing an administration manual and auditing 90 per cent of social grants pay points.

During 2002/2003 a procedures manual was developed, the Social Assistance Customer Charter was distributed to provinces in all official languages, and about 2 100 officials were trained in customised social assistance to standardise procedures and processes. Using a range of media, communication to beneficiaries about entitlements was also intensified. SOCPEN (the central information and payment system for social assistance grants, now managed by the State Information Technology Agency (SITA) is being maintained and upgraded while options for procuring alternative systems are being developed.

In October 2002, on the basis of a business case prepared by the Department of Social Development, Cabinet in principle approved the establishment of a national public entity to administer social grants. A transition committee under the leadership of the Department of Social Development is currently preparing to brief Cabinet on the implications of and requirements for completing such a process. This initiative has the potential to increase equitable access to grants, to improve service delivery, and to reduce the cost of social grant administration.

The beginning of 2002 saw the launch of the national campaign to register those eligible for social grants. The Department turned its focus to children, especially those eligible for the Child Support Grant. From February 2002 to March 2003, over a million children were registered as South Africans heeded the President's call to lend a helping hand.

At the same time as we were expected to ensure ongoing service delivery, the improvement of the current administrative processes had to proceed as priority areas. The implementation of the norms and standards set the pace for improvements. These included, reducing the cycle time for processing applications. With only a marginal increase in human resource capacity, a record over one million applications were processed, bearing testimony of an increase in output capacity. In collaboration with the South African Management Institute (SAMDI), over 1 500 officials were trained in social security legislation, the Batho Pele principles and grants administration. An additional 500 were trained in customer care and call centre management. The Department further pursued options to replace the Socpen system, while ensuring the ongoing maintenance and enhancement of the current legacy system.

Programme policy developments (continued)

At the beginning of the financial year, Government announced that R2 billion would be made available to those persons adversely affected by Regulation 11. The latter involves the decision to limit the payment of grants to a period of three months, where a beneficiary's application was delayed for a longer period. Towards the end of the financial year, the Department had paid arrears to over 80% of those to whom arrear payments were due.

In line with the Amendments of the Regulation in December 2001, most provinces now ensure that the benefit of a social grant accrue as from the day of application and the processing cycle time has been reduced to a national average of 54 days. The first phase of the implementation of the norms and standards has been initiated in 2002/2003. The first step was to ensure that staff is familiar with the norms and standards, and how the new business process will be designed. The Department trained more than 2 000 officials in social security administration; call centre management, computer literacy and the Batho Pele principles, at universities throughout the country. A national uniform application form is being implemented in provinces.

The Department completed an investigation into several service delivery models and proposed the establishment of the Social Security Agency. The Department submitted a business case for the establishment of a focused, specialist institution for the delivery of social assistance grants. Cabinet in principal approved the establishment of a national public entity to administer social grants. The agency will be capable of ensuring that standards and quality of service delivery is enhanced. A transitional committee has been set up to investigate the implications of establishing an agency and to provide the Government with a detailed implementation plan that will ensure that work is expedited.

Towards the end of the financial year, the Department had to ensure the rapid implementation of the extension of the Child Support Grant. These included the supporting of the legislative process.

The monitoring and evaluation systems were strengthened, and after a year of establishment, the reporting increased as the foundation of a system was laid. A new data warehouse, capable of generating management information, something which up to now is not within the capability of the legacy Socpen system, was designed and tested. Quality assurance is ongoing before total rollout. A new compliance unit will focus on fraud prevention and detection. This unit manages and coordinates the implementation of the strategic plan for fraud prevention, and investigates the extent of fraud in the grants administration system.

The Disaster Relief Fund disbursed relief to 61 463 victims of disaster to the value of R49 080 472. The Disaster Relief Fund Board managed to clear the entire backlog of over 100 000 application forms received dating back to 1999 disaster events. The Disaster Relief Fund Board explored various mechanism that resulted in more hours been put to deal with the backlog including outsourcing to private companies to fast track the disbursement of relief.

Summary of programmes (continued)

Areas declared a disaster

- **KwaZulu-Natal Province** – declared 29 January 2002
Escourt and Ladysmith (Funds disbursed in the current reporting period)
- **Eastern Cape Province** – declared 29 September 2002
Mt Allyf, Mt Frere, Maluti and Umzimkhulu
- **North West Province** – declared 19 March 2002
Vryburg: Naledi and Huhudi Township
- **Eastern Cape Province** – declared 02 August 2002
Cala, Ugie, Elliot, Indwe, and Barkly East
- **Eastern Cape Province** – declared 19 November 2002
Mt Allyf, Mt Frere, Maluti, and Umzimkhulu
- **Limpopo Province** – declared 15 August 2002
Mapela Hans, Parrakies, Mamala, Maope, Matsikiri and Mokamole
- **Eastern Cape Province** – declared 19 November 2002
Buffalo City and Duncan Village

The Disaster Relief Fund Board managed to finalise procedure policy guidelines in order to ensure that the beneficiaries receive relief as soon as possible. In the process of addressing the disaster relief issues, the Disaster Relief Fund Board designed a new three-page application form and discontinued the old application form that was 11 page long with a view to fast-track the processing of relief to victims of disaster. The Disaster Relief Fund Board has further set the target of disbursing relief within 90 days of the occurrence of the disaster event.

State President Relief Board has made funds available to victims of acts of terrorism to the value of more than R20 000. This relates to the bomb attack in Soweto township, South of Johannesburg allegedly by a rightwing group opposed to the new dispensation and constitutional order. The payment was in lieu of funeral costs for the deceased in this attack and care and support for her children. The children of the deceased have been placed under foster care and they are presently receiving assistance from State President Relief Fund whilst placement is being finalised.

The Emergency Relief Funds has made funds available for relief as follows

- Eastern Cape Province – R2,5 million
- Limpopo – R1,5 million
- Mpumalanga – R1 million

Outputs and service delivery trends

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Grant administration and disbursement management	Implementation of Phase 1 of norms and standards	Standardising business processes	January 2003	January 2003
		Provincial social security officials trained	30% of staff by March 2003	475 officials completed Social Security Diploma with Rand Afrikaans University 1 126 officials completed a one week Customer Care course with SAMDI 20 officials trained on call centre and call centre management by Execuprime
		Improvement in infrastructure at prioritised pension pay points	50% meet standards by March 2003	50% prioritised pension points meet standards
	Investigations of disasters and payment of victims of declared disasters	Time taken to assess disaster areas after provincial recommendation	100% within 48 hours	100% on time
		Valid beneficiaries paid timeously	100% within 6 months of application	Tender process delayed. The possibility of enhancing the current system to meet norms and standards to be investigated.

Summary of programmes (continued)

Outputs and service delivery trends (continued)

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Grant Information Systems	New grant payment system to replace Socpen (Phase 1)	Prototype completed and piloted	December 2002	Target reached
	Information transfer to provinces and payment agents	Number and percentage of information transfers accurate and on time	100% accuracy and timeliness	An average of 99% uptime was achieved
	Maintenance of Socpen on behalf of provinces	Percentage of system uptime	90% uptime Reduction in modifications	While the number of modifications reduced, there has been an increase in the demand for management information
Monitoring, Evaluation and Audit	Report compliance with national norms and standards	Six-monthly compliance report covering all provinces	First report November 2002	Compliance reports were produced on service delivery at provincial and district level for five provinces and at pay point level for all provinces within the given time frames.
	Compliance and forensic audits	Percentage of audit coverage plan completed	100% of coverage plan	Compliance and forensic audits have been done in detail for the Eastern Cape and initial assessments on the extent of fraud was done for Limpopo, KwaZulu-Natal and Gauteng Provinces.
	Quarterly analytical reports on trends in social grants	Quality and timeliness of reports	First report October 2002	Two quarterly analytical reports have been produced on trends in Social Grants within the given time frames.
	Impact assessment of grants on beneficiary groups	Quality and timeliness of report	January 2003	A comprehensive impact monitoring programme for social grants were developed for a six-year period and the implementation of this would only take place in the next financial year. A three-way partnership has been agreed on between two Universities and the Department to implement this programme with the assistance of major donor funding

Transfer payments

Name of institution	Amount R'000	Purpose	Compliance with section 38 (1) (j) of the PFMA
Disaster Relief Fund	10 000	Disaster relief	Complied
Social Relief Fund:			
SA Red Cross Mpumalanga	1 000	Relief to victims of disasters	Complied
SA Red Cross Limpopo	1 500	Relief to victims of disasters	Complied
SA Red Cross Eastern Cape	1 250	Relief to victims of disasters	Complied
Volunteer SA	1 188	Relief to victims of disasters	Complied
SA Council of Churches Eastern Cape	1 250	Relief to victims of disasters	Complied
Independent Development Trust	1 600	NEFS-communication strategy	Complied
Total	17 788		

Conditional Grants

a) Summary of Conditional Grants for 2002/2003

Conditional grant	Total allocation R'000	Total transfers R'000
Improvement of Social Security System	10 800	10 800
Total	10 800	10 800

b) Improvement of Social Security System

Province	Total allocation R'000	Total transfers R'000
Eastern Cape	1 200	1 200
Free State	1 200	1 200
Gauteng	1 200	1 200
KwaZulu-Natal	1 200	1 200
Mpumalanga	1 200	1 200
Northern Cape	1 200	1 200
Limpopo	1 200	1 200
North West	1 200	1 200
Western Cape	1 200	1 200
Total	10 800	10 800

Summary of programmes (continued)

- c) In general, transfers were made as scheduled. However, Eastern Cape, Mpumalanga, Northern Cape and North West did not received their second tranches as planned for the Improvement of the Social Security Grant during the 2002/2003 financial year. With the approval of the National Treasury, the second tranches for these provinces were delayed/with held, as no satisfactory explanations as to why the previous transferred funds were not spent. The second tranches was only released on receipt of revised business plans and commitment from the provinces to utilise the funds.
- d) An amount of R14,2 million from the special allocation for the Improvement of the Social Security System in the 2002/2003 financial year was left in the account of the National Department of Social Development. These funds were for administrative, communication and project management and administration cost for the implementation of the Grant.
- e) **The spending trends for this Grant is as follows, based on the unaudited information received:**

Province	Total available ¹ R'000	Actual amount spent R'000	Deviation	% of amount spent
Eastern Cape	1 200	1 200	0	100,00
Free State	1 200	0	1 200	0,00
Gauteng	1 352	1 258	94	93,05
KwaZulu-Natal	3 298	2 225	1 073	67,47
Mpumalanga	1 200	938	262	78,17
Northern Cape	1 650	646	1 004	39,15
Limpopo	2 609	892	1 717	34,19
North West	1 200	593	607	49,42
Western Cape	1 200	1 200	0	100,00
Total	14 909	8 952	5 957	60,04

¹ The total amount available also included rollover funds from the 2001/2002 financial year.

- Eastern Cape has spent the full amount available for this grant in the 2002/2003 financial year.
- Free State has not incurred any spending in view of a change to their Business Plan for this Grant. Approval for this change was obtained during September 2003, where after delays were experienced in the finalisation of the administrative processes to fast tract this expenditure.
- Gauteng has spent the full amount transferred to them in the 2002/2003 financial year. An underspending occurred on the amount rolled over from the 2001/2002 financial year.
- KwaZulu-National spent R225 000 of the amount allocated in the 2002/2003 financial year. The underspending is due to delays in the commencement of a community project involving the employment of community people who needed to be trained.
- Limpopo has incurred a small expenditure on the available funds, which include the allocation for the 2002/2003 year as well as an amount of R1,409 million received as a rolled over funds from the 2001/2002 financial year. The reason being the delays in the appointment of a provincial manager and support team for the implementation of the Social Security Norms and Standards, due to Resolution 7 of the Public Service Act.

- The under expenditure reflected for Mpumalanga is mainly due to the fact that the National Training course by SAMDI will only be finalised at the end of March 2003. The payment will therefore, only take place in the 2003/2004 financial year.
 - The under expenditure related to the Northern Cape is due to the fact that a deviation first had to be obtained for a change in their Business Plan in order to establish a pay point.
 - The North West Department of Social Development has experienced a challenge to locate the second tranche payment of this Grant in the 2002/2003 financial year, from their Provincial Treasury, timeously.
 - The Western Cape has spent the full amount available for this grant in the 2002/2003 financial year.
- f) The Department has embarked on a process to improve its monitoring, evaluation and support capacity for special allocations, including Conditional Grants. However, in view of limited funds in the baseline of the Department, this area is still a challenge.
- g) The extent to which the outputs were achieved, varied per province, and relate closely to the expenditure incurred on this project. Provincial outputs, are monitored in terms of their approved Business Plans for this project. However, it is envisaged that on the completion of this project, the Departments of Social Development would do a detailed assessment of the achievements to ensure the full integration of the outputs with the broader social security and welfare service provisions.
- h) In general the compliance to the reporting requirements of the Division of Revenue Act and specific Grant Frameworks are still a major challenge, due to the limited capacity at both the national and provincial levels. A further factor impacting on compliance is the limited, weak quality and timeliness of, specifically non-financial (performance) information from the different stakeholders. The Department has started a process to improve the submission of this information. A Uniform Template was developed and is in the process of rollout, for the utilisation by the National Programme Managers and Provincial Coordinators of the Conditional Grants, to assist them with the submission of the required information.

Summary of programmes (continued)

Programme 4: Welfare services transformation

Aim

Welfare Services Transformation deals with policy and programme development and monitoring, to promote and protect the rights of children, youth, women, older people and disabled people.

Programme policy developments

Child Protection

The Child Protection Week was commemorated from 28 May to 4 June 2002. The theme for the year 2002 was "Child Protection is everybody's business." Promotion material was developed by the Department and distributed to national and provincial stakeholders. An estimated 200 000 educational posters and 50 000 bookmarks were distributed. The provinces indicated that approximately 340 000 children countrywide were part of these celebrations compared to 25 000 children in 2001.

The Law Commission was to finalise the investigation into the Review of the Child Care Act. A workshop, arranged by the Law Commission, took place in Gordon's Bay on 29 and 30 October 2002 in order to initiate broader crosscutting debate on the draft Children's Bill. Given the inter-sectoral nature of the draft Bill, the workshop was structured in such a way as to enable the participating Government departments, organisations and institutions the opportunity to raise concerns and issues relating to their particular line function/area of responsibility with the Department of Social Development before the envisaged Parliamentary process commences.

During 2002 the Department refined the National Strategy on Child Abuse, Neglect and Exploitation and embarked on a consultation process before finalising it. The national Department, in collaboration with the nine provinces, formulated and revised a draft policy on notification of suspicions of possible ill treatment of or injury to children and of children suffering from nutritional deficiency diseases.

All Provincial Departments have implemented the Child Protection Register. To date a total of 3 325 cases have been registered of which 2 661 cases were registered during 2002. The manual system is being computerised and will serve as an effective tool for monitoring to be the progress of cases. The Register will also provide information for policy and planning.

The Children's Bill was drafted by the SA Law Commission and is currently being studied by an Inter-Departmental Steering Committee. The Bill is aligned with Government's "First Call for Children" and "Put Children First" policies.

The new Children's Bill constitutes a comprehensive rewrite of the Child Care Act, 1983 and, amongst others, is aimed at addressing South Africa's international law and constitutional obligations towards children. The draft Bill will soon be published for general comment.

Social Crime Prevention

The President signed the Probation Services Amendment Act, 2002, Act 35 of 2002 on 7 November 2002. This Act makes provision for new duties and functions of probation officers including, diversion, family group conferencing and restorative justice. The Act introduces a new category of workers, namely assistant probation officers with their specific duties and functions including the monitoring of home based supervision programmes. The Act further makes provision for a Probation Advisory Board to advise the Minister on matters related to probation services.

Training and capacity building partnership programmes for probation officers and assistant probation officers continued throughout the reporting period, with provincial workshops on programmes to support the child justice bill, restorative justice, contracting and working with children in conflict with the law. Approximately 600 officials benefited. The Department also contracted with an NGO to provide training to its secure care facilities on sensitisation of the boy child and empowerment of the girl child in the four critical provinces with the highest number of children awaiting trial viz KwaZulu-Natal, Eastern Cape, Western Cape, Gauteng. Approximately 700 children and care staff benefited from the programme.

The application for the establishment of the Boards for Probation officers and Child and Youth Care Workers was approved by the South African Council for Social Services Professions.

The Child Justice Bill was introduced in Parliament during 2002. The Department is part of an Inter-sectoral committee that drafted and costed the Bill, and has a critical role to play with regard to the implementation of the Bill. The social development costing exercise was an intensive collaborative effort between the national department, provincial CFOs and provincial business units. This resulted in additional funding requirements for the MTEF cycle.

The department was part of the SA Delegation to the 13th UN Commission on Crime Prevention and Criminal Justice, held in April 2002 in Vienna, Austria. The social development inputs for country statements were made on social crime prevention, child justice, restorative justice, norms and standards.

As part of a SADC outreach programme on child justice matters, the department led a team to Namibia in November 2002 to provide training to criminal justice practitioners on developmental assessment, home based supervision programmes and assistant probation officer programmes.

During July 2002 the department, together with UN Habitat and The Royal Netherlands Embassy, co-hosted an international conference on children in trouble with the law on the African continent, attended by 230 delegates from 20 countries.

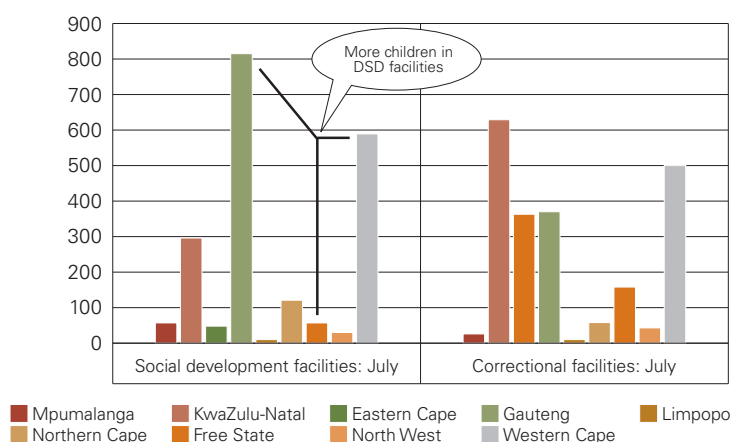
The second One Stop Child Justice Centre in South Africa was launched in Bloemfontein in August 2003, giving effect to integrated services delivery by all the criminal justice departments. The third One Stop Child Justice Centre was launched in Port Nolloth in the Northern Cape in October 2002.

Under the leadership of the Inter-Sectoral Committee on Child Justice additional one stop centres will be established. Good progress has been made with a second centre for the Northern Cape in Upington. The administrative arrangements for the move of the Stepping Stones One Stop Child Justice Centre in Port Elizabeth to a bigger venue have progressed well.

Summary of programmes (continued)

The Department continues to place emphasis on diverting children from the criminal justice system and protecting their rights. During the reporting period the numbers of children awaiting trial in secure care facilities fluctuated between 1 700 and 2 015. An Inter-departmental Committee monitors the numbers of children on a monthly basis. Some provinces have appointed independent monitors for this purpose. A significant change is the fact that for the first time there were more children in secure care facilities in three provinces, than in correctional facilities. Department proposes the expansion of diversion programmes and home based supervision programmes, increase the number of secure care facilities and One-Stop Child Justice Centres; the prioritisation of children's cases in court and the improvement of legal representation for children and probation services.

The graph below illustrates the comparison of July 2002 statistics of secure care and correctional facilities.



The diversion programme is another area where the department has taken the lead. There are currently diversion programmes in most areas of the country. Some 15 000 young people per year benefit from these programmes. The Probation Services Act makes provision for the development of such programmes including house arrest programmes for young people. Some 400 young people have already benefited from this programme.

The Department has during the past year participated fully in the Integrated Justice System Programme. Much work has gone into the preparation of the Durban Court to be regarded as the centre of excellence. The reception, assessment and referral centre, as well as the Probation Service in court played a significant role as part of the integrated justice process. The Department received IJS funding for which hardware was acquired for the rollout of the child protection register to all provinces.

Youth Development

The Department, through donor funding, started youth development centres that delivers amongst others life skill programmes to youth. These programmes are Phandulwazi Life Centre in King William's Town and Bokamosa in Winterveldt.

In the Justice and safety area the department (with donor funding) started One Stop Youth Justice Centres and Reception, assessment and referral centres in South Africa for young people under the

age of 18 years who are in trouble with the law. Currently there are nine such centres. The Department has developed the concept of Secure Care and through its provincial departments has built 12 centres that accommodates an average of 2000 children and young people per month, and trained 4 000 officials including, social workers, child and youth care workers and probation officers.

The development of a professional board for youth workers will be finalised during 2003. The Department has contracted with various organisations that contribute to youth development e.g. Technikon SA that has developed a course for previously disadvantaged youth by creating a professional career path, 120 young people has benefited from this programme. An organisation, Crime Busters has trained on behalf of the department in partnership with Department of Education some 609 000 youth coaches during 2002.

It can thus be stated that the Department has fulfilled its obligations to a large extent with regard to the obligations placed on the Department by the National Youth Commission.

Families

The Department is pursuing its strategic priority to develop a National Policy for Families. The lack of research that provides crucial information on the structure and needs of families in South Africa was identified. The Department formed a partnership with the Human Science Research Council (HSRC), to conduct research on family life. The research will provide baseline information for the development of the National Policy for Families.

The Department arranged national training in family preservation for stakeholders in provinces. Five provinces have been trained on this model. The Department conducted a Developmental Quality Assurance (DQA) at the Inanda Family Preservation Programme, which is a national programme, funded by the Department.

A national workshop with national stakeholders to gain commitment for the commemoration of the 10th anniversary of the International Year of the Family in 2004, was held on 26 March 2003. A Reference Group and task teams were established to take mutual responsibility for the planning of the International event. The Reference Group will be the vehicle for promoting integrated service delivery to families beyond 2004.

Victim Empowerment Programme (VEP)

The Department in collaboration with the United Nations Office for Drug Control and Crime (UNODC) facilitated the establishment of two pilot One-Stop Centres in Mpumalanga and Eastern Cape Provinces. On the average each Centre sees 55 Clients a month. Both Centres were handed over in September 2002 and February 2003 respectively to the Provincial governments to ensure their sustainability. The ceremonial hand-over of both centres was linked to a campaign on NO Violence Against Women and Children. The main objective of the establishment of the One-stop Centres is to reduce the re-victimisation of victims of crime and violence by ensuring that their health, psychological, welfare, safety and judicial needs are addressed in dedicated One Stop Centres. Both centres were funded by the Austrian Government through the UNODC.

During the period under review, a Resource Directory for Victims of Domestic Violence and other victims of violence and crime were developed. This directory will be updated annually.

Summary of programmes (continued)

The Department developed a Strategy to guide service delivery in the Shelters for women and children who are victims of domestic violence.

The minimum standards to guide service delivery to the victims of violence and crime were drafted.

The first draft of the Integrated Victim Empowerment Policy to guide service delivery in the Provinces is available and the Department is in the process of finalising the policy. Provincial consultative workshops were conducted in Gauteng, Free State, Eastern Cape, North West Province, Western Cape and KwaZulu-Natal.

Provincial VEP Forums in Gauteng; Free State; Western Cape and North West Provinces were re-established.

The Department provided financial and technical support to the following VEP related Civil Society Organisations, namely:

- The National Network on Violence Against Women
- The Ilitha Psychological Services NGO in Fort Hare
- The Soshanguve Trauma Centre
- UNISA – Department of Industrial Psychology: VEP
- Themba Lesizwe NGO
- The Walk the Talk Challenge NGO: walked during the month of March 2003 from Durban to Cape Town to campaign and to create awareness on No Violence Against Women and Children. This organisation distributed pamphlets and educated communities on prevention of women and child abuse along their walking route to Cape Town.

A study to measure the impact on victims of violence, of the one hundred and nineteen VEP projects that were implemented since 1999 to 2001, commenced in March 2003.

Older Persons

The Department focussed on development of new legislation for older persons. Draft Policy and a draft Older Persons Bill have been developed after consultative sessions with stakeholders in the field of Ageing, the Portfolio Committee on Social Development and the Select Committee on Social Services (National Council of Provinces). Inputs gathered during all consultation sessions have been included into both draft documents for submission to the Minister.

The aim is to provide a comprehensive legislative framework for the protection for all older persons.

The urgent and major responsibility of ensuring the implementation of the recommendations of the Ministerial Committee to investigate Abuse, Neglect and Ill-treatment of Older Persons is under way in the sense that a significant number of recommendations are currently being implemented viz,

- Operational Dignity Programme: The main focus of these programmes is the restoration of the dignity and respect of older person. All provinces are currently implementing these programmes and they vary from on community to the other.
- Audit of Old Age Homes: Conducted and completed in December 2002.
- Audit of Service Facilities for Older Persons. Information has been received from process and the data capturing process is on.

- Investigation on the discounting of loans. The National Department of Social Development is facilitating a research process in this area.

Substance Abuse

The Department of Social Development is responsible for regulating and monitoring of drug related services. The Department is, on an ongoing basis involved in considering applications for registration in terms of the Prevention and Treatment of Drug Dependency Act.

In partnership between the Department and the United Nations for Drugs and Crime, drug related services and facilities were upgraded in disadvantaged communities in Mpumalanga, Western Cape, North West, Free State and Limpopo provinces.

The Department is facilitating a process of developing a best practice treatment model for children and the replication thereof model in all nine provinces.

Draft minimum standards were developed for in-patient drug treatment services, and a draft policy framework for social welfare services regarding substance abuse was developed.

The Department appointed two permanent staff members to provide a professional secretariat service to the Central Drug Authority. The Central Drug Authority has initiated a process for the establishment of an infrastructure on provincial and local level to enhance the implementation of the National Drug Master Plan.

The Central Drug Authority and other stakeholders launched a National Awareness Campaign to prevent substance abuse amongst the youth.

People with disabilities

Department undertook the following activities during the year:

- The process to transform Workshops for persons with disabilities has been taken a step closer when bilateral discussions took place with the Department of Labour to finalise the placement and functioning of Workshops.
- The draft minimum standards were tested in quality assurance processes of services and facilities in three provinces.
- Continued support and funding have been provided to NGOs to support parents of children with disability.

Summary of programmes (continued)

Outputs and service delivery trends

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Service Standards	Improved welfare services	Norms and standards and costing of services completed by due date	February 2003	<p>Draft minimum standards for welfare service delivery developed for VEP, shelters for abuse women, and people with disability, children and other welfare services</p> <p>Embarked on a research project to evaluate and cost services in residential care</p>
		Review of welfare legislation	March 2003	<p>Draft policy document and draft Bill for Older Persons developed and consulted with the NCOP, Port Folio Committee on Social Develop, National Government Departments, Provincial Departments, older persons and other stakeholders in the field of ageing</p> <p>Approved Report and Draft Children's Bill consulted and submitted to Cabinet Committee during October 2002. Further consultations and refined Bill finalised for tabling in 2003/2004</p> <p>The Probation Services Amendment Act was approved and promulgated during November 2002</p>
		New curriculum for social service professionals	March 2003	A new curriculum for social workers have been finalised and gazetted and approved by SAQA

Outputs and service delivery trends (continued)

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
		Audits of institutions for children, older people, disabled people and substance abusers	Audit all institutions every three years	<p>A new curriculum for social workers have been finalised and gazetted and approved by SAQA</p> <p>Audit of old age homes conducted and completed during December 2002. Gaps were identified and that led to a second phase, which is still in process.</p> <p>An audit of service facilities for older persons (luncheon clubs, and service centres) finalised during February 2003</p> <p>Information has been received from provinces and the data capturing processes is in progress.</p> <p>Development Quality Assurance conducted in residential care facilities</p>
		Appoint Advisory Board on Social Development	June 2002	The appointment of the Board not yet finalised.
	Computerised Child Protection Register	All provinces linked to register	December 2002	A draft set of guidelines on the notification of child abuse and neglect cases was developed and consulted. All provinces will be linked to the CPR during 2003/2004.
		Percentage of users trained	100%	Ongoing training of the social workers in the provinces and NGO sector
	Accuracy of information on register	95% accuracy	Achieved 90% accuracy rate on captured information obtained from provinces.	

Summary of programmes (continued)

Outputs and service delivery trends (continued)

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
	Training of probation and assistant probation officers in Child Justice Bill	Percentage probation/assistant probation officers certified	50% certified	In the absence of accredited training courses, the existing training modules were utilised to capacitate probation and assistant probation officers at provincial level
	Measures to reduce number of children awaiting trial in prison and police cells	Number of children awaiting trial in prison and police cells	10% fall by April 2003	<p>The Inter-sectoral Committee on Child Justice monitor the movement of children in prisons and police cells and social development facilities, on a monthly basis. They also intervene in cases where number of children awaiting trial increased, to determine an alternative in terms of placement options.</p> <p>Provinces have appointed civil society partners to assist with the monitoring of children awaiting trial in prison and police cells.</p> <p>These interventions have already positively impacted on the situation. Out of an approximate total of 53 000 children awaiting trial, 26 264 children were diverted (about 50%).</p> <p>The rollout of the home-based supervision programme has also contributed to the reduction in the number of children.</p> <p>The Social Cluster had instructed that an over-crowding task team be established to address the number of children awaiting trial at cluster level, and is fully operational.</p>

Outputs and service delivery trends (continued)

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
	National Family Preservation Programme	Number of projects per province	2 projects	Trained approximately 100 officials in five provinces on the Family Preservation Model with the view for provinces to initiate Family Preservation Programmes
	National Youth Skills Development Programme targeting out-of-school youth	Programme development completed	December 2002	Youth Development Centres (Life Centres) piloted and replicated in five provinces. One of these Centres received funding to establish a factory to provide skills and employment for out-of school youth. Two new projects initiated in Western Cape and Northern Cape.
Rights Advocacy to Other Vulnerable Groups	Action on recommendations of Ministerial Committee on elder abuse	Progress on implementation of main recommendation	Implementation of main recommendations completed by April 2003	Implementation of recommendations in process: <ul style="list-style-type: none"> - Audits of old age homes and service facilities for older persons - Operation dignity programmes in the process of implementation in all provinces. These programmes aim at the restoration of dignity and respect of older persons. - Research on the discounting of loans of those organisations that had their loans discounted in process.
	Country report to UN Assembly on Ageing	Cabinet approves report	April 2002	Country Report presented at the Madrid Second World Assembly during April 2002 and circulated to all departments.
	Review of services to disabled children	Timeliness and quality of review report	September 2002	Bilateral discussions with the Department of Labour to finalise funding and placement of workshops with people with disabilities Continued funding and support to organisations assisting parents with disabled children

Summary of programmes (continued)

Outputs and service delivery trends (continued)

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
	Review of Victim Empowerment Programme	Assessment of Victim Empowerment Programme	June 2002	Tender for project awarded in February 2003, and impact study commence in March 2003
	Strategy to reduce drug and alcohol abuse amongst young people	Adoption of strategy by MinMec for implementation	June 2002	Strategy developed to reduce drug and alcohol abuse amongst young people (10 – 18). The implementation of the strategy was piloted in Gauteng province and evaluated by an independent service provider. The youth responded positively towards the intervention, and this culminated into the national rollout of the strategy.

Transfer payments

Name of institution	Amount transferred R'000	Purpose	Compliance with section 38 (1) (j) of the PFMA
Contributions to International Social Services	88	Membership fees	Complied
Sinani	80	Commemoration of the international women's day	Complied
SA Council for Social Service Profession	500	Establishment of professional Board	Complied
Walk and Talk Challenge	30	Campaign on no violence against women and children	Complied
Eluyolweni SC	20	Launch of Home for the Abused Older Persons	Complied
The National Network on Violence Against Women	200	For strategy on violence against women	Complied
The Ilitha Psychological Services NGO in Fort Hare	75	Counselling services for victims	Complied
The Soshanguve Trauma Centre	25	Support and counselling services for victims	Complied
Themba Lesizwe	365	Registration with SA Standard Generating Body and SAQA	Complied
UNISA – Department of Industrial Psychology: VEP	23	Database development on research done on violence against women and children	Complied
TOTAL	1 406		

Programme 5: Development implementation support

Aim:

Development Implementation Support takes responsibility for the development of poverty reduction/eradication strategies as well as programmes and services to mitigate the impact of HIV/Aids.

Programme policy developments:

Volunteers

The Department, in line with the national Letsema Campaign, mobilised thousands of volunteers to participate, particularly in the registration of children during the month of October, and has continued its support to Volunteer South Africa through the Minister who is the Chief Patron. In order to strengthen community organisations some volunteers have been mobilised to assist with capacity needs of the organisation. In addition to this the Department co-sponsored the national launch and conference of the SA Community Organisations Regional Network (CORN), which is a regional networking structure for Community-based Organisations.

In order to strengthen the Southern African Volunteer movement the Department co-hosted with USAID, United Nations and Volunteer South Africa a Volunteer Vision Conference, on 16 – 17 May, which sought to, amongst others,

- inspire and mobilise all sectors of the sub region to volunteer action,
- profile volunteering,
- build a sustainable institutional and infrastructural framework for the facilitation of volunteering and co-ordination of volunteer programmes, and
- establish sustainable national, regional and international networks for volunteering.

The participating countries included Botswana, Tanzania, Lesotho, Swaziland, South Africa, Mozambique, Malawi and Madagascar. The challenge of sustaining the volunteer movement, both at a national and regional level, will be addressed by the finalisation of the comprehensive programme to support and strengthen the volunteer sector, by the end of the year. Included in the programme is:

- Developing, further, the plan of action for the SADC region;
- A final report to the United Nations on volunteering in South Africa;
- An infrastructure to manage and pilot volunteer initiatives; and
- Research on the volunteer sector.

HIV/Aids programme

The Directorate HIV/Aids became fully operational during 2002/2003. This facilitated the improved management of scaling up of the Home Community-based Care and support programme in the provinces and proper management of the R48 million allocated to this programme. The mandate of the department with regard to this programme is to ensure that children who are infected by HIV/Aids have access to services that include alternative care, social grants, counselling, food security, protection from abuse and other forms of maltreatment.

The establishment or strengthening of partnerships with other Government departments especially through the Inter-departmental Committee on HIV/Aids and the National Integrated Plan for children

Summary of programmes (continued)

infected and affected by HIV/Aids, NGOs, CBOs, FBOs, People Living with Aids, International Organisations and Foundations to increase coverage of service delivery to people who are affected by HIV/Aids has also increased both at national and provincial levels.

A national conference on Co-ordinated Action for children infected and affected by HIV/Aids was held in June 2002, and it culminated into a plan of action to ensure that stakeholders, at all levels, work in a co-ordinated way to protect the rights of children who are infected and affected by HIV/Aids.

Various resource materials have been developed to support the implementation of Home Community-based Care and support programmes. A manual on how to establish a Home Community-based Care and support programme was developed. Provinces and NGOs will be trained during 2003 in order to assist services providers with the implementation thereof. This will also assist with the scaling up of the implementation.

National guidelines for social services to children infected and affected by HIV/Aids were finalised, printed and distributed during 2002. These guidelines were specially developed for NGOs, community-based organisations, Government officials, volunteers and community care givers, family members, donors and any one who is delivering services to children who are infected and affected by HIV/Aids. They will also assist Home Community-based Care programmes and family members to provide care and support which does not only take community needs, cultural practices and resources into consideration but, at the same time, protects the rights of children.

A manual on Child Care Forums was developed with the main aim to assist stakeholders in establishing Child Care Forums in their communities. Child Care Forums need to be established in all communities where there are vulnerable and orphaned children. Forty-one (41) Child Care Forums have already been established.

The directorate participated in the research on the situational analysis on the needs of children in KwaZulu-Natal and Eastern Cape funded by UNICEF. The findings from the research are being used to improve service in the districts which participated in the research. The findings will also be generalised to other areas across the country

Children's Court Commissioners were sensitised regarding the impact of HIV/Aids epidemic on Children's Courts as well as relating matters such as Foster Care Placements with Grandparents.

The improvement in the management of the programme manifests itself in the increase in the number of communities, families and individuals who are accessing services provided through this programme. For example the following were the main achievements on indicators of this programme:

- 314 centres/sites for Home Community-based Care and support were supported;
- 29 612 additional children orphaned or vulnerable due to HIV/Aids were identified which brings the number of children identified since the inception of this programme in 2000 to 75 000;
- Services provided to children include food parcels, provision of clothing, counselling, support, provision of day care and after school centres/drop in centres, placement of children in foster care and residential care and addressing the education and health needs of children;

- 13 061 food parcels ranging between R154 and R350 per parcel were provided;
- Over 1 000 care givers received stipends of between R225 and R500;
- 52 910 families received support such as food parcels, assistance with funerals, and linking families with income generating projects;
- 1 604 volunteers were recruited and trained;
- 41 Child Care Forums have been established in some parts of the country; and
- 85 Support groups for People Living With Aids (PLWAs) are being provided with both financial and professional support.

A workshop was held in February 2003 to ensure the integration and uniformity of policies and programmes of the Department of Social Development as far as HIV/Aids is concerned. The purpose was to develop an integrated and consolidated Five-year National Social Development Strategic Plan that includes a framework for the workplace programme. The Plan will be implemented at national, provincial and local Government levels. Government, non-governmental organisations, traditional leaders and healers, faith-based organisations and business sector, will form partnership in this venture.

Forty young people were trained through the loveLife programme as ground Breakers and placed in Home Community-based Care sites in provinces.

The Department participated actively in Imbizos and calendar events on HIV/Aids such as the candle-lighting ceremony, the commemoration of the establishment of the partnership on HIV/Aids and the World Aids Day. The HIV/Aids activities were also factored into other critical calendar events such as the National Women's Day, Youth Day and the Child Protection Week. During such events communities were made aware of the need to work together or build partnerships with Government to care and support people who are affected by HIV/Aids, especially children. They were also made aware of the services and social grants that are available to vulnerable groups to improve their quality of their life.

Poverty Relief Programme

2002/2003 was the second and middle year in the implementation of the programmatic approach of the Poverty Relief Programme of the Department of Social Development. This approach shifted the Department's Poverty Relief Programme from approving and funding projects on an annual basis to approving projects according to set objectives and funding them over three years.

The Poverty Relief Programme of the Department of Social Development has been successful in reaching the rural areas of South Africa. The majority of projects are rural based, 60 % of the allocation goes to the three provinces with the most severe levels of poverty ie KwaZulu-Natal, Eastern Cape and Limpopo.

Of the R100 million allocated in the 2002/2003 financial year, R90 970 000 (90,10%) has been committed to 416 projects. R45 544 000 (50,1%) had been paid to these projects as at 31 January 2003, R45 426 000 (49,9%) was planned to be released to these projects in March and April 2003, subject to the state of readiness of the projects to receive the last tranche of funds allocated to them.

Summary of programmes (continued)

The rest of the 2002/2003 allocation (R9 030 000,00) was set aside for the following objectives:

- To support the integration of the capacities of the disabled into the different Poverty Relief Projects (R1 350 000,00);
- The Development of a social finance capacity so as to address poverty (R3 600 000,00); and
- Administration and Capacity Building (R4 080 000,00).

The Independent Development Trust continues to provide invaluable Programme support to the Poverty Relief Programme in addition to the disbursements that they make to the projects.

2003/2004 is the last year of the Poverty Relief Programme in its current form. The Department will consolidate the achievements of the past two years, and strengthen partnerships to ensure the sustainability of funded projects.

The National Food Emergency Scheme (NFES)

This programme was developed following the announcement by the Minister of Finance in his 2002 Medium-Term Budget Policy Speech that these funds have been made available for purposes of providing food emergency relief to poor households who were adversely affected by the rapid rising food prices. It then became one of the Social Cluster priority programmes forming an integral part of the Integrated Food Security and Nutrition Programme that was adopted by Cabinet during July of 2002. The Department appointed the Independent Development Trust as the strategic partner in implementing this programme. The full amount was then transferred to the IDT towards the end of the financial year.

The following achievements were recorded as at end of March 2003:

- Distribution of food parcels to 10 000 households during the pilot phase in five provinces namely, Free State, Northern Cape, North West, KwaZulu-Natal and Western Cape;
- Spearheading the national Roll Out of the NFES in order to reach 244 000 households severely affected by food insecurity;
- Establishment of institutional delivery mechanisms and stakeholder participation in the provinces;
- Co-ordination of the public launch for the NFES in all the provinces to promote awareness and profile the aims and target beneficiaries of the Scheme;
- Convening the National Co-ordinating Committee (NCC) that is responsible for the technical oversight during implementation. The NCC is an innovative partnership seeking to give expression to coordinated service delivery through pooling together the expertise of Cluster Departments and other public entities. It comprises of the Department of Social Development, Health, Education, Agriculture, Provincial and Local Government, The Independent Development Trust (IDT), National Development Agency (NDA), Statistics South Africa (STATS-SA), and the Council for Scientific and Industrial Research (CSIR); and
- Promotion of intra-departmental collective effort for the delivery of the NFES through the involvement of all sections of the Department, and cooperative governance of all spheres of Government.

Partnerships for community development

The absence of social infrastructure aimed at providing social services to communities is a persisting legacy of the country's past. A further 48 containers have been allocated and erected to Northern Cape (Brandvlei, Delport and Galeshewe); Limpopo (Ga-Seleka and Tubatse); North West (Kudumane, Odi and Stella). There were public handing-over events to the Provincial Departments of Social Development and the local community at Tsolo, Eastern Cape Province (30 May 2003), Impendle, KwaZulu-Natal (30 April 2003), Vrede, Free State Province (28 June 2002), Brandvlei, Northern Cape Province (21 February 2003). The erection of these containers enables the provincial departments of Social Development to bring services to previously disadvantaged communities and to engage with other Government departments to provide services according to the needs of the local community.

Basic Business Management, and Adult Basic Education and Training (ABET) have been designed in support of Flagship Projects in KwaZulu-Natal (Bhambanana, Ingwavuma and Impendle), Mpumalanga (Driefontein).

Future plans include the review of the capacity status of present and previously funded Poverty Relief Projects (PRP) and Flagship projects for appropriate intervention to enhance sustainability.

Mainstreaming integrated development, service delivery and co-ordination

Given the widely acknowledged "many faces" or manifestations of poverty and the imperative of integrated approaches to confront the challenges, Government has committed to this modus operandi to enable communities to see Government service provision as "one experience" -rather than fragmented interventions.

The Department is accordingly responsible for the management and co-ordination of the social component of the Integrated Sustainable Rural Development Programme (ISRDP) and Urban Renewal Programme (URP).

The following engagement has characterised the work of the Department:

- Establishing the co-ordinating mechanism for ISRDP/URP within the department to facilitate collectively focused effort and reporting;
- Participation in the Inter-departmental task Team (IDTT) forums that brings the 21 National departments and representatives of ISRDP/URP municipal nodal areas;
- Reporting to the IDTT and Social Cluster including Cabinet Lekgotla.

Future plans in this area include the review of the social development needs and capacities of the 21 nodal areas for appropriate intervention and strengthening the implementation of their Integrated Development Plans (IDPs).

Meeting International Development Commitments and Reporting Progress of the World Social Summit on Development (Copenhagen Commitments)

Summary of programmes (continued)

Effort is directed to the following activity areas:

- Hosting a Workshop for the department's staff to create awareness and commitment in preparation for the national process of stakeholder involvement leading to the drafting of the Country Report due for presentation to the United Nations General Assembly in 2005;
- Establishment of a co-ordinating mechanism within the department to drive the process of national stakeholder engagement and reporting;
- Formulation of a broad plan of action to guide the process to meet the stipulated reporting time frames; and
- Participation of an official of the Department, as part of the delegation of the Ministry, to the 41st Session of the United Nations Economic and Social Council (ECOSOC) in New York (2003).

Consistent with its mandate to promote the social component of the goals and aims of the New Partnership for Africa's Development (NEPAD), the Department is represented on the International Relations Task Team of the social cluster departments.

The following efforts have been registered in this regard:

- Participation in the second SADC Colloquium of African Renaissance Chapters organised by the South African Chapter of the African Renaissance (SACAR) and the United Nations Development Programme (UNDP). The Colloquium focused on elaborating Indigenous Knowledge Systems (IKS) and its economic potential to anchor community activities and Nepad projects;
- Meeting with representatives of the South African Chapter of the African Renaissance to formulate a framework of cooperation with related civil society organisation at the community, provincial and regional levels.

Output and service delivery trends:

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Poverty eradication	Financial assistance to communities participating in the poverty relief projects	Percentage of project funds transferred to project	100% of funds transferred	100% of funds transferred from the account of the Department to the Independent Development Trust. By 31 March 2003, 50,1% of the project allocation was disbursed to projects, as the first tranche for the 2002/2003 financial year
		Percentage of funds allocated in nodal points of Integrated Sustainable Rural Development Programme	30% of funds allocated to the programme as a whole	Target met
		Percentage of projects meeting minimum standards	85%	Projects funded met the minimum organisational requirements.
		Percentage of disabled beneficiaries	2%	Challenges were experienced with this target and the Department is exploring a different approach to disabled beneficiaries.
		Percentage of projects with micro-finance component	20%	Challenges were experienced with this target and the Department is exploring a different approach which will focus on a savings programme.
		Percentage of projects sustainable over three year-period	66%	Projects are at different stages of development, but it appears that a larger investment would be required for longer-term sustainability.
	Assessment of projects	Impact assessment of poverty relief projects	May 2002	Ongoing assessment of projects take place before funding is released
		Mid-term assessment of Home Based Community-based Care Programme	November 2002	A consolidated report was completed in September 2002, with recommendations on the improvement of the management of the programme. These recommendations are in the process of implementation

Summary of programmes (continued)

Output and service delivery trends: (continued)

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
	Training youth in providing peer counselling and raising awareness	Percentage of youth accredited to provide peer counselling and HIV/Aids awareness	Target to be established	15% of the groundBREAKERS (18 – 25 age group of young people) have been trained through the loveLife programme and placed in the Home Community-based Care programme
Community development	Capacity-building	Capacity-building programmes and resource materials for officials, CBOs and volunteers involved in development	75% from historically disadvantaged population	The three capacity building programmes being implemented in partnership with Transnet, focuses on the historically disadvantaged population
		Percentage of participants from rural based CBOs	75%	Rural based CBOs are integrated in service delivery towards the capacity-building programmes
		Assessment of community development initiatives	Report on South Africa's on Social Development	<p>Progress in implementing commitments of World Summit June 2002</p> <p>A Position Paper for Social Development was tabled at the 41st Session of the United National Economic and Social Council (ECOSOC) in New York during February 2003.</p> <p>A broad plan of action was developed to ensure national stakeholder engagement and reporting on the progress with the 10 commitments of the World Summit on Social Development Developed (WSSD) taken in Copenhagen in 1995.</p> <p>The first Intra-departmental workshop took place in February 2003, with the main aim to capacitate the social development sector officials on the 10 commitments of the Copenhagen Declaration and to strategise to develop a framework for the tabling of the Country Report in 2005.</p>

Output and service delivery trends: (continued)

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
	Measures to strengthen partnerships and volunteerism	Number of partnership agreements	Baseline to be established	Financial support was provided to the South African Student Volunteer Organisation (SASVO) for institutional building and support
		Percentage involvement of volunteers in programmes	Baseline to be established	The Department is engaged in a valuable partnership with Transnet in providing the necessary infrastructure to remote, disadvantaged communities. Social services could be rendered from these premises to ensure accessibility to social and other essential governmental services for remote communities in an inter-sectoral collaborative way.
HIV/Aids	Financial, capacity building and technical assistance to Home Community-based Care projects targeting children and poor households	Value of funds transferred to projects per province in accordance with business plan	R46,5 million	R47,5 million
		Number of projects funded	300 projects	314 projects
		Percentage of projects in high poverty areas	100%	100%
		Number of households receiving support services	10 000	52 910
		Percentage number of volunteers trained to provide basic care and support	50% of volunteers and caregivers trained	60% (6 553) of volunteers and caregivers trained for 314 projects
		Training manual on Social Development aspects of Home Community-based Care and support		Draft manual developed

Summary of programmes (continued)

Output and service delivery trends: (continued)

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
		Mid-term assessment of Home Community-based Care programme	November 2002	A consolidated report was completed in September 2002
	Training youth in providing peer counselling and raising awareness	groundBreakers (18 – 25 age group of young people) trained through the loveLife programme to work in Home Community-based Care programme	25% of groundBreakers (18 – 25 age group of young people) to trained through the loveLife programme by March 2003	15% of groundBreakers (18 – 25 age group of young people) have been trained through the loveLife programme and placed in the Home Community-based Care programme
Non-profit Organisations	Register Non-profit Organisations	Number of applications processed	7 500 per year	10 279 applications received and processed of which 6 570 met registration requirements.
		Appeals finalised in accordance with statutory requirements	100% appeals finalised	The Arbitration Tribunal handled all cases. (Two seating of the Tribunal arbitrated over 64 cases).
	Monitoring compliance with the Non-profit Organisations Act	Percentage of registered organisations in compliance	75%	96% of registered organisations complied with the reporting requirements (Of the 17 223 registered org; 650 org defaulted ie 4%)
		Percentage of organisations dealt with for non-compliance	100%	All registered organisations were reminded for their reporting responsibility.
	Subsidise national councils	Accuracy and timeliness of payments	100%	91% of the R4m budgeted for was transferred to national councils totalling to R3,6m

Transfer payments:

Name of institution	Amount transferred R'000	Purpose	Compliance with section 38 (1) (J) of PFMA
Independent Development Trust	100 000	Poverty relief	Complied
Independent Development Trust	230 000	NFES	Complied
South African Federation for Mental Health	424	Subsidy	Complied
AFM Executive Welfare Council	87	Subsidy	Complied
South African National Cancer Association	26	Subsidy	Complied
Deaf Federation of South Africa	141	Subsidy	Complied
National Council for Persons with Physical Disabilities	87	Subsidy	Complied
Ondersteuningsraad	87	Subsidy	Complied
Synodical Commission for Diaconal Services	197	Subsidy	Complied
South African National Epilepsy League	71	Subsidy	Complied
National Institute for Crime Prevention and Rehabilitation of Offenders (NICRO)	481	Subsidy	Complied
Suid-Afrikaanse Vroue Federasie	158	Subsidy	Complied
Age-in-Action	196	Subsidy	Complied
Family and Marriage Society of South Africa	287	Subsidy	Complied
Afrikaanse Christelike Vroue Vereniging	104	Subsidy	Complied
South African National Council on Alcoholism and Drug Dependence	904	Subsidy	Complied
South African National Council for Child Welfare	537	Subsidy	Complied
Sungardens Hospice	100	Home Community-based Care and support programme	Complied
Krugersdorp Aids Training KATICS	80	Services to orphans and vulnerable children	Complied
National Children's Rights Committee	150	Psycho-social services to orphans and vulnerable children	Complied
Salem Baby Centre	50	Services to children and mothers affected by HIV/Aids	Complied

Summary of programmes (continued)

Transfer payments: (continued)

Name of institution	Amount transferred R'000	Purpose	Compliance with section 38 (1) (J) of PFMA
TsaBotsogo	100	Services to women and children affected by HIV/Aids	Complied
Aids Consortium	90	Counselling services	Complied
Prometra SA	30	Capacity building	Complied
Tumelong	50	Day care services to children infected and affected by HIV/Aids	Complied
House of Resurrection	50	Services to children affected by HIV/Aids	Complied
TOTAL	336,087		

Conditional Grants

a) Summary of Conditional Grants for 2002/2003 financial year:

Conditional Grant	Total allocation R'000	Total amount transferred R'000
HIV/Aids Conditional Grant (Home Community-based Care)	47 500	47 500
TOTAL	47 500	47 500

b) Name of Grant: HIV/Aids (Community-based Care) Conditional grant

Conditional Grant	Total allocation R'000	Total amount transferred R'000
Eastern Cape	4 798	4 798
Free State	6 650	6 650
Gauteng	6 983	6 983
KwaZulu-Natal	8 644	8 644
Limpopo	3 135	3 135
Mpumalanga	7 077	7 077
Northern cape	2 660	2 660
North West	5 463	5 463
Western Cape	2 090	2 090
TOTAL	47 500	47 500

Transfer payments: (continued)

- c) The transfers of conditional grant were made out to provinces in three tranches and in line with the provincial payment schedules. However, the second tranches for KwaZulu-Natal and North West were delayed (in terms of section 21 of the Division of Revenue Act), since no specific reasons could be provided for the under-spending on the first amount transferred.
- d) An amount of R1,632 million of the special allocation for the HIV/Aids Programme in the 2002/2003 financial year were kept in the account of the National Department for national projects and Project management and administration cost.
- e) The spending trends for the HIV/Aids Programme, per province as at the end of 2002/2003 financial year is as follows:

Province	Total available (1) R'000	Actual amount spent R'000	Deviation R'000	% of amount available spent
Eastern Cape	4,798	4,798	0	100,00%
Free State	6,650	6,650	0	100,00%
Gauteng	6,983	6,983	0	100,00%
KwaZulu-Natal	8,644	5,144	3,500	59,51%
Mpumalanga	7,251	6,251	1,000	86,21%
Northern Cape	2,660	2,660	0	100,00%
Limpopo	3,135	3,135	0	100,00%
North West	6,812	6,640	172	97,48%
Western Cape	2,090	2,084	6	99,71%
TOTAL	49,023	44,345	4,678	90,46%

- 1) The total amount available also included rollover funds from the 2001/2002 financial year for Mpumalanga and North West.
 - The Eastern Cape, Free State, Gauteng, Northern Cape and Limpopo have spent the total amounts available for the HIV/Aids Programme in the 2002/2003 financial year.
 - KwaZulu-Natal indicated that the under-expenditure reflected for this Grant was due to inadequate capacity to effectively roll out their programmes. A dedicated provincial coordinator was appointed in October and since then the trend of spending improved gradually to a 60% spending rate.
 - The main reason for the under-spending by Mpumalanga appears to be due to the delay in the receipt of an outstanding invoice from a service provider to ensure that the amount is paid prior to the end of the 2002/2003 financial year.
 - The underspending by North West is due to administrative inefficiencies in spending the amount rolled-over from previous year.
- f) The extent to which the outputs were achieved varied per province and relate closely to the expenditure incurred on this project. Provincial outputs are monitored in terms of their approved Business Plans for this project. The overall spending on HIV/Aids conditional grant was 90%, including the amounts rolled over from the 2001/2002 financial year.

In ensuring optimal monitoring, the Department requires the provincial department to report on spending on a monthly and quarterly basis. Provincial Departments are also being visited to improve compliance with the conditions of the Division of Revenue Act. However, in view of limited funds in the baseline of the Department, this area is still a challenge.

Summary of programmes (continued)

Transfer payments: (continued)

The following table provide an indication of the outputs:

Name of province	Funded sites	Children and families assisted	Volunteers
Eastern Cape			
Target	14	150	54
Actual	28	206	361
Free State			
Target	42	4 200	493
Actual	49	5 076	1003
Gauteng			
Target	38	12 200	300
Actual	38	11 529	210
KwaZulu-Natal			
Target	17	10 200	170
Actual	17	5 608	113
Limpopo			
Target	30	6 000	750
Actual	35	6 407	449
Mpumalanga			
Target	56	10 175	47
Actual	47	10 161	70
Northern Cape			
Target	24	3 000	200
Actual	24	3 164	498
North West			
Target	14	420	108
Actual	22	2 558	589
Western Cape			
Target	35	500	–
Actual	35	480	–

- g) In general the compliance to the reporting requirements of the Division of Revenue Act and specific Grant Frame Works are still a major challenge, due to the limited capacity at both the national and provincial levels.

A further factor impacting on compliance is the limited, poor quality and timeliness of, specifically non-financial (performance) information from the different stakeholders. The Department has started a process to improve the submission of this information. A new uniform template was developed and is in the process of rollout, for the utilisation by the National Programme Managers and Provincial Coordinators of the Conditional Grants, to assist them with the submission of the required information.

PROGRAMME 6: POPULATION AND DEVELOPMENT

Aim

Population and development provides research, policy and planning advice on population and development issues to all Government departments, supports capacity building for the implementation of population policy. It monitors and evaluates the implementation of the Population Policy of 1998, and the impact of national population trends.

Population and Development Strategy

The implementation of the population policy is monitored through two mechanisms, ie at society level through a two-yearly report on the state of the country's population, and in Government departments through output reviews in alternative years to the society level reports. The second State of South Africa's Population Report, for 2001/2002 was finalised, and will be released by the end of the year. A review report on the implementation of the population policy by Government departments over the past five years was completed, and will be released to commemorate five years of population policy. Also in the ambit of policy analysis, a review of South Africa's migration policy in relation to SADC was completed and will be published in 2003/2004.

The second Country Support Programme of the United Nations Population Fund (UNFPA) was launched by the Minister of Social Development in November 2002, at a community meeting in Libode, Eastern Cape. Subsequently, technical assistance was provided to Limpopo province, KwaZulu-Natal and the Eastern Cape for its implementation.

The population and development advocacy and Information Education Communication programme of the department included:

- A stakeholder seminar on Local Government Responses to HIV/Aids (in partnership with the University of the Free State);
- A seminar on the Economic Impact of HIV/Aids (in partnership with the Joint Centre for Political and Economic Studies, DFID, USAID and Aus AID);
- A joint seminar with the HSRC on fertility, poverty, youth and HIV/Aids;
- Advocacy activities were undertaken on World Population Day (in and with all provinces). The main event was in Limpopo Province, on 11 July 2002;
- A volume of fourteen good practice HIV/Aids Case studies was completed to be released by the Minister in 2003;
- The release of the United Nations' State of the World Population Report, in Soweto;
- An international poster competition (of UNFPA) for youth on Poverty, Population and Development.

The department led the South African delegations to the 35th and 36th sessions of the United Nations Commission on Population and Development, at the beginning and end of the financial year. These sessions focused on HIV/Aids and Education respectively.

Population and Development Research

The Directorate Population and Development Research were restructured to assume a more crosscutting role, focusing on social development broadly and not only population research. The restructuring took effect through participation in the Ten Year Review of the impact of Government programmes, which was coordinated by the Presidency, but a large portion of work was assigned to the department. The Minister of Social Development led the project as Chairperson of the Steering Committee of Cabinet Ministers.

The department led research in the social cluster on the theme Social Development, for the Ten-year Review. In addition, the department collaborated with the Presidency to present an interim synthesis report of the Ten-year Review to the Cabinet Lekgotla in January 2003. Subsequently, a comprehensive research programme was developed jointly with the Presidency, to be implemented in 2003/2004.

In support of departmental welfare policy processes, a framework document for a research programme in support of the Family Policy was finalised. Earlier research support on the Older Persons Policy was followed-up with technical support to stakeholder consultations on the policy. Tenders were issued for five community surveys to assess the impact of the Flagship programme for unemployed women with young children, and a service provider appointed.

A baseline survey and preliminary comparative study to evaluate the impact of the joint community based reproductive health services pilot projects (with the Department of Water Affairs and Forestry and the Planned Parenthood Association of South Africa) were conducted, and the final report received.

An audit of departmental research since 1994 was completed and analysed, as first step towards developing a medium term research strategy for the department.

Summary of programmes (continued)

The department also collaborated with Statistics South Africa, the Departments of Health and Home Affairs, and the Medical Research Council to produce the Causes of Death Report, which was released in November 2002.

HIV/Aids remained the research priority of the department, and several research projects were initiated or completed during 2002/2003:

The Department commissioned the HSRC to evaluate HIV/Aids and population projection models and their underlying assumptions in order to develop population and development indicators to assess the impact of HIV/Aids on sectoral programmes and projects. The report was finalised in March 2003 and will be published in three sections, namely (1) interviews with Government departments, (2) HIV/Aids indicators, and (3) evaluation of HIV/Aids modelling and projections.

In 2002, a rapid appraisal report on Home Community-based Care (HCBC) for the 2001 survey was completed. The second survey on HCBC commenced in July 2002. In October 2002, 25 provincial officials were trained in the use of the Census Survey Processing System data entry and analysis system, known as the CSPRO package, in preparation for the follow-up HCBC appraisal during the period 2002/2003. The research is currently under way in all provinces.

The findings of a situation analysis in six pilot sites (Eastern Cape, Northern Cape, Free State, Northwest and Limpopo Provinces) with regard to the National Integrated Plan for Children Infected and Affected by HIV/Aids were documented in a research report.

The department has also formed a partnership with UNICEF to study the plight of children in vulnerable communities. Research projects were identified that focus on children infected and affected by HIV/Aids. Vulnerable children in the nodal areas of the Department in three Provinces that is, KwaZulu-Natal, Eastern Cape and Limpopo were covered. The main aim of this project is to develop a plan of action for national, provincial and local Government to attend to the protection of children's rights.

Research was also undertaken on six local Government HIV/Aids good practice case studies in the Eastern Cape, KwaZulu-Natal, the Free State, Mpumalanga, Gauteng and Limpopo Provinces. Reports on all six local Government HIV/Aids studies were completed in March 2003.

An electronic monitoring and evaluation system has been developed to support the Department's HIV/Aids programme implementation and research. Details of almost 200 national, provincial and local Government research projects were captured.

Population and Development Support Programmes

A Directorate was established to facilitate and manage programmes that support population policy implementation, and to promote capacity development in the provincial population units. This directorate played an important role in the co-ordination of the department's participation in the Integrated Sustainable Rural Development Programme (ISRDP) and the Urban Renewal Programme (URP).

Training of public sector officials continued through the Primary HIV/Aids Capacity Building Course for Government Planners. The UNFPA offered financial support to train Government officials on the impact of HIV/Aids. The second round of training courses was completed in December 2002. In total, 70 courses were presented from July 2001 to December 2002, with a total of 1582 participants. Currently the course is being reviewed in collaboration with all relevant stakeholders.

A partnership workshop was held with the Department of Provincial and Local Government, and SALGA. Areas for collaboration between the two departments were identified, and joint projects will be conceptualised in the areas of research, capacity building and alignment of local programmes.

Reproductive health interventions in selected projects in the Working for Water Programme (WfWP) were integrated into rural development projects in the Eastern Cape in partnership with Department of Water Affairs and Forestry, the Planned Parenthood Association of South Africa and Pathfinder International. This pilot project was completed in March 2003. The lessons learnt and best practices will be replicated into similar developmental projects.

A technical workshop was held with provincial population units, to enhance coordinated planning and project implementation.

The Population and Development Information Service website was restructured to increase easy access to the electronic population and development information service. This service responded to 490 population and development information requests. The service disseminated 926 electronic information reports.

Output and service delivery trends:

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
Population and Development Strategy	Annual State of South African Population Report 2001/2002	Approval by Inter-Departmental Technical Committee	November 2002	Approval obtained from the Inter-Departmental Technical Committee and the Social Cluster DGs to submit draft report to Cabinet
	Capacity-building	Training of public sector planners in HIV/Aids	400 officials a year	750 public sector planners trained. Progress reports delivered in July 2002 and March 2003
		Extend HIV/Aids curriculum to CBOs and FBOs	200 participants in year 1	Negotiations started with institutionalise training in SAMDI/Universities to public sector and to extend the training to CBOs and faith-FBOs
	Review of Population Policy	Population Policy reviewed	June 2002	Second Population Policy Monitoring Report compiled as a basis for policy review and Country Report on ICPD+10. Policy review to be done on the basis of CENSUS 2001 information, once available in July 2003.
	Population Information Resource Centre	Increase in number of requests per year	20% increase	Requests for 2002/2003 financial year increased by 20%.
		Users rating service positively	75% positive rating	Positive responses from users evaluated at approximately 70%.
	Database on migration research	Commencement of operation of database	January 2003	An electronic database established on cross-border migration research in Southern Africa, to be aligned with the DoSD website; research report on labour migration in Southern Africa.

Summary of programmes (continued)

Output and service delivery trends:

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target Quantity	
			Target	Actual
	Management of UNFPA Country Programme 2002/2005	Implementation in line with plan agreed to with UNFPA	Set in plan	<p>Draft sub-programmes and Component Project proposals finalised to secure funding for Country Support Programme implementation in KwaZulu-Natal, Eastern Cape and Limpopo.</p> <p>Modality established to ensure efficient and effective management of Country Support Programme.</p> <p>Terms of reference developed to guide national and provincial co-ordinating structures and local programme communities.</p>
Population and Development Research	Research on impact of HIV/Aids on population trends	Approval by Inter-Departmental Technical Committee on HIV/Aids research	May 2002	<p>Research report finalised March 2003</p> <p>Research papers on the Impact of HIV/Aids published</p>
	Report on impact of HIV/Aids on development indicators	Approval by Inter-Departmental Technical Committee on HIV/Aids research	February 2003	Draft research report on situation analysis: Protection of the rights of vulnerable children for Eastern Cape and preliminary analysis report for KwaZulu-Natal submitted to DoSD and UNICEF
	Research on impact of HIV/Aids on service delivery in social development sector	Approval by Inter-Departmental Technical Committee on HIV/Aids research	March 2003	Several component studies completed
	Report on good practices in HIV/Aids prevention, care and support	Number of case studies published	July 2002	<p>6 research reports finalised</p> <p>Good Practice Case studies Volume One finalised</p>

Transfer payments:

Name of institution	Amount transferred R'000	Purpose	Compliance with section 38 (1) (J) of PFMA
United Nations Population Fund (UNFPA)	129 000	Country Contribution	Complied



Children who live under conditions of poverty,
are the most vulnerable in South Africa

Part Three

Report of the Audit Committee

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2003.

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and meets two times per annum as per its approved terms of reference. During the current year two meetings were held.

Name of member attended	Number of meetings
Mr D P van der Nest (Chairperson)	2
Mrs E Heyn (appointed on 6/11/2002)	2
Ms N Maphumulo (appointed on 6/11/2002)	1

The Office of the Auditor-General as well as the National Treasury were represented in all the meetings as required by the Department's Audit Policy.

From the start of the financial year 2003/2004 four meetings will be held, as well as any ad hoc meetings as required.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal control is effective, as the various Internal Audit reports have not reported on significant or material non-compliance with policies and procedures. Some improvements should, however, be made with regard to the control over funds transferred to the projects managed by the Department, especially the poverty relief projects. The weaknesses in the control over the projects are mainly caused by the nature of the projects the Department is funding, as well as a lack of human resource capacity due to budgetary constraints. Steps are currently being taken by the relevant programme manager to improve the internal controls over the payments to these projects.

The Department had started with a review of the Risk Assessment as at the end of the Financial Year. The Department has also succeeded in avoiding irregular and unauthorised expenditure and in properly managing the Department's budget. A system has also been implemented to deal with

fruitless and wasteful expenditure within the Department. The Audit Committee wishes to congratulate the Accounting Officer, the Chief Financial Officer and Programme Managers with the excellent budgetary control within the Department.

The Audit Report on the annual financial statements, the matters of emphasis and management letter of the Auditor-General have not reported any significant or material non-compliance with prescribed policies and procedures. Internal Audit's capacity in the Department has been improved. The Internal Audit section has provided management and the Audit Committee with high quality reports and support. The Committee wishes to commend the Director: Internal Audit and her team on the standard of their work.

The quality of in year management and monthly/quarterly reports submitted in terms of the Act and the Division of Revenue Act.

The Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review. However, the Department continues to face challenges with regard to timeous and effective reporting by provincial departments on conditional grants and this also impact on the Departments reporting requirements. We view this as one of the major challenges facing many Government departments in general. The Department clears the suspense accounts on a monthly basis. It was, however, noted that it sometimes takes the Department months to clear some balances in the suspense accounts due to circumstances beyond the Department's control.

Evaluation of annual financial statements

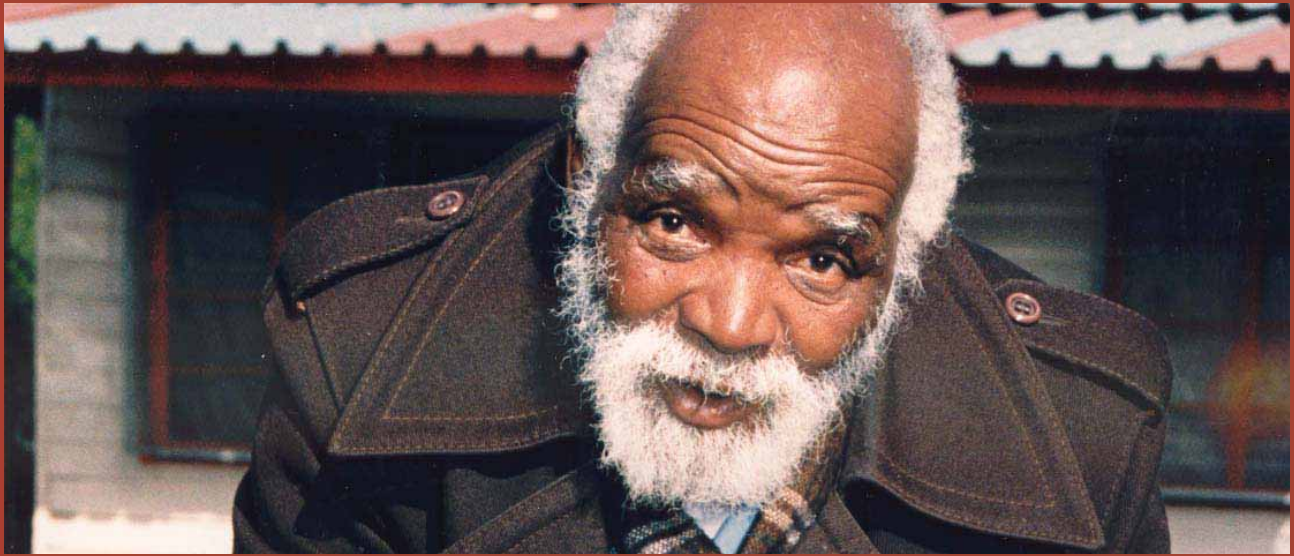
The Audit Committee noted the Auditor-General's report on the annual financial statements for the year ended 31 March 2003. The Committee is of the opinion that the annual financial statements fairly represented the financial position of the Department.



DP VAN DER NEST

Chairperson of the Audit Committee

7 August 2003



Children who live under conditions of poverty,
are the most vulnerable in South Africa

Part Four

Annual financial statements

Annual financial statements

for the year ended 31 March 2003

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Management report and approval

for the year ended 31 March 2003

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa

GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

Financial results and expenditure trends:

The National Department of Social Development received an initial allocation of R409,261 million in the Main Estimates of the 2002/2003 financial year. During the Adjustments Estimate for the 2002/2003 financial year an additional amount of R10,990 million was received. This amount included the following amounts:

- a) Roll-over funds approved from the 2001/2002 financial year:
 - R849,000 for the Financial Management and Improvement of Social Security System Grant;
 - R468,000 for the Victim Empowerment Programme;
 - R5 million for the administrative expenditure by the National Department for arrear payment of social grants beneficiaries, as part of funds rolled over from the previous financial year.
- b) Inflation adjustments on personnel costs and the HIV/Aids conditional grants in the amounts of R3,673 million and R1 million respectively,

In addition, the Department has also received an amount of R230 million as part of a special appropriation during late March 2003, for the implementation of the National Food Emergency Relief Programme. This programme was conceived following the announcement by the Minister of Finance in his 2002 Medium Term Budget Policy Speech that these funds have been made available for purposes of providing food emergency relief to poor households who were adversely affected by the rapid rising food prices. It then became one of the Social Cluster priority programmes forming an integral part of the Integrated Food Security and Nutrition Programme that was adopted by Cabinet during July of 2002. The Department appointed the Independent Development Trust as the strategic partner in implementing this programme. The full amount was then transferred to the IDT towards the end of the financial year.

The Department spent 98,33% of the total amount of R650,251 million voted for the 2002/2003 financial year. The amount of R650,251 million is 70% less than the R2 242,157 million voted for the 2001/2002 financial year. The significant difference was as a result of the R2 billion received for the back-pay programme that was approved by Parliament towards the end of 2001/2002 financial year for payment to social grant beneficiaries. This followed a High Court order by consent to set aside regulation 11 of the Social Assistance Act, 1992 (Act No. 59 of 1992).

The 2002/2003 financial year voted funds were spent as follows:

Programme	Final voted amount R'000	Expenditure as at 31 March 2003 R'000	Surplus/ (deficit) R'000	% spent
Administration	150 242	149 918	324	99,8
Social Security, Policy and Planning	7 348	6 976	372	94,9
Grant Systems and Administration	79 217	70 499	8 718	89,0
Welfare Service Transformation	13 061	12 244	817	93,7
Development Implementation Support	391 178	390 764	414	99,9
Population and Development	9 205	9 009	196	97,9
Sub total	650 251	639 410	10 841	98,3
Special functions	–	14	(14)	
GRANT TOTAL	650 251	639 424	10 827	98,3

About 60% of the Voted funds in the 2002/2003 financial year were allocated to Programme 5: Development Implementation Support, of which about 99,9% were spent. The figures for Programme 5 include the Poverty Relief Programme to the amount of R100 million and the R230 million received for the implementation of the National Food Emergency Relief Programme.

Management report and approval (continued)

for the year ended 31 March 2003

Programme 1: Administration received 23% of the Voted funds, spent 99,9% of the available funds. The figures for Programme 1 include an amount of R96,745 million earmarked as grant funding for the National Development Agency. If this amount is deducted from the allocated amount, Programme 1 Administration only received 8,2% of the Voted funds of the Department in the 2002/2003 financial year.

The overall spending rate of the Department for the 2002/2003 financial year is 98,3%.

Comparative figures and prior year adjustment

The financial reforms aimed at improving the Government financial accounting and the presentation of the annual financial statements continues, driven by the National Treasury. The accounting system is moving away from cash accounting to modified cash accounting and eventually to accrual accounting system in the near future. As a result, the presentation of certain information has changed in comparison to last year's financial statements. In such cases, the comparative figures have been restated in line with this financial year's presentation.

Some of the changes include:

- Disclosing accruals of goods and services which not only includes subsequent payments as reflected in 2001/2002 accounts but also those goods and services received before year end for which payment was made after year-end;
- Disclosure of expenditure has been split between capital and current on the face of the income statement;
- Net surplus analysis has been moved to the notes to the financial statements;
- Prepayments and advances have now been included as part of receivables;
- Accounting for local and foreign aid has now changed with more information included in the notes to the financial statements;
- The value of inventory at year end is now disclosed in the notes to the financial statements;
- Fixed assets bought during the year are now disclosed; and
- Reconciliation of paymaster general's account has been removed.

The following table represents the comparative figures, for the Programmes as reported on at the end of the 2001/2002 financial year:

Programme	Final voted amount R'000	Expenditure as at 31 March 2003 R'000	Surplus/ (deficit) R'000	% spent
Administration	43 105	43 044	61	99,9
Social Security, Policy and Planning	5 410	5 138	272	95,0
Grant Systems and Administration	2 104 253	2 098 362	5 891	99,7
Welfare Service Transformation	10 096	9 592	504	95,0
Development Implementation Support	73 227	72 997	230	99,7
Population and Development	6 066	6 039	27	99,6
Sub Total	2 242 157	2 235 172	6 985	99,7
Special functions	120	(120)		
GRANT TOTAL	2 242 157	2 235 292	6 865	99,7

The overall spending rate of the Department for the 2001/2002 financial year was 99,7%.

UNDER/(OVER) SPENDING

The spending for the Department has reduced from 99,7% of the allocation in the 2001/2002 financial year to 98,3% of the allocation for the 2002/2003 financial year. This was mainly as a result of Programme 3: Grants System and Administration which received 11% of the Voted funds and spent 89%. Included in the figures for Programme 3 are the



Department of Social Development Annual Report 2002-2003 – Vote 18

national portions of the Conditional Grants for the Improvement of the Social Security System and the Arrear Grant (Back pay Project). The main reason for the deviation between the Voted funds and the actual expenditure is as a result of the delays in the finalisation of the replacement of the SOCPEN system which have an impact on the special projects related to the Improvement of the Social Security System and the Arrear Grant.

The total saving/under-spending of R10,827 million or 1,7% of the Voted funds for the 2002/2003 financial year has been reported. The full amount has been requested to be rolled over to the 2003/2004 financial year to finance the continuation of identified projects that have already started in the 2002/2003 financial year, and or in the process of finalisation.

INSTITUTIONAL CAPACITY

The existing institutional capacity is still a challenge due to the ongoing changes in the Financial Management and Administration environment. However, the Department has embarked on a process to facilitate effective awareness and capacity building of all officials through the orientation programme for newly appointed employees and continuous information sessions on the process and procedures to promote effective and efficient financial administration and management.

As far as the improvement of the skills and knowledge of the existing Financial Administration officials are concerned, a process has been developed to identify the critical capacity needs and officials are in the process of attending the identified training and capacity building programmes on an ongoing basis.

UTILISATION OF DONOR FUNDS

A summary of the donor funds utilised by the Department is set out on the statements of local and foreign aid assistance received.

Donor funds are mainly utilised for capacity building programmes, additional investments for specific campaigns launched by the Department and sector as a whole and to expand financial resources for existing high priority programmes. It is also utilised for projects for which no adequate financial resources could be obtained through the normal budget process. The latter donor assistance is mainly for the financing of once-off cost and or capital investments, and not the normal recurring expenditure, which forms part of the normal budgets of the programmes and/or projects.

The Department has adopted the approach to fully integrate the objectives of any Donor funding into its normal existing programmes and or projects, which has a very positive impact on the outputs and service delivery of the Department. The following were donations received and/or utilised in the 2002/2003 financial year:

Netherlands

The last portion of the donation for the Sectoral Budget Support was received during the 2002/2003 financial year. An amount of R9,578 million which included an amount of R6,654 million interest that accumulated on the R22,664 million received during 1998, was requested, by the Department. The amount available for the Department in 2002/2003 included R3,084 million rolled over from the previous financial year. A total of R11,163 million was spent during the 2002/2003 financial year. The RDP Office was requested to close the portfolio.

Implementation of the Child Justice System

On 29 November 2002 the agreement was signed between the Department of Social Development and the Netherlands Embassy for a donation of R20 million for the implementation of the Child Justice System for the period of 1 October 2002 to 31 March 2004.

The first tranche of R10 million was received during the 2002/2003 financial year.

Service providers were identified to assist the Department in the implementation of the Child Justice System. The department is in the process to finalise the contracts.

Management report and approval (continued)

for the year ended 31 March 2003

UNICEF

A once off amount of R150 000 was received from UNICEF. The Department in conjunction with various national stakeholders including UNICEF held a conference, which called for co-ordinated action by service providers in efforts to mitigate the social impact of HIV/ Aids on children.

PUBLIC ENTITIES REPORTING TO THE MINISTER

National Development Agency (NDA)

The NDA is a statutory funding agency established in terms of the National Development Agency Act, 1998 (Act No. 108 of 1998).

The main functions of the NDA are to:

- act as a key conduit for funding from the Government of South Africa, foreign governments and other national and international donors for development work to be carried out by civil society organisations;
- develop, conduct and co-ordinate policy relevant to its objects referred to in section 3 of the National Development Agency Act, 1998 (Act 108 of 1998);
- contribute towards building the capacity of civil society organisations to enable them to carry out development work effectively; and
- create and maintain a database on civil society organisations, including, but not limited to, the scope and subject matter of their work and their geographical distribution, and share the information in that database with relevant organs of state and other stakeholders.

A Board, representing both Government and civil society, governs the NDA and the Chief Executive Officer is the Accounting Officer. Its primary source of income is an allocation from the Department of Social Development. The Department transferred R96 745 million (2001/2002: R92 690 million) to National Development Agency in the 2002/2003 financial year. This was an increase of about 4% over the amount transferred to NDA in 2001/2002 although the allocation in the 2001/2002 financial year formed part of the National Treasury voted funds.

Relief Fund Boards

The Department also manages four funds, which were established under the Fund Raising Act, 1978, as amended. The following is a brief description and activities related to each fund:

Disaster Relief Fund

The purpose of this fund is to assist persons, organisations and bodies who or which suffer damage or loss caused by a disaster.

During the 2002/2003 financial year an amount of R10 million (2001/2002: R60 million) was transferred to the Disaster Relief Fund from the budget of the Department.

The Disaster Relief Fund disbursed an amount of R6,033 million to the victims of disasters (2001/2002: R76,483 million). The balance of funds remaining at the end of the year was R3,587,631.05.

Refugee Relief Fund

The purpose of this fund is to render assistance to refugees, as the Board may deem fair and reasonable.

Although the fund has been dormant in the last few years, the Board responsible for the Relief Funds held meetings in the financial year to investigate the possibility of assisting with the expected influx of Refugees from Zimbabwe before and after the election. As a result, an amount of approximately R108,282 was spent on transport and accommodation for the officials. The balance at the end of the financial year was R27,956.94.

Social Relief Fund

Social Relief Fund is used to render assistance to persons with psychosocial problems and such social relief of distress as the Board may deem fair and reasonable to members of the community that, in the opinion of the Board, are victims of violence. There was no assistance provided to victims in the financial year. The balance at the end of the financial year was R77,339.06.

State President's Fund

The purpose of this fund is to render such assistance, as the Board may deem fair and reasonable, to:

- The victims of any act of terrorism in respect of their medical treatment and rehabilitation;
- Such victims and their dependants who suffer financial hardship or financial distress caused directly or indirectly by any act of terrorism.



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During the 2002/2003 financial year, financial assistance was rendered to the children of the woman who died in the bomb blast in Soweto to the value of R26 140.22. The financial assistance was mainly in respect of transport, food and funeral costs. The balance of funds available at the end of the financial year was R1 095,13.

A Board of Trustees appointed by the Minister of Social Development manages each of the above funds. A new Social Relief Fund Bill, that intends to consolidate all the Relief Funds into one fund has been drafted. This will repeal the relevant sections of the Fund Raising Act, which deal with the Relief Boards. It is envisaged that the Bill will be tabled in Parliament and promulgated in the 2004/2005 financial year.

As a result of improved financial controls, the financial statements of all the above-mentioned relief funds were submitted on time. However, further improvements are still required in respect of the internal financial management and control systems.

In addition to the above-mentioned funds, the Department also created three additional funds, namely the High School Vorentoe, the Angola Appeal Fund and the DRC Humanitarian Aid Fund.

High School Vorentoe

This fund was established following a bus disaster involving high school pupils and donations were collected from various organisations and members of the public.

Only one beneficiary is still receiving assistance from this fund. An amount of R5 279 was paid during the 2002/2003 financial year.

Angola Humanitarian Assistance

The Angola Humanitarian Assistance fund was set up to assist victims of war. On 2 December 1999 the Department opened a bank account for this fund, and money was received as donations from various departments and businesses. The total amount received between December 1999 and March 2003 was R947 726.40.

In April 2002 an amount of R230,000 was paid to the United Nations High Commissioner for Refugees for assistance to refugees in Angola. During the 2002/2003 financial year a further amount of R327,965 was paid to service providers for the transporting of the first consignment of goods to Angola and renting and storage of the containers in the Durban and Cape Town Harbours.

Interest to the amount of R 3 591.32 was received during this period and the bank charges to the amount of R3 451.43 were paid.

The bank balance as at 31 March 2003 was R391 515.

The following donations in kind, such as clothes, food and medicine were also received:

- The South African Police Service and Department of Defence donated old uniforms (without any insignia).
- The South African Revenue Services also donated clothing that were confiscated by customs officials because they were illegally imported into the country.
- The World Mission Centre donated various items, which were received from the churches such as food and clothing.
- Various Fisheries donated in total 8,34-ton tinned fish.
- The Department of Foreign Affairs donated 100 ton of maize.

The Department has now taken a decision that once the last containers are shipped to Angola and all the invoices are paid a recommendation will be made to the Minister, and in consultation with the National Treasury, to close down this fund.

The Department of Foreign Affairs will then be requested to identify a suitable organisation in Angola to which the remaining balance of the funds will be handed over for disbursement.

Democratic Republic of the Congo Appeal Fund

This fund was established to provide humanitarian assistance for victims after the earthquake in May 2001. An appeal was made to the public for donations. The total received between October 2001 until March 2002 was R22 524.00 and interest in the amount of R109.00 accumulated on this account. Bank charges to the amount of R166.00 were paid.

The bank balance at the end of March 2003 was R22 466.00

During the period of its existence no assistance was provided to any victims in the Democratic Republic of Congo. As a result a recommendation will be made to the Minister and National Treasury to close down the fund.

As a result of improved financial controls, the Financial Statements of all the above-mentioned relief funds were submitted on time. However, further improvements are still required in respect of the internal financial management and control systems.

Management report and approval (continued)

for the year ended 31 March 2003

OTHER ORGANISATIONS TO WHICH TRANSFER PAYMENTS HAVE BEEN MADE

The list of organisations to which funds were transferred is provided in note 9 to the Financial Statements. The largest amounts transferred during the 2002/2003 financial year was to the Independent Development Trust. R100 million for rollout of the Poverty Relief Programme and the R230 million for the implementation of the first phase of the National Food Emergency Relief Programme.

A further R5 million received as a special allocation for the Emergency Relief Fund was transferred to the Red Cross in Mpumalanga (R1 million), Limpopo (R1,5 million) and the Red Cross and South African Council of Churches in Eastern Cape (R2,5 million). These allocations enable the Department to respond more speedily to the people affected to emergency situations that required government interventions.

CORPORATE GOVERNANCE ARRANGEMENTS

The Department has continued with its efforts to enhance good governance in the running of its affairs. This is evidenced by a number of controls that were implemented to ensure transparency, fairness, accountability, efficiency, effectiveness and economical management and utilisation of its limited resources, to name but a few.

Internal Audit has been effective in providing reasonable assurance regarding the effectiveness of the management-implemented controls to mitigate risks. This has also resulted in efficiency, effectiveness and accountability in the Departments financial management through the Internal Audit unit's interventions. The Internal Audit unit has issued a number of audit reports and the recommendations are being implemented.

The capacity for Department's Finance Section has been boosted with the appointment of Director: Financial Administration and Risk Management. A risk management policy has been developed, together with a risk management implementation plan, which will guide the Department in managing its business risks. The Departmental policies were reviewed and updated in March 2003, and the fixed assets register has been developed and is being updated regularly. The asset register has been updated in line with the principles of Generally Recognised Accounting Practice (GRAP) as part of the Department's assets management system.

The Audit Committee has continued with its contribution to the good governance process. It has been instrumental in providing advice on risk management, control and other financial management issues.

EVENTS AFTER THE ACCOUNTING DATE

There are no significant events that occurred after the accounting date, which have significant influence or impact on the financial statements, to be reported on.

PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

In addition to the corporate governance strategies mentioned in paragraph 7 above a number of strategies and actions were implemented in 2002/2003 financial year. A number of financial policies were updated and approved by the Acting Director-General. They have been distributed to the members of staff. They have also been posted on the Departments Intranet, to enable staff members to access them. Information sessions have already started, initially with the new members of staff in the Department. This will be followed with sessions to the rest of the staff members.

A number of staff were sent on short financial management courses such as risk management and internal control, preparation of annual financial statements, and other related courses presented by accredited outside service providers.

APPROVAL

The annual financial statements set out on pages 92 to 127 have been approved by the Accounting Officer.



Vusi Mandonsela
Director-General
30/05/2003



Report of the Auditor-General

for the year ended 31 March 2003



AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE 18 – THE DEPARTMENT OF SOCIAL DEVELOPMENT FOR THE YEAR ENDED 31 MARCH 2003

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 85 to 127 for the year ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Department of Social Development at 31 March 2003 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act.

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

4.1 Matters not affecting the financial statements

4.1.1 Transfer payment to the National Development Agency(NDA)

As mentioned in paragraph 4.1.2 of my previous report on page 126 of the annual report of the Department of Social Development a transfer payment amounting to R92 690 000 was made to the NDA. The money was transferred into a personal bank account of an employee of the NDA. The department managed to retrieve the money and interest from this bank account. The transaction was the subject of a forensic audit commissioned by the department.

During the year under review a final report was submitted to the Minister of Social Development for his consideration, the Minister approved the report and endorsed the recommendations thereon.

It was found that there was no attempt to defraud the State by neither the officials of the Department of Social Development nor the NDA.

The forensic auditors have however found negligence on the part of certain departmental officials who were involved in processing the transaction and a disciplinary process against these officials is currently in process.

5. APPRECIATION

The assistance rendered by the staff of the Department of Social Development during the audit is sincerely appreciated.

Shaiket Fakie

SA Fakie

Auditor-General

Pretoria

22/07/2003

Statement of accounting policies and related matters

for the year ended 31 March 2003

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 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

1. BASIS OF PREPARATION

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. REVENUE

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National Expenditure. Unexpended voted funds are surrendered to the National Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred to the National Revenue Fund.

3. DONOR AID

Donor aid is recognised in the income statement in accordance with the cash basis of accounting.

4. CURRENT EXPENDITURE

Current expenditure is recognised in the income statement when the payment is made.

5. UNAUTHORISED, IRREGULAR, AND FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act
- the State Tender Board Act, or any regulations made in terms of this act, or any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined.

6. DEBTS WRITTEN OFF

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts.



Department of Social Development Annual Report 2002-2003 – Vote 18

7. CAPITAL EXPENDITURE

Expenditure for physical items on hand on 31 March 2003 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement. Physical assets (fixed assets and movable assets) acquired are expensed ie written off in the income statement when the payment is made.

8. RECEIVABLES

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

9. PAYABLES

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the National Revenue Fund or another party.

10. PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

11. LEASE COMMITMENTS

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

12. ACCRUALS

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year end, OR an invoice has been received but remains unpaid at year end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed.

13. EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. 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.

Statement of accounting policies and related matters (continued)

for the year ended 31 March 2003

Medical benefits

The department provides medical benefits for its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department. Post-retirement medical benefits for retired civil servants are expensed when the payment is made to the fund.

14. CAPITALISATION RESERVE

The capitalisation reserve represents an unauthorised expenditure, which emanated in the 2000/2001 financial year due to overspending within a main division of a vote while the overall results of the Department reflected a surplus. The amount has now been authorised by Parliament and the necessary adjustments have been made in the financial records.

15. RECOVERABLE REVENUE

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue Fund as and when the repayment is received.

16. COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.



Department of Social Development Annual Report 2002-2003 – Vote 18

Appropriation statement

for the year ended 31 March 2003

Programme	2002/2003						2001/2002	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
1. Administration	147 426	2 816	150 242	149 918	324	99,78%	43 105	43 165
Current	145 813	2 359	148 172	147 248	924	99,38%	39 794	40 947
Capital	1 613	457	2 070	2 670	(600)	128,99%	3 311	2 218
2. Social Security, Policy and Planning	7 348	–	7 348	6 976	372	94,94%	5 410	5 138
Current	7 167	(50)	7 117	6 656	461	93,52%	5 331	5 100
Capital	181	50	231	320	(89)	138,53%	79	38
3. Grant Systems and Administration	82 033	(2 816)	79 217	70 499	8 718	88,99%	2 104 253	2 098 362
Current	81 865	(2 816)	79 049	70 030	9 019	88,59%	2 104 040	2 098 149
Capital	168	–	168	469	(301)	279,17%	213	213
4. Welfare Service Transformation	13 061	–	13 061	12 244	817	93,74%	10 096	9 592
Current	12 897	–	12 897	11 878	1 019	92,10%	10 046	9 489
Capital	164	–	164	366	(202)	223,17%	50	103
5. Development Implementation Support	391 178	–	391 178	390 764	414	99,89%	73 227	72 997
Current	391 079	–	391 079	390 436	643	99,84%	73 176	72 951
Capital	99	–	99	328	(229)	331,31%	51	46
6. Population and Development	9 205	–	9 205	9 009	196	97,87%	6 066	6 038
Current	9 131	–	9 131	8 681	450	95,07%	5 936	5 892
Capital	74	–	74	328	(254)	443,24%	130	146
7. Special Functions	–	–	–	14	(14)	–	–	–
Current	–	–	–	14	(14)	–	–	–
Capital	–	–	–	–	–	–	–	–
Total	650 251	–	650 251	639 424	10 827	98,33%	2 242 157	2 235 292

Appropriation statement (continued)

for the year ended 31 March 2003

	2002/2003						2001/2002	
Direct charge against the National Revenue Fund	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1 Provinces equitable share								
State debt costs								
Total	-	-	-	-	-	0.00%	-	-
	2002/2003						2001/2002	
Economic classification	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	647 952	(507)	647 445	634 943	12 502	98,07%	2 238 323	2 232 528
Personnel	56 607	(1 410)	55 197	54 929	268	99,51%	41 814	41 659
Transfer payments	506 443	3 573	510 016	509 796	220	99,96%	2 132 792	2 132 366
Other	84 902	(2 670)	82 232	70 218	12 014	85,39%	63 717	58 503
Capital	2 299	507	2 806	4 481	(1 675)	159,69%	3 834	2 764
Acquisition of capital assets	2 299	507	2 806	4 481	(1 675)	159,69%	3 834	2 764
Total	650 251	-	650 251	639 424	10 827	98,33%	2 242 157	2 235 292
	2002/2003						2001/2002	
Standard item classification	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Inventories	5 144	(134)	5 010	4 327	683	86,37%	6 663	5 902
Personnel	56 607	(1 410)	55 197	54 929	268	99,51%	41 814	41 659
Administrative	15 693	2 013	17 706	16 899	807	95,44%	15 378	15 416
Equipment	5 338	-	5 338	4 805	533	90,01%	4 625	4 477
Land and buildings	-	-	-	-	-		-	-
Professional and special services	61 026	(4 142)	56 884	48 463	8 421	85,20%	40 885	35 352
Transfer payments	506 443	3 573	510 016	509 796	220	99,96%	2 132 792	2 132 366
Miscellaneous	-	100	100	205	(105)		-	-
Special functions	-	-	-	-	-		-	120
Total	650 251	-	650 251	639 424	10 827	98,33%	2 242 157	2 235 292



Department of Social Development Annual Report 2002-2003 – Vote 18

DETAIL PER PROGRAMME 1: ADMINISTRATION

Programme per sub-programme	2002/2003						2001/2002	
	Adjusted Appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 Minister	685	53	738	737	1	99,86%	634	824
Current	685	53	738	737	1	99,86%	634	824
Capital	-	-	-	-	-	-	-	-
1 Deputy Minister	-	365	365	362	3	99,18%	-	-
Current	-	365	365	362	3	99,18%	-	-
Capital	-	-	-	-	-	-	-	-
1 Management	3 794	941	4 735	4 699	36	99,24%	2 795	2 640
Current	3 748	941	4 689	4 639	50	98,93%	2 745	2 636
Capital	46	-	46	60	(14)	130,43%	50	4
1 Corporate Services	45 715	1 445	47 160	46 880	280	99,41%	39 675	39 580
Current	44 635	1 000	45 635	44 765	870	98,09%	36 415	37 366
Capital	1 080	445	1 525	2 115	(590)	138,69%	3 260	2 214
1 Government motor transport	487	12	499	495	4	99,20%	1	-
Current	-	-	-	-	-	-	-	-
Capital	487	12	499	495	4	99,20%	1	-
1 National Development Agency	96 745	-	96 745	96 745	-	100,00%	-	-
Current	96 745	-	96 745	96 745	-	100,00%	-	-
Capital	-	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-
Total	147 426	2 816	150 242	149 918	324	99,78%	43 105	43 044

Economic classification	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	145 813	2 359	148 172	147 248	924	99,38%	39 794	40 947
Personnel	28 920	1 313	30 233	30 219	14	99,95%	23 246	23 274
Transfer payments	96 745	-	96 745	96 759	(14)	100,01%	-	-
Other	20 148	1 046	21 194	20 270	924	95,64%	16 548	17 673
Capital	1 613	457	2 070	2 670	(600)	128,99%	3 311	2 218
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	1 613	457	2 070	2 670	(600)	128,99%	3 311	2 218
Total	147 426	2 816	150 242	149 918	324	99,78%	43 105	43 165

Standard item classification	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Inventories	2 385	372	2 757	2 483	274	90,06%	1 452	1 366
Personnel	28 920	1 313	30 233	30 219	14	99,95%	23 246	23 274
Administrative	8 098	1 906	10 004	9 994	10	99,90%	8 234	8 112
Equipment	3 164	-	3 164	2 964	200	93,68%	3 943	3 754
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	8 114	(775)	7 339	7 408	(69)	100,94%	6 230	6 539
Transfer payments	96 745	-	96 745	96 759	(14)	100,01%	-	-
Miscellaneous	-	-	-	91	(91)	-	-	120
Special functions	-	-	-	-	-	-	-	-
Total	147 426	2 816	150 242	149 918	324	584,55%	43 105	43 165

Appropriation statement (continued)

for the year ended 31 March 2003

DETAIL PER PROGRAMME 2: SOCIAL SECURITY, POLICY AND PLANNING

Programme per sub-programme	2002/2003						2001/2002	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
2.1 Children and Family Benefits	2 106	(122)	1 984	1 963	21	98,94%	865	942
Current	2 056	(127)	1 929	1 892	37	98,08%	845	939
Capital	50	5	55	71	(16)	129,09%	20	3
2.2 Disability and Retirement Benefits	2 259	(912)	1 347	1 101	246	81,74%	1 495	1 136
Current	2 203	(940)	1 263	958	305	75,85%	1 466	1 125
Capital	56	28	84	143	(59)	170,24%	29	11
2.3 Finance and Economics	1 123	1 119	2 242	2 240	2	99,91%	519	485
Current	1 073	1 102	2 175	2 155	20	99,08%	494	465
Capital	50	17	67	85	(18)	126,87%	25	20
2.4 Contributions	472	450	922	922	-	100,00%	260	-
Current	472	450	922	922	-	100,00%	260	-
Capital	-	-	-	-	-	-	-	-
2.5 Administration	1 388	(535)	853	750	103	87,92%	2 271	2 575
Current	1 363	(535)	828	729	99	88,04%	2 266	2 571
Capital	25	-	25	21	4	84,00%	5	4
Total	7 348	-	7 348	6 976	372	94,94%	5 410	5 138

Economic classification	2002/2003						2001/2002	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Current	7 167	(50)	7 117	6 656	461	93,52%	5 331	5 100
Personnel	3 467	(369)	3 098	3 075	23	99,26%	2 025	1 929
Transfer payments	472	450	922	922	-	100,00%	260	-
Other	3 228	(131)	3 097	2 659	438	85,86%	3 046	3 171
Capital	181	50	231	320	(89)	138,53%	79	38
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	181	50	231	320	(89)	138,53%	79	38
Total	7 348	-	7 348	6 976	372	94,94%	5 410	5 138

Standard item classification	2002/2003						2001/2002	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Inventories	360	(73)	287	254	33	88,50%	337	372
Personnel	3 467	(369)	3 098	3 075	23	99,26%	2 025	1 929
Administrative	1 492	(482)	1 010	721	289	71,39%	1 342	1 339
Equipment	300	-	300	324	(24)	108,00%	119	132
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	1 257	474	1 731	1 680	51	97,05%	1 327	1 366
Transfer payments	472	450	922	922	-	100,00%	260	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions	-	-	-	-	-	-	-	-
Total	7 348	-	7 348	6 976	372	94,94%	5 410	5 138



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DETAIL PER PROGRAMME 3: GRANT SYSTEMS AND ADMINISTRATION

Programme per sub-programme	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
3.1 Grant Administration and Disbursement Management	50 941	1 709	52 650	41 892	10 758	79,57%	2 088 381	2 082 536
Current	50 841	1 709	52 550	41 611	10 939	79,18%	2 088 276	2 082 459
Capital	100		100	281	(181)	281,00%	105	77
3.2 Grant Information Systems	26 511	(3 240)	23 271	25 479	(2 208)	109,49%	14 584	14 624
Current	26 486	(3 240)	23 246	25 409	(2 163)	109,30%	14 529	14 530
Capital	25		25	70	(45)	280,00%	55	94
3.3 Social Security, Monitoring Evaluation and Audit	3 770	(1 400)	2 370	2 265	105	95,57%	716	673
Current	3 752	(1 400)	2 352	2 182	170	92,77%	678	639
Capital	18		18	83	(65)	461,11%	38	34
3.4 Administration	811	115	926	863	63	93,20%	572	529
Current	786	115	901	828	73	91,10%	557	521
Capital	25		25	35	(10)	140,00%	15	8
Total	82 033	(2 816)	79 217	70 499	8 718	88,99%	2 104 253	2 098 362

Economic classification	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	81 865	(2 816)	79 049	70 030	9 019	88,59%	2 104 040	2 098 149
Personnel	5 885	(865)	5 020	4 935	85	98,31%	3 006	2 985
Transfer payments	25 800	2 788	28 588	28 588	–	100,00%	2 065 236	2 065 236
Other	50 180	(4 739)	45 441	36 507	8 934	80,34%	35 798	29 928
Capital	168	–	168	469	(301)	279,17%	213	213
Transfer payments								
Acquisition of capital assets	168	–	168	469	(301)	279,17%	213	213
Total	82 033	(2 816)	79 217	70 499	8 718	88,99%	2 104 253	2 098 362

Standard item classification	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Inventories	703	143	846	504	342	59,57%	3 006	2 472
Personnel	5 885	(865)	5 020	4 935	85	98,31%	3 006	2 985
Administrative	2 228	(177)	2 051	1 590	461	77,52%	1 870	1 809
Equipment	683		683	453	230	66,33%	240	245
Land and buildings					–			
Professional and special services	46 734	(4 705)	42 029	34 429	7 600	81,92%	30 895	25 615
Transfer payments	25 800	2 788	28 588	28 588	–	100,00%	2 065 236	2 065 236
Miscellaneous					–			
Special functions					–			
Total	82 033	(2 816)	79 217	70 499	8 718	88,99%	2 104 253	2 098 362

Appropriation statement (continued)

for the year ended 31 March 2003

DETAIL PER PROGRAMME 4: WELFARE SERVICE TRANSFORMATION

Programme per sub-programme	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
4.1 Service Standards	1 718	448	2 166	2 163	3	99,86%	455	476
Current	1 668	498	2 166	2 163	3	99,86%	445	475
Capital	50	(50)					10	1
4.2 Rights Advocacy to Child Youth and Families	5 932	(197)	5 735	5 813	(78)	101,36%	4 927	5 013
Current	5 882	(197)	5 685	5 645	40	99,30%	4 912	5 004
Capital	50		50	168	(118)	336,00%	15	9
4.3 Rights Advocacy to other Vulnerable Groups	3 735	(147)	3 588	2 764	824	77,03%	3 674	3 109
Current	3 691	(197)	3 494	2 630	864	75,27%	3 659	3 029
Capital	44	50	94	134	(40)	142,55%	15	80
4.4 Contributions	100	-	100	87	13	87,00%	73	18
Current	100		100	87	13	87,00%	73	18
Capital								
4.4 Administration	1 576	(104)	1 472	1 417	55	96,26%	967	976
Current	1 556	(104)	1 452	1 353	99	93,18%	957	963
Capital	20		20	64	(44)	320,00%	10	13
Total	13 061	-	13 061	12 244	817	93,74%	10 096	9 592
Economic classification	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	12 897	-	12 897	11 878	1 019	92,10%	10 046	9 489
Personnel	6 185	(643)	5 542	5 526	16	99,71%	4 992	5 039
Transfer payments	1 100	335	1 435	1 406	29	97,98%	153	98
Other	5 612	308	5 920	4 946	974	83,55%	4 901	4 352
Capital	164	-	164	366	(202)	223,17%	50	103
Transfer payments								
Acquisition of capital assets	164		164	366	(202)	223,17%	50	103
Total	13 061	-	13 061	12 244	817	93,74%	10 096	9 592
Standard item classification	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Inventories	623	(285)	338	330	8	97,63%	1 288	1 144
Personnel	6 185	(643)	5 542	5 526	16	99,71%	4 992	5 039
Administrative	1 646	(24)	1 622	1 569	53	96,73%	1 856	2 010
Equipment	337		337	381	(44)	113,06%	94	128
Land and buildings								
Professional and special services	3 170	557	3 727	2 972	755	79,74%	1 713	1 173
Transfer payments	1 100	335	1 435	1 406	29	97,98%	153	98
Miscellaneous		60	60	60				
Special functions								
Total	13 061	-	13 061	12 244	817	93,74%	10 096	9 592



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DETAIL PER PROGRAMME 5: DEVELOPMENT IMPLEMENTATION SUPPORT

Programme per sub-programme	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
5.1 Poverty Eradication	331 334	(238)	331 096	330 983	113	99,97%	51 448	51 222
Current	331 329	(238)	331 091	330 914	177	99,95%	51 448	51 222
Capital	5		5	69	(64)	1380,00%	-	-
5.2 HIVAids	50 725	605	51 330	51 153	177	99,66%	14 940	14 954
Current	50 690	605	51 295	50 990	305	99,41%	14 924	14 940
Capital	35		35	163	(128)	465,71%	16	14
5.3 Community Development	1 424	(255)	1 169	1 302	(133)	111,38%	574	549
Current	1 404	(255)	1 149	1 261	(112)	109,75%	569	545
Capital	20		20	41	(21)	205,00%	5	4
5.4 Non-profit Organisations	6 848	(127)	6 721	6 465	256	96,19%	5 742	5 757
Current	6 823	(127)	6 696	6 412	284	95,76%	5 712	5 731
Capital	25		25	53	(28)	212,00%	30	26
5. Administration	847	15	862	861	1	99,88%	523	515
Current	833	15	848	859	(11)	101,30%	523	513
Capital	14		14	2	12	14,29%	-	2
Total	391 178	-	391 178	390 764	414	99,89%	73 227	72 997

Economic classification	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	391 079	-	391 079	390 436	643	99,84%	73 176	72 951
Personnel	5 900	(676)	5 224	5 104	120	97,70%	4 092	3 921
Transfer payments	382 200	-	382 200	381 987	213	99,94%	67 000	66 955
Other	2 979	676	3 655	3 345	310	91,52%	2 084	2 075
Capital	99	-	99	328	(229)	331,31%	51	46
Transfer payments								
Acquisition of capital assets	99	-	99	328	(229)	331,31%	51	46
Total	391 178	-	391 178	390 764	414	99,89%	73 227	72 997

Standard item classification	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Inventories	733	(175)	558	535	23	95,88%	465	458
Personnel	5 900	(676)	5 224	5 104	120	97,70%	4 092	3 921
Administrative	1 308	470	1 778	1 792	(14)	100,79%	1 207	1 229
Equipment	408		408	338	70	82,84%	65	67
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	629	351	980	978	2	99,80%	398	367
Transfer payments	382 200	-	382 200	381 987	213	99,94%	67 000	66 955
Miscellaneous		30	30	30	-	-	-	-
Special functions								
Total	391 178	-	391 178	390 764	414	99,89%	73 227	72 997

Appropriation statement (continued)

for the year ended 31 March 2003

DETAIL PER PROGRAMME 6: POPULATION AND DEVELOPMENT

Programme per sub-programme	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
6.1 Population and Development Strategy	3 398	(685)	2 713	2 598	115	95,76%	2 255	2 343
Current	3 348	(685)	2 663	2 499	164	93,84%	2 214	2 296
Capital	50		50	99	(49)	198,00%	41	47
6.1 Population and Development Research	3 088	266	3 354	3 273	81	97,58%	2 175	2 141
Current	3 073	266	3 339	3 203	136	95,93%	2 108	2 068
Capital	15		15	70	(55)	466,67%	67	73
6.1 Contributions	126	-	126	126	-	100,00%	143	77
Current	126		126	126	-	100,00%	143	77
Capital	-							
6.2 Administration	2 593	419	3 012	3 012	-	100,00%	1 493	1 477
Current	2 584	419	3 003	2 853	150	95,00%	1 471	1 451
Capital	9		9	159	(150)	1 766,67%	22	26
Total	9 205	-	9 205	9 009	196	97,87%	6 066	6 038

Economic classification	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current	9 131	-	9 131	8 681	450	95,07%	5 936	5 892
Personnel	6 250	(170)	6 080	6 070	10	99,84%	4 453	4 511
Transfer payments	126		126	134	(8)	106,35%	143	77
Other	2 755	170	2 925	2 477	448	84,68%	1 340	1 304
Capital	74	-	74	328	(254)	443,24%	130	146
Transfer payments								
Acquisition of capital assets	74		74	328	(254)	443,24%	130	146
Total	9 205	-	9 205	9 009	196	97,87%	6 066	6 038

Standard item classification	2002/2003						2001/2002	
	Adjusted appropriation	Virement	Revised allocation	Actual expenditure	Savings (Excess)	Expenditure as % of revised allocation	Revised allocation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Inventories	340	(116)	224	221	3	98,66%	115	90
Personnel	6 250	(170)	6 080	6 070	10	99,84%	4 453	4 511
Administrative	921	320	1 241	1 233	8	99,36%	869	917
Equipment	446		446	345	101	77,35%	164	151
Land and buildings	-							
Professional and special services	1 122	(44)	1 078	996	82	92,39%	322	292
Transfer payments	126		126	134	(8)	106,35%	143	77
Miscellaneous	10	10	10	-				
Special functions	-							
Total	9 205	-	9 205	9 009	196	97,87%	6 066	6 038



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SPECIAL FUNCTIONS

	2002/2003						2001/2002	
Programme per sub-programme	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
7.1 Theft and losses	-	-	-	-	-	0,00%	-	-
Current	-	-	-	14	(14)	0,00%	-	-
Capital	-	-	-	-	-	0,00%	-	-
Total	-	-	-	14	(14)	0,00%	-	-
	2002/2003						2001/2002	
Economic classification	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Current	-	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-	-
Other	-	-	-	14	(14)	-	-	-
Capital	-	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-	-
Total	-	-	-	14	(14)	-	-	-
	2002/2003						2001/2002	
Standard item classification	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Inventories	-	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	-	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	14	(14)	-	-	-
Special functions	-	-	-	-	-	-	-	-
Total	-	-	-	14	(14)	-	-	-

Notes to the appropriation statement

for the year ended 31 March 2003

1. DETAIL OF CURRENT AND CAPITAL TRANSFERS AS PER APPROPRIATION ACT (AFTER VIREMENT):

Detail of these transactions can be viewed in note 9 (Transfer payments) to the annual financial statements.

2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):

Detail of these transactions can be viewed in note 1 (Charge to National/Provincial Revenue Fund) to the annual financial statements.

3. DETAIL OF SPECIAL FUNCTIONS (THEFT AND LOSSES)

Detail of these transactions per programme can be viewed in note 11.4 (Details of special functions) to the annual financial statements.

4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNT VOTED (AFTER VIREMENT):

4.1 Per programme:

Programme 2: Social; Security, Policy and Planning

The main reason for the under-expenditure under this Programme is due to the delays in the finalisation of the tender process for developing the Disability Assessment Tool that will enable the assessment panels in various provinces to be effective and employ a standardised process.

Programme 3: Grant Systems and Administration

The reasons for the deviation of R8,7 million are twofold. Firstly, the Department experienced unprecedented delays in the process of replacing the SOCPEN system. The initial approach it followed was, upon a recommendation from the National Treasury, reconsidered to explore alternative procurement options such as a Public Private Partnership in terms of Treasury Regulation 16.1. A saving of about R6 million was, however, committed to other social security priority projects by the end of the financial year and an application for a rollover of these funds was made to the National Treasury.

Secondly, unexpected delays in the processing of the non-active cases by provinces (i.e. deceased and/or terminated beneficiaries) in the R2 billion Back-pay Project resulted in a corresponding saving in the national Department allocation of R5 million which was for programme management and monitoring. The saving of R2,3 million was however committed to implementing the national communication strategy aimed at informing the beneficiaries and the public at large in this regard as at year-end. A rollover application was also made to the National Treasury in this regard.

Programme 4: Welfare Service Transformation

The main reason for the under-expenditure under this Programme is due to the late approval and awarding of the tender for the Victim Empowerment Analysis Project.

4.2 Per standard item:

Professional and Special Services

The large amount of the saving is under professional and special services mainly because the SOCPEN replacement was planned to be done in phases. The initial or first phase was focusing on the system architecture and drafting of detailed implementation plans. This was to be followed by a proof of concept which was planned for a period of about six months. The bulk of the expenditure therefore was to be in the form of consultancy fees and allocated under professional and special services. A larger portion of the remaining balance relating to programme management and monitoring of the back-pay project was to be paid to the contractors assisting the Department in implementing the project and a small amount incurred for administrative expenses.

The under spending was on Professional and Special Services, since it entails the procurement of services.

Equipment

The saving on the equipment was as a result of an amount of R343 000 for equipment ordered but not yet delivered.



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5. RECONCILIATION OF APPROPRIATION STATEMENT TO INCOME STATEMENT:

	2002/2003	2001/2002
	R'000	R'000
Total revenue per appropriation statement	650 251	2 242 157
<i>Add:</i> Local and foreign aid assistance (including RDP funds)	22 979	9 084
<i>Add:</i> Other receipts	429	513
Actual income per income statement	673 659	2 251 754
Total expenditure per appropriation statement	639 424	2 235 292
<i>Add:</i> Local and foreign aid assistance (including RDP funds)	11 313	5 835
<i>Add:</i> Unauthorised fruitless and wasteful expenditure	352	394
Actual expenditure per income statement	651 089	2 241 521

Income statement (statement of financial performance)

for the year ended 31 March 2003

	Note	2002/2003 R'000	2001/2002 R'000
REVENUE			
Voted funds			
Charge to National/Provincial Revenue Fund	1	650 251	2 242 157
Non voted funds		23 408	9 597
Other revenue to be surrendered to the revenue fund	2	429	513
Local and foreign aid assistance (including RDP funds)	3	22 979	9 084
Total revenue		673 659	2 251 754
EXPENDITURE			
Current			
Personnel	4	54 930	41 658
Administrative		16 937	15 428
Inventories	5	4 326	5 902
Machinery and equipment	6	3 319	4 353
Land and buildings	7	197	602
Professional and special services	8	46 206	31 949
Transfer payments	9	509 796	2 132 366
Miscellaneous	10	114	0
Special functions: authorised losses	11	91	120
Local and foreign aid assistance (including RDP funds)	3	11 313	5 835
Total current expenditure		647 229	2 238 213
Capital			
Machinery and equipment	6	3 860	3 308
Total expenditure		651 089	2 241 521
Net surplus/(deficit)		22 570	10 233
Add back unauthorised and fruitless and wasteful expenditure disallowed		352	394
Net surplus/(deficit) for the year	13	22 922	10 627



Balance sheet (statement of financial position)

as at 31 March 2003

	Note	2002/2003 R'000	2001/2002 R'000
ASSETS			
Current assets		22 725	6 517
Unauthorised and fruitless and wasteful expenditure	12	696	2 160
Cash and cash equivalents	14	18 187	2 754
Receivables	15	3 842	1 603
Total assets		22 725	6 517
LIABILITIES			
Current liabilities		11 059	1 939
Voted funds to be surrendered	16	9 752	1 865
Payables	18	1 307	74
Total liabilities		11 059	1 939
Net assets/liabilities		11 666	4 578
Equity			
Capitalisation reserve		–	1 253
Recoverable revenue		–	76
Local and foreign aid assistance (including RDP funds) rolled over	3	11 666	3 249
Total equity		11 666	4 578

Statement of changes in net assets/equity

for the year ended 31 March 2003

	Note	2002/2003 R'000	2001/2002 R'000
Capitalisation reserve			
Opening balance		1 253	1 253
Transfers Authorised losses		(1 253)	–
Closing balance		–	1 253
Recoverable revenue			
Opening balance		76	62
Refund of interest on previous debts		(48)	–
Previous years recoverable revenue adjusted to Revenue Fund		(28)	–
Debts written off		–	14
Closing balance		–	76
Local and foreign aid assistance (including RDP funds) rolled over			
Opening balance		3 249	519
Transfers		8 417	2 730
Closing balance	3	11 666	3 249
Total equity		11 666	4 578



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Cash flow statement

for the year ended 31 March 2003

	Note	2002/2003 R'000	2001/2002 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated by operating activities	19	25 707	8 935
Cash generated (utilised) to (increase)/decrease working capital	20	8 345	4 610
Voted funds and revenue funds surrendered	21	(10 181)	(2 378)
Local and foreign aid assistance (including RDP funds)		(11 666)	(3 249)
Net cash flow available from operating activities		12 205	7 918
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(3 860)	(3 308)
Net cash flows from operating and investing activities		8 345	4 610
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in local and foreign aid assistance (including RDP funds) rolled over		8 417	2 730
Decrease in recoverable revenue		(76)	14
Decrease in capitalisation reserve		(1 253)	–
Net increase/(decrease) in cash and cash equivalents		15 433	7 354
Cash and cash equivalents at beginning of period		2 754	(4 600)
Cash and cash equivalents at end of period	14	18 187	2 754

Notes to the annual financial statements

for the year ended 31 March 2003

1. CHARGE TO NATIONAL/PROVINCIAL REVENUE FUND

Included in the above are funds specifically and exclusively appropriated for National Departments (Voted funds) and Provincial Departments (equitable share):

Programmes	Total appropriation 2002/2003 R'000	Actual R'000	Variance over/(under) R'000	Total appropriation 2001/2002 R'000
1 Administration	150 242	149 918	324	43 105
2 Social Security	7 348	6 976	372	5 410
3 Grants Systems and Administration	79 217	70 499	8 718	2 104 253
4 Welfare Service Transformation	13 061	12 244	817	10 096
5 Development Implementation Support	391 178	390 764	414	73 227
6 Population and Development	9 205	9 009	196	6 066
Special function: Authorised losses		14	(14)	
Total	650 251	639 424	10 827	2 242 157

Description	2002/2003 R'000	2001/2002 R'000
2. OTHER REVENUE TO BE SURRENDERED TO THE REVENUE FUND		
Cheques written back/stale cheques	302	–
Parking	11	13
Debt recoveries (recoverable revenues) – bursaries	81	10
Loans and advances	–	7
Commission received	24	17
Interest received	20	16
Other	–	450
Less refund	(9)	–
	429	513

Name of Donor and purpose	Opening balance R'000	Revenue R'000	Expenditure current R'000	Capital R'000	Closing balance R'000
3. LOCAL AND FOREIGN AID ASSISTANCE (INCLUDING RDP)					
3.1 Assistance received in cash					
<i>Local</i>					
Estate of Late EFR Rebelo: Rape Victim Kits	25	–	–	–	25
Foreign					
UNICEF: Promotion and protection of rights of vulnerable and orphaned children	140	150	150	–	140
Netherlands: Sectoral Budget Support					
Programme	3 084	9 580	11 163	–	1 501
: Child Justice Bill	–	10 000	–	–	10 000
	3 249	19 730	11 313	–	11 666

	2002/2003 R'000	2001/2002 R'000
3.2 Analysis of balance		
Assistance rolled over	11 666	3 249



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	2002/2003	2001/2002
	R'000	R'000
4. PERSONNEL		
Current expenditure		
Basic salary costs	36 269	27 843
Pension contributions	5 381	4 096
Medical aid contributions	2 354	1 737
Other salary related costs	10 926	7 982
	54 930	41 658
Average number of employees	320	289
5. INVENTORIES		
5.1 Current expenditure		
Inventories purchased during the year		
Cleansing and laundry requirements	5	3
Maintenance materials and spares	37	5
Computer software	99	–
Crockery	15	–
Packing materials	–	4
Domestic appliances and hardware	66	20
EDP Requirements	–	17
Publications	–	127
Protective clothing	39	36
Groceries	1	1
Electrical/Technical supplies	1	–
Stationery: Standard stock	647	297
Stationery: Non-standard stock	1 282	843
Books/Journals	183	2 282
Printing: Government printer	101	386
Printing: Departmental	1 850	1 881
	4 326	5 902
	2002/2003	2001/2002
	R'000	R'000
5.2 Inventories on hand at year end		
(for disclosure purposes only)		
Stationery	212	
(all other items purchased are issued to the end users directly)		
The value of inventory on hand disclosed is for central stores	212	

Notes to the annual financial statements (continued)

for the year ended 31 March 2003

	Note	2002/2003 R'000	2001/2002 R'000
6. MACHINERY AND EQUIPMENT			
Current (Rentals, maintenance and sundry net of cash discounts)		3 319	4 353
Capital	6.1	3 860	3 308
Total current and capital expenditure		7 179	7 661
6.1 Capital machinery and equipment analysed as follows:			
Computer equipment		2 936	2 715
Furniture and office equipment		429	586
Transport		495	7
		3 860	3 308
7. LAND AND BUILDINGS			
Current expenditure (Net of cash discounts)		197	602
8. PROFESSIONAL AND SPECIAL SERVICES			
Current expenditure			
Auditors' remuneration		3 010	2 000
Contractors		17 180	499
Consultants and advisory services		8 835	24 567
Commissions and committees		2	488
Computer services		135	1 115
Other		17 044	3 280
		46 206	31 949
9. TRANSFER PAYMENTS			
Provincial transfers	Annexure 1C	58 300	2 019 073
Disaster Relief Board		10 000	60 000
Emergency Relief		5 000	–
Other transfers		1 918	1 024
Grant in aid		2 888	–
Membership fees		1 158	–
Independent Development Trust (Poverty Relief Fund)		100 000	48 663
National Councils		3 787	3 606
National Food Emergency Programme		230 000	–
National Development Agency		96 745	–
Total transfer payments made		509 796	2 132 366



Department of Social Development Annual Report 2002-2003 – Vote 18

	Note	2002/2003 R'000	2001/2002 R'000
10. MISCELLANEOUS			
Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)			
Nature of gifts, donations and sponsorships			
		90	0
		10	0
		14	0
		114	0
11. SPECIAL FUNCTIONS: AUTHORISED LOSSES			
Material losses through criminal conduct	11.1	–	106
Other material losses written off	11.2	76	–
Debts written off	11.3	15	14
	11.4	91	120
11.1 Material losses through criminal conduct			
<i>Nature of losses</i>			
Cellphone fraud and thefts		–	106
		–	106
11.2 Other material losses written off in income statement in current period			
<i>Nature of losses</i>			
Fraudulent cheques		74	–
No show for hotel accommodation		2	–
		76	–
11.3 Debts written off			
<i>Nature of debts written off</i>			
Interest written off and damages to hired vehicles		2	14
Tax debt Department official passed away		1	–
Insurance on rental vehicles		12	–
		15	14
11.4 Details of special functions (theft and losses)			
<i>Per programme</i>			
1 Administration		76	106
4 Welfare Service Transformation		–	14
Miscellaneous		15	–
		91	120

Notes to the annual financial statements (continued)

for the year ended 31 March 2003

	Note	2002/2003 R'000	2001/2002 R'000
12. UNAUTHORISED AND FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED			
Unauthorised expenditure	12.1	682	2 145
Fruitless and wasteful expenditure	12.3	14	15
		696	2 160
12.1 Reconciliation of unauthorised expenditure balance			
Opening balance		2 145	2 182
Approved by Parliament		(1 463)	(37)
Closing balance		682	2 145
	Disciplinary steps taken/criminal proceedings	2002/2003 R'000	2001/2002 R'000
12.2 Unauthorised expenditure			
Incident			
Overspending on programme 2 iro SOCPEN maintenance	None. Satisfactory explanations was provided by the relevant programme manager		
Failure of the system would have had major national consequences and this was communicated to the Standing Committee on Public Accounts		–	1 253
		–	1 253
	Note	2002/2003 R'000	2001/2002 R'000
12.3 Reconciliation of fruitless and wasteful expenditure			
Opening balance		15	–
Fruitless and wasteful current year	12.4	–	15
Recovered		(1)	–
Closing balance		14	15
	Disciplinary steps taken/criminal proceedings	2002/2003 R'000	2001/2002 R'000
12.4 Fruitless and wasteful expenditure			
Incident			
1. Non-arrivals at various hotels by officials		–	12
2. Wasteful expenses regarding printing of sympathy card: CM vd Heever		–	3
		–	15



Department of Social Development Annual Report 2002-2003 – Vote 18

	Note	2002/2003 R'000	2001/2002 R'000
13. ANALYSIS OF SURPLUS			
Voted funds to be surrendered to the National/Provincial Revenue Fund		10 827	6 865
Non voted funds		12 095	3 762
Other revenue to be surrendered to the Revenue Fund		429	513
Local and foreign aid assistance (including RDP funds) rolled over		11 666	3 249
Total		22 922	10 627
14. CASH AND CASH EQUIVALENTS			
Paymaster general account	14.1	18 185	2 752
Cash on hand		2	2
		18 187	2 754
14.1 Reconciliation of Paymaster General Account/Exchequer account			
Balance as per national accounting office		36 589	96 478
Add: Bank adjustments		229 993	
Subtotal		266 582	96 478
Deduct:		248 397	93 726
Orders payable outstanding		248 255	93 219
EBT/ACB control account		142	507
Balance above		18 185	2 752

Notes to the annual financial statements (continued)

for the year ended 31 March 2003

	Note	2002/2003 R'000	2001/2002 R'000
15. RECEIVABLES – CURRENT			
Amounts owing by other departments		1 916	576
Staff debtors	15.3	864	321
Other debtors	15.4	1 062	682
Advances and prepayments	15.5	–	24
		3 842	1 603
15.1 In the previous year's financial statements, an amount of R594 040,81 was reported as a doubtful debt. This amount is now fully recoverable			
15.2 Age analysis – receivables current			
Less than one year		2 751	948
One to two years (List material amounts)		726	61
More than two years (List material amounts)		365	594
		3 842	1 603
15.3 Staff debtors			
Subsistence and travel		92	186
Private telephone		2	2
Departmental debt		168	46
Salary writeback			12
Tax debt		149	35
Disallowance of allowance		–	11
Persal debt account		–	22
Salary claims recoverable		453	7
		864	321
15.4 Other debtors			
General suspense account		195	294
Medical aid debt		2	2
Pension debt		37	–
GG Gauteng Transport		28	–
Irregular expenditure recoverable		731	379
Revenue overpaid to the National Revenue Fund		66	7
Wrong payment to National Revenue Fund (Conversion orders payable)		3	–
		1 062	682
15.5 Advances			
<i>Nature of advances</i>			
GCIS		0	24
		0	24



Department of Social Development Annual Report 2002-2003 – Vote 18

	Note	2002/2003 R'000	2001/2002 R'000
16. VOTED FUNDS TO BE SURRENDERED			
Opening balance		1 865	1 219
Transfer from income statement		10 827	6 865
Voted funds not requested/not received		(1 075)	(5 000)
Paid during the year		(1 865)	(1 219)
Closing balance		9 752	1 865
17. REVENUE FUNDS TO BE SURRENDERED			
Opening balance		–	(11)
Transfer from income statement for revenue to be surrendered		429	513
Paid during the year		(496)	(509)
Other revenue overpaid to National Revenue Fund transferred to receivables		67	7
Closing balance		–	–
18. PAYABLES – CURRENT			
Cancelled cheque: re-issued in new year		1 023	14
Regional councils and insurance		1	1
Tax deductions		246	–
Over recovery		2	–
Bank guarantee FNB		29	–
Interest and Income payable		6	–
Pension		–	2
Persal recall		–	55
Salary deductions – departmental debt		–	2
		1 307	74
19. NET CASH FLOW GENERATED BY OPERATING ACTIVITIES			
Net surplus as per income statement		22 922	10 627
Adjusted for items separately disclosed			
Purchase of equipment		3 860	3 308
Voted funds not requested/not received		(1 075)	(5 000)
Net cash flow generated by operating activities		25 707	8 935

Notes to the annual financial statements (continued)

for the year ended 31 March 2003

	Note	2002/2003 R'000	2001/2002 R'000
20. CASH GENERATED (UTILISED) TO (INCREASE)/DECREASE WORKING CAPITAL			
(Increase)/decrease in receivables – current		(2 239)	1 937
(Increase)/decrease in receivables – non-current			
(Increase)/decrease in prepayments and advances		–	1 985
(Increase)/decrease in other current assets		1 464	22
Increase/(decrease) in payables		1 233	22
Increase/(decrease) in local and foreign aid assistance repayable to donors		–	(2)
Increase/(decrease) in other current liabilities		7 887	646
		8 345	4 610
21. VOTED FUNDS AND REVENUE FUNDS SURRENDERED			
Voted funds surrendered	16	9 752	1 865
Revenue funds surrendered	17	429	513
		10 181	2 378



Disclosure notes to the annual financial statements

for the year ended 31 March 2003

These amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

Liable to	Nature	Note	2002/2003 R'000	2001/2002 R'000
22. CONTINGENT LIABILITIES				
Motor vehicle guarantees	Employees	Annexure 2	426	398
Housing loan guarantees	Employees	Annexure 2	1 149	935
			1 575	1 333
<hr/>				
			2002/2003 R'000	2001/2002 R'000
23. COMMITMENTS				
Current expenditure				
Approved and contracted/ordered			2 425	3 958
Approved but not yet contracted			–	726
			2 425	4 684
<hr/>				
24. ACCRUALS				
Administration			357	1 148
Inventories			58	346
Personnel			15	8
Equipment			251	312
Professional and Special Services			837	5 271
			1 518	7 085
<hr/>				
Per Programme				
Administration			613	1 857
Social Security Policy and Planning			169	201
Grant Systems and Administration			193	4 420
Welfare Services Transformation			255	194
Development Implementation Support			192	312
Population and Development			96	101
			1 518	7 085
<hr/>				
25. EMPLOYEE BENEFITS				
Leave entitlement			5 652	5 861
Thirteenth cheque			1 347	593
Performance bonus			289	43
			7 288	6 497

Disclosure notes to the annual financial statements (continued)

for the year ended 31 March 2003

	Property	Equipment	Total 2002/2003 R'000	Total 2001/2002 R'000
26. LEASES				
26.1 Operating leases				
Minoko				299
Not later than 1 year				145
Later than 1 year and not later than 3 years				
Later than 3 years	–	421	421	
	–	421	421	444
Future finance charges				
Present value of lease liabilities	–	421	421	444
		Note	2002/2003 R'000	2001/2002 R'000
27. IRREGULAR EXPENDITURE				
27.1 Reconciliation of irregular expenditure				
Opening Balance			379	–
Irregular expenditure current year			1 426	
Expenditure condoned			–	
Expenditure not condoned			(731)	379
Expenditure awaiting condonement			1 074	379
Analysis				
Current year			1 074	379
Prior years			–	–
			1 074	379
		Disciplinary steps taken/criminal proceedings	2002/2003 R'000	2001/2002 R'000
27.2 Not condoned expenditure				
Incident				
Expired contract for computer Hardware and software maintenance	Charges of financial misconduct have been instituted against the official		428	379
Placing of advert without following proper procurement procedures	Disciplinary action approved by Accounting Officer and process is under way		38	–
Hiring a consultant to carry out simulation work for the committee of Inquiry on Social Security without following proper procurement procedures	Disciplinary action approved by Accounting Officer and process is under way		162	–
Hiring a consultant to draft a research paper for the committee of Inquiry on Social Security without following proper procurement procedures	Disciplinary action approved by Accounting Officer and process is under way		48	–
Commissioning a service provider to design and finalise the layout of leaflets without following proper procurement procedures	The matter will be presented to the Accounting Officer for write-off as the official involved has passed away		55	–
			731	379



Department of Social Development Annual Report 2002-2003 – Vote 18

28. KEY MANAGEMENT PERSONNEL

28.1 Remuneration

The aggregate remuneration of the key management of the department and the number of individuals determined on a full time equivalent basis receiving remuneration within this category, showing separately major classes of key management personnel and including a description of each class.

Remuneration	2002/2003 R'000	2001/2002 R'000
Minister	665	646
Director-General	342	718
2x Deputy Director-General	1 084	640
Ministerial advisor	531	718
Chief Financial Officer	541	465
6x Chief Directors	2 597	2 228
3 x Directors	766	710
	6 526	6 125

28.2 Other remuneration and compensation provided to key management and close members of the family of key management personnel

The total amount of all other remuneration and compensation provided to key management during the reporting period showing separately the aggregate amounts provided to:

- The Minister, Deputy Ministers, Director-General, Deputy Director-General
- Other members of key management
- Close members of the family of key management personnel

Other remuneration	2002/2003 R'000	2001/2002 R'000
Sessional allowances paid to key management		
Director-General	14	18
Chief Director	24	20
	38	38

Annexure 1C

Statement of conditional grants to provinces by national departments

as at 31 March 2003

GRANT ALLOCATION				
(List each Grant by province)	Division of Revenue Act R'000	Adjustments estimate R'000	Roll-overs R'000	Total available ⁽¹⁾ R'000
IMPROVEMENT OF SOCIAL SECURITY SYSTEM				
Eastern Cape	1 200			1 200
Free State	1 200			1 200
Gauteng	1 200		152	1 352
KwaZulu-Natal	1 200		2 098	3 298
Mpumalanga	1 200			1 200
Northern Cape	1 200		450	1 650
Limpopo	1 200		1 409	2 609
North West	1 200			1 200
Western Cape	1 200			1 200
HIV/Aids				
Eastern Cape	4 697	101		4 798
Free State	6 510	140		6 650
Gauteng	6 836	147		6 983
KwaZulu-Natal	8 462	182		8 644
Mpumalanga	6 928	149	174	7 251
Northern Cape	2 604	56		2 660
Limpopo	3 069	66		3 135
North West	5 348	115	1 349	6 812
Western Cape	2 046	44		2 090
Total	57 300	1 000	5 632	63 932

	EXPENDITURE					SPENT		
	Actual transfer R'000	Amount not transferred R'000	% of available transferred	Capital R'000	Current R'000	Amount received by province R'000	Actual amount spent R'000	% of amount transferred spent
IMPROVEMENT OF SOCIAL SECURITY SYSTEM								
Eastern Cape	1 200		100%		1 200	1 200	1 200	100%
Free State	1 200		100%		1 200	1 200	0	0%
Gauteng	1 352		100%		1 258	1 258	1 258	100%
KwaZulu-Natal	3 298		100%		3 298	3 298	2 225	67%
Mpumalanga	1 200		100%		1 200	1 200	938	78%
Northern Cape	1 650		100%		1 650	1 650	646	39%
Limpopo	2 609		100%		2 609	2 609	892	34%
North West	1 200		100%		1 200	1 200	593	49%
Western Cape	1 200		100%		1 200	1 200	1 200	100%
HIV/Aids								
Eastern Cape	4 798		100%		4 798	4 798	4 798	100%
Free State	6 650		100%		6 650	6 650	6 650	100%
Gauteng	6 983		100%		6 983	6 983	6 983	100%
KwaZulu-Natal	8 644		100%		8 644	8 644	5 144	60%
Mpumalanga	7 251		100%		7 251	7 251	6 251	86%
Northern Cape	2 660		100%		2 660	2 660	2 660	100%
Limpopo	3 135		100%		3 135	3 135	3 135	100%
North West	6 812		100%	67	6 640	6 640	6 640	100%
Western Cape	2 090		100%		2 090	2 090	2 084	100%
Total	63 932	0		67	63 666	63 666	53 297	84%



Annexure 1C

Statement of conditional grants to provinces by national departments

as at 31 March 2003

It should be noted that all the unspent conditional grant funds at provincial level will be included in the request for roll-overs for evaluation by the provincial treasuries

The corrective steps taken to ensure improved spending rates at provincial level, include amongst others the improvement of the monitoring and support capacity in the National Department of Social Development to also provide ongoing support to provinces in terms of the implementation of the conditional grant projects.

Improvement of Social Security System

Eastern Cape	Spent 100% of budget
Free State	Request to change the business plan and approved only in September to utilise funds to cost norms and standards.
Gauteng	Spent 100% of budget
KwaZulu-Natal	The saving is due to a delay in commencement of the community project involving the employment of community people who needed to be trained. Hence a longer process, but will ensure empowerment of the community and ensure that funds are provided to people.
Mpumalanga	Funds have been deferred to 2003/2004 as the National training course by SAMDI is currently being undertaken until the end of March 2003.
Northern Cape	Funds have been committed to the establishment of a paypoint at Carnavon. Deviation from the business plan had to be obtained for the payment for the establishment of this payment.
Limpopo	The project manager and support team for norms and standards were not appointed due to resolution 11
North West	They could not locate the second tranche from the provincial treasury
Western Cape	Spent 100% of budget

HIV/Aids

Eastern Cape	Spent 100% of budget
Free State	Spent 100% of budget
Gauteng	Spent 100% of budget
KwaZulu-Natal	The provincial department sited inadequate capacity as the reason for the underspending. Thirteen district co-ordinators resigned towards the end of the third quarter
Mpumalanga	Provincial department only received the invoice relating to R1 million in 2003/2004 financial year. Hence the funds were committed by 31 March 2003 but not spent.
Northern Cape	Spent 100% of budget
Limpopo	Spent 100% of budget
North West	Spent 100% of budget
Western Cape	Spent 100% of budget

Annexure 1D

Statement of transfers to public entities and institutions by national and provincial departments

as at 31 March 2003

	GRANT ALLOCATION				EXPENDITURE				
	Appropriations Act R'000	Adjustments estimate R'000	Roll-overs R'000	Total available R'000	Actual transfer R'000	Amount not transferred R'000	% of available transferred	Capital R'000	Current R'000
(List each transfer by public entity/institution)									
National Development Agency	96 745			96 745	96 745				96 745
	96 745	–	–	96 745	96 745	–			96745

(1) Explain reasons for underspending, should this be less than 90 percent, what corrective steps were taken, mention early warning report on corrective steps as a result, and whether or not an application has been made for a roll over



Annexure 1E

Statement of other transfer by national/provincial departments

as at 31 March 2003

(List each transfer by public entity/institution)	GRANT ALLOCATION				EXPENDITURE				
	Appropriations Act R'000	Adjustments estimate R'000	Roll-overs R'000	Total available R'000	Actual transfer R'000	Amount not transferred R'000	% of available transferred	Capital R'000	Current R'000
Disaster Relief Board	10 000			10 000	10 000				10 000
National Food Emergency (IDT)		230 000		230 000	230 000				230 000
SA Red Cross Mpumalanga	1 000			1 000	1 000				1 000
SA Red Cross Limpopo	1 500			1 500	1 500				1 500
SA Red Cross Eastern Cape	2 500			2 500	2 500				2 500
South African National Cancer Association	934			934	934				934
FAMSA	287			287	287				287
DEAFSA	141			141	141				141
SAVF	158			158	158				158
National Council for Disability in SA	87			87	87				87
National Cancer Ass of SA	26			26	26				26
NICRO	481			481	481				219
Die Ondersteuningsraad	87			87	87				87
SA Federation of Mental Health	424			424	424				424
SANEL	71			71	71				71
ACVV	104			104	104				104
AFM	87			87	87				87
Diakonale dienste	194			194	194				194
SA Nat Council for Child & Family Welfare	537			537	537				537
SA National council for the Aged	89			89	89				89
SACA	107			107	107				107
Krugersdorp Aids Training	80			80	80				80
National Child Rights Commission	150			150	150				150
Tsa-Botsogo									
Community Development	100			100	100				100
Salem Baby Care Centre	50			50	50				50
SA Council for Social Service Profession	500			500	500				500
House of Resurrection	50			50	50				50
Aids Consortium	90			90	90				90
Walk the Talk Challenge	30			30	30				30
Eluyolweni SC	20			20	20				20
National Network for violence against Women	200			200	200				200
Ilitha Community psychological	75			75	75				75
Soshanguve									
Trauma Centre	25			25	25				25
Themba Lesizwe	365			365	365				365
Volunteer SA	1 188			1 188	1 188				1 188
Unisa Centre for Applied Psychology	23			23	23				23
International Social Security Association	923			923	923				923
International Social Service	87			87	87				87
Food Emergency Relief (IDT)	1 600			1 600	1 600				1 600
Poverty Relief (IDT)	100 000			100 000	100 000				100 000
	124 370	230 000	-	354 370	354 370	-			354 108

Annexure 2

Statement of financial guarantees issued

as at 31 March 2003

Guaranteed institution	Guaranteed in respect of	Original guaranteed capital amount	Opening balance as at 01/04/2002	Guarantees		Guaranteed interest outstanding 31/03/2003	Closing balance 31/03/2003	Realised losses i.r.o. claims paid out
				Guarantees issued during the year	Paid/cancelled released during the year			
				New	Paid			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	287 830	279 830	8 000	(16 000)	–	271 830	
Nedbank Limited	Housing	180 619	80 724	80 800	–	–	180 619	
FNB	Housing	204 380	28 000	108 984	(18 700)	–	185 680	
ABSA	Housing	271 481	260 281	11 200	–	–	271 481	
Old Mutual Bank	Housing	45 622	45 622	–	–	–	45 622	
Permanent Bank	Housing	168 753	145 661	60 887	(31 600)	–	137 153	
Hlano Fin Services	Housing	6 866	6 866	–	–	–	6 866	
BoE Bank	Housing	17 000	41 348	–	(17 000)	–	–	
Saambou Bank	Housing	50 234	46 582	28 000	–	–	50 234	
Total		1 232 785	934 914	297 871	(83 300)	–	1 149 485	–
Stannic	LL Siwisa-Pemba	156 100	99 062			–	57 321	
Motor Vehicle	KH Hlahla	189 700	159 991			–		
	MV Ngcobo-Mbere	189 000	138 799			–		
	MK Mholo	189 700	–	189 700			–	170 202
	FS Nxumalo	203 958	–	203 958			–	198 860
Total		928 458	397 852	393 658	–	–	426 383	–
Total		2 161 243	1 332 766	691 529	(83 300)	–	1 575 868	–



Annexure 3

Physical asset movement schedule (not including inventories)

	Opening balance	Additions	Disposals	Transfers in	Transfers out	Closing balance
PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/2003						
Machinery and equipment	5 142 977.00	3 632 495.00	28 297.00	–	–	8 747 175.00
Computer equipment	2 020 402.00	2 123 184.00	22 298.00	–	–	4 121 288.00
Furniture and office equipment	1 246 482.00	908 760.00		–	–	2 155 242.00
Other machinery and equipment	1 317 078.00	106 051.00	5 999.00	–	–	1 417 130.00
Specialised military assets	–			–	–	–
Transport assets	559 015.00	494 500.00		–	–	1 053 515.00
	5 142 977.00	3 632 495.00	28 297.00	–	–	8 747 175.00
PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2001/2002						
Machinery and equipment	1 582 730.00	3 560 247.00	–	–	–	5 142 970.00
Computer equipment	516 521.00	1 503 881.00	–	–	–	2 020 402.00
Furniture and office equipment	358 913.00	887 569.00	–	–	–	1 246 482.00
Other machinery and equipment	148 281.00	1 168 797.00	–	–	–	1 317 078.00
Specialised military assets	–		–	–	–	–
Transport assets	559 015.00		–	–	–	559 015.00
	1 582 730.00	3 560 247.00	–	–	–	5 142 970.00

Approval of annual financial statements

for the year ended 31 March 2003

The annual financial statements set out on pages 129 to 133 have been approved by the Disaster Relief Fund Board.

A handwritten signature in black ink, appearing to read 'C Nhlapo', written over a light blue grid background.

Pastor C Nhlapo
Chairperson

30 May 2003



Report of the Auditor-General

for the year ended 31 March 2003



AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE DISASTER RELIEF FUND FOR THE YEAR ENDED 31 MARCH 2003

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 130 to 133 for the year ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Disaster Relief Fund at 31 March 2003 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act.

4. APPRECIATION

The assistance rendered by the staff of the fund during the audit is sincerely appreciated.

FJ Joubert

for Auditor-General

Pretoria
25/07/2003

The Disaster Relief Fund Balance Sheet

at 31 March 2003

	Note	2002/2003 R	2001/2002 R
Funds employed			
Accumulated funds		28 684 477	21 804 101
		28 684 477	21 804 101
Employment of funds			
Investments	2	29 343 555	50 724 344
Net current assets		(659 078)	(28 920 243)
Current assets			
ABSA Bank Debtor		3 589 101	–
		3 587 631	–
		1 470	–
Current liabilities			
Bank overdraft		4 248 179	28 920 243
Creditors		–	25 493 549
Provision for audit fees		4 248 179	3 366 694
		–	60 000
		28 684 477	21 804 101

The Disaster Relief Fund Income statement

for the year ended 31 March 2003

	Note	2002/2003 R	2001/2002 R
Net income for the year	3	6 880 376	(13 232 001)
Accumulated funds at beginning of year		21 804 101	35 036 102
Accumulated funds at end of year		28 684 477	21 804 101



The Disaster Relief Fund

Cash flow statement

for the year ended 31 March 2003

	Note	2002/2003 R	2001/2002 R
Cash flow from operating activities		7 700 391	(9 766 799)
Cash (utilised in)/generated by operations	4	3 105 014	(16 922 435)
Interest received		3 775 362	3 690 434
Working capital changes	5	820 015	3 465 202
Cash flow from financial investment activities		21 380 789	(1 320 504)
Decrease/(Increase) in investments		21 380 789	(1 320 504)
Net change in cash and cash equivalents		29 081 180	(11 087 303)
Cash and cash equivalents at beginning of period		(25 493 549)	(14 406 246)
Cash and cash equivalents at end of period		3 587 631	(25 493 549)

The Disaster Relief Fund

Notes to the financial statements

at 31 March 2003

1. ACCOUNTING POLICIES

The financial statements have been prepared, unless otherwise shown, on the historical cost basis in accordance with the policies below, which have been consistently applied in all material respects:

1.1 Acknowledgement of income in general

Income is acknowledged on the accrual basis.

1.2 Investments

Investments are shown at cost including interest capitalised.

1.3 Government grants received

Government grants are accounted for in the period to which each grant applies.

1.4 Donations

Donations are accounted for in the period in which the donation is received.

	2002/2003 R	2001/2002 R
2. INVESTMENTS		
Investment at Public Investment Commissioners	2 999 611	2 655 250
Investment at Corporation for Public Deposits	26 343 944	48 069 094
	29 343 555	50 724 344
Interest on the investments are capitalised monthly against the investments.		
3. NET INCOME FOR THE YEAR	6 880 376	(13 232 001)
Income	13 775 395	63 690 434
Interest received	3 775 362	3 690 434
Government grant	10 000 000	60 000 000
Direct Deposit	33	-
Less: Expenditure	6 895 019	76 922 435
Financial assistance	6 043 846	76 483 550
Bank charges	12 214	12 232
General expenses	65 186	21 211
Investment levy	224	152
Printing and stationery	250	9 726
Subsistence and travelling	212 273	156 341
Allowance to council members	151 577	159 714
Entertainment expenses	3 987	1 898
Audit fees/costs	41 729	77 611
Current year provisioning	-	60 000
Under provision – Previous years	41 729	17 611
Administration fee	363 733	-



The Disaster Relief Fund

Notes to the financial statements

at 31 March 2003

	2002/2003 R	2001/2002 R
4. CASH GENERATED BY/(UTILISED IN) OPERATIONS		
Net (loss)/profit for the year	6 880 376	(13 232 001)
Adjustments for:		
Interest received	(3 775 362)	(3 690 434)
	3 105 014	(16 922 435)
5. WORKING CAPITAL CHANGES		
Decrease in provisioning for audit fees	(60 000)	–
Decrease in debtors	(1 470)	318 564
Decrease in accrued interest	–	315
Increase in creditors	881 485	3 146 323
	820 015	3 465 202

Approval of annual financial statements

for the year ended 31 March 2003

The annual financial statements set out on pages 135 to 138 have been approved by the Refugee Relief Fund Board.

A handwritten signature in black ink, appearing to be 'C Nhlapo', written over a light blue grid background.

Pastor C Nhlapo
Chairperson

30 May 2003



Report of the Auditor-General

for the year ended 31 March 2003



AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE REFUGEE RELIEF FUND FOR THE YEAR ENDED 31 MARCH 2003

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 136 to 138 for the year ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Refugee Relief Fund at 31 March 2003 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act.

4. APPRECIATION

The assistance rendered by the staff of the fund during the audit is sincerely appreciated.

A Adendorff
for Auditor-General

Pretoria
25/07/2003

The Refugee Relief Fund

Balance sheet

at 31 March 2003

	Note	2002/2003 R	2001/2002 R
Funds employed			
Accumulated funds		443 562	546 614
		443 562	546 614
Employment of funds			
Investments	2	415 605	536 368
Net current assets		27 957	10 246
Current assets		27 957	10 246
Bank		27 957	10 246
		443 562	546 614

The Refugee Relief Fund

Income statement

for the year ended 31 March 2003

	Note	2002/2003 R	2001/2002 R
Net (loss)/income for the year	3	(103 052)	(28 904)
Accumulated funds at beginning of year		546 614	575 518
Accumulated funds at end of year		443 562	546 614



The Refugee Relief Fund

Cash flow statement

for the year ended 31 March 2003

	Note	2002/2003 R	2001/2002 R
Cash flow from operating activities		103 052	(28 904)
Cash (utilised in)/generated by operations	4	(158 029)	(78 663)
Interest received		54 977	49 759
Cash flow from financial investment activities		120 763	30 574
Decrease/(Increase) in investments		120 763	30 574
Net change in cash and cash equivalents		17 711	1 670
Cash and cash equivalents at beginning of period		10 246	8 576
Cash and cash equivalents at end of period		27 957	10 246

The Refugee Relief Fund

Notes to the financial statements

at 31 March 2003

1. ACCOUNTING POLICIES

The financial statements have been prepared, unless otherwise shown, on the historical cost basis in accordance with the policies below, which have been consistently applied in all material respects:

1.1 Acknowledgement of income in general

Income is acknowledged on the accrual basis.

1.2 Investments

Investments are shown at cost including interest capitalised.

1.3 Government grants received

Government grants are accounted for in the period to which each grant applies.

1.4 Donations

Donations are accounted for in the period in which the donation is received.

	2002/2003 R	2001/2002 R
2. INVESTMENTS		
Investment at Public Investment Commissioners	414 466	462 575
Investment at Corporation for Public Deposits	1 139	73 793
Total investment	415 605	536 368
Interest on the investments are capitalised monthly against the investments.		
3. NET (LOSS)/INCOME FOR THE YEAR	(103 052)	(28 904)
Income	54 977	51 745
Interest received	54 977	49 759
Miscellaneous income	–	1 986
Less: Expenditure	158 029	80 649
Bank charges	1 608	1 105
Payment to Board members	40 236	11 428
Management fees	229	30
Travel and accommodation	106 302	55 705
Interest paid	–	112
Entertainment expenses	4 184	4 124
Audit fees/costs	2 392	8 145
Printing and Stationery	3 078	–
4. CASH GENERATED BY/(UTILISED IN) OPERATIONS		
Net (loss)/profit for the year	(103 052)	(28 904)
Adjustments for:		
Interest received	(54 977)	(49 759)
	(158 029)	(78 663)



Approval of annual financial statements

for the year ended 31 March 2003

The annual financial statements set out on pages 140 to 144 have been approved by the Social Relief Fund Board.

Pastor C Nhlapo
Chairperson

30 May 2003

Report of the Auditor-General

for the year ended 31 March 2003



AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE SOCIAL RELIEF FUND FOR THE YEAR ENDED 31 MARCH 2003

AUDIT ASSIGNMENT

The financial statements as set out on pages 141 to 144 for the year ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Social Relief Fund at 31 March 2003 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act.

APPRECIATION

The assistance rendered by the staff of the fund during the audit is sincerely appreciated.

A Adendorff

for Auditor-General

Pretoria
25/07/2003



The Social Relief Fund Balance sheet

at 31 March 2003

	Note	2002/2003 R	2001/2002 R
Funds employed			
Accumulated funds		12 500 066	11 175 762
		12 500 066	11 175 762
Employment of funds			
Investments	2	12 422 477	11 089 734
Net current assets		77 589	86 028
Current assets		77 589	94 974
Debtor		250	–
Bank		77 339	94 974
Current liabilities		–	8 946
Provision for audit fees		–	8 946
		12 500 066	11 175 762

The Social Relief Fund Income statement

for the year ended 31 March 2003

	Note	2002/2003 R	2001/2002 R
Net income for the year	3	1 325 303	958 751
Accumulated funds at beginning of year	6	11 174 763	10 217 011
Accumulated funds at end of year		12 500 066	11 175 762

The Social Relief Fund

Cash flow statement

for the year ended 31 March 2003

	Note	2002/2003 R	2001/2002 R
Cash flow from operating activities		1 316 107	722 850
Cash utilised in operations	4	(9 268)	(16 687)
Interest received		1 334 571	975 438
Working capital changes	5	(9 196)	(235 901)
Cash flow from investing activities		(1 332 742)	(955 178)
Increase in investments		(1 332 742)	(955 178)
Net change in cash and cash equivalents		(16 635)	(232 328)
Cash and cash equivalents at beginning of period		94 974	327 302
Adjustment of previous year accumulated funds		(1 000)	
Cash and cash equivalents at end of period		77 339	94 974



The Social Relief Fund

Notes to the financial statements

at 31 March 2003

1. ACCOUNTING POLICY

The financial statements have been prepared, unless otherwise shown, on the historical cost basis in accordance with the policies below, which have been consistently applied in all material respects.

1.1 Acknowledgement of income in general

Income is acknowledged on the accrual basis.

1.2 Investments

Investments are shown at cost including interest capitalised.

1.3 Government grants received

Government grants are accounted for in the period to which each grant applies.

1.4 Donations

Donations are accounted for in the period in which the donation is received.

	2002/2003 R	2001/2002 R
2. INVESTMENTS		
Investment at Corporation for Public Deposits	12 422 477	11 089 734
Interest on the investments are capitalised monthly against the investments.		
3. NET INCOME FOR THE YEAR	1 325 303	958 751
Income	1 334 571	1 003 692
Miscellaneous income	–	28 254
Interest received	1 334 571	975 438
Less: Expenditure	9 268	44 941
Financial assistance	–	16 000
Bank charges	261	193
Subsistence and travelling	–	3 502
Allowance to councillors	–	822
Entertainment expenses	–	–
Audit fees	(2 450)	24 424
Current year provisioning	–	9 500
Under/(Over) provision -previous year	(2 450)	14 924
Printing and stationery	11 457	–
4. CASH GENERATED BY OPERATIONS		
Net income for the year	1 325 303	958 751
Adjustments for:		
Interest received	(1 334 571)	(975 438)
	(9 268)	(16 687)

The Social Relief Fund

Notes to the financial statements

at 31 March 2003

	2002/2003 R	2001/2002 R
5. WORKING CAPITAL CHANGES		
Decrease in creditors	–	(235 901)
Decrease in provision for audit fees	(8 946)	–
Increase in debtors	250	–
	(9 196)	(235 901)
6. ADJUSTMENT FOR PRIOR YEAR FIGURE		
Accumulated funds prior year	11 175 762	–
Adjust figure for previous year	999	–
	11 174 763	–

Donation received in 2000/2001 was erroneously adjusted in 2001/2002 and subsequently corrected in current year.



Approval of annual financial statements

for the year ended 31 March 2003

The annual financial statements set out on pages 146 to 149 have been approved by the State President Fund Board.

Pastor C Nhlapo
Chairperson

30 May 2003

Report of the Auditor-General

for the year ended 31 March 2003



AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE STATE PRESIDENT FUND FOR THE YEAR ENDED 31 MARCH 2003

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 147 to 149 for the year ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the State President Fund at 31 March 2003 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act.

4. APPRECIATION

The assistance rendered by the staff of the fund during the audit is sincerely appreciated.

A Adendorff

for Auditor-General

Pretoria
25/07/2003



The State President Fund Balance sheet

at 31 March 2003

	Note	2002/2003 R	2001/2002 R
Funds employed			
Accumulated funds		13 310 914	11 940 593
		13 310 914	11 940 593
Employment of funds			
Investments	2	13 309 819	11 931 209
Net current assets		1 095	9 384
Current assets		1 095	15 971
Bank		1 095	15 971
Current liabilities		–	6 587
Provision for audit fees		–	6 587
		13 310 914	11 940 593

The State President Fund Balance sheet

for the year ended 31 March 2003

	Note	2002/2003 R	2001/2002 R
Net income for the year	3	1 370 321	997 883
Accumulated funds at beginning of year		11 940 593	10 942 710
Accumulated funds at end of year		13 310 914	11 940 593

The State President Fund

Cash flow statement

for the year ended 31 March 2003

	Note	2002/2003 R	2001/2002 R
Cash flow from operating activities		1 363 734	962 438
Cash utilised in operations	4	(61 958)	(34 666)
Interest received		1 432 279	1 032 549
Working capital changes	5	(6 587)	(35 445)
Cash flow from investing activities		(1 378 610)	(1 004 654)
Increase in investments		(1 378 610)	(1 004 654)
Net change in cash and cash equivalents		(14 876)	(42 216)
Cash and cash equivalents at beginning of period		15 971	58 187
Cash and cash equivalents at end of period		1 095	15 971



The State President Fund

Notes to the financial statements

at 31 March 2003

1. ACCOUNTING POLICIES

The financial statements have been prepared, unless otherwise shown, on the historical cost basis in accordance with the policies below, which have been consistently applied in all material respects:

1.1 Acknowledgement of income in general

Income is acknowledged on the accrual basis.

1.2 Investments

Investments are shown at cost including interest capitalised.

1.3 Government grants received

Government grants are accounted for in the period to which each grant applies.

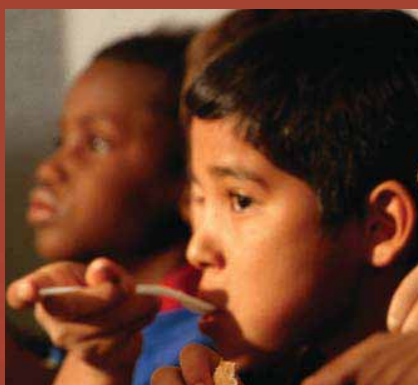
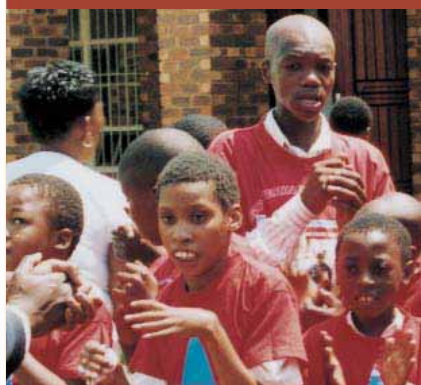
1.4 Donations

Donations are accounted for in the period in which the donation is received.

	2002/2003 R	2001/2002 R
2. INVESTMENTS		
Investment at Corporation for Public Deposits	13 309 819	11 931 209
Interest on the investments are capitalised monthly against the investments.		
3. NET INCOME FOR THE YEAR	1 370 321	997 883
Income	1 432 279	1 032 549
Interest received	1 432 279	1 032 549
Less: Expenditure	61 958	34 666
Financial assistance	26 140	28 034
Bank charges	1 040	342
Subsistence and travelling	9 711	–
Allowance to council members	7 564	–
Entertainment expenses	348	340
Audit fees/Costs	(1 833)	5 950
Current year provisioning	–	6 587
(Over)/underprovisioning in prior years	(1 833)	(637)
Printing and stationery	18 988	–
4. CASH GENERATED BY OPERATIONS		
Net income for the year	1 370 321	997 883
Adjustments for:		
Interest received	(1 432 279)	(1 032 549)
	(61 958)	(34 666)
5. WORKING CAPITAL CHANGES		
Decrease in provisioning for audit fees	(6 587)	
Decrease in creditors	–	(35 445)
	(6 587)	(35 445)



**Social Development exists
to serve the needs of the
people, especially the
poorest of the poor.**



Children who live under conditions of poverty,
are the most vulnerable in South Africa

Part Five

Human resource management

Human resource management

OVERSIGHT REPORT

The statistics and information published in this part of the annual report are required in terms of regulation III J.3 of the Public Service Regulations and have been prescribed by the Minister for the Public Service and Administration for all government departments within the Public Service.

Service delivery

Main service for service delivery improvement and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Financial and technical assistance or poverty relief projects	Communities, Community-based organisations, Non-Governmental organisations	Communities, Community-based organisations, Non-Governmental organisations	<ul style="list-style-type: none"> Acknowledgement of request within 48 hours of receipt Assessment of request within 2 months of receipt Transfer of funds according to grant agreement within a month upon approval 	<ul style="list-style-type: none"> There were improvements in the responding times to requests. However, the volumes of requests made it difficult to comply with the standard. In general the assessments of requests were done within a 2-month period. Challenges were, however, experienced in respect of the institutional arrangements between provinces and the national Department The transfer of the funds were done according to the grant agreement within a month upon approval
Financial and technical assistance for HIV/Aids projects	Communities, Community-based organisations, Non-Governmental organisations	Communities, Community-based organisations, Non-Governmental organisations	<ul style="list-style-type: none"> Acknowledgement of request within 48 hours of receipt Assessment of request within 2 months of receipt Transfer of funds according to grant agreement 	Funds transferred according to payment schedule and grant agreements

Service delivery (continued)

Main service for service delivery improvement and standards (continued)

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Financial assistance for other social development projects	Communities, community-based organisations, Non-Governmental organisations	Communities, community-based organisations, Non-Governmental organisations	<ul style="list-style-type: none"> • Acknowledgement of request within 48 hours of receipt • Assessment of request within 2 months of receipt • Transfer of funds according to grant agreement 	Due to capacity challenges, monitoring of these organisations is not effectively done. Funds are transferred as per agreements
Disaster relief	Victims of disasters	Victims of disasters	<ul style="list-style-type: none"> • Assessment for disaster declaration completed within 7 days of occurrence • Payment to victims within 3 months of submitting completed application 	Assessment for disaster declaration completed within 48 hours All backlogs in payments to victims have been finalised during 2002/2003 and there was an improvement in the processing of applications. Currently all payments to eligible beneficiaries take place within 4 – months of the receipt and approval of applications.
National Call Centre	<ul style="list-style-type: none"> • Actual or potential beneficiaries of social grants • General public enquiries 	<ul style="list-style-type: none"> • Actual or potential beneficiaries of social grants • General public enquiries 	<ul style="list-style-type: none"> • 100% accuracy of information provided • Referral to correct sources for assistance • Operating hours Mon – Fri, from 08:00 to 16:00 	Accurate information provided to customers. 100% level has been achieved. Clients were referred to correct sources for assistance with all relevant contact details. The call centre operated during the standard hours as indicated
Subsidies to National Councils	National Councils	National Councils	<ul style="list-style-type: none"> • Payments according to cash flow and 	Funds transferred as soon as service plan

Human resource management (continued)

Service delivery (continued)

Main service for service delivery improvement and standards (continued)

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Registration of Non-Profit Organisations	Non-Profit Organisations	Non-Profit Organisations	<ul style="list-style-type: none"> • Applications acknowledged within 48 hours • Completed applications processed within 2 months of receipt 	
Enquiries on Adoptions Register	<ul style="list-style-type: none"> • Courts • Adopted adults 	<ul style="list-style-type: none"> • Courts • Adopted adults 	<ul style="list-style-type: none"> • 100% accuracy of information provided 	Information provided to customers and clients. 100% accuracy level was achieved.
Population Information Resource Service	<ul style="list-style-type: none"> • All government departments and agencies in all spheres of government • Universities • Researchers • Students and learners • General public 	<ul style="list-style-type: none"> • All government departments and agencies in all spheres of government • Universities • Researchers • Students and learners • General public 	Information accessible through Department website <ul style="list-style-type: none"> • Resource Centre service hours 08:00 to 16:00 • 100% accuracy of information provided 	<ul style="list-style-type: none"> • Information accessible through Departmental and Population websites • Resource Centre services available from 08:00 to 16:00 • Accurate information provided – positive feedback from users
General enquiries	<ul style="list-style-type: none"> • Members of public • Members of Parliament • Other government departments 	<ul style="list-style-type: none"> • Members of public • Members of Parliament • Other government departments 	<ul style="list-style-type: none"> • Letters acknowledged within 48 hours of receipt • Replies to letters within 14 days of receipt • Replies in enquirer's preferred language where possible 	<ul style="list-style-type: none"> • For adoption services acknowledgement letters were done within two-weeks due to large volumes of correspondence to be attended to • In very good improvement has been made to achieve the set standards, accept where large volumes of correspondence are handled

Service delivery (continued)

Consultation arrangements for customers

Type of arrangements	Actual customers	Potential customers	Actual achievement
National Imbizo	<ul style="list-style-type: none"> • Members of Public • Community • Traditional leaders 	<ul style="list-style-type: none"> • Stakeholders 	During the event public queries relating to social grants are directly responded to and issues that require follow-up with specific individuals
Heads of Social Development and Ministers of Social Development meetings	<ul style="list-style-type: none"> • Ministers • Senior Managers 	<ul style="list-style-type: none"> • Ministers • Senior Managers • Technical committees <p>Department</p>	<ul style="list-style-type: none"> • Joint decision making and commitment in social security matters that affect both the province and the national
Telephone and written enquiries	<ul style="list-style-type: none"> • Actual/Potential beneficiaries of social grants • General public 	<ul style="list-style-type: none"> • Actual/Potential beneficiaries of social grants • General public 	100% customers assisted Replied to letters within 5 days of receipt
Meetings Inputs provided and Reports	<ul style="list-style-type: none"> • Communities • Organisations eg SACAR • Non-Governmental Organisations • Government Departments eg Department of Provincial and Local Government, Water Affairs, Agriculture, Labour • Internal Customers eg Executive Committee members and other officials • Focal points ISRDP/URP • Parastatal Organisations eg Transnet • Poverty Relief Projects (Assessment and evaluation of the projects) • Cluster and governance/administration committees including cabinet lekgotla, Ministry, Parliament and Director-General 	<ul style="list-style-type: none"> • Communities • Organisations • Government Departments • Capacity assessments and pilot capacity interventions for poverty relief projects 	<ul style="list-style-type: none"> • Progress reports (Monthly and Quarterly) • Meetings attended • 5 days turn around for acknowledgements • Immediate response depending on urgency

Human resource management (continued)

Service delivery (continued)

Consultation arrangements for customers

Type of arrangements	Actual customers	Potential customers	Actual achievement
Seminars, Workshops, community Imbizos UNFPA Country Programme Price-giving ceremony re poster competition	<ul style="list-style-type: none"> All government departments and agencies in all spheres of government Universities Researchers Students and learners General public 	<ul style="list-style-type: none"> All government departments and agencies in all spheres of government Universities Researchers Students and learners General public 	<ul style="list-style-type: none"> Seven workshops Twelve Seminars One Community Imbizo

Service delivery access strategy

Access strategy	Actual achievements
Research reports are made available to all stakeholders, is also available at the Population Resource centre and all libraries, as well as State of SA Population Report 2001/02	<ul style="list-style-type: none"> Seven research reports One State of SA Population Report
Social Development District offices part of Service Delivery Access strategy	Social Development District Office play a key role in taking applications and the distribution of the application forms for access to social grants

Service information tool

Type of information tool	Actual achievements
<ul style="list-style-type: none"> ISRDP/URP International and National Instrument ISRDP/URP Intra-departmental Task Team 	<ul style="list-style-type: none"> Appointments of Focal Points for al relevant directorates Updated reports
<ul style="list-style-type: none"> Departmental and population websites E-mail information distribution service 	<ul style="list-style-type: none"> Websites functional Seven subject specific distribution lists with a total of 1 484 users
District Office involvement with the dissemination to communities	<ul style="list-style-type: none"> In development stage

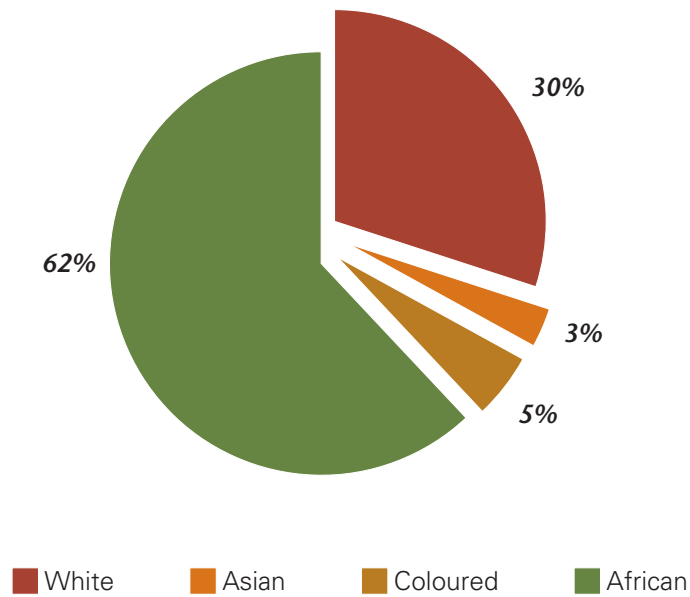
Compliant mechanism

Compliant mechanism	Actual Achievements
Availability of contact persons information	All Population and Development personnel information and contact details available on population website
Communities sent letters or call	Response system to be reviewed and improved

Human resource profile

The Department continued to make good progress in promoting representativeness, which is reflected in the following graphs. The proportion of African employees increased steadily from 59% in 2001/2002 to 62% in 2002/2003, the White employees decreased from 34% in 2001/2002 to 30% in 2002/2003, the Coloured employees increased from 4% in 2002/2003 to 5% in 2002/2003 and the Asian employees remained constant at 3% in 2002/2003.

Employees by population group (March 2003)



Human resource management (continued)

Figure 1

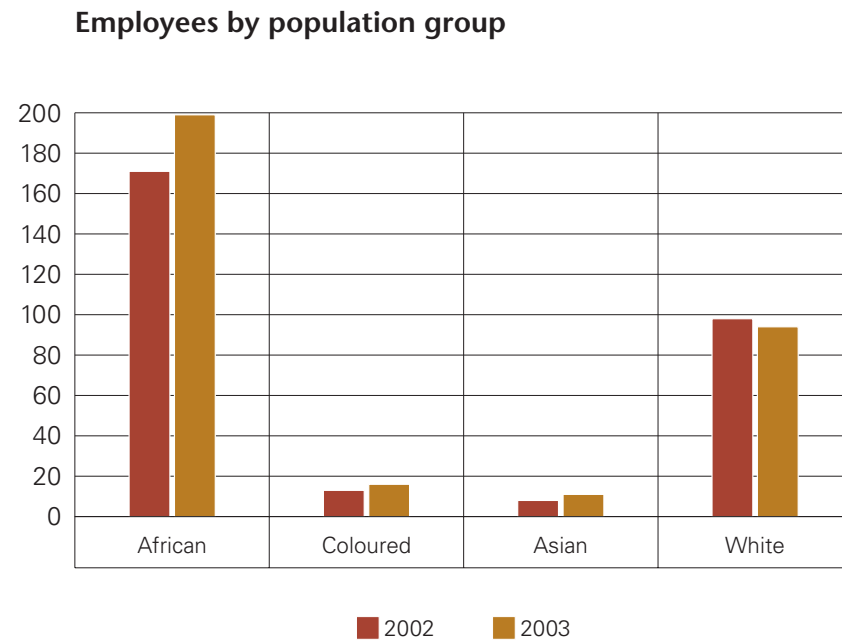


Figure 2

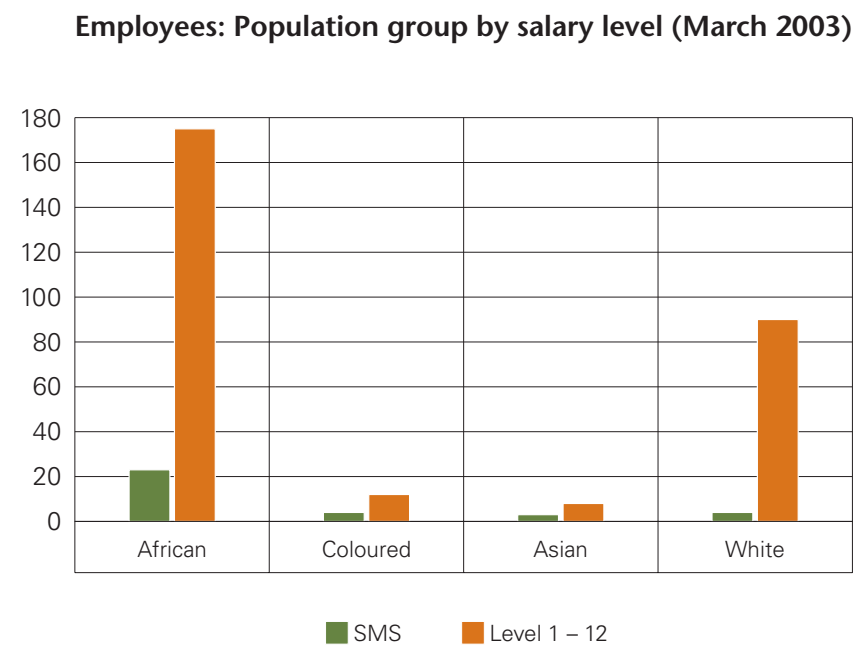
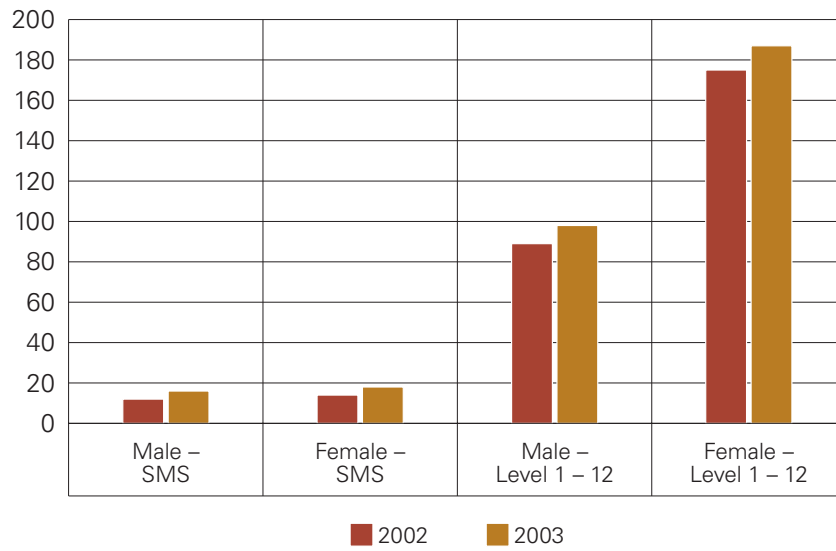


Figure 3

Gender by salary level



Human resource management (continued)

Table 1 – Personnel costs by programme

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel cost as percent of total expenditure	Average personnel cost per employee (R'000)	Employment
Prog1: Administration	149 918	30 220	315	7 408	20,2%	140,6	215
Prog2: Social Security Policy and Planning	6 976	3 075	44	1 680	44,1%	153,8	20
Prog3: Grant Systems and Administration	70 499	4 935	52	34 429	7,0%	70,5	70
Prog4: Welfare Service Transformation	12 244	5 526	54	2 972	45,1%	92,1	60
Prog5: Development Implementation Support	390 764	5 104	38	978	1,3%	127,6	40
Prog6: Population and Development	9 009	6 070	26	996	67,4%	202,3	30
Special functions	14	–	–	–	0,0%	0,0%	–
Theft and losses	–	–	–	–	0,0%	0,0%	–
Total as per Appropriation Statement	639 424	54 930	529	48 463	8,6%	126,3	435

Table 2 – Personnel costs by salary band

Salary bands	Personnel expenditure (R'000)	Percentage of total personnel cost	Average cost per employee (R'000)	Total personnel expenditure R'000	Number of employees
Lower skilled (Levels 1 – 2)	1 295	2,4	48,0	54 930	27
Skilled (Levels 3 – 5)	4 069	7,4	49,6	54 930	82
Highly skilled production (Levels 6 – 8)	11 554	21,0	113,3	54 930	102
Highly skilled supervision (Levels 9 – 2)	21 050	38,3	126,0	54 930	167
Senior management (Levels 13 – 6)	15 387	28,0	269,9	54 930	57
Other	1 575	2,9		54 930	–
Total	54 930	100,0	126,3	54 930	435

Table 3 – Salaries, overtime, home owners allowance and medical aid by programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of personnel Cost	HOA (R'000)	HOA as %-of personnel Cost	Medical Ass (R'000)	Medical Ass. as % of personnel Cost	Total personnel cost (R'000)
Prog1: Administration	19 023	63	57	0	526	2	1 520	5	30 220
Prog2: Social Security, Policy and Planning	5 799	189	–	–	87	3	335	11	3 075
Prog3: Grant Systems and Administration	3 365	68	21	0	49	1	231	5	4 935
Prog4: Welfare Service Transformation	3 012	55	–	–	67	1	228	4	5 526
Prog5: Development Implementation Support	3 794	74	–	–	103	2	257	5	5 104
Prog6: Population and Development	1 428	24	–	–	6	0	55	1	6 070
Total	36 421	66	78	0	838	2	2 626	5	54 930

Table 4 – Salaries, overtime, home owners allowance and medical aid by salary band

Salary basis	Salaries (R'000)	Salaries as % of personnel cost	Overtime (R'000)	Overtime as % of personnel cost	HOA (R'000)	HOA as %-of personnel cost	Medical Ass (R'000)	Medical Ass. as % of personnel cost	Total personnel cost (R'000)
Lower skilled (Levels 1 – 2)	853	70,0%	–	0,0%	33	2,55%	171	1320,0%	1 295
Skilled (Levels 3 – 5)	2 836	70,0%	21	50,0%	97	2,38%	372	910,0%	4 069
Highly skilled production (Levels 6 – 8)	8 177	70,0%	28	20,0%	274	2,37%	735	640,0%	11 554
Highly skilled supervision (Levels 9 – 12)	15 444	70,0%	30	10,0%	310	1,47%	932	440,0%	21 050
Senior management (Levels 13 – 16)	9 111	60,0%	–	0,0%	124	0,81%	416	270,0%	15 387
Other	–	0,0%	–	0,0%	–	0,00%	–	0,0%	1 575
Total	36 421	70,0%	79	10,0%	838	1,53%	2 626	480,0%	54 930

Human resource management (continued)

Table 5 – Employment and vacancies by programme at end of period

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
P1:Administration, Permanent	215	174	19	–
P2:Social Security, Policy and Planning, Permanent	20	18	10	–
P3:Grant Systems and Administration, Permanent	70	35	50	–
P4:Welfare Service Transformation, Permanent	60	34	43	–
P5:Development Implementation Support, Permanent	40	31	23	8
P6:Population and Development	30	28	7	–
Total	435	320	26	8

There was a 15% increase in the number of posts on the Department's establishment, largely due to the creation of new functions under Programme 3.

There was a 10% increase in the number of filled posts. Targets set for the filling of posts for 2002/2003 were exceeded by 59,6%, due to the accommodation of ad hoc requests.

Table 6 – Employment and vacancies by salary band at end of period

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1 – 2), Permanent	27	25	7,4	2
Skilled (Levels 3 – 5), Permanent	82	61	25,6	3
Highly skilled production (Levels 6 – 8), Permanent	102	96	5,9	1
Highly skilled supervision (Levels 9 – 12), Permanent	167	109	34,7	1
Senior management (Levels 13 – 16), Permanent	57	29	49,1	1
Total	435	320	26,4	8

The changes in the number of posts for lower level/support staff posts were minimal. There has however been a drastic increase of 30,5% in level 9 – 12 posts and 39% in SMS posts.

The changes in the number of lower level/support staff filled posts were minimal. There was an increase of 10% for levels 6 – 8, 19% for the levels 9 – 12 and 11% for the SMS filled posts.

Table 7 – Employment and vacancies by critical occupation at end of period

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Client inform clerks (switchboard receipt inform clerks), permanent	23	2	91,3	0
Communication and information related, permanent	7	4	42,9	0
Computer programmers, permanent	5	5	0	0
Computer system designers and analysts, permanent	4	3	25	1
Financial and related professionals, permanent	1	1	0	0
General legal administration and related professionals, permanent	2	1	50	0
Head of department/chief executive officer, permanent	1	0	100	0
Human resources and organisational development and related professional, permanent	7	4	42,9	0
Logistical support personnel, permanent	13	10	23,1	0
Senior managers, permanent	57	29	49,1	1
Social sciences related, permanent	29	26	10,3	0
Social work and related professionals, permanent	82	30	63,4	0
Total	231	115	50,2	2

Table 8 – Job evaluation

Salary band	Number number of posts	of Jobs evaluated	Number % of posts evaluated	% of upgraded of posts upgraded	% of upgraded posts evaluated	Number of posts downgraded	% of downgraded posts evaluated
Lower skilled (Levels 1 – 2)	27	–	–	–	–	–	–
Skilled (Levels 3 – 5)	82	1	1	1	100	–	–
Highly skilled production (Levels 6 – 8)	102	7	7	5	71	–	–
Highly skilled supervision (Levels 9 – 12)	167	30	18	7	23	–	–
Senior Management Service Band A	39	5	13	–	–	–	–
Senior Management Service Band B	13	3	23	–	–	–	–
Senior Management Service Band C	4	–	–	–	–	–	–
Senior Management Service Band D	1	–	–	–	–	–	–
Total	435	46	11	13	28	–	–

The number of jobs evaluated decreased by 68% due to the fact that a large number of posts were Job Evaluated in 2001/2002. This is however in line with the targets that was set (46 out of the targeted 47 jobs were evaluated).

Human resource management (continued)

Table 9 – Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	–	1	5	7
Male	1	–	–	3	4
Total	2	–	1	8	11
Employees with a disability	–	–	–	–	–

There was an increase of 45% in employees absorbed in upgraded posts. There was an increase of 75% in upgraded females and 100% in males.

Table 10 – Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	No of employees in Dept
None	–	–	–	–	–
	–	–	–	–	–
Total	–	–	–	–	–

Percentage of total employment

Table 11 – Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	–	–	–	–	–
Male	–	–	–	–	–
Total	–	–	–	–	–

Employees with a disability

Table 12 – Annual turnover rates by salary band

Salary band	Employment at beginning of period	Appointments	Terminations	Turnover rate
Lower skilled (Levels 1 – 2), permanent	26	–	2	10%
Skilled (Levels 3 – 5), permanent	58	20	7	10%
Highly skilled production (Levels 6 – 8), permanent	87	18	6	10%
Highly skilled supervision (Levels 9 – 12), permanent	91	30	17	20%
Senior Management Service Band A, permanent	18	5	2	10%
Senior Management Service Band B, permanent	5	1	–	–
Senior Management Service Band C, permanent	2	1	–	–
Senior Management Service Band D, permanent	1	–	1	100%
Minister	1	–	–	–
Total	289	75	35	10%

Total for terminations includes three contract workers.

Total for appointments includes eight contract workers.

There were 8% less appointments and 2% less terminations. The staff turnover rate decreased by 6,95%.

Table 13 – Annual turnover rates by critical occupation

Salary band	Employment at beginning of period	Appointments	Terminations	Turnover rate
Client inform clerks (switchboard receipt inform clerks), permanent	1	–	–	–
Communication and information related, permanent	5	1	1	20,0%
Computer programmers, permanent	5	–	–	–
Computer system designers and analysts, permanent	2	–	–	–
Financial and related professionals, permanent	5	–	1	20,0%
General legal administration and related professionals, permanent	1	–	1	100,0%
Head of department/chief executive officer, permanent	1	–	1	100,0%
Human resources and organisational development and related professionals, permanent	11	–	–	–
Logistical support personnel, permanent	5	–	–	–
Senior managers, permanent	19	3	1	10%
Social sciences related, permanent	26	1	1	–
Social work and related professionals, permanent	14	1	–	–
Social work and related professionals, temporary	1	–	–	–
Total	96	6	6	10,0%

Human resource management (continued)

Table 14 – Reasons why staff are leaving the department

Termination type	Number	Percentage of total resignations	Percentage of total employment	Total	Total employment
Resignation, permanent	15	42,9	5,2	35	289
Expiry of contract, temporary	1	2,9	0,3	35	289
Dismissal-operational changes, permanent	1	2,9	0,3	35	289
Discharged due to ill health, permanent	1	2,9	0,3	35	289
Retirement, permanent	1	2,9	0,3	35	289
Transfers out of Department	16	45,7	5,5	35	289
Total	35	100	12,1	35	289

The reasons why employees were leaving the department (see termination types above) remained fairly consistent with the previous financial year.

Table 15 – Promotions by critical occupation

Occupation	Employment at beginning of period	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Client inform clerks (switchboard receipt inform clerks)	1	1	100	–	–
Communication and information related	5	–	–	2	40
Computer programmers	5	1	20	–	–
Computer system designers and analysts	2	–	–	–	–
Financial and related professionals	5	–	–	–	–
General legal administration and related professionals	1	–	–	–	–
Head of department/chief executive officer	1	–	–	–	–
Human resources and organisational development and related professionals	11	3	27,3	–	–
Logistical support personnel	5	1	20	–	–
Senior managers	19	6	31,6	22	115,8
Social sciences related	26	12	46,2	3	11,5
Social work and related professionals	15	2	13,3	1	6,7
Total	96	26	27,1	28	29,2

Table 16 – Promotions by salary band

Occupation	Employment at beginning of period	Promotions to another salary level	Salary Level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Lower skilled (Levels 1 – 2), permanent	26	–	–	2	7,7
Skilled (Levels 3 – 5), permanent	58	1	1,7	40	69
Highly skilled production (Levels 6 – 8), permanent	87	1	1,1	26	29,9
Highly skilled supervision (Levels 9 – 12), permanent	91	15	16,5	38	41,8
Senior management (Levels 13 – 16), permanent	27	5	18,5	–	–
Total	289	22	7,6	106	36,7

The number of internal promotions decreased by 67,6%. This could be attributed to two key factors, namely extensive external recruiting and abolishment of performance-based promotions (rank and leg). (Figures included employees in table 9)

Human resource management (continued)

Table 17 – Total number of employees (including employees with disabilities) per occupational category (SASCO)

Occupational categories	Male, African	Male, Coloured	Male, Indian	Male, White	Female African	Female Coloured	Female Indian	Female White	Total
Legislators, senior officials and managers, permanent	12	3	–	2	12	1	3	2	35
Professionals, permanent	10	2	3	8	8	1	2	12	46
Technicians and associate Professions	25	2	–	6	33	2	2	27	97
Clerks, permanent	29	2	–	4	45	3	1	33	117
Elementary occupations, Permanent	7	–	–	–	18	–	–	–	25
Total	83	9	3	20	116	7	8	74	320

Occupational categories	Male, African	Male, Coloured	Male, Indian	Male, White	Female African	Female Coloured	Female Indian	Female White	Total
Employees with disabilities	4	–	–	3	2	–	–	3	12

There was an increase of over a 100% in employment figures (for 2001/2002, only 1 employee with a disability was employed by the Department).

Table 18 – Total number of employees (including employees with disabilities) per occupational bands

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female African	Female Coloured	Female Indian	Female White	Total
Top management, permanent	3	–	–	–	1	–	–	–	4
Senior management, permanent	9	3	–	2	11	1	3	2	31
Professionally qualified and experienced specialists and mid-management, Permanent	10	2	3	8	8	1	2	12	46
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	25	2	–	6	33	2	2	27	97
Semi-skilled and discretionary decision making, permanent	29	2	–	4	45	3	1	33	117
Unskilled and defined decision making, permanent	7	–	–	–	18	–	–	–	25
Total	83	9	3	20	116	7	8	74	320
There were the following changes since 2001/2002.									
Changes in gaps to be filled (%)	(0,37%)	(0,84%)	(0,28%)	0,96%	1,50%	0,11%	0,45%	(1,46%)	320

Table 19 – Recruitment

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female African	Female Coloured	Female Indian	Female White	Total
Senior management, permanent	4	1	–	–	2	–	–	1	8
Professionally qualified and experienced specialists and mid-management, permanent	6	–	1	–	3	–	1	2	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, temporary	9	2	–	–	13	1	–	1	26
Semi-skilled and discretionary decision making, permanent	10	–	–	–	17	–	–	1	28
Unskilled and defined decision-making, permanent	–	–	–	–	–	–	–	–	–
Total	29	3	1	–	35	1	1	5	75

Recruitment is done with due regard for employment equity targets (see table 18)

Table 20 – Promotions

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female African	Female Coloured	Female Indian	Female White	Total
Top management, permanent	–	–	–	–	–	–	–	–	–
Senior management, permanent	1	–	–	1	3	–	–	–	5
Professionally qualified and experienced specialists and mid-management, permanent	1	–	–	3	2	–	–	3	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	1	–	–	–	1	1	–	2	5
Semi-skilled and discretionary decision making, permanent	2	–	–	–	1	–	–	–	3
Total	5	–	–	4	7	1	–	5	22

Promotions to advertised posts are affected with due regard for employment equity targets (see table 18).

Performance-based promotions (rank/leg promotions) from the previous dispensation had an impact on totals.

Human resource management (continued)

Table 21 – Terminations

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female African	Female Coloured	Female Indian	Female White	Total
Top management, permanent	–	–	–	–	–	1	–	–	1
Senior management, permanent	1	–	–	–	–	–	–	1	2
Professionally qualified and experienced specialists and mid-management, permanent	2	–	–	–	3	–	–	1	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	4	1	–	–	5	1	2	4	17
Semi-skilled and discretionary decision making, permanent	–	1	–	–	7	–	–	–	8
Unskilled and defined decision-making, permanent	1	–	–	–	–	–	–	–	1
Total	8	2	–	–	15	2	2	6	35

(To be cross-referenced with table 14)

There was a 2,8% decrease in the total number of service terminations since 2001/2002. Figures include employees that transferred to other government departments (45%) of total.

Table 22 – Disciplinary action

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female African	Female Coloured	Female Indian	Female White	Total
Total	1	–	–	–	–	–	1	–	2

The figures remained consistent with 2001/2002 figures.

Table 23 – Skills development

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female African	Female Coloured	Female Indian	Female White	Total
Legislators, senior officials and managers	18	1	–	7	33	5	7	6	77
Professionals	54	1	4	9	64	1	17	53	203
Technicians and associate professionals	58	2	1	14	66	2	7	61	211
Clerks	67	4	–	17	157	3	4	89	341
Service and sales workers	–	–	–	–	–	–	–	–	–
Skilled agriculture and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades workers	–	–	–	–	–	–	–	–	–
Plant and machine operators and assemblers	–	–	–	–	–	–	–	–	–
Elementary occupations	14	–	–	–	51	–	–	–	65
Total	211	8	5	–	371	11	35	209	850
Employees with disabilities	3	–	–	2	1	–	–	3	9

Due to the expansion of the establishment and pursuance of employment equity targets, there was over a 100% increase in skills development undertakings among all levels of staff. The Department also developed a Workplace Skills Plan that was submitted to the relevant SETA.

Table 24 – Performance rewards by race, gender and disability

	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
African, female	21	116	18,10%	174 399	8 304 714
African, male	15	83	18,07%	157 512	10 500 776
Coloured, female	-	7	-	-	-
Coloured, male	2	9	22,22%	10 490	5 245 050
White, female	34	74	45,95%	399 442	11 748 297
White, male	7	20	35,00%	99 478	14 211 129
Employees with a disability	1	11	9,09%	13 235	13 234 500
Total	80	320	25,00%	854 555	10 681 941

Table 25 – Performance rewards by salary band for personnel below senior management service

Salary band	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Lower skilled (Levels 1 – 2)	4	25	16,00%	11 651	2 912 820
Skilled (Levels 3 – 5)	7	61	11,48%	29 864	4 266 257
Highly skilled production (Levels 6 – 8)	37	96	38,54%	309 778	8 372 368
Highly skilled supervision (Levels 9 – 12)	32	109	29,36%	503 263	15 726 955
Total	80	291	27,49%	854 555	10 681 941

Table 26 – Performance rewards by critical occupation

Critical occupations	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Client inform clerks (switchboard receipt inform clerks)	1	1	100,00%	3	3 000
Communication and information related	1	5	20,00%	31	31 000
Computer programmers	1	5	20,00%	24	24 000
Financial and related professionals	3	4	75,00%	49	16 333
Head of department/ chief executive officer	1	-	-	51	51 000
Human resources and organisation development and related professionals	4	8	50,00%	55	13 750
Human resources related	3	12	25,00%	37	12 333
Logistical support personnel	3	5	60,00%	24	8 000
Messengers porters and deliverers	4	12	33,33%	12	3 000
Social sciences related	9	34	26,47%	120	13 333
Social work and related professionals	2	19	10,53%	21	10 500
Total	32	105	30,48%	427	13 344

Human resource management (continued)

Table 27 – Performance related rewards (cash bonus) by salary band for senior management service

SMS band	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)	% of SMS wage bill	Personnel cost SMS (R'000)
Band A	–	26	–	–	–	–	–
Band D	–	1	–	–	–	–	–
Total	–	27	–	–	–	–	–

Staff qualified on the basis of the set criteria in the PMDS policy. This was the first round of assessments that were based on the performance management system mandated by the Public Service regulations. Senior Managers performance bonus for 2002/2003 financial year were only approved and paid in the 2003/2004 financial year and will therefore only reflect in the Annual Report for 2003/2004 financial year. There was a 141% increase in expenditure as opposed to the amount of R 354 242.32 in 2001/2002. There was a 105% increase in beneficiaries as opposed to 2001/2002 (39).

Table 28 – Foreign workers by salary band

Salary band	Employment at beginning period	Percentage of total	Percentage at end of period	Percentage of total	Change in employment	Percentage of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Highly skilled supervision (Levels 9 – 12)	2	100	2	100	–	–	2	2	–
Total	2	100	2	100	–	–	2	2	–

Table 29 – Foreign workers by major occupation

Major occupation	Employment at beginning period	Percentage of total	Percentage at end of period	Percentage of total	Change in employment	Percentage of Total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Professionals and managers	–	100	1	–	1	100	1	1	1
Total	–	100	1	–	1	100	1	1	1

Table 30 – Sick leave

Salary bands	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Estimated days per employee	Estimated cost (R'000)	Total number of employees using sick leave	Total number of days with medical certification
Lower skilled (Levels 1 – 2)	181	71,8	21	6,1	9	22 157,59	346	130
Skilled (Levels 3 – 5)	337	74,8	52	15	6	59 649,68	346	252
Highly skilled production (Levels 6 – 8)	690	71,3	87	25,1	8	225 724,02	346	492
Highly skilled supervision (Levels 9 – 12)	487	70	86	24,9	6	272 129,69	346	341
Senior management (Levels 13 – 16)	143	110,5	22	6,4	7	12 133,77	346	158
Total	1838	74,7	268	77,5	7	706 794,75	346	1373

The total number of days utilised increased with 2,79%

The total number of employees using sick leave increased by 18,6%

The estimated total cost implication in respect of leave utilised increased by 10%.

Table 31 – Disability leave (temporary and permanent)

Salary bands	Total days	% days with medical certification	Number of employees using disability leave	% of Total employees using disability leave	Average days per employee	Estimated cost (R'000)	Total number of days with medical certification	Total number of employees using disability leave
Skilled (Levels 1 – 2)	29	100	2	13,3	15	2 693,60	29	15
Skilled (Levels 3 – 5)	23	100	3	20	8	2 918,01	23	15
Highly skilled production (Levels 6 – 8)	60	100	6	40	10	14 985,64	60	15
Highly skilled supervision (Levels 9 – 12)	59	100	3	20	20	3 472,42	59	15
Senior management (Levels 13 – 16)	47	100	2	13,3	24	30 914,99	47	15
Total	218	100	16	106,7	14	54 984,66	218	15

The total number of days utilised increased with 91%.

The total number of employees using disability leave increased by 100%.

The estimated total cost implication in respect of disability leave utilised increased by 91%.

Human resource management (continued)

Table 32 – Annual leave

Salary band	Total days taken	Average per employee	Employment
Lower skilled (Levels 1 – 2)	673	24	25
Skilled (Levels 3 – 5)	1312	22	61
Highly skilled production (Levels 6 – 8)	2168	22	96
Highly skilled supervision (Levels 9 – 12)	1976	20	109
Senior management (Levels 13 – 16)	533	16	29
Total	6662	21	320

The total number of days utilised increased with 14%

The average leave utilised decreased by 78,8%.

Table 33 – Capped leave

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2002	Number of employees	Total number of capped leave available at 31 December 2002	Number of employees as at 31 December 2002
Lower skilled (Levels 1 – 2)	86	1	50	66	1 242	25
Skilled (Levels 3 – 5)	71	1	42	66	1 304	31
Highly skilled production (Levels 6 – 8)	137	2	28	66	2 307	81
Highly skilled supervision (Levels 9– 12)	70	1	50	66	3 535	71
Senior management (Levels 13 – 16)	94	1	51	66	1 167	23
Total	458	7	41	66	9 555	231

The number of days capped leave utilised by employees increased due to regulatory measures that was put in place with the introduction of Resolution 7 of 2000.

Table 34 – Leave payouts

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Leave payout for 2002/2003 due to non-utilisation of leave for the previous cycle	47 086,46	5,00	9 417,29
Capped leave payouts on termination of service for 2002/2003	136 532,92	3,00	45 510,97
Current leave payout on termination of service for 2002/2003	88 794,11	9,00	9 866,00
Capped leave payouts for long service recognition for 2002/2003	10 030,05	5,00	2 006,00
Current leave payouts for long service recognition for 2002/2003	357,51	1,00	357,51
Total	282 801,05	23,00	67 157,77

The estimated rand value of leave paid out increased by 170%

The total number of employees/beneficiaries increased by 8%.

Table 35 – Steps taken to reduce the risk of occupational exposure

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

**Table 36 – Details of Health Promotion and HIV/Aids Programmes
[tick Yes/No and provide 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.	Yes		Mr EJ van Vuuren
2. Does the department have a dedicated unit or have you designated specific staff members to promote 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.	Yes		Two employees. Budget R500 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		EAP-Programme (Attached)
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.	Yes		HIV/Aids Committee (Attached)
5. Has the department reviewed the employment policies and practices of your department 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.	Yes		Attached
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.	Yes		Attached
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	Yes		Commencement date 1 April 2003
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	Yes		Attached

Human resource management (continued)

Table 37 – Collective agreements

Subject matter	Date
None	–

Table 38 – Misconduct and discipline hearings finalised

Outcomes of disciplinary hearings	Number	Percentage of total	Total
Employee was found guilty of theft	1	100	1
Total	1	100	1

Table 39 – Types of misconduct addressed and disciplinary hearings

Type of misconduct	Number	% of total
Theft	1	100
Financial misconduct	4	100
Incapacity	1	100
Total	6	

Table 40 – Grievances lodged

Number of grievances addressed	Number	% of total
Resolved	2	66,7
Not resolved	1	33
Total	3	

Table 41 – Disputes lodged

Number of disputes addressed	Number	% of total
Upheld	–	–
Dismissed	1	100
Total	1	

Table 42 – Strike actions

Strike actions	–
Total number of person working days lost	2
Total cost (R'000) of working days lost	1 447,07
Amount (R'000) recovered as a result of no work no pay	1 447,07

Table 43 – Precautionary suspensions

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

The situation around labour relations matters remained fairly consistent with 2001/2002 with regard to the number of cases handled.

Table 44 – Training needs identified

Occupational categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	14	–	10	–	10
	Male	13	–	10	–	10
Professionals	Female	18	–	7	–	7
	Male	19	–	7	–	7
Technicians and associate professionals	Female	63	–	11	–	11
	Male	29	–	11	–	11
Clerks	Female	73	–	5	–	5
	Male	34	–	5	–	5
Service and sales workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Skilled agriculture and fishery workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Craft and related trades workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Plant and machine operators and assemblers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Elementary occupations	Female	19	–	2	–	2
	Male	7	–	2	–	2
Gender sub totals	Female	187	–	35	–	35
	Male	102	–	35	–	35
Total		289	–	70	–	70

Table cannot be benchmarked against 2001/2002 as it is a new addition to the annual report. Table to be cross-referenced with table 23.

Human resource management (continued)

Table 45 – Training provided

Occupational categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	51		14	2	16
	Male	26		11	1	12
Professionals	Female	135		27	31	58
	Male	68		19	4	23
Technicians and associate professionals	Female	136		26	24	50
	Male	75		23	12	35
Clerks	Female	253		27	11	38
	Male	88		20	1	21
Service and sales workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Skilled agriculture and fishery workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Craft and related trades workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Plant and machine operators and assemblers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Elementary occupations	Female	51		3	–	3
	Male	14		3	–	3
Gender sub totals	Female	626		97	68	165
	Male	271		76	18	94
Total		897		173	86	259

A total of 41 skills programmes and short courses were co-ordinated by the Directorate: Sector Education and Training.

Table cannot be benchmarked against 2001/2002 as it is a new addition to the annual report. Table to be cross-referenced with table 23.

Table 46 – Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary total disablement	–	–
Permanent disablement	–	–
Fatal	–	–
Total	1	

The number of injuries on duty decreased by 66%.

Table 47 – Report on consultant appointments using appropriated funds

Project title	Total number of consultants that worked on the project	Duration: work days	Contract value in rand
Consultant to develop a demographic and financial model for social security	3	240	201 096,00
Consultant to review the social and economic impact of social security grants	3	240	221 925,00
Consultant to develop a an assessment tool for disability and care dependency grants	5	240	827 378,60
Project manager to manage the extension of the child support grant project	1	60	99 294,00
Consultant to project cost for the 2002 financial year for social security	1	40	82 500,00
Consultant to do research on the extension of the child support grant	1	20	10 000,00
Consultant to assess the impact of the child support grant	1	20	12 000,00
Service provider for the monitoring, evaluation and audit of the payments of the pay-back project	6	120	3 243 550,00
Consultant to do a case study on the impact of HIV/Aids in Emoyeni	1	40	30 000,00
Consultant to develop a disciplinary and behaviour management and treatment programme for the Noupport Rehabilitation Centre	1	14	29 138,05
Consultant to develop a manual on home/community based care and support focusing on social aspects	1	28	27 900,00
Consultant to assist the Department with the development of a manual on the establishment of child care forums	3	240	300 000,00
Consultant to assist in the development if a strategic framework and terms of reference for social security infrastructure	1	14	22 500,00
Facilitator to facilitate the completion of the guidelines for day care	1	2	16 841,95
Consultant to design a diagnostic evaluation framework and programme for the Directorate: Monitoring, Evaluation and Audit	1	28	27 750,00
Consultant to design and develop a questionnaire and monitoring tool for the monitoring of service delivery for social security	1	14	21 090,00
Facilitator to facilitate the Presidential Strategic Leadership Development Programme	1	3	7 600,00
Project manager for the backpay project	1	120	277 533,00
Consultant to assist with the development of a business plan for Grant Information Systems	1	28	28 000,00
Total number of projects	Total individual consultants	Total duration: work days	Total contract value in rand
19	34	1 511	5 486 096,60

The cost to consultants decreased by 74,32% compared to previous financial year.

No breakdown is available on individual consultants employed for 2001/2002.

The report on consultants is a new addition to the annual report.

Human resource management (continued)

Table 48 – Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Consultant to develop a demographic and financial model for social security	0	0	1
Consultant to review the social and economic impact of social security grants	86	86	2
Consultant to develop a an assessment tool for disability and care dependency grants	0	0	1
Project manager to manage the extension of the child support grant project	0	0	0
Consultant to project cost for the 2002 financial year for social security	0	0	0
Consultant to do research on the extension of the child support grant	0	0	0
Consultant to assess the impact of the child support grant	0	0	0
Service provider for the monitoring, evaluation and audit of the payments of the pay-back project	50	50	3
Consultant to do a case study on the impact of HIV/Aids in Emoyeni	100	100	1
Consultant to develop a disciplinary and behaviour management and treatment programme for the Noupoot Rehabilitation Centre	0	0	0
Consultant to develop a manual on home/community based care and support focusing on social aspects	0	0	0
Consultant to assist the Department with the development of a manual on the establishment of child care forums	100	100	3
Consultant to assist in the development if a strategic framework and terms of reference for social security infrastructure	0	0	0
Facilitator to facilitate the completion of the guidelines for day care	0	0	0
Consultant to design a diagnostic evaluation framework and programme for the Directorate: Monitoring, Evaluation and Audit	100	100	1
Consultant to design and develop a questionnaire and monitoring tool for the monitoring of service delivery for social security	100	100	1
Facilitator to facilitate the Presidential Strategic Leadership Development Programme	0	0	0
Project manager for the backpay project	100	100	1
Consultant to assist with the development of a business plan for Grant Information Systems	100	100	1

Table 49 – Analysis of projects funded using donor funds

Project title	Total number of consultants that worked on the project	Duration: Work days	Donor and contract value in rand
Tshwane Home of Hope The Project shall, through service delivery establish urban regeneration initiatives focussing on developing long term skills, recreation and job prospects for 500 (five hundred) young individuals: a) removing sex workers from the streets b) providing rehabilitation services to sex workers			500,000
Bokamosa To develop young people in a holistic way by using the developmental and strength based approach and to serve as a diversion program for Odi-Moretele region			800 000
Inanda F.P. The project is in partnership with the Provincial Department of Social Welfare and Population Development ensure: a) the continuation of Family Preservation Services in Inanda and increase the service output to new families for the duration of the project. b) the running of the learning Site with a competent team to train and build capacity of those who wish to integrate Family Preservation into their services.			500 000
Miriam Makeba Develop an evaluation and monitoring framework for the training of girls and developing and uplifting the community			500 000
National Association of Child & Youth Care To develop, in partnership with the Department, a training program in various aspects of child and youth care			(1 000 000)
HSRC The research will serve to provide baseline data for the purpose of the development of national policy framework for families			400 000
SANCA To replicate the Training and Support Programme at Siyakhula Life Centre, to do community awareness and promotion of community involvement and to replicate the rehabilitation programme at the school of industries, Newcastle			165 000
Mdantsane Urban Renewal Project To train 500 youth in a life skills program in rural areas and to create 500 jobs for the above youth			125 000
Sunrise Centre To conduct training in the early intervention day care programme and to follow up and monitor the facilitation of a stimulation programme for children with disabilities in their own communities			500 000
Technikon SA To build capacity of disadvantage young people in rural and urban communities on a national level			555 000
Be a friend foundation To provide a loving caring environment for abused/ abandoned/neglected/HIV positive infants and to provide a professional, after hours, emergency service to SA Police service and Child Welfare			150 000

Human resource management (continued)

Table 50 – Analysis of projects funded using donor funds (continued)

Project title	Total number of consultants that worked on the project	Duration: work days	Donor and contract value in rand
Childline SA To provide children and adults who are concerned about children skills and knowledge to ensure preventive measures on actions or aspects contributing to the vulnerability and maladjustment of children			1 500 000
Durban Children's Home To replicate the Training and Support Programme at Siyakhula Life Centre together with SANCA Durban Alcohol and Drug Centres			201 300
SA NAT Council for Child Welfare To enhance and strengthen existing intersectoral one-stop 24-hour services for abused children utilising child welfare infrastructure in identified pilot areas			1 500 000
St Mary's Children Home No 3 Conduct a research project to cost the services rendered in residential care facilities nationally			800 000
Tlangelani Community Development To promote child and youth care in rural areas and offer training			300 000
University of Western Cape To analyse the current status and capacity of the provincial child protection committees and audit and conduct training in the nine provinces			470 000
Ilitha Labantu Establish and the sustainability of shelters for abused women and their children are equally			200 000
Total number of projects	Total individual consultants	Total duration: work days	Total contract value in rand
18			10 166 300

Addendum to Table 10

1. Key elements of the EAP

- Interventions: Counselling, referrals, trauma, debriefing and crisis intervention.
- EAP-awareness.
- HIV/Aids workplace programme.
- Administration

2. Key elements of measures to protect HIV/Aids from discrimination

HIV/Aids Workplace Programme

- Care and Support.
- Awareness and education.
- Minimising Impact on service delivery.
- Policies and Procedures.

HIV/Aids Policy

Section D of the Departments policy provides as follows:

i). Stigmatisation and discrimination

This policy aims to protect all HIV positive employees from stigmatisation and discrimination by colleagues, based on their HIV status. It seeks to do this through the provision of information, education and communication about HIV/Aids and normal DOSD disciplinary and grievance procedure. This policy also guarantees that job access, -status; -promotion, -security and training will not be influenced by the HIV status of an employee.

ii). Counselling and testing (pre-test, post-test, follow-up)

The DOSD rejects HIV testing as pre-requisite for recruitment, access to training, or promotion.

However, the DOSD promotes and facilitate access to Voluntary Counselling and Testing (VCT) for all employees. Counselling includes pre-test and post-test counselling.

iii). Confidentiality and disclosure

The DOSD guarantees confidentiality of any medical information relating to HIV status that any of its representatives may have in their possession by virtue of their position in the Department. DOSD strives to create an environment that allows for and encourages voluntary disclosure of an employee's HIV status.

3. Voluntary counselling and testing

The Department commenced with the process in the 2003/2004 financial-year. No results are available at this stage.

4. Measures and indicators

For the broader EAP the measures and indicators are still under development. As regards the HIV/Aids workplace programme, the attached project schedule provides and indication of the indicators.

Glossary

- CBO** – Community-based Organisation
- CFO** – Chief Financial Officer
- CSG** – Child Support Grant
- DFID** – United Kingdom Department for International Development
- DG** – Director-General
- DoSD** – Department of Social Development
- EU** – European Union
- FBO** – Faith-based Organisation
- GCIS** – Government Communication Information Systems
- GFP** – Gender Focal Point
- HWSETA** – Health and Welfare Sectoral Education and Training Authority
- IDCC** – Inter-departmental Co-ordinating Committee
- ILO** – International Labour Organisation
- MDGs** – Millennium Development Goals
- MINMEC** – Council of Ministers for Social Development (Minister and Members of the Executive Council).
- NDA** – National Development Agency
- NEPAD** – New Partnership for Africa's Development
- NGO** – Non-Government Organisation
- NCOP** – National Council of Provinces
- NPO** – Non-profit Organisation
- PFMA** – Public Finance Management Act
- SADC** – Southern African Development community
- SCOPA** – Standing Committee on Public Accounts
- SMS** – Senior Management System
- SOCPEN** – Social Pensions System
- UN** – United Nations
- UNCODP** – United Nations Commission on Population and Development
- UNDAF** – United Nations Development Assistance Framework
- UNDP** – United Nations Development Programme
- UNFPA** – United Nations Population Fund
- UNICEF** – United Nations Children's fund
- WSSD** – World Summit on Sustainable Development



www.socdev.gov.za
0800 6010111



Department of Social Development
Private Bag X901
Pretoria
0001
Republic of South Africa
Tel: (012) 312 7500
Fax: (012) 312 7943

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