

# PART FOUR

ANNUAL FINANCIAL STATEMENTS OF THE DEPARTMENT  
OF SOCIAL SERVICES

2002 - 2003

Department  
of Social Services

& Poverty Alleviation

**ANNUAL REPORT**

**Jaarverslag**

**Ingxelo Yonyaka**

## 4.1 MANAGEMENT REPORT AND APPROVAL FOR THE YEAR ENDED 31 MARCH 2003

Report by the Accounting Officer to the Executive Authority and the Western Cape Provincial Parliament.

### 4.1.1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS:

*Policy decisions made:*

- 4.1.1.1 To process all social grant applications within 25 working days, except for disability grants, where the norm is 35 working days. A norm of 5 working days has been set for the processing of all disability grant applications where HIV/AIDS (stage 4) has been indicated or a chronic illness directly linked to this.
- 4.1.1.2 The Department will continue to process all child support grant applications despite the fact that the Department registered ± 200 000 children under the age of 7 on the system and exceeded the target of 140 000 children set by the National Department of Social Development.
- 4.1.1.3 Social Services has become more accessible by extending the social security service points from 150 to 170 and implemented helpdesks at all 293 of the Allpay points.
- 4.1.1.4 Aligning the provincial and national positions and policy on multi - purpose centres. Draft provincial operational policy guidelines were also developed. This may not necessarily influence funding but it will influence the way in which we conduct business and will result in more accessible, integrated service delivery by government departments.
- 4.1.1.5 The process of costing the implementation of the Child Justice Bill, was also undertaken. The province is confronted by having the highest reported incidence of children in conflict with the law, which in turn has an impact on the above costing. The province also has the highest reported incidence of domestic violence, which is already being felt in the pressure to fund more shelter for abused women and their children.
- 4.1.1.6 The establishment of a Commissioner for Children in line with the Provincial Constitution has been finalised through the development of legislation.
- Significant events that have taken place during the year:
- 4.1.1.7 The location of the Poverty Directorate has been shifted from the Premier's Office to the Department with effect from 1 September 2002.
- Transferred budget to this Vote: R 22 999 000.
- 4.1.1.8 The majority of functions and delegations of the Provincial Tender Board were revoked to the department with effect from 1 October 2002.
- 4.1.1.9 Welfare month
- In line with the National mandate to promote the work done by the department during October of each year, a very successful welfare month was staged. The focus was on the rights of children and protection of children. All stakeholders and business partners participated in the events that took place.
- Major projects undertaken or completed during the year:
- 4.1.1.10 Seventy-seven pay-points were upgraded in accordance with National Norms and Standards and the Provincial Dashboard with 13 evaluation criteria.
- The commencements of the social security back pay project and the disbursement of R175 508 000 to all eligible beneficiaries.
- 4.1.1.11 The Department has developed a comprehensive plan to address the findings of the Forensic Auditor the Auditor General as detailed in reports submitted respectively on 29 October 2002 and 08 November 2002. A special task team consisting of Head Office personnel has been established to analyse the weaknesses within the social security grant application processes. The Department has introduced strict control measures to ensure that the correct beneficiaries are paid the correct amounts for the correct periods. The task team has identified clear guidelines for the Social Security application process and trained all social security officials in this regard. This will ensure uniform application of the Social Assistance Act and Regulations.
- 4.1.1.12 Helpdesks have been implemented at all 293 Allpay pay points in the Western Cape.
- 4.1.1.13 The Department commenced with the cancellations of the 54 579 temporary disability grant cases where the medical coverage has lapsed.
- 4.1.1.14 An analysis of the spread of government resources indicated a bias towards easily accessible areas to the disadvantage of more vulnerable geographic areas, for example deep rural and informal settlements. The Council for Scientific and Industrial Research (CSIR) has therefore been contracted to undertake Rapid Reviews in these identified priority geographic areas. In addition to focussing the attention of Service providers on these areas, the aim was to provide service providers with relevant, viable and appropriate concepts that will be catalytic for local and regional development. Based on outcomes of these Rapid Reviews, integrated interventions have been prioritised and range from rapid delivery initiatives (food parcels, soup and community kitchens) to the establishment of food production centres. These interventions will be used to kick-start longer term, sustainable socio-economic interventions.
- 4.1.1.15 The tender for the Clanwilliam Secure Care facility was approved and building commenced towards the end of the financial year. This will increase the bed capacity for awaiting-trial youths by 60.

Spending trends:

The original budget allocation of the department for the 2002/2003 financial year amounted to R 2 722 215 000. An amount of R 175 508 000, to fund arrear payments to social grant beneficiaries, was voted in the Western Cape Social Grant and Consolidated Municipal Infrastructure Programme Grants Appropriation Act, 2002 (Act No. 5 of 2002) that increased the original budget to R 2 897 723 000. During the Adjustments Estimate an amount of R 315 147 000 was appropriated, which resulted in a final budget allocation of R 3 212 870 000.

The conditional grants received were allocated as follows:

Arrear payments to social grant beneficiaries	R175,508,000
HIV/Aids programmes	R2,09,000
Improvement of the financial management administration and functioning of the social security system	R1,200,000

The following additional amounts was appropriated during the Adjustments Estimates for the 2003/04 year.

From the National departments:

Inflation adjustments for social development grants	R46,789,000
Unforeseeable and unavoidable expenditure: Social development Grants	R183,629,000
Conditional grant for HIV/Aids: Community base care	R44,000
Inflation adjustment for improvement of conditions of service	R2,353,000

From the Provincial Treasury:

Projected over-expenditure on Child support grants	R4,127,000
Projected over-expenditure for improvement of conditions of service	R1,425,000
Unforeseeable and unavoidable expenditure: Social development Grant	R32,379,000

From other votes

Poverty relief / alleviation function	R22,999,000
Transfer of data typist	R95,000

The following amounts were carried over from the 2001/2002 financial year and was approved during the Adjustments Estimates for the 2002/2003 financial year:

Computerisation of registries	R3,501,000
Establishment of early childhood enrichment centres	R778,000
Building of a One Stop Child Justice Centre	R1,100,000
Skills training in respect of the economic empowerment of ex-beneficiaries of the state maintenance grant	R5,600,000
Implementation of HIV/Aids programme	R17,000
Implementation plan to prevent and reduce the number of children living on the streets	R1,200,000
Conditional grant for the improvement of financial management and social security systems.	R175,000
Marketing of the Child support grant	R1,368,000
Implementation of helpdesks at 293 pay-out points	R5,072,000
Conditional grant for the pay-out of national disaster grants	R2,497,000

The financing sources of the budgeted amount were as follows:

From the Provincial Revenue Fund	R2,718,925,000
From National Department of Social Development	R178,798,000

An amount of R6 688 000 was collected in respect of other receipts and paid into the Provincial Revenue Fund. This amount was mainly received from the following resources:

- Official accommodation for persons at State Welfare Institutions.
- Interest gained on social grant advances from the pay-out agent, ALLPAY.
- Recoveries: Previous years.

The Department again experienced budget pressures with the increases in beneficiary numbers especially in terms of the child support grant and the disability grant. With the increases in Social Security expenditure, less funds were available for other services.

The Department has introduces strict control measures to ensure that all beneficiaries on the system qualify for their grants. A disability grant task team was established to scrutinize all disability grants and care dependency grant applications and to authorize payments. All applications are assessed according to the Social Assistance Act and Regulations, the established uniform application process ("pipeline") and the correct completion of the medical and application forms. Since 1 December 2002 no grants for the disabled and care dependency were put into payment without the authorization of the special task team.

Under / (over) spending:

The department received an amount of R 175 508 000 as a conditional grant for the payment of arrears of social assistance grants to beneficiaries from the National Department of Social Development during the financial year. Due to the fact additional cases were identified the project could not be finalised and the balance at the end of the financial year amounted to R 121 532 000. Due to a rapid increase in applications of disability grants during the financial year the allocated amount for this grant was overspent. An amount of R 63 741 000 from the R 121 532 000 was utilised to make good the over-expenditure on disability grant under the same programme of the vote. The shortfall of R 63 740 000 will be augmented from the allocated budget for conditional grants form part of the total budget allocation of the department, this department did not overspend its allocation for the 2002/03 financial year.

The unspent funds for the 2002/02003 financial year amount to R 74 396 000.

The underspending of funds is due to the following:

- Delay in the awarding of a tender, as it has to be referred to the Provincial Tender Board for conclusion.
- Finalisation of the Strategic Plan and Business Plan for 2003/2004 not completed in time for printing.
- The National Bill in respect of the One Stop Child Justice Centre could not be promulgated.
- In order to ensure financial accountability service level agreements with service providers have been constructed to allow for tranche payments instead of once-off payments.
- The project regarding the arrear payments to social grant beneficiaries could not be finalised as additional cases were identified.
- Marketing of the Child Support Grant was not done in all areas, due to the fact that the target set by the Provincial and National Department was exceeded and the Province had to stay within the allocated amount.
- The appointment of contract workers for helpdesks functions at service points occurred only in December 2002. The department also utilised existing staff to render counter services at various service points, which included helpdesks instead of appointing contract workers.
- Filling of vacancies in accordance with Regulation 7 and 8 and through a staggering process.

The non-spending of the funds resulted in that in certain instances in effective and efficient services could not being able to be rendered.

The department applied for the amount of R72 209 000 of the unspent funds to be carried-through to the 2003/2004 financial year. The expenditure incurred for the reporting period amounts R3 138 474 000 and unspent funds of R74 396 000 were realised.

The amount of R72 209 000 has been earmarked to be carried-through to the 2003/2004 financial year for the following purposes:

Social research on the impact of problem gambling on social beneficiaries	R500,000
Printing of the Business Plan for 2003/2004 and the Strategic Plan for 2003 - 2006	R379,000
Building of a One Stop Child Justice Centre	R1,100,000
The implementation of poverty alleviation projects to combat Poverty and establish a self reliant society	R7,902,000
Arrear payments to social grant beneficiaries and associated costs in accordance with Regulation 11	R57,791,000
Marketing of the Child Support Grant	R290,000
Skills training in respect of the economic empowerment of ex-beneficiaries of state maintenance grants	R900,000
Establishment of assessment panels for medical evaluation of disability applicants according to legislation and the establishment of Medical Appeal Panels	R3,347,000

#### 4.1.2 SERVICE RENDERED BY THE DEPARTMENT

##### 4.1.2.1 The department rendered the following services:

The disbursement and administration of social assistance grants in terms of the Social Assistance Act, 1992 and the determination of grant trends.

Effective and quality social welfare services to poor and vulnerable individuals and communities by facilitating policies, funding, guidance and support to non-profit organisations (NPO's) and other social welfare service providers.

Contribute towards an enabling environment in which communities and civil society organisations can be mobilised to participate in social development processes.

Provision of the necessary demographic and interpretive capacity to the department and Province in terms of population development policies, social development service needs and general government policies.

Poverty Alleviation initiatives including Food Security.

Conduct the overall management of the department.

##### 4.1.2.2 Tariff policy

None of the services rendered by the department were subject to any tariff.

##### 4.1.2.3 Free services

This department rendered no free services which would have yielded significant revenue had a tariff been charged.

#### 4.1.3 CAPACITY CONSTRAINTS

The number of social security beneficiaries increased from 388 192 on 31 March 2002 to 457 659 on 31 March 2003 while the staff establishment remained unchanged. This resulted in the appointment of 83 contract workers to assist the District Offices with the processing of applications.

On a ratio of 1:800 (according to National Norms and Standards) the Department should appoint a further  $\pm$  260 additional personnel for social security. The shortage of personnel has resulted in an increase in backlogs.

Since its inception, an organisational structure for the Directorate: Poverty Alleviation has never been approved. After relocating to the Department of Social Services and Poverty Alleviation, a strategic decision was made to develop this organisational structure within the context of its new location. This process will be concluded when the new recommended organisational structure is approved by the Provincial Cabinet.

Six posts for the Programme Assessment function were not filled in light of the proposed restructuring of the department. This meant that staff performing other functions had to be pulled in to ensure that this work which involves the assessment of up to 1 000 service plans/ funding proposals submitted by the NGO sector, together with the extensive administrative component of the job. This had a ripple effect in that other areas of work suffered or did not get the attention they required or deserved.

#### 4.1.4 OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE:

4.1.4.1 Funds for the upgrading of Multi-purpose Centres were transferred to the following local authorities:

- (a) City of Cape Town in respect of the Zolani Multi-purpose Centre and
- (b) Beaufort West Municipality in respect of the Beaufort West Multi-purpose Centre.

4.1.4.2 The department approved projects in respect of HIV/Aids programmes received from 23 non-governmental organisations and local authorities.

#### 4.1.5 PUBLIC/PRIVATE PARTNERSHIP (PPP)

4.1.5.1 The Department has a partnership with Allpay Western Cape since April 2000 for the pay out of to the fact that the Department is not in the position to undertake this particular function and there is a risk involved for the staff of the Department in terms of robberies at the pay points.

The main agreement and service level agreement with Allpay exist. These agreements are monitored on a monthly basis at various levels.

- Area forum meetings
- Provincial forum meetings
- Steering committee meetings.

A sound working relationship exists with Allpay. The Department pays Allpay a service fee of R14.94 per transaction, which will be increase to R16.75 in the new financial year. The Department also has a partnership with Allpay for the provisioning of helpdesks at the 293 pay points. A service fee of R3.6m per annum is paid to Allpay to render this service. A main agreement and service level agreement are in place.

An agreement has also been reached with Nampost (Namibia) to pay out the South African beneficiaries in Walvis Bay. A service fee of R9 per transaction is paid to Nampost.

#### 4.1.5.2 Horizon

The department has outsourced the management of one secure care facility to a service provider, BOSASA Operations, and empowerment organisation, which specialises in the development of youth particularly those in conflict of the law. The private partnership commenced in March 2001. The Department has drawn up a main agreement as well as a service level agreement with BOSASA. The agreement is monitored monthly through a visit by an official from the department, written reports, statistical reports and claims for payment.

The amount being paid per month for services to BOSASA is as follows:  
R155.00 per child per day x 31 days = R 4 805.00  
160 children x R 4 805.00 = R 768 800.00

#### 4.1.5.3 Multi-purpose centre in Laingsburg

The department facilitated funds received from two service providers, ESCOM, and ALLPAY, towards the cost of establishing a multi-purpose centre in Laingsburg. These funds were directly paid over to the local authority.

The purpose of the Multi-purpose Centre Programme of the department is to provide a mechanism that will facilitate integrated and sustainable development initiatives and ensure accessible, multi-sectoral service delivery. The department entered into agreements with the local authorities to ensure accountability for all expenses.

#### 4.1.5.4 Rapid review research

The Directorate: Poverty Alleviation has launched the results to the Rapid Review research referred to earlier, during October 2002. First National Bank was approached, and agreed to sponsor some of the expenditure related to these events to the maximum amount of R50 000. This was used for the reproduction of the results of the Rapid Assessments in electronic format (compact disks), as well as to cover some of the costs to be incurred for refreshments.

#### **4.1.6 CORPORATE GOVERNANCE ARRANGEMENTS**

4.1.6.1 The department embarks on a process to match social security data with other systems to eliminate possible fraud. The service of a consultant was procured to assist with the establishment of a management information system (MIS), which will further assist the department to minimise fraud.

4.1.6.2 In terms of the existing Public Service Regulations employees are subject to a code of conduct, which governs officials' behaviour as public servants. To ensure that all staff is fully aware of the contents of this Code of Conduct and explanatory manual in the form of a user friendly booklet was distributed to each member of staff in the Department in December 2002.

Furthermore, this Department has regular Labour Relations Forum meetings with district and facility representatives. Its purpose is to brief managers and representatives and provides baseline information for further discussion in the Institutional Management and Labour Committees within each service unit.

The Labour Relations Unit provides an ongoing advisory service to all staff to clarify issues in respect of this code of conduct and to assist in ensuring compliance in this regard.

4.1.6.3 The department is currently using the Methodware Risk Assessment Software to perform its risk assessment. An absolute risk assessment has been performed on departmental objectives during the financial period under review. The department is the first to have a risk management component in the province, which designs Internal Audit / Control programmes where the results can be captured electronically as the tests are performed and then fed back directly into the Risk Assessment System.

4.1.6.4 The Department has a Fraud Prevention Plan (considered name change to Risk Management Plan which is in line with the National Treasury Regulations and the King II Report), which contains the fraud policies of the Department. The Fraud Prevention Committee meets bi-monthly to discuss various issues with regard to improve fraud prevention strategies. The department will establish an Audit Committee in terms of Sections 76 and 77 of the PFMA and will have an outsourced Internal Audit function to provide an Audit Plan based on the risk assessment results, and Audit Charter and rendering a secretariat service to the Audit Committee.

#### **4.1.7 NEW/PROPOSED ACTIVITIES**

4.1.7.1 The Department, in partnership with Allpay Western Cape and the University of Cape Town, will launch the Western Cape project for the physically disabled where assistive devices will be installed/bought for the physically disabled.

4.1.7.2 The Department will establish partnership with NGO's to educate beneficiaries on debt counselling, debt management and financial education.

4.1.7.3 The Department, in partnership with Allpay and Reach Media will use advertising bill boards at the pay points to expose the beneficiaries to the following information (at no costs to the department):

- Message from the Department
- Current News
- Entertainment and educational programmes
- Social security counter services to be increased from 170 to 200 to make services more accessible for the public.

4.1.7.4 The child support grant to be marketed in the nodal areas to achieve the potential estimated 312 000 children under the age of 7 years.

4.1.7.5 A target of ± 50 000 children has been set for the increase of the child support grant of children under the age of 9 for the Western Cape.

4.1.7.6 The transformation of funded organisations is a four-year project of intensively assessing and verifying whether funding (approximately R 240 000 000 per annum) allocated to service providers reaches intended targets viz. poor and vulnerable, accessibility, appropriateness, effectiveness, quality and value for money.

4.1.7.7 Effect on the department to influence internal transformation processes setting a baseline for monitoring and other strategic imperatives e.g. Poverty Alleviation and resource mobilisation and co-ordination.

4.1.7.8 The restructuring of the department to align itself to its service delivery mandate at a head office, district office and facility level.

#### **4.1.7.9 Rural secure care facility: Clanwilliam**

The secure care facility will provide additional bed space for awaiting trial youth and give effect to national policy not to let children await trial in prison. The tender was approved in January 2003 and building commenced towards the end of the financial year. Construction of the building will be completed in the next financial year.

#### **4.1.7.10 One-stop child justice centre**

The One Stop Children Justice Centre is intended to give effect to the requirements of the Child Justice Bill as well as the policy on the transformation of the Child and Youth Care System. It will result in the speedy and integrated delivery of services.

The business plan has been approved and land has been identified. The bulk of the money to build the centre will be made available by the National Department of Justice.

#### **4.1.8 EVENTS AFTER THE REPORTING DATE**

4.1.8.1 The Department had to stop the bulk cancellation of the 54 579 disability grant cases due the court order issued by the High Court of South Africa, Transvaal Provincial division. The Legal challenge by the Legal Resource Centre against the National Department of Social Development and 9 Provinces was based on a lack of national uniform medical assessment tools and criteria for disability grants and administrative processes followed with the cancellation of the grants. The 54 579 temporary disability grant cases will remain in payment until each case has been reviewed again to ensure that the correct procedures were followed with the awarding and cancellations of the grants.

The back pay project was not completed due to additional cases that were added. The conditional grant will be rolled over to the 2003/04 financial year and a new date has been set for September 2003 for completion of the project.

4.1.8.2 Pressure from the NGO sector who are our service delivery partners, for an increase in the funding we transfer to them. There has been a submission to the National Minister of Social Development as well as the National Minister of Public Service Administration both of whom have requested an investigation into social work salaries as these are way below the salaries of social workers in state employ. Such increases (which are long overdue) will have a significant impact on our transfer budget.

4.1.8.3 The Provincial Cabinet per Cabinet Minute 61/2003 dated 16 April 2003, approved the new organisational structure for the department.

#### **4.1.9 PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENT**

The Sub-directorate: Internal Control staff is fully capacitated to test compliance and controls. The transferring of skills will be devolved to district offices.

A further monitoring measure is the 1% test to be conducted of all approved grants applications and to conduct home visitations to verify beneficiary details.

The department commenced with the Electronic Management System (computerization of registries), which will lead to the eliminating of the "lost file" syndrome and to create procedural uniformity. Customer service will also improve due to the abovementioned interventions. The process has been enhanced by including electronic process mapping that minimises manual interaction.

The department decided on a fully-fledged cost centre approach to improve controls at district offices and make district managers more responsible/accountable. The first phase being the appointment of deputy directors as office heads.

All officials in the department were informed in terms of Section 45 of the Public Finance Management Act (PFMA), Act No 1 of 1999 as amended that disciplinary action will be taken against them should losses be incurred due to negligence.

In order to ensure that performance standards are improved, the Chief Financial Officer (CFO) attended National CFO forums and served on Task Teams with National Departments and National Treasury.

#### **4.1.10 PERFORMANCE INFORMATION**

In order for the PFMA to be successfully implemented at provincial level, the National Cabinet resolved on 19 September 2001, that provinces should ensure that the implementation of the PFMA becomes a provincial priority.

The framework set up by the Provincial Treasury is used to establish to what extent the department is functioning towards the required and prescribe standard.

Measures are designed by the Chief Financial Officer in order to address the issues where the department does not comply with the requirements.

The report is compiled every 2 months, and at the hand of the input by the department, the Provincial and National Treasuries measure the department's progress.

The main issue that the department did not comply with during the financial year was the compilation of job descriptions for all officials within the department.

During the reporting period, the department complied with the regulation as per the framework introduced by the Provincial Treasury. Where improvement was needed, the department identified plans of action to address the issues.

Due to the restructuring, the department could not comply with finalising the compilation of job descriptions for all officials. This will be completed once the structure has been approved by the Provincial Cabinet.

#### 4.1.11 OTHER

4.1.11.1 The Department previously rendered agency services to the National Department of Social Development. Amounts received were allocated to "special vote funds" linked to this department. These allocated funds were not in the annual budget allocation of this department. With the splitting of the Department of Health and Social Services with effect from 1 April 2001, balances in two "special vote funds" for agency services were credited to the bank account to this department. The balances amounted to R4,370,613.75 (cr) and were in respect of the following agency services:

- Agency service: Faure (Building of a secure care facility) R4,000,000.00
- Re-registration project R370,613.75

The Provincial Treasury informed the department on 31 October 2002 that in terms of Article 18(2)(g) the amount of R4,370,613,75 must be paid into the Provincial Revenue Fund. The department adhered to the request and the amount was paid over during the 2002/2003 financial year.

4.1.11.2 A Statement of Charges in Net Assets / Equity is required in terms of the accounting policy as prescribed by National Treasury. The department, however, has not complied with the requirement, as the statement is attuned to accrual accounting and the department is functioning on a cash basis, and is therefore not in a position to comply.

Approval

The annual financial statements set out on pages 129 to 165 have been approved by the Accounting Officer.



**Ms V L Petersen**  
Accounting Officer





AUDITOR-GENERAL

## 4.2 REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN CAPE ON THE FINANCIAL STATEMENTS OF THE DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION (VOTE 7) FOR THE YEAR ENDED 31 MARCH 2003

### 1 AUDIT ASSIGNMENT

The financial statements as set out on pages 129 to 165, 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 QUALIFICATION

#### 3.1 Irregular expenditure, R63 741 000 [management report, page 115]

As indicated on page 115, paragraph 1 in the management report and in the statement of conditional grants received on page 114, the department received R175 508 000 from the National Department of Social Development as a conditional grant to pay arrear Regulation 11 payments (back payments from the time of application for a grant to the time the grant was approved) to beneficiaries during the financial year. Due to additional cases that were identified, the project could not be finalised and R121 532 000 remained at the end of the financial year. However, as a result of an increase in the number of the normal disability grants the department applied R63 741 000 of the unspent conditional grant of R121 532 000 to absorb the potential over-expenditure on disability grants, notwithstanding the conditional nature of the money granted for the arrear Regulation 11 payments and that it was to be used for the stated purpose only. The net effect of the above manner of funding on the appropriation statements on page 132, is as follows:

- Expenditure on Programme 4: Social Security reflects a saving of R61 822 000
- The total surplus of the Vote is shown as R74 396 000

The department indicated that the shortfall of R63 741 000 will be augmented from the allocated budget for the 2003/04 financial year. The department also stated that conditional grants form part of its total budget allocation and it did not overspend its allocation for the 2002/03 financial year.

On 2 June 2003 the provincial treasury wrote to the National Treasury explaining the situation and requesting that ex post facto approval in terms of section 24 (3) of the Division of Revenue Act (DORA), 2002, (Act No. 5 of 2002), be granted to authorise the above. It also proposed that provinces be allowed to utilise unspent conditional grant funding to alleviate spending pressures on social security grants in the 2003/04 financial year.

Audit is however of the opinion that, in terms of section 24 of the DORA a conditional grant may only be utilised for the purpose stipulated and, unless the required approval can be obtained, the expenditure should be dealt with as irregular in terms of sections 38(h)(iii) and 81(1)(b) of the PFMA.

At the time of compiling this audit report no reply from National Treasury could be provided.

The accounting officer furnished the following details in respect of social grants:

	Expenditure 2003	Number	Expenditure	Number
	R	At 31/03/03	2002 R	At 31/02/02
Grants for aged	1 155 462 165	153 810	976 749 123	149 590
Grants for war veterans	9 215 349	1 170	9 503 586	1 351
Care dependency grants	43 847 244	5 382	27 147 480	4 313
Care for the disabled	927 883 170	109 486	658 169 919	101 777
Child support grants *	333 089 718	159 345	126 680 565	100 329
Maintenance grants			54 984	323
Foster child grants *	122 029 884	13 936	98 736 366	13 315
Social relief	3 203 706	6 407	1 739 045	3 478
Private places of safety	3 770 669		2 501 926	
<b>Totals</b>	<b>2 598 501 905</b>	<b>449 536</b>	<b>1 901 282 994</b>	<b>374 476</b>

\* These numbers reflect the numbers of beneficiaries and not the actual children paid

The audit performed on social grants during the year under review revealed shortcomings over a broad spectrum of activities in this regard which (as was the case in previous years) indicated inadequate internal checking and control measures in respect of the payment and maintenance of grants. Shortcomings revealed during the audit include, inter alia, the following:

### 3.2.1 Reconciling of social grants paid out and payments recorded on SOCPEN.

The reconciliation between actual payments made by the contracted payee institutions and payments recorded on the SOCPEN system was still not able to be performed during the period of the audit. In a reply received from the department they confirmed that on 25 July 2003 the first reconciliation report from SOCPEN was received and a complete reconciliation was done.

### 3.2.2 Temporary disability grants

During the audit the progress that was made in addressing the shortcomings of the SOCPEN database as well as the assessment of the implementation of the new regulations and review policies regarding temporary disability grants with effect from 1 December 2001 were evaluated. The findings inter alia included the following:

- (a) The National Department of Social Welfare requested that the department cancel 54 579 temporary disability grants during the period September 2002 to April 2003, with more than 70% being cancelled during the period September 2002 to November 2002. However, the department commenced with the cancellations with effect from February 2003 to May 2003, as the necessary information was only provided in September 2002. Subsequently it came to light that in terms of the High Court in the Transvaal Provincial division (case number 4239/03) certain requirements had to be met including that the beneficiary should be notified 3 months in advance, to proceed with the cancellation of temporary disability grants. By September 2002 30 045 beneficiaries whose disability grants had already lapsed were still on the system and receiving disability grants. This represents 24.3% of all beneficiaries of disability grants and the estimated monthly expenditure on these grants amounts to R18.9 million.

In reply to a management letter the department indicated that SOCPEN could not accommodate the new compulsory review system, as it has failed to programmatically notify beneficiaries 3 months prior to actual cancellation/lapsing of their grants. Specific criteria need to be verified before a temporary disability grant can be cancelled on the system, which will inevitably result in the grants remaining in payment for longer periods than stipulated by the medical officer. The review of these cases is addressed by SOCPEN generated lists to determine which cases qualify to remain on the system for payment. The number of cases cancelled was systematically spread over the four month period (February to May 2003). Although overpayments may have arisen as a result of SOCPEN's inability to timeously generate letters of cancellation the department is of the opinion that their office or any other district office in the Province cannot be held responsible therefor.

- (b) The implications of the court order and regulation 23(2) (notification of beneficiaries 3 months in advance that their disability grants would be cancelled) did not take into consideration that for temporary disability grants, where beneficiaries only had a temporary disability assessment, the full grant amount was paid. Due to the fact that programmatic cancellations by the SOCPEN system and/or manual cancellations could not be timeously done by the department, these beneficiaries still received their grants for at least, a period equal to and/or longer than the stipulated disability assessment period.

The department confirmed in reply to a management letter, that in most of the cases where beneficiaries only had a temporary disability assessment of six months or one year, the full grant amount was paid out. For this reason, the department requested the National Department of Social Development not to include the temporary disability cases in the programmatic payments and that the Regulation 11 arrears of each case had to be verified individually, to avoid large overpayments being made.

Furthermore, if there were periods that a beneficiary received payments to which he/she was not entitled, and never received any notification from the department of any future cancellation, an overpayment could not be instated as all beneficiaries have to be informed 3 months in advance that their disability grants would be cancelled

- (c) Irrespective of whether a beneficiary was paid for a period longer than the period of approval of payment, Regulation 11 payments were made to the beneficiaries. Furthermore, Regulation 11 payments were made as if the beneficiaries were disabled for the entire period irrespective of whether or not the beneficiaries had periods in between that were not covered by medical assessments. Evidence of scrutiny of electronic and/or paper based files for each beneficiary as to how the correct information was obtained, as well as the testing to ensure data integrity could not be produced for audit purposes.

In addition during the audit of district offices it came to light that lumpsum payments in terms of Regulations 11 were incorrectly made and therefore the amounts were incorrectly allocated in the general ledger. The expenditure incurred was set off against the current year's voted funds' expenditure instead of conditional grants which is overstated in the financial statements. The full impact of the incorrect allocation could not be quantified.

In reply to the management letter the department admitted that in instances where lumpsum back payments were made, offices made use of the incorrect function, but in some cases the officials omitted to flag these actions as Regulation 11 payments. This resulted in expenditure being incurred against the normal budget. In some cases beneficiaries were programmatically paid as well as receiving the lumpsum. This action was incorrect and debtors have to be raised.

Furthermore, the accounting officer indicated that an audit of the SOCPEN system by the department was carried out under the guidance of national treasury. The following findings and recommendations were made:

- Errors that were discovered were largely in respect of programmatic payments.
- Certain payments were not verifiable due to the unavailability of files.
- The risk with regard to SOCPEN data was highlighted. Due to this and incorrect programming, overpayments to beneficiaries were made.
- A decision must be taken at ministerial level that all payments to beneficiaries as a result of programmatic payments be written off.
- Due to a lack of historical data on SOCPEN, underpayments to beneficiaries were also made.
- In many provinces beneficiaries were not issued receipts of the payments received from the contractors.

### 3.2.3 ALLPAY

The balance of the conditional grant of R984 376 has been transferred to a trust account held by ALLPAY for which no agreement was reached to protect the grant and to safeguard the interest earned.

In reply to a management letter, the department confirmed that a separate agreement is being finalised with ALLPAY to protect the remainder of the conditional grant in line with the contract and service level agreement.

### 3.2.4 Transversal findings

During the audit of eight district offices of the department a total of 235 files were reviewed per district office. These files revealed the following shortcomings, which have been accumulated per grant and per district office:

(a) Transversal Findings	Paarl	Worcester	Oudtshoorn	Vredendal	Eersterivier	Athlone	Atlantis	Khayelitsha
<b>Recommended: 800 grant recipients to 1 staff member</b>								
Number of beneficiaries per staff member *	2096	1861	1891	1734	1612	2849	1622	3645
No application forms on file	2	3	0	1	0	0	10	2
Application form not properly completed - no finger prints on file	170	211	17	46	20	105	0	72
No Certified Identity documents on file	46	44	28	57	2	52	109	0
Number of beneficiary files with no proof of marital status	16	4	1	5	3	11	9	6
Number of beneficiary's files who had not completed the details of the spouse	5	1	2	0	1	17	11	6
Number of beneficiary's files who had indicated that the spouse was deceased, but had not supplied proof thereof.	4	6	0	7	4	5	3	2

(b) Foster care grant	Paarl	Worcester	Oudtshoorn	Vredendal	Eersterivier	Athlone	Atlantis	Khayelitsha
Files examined per regional office: 40								
No court orders placing children in foster care could be found on file.	0	9	0	3	1	0	6	3
Foster care children attending school and no school attendance certificates on file	5	6	13	5	7	8	6	23
Foster care children attained age of 18yrs and grant not suspended without substantial proof whether children are still schooling	2	2	0	1	4	2	1	2

(c) Old age grants	Paarl	Worcester	Oudtshoorn	Vredendal	Eersterivier	Athlone	Atlantis	Khayelitsha
Files examined per regional office: 50								
Beneficiaries who attained age of 90 yrs, but no evidence was on file as to whether beneficiary is alive	1	0	0	1	0	0	4	0
No application form for grant in aid	1	0	0	2	0	1	0	0

(d) Disability grants	Paarl	Worcester	Oudtshoorn	Vredendal	Eersterivier	Athlone	Atlantis	Khayelitsha
Files examined per regional office: 50								
No medical assessment was on file	0	1	1	1	1	0	2	0
Medical period expired, still in receipt of grant	12	5	15	0	19	1	0	17
Medical report incomplete	0	0	0	0	0	1	20	0

(e) War veteran grant	Paarl	Worcester	Oudtshoorn	Vredendal	Eersterivier	Athlone	Atlantis	Khayelitsha
Files examined per regional office: 10								
No application form for grant in aid	0	0	0	0	0	1	0	0
No army discharge certificate was on file	0	0	0	0	0	3	3	0

(f) Care dependency grant	Paarl	Worcester	Oudtshoorn	Vredendal	Eersterivier	Athlone	Atlantis	Khayelitsha
Files examined per regional office: 40								
No medical assessment was on file	0	1	0	0	0	0	1	0
No full time care or part time care was recommended for the beneficiary	6	5	1	0	3	0	5	6

(g) Child support grant	Paarl	Worcester	Oudtshoorn	Vredendal	Eersterivier	Athlone	Atlantis	Khayelitsha
Files examined per regional office: 45								
Child's information not completed on file	0	0	0	0	1	1	0	0
No proof of the whereabouts of the biological mother on file	6	2	0	4	0	11	0	18

In reply to the management letter the department indicated that various corrective actions would be instituted. These will be evaluated and followed up during the audit of the department's district offices for the 2003/04 financial year.

### 3.2.5 Assessment panels

Paragraph 3 (a) of the regulations now requires that the disability has to be confirmed by a medical report from a medical officer or by a report from an assessment panel. However, the assessment panels were not yet operational during the year under review.

In reply to the management letter the department indicated that a decision was taken to make use of the existing medical officers that are responsible for the medical assessments for grants in respect of the disabled and care dependency applicants. The National Department of Social Development outsourced the development of an assessment tool and guidelines, which should be finalised during October 2003, whereafter the training of staff and the implementation will commence. The staff of the district offices of the department were trained in the assessment of all grant types which is now carried out at that level.

The monitoring of these assessments will be tested during the 2003/04 audit of district offices.

### 3.2.6 Institutions run by the State

In accordance with the regulations a person shall only be eligible for a disability grant if he or she is not confined in a prison, a state psychiatric hospital, a state home for the aged, a care and treatment centre or a centre for drug dependants. Furthermore, paragraph 3(2) (d) of the Child Care Act, 1983 (Act No.74 of 1983) prescribes that a person will only be eligible for a child support grant if the child concerned is not in an institution referred to in the act or a similar institution whether registered under law or not. Through interviews with the management of the respective district offices, it was however determined that the district offices did not have records of persons or children in the above institutions. The district offices could therefore not ensure that they complied with the regulations and that persons in the above institutions did not also receive a disability or child support grant.

In reply to the management letter the department indicated that:

- When a person applies for a grant on behalf of somebody else during the interview the whereabouts of the person or child on whose behalf the application has been made should be ascertained. The letter of award also requires the beneficiary to inform the department of any change in their circumstances.
- The national department is currently in the process to develop a review policy, which will also address this aspect to an extent.

The review policy will be tested by audit during the 2003/04 financial year.

### 3.2.7 Deceased children

To ensure that the social grants of deceased beneficiaries are cancelled, the department compares the identity number of beneficiaries on the SOCPEN system with the database of deceased persons at the Department of Home Affairs. However, the identity numbers of children whose primary care givers receive child support grants are not compared with the database of deceased persons at the Department of Home Affairs and it could not be ensured that child support grants are only paid for children that are still alive. Due to the problems with obtaining the identity numbers of children from the SOCPEN system, this comparison could not be made.

The department indicated that as from 1 June 2003 a comparison was done of children who are in receipt of a child support grant with the database of deceased children/persons of the Department of Home Affairs. The department did not verify the reliability of the information, but an instruction was given to all district offices to temporarily suspend the grants of all those whose names appear on the lists. The impact of the inquiry is still unknown at the time of reporting, as the beneficiaries are required to provide adequate documentary proof that the child is still living whereupon the grant would be re-instated. In instances where no adequate documentary proof can be provided the grant will be cancelled on the SOCPEN system. If found that children passed away while grants are still being collected, those cases would be referred to the internal control unit for further investigation. The impact of these actions will be tested during the 2003/04 financial year.

### 3.2.8 Cheque payments: R1 243 652

A significant number of social grant payments are still made by means of a cheque. The following grants paid in this manner were identified by audit:

Foster care: R48 252  
 Disability: R1 072 334  
 Old Age payments: R123 066

In a reply to a management letter in this regard management indicated that until backlogs have been cleared and the new applications been put into payment there will be cheque payments at district offices. In addition, the majority of the payments are in the disability grant sector and in particular related to temporary grants not yet captured on SOCPEN.

#### 4 QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the department at 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice.

#### 5 EMPHASIS OF MATTER

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

##### 5.1 Matters affecting the financial statements

##### 5.1.1 Overpayment of social grants, R17 163 256 [Annexure 8 to the financial statements, page 165]

- (a) According to information furnished by the accounting officer, overpayments in respect of social grants, which had not yet been recovered or written off at 31 March 2003, amounts to R17 163 256 in 7 344 cases compared to R16 612 828 in 6 453 cases at 31 March 2002. The aforesaid amounts however do not include overpayments administered on the SOCPEN system which increased from R5 335 210 in 1 578 cases at 31 March 2002 to R8 016 438 in 2 712 cases at 31 March 2003. As no cases for writing off were submitted it would appear that all debtors are capable to repay the outstanding debt. As was the case in the previous financial year, it was once again noted that in view of the substantial increase in the current year the amount and number of overpayments remains a source of serious concern to audit.

The department was not in a position to provide details of overpayments that were identified during the audit as various management letter replies were still outstanding at the time when this report was compiled.

- (b) During the audit of the district offices it was noted that overpayments are not automatically identified. As a result only overpayments that are manually detected are taken on to the system. The amount reflected under outstanding overpayments at 31 March 2003 as reflected on page 165 in Annexure 8 to the financial statements may be understated. The following may be contributing factors:

- (i) the debt take-on at district offices has been neglected;
- (ii) the data integrity problems;
- (iii) the salient issue of who is taking responsibility for overpayments that occur in respect of Regulation 11 payments made programmatically and
- (iv) grants that have been re-instated (although medicals had lapsed) in cases where beneficiaries were never informed about the temporary status of their respective grants. The extent of the understatement could not be determined.

The department has indicated that during the implementation of the uniform application process known as the Pipeline process, an overpayment register was instituted in the case of the Khayelitsha district office. Social security has implemented a system whereby all 36 448 files will be periodically checked for overpayments. In view of the current situation this task will be finalised within six months. However, similar actions were not implemented at other district offices.

In the cases of Eersteriver and Oudtshoorn district offices the department indicated that two processes were utilised and the department firstly embarked on a process to transfer all the debt from the old system to the new. Secondly, all interest on outstanding debt had to be scrapped and all receipts reversed. With this in progress the district offices were informed not to utilise the debtor system until the fundamental process had been corrected.

The effect of these measures will be evaluated during the audit of the department's activities for the 2003/04 financial year.

##### 5.1.2 Service level agreement for payment of social grants

The following cases of non-compliance with the service level agreement between the department and the contracted payee institutions were noted during audit:

- (i) According to the contract (agreement) the contractor will within one month after year end (31 March) supply the department with a certificate stating that the correct amount of interest earned has been credited to the account of the department.
- (ii) In terms of the contract the contractor should furnish the department with an annual financial report at the end of April.

In reply to the management letter the department indicated that:

- (i) The certificate for the 2002/03 financial year was still outstanding at the time of compiling the audit report.
- (ii) The relevant report had not been supplied to the department at the time of compiling the audit report.

##### 5.1.3 Procurement

During the audit at Worcester district office it came to light that no payments for March 2003 were made. Audit evidence obtained from expense reports indicate that the expenditure budget for this district office for the financial year under review of R7 651 357 was exceeded by R1 742 358 (23% overspent). The overspending would have been higher if the payments for March 2003 were not suspended. Therefore, procurement that was scheduled for the 2002/03 financial year has been carried over to the 2003/04 financial year and thereby understating the 2002/03 expenditure and overstating 2003/04 expenditure with R1 742 358.

In a reply to a management letter in this regard Worcester district office indicated that due to a forensic audit investigation in March 2003 all files, order books, invoices and other financial books were removed from the office, hence the non-payment of accounts, but the office is in the process of paying all outstanding accounts.

The effect of the overspending on the budget for the 2003/04 financial year will be monitored.

#### 5.1.4 Financial Guarantees: R3 851 000 [Note 22 of the financial statements, page 151]

The audit of the financial guarantees revealed, inter alia, that although an audit by the department of all files is currently in progress, 5% of settled guarantees were not removed from the PERSAL system.

This could lead to the department providing for liabilities unnecessarily.

In the departments reply to a management letter in this regard they indicate that nine employee's guarantees were terminated on PERSAL after year end and that the contingent liability decreased with R2 352 812 after year end as result of the audit.

#### 5.1.5 Transactions with other departments

##### (a) Amounts owing by other departments: R4 195 000

During audit it was noted that:

- (i) Certificates of confirmation of amounts owing by other departments should according to the treasury directives have been obtained for all amounts over R10 000. At the time of compiling this report certificates could not in all instances be provided for audit purposes.
- (ii) the most material amount included in the above is R3,07 million owed by the Northern Cape Province and was confirmed by their auditors. However the Northern Cape Province do not want the amount to be disclosed until the parties concerned have discussed and resolved the matter.

In reply to the management letter the department indicated that:

- (i) A reply was still outstanding at the time of compiling this report.
- (ii) Letters were issued to the provincial departments but all responses were not received.

##### (b) Amounts owing to other departments

The Provincial Department of Health certified that R188 million was owed to them by the Department of Social Services. This does not agree with the amount disclosed in note 17 to the financial statements. This difference (now amounting to R175m), was also reported in the prior year and the department indicated that as soon as approval was received from the provincial treasury the differences would be cleared. This had not been done at the date of compiling this audit report.

## 5.2 MATTERS NOT AFFECTING THE FINANCIAL STATEMENTS

### 5.2.1 Personnel expenditure, R146 826 000 [Note 3 to the financial statements, page 144]

#### (a) Submission of pay sheets

It was noted that various pay points did not submit copies of the certified pay sheets to head office indicating that staff that were paid had in fact worked in the appropriate month (an error rate of 26% was detected for March 2003).

The department indicated in the previous year that apart from other corrective actions taken, it is in the process of issuing a financial instruction to ensure 100% compliance in this regard.

In the reply to the management letter in this regard the department indicated that procedures will be implemented to address the shortcomings.

#### (b) Reconciliation of PERSAL and FMS

A comparison between the expenditure recorded on PERSAL and the FMS showed that the expenditure recorded on FMS exceeds the expenditure recorded on the PERSAL system by R283 000 as at 31 March 2003. The department indicated in the previous audit that the Sub-directorate: Financial Planning will, on a monthly basis, draw the necessary reports and reconcile the totals.

In reply to the management letter the department indicated that the difference is due to cheque payments on FMS and that measures will be implemented during August 2003 to record all hand written payments on the PERSAL system.

### 5.2.2 Asset management

#### (a) Assets

Notwithstanding a commitment to ensure proper control and management of departmental assets as per the prior audit report, it was once again found that complete asset registers were not in place at the departmental head office, regional offices and institutions. Furthermore stock-take reports could not be produced or were inaccurately drawn at the time of the audit.

The above-mentioned matters, which indicate a lack of control over the safeguarding and utilization of assets, were brought to the attention of the accounting officer by way of a management letter.

Currently it appears that there is no computerised asset system utilised in the province that can perform the above-mentioned functions.

In reply, the department indicated that the Directorate: Risk Management has been engaged to ensure that every item removed from the department is done with the necessary approval and authorisation. Stocktaking was conducted at the head office, but verification has not been done. The department will ensure that after the verification process all discrepancies will be reported to the Board of Survey and a fresh stock count will be performed at head office, as well as at the district offices.

The corrective action indicated will be followed up during the next audit.

## b) Stores

The manner in which inventories were recorded indicates control weaknesses and discrepancies were found where inaccurate recording took place. Furthermore, stock-take reports could not be produced or were inaccurately drawn at the time of the audit. This was also brought to the attention of the accounting officer by way of a management letter.

In reply, the department indicated that stocktaking will be conducted on an annual basis and approval would be obtained from the Board of Survey wherever shortfalls were identified.

The corrective action indicated will be followed up during the next audit.

### 5.2.3 Lack of supporting documentation

During the audit of transactions in respect of the procurement of goods and services and administration, professional and special services, store and equipment expenditure at the department's head office, district offices and institutions, several of the source documents were found to have insufficient /incomplete supporting documentation, no quotes/contract/tender attached, insufficient number of quotes, no invoice attached, no motivation attached, attached thereto. The following refers:

Type of Expenditure	Number tested	Number of errors	% error rate	Value of errors R
Administrative expenditure	200	30	15%	439 556
Professional and special services	200	11	6%	468 764
Payments for goods and services	200	21	11%	55 497
Stores, Livestock and Equipment	400	34	9%	700 390
<b>TOTAL</b>	<b>1 000</b>	<b>96</b>	<b>10%</b>	<b>R 1 655 552</b>

The validity of the relevant transactions could, therefore, not be ascertained.

It was also found that 12 payments amounting to R5 374 835 were processed prior to proper approval or receipt of valid invoices.

It is a source of concern that shortcomings of this nature have to once again be included in the audit report as similar findings were included in previous audit reports.

In replies to management letters received the department indicated various corrective actions taken which will be followed up by audit in next financial year.

### 5.2.4 Special investigation

During the financial year under review a special investigation was carried out by this office at all fourteen district offices. The purpose was to determine how current regulations are applied at these offices with regard to disability and child support grants with respect to the interpretation and consistent application of the criteria for qualification therefor, and the consistency and regularity, as well as whether sufficient control measures exist, over the application of the means test. This was done at the request of the Head Official: Provincial Treasury of the Western Cape Provincial Administration.

Comparisons were also requested between the results of this special investigation carried out during September 2002 on data extracted at the end of May 2002 with the relevant results of the regularity audit performed for the 2002/03 financial year.

Audit compared the findings on each criterion of the special investigation with the corresponding criterion of the regularity audit and based on the number of non-compliances with the criterion rated the finding as a "deterioration" or an "improvement". The table below indicates the number of deteriorations and improvements found per district office audited.

District office	Disability Grants		Child Support Grants	
	Deteriorations	Improvements	Deteriorations	Improvements
Paarl	3	3	5	4
Worcester	7	4	4	2
Atlantis	17	2	10	3
Athlone	12	0	10	3
Eersteriver	4	1	3	3
Khayelitsha	6	2	4	4
Oudtshoorn	11	2	5	2
Vredendal	7	2	5	3
<b>Total</b>	<b>67</b>	<b>16</b>	<b>46</b>	<b>24</b>



It remains a concern to audit that in 7 out of the 8 district offices in the case of disability grants more non-compliances with policies and procedures were found in the regularity audit than the special investigation while this was also the case in 6 out of the 8 district offices for child support grants.

Management have explained that this was due to the timing and applying remediation forward and not retrospectively. The corrective measures, set out below, were only implemented in December 2002. The regularity audit was conducted on data extracted in September 2002 and therefore no improvement could be expected from the special investigation to the regularity audit.

An intensive programme of corrective action was undertaken after the initial special investigation by the department and included the following:

- The social security pipeline was analysed for weaknesses whereafter remedial action suggested and implemented and the relevant staff were trained.
- A programme of inspections and the results monitored by customer services was embarked upon. In addition, all cases identified relating to the non-compliance to laws and regulations were specifically redirected to the district offices to rectify the situation.
- The computerisation of registries was begun.
- A programme of remedying the ratios of beneficiaries to staff serving them.

Subsequent to year-end it was agreed that the current application process was contributing to considerable delays in the approval of grant applications. The pipeline is therefore being reviewed and its user-friendliness enhanced. Customer care training is being enhanced and the use of a number of fraud prevention tools is being explored.

The effectiveness of the measures implemented to address the findings of the special investigation will be assessed in the 2003/04 audit.

#### **5.2.5 Performance audit**

During the year under review a follow-up performance audit of social grants was conducted. The management report has been submitted to the accounting officer on 17 July 2003 for their comment on the factual correctness thereof.

#### **5.2.6 Internal audit**

During the year under review the centralised Internal Audit Unit focused mainly on Transfer Payments (Poverty Alleviation Projects and State Maintenance Grants). Although the internal audit work was relevant, no other internal audit work was conducted that could be used for external audit purposes. The Department is in the process of establishing its own internal audit function.

#### **5.2.7 Audit committee**

- (a) On 4 May 2000, the provincial Minister of Finance, in accordance with the powers assigned to him in terms of sections 17(2) and 77(c) of the PFMA established a centralised audit committee for the Western Cape Province for a period of two years. The audit committee charter required that the audit committee meet not less than four times per calendar year to address internal audit issues. However, with effect from September 2001, the audit committee has not been operational due to an inability to appoint qualified members.
- (b) At a cabinet meeting held on 30 April 2003, a shared audit committee consisting of five members, was appointed for the period from 1 April 2003 to 31 March 2005. The shared audit committee would also perform all its assigned functions in terms of the national treasury regulations for all departments retrospectively from 1 April 2002 to 31 March 2003. Thereafter the departments of Social Services and Poverty Alleviation, Education and Health will have to appoint their audit committee as previously resolved by cabinet. The shared audit committee's functions would continue for the remainder of the departments of the Western Cape Province.
- (c) The audit committee for this department was appointed in March 2003.

### **6. APPRECIATION**

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



WJ BRITS  
for Auditor-General

Bellville  
30 July 2003

## 4.3 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 respect, 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.

### 4.3.1 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 recognized when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognized when incurred and not when cash is received or paid.

### 4.3.2 REVENUE

Voted funds are amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National / Provincial Expenditure. Unexpended voted funds are surrendered to the National / Provincial Revenue Fund. Interest and dividends received are recognized 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 recognized as revenue in the financial statements of the department and then transferred to the National / Provincial Revenue Fund.

### 4.3.3 DONOR AID

Donor Aid is recognized in the income statement in accordance with the cash basis of accounting.

### 4.3.4 CURRENT EXPENDITURE

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

### 4.3.5 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.

### 4.3.6 DEBTS WRITTEN OFF

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

### 4.3.7 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 i.e. written off in the income statement when the payment is made.

### 4.3.8 INVESTMENTS

Marketable securities are carried at market value. Market value is calculated by reference to stock exchange quote selling prices at the close of business on the balance sheet date.

Non-current investments excluding marketable securities are shown at cost and adjustments are made only where in the opinion of the directors, the investment is impaired. Where an investment has been impaired, it is recognized as an expense in the period in which the impairment is identified. Increases in the carrying amount of marketable securities classified as non-current assets are credited to revaluation and other reserves in shareholders' equity. Decreases that offset previous increases of the same marketable security are charged to the income statement. Increases / decreases in the carrying amount of marketable securities classified as current assets are credited / charged to the income statement.

On disposal of an investment, the difference between the net disposal of a marketable security classified as a non current asset, amounts in revaluation and other reserves relating to that marketable security, are transferred to retained earnings.

#### 4.3.9 INVESTMENTS IN CONTROLLED ENTITIES

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- To appoint or remove the entity's chief executive officer;
- To cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- To control all, or the majority of, the voting rights at a general meeting of that entity.

Investments in controlled entities are shown at cost.

#### 4.3.10 RECEIVABLES

Receivables are not normally recognized 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 recognized 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.

#### 4.3.11 PAYABLES

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

#### 4.3.12 PROVISIONS

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

#### 4.3.13 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 recognized 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.

#### 4.3.14 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 recognized 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.

#### 4.3.15 EMPLOYEE BENEFITS

##### 4.3.15.1 Short-term employee benefits

The cost of short-term employee benefits is expenses 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 recognized in the income statement.

##### 4.3.15.2 Termination benefits

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

##### 4.3.15.3 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 contribution 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 /Provincial Revenue Fund and not in the financial statements of the employer department.

##### 4.3.15.4 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.

#### 4.3.16 CAPITALISATION RESERVE

The capitalisation reserve represents an amount equal to the value of the investments and / or loans capitalised, or deposits paid on behalf of employees of a foreign mission, for the first time in the previous financial year. On disposal, repayment, or recovery, such amounts are transferable to the Revenue Fund.

#### 4.3.17 RECOVERABLE REVENUE

Recoverable revenue represents payments made and recognized 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.

#### 4.3.18 COMPARATIVE FIGURES

When 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.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2003**

Programme	2002/03						2001/02	
	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
<b>1 Administration</b>								
Current	28,623	1,729	30,352	29,903	449	98.52%	20,415	21,715
Capital	142	138	280	280	-	100.00%	489	1,210
<b>2 Social Research &amp; Development</b>								
Current	4,827	499	5,326	3,970	1,356	74.54%	3,015	2,010
Capital	77	(40)	37	36	1	97.30%	48	4
<b>3 Developmental Social Welfare</b>								
Current	274,599	(1,784)	272,815	263,883	8,932	96.73%	253,838	245,846
Capital	2,491	64	2,555	1,454	1,101	56.91%	2,855	2,287
<b>4 Social Security</b>								
Current	2,739,943	(2,394)	2,737,549	2,675,825	61,724	97.75%	1,972,178	1,953,447
Capital	199	393	592	494	98	83.45%	1,500	2,251
<b>5 Customer Services</b>								
Current	160,980	1,477	162,457	161,722	735	99.55%	145,912	148,215
Capital	989	(82)	907	907	-	100.00%	1,372	944
<b>Total</b>	<b>3,212,870</b>	<b>-</b>	<b>3,212,870</b>	<b>3,138,474</b>	<b>74,396</b>	<b>97.68%</b>	<b>2,401,622</b>	<b>2,377,929</b>

Direct charge against the National Revenue Fund	2002/03						2001/02	
	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
<b>1 Provinces Equitable Share</b>	<b>3,212,870</b>		<b>3,212,870</b>	<b>3,138,474</b>	<b>74,396</b>	<b>97.68%</b>	<b>2,401,622</b>	<b>2,377,929</b>
<b>Total</b>	<b>3,212,870</b>	<b>-</b>	<b>3,212,870</b>	<b>3,138,474</b>	<b>74,396</b>	<b>97.68%</b>	<b>2,401,622</b>	<b>2,377,929</b>

Economic classification	2002/03						2001/02	
	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
<b>Current</b>								
Personnel	149,513	-	149,513	146,826	2,687	98.20%	128,584	128,503
Transfer payments	2,920,083	5	2,920,088	2,854,390	65,698	97.75%	2,148,640	2,140,902
Other	139,376	(478)	138,898	134,087	4,811	96.54%	118,134	101,828
<b>Capital</b>								
Transfer payments	2,378	4	2,382	1,282	1,100	53.82%	2,250	2,237
Acquisition of capital assets	1,520	469	1,989	1,889	100	94.97%	4,014	4,459
<b>Total</b>	<b>3,212,870</b>	<b>-</b>	<b>3,212,870</b>	<b>3,138,474</b>	<b>74,396</b>	<b>97.68%</b>	<b>2,401,622</b>	<b>2,377,929</b>

Standard item classification	2002/03						2001/02	
	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
<b>Personnel</b>	<b>149,513</b>	<b>-</b>	<b>149,513</b>	<b>146,826</b>	<b>2,687</b>	<b>98.20%</b>	<b>128,584</b>	<b>128,503</b>
Administrative	22,171	(2,087)	20,084	19,581	503	97.50%	17,456	19,061
Inventories	5,954	1,101	7,055	6,949	106	98.50%	6,285	7,102
Equipment	3,547	695	4,242	4,173	69	98.37%	6,712	6,321
Land and buildings	850	(189)	661	661	-	100.00%	-	-
Professional and special services	108,374	224	108,598	104,342	4,256	96.08%	91,695	73,599
Transfer payments	2,922,461	9	2,922,470	2,855,695	66,775	97.72%	2,150,890	2,143,139
Miscellaneous	-	-	-	-	-	-	-	27
Special functions	-	247	247	247	-	-	-	177
<b>Total</b>	<b>3,212,870</b>	<b>-</b>	<b>3,212,870</b>	<b>3,138,474</b>	<b>74,396</b>	<b>97.68%</b>	<b>2,401,622</b>	<b>2,377,929</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2003**

**DETAIL PER PROGRAMME 1**

Programme per subprogramme	2002/03						2001/02	
	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
<b>1.1 Office of the Prov. Minister</b>								
Current	2,599	(106)	2,493	2,429	64	97.43%	2,640	2,794
Capital	64	(28)	36	36	-	100.00%	50	59
<b>1.2 Management</b>								
Current	4,370	371	4,741	4,741	-	100.00%	4,440	4,709
Capital	11	27	38	37	1	97.37%	35	27
<b>1.3 Corporate Services</b>								
Current	18,832	2,030	20,862	20,479	383	98.16%	11,718	12,345
Capital	46	159	205	205	-	100.00%	384	988
<b>1.4 Internal Control</b>								
Current	2,822	(566)	2,256	2,255	1	99.96%	1,617	1,690
Capital	21	(20)	1	1	-	100.00%	20	136
<b>Total</b>	<b>28,765</b>	<b>1,867</b>	<b>30,632</b>	<b>30,183</b>	<b>449</b>	<b>98.53%</b>	<b>20,904</b>	<b>22,748</b>

Economic classification	2002/03						2001/02	
	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
<b>Current</b>	<b>28,623</b>	<b>1,729</b>	<b>30,352</b>	<b>29,903</b>	<b>449</b>		<b>20,415</b>	<b>21,538</b>
Personnel	16,789		16,789	16,340	449	97.33%	13,859	12,779
Transfer payments	-	-	-	-	-	-	-	-
Other	11,834	1,729	13,563	13,563	-	100.00%	6,556	8,759
<b>Capital</b>	<b>142</b>	<b>138</b>	<b>280</b>	<b>280</b>	<b>-</b>	<b>100.00%</b>	<b>489</b>	<b>1,210</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	142	138	280	280	-	100.00%	489	1,210
<b>Total</b>	<b>28,765</b>	<b>1,867</b>	<b>30,632</b>	<b>30,183</b>	<b>449</b>	<b>98.53%</b>	<b>20,904</b>	<b>22,748</b>

Standard item classification	2002/03						2001/02	
	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
<b>Personnel</b>	<b>16,789</b>		<b>16,789</b>	<b>16,340</b>	<b>449</b>	<b>97.33%</b>	<b>13,859</b>	<b>12,779</b>
Administration	2,905	1,200	4,105	4,105	-	100.00%	2,513	4,190
Inventories	482	(45)	437	437	-	100.00%	450	506
Equipment	322	489	811	811	-	100.00%	729	1,707
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	8,267	222	8,489	8,489	-	100.00%	3,353	3,566
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions	-	1	1	1	-	-	-	-
<b>Total</b>	<b>28,765</b>	<b>1,867</b>	<b>30,632</b>	<b>30,183</b>	<b>449</b>	<b>98.53%</b>	<b>20,904</b>	<b>22,748</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2003**

**DETAIL PER PROGRAMME 2**

Programme per subprogramme	2002/03						2001/02	
	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
<b>2.1 Social Research</b>								
Current	1,397	(32)	1,365	531	834	38.90%	1,164	568
Capital	-	-	-	-	-	-	6	4
<b>2.2 Population Development</b>								
Current	957	(202)	755	669	86	88.61%	737	613
Capital	18	(10)	8	8	-	100.00%	26	-
<b>2.3 Strategic Planning</b>								
Current	1,490	(207)	1,283	1,058	225	82.46%	1,114	829
Capital	16	(7)	9	9	-	100.00%	16	-
<b>2.4 Soc. Marketing, Commun. &amp; Information</b>								
Current	983	940	1,923	1,711	212	88.98%	-	-
Capital	43	(23)	20	20	-	100.00%	-	-
<b>Total</b>	<b>4,904</b>	<b>459</b>	<b>5,363</b>	<b>4,006</b>	<b>1,357</b>	<b>74.70%</b>	<b>3,063</b>	<b>2,014</b>

Economic classification	2002/03						2001/02	
	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
<b>Current</b>	<b>4,827</b>	<b>499</b>	<b>5,326</b>	<b>3,970</b>	<b>1,356</b>	<b>74.54%</b>	<b>3,015</b>	<b>2,010</b>
Personnel	2,330	-	2,330	1,769	561	75.92%	1,504	972
Transfer payments	-	-	-	-	-	-	-	-
Other	2,497	499	2,996	2,201	795	73.46%	1,511	1,038
<b>Capital</b>	<b>77</b>	<b>(40)</b>	<b>37</b>	<b>36</b>	<b>1</b>	<b>97.30%</b>	<b>48</b>	<b>4</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	77	(40)	37	36	1	97.30%	48	4
<b>Total</b>	<b>4,904</b>	<b>459</b>	<b>5,363</b>	<b>4,006</b>	<b>1,357</b>	<b>74.70%</b>	<b>3,063</b>	<b>2,014</b>

Standard item classification	2002/03						2001/02	
	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
<b>Personnel</b>	<b>2,330</b>		<b>2,330</b>	<b>1,769</b>	<b>561</b>	<b>75.92%</b>	<b>1,504</b>	<b>972</b>
Administrative	655	(4)	651	356	295	54.69%	387	176
Inventories	212	(25)	187	187	-	100.00%	165	318
Equipment	183	(14)	169	167	2	98.82%	110	63
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	1,524	502	2,026	1,527	499	75.37%	897	485
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,904</b>	<b>459</b>	<b>5,363</b>	<b>4,006</b>	<b>1,357</b>	<b>74.70%</b>	<b>3,063</b>	<b>2,014</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2003**

**DETAIL PER PROGRAMME 3**

Programme per subprogramme	2002/03						2001/02	
	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
<b>3.1 Policy</b>								
Current	2,162	(726)	1,436	1,436	-	100.00%	1,443	1,255
Capital	19	(19)	-	-	-	0.00%	-	7
<b>3.2 Programme Development</b>								
Current	4,189	(1,166)	3,023	2,960	63	97.92%	3,715	3,259
Capital	1,897	11	1,908	808	1,100	42.35%	1,101	20
<b>3.3 Programme Funding</b>								
Current	267,629	108	267,737	259,487	8,250	96.92%	247,579	241,332
Capital	500	147	647	646	1	99.85%	2,855	2,260
<b>3.4 Program Assessment</b>								
Current	619	-	619	-	619	0.00%	-	-
Capital	75	(75)	-	-	-	0.00%	-	-
<b>Total</b>	<b>277,090</b>	<b>(1,720)</b>	<b>275,370</b>	<b>265,337</b>	<b>10,033</b>	<b>96.36%</b>	<b>256,693</b>	<b>248,133</b>

Economic classification	2002/03						2001/02	
	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
<b>Current</b>	<b>274,599</b>	<b>(1,784)</b>	<b>272,815</b>	<b>263,883</b>	<b>8,932</b>	<b>96.73%</b>	<b>253,838</b>	<b>245,846</b>
Personnel	5,940	-	5,940	5,286	654	88.99%	4,188	4,192
Transfer payments	261,954	1,830	263,784	255,881	7,903	97.00%	245,337	239,668
Other	6,705	(3,614)	3,091	2,716	375	87.87%	4,313	1,986
<b>Capital</b>	<b>2,491</b>	<b>64</b>	<b>2,555</b>	<b>1,454</b>	<b>1,101</b>	<b>56.91%</b>	<b>2,855</b>	<b>2,287</b>
Transfer payments	2,378	4	2,382	1,282	1,100	53.82%	2,250	2,237
Acquisition of capital assets	113	60	173	172	1	99.42%	605	50
<b>Total</b>	<b>277,090</b>	<b>(1,720)</b>	<b>275,370</b>	<b>265,337</b>	<b>10,033</b>	<b>96.36%</b>	<b>256,693</b>	<b>248,133</b>

Standard item classification	2002/03						2001/02	
	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
Personnel	5,940	-	5,940	5,286	654	88.99%	4,188	4,192
Administrative	2,378	(1,478)	900	692	208	76.89%	1,436	784
Inventories	601	(341)	260	154	106	59.23%	76	427
Equipment	369	(78)	291	289	2	99.31%	1,774	158
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	3,470	(1,676)	1,794	1,711	83	95.37%	1,632	640
Transfer payments	264,332	1,834	266,166	257,186	8,980	96.63%	247,587	241,905
Miscellaneous	-	-	-	-	-	-	-	27
Special functions	-	19	19	19	-	-	-	-
<b>Total</b>	<b>277,090</b>	<b>(1,720)</b>	<b>275,370</b>	<b>265,337</b>	<b>10,033</b>	<b>96.36%</b>	<b>256,693</b>	<b>248,133</b>



**WESTERN CAPE PROVINCE  
DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
VOTE 7**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2003**

**DETAIL PER PROGRAMME 4**

Programme per subprogramme	2002/03						2001/02	
	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
<b>4.1 Administration</b>								
Current	254,857	(814)	254,043	128,693	125,350	50.66%	67,941	51,186
Capital	199	393	592	494	98	83.45%	1,500	2,251
<b>4.2 Child and Family Care</b>								
Current	440,405	(3,664)	436,741	436,741	-	100.00%	231,025	228,952
Capital			-	-	-			
<b>4.3 Care of the Aged</b>								
Current	1,155,419	(11,110)	1,144,309	1,144,308	1	100.00%	1,002,847	986,253
Capital			-	-	-			
<b>4.4 Care of the Disabled</b>								
Current	882,901	16,351	899,252	962,879	(63,627)	107.08%	664,150	685,317
Capital			-	-	-			
<b>4.4 Relief of Distress</b>								
Current	6,361	(3,157)	3,204	3,204	-	100.00%	6,215	1,739
Capital			-	-	-			
<b>Total</b>	<b>2,740,142</b>	<b>(2,001)</b>	<b>2,738,141</b>	<b>2,676,319</b>	<b>61,822</b>	<b>97.74%</b>	<b>1,973,678</b>	<b>1,955,698</b>

Economic classification	2002/03						2001/02	
	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
<b>Current</b>	<b>2,739,943</b>	<b>(2,394)</b>	<b>2,737,549</b>	<b>2,675,825</b>	<b>61,724</b>	<b>97.75%</b>	<b>1,972,178</b>	<b>1,953,447</b>
Personnel	2,970		2,970	2,622	348	88.28%	1,770	1,712
Transfer payments	2,658,078	(1,825)	2,656,253	2,598,502	57,751	97.83%	1,903,237	1,901,228
Other	78,895	(569)	78,326	74,701	3,625	95.37%	67,171	50,507
<b>Capital</b>	<b>199</b>	<b>393</b>	<b>592</b>	<b>494</b>	<b>98</b>	<b>83.45%</b>	<b>1,500</b>	<b>2,251</b>
Transfer payments			-	-	-			
Acquisition of capital assets	199	393	592	494	98	83.45%	1,500	2,251
<b>Total</b>	<b>2,740,142</b>	<b>(2,001)</b>	<b>2,738,141</b>	<b>2,676,319</b>	<b>61,822</b>	<b>97.74%</b>	<b>1,973,678</b>	<b>1,955,698</b>

Standard item classification	2002/03						2001/02	
	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
<b>Personnel</b>	<b>2,970</b>	<b></b>	<b>2,970</b>	<b>2,622</b>	<b>348</b>	<b>88.28%</b>	<b>1,770</b>	<b>1,712</b>
Administrative	1,264	(574)	690	690	-	100.00%	542	479
Inventories	321	(61)	260	260	-	100.00%	202	57
Equipment	551	152	703	654	49	93.03%	1,534	2,351
Land and buildings			-	-	-			
Professional and special services	76,958	210	77,168	73,494	3,674	95.24%	66,393	49,871
Transfer payments	2,658,078	(1,825)	2,656,253	2,598,502	57,751	97.83%	1,903,237	1,901,228
Miscellaneous			-	-	-			
Special functions		97	97	97	-			
<b>Total</b>	<b>2,740,142</b>	<b>(2,001)</b>	<b>2,738,141</b>	<b>2,676,319</b>	<b>61,822</b>	<b>97.74%</b>	<b>1,973,678</b>	<b>1,955,698</b>

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DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2003**

**DETAIL PER PROGRAMME 5**

Programme per subprogramme	2002/03						2001/02	
	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
<b>5.1 Management of Customer Services</b>								
Current	10,485	606	11,091	10,870	221	98.01%	11,520	9,462
Capital	430	232	662	662	-	100.00%	141	88
<b>5.2 District Service Delivery</b>								
Current	150,495	871	151,366	150,852	514	99.66%	134,392	138,753
Capital	559	(314)	245	245	-	100.00%	1,231	856
<b>Total</b>	<b>161,969</b>	<b>1,395</b>	<b>163,364</b>	<b>162,629</b>	<b>735</b>	<b>99.55%</b>	<b>147,284</b>	<b>149,159</b>

Economic classification	2002/03						2001/02	
	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
<b>Current</b>	<b>160,980</b>	<b>1,477</b>	<b>162,457</b>	<b>161,722</b>	<b>735</b>	<b>99.55%</b>	<b>145,912</b>	<b>148,215</b>
Personnel	121,484		121,484	120,809	675	99.44%	107,263	108,848
Transfer payments	51		51	7	44	13.73%	66	6
Other	39,445	1,477	40,922	40,906	16	99.96%	38,583	39,361
<b>Capital</b>	<b>989</b>	<b>(82)</b>	<b>907</b>	<b>907</b>	<b>-</b>	<b>100.00%</b>	<b>1,372</b>	<b>944</b>
Transfer payments			-	-	-	-	-	-
Acquisition of capital assets	989	(82)	907	907	-	100.00%	1,372	944
<b>Total</b>	<b>161,969</b>	<b>1,395</b>	<b>163,364</b>	<b>162,629</b>	<b>735</b>	<b>99.55%</b>	<b>147,284</b>	<b>149,159</b>

Standard item classification	2002/03						2001/02	
	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
Personnel	121,484		121,484	120,809	675	99.44%	107,263	108,848
Administrative	14,969	(1,231)	13,738	13,738	-	100.00%	12,578	13,432
Inventories	4,338	1,573	5,911	5,911	-	100.00%	5,392	5,794
Equipment	2,122	146	2,268	2,252	16	99.29%	2,565	2,042
Land and buildings	850	(189)	661	661	-	100.00%	-	-
Professional and special services	18,155	966	19,121	19,121	-	100.00%	19,420	19,037
Transfer payments	51		51	7	44	13.73%	66	6
Miscellaneous			-	-	-	-	-	-
Special functions		130	130	130	-	-	-	-
<b>Total</b>	<b>161,969</b>	<b>1,395</b>	<b>163,364</b>	<b>162,629</b>	<b>735</b>	<b>99.55%</b>	<b>147,284</b>	<b>149,159</b>

WESTERN CAPE PROVINCE  
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NOTE 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 8 (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 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 10.3 (Details of special functions) to the annual financial statements.

**4 Explanations of material variances from Amount Voted (after virement):**

**4.1 Per programme:**

***Programme 1: Administration***

Saving is mainly due the non-filling of vacancies

***Programme 2: Research & Development***

Saving is due to the non filling of vacancies, and the allocation of the tenders in respect of the printing of the strategic plan and the research on problem gambling for which requests for roll-over of funds was submitted.

***Programme 3: Departmental Social Security***

The saving is mainly due to committed funds in respect of Poverty Alleviation for which payments will take place in trenches during the 2003/04 financial year.

***Programme 4: Social Security***

The saving is mainly due to the unspent funds in respect of arrear grant payments (Regulation 11).

***Programme 5: Customer Services***

The saving is mainly due to the non-filling of vacancies.

***Special functions***

Expenditure in this regard is mainly due to the write off of debts in respect of GG-accidents.

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NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2003

4.2 Per standard item:

*Personnel*

Saving is mainly due to the non-filling of vacancies.

*Professional and Special Services*

Saving is mainly due to the delay in establishing of Helpdesks.

*Transfer Payments*

The saving is mainly due to the unspent funds in respect of arrear payment of grants (Regulation 11).

5 **Reconciliation of appropriation statement to income statement:**

	2002/03 R'000	2001/02 R'000
Total expenditure per Appropriation Statement	3,138,474	2,377,929
Actual Expenditure per Income Statement	3,138,474	2,377,929

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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2003**

**INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)  
for the year ended 31 March 2003**

	Notes	2002/03 R'000	2001/02 R'000
<b>REVENUE</b>			
<b>Voted funds</b>			
		3,212,870	2,401,622
Charge to Provincial Revenue Fund	1	3,208,289	2,400,055
Other revenue budget		4,581	1,567
<b>Non voted funds</b>			
		2,107	4,127
Other revenue to be surrendered to the Revenue Fund	2	2,107	4,127
<b>TOTAL REVENUE</b>		<b>3,214,977</b>	<b>2,405,749</b>
<b>EXPENDITURE</b>			
<b>Current</b>			
		3,135,303	2,371,233
Personnel	3	146,826	128,503
Administrative		19,581	19,061
Inventories	4	6,949	7,102
Machinery and Equipment	5	2,284	1,862
Land and buildings	6	661	-
Professional and special services	7	104,342	73,599
Transfer payments	8	2,854,413	2,140,902
Miscellaneous	9	-	27
Special functions: authorised losses	10	247	177
<b>TOTAL CURRENT EXPENDITURE</b>		<b>3,135,303</b>	<b>2,371,233</b>
<b>Capital</b>			
		3,171	6,696
Machinery and Equipment	5.1	1,889	4,459
Transfer payments	8	1,282	2,237
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>3,171</b>	<b>6,696</b>
<b>TOTAL EXPENDITURE</b>		<b>3,138,474</b>	<b>2,377,929</b>
<b>NET SURPLUS /(DEFICIT)</b>		<b>76,503</b>	<b>27,820</b>
<b>NET SURPLUS /(DEFICIT) FOR THE YEAR</b>	12	<b>76,503</b>	<b>27,820</b>

**WESTERN CAPE PROVINCE  
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VOTE 7**

**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
at 31 March 2003**

	Notes	2002/03 R'000	2001/02 R'000
<b>ASSETS</b>			
<b>Current assets</b>			
Unauthorised and fruitless and wasteful expenditure	11	53,384	53,384
Cash and cash equivalents	13	4,157	(4,668)
Receivables	14	234,465	195,185
<b>TOTAL ASSETS</b>		<b>292,006</b>	<b>243,901</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Voted funds to be surrendered	15	74,396	23,693
Revenue funds to be surrendered	16	159	253
Payables	17	186,675	191,430
<b>Non-current liabilities</b>			
Payables	18	30,776	28,525
<b>TOTAL LIABILITIES</b>		<b>292,006</b>	<b>243,901</b>
<b>NET ASSETS/LIABILITES</b>		<b>-</b>	<b>-</b>

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CASH FLOW STATEMENT  
for the year ended 31 March 2003

	Notes	2002/03 R'000	2001/02 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flow generated by operating activities	19	82,973	33,846
Cash generated (utilised) to (increase)/decrease working capital	20	(41,784)	(28,614)
Voted funds and Revenue funds surrendered	21	(30,475)	(5,441)
<b>Net cash flow available from operating activities</b>		<b>10,714</b>	<b>(209)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure	5.1	(1,889)	(4,459)
<b>Net cash flows from operating and investing activities</b>		<b>8,825</b>	<b>(4,668)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8,825</b>	<b>(4,668)</b>
Cash and cash equivalents at beginning of period		(4,668)	
<b>Cash and cash equivalents at end of period</b>	13	<b>4,157</b>	<b>(4,668)</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

**1 Charge to Provincial Revenue Fund**

**1.1** Included in the above are funds specifically and exclusively appropriated Provincial Departments (Equitable Share):

Programmes	Total Appropriation 2002/03	Actual	Variance over/(under)	Total Appropriation 2001/02
Program 1: Administration	30,631	30,631	-	20,904
Program 2: Research & Development	5,364	5,364	-	3,063
Program 3: Departmental Social Security	275,370	275,370	-	256,693
Program 4: Social Security	2,738,308	2,738,308	-	1,973,678
Program 5: Customer Services	163,197	163,197	-	147,284
Less Own Revenue Budget	4,581	4,581	-	1,567
<b>TOTAL</b>	<b>3,208,289</b>	<b>3,208,289</b>	<b>-</b>	<b>2,400,055</b>

Included in the total for "Total Appropriation" and "Actual" is the own revenue budget amounting to R 4 581 000

**1.2 Conditional grants**

	Note	2002/03 R'000	2001/02 R'000 *
Total grants received	Annexure 1	178,815	4,142

\* Amounts in respect of R 1 100 000 and R 1 902 000 were conditional grants for the 2000/01 period, and the unused amounts were rolled over. These amounts should not have been included in the total amount for conditional grants for the 2001/02 financial year.

**1.3** Explanation of material variances including whether or not application will be made for a rollover.

Arrear Payments: Regulation 11

The under spending is due to additional inactive cases that were identified and must still be evaluated and processed. An application for the roll-over of R 57 791 000 for utilisation in the 2003/2004 financial year has been submitted to the Provincial Treasury for approval.

**2 Other revenue to be surrendered to the revenue fund**

	Note	2002/03 R'000	2001/02 R'000
Stale Cheques		260	213
Board & Lodging		302	458
Interest Allpay		4,753	3,282
Administrative Fees		152	149
Refunds/Recoveries: Other and Previous years		1,106	1,495
Other		115	97
<b>Total own revenue collected</b>	16	<b>6,688</b>	<b>5,694</b>
Less Own Revenue Budget		4,581	1,567
<b>Non-voted funds</b>		<b>2,107</b>	<b>4,127</b>

Own revenue in respect of the 2002/03 financial year consists of voted revenue of R 4 581 000 and an over-collection of R 2 107 000



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

	2002/03 R'000	2001/02 R'000
<b>3 Personnel</b>		
<b>3.1 Current expenditure</b>		
Appropriation to Executive and Legislature	600	604
Basic salary costs	102,804	89,006
Pension contributions	14,315	12,994
Medical aid contributions	8,622	7,889
Other salary related costs	20,485	18,010
	<b>146,826</b>	<b>128,503</b>
Average number of employees	<b>1364</b>	<b>1414</b>
<b>4 Inventories</b>		
<b>4.1 Current expenditure</b>		
<b>Inventories purchased during year</b>		
Stationery	1,583	1,787
Photocopy Paper	539	207
Protective Clothing	192	174
Uniforms	404	450
Clothing: Patients/Boarders	548	357
Computer Requisites	450	160
Provisions	262	384
Toiletries	192	196
Domestic Hardware	211	184
Water	253	300
Electricity	1,282	1,712
Other	1,033	1,191
	<b>6,949</b>	<b>7,102</b>
<b>4.2 Inventories on hand at year end (for disclosure purposes only)</b>		

*Due to the lack of a procurement system, this department is unable to provide information regarding the value of inventories on hand at year end. Information can only be provided on the amount of stock at hand (See Annexure 5).*

*An average costing method has been used to determine the total cost of inventories. This may be due to the fact that the Department does not have a central storage to supply the district offices and facilities. For the past financial year each district office or facility has been responsible for management and maintenance of stores and that has led to the lack of consistency and uniformity regarding accounting costing methods used. With the inception of the Supply Chain Management System measures are currently being put into place to address the discrepancy and to ensure that uniformed provisioning guidelines are adhered to.*

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2003**

	Note	2002/03 R'000	2001/02 R'000
<b>5 Machinery and Equipment</b>			
Current (Rentals, maintenance and sundry net of cash discounts)		2,284	1,862
Capital	5.1	1,889	4,459
Total current and capital expenditure		<b>4,173</b>	<b>6,321</b>
<b>5.1 Capital machinery and equipment analysed as follows:</b>			
Computer equipment		389	2,474
Furniture and office equipment		1,230	1,072
Other machinery and equipment		270	280
Transport		-	633
		<b>1,889</b>	<b>4,459</b>
<b>6 Land and buildings</b>			
Maintenance		661	-
Total current and capital expenditure		<b>661</b>	<b>-</b>
<b>7 Professional and special services</b>			
<b>7.1 Current expenditure</b>			
Auditors' remuneration		2,888	1,522
Contractors		19,142	14,663
Consultants and advisory services		715	1,125
Computer services		9	23
Other		81,588	56,266
		<b>104,342</b>	<b>73,599</b>
<b>8 Transfer payments</b>			
Current Expenditure	Annexure 2	2,854,413	2,140,902
Capital Expenditure	Annexure 2	1,282	2,237
		<b>2,855,695</b>	<b>2,143,139</b>
<b>9 Miscellaneous</b>			
Current Expenditure			
Gifts, donations and sponsorships made	9.1	-	27
		<b>-</b>	<b>27</b>

**WESTERN CAPE PROVINCE  
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for the year ended 31 MARCH 2003**

9.1	Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)	Note	2002/03 R'000	2001/02 R'000
	Die Burger Kersfonds			21
	VSA Arts of South Africa		-	6
			-	27
<b>10</b>	<b>Special functions: Authorised losses</b>			
	Material losses through criminal conduct	10.1	-	177
	Debts written off	10.2	247	-
			<b>247</b>	<b>177</b>
<b>10.1</b>	<b>Material losses through criminal conduct</b>			
	<b>Nature of losses</b>			
	Lindelani - Fire damage		-	177
			<b>-</b>	<b>177</b>
<b>10.2</b>	<b>Debts written off</b>			
	<b>Nature of debts written off</b>			
	GG vehicle thefts and losses		247	-
			<b>247</b>	<b>-</b>
<b>10.3</b>	<b>Details of special functions (theft and losses)</b>			
	<b>Per programme</b>			
	Program 1: Administration	Losses: GG-accidents	1	
	Program 3: Developmental Social Security	Losses: GG-accidents	19	
	Program 4: Social Security	Losses: GG-accidents	48	
	Program 4: Social Security	Losses: Grants	49	
	Program 5: Customer Services	Losses: GG-accidents	124	
	Program 5: Customer Services	Losses: Fire	-	177
	Program 5: Customer Services	Thefts: GG-vehicle equipment	6	
			<b>247</b>	<b>177</b>
	<i>Although the thefts and losses are written off against a separate program, responsibility can be determined against the various program managers.</i>			
<b>11</b>	<b>Unauthorised and fruitless and wasteful expenditure disallowed</b>	Note		
	Unauthorised expenditure	11.1	53,384	53,384
			<b>53,384</b>	<b>53,384</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2003**

11.1	Notes	2002/03 R'000	2001/02 R'000
<b>Reconciliation of unauthorised expenditure balance</b>			
<i>Unauthorised expenditure in respect of previous years not yet approved</i>			
		466	466
		52,918	52,918
		<b>53,384</b>	<b>53,384</b>
<b>12 Analysis of surplus</b>			
		74,396	23,693
		<b>2,107</b>	<b>4,127</b>
		6,688	5,694
		4,581	1,567
		<b>76,503</b>	<b>27,820</b>
<b>13 Cash and cash equivalents</b>			
		3,059	12,185
		(25)	-
		(4,325)	(9,405)
		(186)	-
		(2,685)	(6,566)
		-	(4)
		-	(5)
		10	10
		(261)	(883)
		(15)	-
		8,585	-
		<b>4,157</b>	<b>(4,668)</b>
<b>14 Receivables - current</b>			
		4,466	4,050
	14.2	294	245
	14.3	22,032	18,381
	14.4	207,673	172,509
		<b>234,465</b>	<b>195,185</b>

# This amount includes claims in respect of other state departments (R 4 195 426.32) and the April Control account (R 270 481.85), which relates to the transfer of balances between this department and Department of Health.

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for the year ended 31 MARCH 2003**

	2002/03 R'000	2001/02 R'000
<b>14.1 Age analysis – receivables current *</b>		
Less than one year	210,865	10,335
One to two years	10,911	9,174
More than two years	11,940	128
	<b>233,716</b>	<b>19,637</b>
* The difference of R 749 000 is due to the system not being able to provide an age analysis on the date of closure ( refer to par. 14.3, Debtors Debt). All other age analysis were performed manually.		
<b>14.2 Staff debtors</b>		
Miscellaneous Debts (Personnel)	52	106
Private Telephone Calls	64	37
Disallowances (Ex-employees)	3	59
Salary Reversal Control	130	6
Other	45	37
	<b>294</b>	<b>245</b>
<b>14.3 Other debtors</b>		
Miscellaneous Debt: Social Pensions	8	462
Departmental Debt: Fraud	53	148
Disallowances: Suppliers	263	151
Disallowances: Accident Claims	532	553
Debtors Debt	20,856	16,716
Other	320	351
	<b>22,032</b>	<b>18,381</b>
<b>14.4 Advances</b>		
<b>Nature of advances</b>		
Advances Subsistence & Transport	59	12
Advances Social Pensions	207,614	172,497
	<b>207,673</b>	<b>172,509</b>
<b>15 Voted funds to be surrendered</b>		
Opening balance	23,693	
Transfer from income statement	74,396	23,693
Paid during the year	(23,693)	
Closing balance	<b>74,396</b>	<b>23,693</b>
<b>16 Revenue funds to be surrendered</b>		
Opening balance	253	-
Transfer from income statement for revenue to be surrendered	6,688	5,694
Paid during the year	(6,782)	(5,441)
Closing balance	<b>159</b>	<b>253</b>

**WESTERN CAPE PROVINCE  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2003**

	Note	2002/03 R'000	2001/02 R'000
<b>17 Payables - current</b>			
Amounts owing to other departments (March balance account - Dept. U3) *		186,621	190,988
Other payables	17.1	54	442
		<b>186,675</b>	<b>191,430</b>
* The amount stated in the March balance account for 2001/02 was incorrect, and thus corrected.			
<b>17.1 Other payables</b>			
Income Tax Category B		23	146
Pensions Fund Category B		-	108
Other		31	188
		<b>54</b>	<b>442</b>
<b>18 Payables – non-current</b>			
Enrichment Centre Project (ISLP)		4,691	6,239
Re-registration Project		-	636
Faure: Secure Care		-	4,000
Disallowance: Previous years		5,038	301
Recoverable Revenue Capital (old debt system)		-	16,665
Recoverable Revenue Capital (new debt system)		19,978	684
Recoverable Revenue Interest		1,069	
		<b>30,776</b>	<b>28,525</b>
<b>19 Net cash flow generated by operating activities</b>			
Net surplus as per Income Statement		76,503	27,820
Adjusted for items separately disclosed		<b>6,470</b>	<b>6,026</b>
Own Revenue Budget		4,581	1,567
Capital expenditure		1,889	4,459
		<b>82,973</b>	<b>33,846</b>
<b>20 Cash generated/(utilised) to (increase)/decrease working capital</b>			
(Increase) / decrease in receivables – current		(4,116)	(22,676)
(Increase) / decrease in receivables – non-current			(53,384)
(Increase) / decrease in prepayments and advances		(35,164)	(172,509)
Increase / (decrease) in payables		(4,755)	191,430
Increase / (decrease) in other current and non-current liabilities		2,251	28,525
		<b>(41,784)</b>	<b>(28,614)</b>

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21	<b>Voted funds and Revenue funds surrendered</b>	<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
	Voted funds surrendered	(23,693)	
	Revenue funds surrendered in excess of Revenue Budget	(6,782)	(5,441)
		<b>(30,475)</b>	<b>(5,441)</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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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.

**22 Contingent liabilities**

Liable to	Nature	Note	2002/03 R'000	2001/02 R'000 *
Housing loan guarantees	State guarantee	Annexure 3	3,851	5,687

\* *The closing balance for 2001/2002 was not correct, as there was no supporting figures for the opening balance in 2001/02 due to the split of the department from Department of Health.*

**23 Commitments \***

**Current expenditure**

Approved and contracted/ordered	1,169	-
Approved but not yet contracted	3,347	-
<b>Total Commitments</b>	<b>4,516</b>	<b>-</b>

\* *See roll-over request*

**24 Accruals**

Listed by standard Item

Personnel	40	1
Administrative	665	949
Inventories	140	1
Equipment	172	168
Land and Buildings	6	-
Professional and Special Services	1,805	891
Transfer Payments	2,624	-
	<b>5,452</b>	<b>2,010</b>

Listed by programme level #

Program 1: Administration	2,241	1,507
Program 2: Research & Development		11
Program 2: Social Assistance Grants	760	
Program 3: Departmental Social Security		14
Program 3: Social Welfare Services	1,415	
Program 4: Development & Support Services	826	
Program 5: Customer Services		478
Program 5: Population Development & Demographic Trends	210	
	<b>5,452</b>	<b>2,010</b>



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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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25	Employee benefits	2002/03 R'000	2001/02 R'000
	Leave entitlement *	19,818	16,110
	Thirteenth cheque	7,937	7,107
	Performance bonus	323	270
		<b>28,078</b>	<b>23,487</b>

\* Includes credits for current cycle and previous cycle, as well as capped leave. The leave liability for the Senior Management Service was incorrectly based on the total package and not on the basic salary component.

26	Leases			Total 2002/03 R'000	Total 2001/02 R'000
26.1	Operating leases	Property	Equipment		
	Not later than 1 year	-	1,131	1,131	401
	Later than 1 year and not later than 3 years	-	762	762	621
	Later than 3 years	-	35	35	
	<b>Present value of lease liabilities</b>	<b>-</b>	<b>1,928</b>	<b>1,928</b>	<b>1,022</b>

27	Key management personnel		
27.1	Remuneration		
	1 x Provincial Minister	409	317
	1 x Superintendent-General (Head of Department)	411	392
	2 X Chief Directors & 6 Directors (5 directors for previous financial year)	2,004	1,578
		<b>2,824</b>	<b>2,287</b>

27.2	Other remuneration and compensation provided to key management and close members of the family of key management personnel		
	1 x Provincial Minister	102	139
	1 x Superintendent-General (Head of Department)	283	285
	2 X Chief Directors & 6 X Directors (5 directors previous financial year)	838	753
		<b>1,223</b>	<b>1,177</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

**ANNEXURE 1**

**STATEMENT OF CONDITIONAL GRANTS RECEIVED BY PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2003**

NAME OF GRANT	GRANT ALLOCATION			CAPITAL EXPENDITURE		CURRENT EXPENDITURE		
	Division of Revenue Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available R'000	Actual R'000	Underspent R'000	Actual R'000	Underspent R'000
Arrear Payments: Regulation 11	175,508	-	-	175,508	345	-	*53631	121,532
Financial Management: Improvement of	1,200	-	-	1,200	24	-	1,176	-
HIV/Aids	2,046	44	17	2,107	-	-	2,107	-
<b>Total</b>	<b>178,754</b>	<b>44</b>	<b>17</b>	<b>178,815</b>	<b>369</b>	<b>-</b>	<b>56,914</b>	<b>121,532</b>

\*

*\* The under spending is due to additional inactive cases that were identified and must still be evaluated and processed.*

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

**ANNEXURE 2**

**STATEMENT OF TRANSFERS MADE AS AT 31 MARCH 2003**

(List each Transfer by Entity / Institution)	GRANT ALLOCATION			EXPENDITURE					
	Appropriations Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available (1) R'000	Actual Transfer R'000	Amount not Transferred R'000	% of Available Transferred	Capital R'000	Current R'000
<b>Transfer payment to institutions</b>									
Problem Gambling	1,250	(500)		750	750	-	100,00%		750
Children's Homes	30,568	(318)		30,250	30,250	-	100,00%		30,250
Early Child Development	29,232	1,167		30,399	30,399	-	100,00%		30,399
Childhood Enrich Centre		778		778	778	-	100,00%	778	
After School Centres	880	53		933	933	-	100,00%		933
Aged Care Centres	83,000	(352)		82,648	82,648	-	100,00%		82,648
Community Services	11,577	(1,244)		10,333	10,333	-	100,00%		10,333
Cronical Ill Centres				-	-	-	-		-
Disabled Care Centres	12,535	6,584		19,129	19,129	-	100,00%		19,129
Protective Workshops	4,197	322		4,519	4,519	-	100,00%		4,519
Alcohol & Drug Private Treatment	3,600	(299)		3,301	3,301	-	100,00%		3,301
Social Services Organisations	52,796	(2,907)	1,200	51,089	51,112	(23)	100,05%		51,112
HIV/AIDS	2,046	44	17	2,107	2,107	-	100,00%		2,107
Safety Net Programme		(573)	5,600	5,027	5,027	-	100,00%		5,027
Multi-Purpose Centres		504		504	504	-	100,00%	504	
Community Centres	204	(55)		149	149	-	100,00%		149
Shelters for Children	2,763	(169)		2,594	2,594	-	100,00%		2,594
Shelters for Victims of Violence	1,118	213		1,331	1,331	-	100,00%		1,331
Shelters for Adults	2,279	40		2,319	2,318	1	99,96%		2,318
<b>Transfer payments to households</b>									
(social pensions and grants)									
Child and Family Care	349,189	87,551		436,740	436,743	(3)	100,00%		436,743
Care of the Aged	1,138,880	5,429		1,144,309	1,144,308	1	100,00%		1,144,308
Care of the Disabled	722,308	176,944		899,252	962,879	(63,627)	107,08%		962,879
Social Relief	3,864	(3,157)	2,497	3,204	3,204	-	100,00%		3,204
Arrear Payments: Regulation 11	172,992	(244)		172,748	51,371	121,377	29,74%		51,371
Poverty Alleviation	19,294	(2,688)		16,906	9,004	7,902	53,26%		9,004
<b>Other</b>					4	(4)	-		4
	<b>2,644,872</b>	<b>267,133</b>	<b>9,314</b>	<b>2,921,319</b>	<b>2,855,695</b>	<b>65,624</b>	<b>97,75%</b>	<b>1,282</b>	<b>2,854,413</b>

\* Arrear Payments: Regulation 11: The project regarding the arrear payments to social grant beneficiaries could not be finalised as additional cases were identified.

\* Poverty Alleviation: In order to ensure financial accountability, service level agreements with service providers have been constructed to allow for tranche payments payments instead of once-off payments, thus the unspent funds.

Application for roll-over of funds (for both cases) has been submitted to Provincial Treasury for approval.

WESTERN CAPE PROVINCE  
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 3

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2003

Guaranteed institution	Guarantee in respect of	Original Guaranteed capital amount	* Opening balance as at 01/04/2002	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest outstanding as at 31/03/2003	Closing Balance 31/03/2003	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing		549,373	142,690	100,935		591,128	
First Rand Bank	Housing		634,403	57,700	152,350		539,753	
ABSA	Housing		1,877,883	90,847	939,866		1,028,864	
BOE Bank (NBS)	Housing		348,674		91,102		257,572	
Saambou Bank	Housing		500,924	25,800	105,324		421,400	
Permanent Bank	Housing		1,346,850	53,046	693,312		706,584	
Albaraka Bank	Housing		26,419				26,419	
Nedbank Ltd.	Housing		19,500				19,500	
BOE Bank (Boland)	Housing		141,455		59,333		82,122	
Peoples Bank	Housing		99,311		63,631		35,680	
Old Mutual Bank	Housing		37,178				37,178	
BOE Bank Ltd.	Housing		88,474				88,474	
Cape of Good Hope	Housing		16,756				16,756	
<b>Total</b>		<b>0</b>	<b>5,687,200</b>	<b>370,083</b>	<b>2,205,853</b>	<b>0</b>	<b>3,851,430</b>	<b>0</b>

\* The closing balance of the 2001/2002 financial year, thus the opening balance, has been amended, as it was not correct due to the insufficient availability of information when the department split from the Department of Health.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 4**

**PHYSICAL ASSET MOVEMENT SCHEDULE (Not including inventories)**

<b>PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03</b>	<b>Opening Balance R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Transfers In R'000</b>	<b>Transfers Out R'000</b>	<b>Closing Balance R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	<b>0</b>	<b>1,889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,889</b>
Computer equipment	0	389				389
Furniture and office equipment	0	1,230				1,230
Other machinery and equipment	0	270				270
	<b>0</b>	<b>1,889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,889</b>
<b>PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2001/02</b>	<b>Opening Balance R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Transfers In R'000</b>	<b>Transfers Out R'000</b>	<b>Closing Balance R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	<b>-</b>	<b>4,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,459</b>
Computer equipment	-	2,474				2,474
Furniture and office equipment	-	1,072				1,072
Other machinery and equipment	-	280				280
Transport assets	-	633				633
	<b>-</b>	<b>4,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,459</b>

*Since the Department is not on a computerised procurement and provisioning system, it is difficult to cost and depreciate departmental capital equipment as per the requirement for the completion of the financial statements. Values and information used, which may not reconcile with the Financial Management System, was drawn from the past financial year commitment register, order books and the yellow cards for each office and institution. Indicators have been given by Provincial Treasury that departments that do not have LOGIS as their operating procurement system, will be given permission to procure an inventory module/system that will be used for the management, control and accounting purposes in as far as Asset Management is concerned. Any alternative system must be approved by the National Technical Committee on Finance. The department did previously apply to implement an alternative procurement system to LOGIS but it was not supported by the Provincial Treasury. The department is in the process to again apply to implement an alternative procurement system.*

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 5  
INVENTORY**

ITEM DESCRIPTION	TOTAL
1 HOLE ADJ. H/DUTY WOODEN BASE	10
14MM	100
21MM	100
220 FILES	490
24 UP LABELS	5
54MM COLOUR INK PAD	2
55MM COLOUR INK PAD	2
8MM STAPLES	100
A1 COLOURED CARTON	47
A3 150 MIC LAMINATING POUCHES	3
A3 FILE COVER	29
A3 GREEN PHOTOCOPY PAPER	14
A3 PINK PHOTOCOPY PAPER	5
A3 WHITE COPY PAPER	3
A3 YELLOW PHOTOCOPY PAPER	6
A4 150 MIC LAMINATING POUCHES	105
A4 BLUE HARD BOARD	243
A4 DARK YELLOW PHOTOCOPY PAPER	4
A4 GREEN HARD BOARD	18
A4 GREEN PHOTOCOPY PAPER	1
A4 LAMINATION POUCHES	8
A4 ORANGE HARD BOARD	17
A4 PINK HARD BOARD	272
A4 RED HARD BOARD	20
A4 WHITE PHOTOCOPY PAPER	236
A4YELLOW PHOTOCOPY PAPER	1
AGENT STICKERS	10
ALL PURPOSE	5
ALPHABETICAL H/COVER	1
B 34 BOOK	27
B 35 BOOK	47
B16 BOOK	41
B22 BOOK	14
B39 B00K	36
B4 ENVELOPES	71
BINDER CLIPS	137
BINDERS 28,5MM	143
BLACK BAGS	400
BLACK FINE LINERS	79
BLACK INK	100
BLACK PENS	1736
BLEACH	4
BLUE FINE LINERS	58

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 5  
INVENTORY**

ITEM DESCRIPTION	TOTAL
BLUE PENS	1816
BROTHER CARTRIDGE HL- 1270/1250	10
BROTHER DR 100	0
BROTHER DR 300	25
BROTHER DR 6000	3
BROTHER TN 200	17
BROTHER TN 300	30
BROTHER TN 6600	6
BROTHER TN EPEG (98A)GENUIN	20
BROTHER TONER HL/1260 1660/2060	15
BROWN PAPER	5
BUFF TAPE	71
C5 ENVELOPES BOXES	10
C60 AUDIO CASSETTE	25
CARBON A3	9
CARBON A4	43
CARBON A5	31
CARTRIDGE 1823D	8
CARTRIDGES 6528	10
CF TONER M3B	1
CHALK	1
CHINA EMBOSSED	38
CHINA FAWN PAPER	14
CLIP BOARD MASONITE	18
COMB BINDING RINGS 38MM A4	6
COMB BINDING RINGS A4	65
COPY PAPER RED A4	5
CORRECTION FLUID	58
CSG-APPLICATION	1500
DATE STAMPS	3
DEO-BLOCKS	1
DESK CUBE (REFILLS)	39
DESK ORGANISER	11
DESK SHAPNER	14
DIRTY BIN	18
DISH LIQUID	10
DISINFECTANT	18
DISKETTE STORAGE BOX	3
DOUBLE FOLIO	4
DR 200	20
DRAWING PINS	134
E1 ENVELOPES	11
EL 782C CALCULATORS	15
E'LAZER TONER CARTRIDGE	1
ENVELOPES 110X220	63
ENVELOPES 110X220 WHITE WINDOW S/S/	30
ENVELOPES C4-12	30
ENVELOPES E1	6
ENVELOPES E10	1
ENVELOPES E15	1

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**ANNEXURE 5  
INVENTORY**

ITEM DESCRIPTION	TOTAL
ENVELOPES E3	11
ENVELOPES-WHITE (353X250)	160
ENVELOPS E2	1
EPSON CARTRIDGE	1
EPSON STYLUS 800/1000	7
EPSON STYLUS PHOTO	4
EXAM PADS	100
F3 TONER	6
FAX ROLLS	52
FILE FASTNERS	
FILLING SLEEVES	729
FILM WRITING CARBON A4	246
FIN 232	3
FINANCE STORAGE BOXES	7
FINELINERS	42
FINGER PRINT CARDS	500
FINGER PRINT INK	51
FINGER TIPS	33
FIRST AID KIT	3
FLIP CHART PAPER	471
FLOOR POLISH	15
FOAM CUPS	250
FRAGILE STICKERS	200
FRAMA INK	4
FRANCOTYP LABELS	2
FRANCOTYP RIBBON CASSETTE	0
FRANKING MACHINE INK	12
FRANKING MACHINE REGISTER	1
FURNITURE POLISH	40
GLASS FILTER	0
GLEN TEA	57
GLUE BRUSH	12
GLUE OFFICE	96
GREEN FILING BOXES	20
GREEN FINE LINERS	20
HAND SOAP	29
HAND TOWELS	19
HANDY ANDY 5LT	18
HANGING FILES	2
HARD COVER BOOKS	56
HEAVY DUTY STAPLER	0
HEAVY DUTY STAPLES	6
HEAVY DUTY STAPLES 23/12	8
HEAVY DUTY STAPLES 23/17	11
HEAVY DUTY STAPLES 23/20	11
HEAVY DUTY STAPLES 23/23	10
HEAVY DUTY STAPLES 23/24	5
HEAVY DUTY STAPLES23/8	28
HEVY DUTY STAPLES 23/15	15
HEWLITT PACKARD LASER JET EPE	1



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**ANNEXURE 5  
INVENTORY**

ITEM DESCRIPTION	TOTAL
HIGHLIGHTERS	830
HP 10 TONER	1
HP 11	3
HP 15	1
HP 19	1
HP 23	1
HP D/J 660 BK I/J CART	3
HP DESKJET 23D &78D	20
HP LASER 4L TONER	5
HP1100	4
INDEX (ABC) SET	12
INDEX FILE REGISTER	100
INDIAN TAGS	334
INK JET CARTRIDGE 78 TRI-COLOUR	5
INK JET PRINT CARTRIDGE 45 BLACK	4
INK JET SURFACE UP	10
INK PADS	40
INKJET A4 OHP WITH STRIP	268
INSECT KILLER	
JEYS FLUID	3
JOKO TEABAGS	0
KHOKI PERMANENT	2121
KWIK CLIPS	0
LABELS FRANKING MACHINE	38
LABELS (ROUND)	200
LABELS 32X50	64
LABELS 40X15 URGENT/ DRINGEND	102
LABELS A4	10
LABELS-LEVER ARCH FILES	25
LASER JET CARTRIDGE	4
LASER PRINT TONER CARTRIDGE	1
LASER PRINTER TRANSPARENCIES	394
LASERJET TRANSPARENCIES KDP 100	46
LAZER TRANSPARENCIES	0
LETTER HEADS	21
LETTER OPENER	18
LEVER ARCH FILE A3	10
LEVER ARCH FILES	306
LOCKABLE FLEXITRAY	3
MANILLA FOLDERS ASSORTED A4	200
MAP PINS	10
MASKING TAPE	6
MEMORANDUM	131
MEMO'S	132
MESSAGE BOOK	18
METAL PLIER STAPLER	53
MILK	114
MINI DATES	9
MINUTES	125
MOUSE	2

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**ANNEXURE 5  
INVENTORY**

ITEM DESCRIPTION	TOTAL
MOUSE PADS	26
MT TONER 603 A	0
MT TONER S01A	0
MULTI BAC	4
MULTI PLUGS	10
NESCAFE	0
NON WINDOW ENVELOPES	39
NOTE BOOKS	67
NYLON RIBBON	76
OFFICE PINS	136
OFFICE STAMP	11
ORDER PAYMENT TRANSACTION	15
PAINT BRUSH ART	52
PAPER BINDERS 76MM	49
PAPER CLIPS	679
PAPER CLIPS LARGE	2
PAPER FASTNERS	8
PARROT KHOKI (BLACK -THIN)	13
PENCIL LEAD	55
PENCILS	1216
PHOTOCOPY PAPER SKY BLUE	7
PICK STICKERS	0
PINE GEL	4
PLAIN A4 WRITING PAPER	16
PLASTI BINDINGS 25MM	4
PLASTIC	2
PLASTIC BINDINGS (10MM)	802
PLASTIC BINDINGS (12MM)	600
PLASTIC BINDINGS 16MM	210
PLASTIC GLOVES	40
PLASTIC LETTER TRAYS	56
PLASTIC ROLLS	2
POCKET H/COVER BOOK	1
POLESTER BRAID TWINE	0
POST IT FLAGS	20
POWDER PAINT	153
PRESTIC	137
PRINTER PAPER	1
PRITT	297
PUNCH H/D 4HOLE	2
PVC COLOUR DIVIDERS	2
Q TN 100	12
RECEIPT BOOK	8
RECORD CARDS	3
RED FERN 24UP N/BORDER 100'S LASER	5
RED FINE LINERS	89
RED INK	84
RED PENS	2001
REGISTER OF REMITTANCE (GP)	2
RICOFFY	21

**WESTERN CAPE PROVINCE  
DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
VOTE 7**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

**ANNEXURE 5  
INVENTORY**

ITEM DESCRIPTION	TOTAL
RING BINDERS A4 FILES	23
RING BINDERS A5 FILES	9
RING REINFORCEMENTS	5
ROLLER DAMPER	10
RONEO INK	65
ROOIBOS TEA	65
ROTARY FILES	0
ROUGH RULED PADS	1
RUBBER BANDS	28
RUBBERS	456
RULERS	56
S2 STAPLES FOR PHOTOCOPY MACHINE	12
SCISSORS	122
SCOTCH BRITE	1
SELF STICK NOTES	527
SELOTAPE	243
SHOW FILE/FLIP FILE	59
SLIDE BINDERS	79
SMALL SHAPNER	100
SOAP BARS	30
STAMP PAD INK	84
STAPLE REMOVER	96
STAPLER PLASTIC	90
STAPLES 10MM	5
STAPLES 11MM	4
STAPLES 66/8	1
STAPLES 6MM	73
STAPLES 76/6	10
STAPLES 8MM	4
STAPLES 9MM	25
STAPLES NO. 26/6	264
STEEL WOOL	3
STIFFIES	428
SUBFILES	0
SUGAR	19
SUSPENSION FILE	47
TELEGRAM BOOK	10
TELEPHONE & FAX INDEX	23
TEMPORARY COVERS	70
THIN STRING	23
THINNERS	279
TILL ROLLS	20
TIPPEX	155
TN 9500	2
TN HL-1050/1060/107	39
TOILET CLEANER	1
TOILET PAPER	29
TOILET STRIPPER	25
TONER (FAXUF770)	1
TONER 92274 A	5

**WESTERN CAPE PROVINCE  
DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
VOTE 7**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

**ANNEXURE 5  
INVENTORY**

ITEM DESCRIPTION	TOTAL
TONER HL 8e	
TRANSPARENCIES COPY MACHINE	130
TRANSPARENCIES P/COPY	185
TRANSPARENCY	3
TRANSPARENCY FILM	0
TRANSPARENCY WRITE-ON	100
TWO HOLE HEAVY DUTY	23
TYPING COVERS	23
VACUUM BAGS	10
VALUE ERASERS	50
VERKLARENDE WOORDE BOEK (GP)	2
VIDEO CASSETTE	4
VRA-49	14
VRL-5	31
VRT 1 APPLICATION	1200
VRT-146	20
VRT-147	6
VRT-177	5
WASTE PAPER BIN	15
WATERLESS HAND CLEANSER GILL	30
WHITE BOARD CLEANER	7
WHITE BOARD DUSTER	5
WHITE BOARD ERASER LARGE- STRATRITE	20
WHITE BOARD MAKERS	671
WINDOW CLEAN	15
WINDOW ENVELOPES	77
WINDOW LENE	5
Z 15 WRITING PAD	695
Z 20 BLACK	18
Z 20 BLUE	30
Z 20 GREEN	30
Z 20 RED	40

WESTERN CAPE PROVINCE  
DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
VOTE 7

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2003

ANNEXURE 6

VALUE AND NUMBER OF SOCIAL PENSION PAYMENTS FOR THE FINANCIAL YEAR 2002/2003

Type of pension	Value at 31/03/2002 Previous financial year R	Number at 31/03/2002 Previous financial year	Value 31/03/2003 current financial year R	Number 31/03/2003 Current financial year
Grant for aged	976,749,123	149 590	1,155,462,165	153 810
Grant for War Veterans	9,503,586	1 351	9,215,349	1 170
Care Dependency Grant	27,147,480	4 313	43,847,244	5 382
Care for Disabled	658,169,919	101 777	927,883,170	109 486
Maintenance Grants	54,984	323	-	
Foster Child Grants *	98,736,366	13 315	122,029,884	13 936
Child Support Grants *	126,680,565	100 329	333,089,718	159 345
Private Places of Safety	2,501,926		3,770,669	
Social Relief	1,739,045	15 252	3,203,706	6 407
	<b>1,901,282,993</b>	<b>386 250</b>	<b>2,598,501,905</b>	<b>449 536</b>

\* Number = Beneficiaries and not children  
Previous financial year does not include Private Places of Safety

**WESTERN CAPE PROVINCE  
DEPARTMENT OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
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**ANNEXURE 7**

**SOCIAL PENSIONS: AMOUNTS PAID IN EXCESS AND WRITTEN OFF WITH DUE AUTHORITY AGAINST  
VOTED MONEYS FOR THE FINANCIAL YEAR 2002/2003**

Type of pension	Value at 31/03/2002 Previous financial year	Number at 31/03/2002 Previous financial year	Value at 31/03/2003 Current financial year	Number at 31/03/2003 Current financial year
ALL GRANT TYPES	NIL	NIL	60 471	7

**ANNEXURE 8**

**SOCIAL PENSIONS: AMOUNTS PAID IN EXCESS AND NOT YET RECOVERED OR WRITTEN OFF  
FOR THE FINANCIAL YEAR 2002/2003**

Type of pension	Value at 31/03/2002 Previous financial year R	Number at 31/03/2002 Previous financial year	Value at 31/03/2003 Current financial year R	Number at 31/03/2003 Current financial year
ALL TYPES OF PENSIONS	16,612,828	7 159	17,163,256	7 344