



Social Development

Department:
Social Development
MPUMALANGA PROVINCE

A caring, humane and developed society.

ANNUAL REPORT

2012 - 2013

For the year ended 31 March 2013

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PART A
GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
APP	Annual Performance Plan
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
CBO	Community Based Organization
CFO	Chief Financial Officer
CRDP	Comprehensive Rural Development Programme
CSG	Child Support Grant
DOE	Department Of Education
DORA	Division of Revenue Act
DPSA	Department Of Public Service and Administration
DTUS	Departmental Transformation Units
EAP	Employee Assistance Programme
ECD	Early Childhood Development
EE	Employment Equity
EPWP	Expanded Public Works Programme
EU	European Union
EXCO	Executive Council
GIAMA	Government Immovable Asset Management Act
HCBC	Home Community Based Care
HIV	Human Immunodeficiency Virus
HOD	Head Of Department
HWSETA	Health and Welfare Sector Education and Training Authority
IDP	Integrated Development Plans
ISRDP	Integrated Sustainable Rural and Development Programme
IT	Information Technology
LOGIS	Logistical and Information System
MDG	Millennium Development Goals

Social Assistance, 2004 (Act No. 13 of 2004)

The Act made the provision of social security the competency of the South African Social Security Agency (SASSA) since 1 April 2006. The Department, however, still has a critical role to play in motivating processes leading to provision of foster care grant.

Cooperatives Act, 2005 (Act No. 14 of 2005)

The Act facilitates the development of the cooperative movement in the country to reduce the scourge of unemployment.

Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)

The Act gives effect to the right to a fair administrative action that is lawful, reasonable and procedural (Reasons for an administrative action).

Protected Disclosures Act, 2000 (Act No. 26 of 2000)

The Act provides for disclosure of information regarding unlawful or irregular conduct and protects the employee who disclosed.

Skills Development Act, 1998 (Act No. 97 of 1998)

The Act provides for developing skills of the South African workforce.

Labour Relations Act, 1995 (Act No. 75 of 1995)

The Act promotes labour peace and the democratisation of the workplace.

Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)

The Act regulates the right to fair labour practices by enforcing basic conditions of employment.

Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)

The Act provides for a safe and a health working environment.

Employment Equity Act, 1998 (Act No. 55 of 1998)

The Act promotes equal opportunity and fair treatment by eliminating discrimination and implements affirmative action to redress imbalances of the past.

Public Finance Management Act, 1999 (Act No. 1 of 1999)

The Act regulates financial management and provide for responsibilities entrusted with financial management in the public service. \

Preferential Procurement Policy Framework Act, 2000

The Act provides a framework for implementation of the procurement policy contemplated in section 217 (2) of the Constitution of South Africa.

Skills Development Levies Act, 1999

The Act provides the imposition of the skills development levy.

Division of Revenue Act, 2008

The Act provides for the equitable division of revenue and the responsibilities of all three spheres of Government.

Policy mandates

Community Development Policy Framework

The framework regulates and guides the community development interventions of the department.

Draft National Family Policy 2006

This policy requires the department to promote and strengthen functional families as well prevent vulnerability in families.

Integrated Service Delivery Model

The department is required to implement the guidelines regarding the critical steps in the change process and practitioners to ensure positive change as well as clarify and define developmental approach towards social service delivery.

National and Provincial Gender Policy Framework

The department is required to implement the guidelines relating to the process of developing laws, policies, procedures and practices which will serve to ensure equal rights and opportunities for women and men in all spheres of government as well as in the workplace.

Policy Framework on Orphans and Children made vulnerable by HIV and AIDS

The policy framework mandates the department to promote an enabling environment for more effective delivery on commitments to orphans and other children made vulnerable by HIV and AIDS

Population Policy for South Africa, 1998

The policy requires the Population Unit within the department to promote the integration of population issues in development planning with the view of achieving sustainable human development.

White Paper for Social Welfare, 1997

The White Paper sets out the principles, guidelines, proposed policies and programmes for developmental social welfare services in South Africa, including those provided by the department.

are implementing the Mpumalanga Anti Drug Master Plan in the fight against the evils associated with Substance abuse in the province.

Great strides were made to strengthen relations with our stakeholders in the sector through activities such as Social development month and the taking Social Development to communities' campaign. The Department successfully hosted the NPO summit which was informed by symbiotic information sharing emanating from dialogues which took place in all municipalities. The aim was to understand challenges and share government policies and priorities. In the current reporting period 423 NPOs were newly registered in accordance with the NPO Act, 1997 (No 71 of 1997) A total of 1 340 NPOs were capacitated on various skills including financial and basic general management to ensure their accountability, reporting and delivery of quality services. Since the NPO sector gets a quarter of our total budget, monitoring mechanism were intensified with each Community Development Practitioner (CDP) attached to an NPO to strengthen regular monitoring and support.

The Department remains committed together with its partners and stakeholders to drive the message of social behavioural change with respect to the scourge of HIV and AIDS in the province. In its effort to address the social drivers, the Department will align its plans with the National Strategic Plan on HIV and AIDS 2012-2016 which seeks to address the social drivers and social impact of HIV and AIDS.

In conclusion, continuous engagements and vigorous interactions with our communities and stakeholders remain on top of our developmental agenda to realise the creation of a caring, humane and developed society. I wish to take this opportunity to thank the Head of Department, all staff of the department and all our partners and stakeholders for their effort during the reporting period.



Ms K.C MASHEGO-DLAMINI (MPL)
MEC: HEALTH AND SOCIAL DEVELOPMENT
31 MAY 2013

7 OVERVIEW OF THE ACCOUNTING OFFICER



Ms. N.L. Mlangeni
Head of Department

In the financial year 2012/13, the Department and its partners once more, made great strides towards escalating access to and refining the quality of social services to the people of Mpumalanga.

The department has intensified foster care services to improve the backlog of cases in respect of placements. The expansion of ECD services to under-resourced areas by increasing the number of newly registered and subsidized sites further demonstrates our determination to build human capital by providing as many children as possible with opportunities for their development.

The Youth Development programme through youth centres have become valuable information hubs for young people throughout the Province. We have seen steady increase in the number of young people who benefit from these centres.

In addition to the current permanent staff of 1981 and as part of the call for skills development for the young unemployed graduates, we have placed interns in various sections of the Department. It is encouraging that these young people do their work with enthusiasm and some were able to be permanently employed within and outside the department.

The resources of the Department remain limited; accordingly we are not able to deal with all the challenges facing communities at the same time. For this reason we continue to value the support of our partners in the NPO sector in delivering services to areas we would otherwise not be able to reach. They are helping the Department to expand social services in an admirably proactive way in some areas under very difficult circumstances. NPOs continue to play a vital role in building strong and cohesive communities. The Department will thus continue to support the registered NPOs who comply with the legislative prescripts and policies.

In the last two quarters of the financial year the department paid special attention to household profiling. The exercise once completed will provide baseline information on households in the Province. The Province will have valuable information which will be used to direct government resources and interventions. The support given by Cabinet and all Heads of Departments to profiling of households confirms the understanding that intervention at house hold level in

poverty alleviation can break the cycle of poverty in a household. The work done by field workers, the technical support staff and all our stakeholders is highly commended.

During the year under review ongoing attention was given to all matters raised by the Auditor-General and the Audit Committee. Internal controls were intensified by activating the Internal Control Unit. Special focus was also given to Information Technology by developing and implementing new policies.

The Department has continued to assess and analyze its programme performance information against predetermined objectives and targets. Great strides have been made to improve on inconsistencies in respect of reported performance information. Our tireless efforts to improve systems and controls on non-financial information made us to get unqualified audit opinion on performance information. These efforts will find good expression in future audit outcomes towards the 2014 operation clean audit.

2. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

For a user of the annual report, reading the findings of the work performed by the AGSA on the performance information will be more useful and relevant if it is read with the reporting of the performance information in the annual report.

Refer to page 144 of the Report of the Auditor General, published as Part E: Financial Information

3. OVERVIEW OF DEPARTMENTAL PERFORMANCE

3.1. Service Delivery Environment

The core mandate of the Department of Social Development is derived from the constitution of the Republic of South Africa in particular section 27 (1) (c) which provides for the rights of access to social assistance to those who are unable to support themselves and their dependence. In addition it sets out the rights of children with regards to appropriate care, shelter, and other social welfare services. It further puts emphasis on welfare services, population development and disaster management as functional areas of Department of Social Development's competence.

Responding to the constitutional mandate, the Department has planned to provide integrated social development services and programmes that seek to realize the department's vision of building a caring, humane and developed society through the promotion and protection of quality and sustainable livelihoods of poor, vulnerable and marginalised groups in society. These services are aimed at empowering the poor and those marginalised in order to deal with social ills such as poverty, child abuse, substance abuse, food insecurity, crime, HIV and AIDS and other hostile social disorders. The department of social development has also over the years repositioned itself in line with the development trajectory and less on welfare. This approach has been informed by the fact that people require assistance to take charge of their own destiny.

Mpumalanga Province is located in the north-eastern part of South Africa and is bordered by two countries i.e. Mozambique to the east and Swaziland to the south-east. Mpumalanga shares common borders with the Limpopo Province to the north, Gauteng Province to the west, Free State Province to the south-west and KwaZulu-Natal to the south east. The Mpumalanga Province has a land surface area of 76 495 km square that represents 6.3% of South Africa's total land area. The slight boundary change was due to cross boundary Kungwini municipality which is now incorporated into City of Tshwane.

Mpumalanga's economy is primary driven by agriculture, mining, manufacturing, tourism and electricity generation. The capital city of Mpumalanga is Nelspruit, which is one of the fastest growing cities in South Africa. Other main towns and their economic activities, include:

- Emalahleni – mining, steel manufacturing, industry, agriculture;
- Middelburg – stainless steel production, agriculture;
- Secunda – power generation, coal processing;
- Mashishing – agriculture, fish farming, mining, tourism;
- Malelane – tourism, sugar production, agriculture; and
- Barberton – mining town, correctional services, farming centre.

Mpumalanga is ranked the third most rural province in South Africa with 66% of its total population living in rural areas. The majority of the population resides in the former homelands of Kwa-Ndebele, Kwangwane and Lebowa, areas that have historically lagged behind in terms of development and delivery of basic services such as health and education. Relative to other provinces, Mpumalanga's population base exhibits low economic activity and the poverty rate (with an index of 50.5%) is higher than the national average. It is estimated that approximately 23% of households in the province have no regular source of income. Mpumalanga is a rural Province and that situation comes with its own challenges in terms of improving the lives of the people. It is however, a prerequisite for Social Development to ensure that, those people who are at risk or vulnerable such as people with disabilities, the elderly, children and women are provided with assistance to access social protection services. These groups bear the brunt of poverty and inequality.

Special attention to be given to the needs of women and children due to their socio-economic and cultural status and the high concentration of poverty amongst them. In Mpumalanga, the youth is dominant in terms of its population size and are the people who face different forms of vulnerability and are at risk of falling into poverty as a result of high unemployment, insufficient wages, sickness and other conditions that may threaten their livelihood and dignity, such as food insecurity, economic and other environmental factors. Social protection will be extended to the majority of the people of the province through among other things, collaborated and integrated efforts by various role players.

Programme 1: Administration

Programme 1 – Administration by its nature provides institutional leadership and management as well as a variety of transversal support services. These include the areas of the Office of the Executing Authority; Executive Support, Human Resource Management and Development, Financial Management (which includes Supply Chain Management), Legal Services, Anti- Corruption, Fraud and Risk Management, Internal Audit, Strategic Planning, Monitoring & Evaluation and Communication

Programme 2: Social Welfare Services

The Department has adopted a developmental approach to social welfare provision, in line with the Constitution and the 1997 White Paper on Social Welfare. It includes a focus on the social and economic development of individuals, families and communities. This approach incorporates raising community awareness of social concerns and introducing strategies to reduce and prevent those social ills.

Social Welfare Services are provided by the Department, Non-Governmental Organizations, Private sector and other Departments. For example, homes for the elderly, Early Childhood Development and related services are provided by government, Non-Profit Organizations and government subsidized organizations. About 31% of 0-4 children in Mpumalanga attend ECD as per the Baseline Survey on ECD centres conducted in 2012/13 financial year.

Despite progress in reducing the social ills and fragmentation in the post-apartheid era, the social welfare sector is still struggling with huge constraints related to lack of coordination and integration of services, weak and limited effectiveness of funding and significant capacity deficits in the Province. The distribution of and access to social welfare services remains a challenge to some of our people due to shortage of professionals, insufficient budget in sub-programmes such as funding of services to children (ECD subsidies), services to families and office infrastructure in some areas especially in rural areas.

Not undermining the efforts and some successes made, Mpumalanga Province is still faced with the burden of disease, particularly HIV and AIDS, high levels of violence and poverty which affects the ability of families to care for children, persons with disabilities and the aged. The high mortality rate amongst young adults due to HIV/AIDS places a greater burden on the elderly for raising children. Recent statistics on HIV and AIDS prevalence indicates that Mpumalanga remains second after KwaZulu-Natal.

The social determinants of rising violence especially against women and children require urgent attention not only from Social Development but also from other role players such as Department of Community Safety, Security and Liaison, Faith Based Organizations and other Civil Society organizations. Some of these problems include heightened levels of addiction on drugs and alcohol, increasing criminality among young people. Anecdotal reports indicates that sexual violence against children and women, especially in economically deprived areas remains an ongoing challenge despite all awareness campaigns and programmes rolled out by not just Social Development but all the role players involved. The impact of HIV/AIDS seems to be worsening matters. Strides have been made by various sector departments and the private sector in addressing these challenges, but seemingly a lot still need to be done to normalize the situation.

Programme 3: Development and Research

The provision of work opportunities is one of the most effective forms of social protection. However, Mpumalanga Province is faced with the challenge of high unemployment as well as a low labour market participation rate. Current figures from both the census and SERO reports indicate that Mpumalanga's unemployment rate moved from 29.1% a year ago to 31.1% at the end of the third quarter of 2012. These figures place the Province as the second highest after Free State Province in terms of the unemployment rate. The differentiation in terms of gender based unemployment indicates that females are the most affected at 36% and males 26% respectively. Overall youth unemployment is estimated to be around 43%.

Social protection of communities extends beyond income security. It includes among other things, ensuring that individuals have adequate food security in their families. Access to land for both subsistence and commercial farming can play an important role in ensuring a minimum sustainable standard of living. The Households Profiling project that is being conducted by the Department will ensure that specific interventions are provided to households that are faced with the burden of poverty, unemployment and inequality. It is anticipated that these interventions will change the standard of living of communities without

necessarily flooding them with funding without proper assessment of the situation.

Food security and fighting poverty is one of the top priorities of the Department. As it stands now, Mpumalanga is at 41.6% poverty rate according to the SERO report and that pushes the Province to be ranked 5th lowest among Provinces. However, currently some approaches are fragmented and under-resourced and that compound the situation on the ground. The focus on Intergenerational Dialogues will ensure that there is transfer of skills, culture and values from older persons to young adults, youth and children. Training for Community Development Practitioners (CDPs) on Sustainable Livelihoods Approach and Community Based Planning has been prioritized as the key focus for this programme to enable them to facilitate development and mobilize communities towards identification and sustainability of their livelihoods. The support to NPOs is also prioritized with an effort to capacitate them as partners and ensure their compliance to the NPO Act.

Challenges

The main challenge faced by the Sector is inadequate infrastructure for office accommodation. This has a negative impact on the accessibility of services. Inadequate human capacity at all levels still remains a challenge, with special reference to scarce skills.

3.2. Service Delivery Improvement Plan

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Capacity building on substance abuse	Social Workers, Social Auxiliary Worker, Care Givers, Peer Councillors and Forum Members	Communities e.g. youth, parents and service users	All service providers on substance abuse will be provided with capacity building on substance abuse.	<p>Twenty eight (28) capacity building sessions conducted.</p> <p>More capacity building sessions were conducted focusing on gender based-violence prevention programme, signs and symptoms of substance abuse. Prevention and treatment of substance abuse.</p> <p>Service providers were trained on The prevention and treatment of substance abuse Act No. 70 of 2008.</p> <p>Pamphlets on information about substance abuse were distributed during training.</p>
Capacity building and training to Early Childhood Development (ECD)	Service providers	Service providers	All ECDs service providers will be provided with training on a quarterly basis.	<p>471 service providers were trained on ECD services.</p> <p>Information brochures were distributed during training.</p>
The placement of children in foster care.	All children in need of foster care placement.	All abused, neglected, abandoned and orphaned children	All children in need of care and protection who are eligible for foster care will be placed by a designated social worker through a court order.	<p>35 280 children in foster care were provided with supervision by social workers. An additional 5 645 children were placed in foster care during 2012/2013 financial year.</p> <p>Eleven (11) public awareness sessions were</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
				conducted focusing on child protection issues.

Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Service providers will be consulted through meetings, letters, community radio stations and distribution of pamphlets.	Social Workers, Social Auxiliary Worker, Care Givers, Peer Councillors and Forum Members.	Communities e.g. youth, parent and service users	Through the consultative methods the programmed was able to conduct more capacity building sessions than the set target. 1 864 men and boys participated in the gender based violence prevention programme.
Consultations will be done through forum meetings, radio talks, newsletters, izimbizos and social work visits.	Service providers	Service providers	The programme was able to hold six radio talks, 38 forum meetings and one provincial meeting.
Social workers will have two consultative days per week.	All children in need of foster care placement.	All abused, neglected, abandoned and orphaned children	There is no achievement, social workers are visiting service points once a week on allocated days, and it takes service recipients an average of two hours to receive a service due to long queues.

Service delivery access strategy

Access Strategy	Actual achievements
Service points located in accessible community structures with signage and direction, operational times and types of services rendered.	All service points which were without signage were provided with billboards with all the relevant information.
Service points located in accessible community structures with signage and direction, operational times and types of services rendered.	All service points which were without signage were provided with billboards with all the relevant information.
Service points located in accessible community structures with signage and direction, operational times and types of services rendered.	All service points which were without signage were provided with billboards with all the relevant information.

Service information tool

Types of information tool	Actual achievements
Information brochures on substance abuse. Prevention and Treatment of Substance abuse Act. Mpumalanga Anti-Drug Master Plan. Ke-Moja programme	The department reached 6 681 youth and 13 641 children under the age of 18 through the Ke-Moja programme.
Radio talks, information brochures and newsletters	The programme was able to hold 38 forum meeting and six radio talk shows.
Awareness campaigns, information sessions, pamphlets and brochures.	Awareness campaigns were conducted and information distributed to communities. Forum meeting with stakeholders were conducted and information was disseminated on issues of foster care.

Complaints mechanism

Complaints Mechanism	Actual achievements
Suggestion boxes and complaint registers in all offices and service centres are in place.	Few office have suggestion boxes; complaints registers not yet in place, this will be enforced in the following financial year and monitored by the DTUs
Complaints register has been developed indicating that feedback to be given within three months.	No achievement; the complaints registers will be enforced in the following financial year and monitored by the DTUs
Complaints are reported through telephones.	Although complaints are reported and attended to as received through media enquiries and other methods, these are not recorded in the complaints registers for further follow up.

3.3. Organisational environment

In the year under review the Department did not encounter any disruptions such as industrial action or a strike by staff. The promulgation of the legislation by the National Department necessitated that provisions be made regarding resources to support the new law which has statutory obligations that govern the welfare services. A particular focus was given to children and youth care services in line with the Children's Act and Child Justice Act. It is in the year under review that the Department was involved in discussion for preparation towards the transfer of Child and Youth Care Centres from the Department of Education with effect from 1 April 2013.

Although great strides have been made regarding the roll out of infrastructure, the need is still real for the Department to continue to provide appropriate facilities for service delivery. With the population of approximately 4 million people in the province, staff shortage remains a challenge especially the professionals. The current 332 Social Workers fall short of achieving the national ratio of 1:3000 suggesting a shortfall of 1 252. In strengthening social welfare services, the Department appointed the Chief Director Social Welfare Services. The Department also appointed interns on contract who have been placed in various sections to complement the current staff, while providing an opportunity for young graduates to acquire on the job knowledge, skills and work experience.

The Department in the year under review appointed Child and Youth Care Workers and is in the process of adding to the staff complement in the 2013/14 financial year to support the rollout of ISIBINDI Model. In ensuring accountability in the NPO sector, the Department has started allocating adequate resources in that area of work as over 36% of the budget is transferred to the sector.

The Department is currently embarking on dialogues to look at sustainable interventions that should eventually assist individuals and communities to graduate from poverty to sustainable livelihood. These interventions will also be informed by the outcomes of the Provincial Household Profiling Project currently underway.

3.4. Key policy developments and legislative changes

None.

4. STRATEGIC OUTCOME ORIENTED GOALS

Programme	Strategic Goal	Goal Statement
Administration	Corporate governance and strategic leadership	Improved good corporate governance and strategic leadership
Social Welfare Services	Integrated Developmental Social Welfare Services	Enhance the quality of life of people of Mpumalanga by providing integrated developmental social welfare services from 2010 to 2014
Development and Research	Integrated Sustainable Community Development	Develop sustainable communities through integrated poverty reduction, youth development and institutional capacity building by 2014
	Population and Development factors integrated into planning	Promote the integration of population and development factors into planning through research, capacity development and advocacy by 2014

5. PERFORMANCE INFORMATION BY PROGRAMME

5.1. Programme 1: Administration

Purpose: The Administration Programme provides policy and strategic direction by the Member of the Executive Council as well as support services.

Name of Sub-programme	Purpose	Strategic Objectives	Outcome driven by Sub-programme	Achievements contributed towards department's outcomes
Strategic Planning, Monitoring and Evaluation	This sub-programme is responsible for the monitoring and evaluation of Departmental performance against plans (pre-determined objectives).	To facilitate and implement Monitoring and Evaluation Systems	Outcome 12: An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship	Monthly verification to improve validity accuracy and completeness of performance information. Functional check-list to assist the planning implementation and reporting of performance information
Risk Management and Internal Controls	This Sub-programme facilitate the monitoring and management of risks in the Department	To render effective and efficient risk management services.	Outcome 12: An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship	Risk awareness workshops conducted per programme Risk register and quarterly reports in place Functional risk management committee
Corporate Services	This sub programme provides for the strategic direction and overall management and administration of the Department	Efficient and effective management and support services	Outcome 12: An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship	Appointment of Chief Director: Social Welfare Services and Director: Restorative Services on transfer from Department of Human Settlements
Financial Management	This sub programme provides for the strategic direction and overall financial management and administration of the Department	To provide financial management support	Outcome 12: An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship	Improved SCM management practices due to appointment of senior manager SCM Improved infrastructure delivery with the support of the implementing agent. Compliance with the GIAMA Compliance with budget and expenditure monitoring processes

Strategic objectives, performance indicators planned targets and actual achievements

Programme 1: Administration					
Sub-programme: Strategic Planning, Monitoring And Evaluation					
Strategic objectives: To facilitate the development, implementation, reporting and Monitoring and Evaluation of Departmental plans					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1 Annual Performance Plan developed	2012/13 Annual Performance Plan developed	2013/14 Annual Performance Plan developed	2013/14 Annual Performance Plan developed	0	None
2 Number of Quarterly Non-Financial Data and Narrative reports submitted	4	4 Quarterly Non-Financial Data and Narrative report submitted	4	0	None
3 Number of Quarterly Programme Performance reviews conducted	4	4 Quarterly Programme Performance review conducted	4	0	None

Strategy to overcome areas of under performance

None

Changes to Planned targets
None

Programme 1: Administration						
Sub-programme: Anti-Corruption and Risk Management						
Strategic objectives: To render effective and efficient risk management services.						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
1	Number of risk profile developed and updated	1	1 risk profile developed and updated	1 risk profile developed and updated	0	None
2	Number of risk Management awareness and fraud prevention awareness workshop conducted.	10	4 risk management awareness workshop conducted 4 fraud prevention awareness conducted	13x Number of fraud prevention awareness conducted	+5	1 extra workshop had to be conducted at Bushbuckridge sub district to reach more officials. *2 X Fraud Prevention awareness were conducted in the centres for the Department (Swartfontein treatment centre and Hendrina secure care centre0
3	Number of risk management reports developed	5	4 risk management reports developed.	4	0	None

Strategy to overcome areas of under performance

None

Changes to Planned targets

None

Programme 1: Administration						
Sub-programme: Corporate Services						
Strategic objectives: To render efficient and effective management and support services						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
1	Implementation of Performance Management System for HOD	-	Performance Agreement of HOD managed	Performance Agreement of HOD managed	0	None
2	Implementation of SMS Performance Management System (excluding HOD)	16	17 SMS performance agreements managed	17 SMS performance agreements managed	0	None
3	Implementation of Level 1 – 2 Performance Management System	1 830	1 970 Work Plans / performance agreements managed	1 710 Work Plans / performance agreements managed	-260	As at 31 March 2013 there were 1810 employees appointed at Levels 1 – 12 instead of the projected 1970. The reasons deviation is:- Poor capturing of submitted documents
4	Number of HRM Policies and Procedure Manuals developed/ reviewed	11	10 HRM Policies and procedures manuals developed and implemented	10 Policies and 6 Procedure Manuals developed and implemented. Training conducted on HRM policies	0	None
5	Functionality of management structures	-	Terms of Reference for Management Structures developed and implemented	Terms of Reference for Management Structures developed and approved and decisions / resolutions implemented	0	None
6	Assessment of policies and systems to ensure professional ethics	-	Workshops on Policy on Code of Conduct conducted	Workshops on Policy on Code of Conduct conducted	0	None
		-	Financial Disclosures for Level 1 – 12 submitted to HOD	Financial Disclosures for SMS submitted to PSC		
		-	Workshops on Policy on Code	Implementation of Gift policy		

Programme 1: Administration						
Sub-programme: Corporate Services						
Strategic objectives: To render efficient and effective management and support services						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
			of Conduct	monitored		
7	Service Delivery Improvement Mechanisms	-	Customer Satisfactory Survey conducted	Service Charter developed and Road Shows conducted	0	None
		-		Service Delivery Improvement Plan implementation monitored		
		-		Customer Satisfaction Survey conducted; results analysed, to be communicated to districts		
8	Management of Diversity	-	Development and Implementation of Diversity Management Strategy	Diversity Management Strategy implemented and training on Diversity Management conducted	0	None
9	Percentage of reduction of vacancy rate	2%	Vacancy rate reduced to 5% of 1821 employees	Vacancy rate at 6, 8%	-1,8%	Termination of 17 contract workers and 25 resignations
10	Human Resource Delegations	-	Human Resource Delegations reviewed and approved Delegation letters and acceptance letters received	Human Resource Delegations reviewed and approved Delegation letters and acceptance letters received	0	None
11	Human resource planning	-	Human resource delegations reviewed and approved	Delegation letters and acceptance letters received	0	None
12	Application of recruitment processes	-	Policy on recruitment and retention reviewed and implemented	Policy on recruitment and retention reviewed and implemented	0	None

Programme 1: Administration					
Sub-programme: Financial Accounting					
Strategic objectives: To provide financial management support					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1 Number of financial statement reports submitted to Treasury	1	Annual financial statements prepared	1	0	None
	4	4 Quarterly financial statements	4	0	None

Strategy to overcome areas of under performance

None

Changes to Planned targets

None

Programme 1: Administration					
Sub-programme: Management Accounting					
Strategic objectives: To provide financial management support					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1 Number of MTEF budget documents submitted to Treasury	Budget and expenditure reports by the 15 th of each month	3 MTEF budget documents submitted	3	0	None
2 Number of budget and expenditure reports	12	12 In year monitoring reports on budget and expenditure	12	0	None

Strategy to overcome areas of under performance

None

Changes to Planned targets

None

Programme 1: Administration					
Sub-programme: Supply Chain Management					
Strategic objectives: To provide financial management support					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number of reports on Demand management strategy	4 Reports on demand management strategy	4	0	None
2	Number of expenditure commitment reports	12 Expenditure commitment reports	12	0	None
3	Number of inventory management reports	4 Inventory management reports	3	0	None
4	Number of reports on contracts and agreements	12 Reports on contracts and agreements	12	0	None
5	Number of asset verifications conducted	4 Asset verification conducted	4	0	None
6	Number of asset reconciliation reports	12 Asset reconciliation reports	12	0	None
7	Number of reports on asset disposal management strategy	4 Reports on asset disposal management strategy	4	0	None
8	Number SCM performance management reports	4 SCM performance management reports	4	0	None

Strategy to overcome areas of under performance

None

Changes to Planned targets
None

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	3,245	3,243	2	1,670	1,589	81
Corporate Management Services	97,914	97,077	837	202,168	197,147	5,021
District Management	116,795	116,673	122	88,579	92,805	(4,226)
Total	217,954	216,993	961	292,417	291,541	876

5.2. Programme 2: Social Welfare Services

Purpose: The purpose of Social Welfare Services is to provide integrated developmental Social Welfare Services to the poor and vulnerable in partnership with stakeholders and civil society organizations.

Name of Sub-programme	Purpose	Strategic Objectives	Outcome driven by Sub-programme	Achievements contributed towards department's outcomes
Professional and Administrative Support	To support and strengthen family and community interventions that foster social cohesion and retain social service professionals and enhance their skills to support households and communities	To provide strategic leadership for effective delivery of integrated developmental social services	Outcome 12: An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship	Social workers Managers Tools of trade Training Appointment of Chief director Social welfare services
Substance Abuse, Prevention and treatment	To provide accessible prevention programmes and treatment services aimed at the reduction of substance abuse	Substance abuse prevention and treatment programmes	Outcome 3: All people of SA are and feel safe	The development of the Programme of Action for the drug master plan. The implementation of the provincial drug master plan
Care and Services to Older Persons	To create enabling environment that promotes the development of older persons and protect their rights.	Care, support and protection programmes for Older Persons	Outcome 3: All people of SA are and feel safe	5 567 older persons accessing community based care and support services. 4 204 older persons participating in active aging
Crime Prevention and Support	To provide accessible crime prevention programmes to children and adults at risk and in conflict with the law	Social crime prevention and support programmes	Outcome 3: All people of SA are and feel safe	Social Crime Prevention, Building social cohesion in communities with high crime statistics. Assist in implementing an anti-gang strategy
Services to persons with Disabilities	To protect and promote the rights of persons with disabilities through the development and capacity building for effective integration.	Care, support and protection programmes for Persons with Disabilities	Outcome 3: All people of SA are and feel safe	Promoting disability mainstreaming, monitoring services and capacity building
Child Care and Protection Services	To provide developmental care and support	Development, care and protection of children	Outcome 1: Quality basic education	Clearing of foster care back log. Training of stakeholders

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Name of Sub-programme	Purpose	Strategic Objectives	Outcome driven by Sub-programme	Achievements contributed towards department's outcomes
	programmes for the protection of children		Outcome 3: All people of SA are and feel safe	on the Children's Act. 59 313 children accessing services in funded ECD centre
Victim Empowerment Programme	To provide counselling and support programmes to victims of crime, human trafficking and gender based violence	Victim empowerment programmes	Outcome 3: All people of SA are and feel safe	Conducted prevention programmes on Gender based violence and reach 1 864 men and boys
HIV and AIDS	To reduce the prevalence and minimize the impact of HIV and AIDS related to all vulnerable groups	To design and implement integrated community based care programmes and services aimed at mitigating the social and economic impact of HIV and AIDS	Outcome 2: A long and healthy life for all South African	1 027 jobs created in HCBC through EPWP. 147 care givers graduated on accredited training
Social Relief	To provide temporary assistance to individuals and families in distress	Integrated social relief programmes	Outcome 7: Vibrant, equitable sustainable rural communities contributing towards food security for all.	3 322 individuals benefited from social relief (food parcels, school uniforms, blankets)
Care and Support to Families	To provide services to preserve and to reunite families	Care and support services to families	Outcome 8: Sustainable human settlement and improved quality household	11 316 families participated in family preservation services

Strategic objectives, performance indicators planned targets and actual achievements

Programme 2: Social Welfare Services					
Sub-programme: Professional and Administrative Support					
Strategic objectives: To provide strategic leadership for effective delivery of integrated developmental social services					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number of Quarterly reviews conducted and reports submitted	4	4	0	None
2	Collaboration with NPOs strengthened	0	0	0	None
3	Development and implementation of norms and standards managed	Norms and standards implemented	0	0	None
4	Number of work opportunities created through EPWP in the social sector	2 165	1 121	-1 044	Under achievement due to lack of understanding on the new reporting tool forms from National Social Development
5	Total number of Social Work intake	21 364	6 575	-14 789	Under achievement due to lack of understanding on the new reporting tool forms from National Social Development
6	Number of clients benefitting from government social work services	42 026	11 646	-30 380	Under achievement due to lack of understanding on the new reporting tool forms from National Social Development
7	Number of clients benefitting from funded NPO social work services	29 370	17 783	-11 587	Under achievement due to lack of understanding on the new reporting tool forms from National Social Development

Programme 2: Social Welfare Services						
Sub-programme: Professional and Administrative Support						
Strategic objectives: To provide strategic leadership for effective delivery of integrated developmental social services						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
Facilities Management						
8	Number of new facilities build	-	7	4	-3	None
9	Number of facilities maintained	-	76	76	0	None

Strategy to overcome areas of under performance

Indicator 4: Conduct training on the new reporting tool forms from National Social Development to improve reporting

Indicator 5: Conduct training on the new intake forms from National Social Development to improve reporting

Indicator 6: Conduct training on the new reporting tool forms from National Social Development to improve reporting

Indicator 7: Conduct training on the new intake forms from National Social Development to improve reporting

Changes to planned targets

None

Programme 2: Social Welfare Services					
Sub-programme: Substance Abuse Prevention and Treatment					
Strategic objectives: To provide substance abuse prevention and treatment programmes					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number Service users who have accessed private inpatient substance abuse treatment centres funded by government	68	61	-7	Under achievement due to admission in the treatment centres is per request.
2	Number of clients/service users who have accessed public inpatient substance abuse treatment centres	220	205	-15	Under achievement due to admission in the treatment centres is per request.
3	Number of children reached through Ke-Moja Drug prevention programme(4-18)	9 500	13 641	+4 141	Over achievement due to awareness campaign done in schools.
4	Number of Youth(19-35) reached through Ke-Moja Drug prevention programme	3 600	6 681	+3 081	Over achievement due to awareness campaigns done in the communities.
5	Number of Public in-patient treatment centres	1	1	0	None
6	Number of private in-patient treatment centres funded by government	1	1	0	None
7	Number of policies developed	1	1	0	None
8	Number of capacity building sessions conducted	22	29	+7	Over achievement due to demand of information
9	Number of persons reached through social work	400	555	+155	Over achievement due to demand of services and awareness campaigns

Programme 2: Social Welfare Services						
Sub-programme: Substance Abuse Prevention and Treatment						
Strategic objectives: To provide substance abuse prevention and treatment programmes						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
					conducted.	
10	Number of group sessions conducted in treatment centre run by government	441	920	1 124	+204	Over achievement due to demand of service by service users and community outreach programme
11	Number of youth treatment centres run by government constructed	-	1	1	1	Planning and designing 1 youth treatment centre in progress
12	Number of clients/service users accessing out-patient substance abuse treatment centres managed by NPOs	1 001	1 840	2 067	+227	Over achievement is due to demand of service
13	Number of clients accessing aftercare services in treatment centres run by NPOs	-	45	79	+34	Over achievement is due to demand of service
14	Number of forums sessions facilitated	-	85	72	-13	Under achievement is due to non-functioning of other Local Drug Action Committees

Strategy to overcome areas of under performance

Indicator 14: Conduct Road Shows to empower municipalities to lead the Local Drug Action Committees

Changes to Planned targets

None

Programme 2: Social Welfare Services						
Sub-programme: Care and Services to Older Persons						
Strategic objectives: To render care and services to older persons						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
1	Number of older persons in residential facilities managed by government	0	0	-	-	N/A
2	Number of older persons in funded residential facilities managed by NPOs	1 136	1 110	1 180	+70	Over achievement due to demand of service
3	Number of older persons accessing community based care services managed by NPOs	3 987	5 419	5 567	+148	Over achievement due to demand of service
4	Number of older persons participating in active ageing programme by NPOs	1 154	3 553	4 204	+651	Over achievement due to demand of service
5	Number of older persons abused who received services rendered by social workers	61	80	68	-12	This is a negative indicator, under achievement means there is an impact of preventative services rendered
6	Number of policies developed	1	1	1	2	None
7	Number of government funded NPOs delivering services to older persons	170	168	114	-54	Under achievement due to merging of frail care services with service centres and termination of some service centres not meeting requirements
8	Number of capacity building sessions conducted	9	12	13	+1	None
9	Number of government funded residential facilities registered	-	22	11	-11	Under achievement due to facilities that did not comply with the norms and standards of Residential Care Facilities.
10	Number government	-	145	61	-84	Under achievement due to budgetary

Programme 2: Social Welfare Services						
Sub-programme: Crime Prevention and Support						
Strategic objectives: To render social crime prevention and support programmes						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
						programme.
10	Number of children in conflict with the law in Home Based Supervision	-	150	148	-2	Under achievement due to challenges of finalising court orders
11	Number of Awareness campaigns conducted	-	35	100	+65	Over achievement due to demand for information and more awareness campaigns conducted.

Strategy to overcome areas of under performance

Indicator 2: The department has developed diversion programmes to be facilitated by departmental probation officers

Changes to Planned targets

None

Programme 2: Social Welfare Services					
Sub-programme: Services to Persons with Disabilities					
Strategic objectives: To provide care, support and protection programmes for persons with disabilities					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number of residential facilities for persons with disabilities run by government	0	-	-	N/A
2	Number of persons with disabilities in residential facilities managed by government	0	-	-	N/A
3	Number of funded residential facilities for persons with disabilities managed by NPOs	6	7	+1	Over achievement due to one facility registered as an assistant living and according to the policy it falls under residential facilities
4	Number of persons with disabilities in funded residential facilities managed by NPOs	510	625	+115	Over achievement due to more people with disabilities becoming more aware of services available
5	Number of funded protective workshops for persons with disabilities managed by NPOs	50	46	-4	Under achievement due to termination of some protective workshops because of failure to comply with norms and standards for the protective workshops
6	Number of persons with disabilities accessing services in funded protective workshops managed by NPOs	1 838	1 925	+87	Over achievement due to more people with disabilities becoming more aware of services available as a result of awareness campaigns
7	Number of capacity building sessions conducted	12	13	+1	Over achievement due to demand of information
8	Number of children with disabilities in government funded partial care centres managed by NPOs	903	1 433	+530	Over achievement due to parents of children with disabilities becoming aware of services

Programme 2: Social Welfare Services						
Sub-programme: Services to Persons with Disabilities						
Strategic objectives: To provide care, support and protection programmes for persons with disabilities						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
9	Number of government funded partial care centres for children with disabilities managed by government	-	51	41	-10	Under achievement due to termination of some partial care centres because of failure to comply with norms and standards for partial care centres
10	Number of awareness campaigns conducted	-	18	32	+19	Over achievements due to demand of information
11	Number of forum sessions facilitated	-	14	15	+3	Over achievement due to demand of information to be dispersed amongst stake holders

Strategy to overcome areas of under performance:

Indicator 5: Capacitate and provide support to all NPOs on the requirements of norms and standards
Indicator 9: Capacitate and provide support to all NPOs on the requirements of norms and standards

Changes to Planned targets

None

Programme 2: Social Welfare Services						
Sub-programme: Child Care and Protection Services						
Strategic objectives: To provide development, care and protection of children						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
1	Number of children 0-5 years old accessing registered ECD programmes	10 500	4 829	-5 671	Under achievement due to delay by the National Department regarding programme registration and training.	
2	Number of children in funded ECD programme	46 205	59 313	+13 108	Over achievement due to an increase in the number of children in funded ECD centres.	
3	Number of children in need of care and protection placed in CYCCs managed by government	378	18	-360	Under achievement due to the process of transferring CYCC's from DoE which was finalized in April 2013.	
4	Number of children in need of care and protection placed in CYCCs managed by NPOs	906	825	-81	Under achievement due to the process of transferring CYCC's from DoE which was finalized in April 2013	
5	Number of children placed in foster care	6 800	5 645	-1 155	Under achievement due to focus given to review lapsed foster care orders	
6	Number of abused children who received services by Social Workers	980	983	+3	None	
7	Number of funded CYCCs managed by government	4	1	-3	Under achievement due to the process of transferring CYCC's from DoE which was finalized in April 2013	
8	Number of funded CYCCs managed by NPOs	16	16	0	None	
9	Number of policies developed	2	2	0	None	

Programme 2: Social Welfare Services						
Sub-programme: Child Care and Protection Services						
Strategic objectives: To provide development, care and protection of children						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
10	Number of funded ECD centres	-	704	664	-40	Under achievement due to budget reprioritization within the programme
11	Number of children in newly registered partial care facilities	3 454	6 500	5 667	-833	Under achievement due to delay in the registering of partial care facilities
12	Number of newly registered partial care facilities	74	130	99	-31	Under achievement due to delay in the registering of partial care facilities
13	Number of capacity building sessions conducted	31	24	40	+16	Over achievement due to demand for information on the Children's Act
14	Number of forum sessions facilitated	-	90	82	-8	Under achievement due to budgetary constraints

Strategy to overcome areas of under performance

Indicator 1: Registration of the programme will be done simultaneously with the registration of the partial care facilities

Indicator 5: Implementation of the Foster Care Project Plan

Indicator 11: Monitoring visits and support will be undertaken to ECD centres not meeting the norms and standards

Indicator 12: Monitoring visits and support will be undertaken to ECD centres not meeting the norms and standards

Changes to Planned targets

None

Programme 2: Social Welfare Services						
Sub-programme: Victim Empowerment Programme						
Strategic objectives: To provide Victim empowerment programmes:						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
1	Number of victims of crime and violence in VEP services sites managed by government	154	500	1 095	+645	Over achievement due to demand for services
2	Number of victims of crime and violence in VEP services sites managed by NPOs	92	300	809	+509	Over achievement due to demand for services
3	Number of reported victims of Human trafficking placed in rehabilitation programmes	-	20	4	-16	Under achievement due to minimal number of cases reported
4	Number of service sites for victims of crime and violence managed by government	2	2	2	2	None
5	Number of service sites for victims of crime and violence managed by NPO	9	14	14	14	None
6	Number of Men and Boys participating in gender based violence prevention programme	1 134	1 000	1 864	+864	Over achievement due to demand for information
7	Number of capacity building sessions conducted	21	10	17	+7	Overachievement due to demand of information
8	Number of awareness campaigns conducted	-	20	48	+28	Over achievement due to demand for information
9	Number of EPWP job created	-	35	87	+52	Over achievement due to more volunteers taken on board by the NPOs to strengthen services to victims of crime and

Programme 2: Social Welfare Services					
Sub-programme: Victim Empowerment Programme					
Strategic objectives: To provide Victim empowerment programmes					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
					violence.
10	Number of forum sessions conducted	10	14	+4	Over achievement due to more forums established at local levels.

Strategy to overcome areas of under performance

Indicator 3: Intensify trainings and awareness campaigns on identification of victims of human trafficking

Changes to Planned targets

None

Programme 2: Social Welfare Services					
Sub-programme: HIV and AIDS					
Strategic objectives: To provide integrated HIV and AIDS programmes					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number of orphans and other children made vulnerable by HIV and AIDS	12 299	10 341	-1 958	Under achievement due to poor reporting
2	Number of jobs in HCBC created through EPWP	1 200	1 027	-173	Under achievement due to care givers dropping out from the project
3	No of policies and guidelines developed	2	1	-1	Under reporting due to policy still in draft format
4	Number of HCBC organisations trained on management of HCBC	15	47	+32	Over achievement due to demand of information
5	Number of community care givers receiving accredited trained	90	147	+57	Over achievement due to demand of information
6	Number of community conversations on	9	19	+10	Over achievement due to demand of

Programme 2: Social Welfare Services						
Sub-programme: HIV and AIDS						
Strategic objectives: To provide integrated HIV and AIDS programmes						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
						information
7		5	5	0		None
8	0	60	10	-50		Under achievement due to delays in submission of the necessary documents to effect transfers

Strategy to overcome areas of under performance

- Indicator 1: Strengthen integrated M&E reporting system for better reporting
 Indicator 2: Ensure trained care givers are placed within their area of residence
 Indicator 8: Ensure that transfers are effected according to the payments schedule

Changes to Planned targets

None

Programme 2: Social Welfare Services					
Sub-programme: Social Relief					
Strategic objectives: <i>To provide integrated social relief programmes</i>					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1 Number of individuals who benefited from social relief of distress programmes	4 086	1 200	3 322	+2 122	Over achievement due demand for service

Strategy to overcome areas of under performance

None

Changes to Planned targets

None

Programme 2: Social Welfare Services						
Sub-programme: Care and Support to Families						
Strategic objectives: To provide care and support services to families						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
1	Number of families participating in family preservation services provided by government	13 708	6 000	11 316	+5 316	Over achievement due to demand of service
2	Number of family members participating in family preservation services provided by NPOs	-	1 000	59	-941	Under achievement due poor reporting by NPOs providing family services
3	Number of family members reunited with their families through services provided by NPOs	-	100	12	-88	Under achievement due poor reporting by NPOs providing family services
4	Number of family members reunited with their families through services provided by government	-	50	0	-50	Under achievement due to no cases for reunification reported
5	Number of government funded NPOs providing care and support services to families	9	9	11	+2	Over achievement due to extension of services
6	Rand value of funds transferred to NPOs delivering services to families	R1,711,000	R2,313,000	R2,351,148	+R38 148	Over spending due to commitments made prior the budget cuts
7	Number of NPOs providing services that promote family care monitored for compliance to norms and standards	6	9	9	0	None
8	Number of capacity building conducted	12	8	14	+6	Over achievement due to demand of

Programme 2: Social Welfare Services						
Sub-programme: Care and Support to Families						
Strategic objectives: <i>To provide care and support services to families</i>						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
					information	
9	Number of awareness campaigns conducted	-	18	29	+11	Over achievement due to demand of information

Strategy to overcome areas of under performance

Indicator 2 and 3: Intensify trainings and awareness campaigns on the promotion of family preservation services

Indicator 4: Intensify trainings and awareness campaigns on the promotion of family preservation services

Changes to Planned targets

None

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Professional and Administration Support	270,241	266,708	3,533	191,987	194,150	(2,163)
Substance Abuse	21,233	20,876	357	20,728	20,626	102
Care and Support Services to Older Persons	25,605	25,577	28	28,830	28,304	526
Crime Prevention and Support	19,054	18,256	798	13,869	13,032	837
Services to Persons with Disability	25,329	25,110	219	25,906	25,527	379
Child Care and Protection Services	174,006	175,058	(1,052)	194,746	193,372	1,374
Victim Empowerment	10,840	10,219	621	9,494	9,268	226
HIV and AIDS	45,336	45,129	207	70,623	70,576	47
Social Relief	5,161	5,155	6	6,183	6,085	98
Care and Services to Families	2,378	2,376	2	1,712	1,768	(56)
Total	599,183	594,464	4,719	564,078	562,708	1,370

5.3. Programme 3: Development and Research

Purpose: The Development and Research service delivery framework remains a pillar of the department's integrated developmental services. In line with the government's Medium Term Strategic Framework for 2009 to 2014 as well as the Provincial Priorities, the programme will also enable the most vulnerable citizens to access opportunities for sustainable livelihoods.

Name of Sub-programme	Purpose	Strategic Objectives	Outcome driven by Sub-programme	Achievements contributed towards department's outcomes
Professional and Administrative Support	To support and strengthen households and community interventions that foster social cohesion and enhance their skills.	To provide strategic leadership for effective delivery of integrated developmental social services	Outcome 12: An Efficient, Effective and Development Oriented Public Service and an Empowered, Fair and Inclusive Citizenship	Community development practitioners Managers Tools of trade
Youth Development	To implement youth programmes that assist youth to access decent work and participate in the main stream economy;	Facilitate and monitor the implementation of policies, legislations and programmes to empower and support the youth	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all Outcome 5: Skilled and capable workforce to support an inclusive growth path	11 210 youth reached through services of youth development centres
Sustainable livelihoods	To implement a comprehensive rural poverty reduction strategy ensuring universal access to basic services;	Facilitate the implementation of policies, strategies and programmes	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all	The sustainable livelihood approach is more responsive to the needs of the communities
Institutional Capacity Building and Support	To increase the effectiveness and capacity of NPOs and CDPs to deliver development services to communities;	Implement and monitor policies and programmes geared towards creating an enabling environment within which NPOs and other projects can be empowered and contribute towards	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all	NPOs assisted with registration. NPOs assisted and monitored to comply with the NPO act

Name of Sub-programme	Purpose	Strategic Objectives	Outcome driven by Sub-programme	Achievements contributed towards department's outcomes
		development.		
Research and Demography	To undertake research and demographic analysis to promote evidence based planning	Research and Demographic Analysis undertaken to support the integration of population and development factors into planning	Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all	3 research projects completed
Population Capacity Building and Advocacy	To support government institutions with the integration of population factors into planning and to enhance capacity in the understanding or the relationships between population and development	Population capacity development and advocacy undertaken to support the integration of population and development factors into planning	Outcome 7: Vibrant, Equitable and Sustainable Rural Communities and Food Security for all	23 dissemination workshops reaching 158 stakeholders were conducted

Strategic objectives, performance indicators planned targets and actual achievements

Programme 3: Development and Research					
Sub-programme: Professional and Administrative Support					
Strategic objectives: To provide strategic leadership for effective delivery of integrated developmental social services					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number of monitoring and evaluation sessions conducted	4	4	0	None
2	Number of PMDS quarterly reviews conducted and reports submitted	4	4	0	None

Strategy to overcome areas of under performance

None

Changes to Planned targets

None

Programme 3: Development and Research						
Sub-programme: Youth Development						
Strategic objectives: Facilitate and monitor the implementation of policies, legislations and programmes to empower and support the youth						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations.	
1	Number of funded NPOs delivering youth development services	236	48	52	+4	Over achievement due to 4 more YDCs funded as a result of availability of funds.
2	Number of youth participating in the Masupa-Tsela Youth Pioneer Programme	16	0	-	-	N/A
3	Number of Youth Participating in skills development programme	257	0	-	-	N/A
4	Number of youth utilizing services delivered in Youth Centres	7 589	7 200	11 210	+4 010	Over achievement due to increase in the number of Youth Centres and an increased interest to utilize development services from the Youth Centres.
5	Number of youth linked/ placed (benefitting to / in/ from work opportunities)	-	240	301	+61	Over achievement due to increased number of Youth Centres funded and more youth in communities linked by the Youth Centres.
6	Number of life skills workshops conducted	100	72	70	-2	Under achievement due to poor reporting by districts
7	Number of NPO workers capacitated on youth Development services	-	240	219	-21	Under achievement due to poor reporting by districts
8	Number of policies and guidelines reviewed	2	1	1	0	None

Programme 3: Development and Research						
Sub-programme: Youth Development						
Strategic objectives: Facilitate and monitor the implementation of policies, legislations and programmes to empower and support the youth						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
9	Number of intergenerational dialogues conducted	18	15	-3	Under achievement due to officials engaged in the roll out of House Hold Profiling Project in all municipalities	

Strategy to overcome areas of under performance

Indicator 7: Ensure timeous reporting from districts

Changes to Planned targets

None

Programme 3: Development and Research						
Sub-programme: Sustainable and Livelihoods						
Strategic objectives: Facilitate the implementation of policies, strategies and programmes that will impact on poverty and underdevelopment in order to reduce the dependency of the poor and vulnerable communities						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
1	Number of Communities profiled	117	160	152	-8	Under achievement due to revised activities in prioritizing household profiling.
2	Number of household profiled	4 199	6 000	22 632	+16 632	Over achievement due to the roll out of the House Hold Profiling Project in all municipalities
3	Number of poor households participating in food production	-	0	-	-	N/A
4	Number of households accessing food through community development initiatives	-	0	-	-	N/A
5	Number of community based plans developed	36	160	154	-6	Under achievement due to none availability of some stakeholders
6	Number of livelihood initiatives supported	998	54	29	-25	Under achievement due to budgetary constraints and reprioritization in funding agricultural related initiatives.
7	Number of people benefitting from livelihood interventions	-	360	621	+261	Over achievement due to an increased number of beneficiaries in each initiative funded

Programme 3: Development and Research

Sub-programme: Sustainable and Livelihoods

Strategic objectives: *Facilitate the implementation of policies, strategies and programmes that will impact on poverty and underdevelopment in order to reduce the dependency of the poor and vulnerable communities*

Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
8 Number of guidelines developed/reviewed	0	2	0	-2	Under achievement due to consultations which took longer than anticipated and the guidelines are still in draft stages.

Strategy to overcome areas of under performance

Indicator 8: consultation processes will be conducted prior the commencement of the financial year to avoid unforeseen delays.

Indicator 1:

Changes to Planned targets

None

Programme 3: Development and Research					
Sub-programme: Institutional Capacity Building and Support					
Strategic objectives: Implement and monitor policies and programmes geared towards creating an enabling environment within which NPOs and other projects can be empowered and contribute towards development.					
Performance Indicator:	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1	Number of NPOs facilitated for registration/registered	300	423	+123	Over achievement due to high demand from NPOs to be assisted for registration.
2	Number of NPO delivering social development services funded	1 048	927	-121	Under achievement due to some NPOs not meeting the requirement to claim and some were terminated.
3	Number of NPOs capacitated according to the capacity building framework/guideline	800	1 340	+540	Over achievement due to high demand from NPOs to be capacitated.
4	Number of Community Development Practitioner capacitated	171	185	+14	Over achievement due to additional needs of capacity building of CDPs for Household project.
5	Number of NPO workers trained on youth development services	0	-	-	N/A
6	Number of NPOs monitored for compliance with the NPO act	1 100	1 085	-15	Under achievement due to revised activities in prioritising Household Profiling.
7	Number of provincial policy guidelines developed/reviewed	2	2	0	None

Strategy to overcome areas of under performance

Indicator 6: Re-distribution of CDPs to monitor NPOs as planned

Changes to Planned targets

None

Programme 3: Development and Research						
Sub-programme: Research and Demography						
<i>Strategic Objective: Research and Demographic Analysis undertaken to support the integration of population and development factors into planning</i>						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
1	Number of research projects in progress	6	5	5	0	None
2	Number of research reports completed	4	4	3	-1	Under achievement due to changes of research approach recommended by the service provider and approved by the steering committee
3	Number of demographic profiles completed.	2	2	2	0	None
4	Demographic analysis requests received and attended to	39	40	34	-6	Under achievements due to limited demand from clients

Strategy to overcome areas of under performance

None

Changes to Planned targets

None

Programme 3: Development and Research						
Sub-programme: Population capacity Building and Advocacy						
Strategic objectives: Population capacity development and advocacy undertaken to support the integration of population and development factors into planning						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations	
1	Number of population capacity development sessions conducted	6	16	20	+4	Over achievement due to additional requests from stakeholders
2	Number of individuals who participated in population capacity development sessions	78	239	372	+133	Over achievement due to additional number of individuals requesting to attend the sessions
3	Number of population advocacy, information education and communication activities implemented	10	22	23	+1	Over achievement due to an additional request from the national Chief Directorate Population and Development
4	Number of stakeholders who participated in population advocacy, information, education and communication activities	120	68	158	+90	Over achievement due to more individuals attending the activities
5	Number of sessions conducted to support government institutions	18	11	12	+1	Over achievement due to an additional request received from stakeholder
6	Number of advocacy items developed and disseminated	3	4	3	-1	Under achievement due to one research report not approved and therefore not ready for printing

Strategy to overcome areas of under performance

None

Changes to Planned targets

None

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Professional and Administrative Support	66,886	70,567	(3,681)	53,408	52,888	520
Youth Development	24,135	22,265	1,870	33,621	33,282	339
Sustainable Livelihood	5,898	5,364	534	7,110	7,028	82
Institutional Capacity Building	2,856	1,947	909	4,432	4,438	(6)
Research and Demography	4,241	3,741	500	3,444	3,172	272
Population Capacity Development and Advocacy	3,108	2,775	333	2,581	2,531	50
Total	107,124	106,659	465	104,596	103,339	1,257

6. SUMMARY OF FINANCIAL INFORMATION

6.1. Departmental receipts

Departmental receipts	2012/2013			2011/2012		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	338	772	434	301	621	320
Interest, dividends and rent on land	297	549	252	332	1 047	715
Sale of capital assets	428	544	116	234	627	393
Financial transactions in assets and liabilities	580	326	-254	735	3 299	2 564
Total	1, 643	2, 191	548	1,602	5, 594	3, 992

An amount representing 33, 4% i.e. is R0, 548 million was over collected for the period under review. During the 2011/12 financial year the over collection was R3,992 million i.e. 249.1% of the planned target The over collection in 2011/12 financial year is due to unspent funds written back to the revenue account from previous financial year amounting to f R2,7 million.

Over collection in the 2012/13 financial year is largely attributed to over collection on sale of goods and services other than capital assets which is the main source of revenue considering the nature of business operations of the Department. Revenue on this item is generated and collected based on an approved tariff from a substance abuse, treatment and rehabilitation centre owned by government. Inclusive in the revenue collection of this item is the amount of R29 212.00 from sale of scrap and other consumables items disposed by the Department. The over achievement on revenue collection is also inflated by the interest generated on bank balance which is prevalent in both the previous and reporting financial years.

Tariffs are determined by the Department in consultation with the Provincial Treasury and are approved by the Provincial Treasury.

Receipts collected on sale of capital assets are from the disposal of old government owned motor vehicles through an auction co-ordinated and facilitated by the Provincial Department of Public Works, Roads and Transport.

All other social development Services rendered under the programme 2 and 3 are free. The costs of these services can be equated to the spending incurred in these programmes as reported in this annual report. The services are summarized below:

Programme 2

- Services against substance abuse, prevention and rehabilitation
- Care and services to older persons
- Services towards crime prevention and support
- Services to persons with disabilities
- Services for child care and protection
- Services for victim empowerment
- Services and care against HIV and AIDS
- Services to families that need strengthening
- Services to communities in distress that need social relief

Programme 3

- Youth development services
- Services in promotion of sustainable livelihood
- Population capacity building, support and advocacy
- Research and demographics
- Services for institutional capacity building and training

6.2. Programme Expenditure

Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	217,954	216,993	961	292,417	291,541	876
Social Welfare Services	599,183	594,484	4,719	564,078	562,708	1,370
Development and Research	107,124	106,659	465	104,596	103,339	1,257
Total	924,261	918,116	6,145	961,091	957,588	3,503

6.3. Transfer payments, excluding public entities

No transfer payments were made by the Department apart from those to NPOs, provinces and municipal account, departmental agencies account and households for operational costs.

6.4. Public Entities

No public entities reporting to the Department

6.5. Conditional grants and earmarked funds paid

None received by the Department.

6.6. Conditional grants and earmarked funds received

None Received by the Department

6.7. Donor Funds

None received by the Department.

6.8. Capital investment, maintenance and asset management plan

Progress made on implementing the capital, investment and asset management plan.

Management processes were implemented adequately to ensure compliance with, procurement, recording, safeguarding and reporting on assets. There is an improvement in the implementation of budgets for infrastructure development in the past two financial years thus also increasing the value of acquisitions to this asset category.

On immovable capital assets, an under spending of R3, 840 million i.e. 5.2% was incurred out of a budget of R72, 468 million. The table below indicates that an amount of R64, 844 million of a budget of R68,284 million was spent of the budget for the acquisition of immovable assets while R3,742 million was spent out of a budget of R4,142 million for maintenance and repairs.

On machinery and equipment, an amount of R9, 550 million i.e. 94.4% was spent out of a budget of R10, 114 million.

Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)

The following projects are 100% complete and are on retention and final account:

- Ka-maqhekeza Branch Office, new block of 12 offices in Nkomazi Municipality
- Carolina Branch Office, new block of 16 offices in Chief Albert Luthuli Municipality
- Marapyane Branch Office, new block of 10 offices in Dr JS Moroka Municipality
- Volksrust Branch Office, new block of 16 offices in Dr Pixley Ka Seme

These projects were due for final account and closure in the 2011/12 financial year already but were delayed and are now expected to be finalized and closed during the 2012/13 financial year and to be transferred to the custodian department by 31 March 2013.

Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed

The following projects are on construction and are expected to be completed in the 2013/14 financial year:

- Gert Sibande District Office for, 40 new offices in Msukaligwa Municipality
- Mbombela Sub-district Office for, 40 new offices in Mbombela Municipality
- Delmas Branch Office, for 20 new offices in Victor Khanye Municipality
- Amsterdam Branch Office, for 20 offices in Mkhondo Municipality

New building projects

The following new projects are on planning and are expected to commence construction and be completed in the 2013/14 financial year

- Marite branch office, for 20 offices in Bushbuckridge Municipality
- Daggakraal branch office, for 10 offices in Pixley Ka Isaka Seme Municipality
- Thulamahashe children's home facility in Bushbuckridge Municipality

Projects on planning but expected to commence construction in the 2014/15 financial year and beyond include a secure care centre in Ehlanzeni, a youth-treatment-centre in Nkangala, a victim empowerment centre also in Nkangala and also Swartfontein Rehabilitation Centre in Ehlanzeni District. The secure care centre is estimated at more than R50 million which may not be funded in one financial year given the limited annual budgets over the MTEF. This will be implemented over multi-years beyond the MTEF, unless funds are reprioritized over a one or two year period. The youth-treatment-centre is estimated to be completed in the 2015/16 financial year and the victim centre is estimated to be completed in the 2016/17 financial year. The Swartfontein Rehabilitation Centre is already an existing facility and an assessment is to be performed to determine the feasibility of replacing the facilities in phases as this is also expected to be a project requiring funds in excess of R50 million.

Other projects on planning phase include Jerusalem Branch Office and Glenmore Branch Office. These projects are expected to commence construction in the 2014/15 financial year.

Plans to close down or down-grade any current facilities

No projects are planned for closure or downgrading, however the facilities for the Swartfontein Rehabilitation Centre are included in the plans for 2013/14 to assess the feasibility of replacement of the existing buildings in phases.

Progress made on the maintenance of infrastructure

In the 2012/13 financial year, a budget of R4, 142 million was allocated for the maintenance of facilities. Of this amount an amount of R3, 742 million was spent on minor maintenance work. This allocation is maintained over the 2013/14 MTEF (in 2013/14 the amount is R9, 598 million, R4, 877 million in 2014/15 and R4, 578 million in 2015/16). These allocations are however not adequate to address all the maintenance backlogs. The increase in the allocation in the 2013/14 financial year is as a result of the poor state of facilities transferred to the Department by the Department of Education as a result of the function shift.

An estimate amount of R12 million is required to address backlogs of the 20 worse offices as indicated in the User Asser Management Plan. The Department has however identified the need for maintenance work on facilities as one of the critical areas requiring attention and adequate funding over future MTEF budget allocations. The custodian Department (Public Works Roads and Transport) has begun to look at the cost implications of shared buildings with the aim of influencing budget processes for user departments to share the financial responsibilities of maintenance work in the near future. The Department will co-operate with the custodian department as regular assessments of maintenance

needs will not only assist with the prioritization of maintenance budgets but also facilitate a process to identify facilities requiring replacement.

Developments relating to the above that are expected to impact on the department's current expenditure.

The capital projects include service centres that do not exist currently and those existing ones for services rendered at rented buildings and inadequate shared structures. These capital investments always require additional operational budgets for the existing service centres and offices but the major impact on the current budget arises from those that are new altogether. The Department is in the process of costing the operational budgets for the new service centres namely Ehlanzeni Secure Centre and Nkangala youth-treatment-centre. The drivers for these current costs are expected to be seen on employee costs and goods and services for the centres to be operational. Procurement of government vehicles is also a cost driver for current expenditure in the sense that there has to be a budget for maintenance and repairs as well as fuel and oil to keep the vehicles functional.

Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft

During the year under review, the Department spent an amount of R77, 878 million on the acquisition of major capital assets of which R64, 844 million is for buildings and fixed structures and R13, 034 million is for machinery and equipment.

The amount of R64, 844 million reflects a slight decrease of 3.1% i.e. R2, 033 million compared to the R66,877 million spent in the 2011/12 financial year which had been a significant increase of 49% compared to the amount of R33, 993 million spent in the 2010/11 financial year on buildings and fixed structures. The amount spent in the 2012/13 financial year is still significantly higher than that spent in the 2010/11 financial year and is attributed to improve monitoring of infrastructure plans. No immovable assets were disposed during the year under review apart from those valued at R1, 000 million transferred to the custodian department on completion and closure as required by GIAMA.

The additional machinery and equipment of R13, 034 million increases the value of moveable assets to R93, 178 million from R81, 065 million after accounting for disposals during the year, amounting to R2, 498 million.

Minor assets on the other hand increase to R29, 761 million from R19, 714 million after accounting for the additions of R10, 468 million and disposals of R0, 440 million.

Measures taken to ensure that the department's asset register remained up-to-date during the period under review

The Department has established a functional asset management business unit and work is performed in accordance with an operational plan, asset management strategy and loss and disposal management policy. Quarterly physical and monthly reconciliations are performed to inform updates to the asset register. A record of buildings and fixed structures is maintained and these are

transferred to the custodian Department (Public Works, Roads and Transport) on completion.

The current state of the department's capital assets, for example what percentage is in good, fair or bad condition

On machinery and equipment, 98% of the assets are in good order and on fixed capital assets, 75% of the facilities utilized by the Department are in good condition.

Major maintenance projects that have been undertaken during the period under review.

There were no major maintenance plans undertaken in the year under review, except for work performed at Swartfontein Rehabilitation Centre.

Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not why not, and what measures were taken to keep on track.

The gaps have not been adequately addressed due to limited funds allocated to infrastructure development and specifically for maintenance and repairs. The Development and implementation of progressive maintenance plans is not fully developed in the Province. The work started by the custodian Department will assist the Department to plan adequately for this area of work in the future. The current maintenance budgets allocated over the MTEF are mainly for emergency work but are expected to reduce maintenance backlogs to a small extend.

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Vote 12: Department of Social Development
Province of Mpumalanga*

Infrastructure projects	2012/2013			2011/2012		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	68 284	64 844	3440	66 979	66 878	101
Existing infrastructure assets	4 142	3 742	400	0	0	0
Maintenance and repairs	4 142	3 742	400	0	0	0
Total	72,426	68,586	3,840	66,979	66,878	101

Risk management conduct fraud and anti-corruption awareness to officials of the Department so as to ensure that the fraud prevention plan of the department instilled to all officials of the Department.

Mechanisms in place to report fraud and corruption include the Department encouraging all employees to make protected disclosures when they become aware of suspicious activities.

All employees are responsible for reporting all incidents of corruption, fraud, theft, maladministration or other illegal acts to his / her manager, he / she should report the matter to his / her manager's superior, with final recourse to the Head of Department. The Head of: Internal Control with the assistance of senior management will assume responsibility for the investigation of all fraud, theft, corruption and other related irregularities within the Department, and for criminal and civil proceedings.

4. MINIMISING CONFLICT OF INTEREST

Various committees have been established to provide advice and support on financial, human and service delivery management. These committees also include Supply Chain Management Committees advising on procurement and asset management. Members serving in the Specification, Evaluation and Adjudication Supply Chain Committees are required to sign a declaration of interest.

All officials of the Department are required to disclose their financial interests at the beginning of the financial year in line with a Departmental Policy on the Performance of Remunerative work outside the Public Service. The officials who were found to have neglected their responsibility to disclose their financial interest and had conducted business with government are disciplined and attempts to recover the funds are pursued.

5. CODE OF CONDUCT

The Supply Chain Management officials have signed the code of conduct for supply chain management practitioners. No cases were reported on the breach of the code by the Supply Chain Management Practitioners.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Health and safety at workplace are two major priorities that need highest attention and recognition. Ensuring the health and safety of employees is the main key responsibility for employee health and wellness programme. Working environment at the Department of Social Development is still considered friendly to most of the employees and social development clients however some structures are not user friendly and not easily accessible.

It is the responsibility of wellness directorate to promote and maintain the highest degree of physical, mental and social well-being of workers in all occupations.

Prevention among workers of adverse effects on health caused by working conditions always becomes wellness continues responsibility.

The current nature of health safety and environment is in good standing even though lacking at other areas A for example, an appointment of an Occupational Health and Safety Officer/ Occupational Health and Safety nurse. The working condition is safe and conducive to employees. There are few occupational hazards noted which is of less concern.

Workplace hazards in most buildings are well controlled. There are few or no accidents reported as a result of hazardous threats caused by building structure.

Chemical hazards is not a posing threat to employees as liquids, solids, dusts are well controlled and stored. Physical hazards such as noise, vibrations and unsatisfactory lighting is not a problem as such. The workplace is regularly checked to control and be wary of possible hazardous effects. Biological hazards such as bacteria, viruses and infectious waste is well controlled and maintained. The workplace surfaces are regularly fumigated for pest controlling. There are minor psychological hazards i.e. stresses and strains.

Hazards associated with non-application of ergonomic principles such as badly designed devices and tools, improper seating and work station designs are not major concern.

There is a well-established Occupational Health and safety committee for Ehlanzeni which is functional and the Reprs always ensure that all possible hazards and near misses are reported.

7. INTERNAL CONTROL UNIT

The unit is responsible for monitoring the control environment of the entire Department which include assisting each directorate in ensuring that controls improvement as per the risk register are conducted within the specified period . Monitor the implementation of Internal and External Audit recommendation and improvement plan. Conduct investigation as per management request.

8. AUDIT COMMITTEE REPORT

The following content of the report of the Audit Committee draws attention to the viewpoints established through its oversight activities, and pertaining to the 2012/13 financial year ending 31 March 2013. These have been jointly discussed and agreed upon by all the respective members. Refer to the report on the annual financial statements (Part E) page 125.



PART D

HUMAN RESOURCE

MANAGEMENT

1. LEGISLATURE THAT GOVERN HR MANAGEMENT

The information provided in this part is prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4).

2. INTRODUCTION

The Human Resource Management and Development section consists of the following sub-programmes:-

Human Resource Administration
Human Resource Information Systems
Employee Health and Wellness
Skills Development and Training
Talent Management
Labour relations.

2.1. Overview of HR matters

- 2.1.1. Human Resource Management is responsible for recruitment and selection and employee benefits
- 2.1.2. Human Resource Information Systems is responsible for PERSAL control and administration and information management systems
- 2.1.3. Employee Health and Wellness is responsible for management of individual health, safety and wellness, organisational wellness, environmental sustainability, quality management to productivity and improved service delivery outcomes
- 2.1.4. Training and skills development is responsible for training of staff and development as well skills and capacity development
- 2.1.5. Talent Management is responsible for career management, induction and orientation as well as performance management and development of employees in the department
- 2.1.6. Labour Relations is responsible for the maintenance of discipline and labour peace as well as representing the employer in dispute resolution and collective bargaining

2.2. HR Priorities

- 2.2.1. Recruitment and retention of best performing employees
- 2.2.2. Retaining and developing modern responsive and professional workforce
- 2.2.3. Ensure quality, diversity and transformation at the workplace
- 2.2.4. Managing HR workforce and resources by providing accurate information
- 2.2.5. Integration of Human Resource frameworks
- 2.2.6. Supporting and evaluation of service delivery initiatives

2.3. Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

- 2.3.1. Finalization of the guidelines and policy on rural allowance in order to retain social workers in rural areas
- 2.3.2. Training of social workers on mentoring and coaching in order to mentor social auxiliary workers and align it with their statutory work as well as administrative support

Table 3.1.2 Personnel costs by salary band

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	17,494	4.4	167	104,754
Skilled (level 3-5)	110,702	26.8	774	143,026
Highly skilled production (levels 6-8)	162,754	39.4	658	247,347
Highly skilled supervision (levels 9-12)	87,539	21.2	201	435,517
Senior and Top management (levels 13-16)	14,829	3.6	18	823,833
Contract (Levels 6-8)	1,149	0.3	3	383,000
Abnormal Appointment (Interns)	1,059	0.3	32	33,093
Total	395,526	95.7	1,853	2,170,570

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1: Administration	83,057	65.3	98	0.1	6,107	4.8	9,109	7.2
Programme 2: Social Welfare Services	144,472	65.3	4	0	10,579	4.8	16,976	7.7
Programme 3: Development & Research	42,034	64.9	1	0	2,176	3.4	3,581	5.5
TOTAL	269,563	65.2	103	0	18,862	4.6	29,666	7.2

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	10,972	62.7	0	0	1,794	10.2	2,141	12.2
Skilled (level 3-5)	71,154	63.4	16	0	8,160	7.3	13,288	11.8
Highly skilled production (levels 6-8)	111,145	65.6	46	0	6,726	4	10,812	6.4
Highly skilled supervision (levels 9-12)	63,206	66.2	40	0	1,734	1.8	3,194	3.3
Senior management (level 13-16)	11,938	72.9	0	0	448	2.7	232	1.4
Contract (Levels 6-8)	1,149	100	0	0	0	0	0	0
Abnormal Appointment	0	0	0	0	0	0	0	0
Total	269,564	65.2	102	0	18,862	4.6	29,667	7.2

3.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Pr1: Administration, Permanent	619	573	7.3	1
Programme 2: Social Welfare Services, Permanent	1,081	1,024	5.3	0
Pr3: Development & Research, Permanent	252	223	11.5	0
TOTAL	1,952	1,820	6.8	1

Table 3.2.2 Employment and vacancies by salary band

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	175	167	4.6	0
Skilled(3-5)	816	775	5	0
Highly skilled production (6-8)	709	659	7.1	0
Highly skilled supervision (9-12)	229	200	12.7	0
Senior management (13-16)	20	16	15	1
Contract	3	3	0	0
Total	1,952	1,820	6.8	1

Table 3.2.3 Employment and vacancies by critical occupations

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	43	38	11.6	0
Auxiliary and related workers, Permanent	1	1	0	0
Building and other property caretakers, Permanent	8	8	0	0
Cleaners in offices workshops hospitals etc., Permanent	101	97	4	0
Client inform clerks (switchboard reception inform clerks), Permanent	38	36	5.3	0
Communication and information related, Permanent	5	5	0	0
Community development workers, Permanent	229	204	10.9	0
Finance and economics related, Permanent	5	4	20	0
Financial and related professionals, Permanent	6	6	0	0
Financial clerks and credit controllers, Permanent	67	61	9	0
Household and laundry workers, Permanent	2	2	0	0
Human resources & organisation development & relate prof, Permanent	8	7	12.5	0
Human resources clerks, Permanent	15	13	13.3	0
Human resources related, Permanent	3	2	33.3	0
Information technology related, Permanent	6	3	50	0
Legal related, Permanent	2	2	0	0
Library mail and related clerks, Permanent	28	26	7.1	0

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Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Light vehicle drivers, Permanent	6	6	0	0
Logistical support personnel, Permanent	2	2	0	0
Material-recording and transport clerks, Permanent	10	9	10	0
Messengers porters and deliverers, Permanent	71	68	4.2	0
Other administration & related clerks and organisers, Permanent	232	217	6.5	0
Other administrative policy and related officers, Permanent	47	44	6.4	0
Other occupations, Permanent	2	2	0	0
Professional nurse, Permanent	2	2	0	0
Secretaries & other keyboard operating clerks, Permanent	22	15	31.8	0
Senior managers, Permanent	11	8	18.2	1
Social sciences related, Permanent	2	2	0	0
Social sciences supplementary workers, Permanent	506	488	3.6	0
Social work and related professionals, Permanent	468	438	6.4	0
Youth workers, Permanent	4	4	0	0
TOTAL	1,952	1,820	6.8	1

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

3.3. Job Evaluation

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

Table 3.3.1 Job Evaluation by Salary band

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	175	56	32	56	100	0	0
Contract (Levels 6-8)	3	0	0	0	0	0	0
Skilled (Levels 3-5)	816	273	33.5	273	100	0	0
Highly skilled production (Levels 6-8)	709	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	229	0	0	0	0	0	0
Senior Management Service Band A	15	0	0	0	0	0	0
Senior Management Service Band B	4	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D – additional to the establishment	(1)	0	0	0	0	0	0
TOTAL	1,953	329	16.8	329	100	0	0

- There is one post additional to the establishment

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

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

Beneficiary	African	Asian	Coloured	White	Total
Female	215	0	2	1	218
Male	111	0	0	0	111
Total	326	0	2	1	329
Employees with a disability					12

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.3.3 Employees with salary levels higher than those determined by job evaluation by occupation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	nil
Percentage of total employed Nil				

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.3.4 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiary	African	Asian	Coloured	White	Total
					0
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2012/13	Nil
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3.4. Employment Changes

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

Critical Occupation	Number of employees at beginning of period-April 2012	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Light vehicle drivers, Permanent	6	0	0	0
Logistical support personnel, Permanent	2	0	0	0
Material-recording and transport clerks, Permanent	11	0	1	9.1
Messengers porters and deliverers, Permanent	103	0	2	1.9
Other administration & related clerks and organisers, Permanent	246	1	31	12.6
Other administrative policy and related officers, Permanent	43	1	1	2.3
Other occupations, Permanent	2	0	1	50
Professional nurse, Permanent	2	0	0	0
Secretaries & other keyboard operating clerks, Permanent	17	0	1	5.9
Senior managers, Permanent	8	0	0	0
Social sciences related, Permanent	2	0	0	0
Social sciences supplementary workers, Permanent	501	1	18	3.6
Social work and related professionals, Permanent	444	4	6	1.4
Youth workers, Permanent	2	0	0	0
TOTAL	1,875	22	76	4.1

Occupation	Employees 1 April 2012	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
related professionals					
Youth workers	2	0	0	2	100
TOTAL	1,875	30	1.6	1,022	54.5

Table 3.4.5 Promotions by salary band

Salary Band	Employees 1 April 2012	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2), Permanent	170	0	0	132	77.6
Skilled (Levels 3-5), Permanent	796	2	0.3	543	68.2
Highly skilled production (Levels 6-8), Permanent	673	8	1.2	269	39.9
Highly skilled supervision (Levels 9-12), Permanent	199	19	9.5	70	35.2
Senior management (Levels 13-16), Permanent	17	1	5.9	8	47.1
Contract (Levels 6-8), Permanent	20	0	0	0	0
TOTAL	1,875	30	1.6	1,022	54.5

3.5. Employment Equity

Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2013

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	3	0	0	0	5	1	0	0	9
Professionals, Permanent	162	0	0	1	508	1	1	4	677
Technicians and associate professionals, Permanent	154	0	0	2	412	0	0	6	574
Clerks, Permanent	132	0	0	0	237	2	0	6	377
Plant and machine operators and assemblers, Permanent	6	0	0	0	0	0	0	0	6
Elementary occupations, Permanent	56	0	0	0	120	0	0	0	176
Other, Permanent	1	0	0	0	1	0	0	0	2
TOTAL	514	0	0	3	1,283	4	1	16	1,821
Employees with disabilities	11	0	0	0	10	0	0	0	21

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Permanent									
Unskilled and defined decision making, Permanent	42	0	0	0	90	0	0	0	132
TOTAL	305	0	0	2	733	2	0	10	1,052
Employees with disabilities	10	0	0	0	10	0	0	0	20

Table 3.5.5 Terminations

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	0	3	0	0	3	8
Skilled technical and academically qualified workers, Junior management, supervisors, foremen, Permanent	11	0	0	0	11	0	0	1	23
Semi-skilled and discretionary decision making, Permanent	11	0	0	0	12	0	0	0	23
Unskilled and defined decision making, Permanent	3	0	0	0	1	0	0	0	4
Contract (Skilled technical), Permanent	8	0	0	0	9	0	0	0	17
TOTAL	36	0	0	0	36	0	0	4	76
Employees with Disabilities	0	0	0	0	1	0	0	0	1

Table 3.5.6 Disciplinary action

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	25	1	0	0	17	1	0	0	44

Table 3.5.7 Skills development

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	3	0	0	0	5	1	0	1	10
Professionals	163	0	0	0	514	0	0	0	677
Technicians and Associate Professionals	156	0	0	0	418	0	0	0	574
Clerks	139	0	0	0	245	0	0	0	384
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	56	0	0	0	120	0	0	0	176
TOTAL	517	0	0	0	1,302	1	0	1	1,821
Employees with disabilities	2	0	0	0	3	0	0	0	5

3.6. Performance Rewards

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

Table 3.6.1 Performance Rewards by race, gender and disability

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	348	1,273	27.4	3,716	10,679
African, Male	169	503	33.6	1,822	10,780
Asian, Female	0	1	0	0	0
Coloured, Female	0	4	0	0	0
Total Blacks, Female	348	1,278	27.3	3,716	10,679
Total Blacks, Male	169	503	33.6	1,822	10,780
White, Female	6	16	37.5	142	23,699
White, Male	2	3	66.7	42	20,992
Employees with a disability	9	21	42.9	78	8,641
TOTAL	534	1,821	29.3	5,800	10,862

Table 3.6.2 Performance Rewards by salary band for personnel below Senior Management Service.

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower skilled (Levels 1-2)	47	167	28.5	205	4,362
Skilled (Levels 3-5)	195	775	25.2	1,086	5,569
Highly skilled production (Levels 6-8)	189	659	28.7	2,106	11,143
Highly skilled supervision (Levels 9-12)	98	200	48.8	2,218	22,633
Contract (Levels 6-8)	0	3	0	0	0
TOTAL	529	1,804	29.3	5,615	10,614
Abnormal Appointment (Interns)	0	32	0	0	0

Table 3.6.3 Performance Rewards by critical occupation

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	22	38	57.9	540	24,545
Auxiliary and related workers	1	1	100	4	4,000
Building and other property caretakers	3	8	37.5	12	4,000
Cleaners in offices workshops hospitals etc.	27	97	27.8	122	4,519
Client inform clerks (switchboard reception inform clerks)	6	36	16.7	33	5,500
Communication and information related	2	5	40	36	18,000

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Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Community development workers	68	204	33.3	942	13,853
Finance and economics related	3	4	75	60	20,000
Financial and related professionals	2	6	33.3	25	12,500
Financial clerks and credit controllers	31	61	50.8	261	8,419
Household and laundry workers	0	2	0	0	0
Human resources & organisation development & related professionals	4	7	57.1	45	11,250
Human resources clerks	8	13	61.5	79	9,875
Human resources related	1	2	50	10	10,000
Information technology related	0	3	0	0	0
Legal related	0	2	0	0	0
Library mail and related clerks	8	26	30.8	47	5,875
Light vehicle drivers	4	6	66.7	25	6,250
Logistical support personnel	0	2	0	0	0
Material-recording and transport clerks	6	9	66.7	43	7,167
Messengers porters and deliverers	18	68	26.5	74	4,111
Other administration & related clerks and organisers	89	217	41	655	7,360
Other administrative policy and related officers	25	44	56.8	335	13,400
Other occupations	1	2	50	4	4,000

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Professional nurse	1	2	50	15	15,000
Secretaries & other keyboard operating clerks	13	15	86.7	101	7,769
Senior managers	4	9	44.4	151	37,750
Social sciences related	2	2	100	66	33,000
Social sciences supplementary workers	83	488	17	504	6,072
Social work and related professionals	102	438	23.3	1,610	15,784
Youth workers	0	4	0	0	0
TOTAL	534	1,821	29.3	5,799	10,860

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 3.6.4 Performance related rewards (cash bonus), by salary band for Senior Management Service

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	3	12	25	107	35,667	1
Band B	2	4	50	79	39,500	2.6
Band C	0	1	0	0	0	0
Band D	0	1	0	0	0	0
Total	5	18	27.8	186	37,200	1.4

The information reflects amounts paid out to SMS members during the period of the Annual Report i.e. 1 April 2012 to 31 March 2013 which was in payment of the Performance Bonus for the period 1 April 2010 to 31 March 2011.

3.7. Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.7.1 Foreign workers by salary band

Salary Band	01 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Total	0	0	0	0	0	0

Table 3.7.2 Foreign workers by major occupation

Major Occupation	01 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Total	0	0	0	0	0	0

3.8. Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.8.1 Sick leave

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	694	85.9	105	8.6	7	163
Skilled (Levels 3-5)	3,924	86	542	44.5	7	1,269
Highly skilled production (Levels 6-8)	2,670	86.6	432	35.5	6	1,620
Highly skilled supervision (Levels 9-12)	675	83.7	126	10.3	5	801
Senior management (Levels 13-16)	41	82.9	8	0.7	5	119
Contract (Levels 6-8)	23	100	5	0.4	5	13
TOTAL	8,027	86	1,218	100	7	3,985

Table 3.8.2 Disability leave (temporary and permanent)

Salary Band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	28	100	4	30.8	7	6
Skilled (Levels 3-5)	50	100	5	38.5	10	17
Highly skilled production (Levels 6-8)	17	100	3	23.1	6	10
Highly skilled supervision (Levels 9-12)	2	100	1	7.7	2	2
Senior Management (Levels 13 – 16)	13	100	1	5	1	10
Contract (Levels 6 – 8)	0	0	0	0	0	0
TOTAL	110	100	14	100	7	45

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

Table 3.8.3 Annual Leave

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	3,307	166	20
Skilled (Levels 3-5)	15,400.92	775	20
Highly skilled production (Levels 6-8)	12,508	655	19
Highly skilled supervision (Levels 9-12)	4,537	204	22
Senior management (Levels 13-16)	374	16	23
Contract (Levels 6-8)	166	19	9
TOTAL	36,292.92	1 835	20

Table 3.8.4 Capped leave

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March
Skilled (Levels 3-5)	6	2	3	48
Highly skilled production (Levels 6-8)	10	1	10	50
TOTAL	16	3	5	50

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

Table 3.8.5 Leave pay-outs

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Capped leave pay-outs on termination of service for 2012/13	151	16	9,438
Current leave pay-out on termination of service for 2012/13	13	11	1182
TOTAL	164	27	6,074

3.9. HIV/AIDS & Health Promotion Programmes

Table 3.9.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<p>Newly appointed employees</p> <p>Female employees appear to be the categories of employees susceptible to HIV and related diseases. GEMS reports provide evidence to this though it does not seem easy to keep track of new infections especially on GEMS reports. However there may be dark figures from their male counterparts as they appear reluctant to participate in VCT or HCT programmes</p>	<p>STI Awareness Programmes and workshops conducted</p> <p>EH&WP has made it a norm that in every awareness session on health promotion programmes HCT is available</p>
<p>Employees using substances</p>	<p>HIV & AIDS (HCT) testing and awareness programmes conducted in conjunction with GEMS</p>
	<p>TB Awareness workshops and programmes conducted</p>
	<p>Substance Abuse Awareness Programme</p>
	<p>Pamphlets on Substance Abuse and all other relevant programmes provided to communities by the Department through the Communications Section and all offices of the Department</p>

Table 3.9.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Ms K. C. F. Ngalo: Chief Director
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		2 officials Budget 2012 / 13 = R968,055,000 comprising of the following items:- 1. Compensation R754,000 2. Goods & Services R194,055
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		HIV/AIDS awareness STI awareness TB Management Health and productivity management, Safety, Health, Environment, Risk and Quality Training (SHERQ) Wellness management programme. Personal Finance Management Fitness Promotion These services were mainstreamed with relevant departments and sections within the Department and with other stakeholders. Individual cases were attended to by a Wellness Practitioner who is registered with a statutory body
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		SHERQ Committee:- L. Mashilo (EH&WP); M. P. Mnisi (Administration); S. S. Mokoena (Administration); L. D. Shabangu (Administration); M. Masilela (HRM); N. E. Mdluli – Labour Relations; D. T. Mbatsane (Administration); N. C. Mcina (EAP); S. M. Mdluli (HRM); S. H. Chiloane (Administration); M. T. Mkhumbane - Security Management; M. M. Mabela (Records Management); B. S. Thobela (Administration); S. J. Lubisi (Office Support); E. N. Mathebula

3.10. Labour Relations

Table 3.10.1 Collective agreements

Subject Matter	Date
None	

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.10.2 Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	5	8.6%
Verbal warning	Nil	Nil
Written warning	36	62.1%
Final written warning	6	10.3%
Suspended without pay	Nil	Nil%
Fine	Nil	Nil%
Demotion	Nil	Nil%
Dismissal	6	10.3%
Not guilty	2	3.5%
Case withdrawn	3	5.2%
Total	58	100%

Table 3.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct (based on annexure A)	Number	% of total
Sexual assault	1	7.1%
Misuse of MG vehicle	4	28.7%
Absenteeism	7	50%
Fraud	1	7.1%
Theft	1	7.1%
Total	14	100%

Table 3.10.4 Grievances logged

	Number	% of Total
Number of grievances resolved	2	50%
Number of grievances not resolved	2	50%
Total number of grievances lodged	4	100%

Table 3.10.5 Disputes logged

	Number	% of Total
Number of disputes upheld	2	40%
Number of disputes dismissed	3	60%
Total number of disputes lodged	5	100%

Table 3.10.6 Strike actions

Total number of persons working days lost	Nil
Total costs working days lost	Nil
Amount (R'000) recovered as a result of no work no pay	Nil

Table 3.10.7 Precautionary suspensions

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	210
Cost (R'000) of suspension	R 59,801.00

3.11. Skills development

This section highlights the efforts of the department with regard to skills development.

Table 3.11.1 Training needs identified

Occupational Category	Gender	Number of employees as at 1 April 2012	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	2	3	5
	Male	4	0	3	0	3
Professionals	Female	514	0	56	0	56
	Male	163	0	24	0	24
Technicians and associate professionals	Female	418	0	202	0	202
	Male	156	0	120	0	120
Clerks	Female	245	0	40	0	40
	Male	132	0	57	0	57
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	6	0	2	0	2
Elementary occupations	Female	120	0	54	0	54
	Male	56	0	22	0	22
Sub Total	Female	1,304	0	354	3	357
	Male	517	0	228	0	228
Total		1,821	0	582	3	585

Table 3.11.2 Training provided for the period

Occupational Category	Gender	Number of employees as at 1 April 2012	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	20	0	20
	Male	4	0	13	0	13
Professionals	Female	514	0	89	535	624
	Male	163	0	15	161	176
Technicians and associate professionals	Female	418	0	0	0	0
	Male	156	0	0	0	0
Clerks	Female	245	0	29	102	131
	Male	132	0	26	98	124
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	6	0	0	0	0
Elementary occupations	Female	120	0	24	0	24
	Male	56	0	7	0	7
Sub Total	Female	1,304	0	162	637	799
	Male	517	0	61	259	320
Total		1,821	0	223	896	1,119

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**REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2013**

Audit Committee Report

The following content of the report of the Audit Committee draws attention to the viewpoints established through its oversight activities, and pertaining to the 2012/13 financial year ending 31 March 2013. These have been jointly discussed and agreed upon by all the respective members.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

Matters for specific focus by the Audit Committee (2012/2013):

It is of crucial importance that the following most significant issues within the financial domain of the Department should receive on-going attentive focus in order to effect qualitative administration and financial and operational management:

- Assets and infrastructure management
- Performance Information management
- Staff establishment and skills and knowledge enhancement
- Information Technology
- Service delivery projects

Audit Committee Members and Attendance:

The Audit Committee of the Department was established in accordance with the requirements of Section 38(1) (a) (ii) and 77 of the Public Finance Management Act (Act 1 Of 1999, as amended by Act no 29 Of 1999)

The constitution of the Audit Committee in respect of the financial year 2012/13, and members involved in all the relevant oversight processes are disclosed hereafter. No change of membership occurred, and the same Audit Committee of the preceding financial year was functional throughout the 2012/13 financial year. Details of meeting attendance by members during the 2012/13 financial year, in respect of the various normal and ad-hoc meetings, are as follow:

Name of Member	Number of Meetings Attended
Period 1/04/2012-31/03/2013	
1. Mr. E Cousins (Chairperson)	6
2. Mr. V Nondabula	4
3. Mr. R Ngomane	6
4. Mr. V Mashabane	6

Over and above the said five (6) formal meetings, two (2) meetings with the Member of the Executive Council (MEC) of the Department also occurred, in order to discuss certain strategic and material matters. These meetings are the result of a formal arrangement made that this procedure and interaction is a regular feature within the year program of the Committee.

The Effectiveness of Internal Control

Internal Control Environment:

The Audit Committee has seen sustained improvement in internal control, effective oversight and monitoring, which is underscored by the Auditor General's unqualified audit report as well as the reliable and useful information. We believe that this lays a solid foundation towards the achievement of a clean audit in the near future, if hard work, commitment and dedication continue.

The Audit Committee regards the Department's policies and internal control measures as being efficient although there are still areas requiring improvement, for instance the failure to pay monies owed within 30

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days, leave management, and the under-achievement of performance targets. The Committee will closely monitor progress made to address these deficiencies.

A very positive measure was applied during the financial year under review whereby an experienced functionality was employed to conduct internal control evaluations on a continuous basis, operating according to a pre-conceived plan. This will further strengthen the combined assurance profile of the Department.

ICT Environment:

The Audit Committee is however at this stage perturbed about the organizational structure and operational situation within the ICT section. This should be an important focus even for management in order to prevent a regress in the operational efficiency of the Department

Projects:

There has been an improvement in the progress of finalizing the infrastructure development projects during the year under review. Management is applying adequate oversight and aim to still improve the situation further.

Risk Management

The risk management within the Department is continuously being improved with staff gradually becoming more familiar with the required processes and outputs. Improved monitoring of output is essential to make this tool contribute to greater efficiency and effectiveness within the Department.

Internal Audit

The Internal Audit Annual Plan in respect of 2012/13 took into consideration the Department's risk profile and management expectations. Audit programs were based on the areas of high risk and completed within the prescribed time frames. This was achieved notwithstanding the fact that the audit section had encountered challenges with the absence of some of the key staff members.

The situation is now stabilised and will be greatly improved with the filling of the vacant position of Deputy Director during the course of 2013/14.

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- HRM/HRD/Labour Relations
- Financial Management
- Hendrina Secure Center
- Victim Empowerment
- Crime Prevention and Support
- Performance Information
- Social Relief
- Child Care and Protection Services
- Care and Support to Older Persons
- Substance Abuse, Prevention and Rehabilitation (Swartfontein)
- Crime Prevention and Support (Héndrina)
- Institutional Capacity Building and Support
- ADHOC ASSIGNMENT:
 - **Financial Disclosure Analysis*
 - **Bongathemba Trading Enterprise*
 - **Lindokuhle Garden Enterprise*
- Performance Information Audit
- Interim Financial Statement (IFS) Audit
- Co-sourced ICT Audit Assignment

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The following were areas of concern:

- Information Communications Technology
- Predetermined Objectives
- NPOs and NGOs funded by the Department and which consumes a bulk of the Department's budget.

Special Investigations were also conducted by both Internal Audit and Internal Control divisions with the assistance of the Integrity Management Unit during the year under review.

The Quality of In-Year Management and Quarterly Reports submitted in terms of the PFMA and the Division of Revenue Act.

Given the inherent difficulties playing a role in the gathering of evidence, the Audit Committee is in general satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review. Considerable improvement in the general performance within this category was observed, as is substantiated by a more favourable Auditor General report.

Evaluation of Financial Statements


The Audit Committee has:

- Reviewed deviations and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's Management Report and management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions
- Reviewed significant adjustments resulting from the audit.

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

Auditor General's Report

We have met with the Auditor-General South Africa to ensure that all issues have come to our attention for further control and management towards rectification.



Elmer Cousins
Chairperson of the Audit Committee
Social Development
12 August 2013

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Republic of South Africa.

1. General review of the state of financial affairs

1.1 Important policy decisions and strategic issues facing the department

The core functions and mandates of the Department remain focused on children, women, persons with disabilities, older persons and other groups made vulnerable by poverty and social ills.

These were performed during the year under review together with other stakeholders in support of the 5 outcomes. The role of the NPO sector was still a major one during the year reviewed and this is seen in the budget allocated of R290,190 million and the amount spent of R289,122 million out of the overall revised budget of R924,261 million. Of this amount, children services spent a total budget of R175,058 million for various activities including early childhood development. On disability the amount spent is R25,110 million and on older persons R25,577 million. The household profiling project was extended to include all municipalities instead those designated under the Comprehensive Rural Development Programme. The aim of this project is to inform intervention plans for the most vulnerable and needy groups by all stakeholders.

The profiling work is continuing in the current financial year and baseline information is expected to be available by the end of the first quarter. Other work performed by the Department as part of the poverty alleviation strategies included the financial assistance to youth development centres for an amount of R14,819 million and sustainable livelihood projects for an amount of R2,652 million. The impact of HIV and AIDS continue to affect development in the province affecting mostly the poorest in rural areas. The Departments programmes to counter this includes the funding of drop in centres and the ISIBINDI Model in an attempt to intervene in the space of children made vulnerable and/or orphaned and an amount of R41,351 million was spent in this regard.

The availability of suitable office space and service centres is also critical to the social development sector and thus the focus on infrastructure delivery. An amount of R64,844 million was spent for various projects for planning and construction.

The Department will continue to monitor the implementation of infrastructure projects together with the implementing agent the Department of Public Works, Roads and Transport, including the alignment of budgets for the completion of planned projects. The demand for services in the face of limited resources requires the Department to continuously come up with rigorous measures to avoid wastage, and align funding allocations to priorities in line with the 5 outcomes.

Further detail specific on the state of financial affairs as at the end of the reporting is found under 1.4, 1.5 and 1.6 of this Report of the Accounting Officer.

1.2 Significant events that have taken place during the year

The Department participated in the AFCON activities by providing psycho-social support where needed and a budget not exceeding R,500 million was planned for these activities. A number of events were conducted to promote and market the services rendered by the Department by reaching communities as indicated on the table below.

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Name of event	Target group	Date	Venue
Policy and Budget Speech	Provincial	24 May 2012	Mpumalanga Provincial Government, Ehlanzeni District
World Population Day Seminar	Provincial	12 July 2012	Matsulu, Ehlanzeni District
International Day Against Drug Abuse and Illicit Trafficking	Provincial	16 July 2012	Agincourt, Ehlanzeni District
Ministerial NPO Dialogue	Provincial	17 July 2012	Ngwenyama Lodge, Ehlanzeni District
Mandela Day Celebrations	National and Provincial	18 July 2012	Mananga and Daantjie Ehlanzeni District
International Youth Development Day Seminar	Provincial	27 August 2012	Acornhoek, Ehlanzeni District
Social Development Month	Provincial	21 September 2012	Verena, Nkangala
Opening of Caroline DSD Office	District	02 October 2012	Caroline, Gert Sibande
International Day for the Eradication of Poverty	Provincial	18 October 2011	Ludlow – Bushbuckridge, Ehlanzeni District
Taking DSD to Communities	Provincial	31 October – 02 November 2011	Tjakastad, Gert Sibande
Opening of KaMaqhekeza DSD Office	District	05 November 2012	KaMaqhekeza, Ehlanzeni District
Celebration of National Children's Day Official Opening of Bethal DSD Offices	Provincial	06 November 2012	Belfast, Nkangala District

1.3 Major projects undertaken or completed during the year

The Department embarked on the Household Profiling Project as one of the processes to obtain an understanding of the needs of households. This project commenced in the 2011/12 financial year focusing on the most rural areas under the Comprehensive Rural Development Programme (CRDP) within the following municipalities (Mkhondo, Bushbuckridge, Chief Albert Luthuli, Nkomazi, Thembisile Hani and Dr JS Moroka). In the 2012/13 financial year, this project was extended to include all municipalities. This work is continuing and is expected to be completed in the 2013/14 financial year wherein the household profiles will inform intention plans by all sectors.

The following are major capital projects which were under construction in the year under review, and are expected to be completed in the 2013/14 financial year:

- Gert Sibande District Office for, 40 new offices in Msukaligwa Municipality
- Mbombela Sub-district Office for, 40 new offices in Mbombela Municipality
- Delmas Branch Office, for 20 new offices in Victor Khanye Municipality
- Amsterdam Branch Office, for 20 offices in Mkhondo Municipality

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1.4 Spending trends

The Department spent an amount of R918,116 million i.e. 99.3% of a total adjusted budget of R924,261 million. The variance of R6,145 million reflects under spending on the items for Compensation of employees and buildings and fixed structures

Spending on programmes is above 98% across all three programmes with very little differences for programme 2 and 3 compared to the previous financial year. Programme 1 however has shown a notable increase compared to the previous financial year and this is in relation to the increased spending on infrastructure.

Spending on economic classification is above 99% for all items except capital assets on account of buildings and fixed structures within Programme 2. Though there is a decrease in spending on capital assets from 98% in the 2011/12 financial year to 95% in the 2012/13 financial year, this percentage is still higher than the percentage spending of 60.8% in 2010/11, 72.9% in 2009/2010 and 79.9% in the 2008/2009 financial years. Improved spending on capital assets is attributed to improved management on planning and implementation of infrastructure projects. This is appreciated as it means more facilities become available for use and access for service delivery, but also requires that the implementation of capital projects be monitored in relation to available cash flows.

Programme	Final appropriation	Amount spent	Variance	% Spent	%Spent	%Spent
	2012/2013	2012/2013	2012/2013	2012/2013	2012/2013	2010/2011
	R'000	R'000	R'000	%	%	%
Programme 1: Administration	217,954	216,993	961	99.6	99.7	88.2
Programme 2: Social welfare	599,183	594,464	4,719	99.2	99.8	99.5
Programme 3: Development and Research	107,124	106,659	465	99.6	98.8	99.5
Total	924,261	918,116	6,145	99.3	99.6	96.2

Economic classification	Final appropriation	Amount spent	Variance	% Spent	%Spent	%Spent
	2012/2013	2012/2013	2012/2013	2012/2013	2011/2012	2010/2011
	R'000	R'000	R'000	%	%	%
Compensation of employees	392,543	390,773	1,770	99.5	98.5	98.3
Goods and services	160,160	158,818	1,342	99.2	101.4	101.7
Transfers and subsidies	289,764	290,647	(883)	99.7	100.2	100.0
Capital assets	81,794	77,878	3,916	95.2	98.3	60.8
Total	924,261	918,116	6,145	99.3	99.6	96.2

1.4.1 Reasons for under/over spending.

1.4.1.1 Compensation of employees

The under expenditure on Compensation of Employees is due to vacant funded posts not filled in the year under review. These positions could only be advertised in December 2012 due to provincial processes to moderate the filling of vacant posts and to avoid inflating the budget and expenditure for employee costs.

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The Department will continue to monitor expenditure and prioritize the allocation of funds in line with needs, availability of funds and fill posts as funds become available (within 03 months as per provincial directive).

1.4.1.2 Goods and Services

Under spending on goods and services can be attributed to accruals incurred in the month of March 2013 wherein payment could not be processed within the financial year due to year end closure and invoices not yet received. This also includes invoices for service delivered on the Household Profiling Project.

The Department will continue to apply prudent measures in the commitment of expenditure. The cost curtailment measures which were revised and updated subsequent to year end will be implemented in the next MTEF.

1.4.1.3 Transfers and subsidies

The slight over spending is attributed to accruals carried from the previous financial year and response to needs.

The budget and expenditure outcomes on this item is monitored on a monthly basis to ensure that NPOs claims are received and processed in time and that spending is within allocated funds.

1.4.1.4 Capital assets

The under spending is attributed to slow progress on the planning and implementation of some infrastructure projects namely Delma and Daggakraal offices that is under construction and Carolina, Volksrust Ka-maqhekeza and Marapyane where projects are at 100% completion stage but are delayed on final account and retention. There are however improvements in capital spending after many years of under spending on buildings and fixed structures in previous financial years as seen in 2010/2011, 2009/2010 and beyond.

The Department has applied for a roll-over of funds to the 2013/2014 financial year to facilitate the final closure of projects and to complete projects already on construction. Budget and expenditure on capital projects is monitored on monthly basis, project visits are conducted and regular meetings with the implementing agent to improve on planning, implementation and monitoring of the performance of contractors.

1.4.1.5 Programmes

At Programme level, the under spending is incurred mainly Programme 2 and is linked to the under spending on capital assets as explained in the paragraph 1.4.1.4 above. Minimal under spending incurred in the other Programmes is related to under spending on employee costs as explained under paragraph 1.4.1.1 above.

1.4.2 Impact of under/over spending on programmes and service delivery

The non-filling of vacant critical positions is also not addressing the skills shortages of professionals and also management support. The under spending on buildings and fixed structures means that there is some delay in the delivery of infrastructure projects whereas the availability of adequate suitable office accommodation and service centres is one of the strategic risks. The over spending on goods and services is viewed in a positive light on other hand as this ensured that information and data from the Household Profiling Project will become available at an earlier stage thus facilitating the implementation of interventions.

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1.4.3 Actions taken or planned to avoid recurrence.

The vacant funded posts have been advertised and are at various stages of the recruitment processes and are earmarked to be filled within three months of advertising as per the Provincial directive. Posts will be filled in line with available funds for both management support and professional positions. Delays on implementation of infrastructure plans also impacts on the implementation of the next years plans and also affects the availability of suitable facilities for service delivery. The Department will continue to monitor spending patterns in the next financial year for improved performance on goods and services and infrastructure delivery.

1.5 Virement

An analysis of the budget and expenditure outcomes as at 31 March 2012 after the closure of the books of account for year-end indicates an overspending in Programme 2 Social Welfare Services. The over spending in Programme 2 is on Compensation of employees and Goods and services. Savings in Programme 1 and Programme 3 are shifted to Programme 2 to defray the over spending.

An amount of R5,660 million is shifted from Programme 1 and 3 Compensation of employees. The funds are shifted to Programme 3 goods and services for an amount to defray over spending on goods and services in Programme 3 which was incurred mainly as a result of work performed on the household profiling project and to Programme 2 Compensation of employees to defray over spending on employee costs within that Programme.

The virement is approved by the Head of Department and the Provincial Treasury and the Executive Authority were duly informed. These virements are reflected in the Annual Financial Statements (Appropriation Statement) of the Department for the 2012/13 financial year.

1.6 Other material matters

The Department did not incur unauthorized and irregular expenditure in the year under review. Fruitless and wasteful expenditure has however been incurred due to interest charged on late payment to contracted support activities for an amount of R74,000,00 . There was a balance carried for unauthorised expenditure of R1,855 million from the 2007/08 financial year. This amount was cleared from savings realized on the appropriated funds in the year under review following condonation by the legislature.

A preliminary analysis of the fruitless and wasteful expenditure indicates that there were challenges identified with the billing systems by the service providers, through their communications with the service providers to rectify the account, in some cases, while there may be elements of negligence in some cases. These transactions will be investigated to determine appropriate control improvements, and corrective measures including disciplinary and recovery where applicable. The Department continued to strive for the implementation of internal controls for the management of budget and expenditure. Various policies and procedures are in place on the management of revenue, expenditure, assets and liabilities. The risk management, fraud prevention, internal audit and external audit frameworks also facilitated the management of a controlled environment. During the year under review, an independent Internal Control Unit was established to augment the assurance function within the Department.

The Department continued to monitor financial commitments and accruals on a regular basis. The Department has reduced the amount of accruals reported in the previous financial years from R16,075 million in 2008/2009 to 8,345 million in 2011/12 and further down to R7,014 million in the 2012/13 financial year. The accruals are mainly incurred on accruals obligations for services rendered in the month of March 2013, and on the work performed for the household profiling projects. Of the R7,014 million normal

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departmental obligations account for R3,4 million while R3,6 million is for the household profiling project. The Department will continue to apply the cost curtailment measures and monitor progress on budget and expenditure outcomes using the in-year-monitoring (IYM) tool. The assessment of progress on implementation of capital projects in relation to available budgets will continue to be given priority with the assistance of the implementing agent, DPWRT.

There was a reduction on the debt account balance from R2,644 million in the 2010/11 financial year to R1,533 million in the 2011/12 financial year and a slight increase to R1,600 million in the 2012/13 financial year. This improvement is attributed to regular monitoring of debtors in accordance with the Debt Management and Write-Off Policy. The Department will continue with the following interventions to manage receivables:

- Use of regular management reports;
- Use of debt route form in collaboration with Human Resource Management to facilitate collections on staff debt;
- Monitor the timely processing of personnel terminations and inter-departmental transfers to limit the volumes of staff debt;
- Use of legal advice and support where necessary.

Other areas of work requiring continuous attention are the management processes for transport assets to avoid and minimise misuse and losses. Processes put in place include the secondment of responsible officials at sub-district and branch offices, quarterly physical verifications and reconciliations of transport asset registers.

2. Service rendered by the department

2.1 A list of services rendered

Services are rendered in line with the strategic plan of the Department. This plan is informed by national and provincial priorities and operationalized annually according to the annual performance plans (APP) of the Department. These services and the funds spent are reported as part of the Sub Programme spending in the Appropriation Statement in Programme 2 and 3; and include the following:

Programme 2

- Services against substance abuse, prevention and rehabilitation
- Care and services to older persons
- Services towards crime prevention and support
- Services to persons with disabilities
- Services for child care and protection
- Services for victim empowerment
- Services and care against HIV and AIDS
- Services to communities, individuals and families that need socio-economic strengthening and relief

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Programme 3

- Youth development services
- Services towards the promotion of sustainable livelihood
- Population capacity building, support and advocacy
- Research and demographics information and analysis
- Services for institutional capacity building and training

The above mentioned services are rendered across the 03 districts of the Province in sub-district offices branch offices, and institutional centres. Community and home visits are conducted to facilitate effective and efficient service delivery, while integration with other Departments and partners is critical.

2.2 Tariff policy

Tariffs for sale of goods and services produced by the Department and other sources of revenue are determined in consultation with the relevant unit within the Department, benchmarking with other government departments and other provinces. The tariffs are revised annually and duly approved by the Provincial Treasury prior implementation.

The table below shows approved tariffs of different items of 2012/13 financial year per

Description	Approved tariffs 2012/13
Telephone and Faxes:	
Landline to landline	R0.99 per minute
Telephone: landline to cellular telephone	R1.89 per minute
A4 photocopies	R0.65 per copy
A3 photocopies	R1.30 per copy
House Rental	R800.00 per month
Chapel rental at Swartfontein Treatment Centre	R300.00 per day
Accommodation Guest House	R200.00 per person per night
Tuck-shop rental	R500.00 per month
Disposal of empty containers: Plastic	R2.00 per 5 litre
	R4.00 per 10 litre
	R5.00 per 20 litre
	R5.50 per 25 litre
	R25.00 per 50 litre
	R55.00 per 200-210 litre

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Description	Approved tariffs 2012/13
Disposal of empty containers: Metal	R4.00 per 10 litre
	R55.00 per 200-210 litre
Used cartridges	R75.00 each 49A
Scrap metals	R250.00 per kg
Used furniture	R250.00 per kg
Requesting IRP5 certificate duplicate	R50.00 per copy
Patient fees at Swartfontein Treatment center	R25.00 per day or R2 250.00 for three months
Vegetables: cabbages	R3.00 / kg
carrots	R3.00 / kg
onions	R3.00 / kg
potatoes	R3.00 / kg
tomatoes	R3.00 / kg
green paper	R3.00 / kg
Waste food	R10.00 per kg

The Department is charging R25.00 per patient per day or R2,250 for a period of three months in respect of voluntary services rendered at Swartfontein Rehabilitation Centre, in accordance with the Prevention and Treatment of Dependency Act No. 20 of 1992. Patients referred to the centre by hospitals and magistrates courts are exempted from payments.

2.3 Free Services

The services listed in 2.1 above are rendered for free to community members, and the costs for rendering these are reported in the spending of sub programmes in the Appropriation Statement, under Programme 2 and 3 of the Financial Statements.

3. Capacity constraints

The Department faces the following challenges, which negatively impact on its ability to deliver services:

- Inadequate financial and human capital at all levels.
- Inadequate infrastructural office accommodation and service facilities.

These impact negatively on programme performance of programmes as some activities cannot be executed properly. Members of communities continue to walk long distances to seek social development services and in some instances services are rendered at inappropriate facilities.

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The Department has endeavoured to reduce the impact of inadequate human capital by identifying a number of critical positions on the revised approved organization structure to be funded and filled. As part of the processes to improve on infrastructure delivery, the Department has prepared the Infrastructure Plans for the 2013/14 MTEF which also includes a 5 year plan. The User Asset Management Plan for the 2012/2013 financial year was also developed.

4. Organisations to whom transfer payments have been made

An amount of R290,647 million was transferred of a total revised budget of R289,764 million. Transfers made by the Department are mainly to non-profit organizations for social welfare, HIV and AIDS community based services, poverty alleviation and youth development projects for socio-economic community benefits. The table below summarises the type of recipient, purpose or reason, amount and accounting arrangements per category, reference is also made to Annexure 1C of the Annual Financial Statements.

Category	Purpose	Accounting arrangements	Amount R'000
HIV and AIDS Home based care organizations	To render home based care services for persons infected and affected with HIV and AIDS within communities	Contractual arrangements through the signing of service level agreements with transferees, and quarterly reports	41,351
Social Welfare organizations	To provide effective and quality welfare services to the poor and vulnerable through sustainable development and provide funding, guidance and support to Non-Profit Organisations (NPOS)	Contractual arrangements through the signing of service level agreements with transferees, and quarterly reports.	231,368
Youth development projects	To develop and implement integrated socio-economic programmes that facilitates empowerment and development of the youth.	Contractual arrangements through the signing of service level agreements with transferees, and quarterly reports.	14,819
Sustainable livelihood projects	To develop and implement integrated socio-economic programmes that facilitate empowerment and development of communities.	Contractual arrangements through the signing of service level agreements with transferees, and quarterly reports.	2,652
Provinces and municipalities	For vehicle licences to Public Works, Roads and Transport and escort fees to Department of Justice and Constitutional Development	Fees are charged per licence issued and service rendered for escort services.	196
Departmental agencies and accounts	For radio and television licences to the South African Broadcasting Corporation (SABC).	Fees are charged for television sets utilized.	5
Households	For leave gratuity, injury on duty and	Payments are determined on the basis	256

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Category	Purpose	Accounting arrangements	Amount R'000
	poverty relief based on demand.	of leave credits on termination of service, cases of injury on duty and demand for poor relief.	
Total			290,647

5. Corporate governance arrangements

5.1 Internal audit and risk management

The Risk Management Strategy, which is inclusive of a Fraud Prevention Plan, was revised and implemented in year under review. Risk assessments were conducted and a risk register was compiled and monitored. A risk Management Committee was in place and The Risk Strategy and Fraud Prevention Plan were approved. The Fraud prevention plan was rolled out, risk champions were appointed, and training workshops were conducted on fraud prevention.

Risk based internal audit assignments were conducted as per the approved Operational Plan. An effective Audit Committee was in place during the year under review and quarterly committee meetings were conducted. The following documents were submitted to the Audit Committee for review:

- Internal Audit Reports
- Annual Financial Statements
- Reports on Performance information
- Internal Audit Charter
- Audit Committee Charter
- One-year Internal Audit Operational Plan and the three-year strategic plan.
- Infrastructure plans
- In-year financial management reports
- Labour relations and human resource management reports

The Risk Management Business Unit, Anti-fraud and corruption management approach, Internal Audit Business Unit and Audit Committee were found to be functioning effectively. The institutionalised systems and processes are one of the areas of work that require continuous attention.

5.2 Conflict of interest

A policy was in place for the management of officials doing remunerative work outside the public service. Disciplinary and recovery processes are continuing where officials are found to have conducted business outside their employment without the approval of the Executive Authority.

Supply chain management officials were trained on the code of conduct for the Public Service. The Supply Chain Committee members are required to declare their interest by signing declaration of financial interest forms. All officials of the Department were required to declare their financial interests by signing the financial disclosure forms.

Various committees were place to ensure the consistent and transparent management of service delivery, financial and human resources of the Department.

5.3 Other governance processes

Systems were in place for the development and update of various policies and procedures for financial, human resource, and service delivery management. The following annual and in year financial management reports were prepared on revenue, expenditure, assets and liabilities:

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- Annual financial statements as part of the annual report for the 2009/2010 financial year were prepared and audited.
- Cash flow projections at the beginning of the year and revised projections in accordance with the adjusted budgets.
- In year budget and expenditure monitoring reports (IYM) indicating actual amount spent, available budget and projections for the remaining months of the financial year
- Monthly reports on debtors including age analysis
- Monthly reports on the Paymaster General Account (PMG) reconciliations.
- Monthly reconciliations reports on the suspense accounts
- Monthly reports on commitments and accruals
- Monthly asset reconciliations between BAS and LOGIS.
- Monthly revenue trend reports indicating actual revenue collected and projections for the remaining months.
- Reports on the management of capital assets and inventory.

5.4 Occupational health and safety issues

A situational and needs analysis was conducted to mitigate non-compliance with the Occupational Health and Safety Act and a plan of action was developed to ensure compliance and eliminate identified hazards.

The programme includes site inspections, training and awareness on matters of work safety, hazard and risk identification and the appropriate actions to manage these.

Occupational Health and Safety Committees have been officially appointed. First Aiders from the various districts have been selected to be trained on identifying assembly points and evacuation and emergency procedures in the year under review.

Cooperation and collaboration between Office Support, Employee Health and Wellness, Labour Relations and Security Management is emphasised and the risk register is also updated accordingly.

6. Discontinued activities/activities to be discontinued

- **Human resource development**

Processes to centralize the Human resource function to the Department of Education commenced in the period under review. This is in line with the provincial directive to improve the co-ordination of training and development processes. These processes have led to the surrender of a budget allocation of R15,832 million over the 2012/13 MTEF period for bursaries under this function. Discussions are currently underway to finalize the transfer of staff and the operational and employee costs budgets linked to this function. These processes are expected to be finalized in the 2013/14 financial year.

- **Security services**

In the 2012/13 financial year, a budget of R97,727 million was transferred to the Department of Community Safety, Liaison from the 2012/13 MTEF following the provincial directive for the centralization of this budget. A further R6 million was surrendered in the 2012/13 budget adjustment, following an assessment which indicated that there was a short transfer of budget allocations. A further R11 million is expected to be surrendered during the 2013/14 budget adjustment processes to augment the provision for the increased tariffs and escalations, and also to respond to the short transfer. The nature of this function centralization did not require the transfer of employees, but was limited only to the transfer of budgets.

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within the Office of the Premier, National Social Development and Provincial Treasury. This process has also ensured the in-year-monitoring of performance against planned targets and facilitated the implementation of corrective measures.

The following however are areas that require continuous attention:

- Availability of systems, work tools and equipment (such as computer equipment, networks and data lines) for preparation and dissemination of data and reports.
- Continuous monitoring of availability of adequate professionals who drive the achievement of planned objectives and targets as outlined in the Strategic Plans and Annual Performance Plans.

The following are notable attempts to manage the challenges:

- Allocation of funding for computer equipment, networks and datelines for identified areas of need over the MTEF.
- The Department's continued monitoring processes to ensure compliance with the approved Policy on Managing Programme Performance Information to ensure achievement of planned targets.

12. SCOPA resolutions

The table below gives a summary of the progress on implementation of measures to respond to the SCOPA resolutions from the 2011/12 financial year Audit Report.

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
2010/2011 Report		
The Accounting Officer must ensure compliance with practice note 7 of 2009/10	Officials' companies doing business with Government	Revised SCM Policy which has incorporated the principles of the practice note. The Department has also enforced compliance using the SCM Compliance Checklist which prompts SCM Practitioners to request for the SBD 4 and 8 forms from prospective service providers and also to verify the employment status of bidders on PERSAL. The affected officials were disciplined and processes to recover were instituted.
The Accounting Officer must ensure that the Department has and maintains adequate systems of Financial and Performance Management and conduct reviews, monitoring and proper reporting of performance information	Financial and Performance Management	<p>The systems of financial and performance management are maintained through:</p> <ul style="list-style-type: none"> ▪ Financial management policies and procedures ▪ Monthly financial management reports ▪ Finance delegations and SCM Committees ▪ Policy on the Management of Performance Information ▪ Guidelines and procedures on quarterly reporting <p>The following processes and systems are in place for review, monitoring and reporting of performance information:</p> <ul style="list-style-type: none"> ▪ Quarterly reviews ▪ Verification and validation of performance data ▪ Monitoring tools ▪ Standardized means of verification of reported data ▪ Data flow protocols of performance information from inception through to branch, sub-district, district provincial level and M&E. ▪ Proper substantive document control.
The accounting officer must ensure	Investigations	The Internal Control Business supports management

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Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
that all recommendations contained in the investigation reports are implemented for the investigations to reach finality.		with the development and implementation of control measures. The progress report on implementation of these recommendations is monitored by the Anti-fraud and Risk Management Committee and the Audit Committee.
(a) The Accounting Officer must develop a programme of action on addressing all issues raised by the Auditor General in the 2010/11 Annual Report and issues raised by committees of the legislature.	Report of the Audit Committee	The Department has developed a Plan of Action for matters raised in previous financial years by the Auditor General as reported in the Management Reports and Resolutions taken by the Public Accounts Committee. Monitoring is done through the Risk Management processes and progress is discussed at management meetings including the Audit Committee Meetings.
(b) The Accounting Officer must ensure that the department develops and implements a plan to achieve a clean audit before 2014.		The Plans to achieve a clean audit by 2014 are as stated in (a) above. Other interventions include the work performed by the: <ul style="list-style-type: none"> • Internal audit function • Audit Committee • Risk management and anti-fraud and corruption committee • Internal Control Unit, which was newly established in the 2012/13 financial year

13. Prior modifications to audit reports

The Department has reflected on the matters raised in the audit report of the 2010/11 financial year. Implementation of interventions is at various stages of progress and these are summarised on the table below:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Pre-determined objectives Validity Completeness Accuracy	2008/09	The systems of financial and performance management are maintained through: <ul style="list-style-type: none"> ▪ Financial management policies and procedures ▪ Monthly financial management reports ▪ Finance delegations and SCM Committees ▪ Policy on the Management of Performance Information ▪ Guidelines and procedures on quarterly reporting The following processes and systems are in place for review, monitoring and reporting of performance information: <ul style="list-style-type: none"> ▪ Quarterly reviews ▪ Verification and validation of performance data ▪ Monitoring tools ▪ Standardized means of verification of reported data ▪ Data flow protocols of performance information from inception through to branch, sub-district, district provincial level and M&E. ▪ Proper substantive document control

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Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
		The matters are not expected to be raised in future audits
<p>Procurement and contract management</p> <p>Officials with interest in suppliers to other state institutions did not obtain approval to perform or engage in remunerative work outside their employment</p>	2010/11	<p>The Department has ensured compliance by:</p> <ul style="list-style-type: none"> ▪ Implementing the revised SCM Policy which has incorporated the principles of the practice note. ▪ Enforcing compliance using the SCM Compliance Checklist which prompts SCM Practitioners to request for the SBD 4 forms from prospective service providers. ▪ And also to verify the employment status of bidders on PERSAL. ▪ Processes to discipline and recover from responsible officials are on-going. ▪ A financial disclosure framework is in place which requires all officials of the Department to disclose their financial interests. ▪ Internal audit scrutiny of the supply chain processes, and compliance with the financial disclosure framework <p>These interventions have seen the number of identified incidences reduced over the years while the Department will continue to intensify systems to ensure zero findings in this area of work.</p>

14. Interim Financial Statements

The Department compiled and submitted the interim financial statements as at the end of September 2013 by the end of October 2013 to the Provincial Treasury. The statements were audited by the Internal Audit Unit of the Department and findings communicated to the Audit Committee and attended to. This work was also complemented by the preparation and submission of statements for the other three quarters of the financial year.

15. Other

The Department was affected by the cabinet changes which saw the deployment of a new Member of the Executive to the Department in the 4th quarter of the period under review.

16. Approval

The Annual Financial Statements set out on pages 147 to 195 have been approved by the Accounting Officer.



N.L. MLANGENI

HEAD OF DEPARTMENT

Date 31 May 2013

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Social Development set out on pages 147 to 195, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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

Additional matter

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

Financial reporting framework

8. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance

with this framework. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 30 to 70 of the annual report.
11. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
12. The reliability of the information in respect of the selected programme is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
13. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

14. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the matter below.

Achievement of planned targets

15. Of the total number of 171 targets planned for the year, 43 were not achieved during the year under review. This means that 25% of the total planned targets were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

Compliance with laws and regulations

I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Expenditure management

16. Contractual obligations and money owed by the department were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

Human resource management

17. The accounting officer did not ensure that all leave taken by employees were recorded accurately and in full, as required by Public Service Regulation 1V/F(b).

18. Persons in charge at pay points did not always certify on the date of payment that the employees receiving payment were entitled thereto, as required by Treasury Regulation 8.3.4.

Internal control

19. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

20. Oversight responsibility was not exercised regarding compliance as well as related internal controls

Financial and performance management

21. Management at the appropriate level did not ensure that compliance with applicable laws and regulations was adequately reviewed and monitored throughout the year.

OTHER REPORTS

Performance audit on the readiness of government to report on its performance

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

Nelspruit

31 July 2013

Auditor - General



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

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APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme: Programme 2	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Professional and administration support									
Current payment	204,910		(4,624)	200,286	200,021	265	99.9%	190,154	192,333
Transfers and subsidies	-								
Payment for capital assets	69,955		-	69,955	66,687	3,268	95.3%	1,833	1,817
2.2 Substance abuse, prevention and rehabilitation									
Current payment	13,149		340	13,489	13,135	354	97.4%	12,230	12,229
Transfers and subsidies	6,806			6,806	6,944	(138)	102.0%	7,879	7,824
Payment for capital assets	938			938	797	141	85.0%	619	573
2.3 Care and service to older persons									
Current payment	2,128			2,128	2,104	24	98.9%	1,898	1,543
Transfers and subsidies	26,277		(2,800)	23,477	23,473	4	100.0%	26,932	26,761
Payment for capital assets	-		-	-	-	-	-	-	-
2.4 Crime prevention and support									
Current payment	12,614		2,510	15,124	14,426	698	95.4%	8,604	8,548
Transfers and subsidies	3,873		(300)	3,573	3,563	10	99.7%	5,189	4,435
Payment for capital assets	357			357	267	90	74.8%	76	49

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APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme: Programme 2	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.5 Service to person with disabilities									
Current payment	1,515		170	1,685	1,527	158	90.6%	1,984	1,677
Transfers and subsidies	25,028		(1,384)	23,644	23,583	61	99.7%	23,922	23,850
Payment for capital assets	-		-	-	-	-	-	-	-
2.6 Child care and protection services									
Current payment	5,794		2,114	7,908	7,309	599	92.4%	7,779	7,460
Transfers and subsidies	162,648		3,450	166,098	167,742	(1,644)	101.0%	186,907	185,901
Payment for capital assets	-		-	-	7	(7)	(100%)	60	11
2.7 Victim empowerment									
Current payment	5,818		380	6,198	5,587	611	90.1%	5,514	5,451
Transfers and subsidies	3,942		700	4,642	4,606	36	99.2%	3,850	3,797
Payment for capital assets	-		-	-	26	(26)	(100%)	130	20
2.8 HIV and AIDS									
Current payment	4,335		(610)	3,725	3,778	(53)	101.4%	5,225	4,840
Transfers and subsidies	41,611		-	41,611	41,351	260	99.4%	65,351	65,718
Payment for capital assets	-		-	-	-	-	-	47	18

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APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme Programme 3	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Professional and administration support									
Current payment	60,831	-	5,660	66,491	70,059	(3,568)	105.4%	52,632	52,240
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	395	-	-	395	508	(113)	128.6%	776	648
3.2 Youth development									
Current payment	12,748	-	(3,600)	9,148	7,435	1,713	81.3%	18,487	18,225
Transfers and subsidies	14,976	-	-	14,976	14,819	157	99.0%	15,075	15,043
Payment for capital assets	11	-	-	11	11		100.0%	59	14
3.3 Sustainable livelihood									
Current payment	4,070	-	(1,200)	2,870	2,688	182	93.7%	2,871	2,847
Transfers and subsidies	3,004	-	-	3,004	2,652	352	88.3%	4,239	4,181
Payment for capital assets	24	-	-	24	24	-	100.0%	-	-
3.4 Institutional capacity building and support									

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APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme Programme 3	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment	2,856			2,856	1,947	909	68.2%	4,432	4,438
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.5 Research and demography									
Current payment	4,241			4,241	3,741	500	88.2%	3,444	3,172
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.6 Population capacity development									
Current payment	3,108			3,108	2,775	333	89.3%	2,581	2,531
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	106,264	-	860	107,124	106,659	465	99.6%	104,596	103,339

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013**

The positions were advertised in December 2012 and March 2013. A project plan is in place to monitor the recruitment processes in line with the Provincial directive to fill all vacant funded positions within 03 months of advertisement.

Goods and services

The reasons for under spending are attributed to accruals incurred in the last month of the financial year and invoices had not been received yet by year end. Payment was processed subsequent to year end.

The Department will continue to monitor spending on a regular basis, using the in-year-monitoring (IYM) tool and also implement the cost curtailment measures.

Transfers and subsidies

The reasons for over spending are attributed to the accruals carried from the previous financial year and budget reduction during the adjustment budget to augment the budget for goods and services. The over spending is however off-set by under spending in the other line items.

The Department will improve the budget planning processes to ensure the availability of sufficient information to inform budget plans. In year monitoring processes using the IYM tool will continue.

Payments for capital assets

Spending on this item was affected by the under spending on buildings and fixed structures due to slow progress on implementation of some infrastructure projects namely Delmas and Daggakraal offices which were on construction and projects on closure and final account namely, Volksrust, Carolina and Kamaqhekeza offices.

The Department has applied for a roll-over of funds under this item for an amount of R3,4 million for the completion of these projects. The management is monitored using the in-year budget and expenditure monitoring tool and through consultations with the implementing agent.

Programmes

The under spending on programmes is incurred mainly under Programme 2. The reasons are attributed to under spending on capital assets, under buildings and fixed structures as discussed above. The minimal under spending on the other programmes is attributed to delays in the filling of vacant funded posts as explained under Compensation of employees above.

Programme spending is monitored using the in-year-monitoring budget and expenditure reports (IYM Tool). The vacant positions have been advertised and the recruitment process is monitored to ensure that the vacant posts are filled within the first quarter of the current financial year.

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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2013**

PERFORMANCE

	Note	2012/13 R'000	2011/12 R'000
REVENUE			
Annual appropriation	1	922,608	959,496
Statutory appropriation	2	1,653	1,595
Departmental revenue	3	2,191	5,594
TOTAL REVENUE		926,452	966,685
EXPENDITURE			
Current expenditure			
Compensation of employees	4	390,773	361,114
Goods and services	5	156,963	171,421
Unauthorised expenditure approved without funding	8	1,855	0
Total current expenditure		549,591	532,535
Transfers and subsidies			
Transfers and subsidies	6	290,647	346,653
Total transfers and subsidies		290,647	346,653
Expenditure for capital assets			
Tangible capital assets	7	77,878	78,400
Software and other intangible assets		0	0
Total expenditure for capital assets		77,878	78,400
TOTAL EXPENDITURE		918,116	957,588
SURPLUS/(DEFICIT) FOR THE YEAR		8,336	9,097
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		6,145	3,503
Annual appropriation		6,145	3,503
Departmental revenue and NRF Receipts	13	2,191	5,594
SURPLUS/(DEFICIT) FOR THE YEAR		8,336	9,097

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**STATEMENT OF FINANCIAL POSITION
as at 31 March 2013**

POSITION	Note	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets		6,562	4,421
Unauthorised expenditure	8	0	1,855
Cash and cash equivalents	9	3,752	6
Prepayments and Advances	10	1,120	1,027
Receivables	11	1,690	1,533
TOTAL ASSETS		6,562	4,421
LIABILITIES			
Current liabilities		6,305	4,026
Voted funds to be surrendered to the Revenue Fund	12	6,145	3,503
Departmental revenue to be surrendered to the Revenue fund	13	134	513
Payables	14	26	10
TOTAL LIABILITIES		6,305	4,026
NET ASSETS		257	395
	Note	2012/13 R'000	2011/12 R'000
Represented by:			
Recoverable revenue		257	395
TOTAL		257	395

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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2013**

NET ASSETS	<i>Note</i>	2012/13 R'000	2011/12 R'000
Recoverable revenue			
Opening balance		395	326
Transfers:		(138)	69
Debts recovered (included in departmental receipts)		(395)	(326)
Debts raised		257	395
Closing balance		257	395

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**CASH FLOW STATEMENT
for the year ended 31 March 2013**

CASH FLOW	<i>Note</i>	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		925,879	966,058
Annual appropriated funds received	1.1	922,608	959,496
Statutory appropriated funds received	2	1,653	1,595
Departmental revenue received	3	1,618	4,967
Net (increase)/decrease in working capital		(234)	(39)
Surrendered to Revenue Fund		(6,073)	(38,670)
Current payments		(547,736)	(532,535)
Transfers and subsidies paid		(290,647)	(346,653)
Net cash flow available from operating activities	15	81,189	48,161
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(77,878)	(78,400)
Proceeds from sale of capital assets	3.4	573	627
Net cash flows from investing activities		(77,305)	(77,773)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(138)	69
Net cash flows from financing activities		(138)	69
Net increase/(decrease) in cash and cash equivalents		3,746	(29,543)
Cash and cash equivalents at beginning of period		6	29,549
Cash and cash equivalents at end of period	16	3,752	6

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, 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), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The "modification" results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

3.3 Interest and rent on land

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

3.4 Transfers and subsidies

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

3.5 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date stipulated in the Act.

3.6 Fruitless and wasteful expenditure

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

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.3 Receivables

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

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

4.4 Inventory

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

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

4.5 Capital assets

4.5.1 Movable assets

Initial recognition

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

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

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.5.2 Immovable assets

Initial recognition

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

**DEPARTMENT OF SOCIAL DEVELOPMENT
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**ACCOUNTING POLICIES
for the year ended 31 March 2013**

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.5.3 Intangible assets

Initial recognition

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

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

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7 Lease commitments

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

7. Net Assets

7.1 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

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

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2012/13	2011/12
Final Appropriation	Actual Funds Received	Appropriation received
R'000	R'000	R'000
Administration	216,301	290,822
Social Welfare Services	599,183	564,078
Development and Research	107,124	104,596
Total	922,608	959,496

2. Statutory Appropriation

	2012/13	2011/12
	R'000	R'000
Member of executive committee	1,653	1,595
Total	1,653	1,595
Actual Statutory Appropriation received	1,653	1,595

3. Departmental revenue

	Note	2012/13	2011/12
		R'000	R'000
Sales of goods and services other than capital assets	3.1	743	621
Interest, dividends and rent on land	3.2	549	1,047
Sales of capital assets	3.3	573	627
Transactions in financial assets and liabilities	3.4	326	3,299
Total revenue collected		2,191	5,594
Departmental revenue collected		2,191	5,594

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

3.1 Sales of goods and services other than capital assets

	Note	2012/13 R'000	2011/12 R'000
Sales of goods and services produced by the department	3	743	621
Sales by market establishment		743	621
Sales of scrap, waste and other used current goods			
Total		743	621

3.2 Interest, dividends and rent on land

	Note	2012/13 R'000	2011/12 R'000
Interest	3	549	1,047
Total		549	1,047

3.3 Sale of capital assets

	Note	2012/13 R'000	2011/12 R'000
Tangible assets		573	627
Machinery and equipment	3	573	627
Total		573	627

3.4 Transactions in financial assets and liabilities

	Note	2012/13 R'000	2011/12 R'000
Stale cheques written back	3	2	0
Other Receipts including Recoverable Revenue**		324	3,299
Total		326	3,299

***Recoverable revenue in the 2011/12 financial year of R3,299 million includes unspent funds written back to the revenue account from previous financial year for an amount of R2,7 million.*



**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Basic salary		263,299	245,542
Performance award		5,742	4,232
Service Based		167	89
Compensative/circumstantial		1,196	1,597
Other non-pensionable allowances		56,426	50,363
Total		326,830	301,823

4.2 Social contributions

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Employer contributions			
Pension		34,202	31,857
Medical		29,686	27,335
Bargaining council		55	99
Total		63,943	59,291

Total compensation of employees	390,773	361,114
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Average number of employees	1 818	1 875
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**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

5. Goods and services

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Administrative fees		8,205	9,160
Advertising		3,021	4,478
Assets less than R5,000	5.1	10,346	1,673
Bursaries (employees)		0	932
Catering		8,013	8,024
Communication		13,791	12,479
Computer services	5.2	3,215	1,572
Consultants, contractors and agency/outsourced services	5.3	328	1,199
Audit cost – external	5.4	3,422	3,010
Fleet services		12,465	12,462
Inventory	5.5	14,930	10,758
Operating leases		22,778	17,426
Property payments	5.6	12,915	8,139
Transport provided as part of the departmental activities		1,126	924
Travel and subsistence	5.7	27,314	30,456
Venues and facilities		4,370	5,375
Training and staff development		2,970	4,611
Other operating expenditure	5.8	7,754	38,743
Total		156,963	171,421

5.1 Assets less than R5,000

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Tangible assets	5	10,346	1,673
Machinery and equipment		10,346	1,673
Total		10,346	1,673

5.2 Computer services

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
SITA computer services	5	879	1,303
External computer service providers		2,336	269
Total		3,215	1,572

5.3 Consultants, contractors and agency/outsourced services

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Infrastructure and planning	5	38	0
Contractors		256	283
Agency and support/outsourced services		34	916
Total		328	1,199

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

5.4 Audit cost – External

	<i>Note</i>	2012/13	2012/12
	<i>5</i>	R'000	R'000
Regularity audits		3,389	3,010
Investigations		33	0
Total		<u>3,422</u>	<u>3,010</u>

5.5 Inventory

	<i>Note</i>	2012/13	2011/12
	<i>5</i>	R'000	R'000
Food and food supplies		3,608	3,934
Fuel, oil and gas		89	17
Other consumable materials		3,206	1,567
Maintenance material		359	263
Stationery and printing		7,645	4,962
Medical supplies		23	15
Total		<u>14,930</u>	<u>10,758</u>

5.6 Property payments

	<i>Note</i>	2012/13	2011/12
	<i>5</i>	R'000	R'000
Municipal services		5,628	7,025
Property maintenance and repairs		7,287	1,114
Total		<u>12,915</u>	<u>8,139</u>

5.7 Travel and subsistence

	<i>Note</i>	2012/13	2011/12
	<i>5</i>	R'000	R'000
Local		27,274	30,456
Foreign		40	0
Total		<u>27,314</u>	<u>30,456</u>

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

5.8 Other operating expenditure

	Note	2012/13 R'000	2011/12 R'000
Learnerships	5	1,059	0
Resettlement costs		217	113
Other		6,478	38,630
Total		7,754	38,743

*** Included in the expenditure under Other in the 2011/12 financial year, is spending on security services amounting to R31,9 million. The budget for security services was centralized to the Department of Community Safety, Security and Liaison as of the 01 April 2012.*

6. Transfers and subsidies

	Note	2012/13 R'000	2011/12 R'000
Provinces and municipalities	Annex 1A	196	0
Departmental agencies and accounts	Annex 1B	5	0
Non-profit institutions	Annex 1C	290,190	339,222
Households	Annex 1D	256	7,431
Total		290,647	346,653

7. Expenditure for capital assets

	Note	2012/13 R'000	2011/12 R'000
7.1 Tangible assets		77,878	78,400
Buildings and other fixed structures	28	64,844	66,878
Machinery and equipment	26	13,033	11,522
Total		77,878	78,400

7.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	77,878	0	77,878
Buildings and other fixed structures	64,844	0	64,844
Machinery and equipment	13,034	0	13,034
Total	77,878	0	77,878

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

7.3 Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	78,400	0	78,400
Buildings and other fixed structures	66,878	0	66,878
Machinery and equipment	11,522	0	11,522
Total	78,400	0	78,400

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	Note 8	2012/13 R'000	2011/12 R'000
Opening balance		1,855	1,855
Less: Amounts approved by Legislature without funding and written off in the Statement of Financial Statement		(1,855)	0
Capital		0	0
Current		(1,855)	0
Unauthorised expenditure awaiting authorisation		0	1,855

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2012/13 R'000	2011/12 R'000
Capital	0	0
Current	0	1,855
Total	0	1,855

9. Cash and cash equivalents

	Note	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General Account		4,735	66
Disbursements		(993)	(60)
Cash on hand		10	0
Total		3,752	6

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

10. Prepayments and Advances

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Prepayments		1,120	1,027
Total		<u>1,120</u>	<u>1,027</u>

11. Receivables

	<i>Note</i>	2012/13			R'000	2011/12 R'000
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years	Total	Total
Claims recoverable	11.1 <i>Annex 3</i>	2	23	348	373	455
Staff debt	11.2	183	193	306	681	699
Other debtors	11.3	256	197	182	636	379
Total		<u>441</u>	<u>413</u>	<u>836</u>	<u>1,690</u>	<u>1,533</u>

11.1 Claims recoverable

	<i>Note</i>	2012/13 R'000	2011/12 R'000
National departments		348	390
Provincial departments		25	65
Total		<u>373</u>	<u>455</u>

11.2 Staff debt

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Employees salary overpayments		681	699
Total		<u>681</u>	<u>699</u>

11.3 Other debtors

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Suppliers		636	379
Total		<u>636</u>	<u>379</u>

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Liable to			
Housing loan guarantees			
Claims against the department			
Interdepartmental unconfirmed balances			
Total		3,325	1,830

17.2 Contingent assets

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Nature of contingent asset			
Vehicle accidents		401	0
Total		401	0

18 Commitments

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Current expenditure			
Approved and contracted		29	315
Approved but not yet contracted		0	0
		29	315
Capital expenditure**			
Approved and contracted		31,128	94,535
Approved but not yet contracted		191,366	126,469
		222,494	221,004
Total Commitments		221,523	221,319

** Commitments on capital expenditure are for infrastructure projects.

2012/2013

- The amount of R31, 128 million approved and contracted is expected to be spent within a period not longer than 01 year.
- The amount of R191, 366 million is committed over a period longer than 01 year.

2011/2012

- Of the 94,535 million approved and contracted, R28,931 was committed for a period longer than 01 year.



**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

- Of the R126, 469 million not yet contracted, R115, 149 million was committed for a period longer than 01 year months.

19 Accruals

	2012/13			2011/12
	R'000			R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	6,769	0	6,769	4,424
Transfers and subsidies	121	75	196	1,453
Capital assets	0	0	0	2,448
Other	49	0	49	168
Total	6,939	75	7,014	8,493

	<i>Note</i>	2012/13	2011/12
	<i>19</i>	R'000	R'000
Listed by programme level			
Administration		1,855	6,604
Social Welfare Services		610	1,759
Development and Research		4,549	130
Total		7,014	8,493

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Confirmed balances with other departments	<i>Annex 4</i>	20	393
Total		20	393



**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

Late payment of accounts	Disciplinary steps underway	74
Total		74

24 Related party transactions

All Departments of the Mpumalanga Provincial Government (including the Office of the Premier and the Legislature) are related parties to the Department of Social Development. These Departments are subject to common control and operate to achieve the objectives of the province.

25 Key management personnel

	No. of Individuals	2012/13 R'000	2011/12 R'000
Political office bearers (Members of the Executive Council)	01	1,717	1,540
Officials:			
Level 15 to 16	01	1,188	701
Level 14 (incl. CFO)	04	3,063	2,957
Total		5,968	5,198

26 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	81,065	1,586	13,034	2,499	93,186
Transport assets	47,737	1,445	4,111	2,103	51,190
Computer equipment	17,711	141	4,210	279	21,783
Furniture and office equipment	13,631	0	4,153	0	17,784
Other machinery and equipment	1,986	0	560	117	2,429
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	81,065	1,586	13,034	2,499	93,186

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

26.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	13,034	0	0	0	13,034
Transport assets	4,111	0	0	0	4,111
Computer equipment	4,210	0	0	0	4,210
Furniture and office equipment	4,153	0	0	0	4,153
Other machinery and equipment	560	0	0	0	560
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	13,034	0	0	0	13,034

26.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,499	0	2,499	573
Transport assets	2,103	0	2,103	544
Computer equipment	279	0	279	20
Furniture and office equipment	0	0	0	0
Other machinery and equipment	117	0	117	9
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	2,499	0	2,499	573

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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27.2 Movement for 2011/12

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	2,420	0	0	2,420
TOTAL INTANGIBLE CAPITAL ASSETS	2,420	0	0	2,420

28 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance R'000	Curr Year Adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	0	13,965	1,703	15,668	0
Dwellings	0	0	0	0	0
Non-residential buildings	0	13,965	1,703	15,668	0
Other fixed structures	0	0	0	0	0
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	0	13,965	1,703	15,668	0

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28.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	64,844	0	(63,141)	0	1,703
Dwellings	0	0	0	0	0
Non-residential buildings	64,844	0	(63,141)	0	1,703
Other fixed structures	0	0	0	0	0
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	64,844	0	(63,141)	0	1,703

28.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES	0	15,668	15,668	0
Dwellings	0	0	0	0
Non-residential buildings	0	15,668	15,668	0
Other fixed structures	0	0	0	0
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	0	15,668	15,668	0

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28.3 Movement for 2011/12

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	12,904	752	13,656	0
Dwellings	0	0	0	0
Non-residential buildings	12,904	752	13,656	0
Other fixed structures	0	0	0	0
TOTAL IMMOVABLE TANGIBLE ASSETS	12,904	752	13,656	0



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UNAUDITED SUPPLEMENTARY SCHEDULES

ANNEXURE 1A
STATEMENT OF TRANSFERS TO PROVINCES AND MUNICIPALITIES

	TRANSFER ALLOCATION				TRANSFER		2011/12 Appropriation Act R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Provinces and municipalities							
MPU: Public Works, Roads and Transport: Vehicle licences	75	0	0	75	56	75%	0
Department of Justice and Constitutional Development: Escort fees	141			141	140	99%	0
Subtotal	216	0	0	216	196	91%	0
Total	216	0	0	216	196	91%	0

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12 Appropriation Act R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
South African Broadcasting Corporation: Licences (Radio and TV)	0	0	0	0	5	(100%)	0
Subtotal	0	0	0	0	5	(100%)	0
Total	0	0	0	0	5	(100%)	0

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1C
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred	
NON-PROFIT INSTITUTIONS							
Transfers							
Social Welfare	229,531	0	0	229,531	231,368	101%	253,391
HIV and AIDS	41,611	0	0	41,611	41,351	99%	65,351
Sustainable Livelihood	3,004	0	0	3,004	2,652	88%	15,075
Youth Development	14,976	0	0	14,976	14,819	99%	4,239
Subtotal	289,122	0	0	289,122	290,190	100%	338,056
Total	289,122	0	0	289,122	290,190	100%	338,056

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ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2013 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing									
Standard Bank	Housing	0	45	0	45	0	0	0	0
ABSA	Housing		41	0	41	0	0	0	0
People Bank	Housing	0	20	0	20	0	0	0	0
Finance bank Mpu	Housing	19	18	0	0	0	18	0	0
Northern Province Development Co	Housing	0	21	0	21	0	0	0	0
Subtotal		19	145	0	127	0	18	0	0
Total		19	145	0	127	0	18	0	0

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ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2013

Nature of Liability	Opening Balance 1 April 2012 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelle d/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2013 R'000
Claims against the department					
Social security claims	742	0	742	0	0
Security service	203	0	0	0	203
Vehicle accidents	183	114	35	0	262
Breach of contract	52	2,346	52	0	2,346
SA Underwriters	18	0	0	0	18
Amalia Interior	60	0	0	0	60
Injury on duty	300	0	0	0	300
Subtotal	1,558	2,460	829	0	3,189
Total	1,558	2,460	829	0	3,189

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 3
CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Welfare Limpopo	0	0	6	68	6	68
SARS	0	0	7	7	7	7
National Social Development	0	0	330	348	330	348
Government Employee Pension	0	0	0	0	0	0
SASSA	0	0	18	0	18	0
Department of Agric and land Admin	0	0	0	13	0	13
Department of Education	0	0	15	16	15	16
Limpopo Health	0	0	0	0	0	0
Mpu: Public works Rods and transport	0	0	0	3	0	3
Subtotal	0	0	376	455	376	455
Total	0	0	376	455	376	455

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**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Public works (Mpumalanga)	0	164	0	6	0	170
Department of Justice	0	82	0	121	0	203
Finance Gauteng	0	147	0	0	0	147
Palama	0	0	111	0	111	0
Government Printing Works	0	0	3	0	3	0
Agriculture, Rural Development and Land Administration	14	0	4		18	
South African Police Service	6				6	
Subtotal	20	393	118	127	138	520
Total	20	393	118	127	138	520

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**ANNEXURE 5
INVENTORY**

Inventory	Note	Quantity	2012/13	Quantity	2011/12
			R'000		R'000
Opening balance		9,205	946	14 590	1,802
Add/(Less): Adjustments to prior year balance		0	0	3	57
Add: Additions/Purchases - Cash		101,104	25,895	135 059	23,804
Add: Additions - Non-cash		24	0	325	34
(Less): Disposals		(391)	(145)	0	0
(Less): Issues		(102,420)	(26,839)	(129,954)	(22,386)
Add/(Less): Adjustments		(2,546)	632	(10,818)	(2,365)
Closing balance		4,976	489	9,205	946

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**ANNEXURE 6
MOVEMENT IN CAPITAL WORK IN PROGRESS**

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	66,125	63,141	15,668	113,598
Dwellings	0	0	0	0
Non-residential buildings	66,125	63,141	15,668	113,598
Other fixed structures	0	0	0	0
TOTAL	66,125	63,141	15,668	113,598